

CIN: L15499TG1991PLC013515

05.10.2017

To
The Corporate Relationship Department
BSE Limited
P J Towers, Dalal Street Fort,
MUMBAI.

Dear Sir,

Sub: Submission of Annual Report for the Financial Year 2016-17 - Reg

Script Code: 530617

With reference to above cited subject, we are herewith enclosing Annual Report of the Company for the Financial Year 2016-17 pursuant to Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

This is for you kind information and necessary records.

Thanking you,

Yours Truly,
For **SAMPRE NUTRITIONS LIMITED**


B K GURBANI
Chairman & Managing Director



Encl: As Above

SSDN



SAMPRE NUTRITIONS LTD

TWENTY SIXTH ANNUAL REPORT
2016-2017

CORPORATE INFORMATION

BOARD OF DIRECTORS

SRIB K GURBANI	:	Chairman and Managing Director
SMT MEERA BRAHMA GURBANI	:	Non-Executive Director
SRI BANALA JAYAPRAKASH REDDY	:	Independent Director
SMT UMRA SINGH SIROHI	:	Independent Director
SRI VISHAL RATAN GURBANI (w.e.f 21.08.2017)	:	Vice President (Additional Director)
SRI VAMSHI SRINIVAS VEMPATI	:	Chief Financial Officer

<u>AUDITORS</u>	:	M/s. RRK & Associates Chartered Accountants #A04, IFF The Annexe, Near Hitech City Rly Station 13th Phase, KPHB Hyderabad – 500 085
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<u>BANKERS</u>	:	The Cosmos Co-Op Bank Ltd Secunderabad
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<u>REGISTERED OFFICE</u>	:	Plot No. 133, Industrial Estate, Medchal – 501 401, Telangana, India Phone: 08418 - 222427/28 Fax: 08418 - 222429 E-Mail: gurbani@gurbanigroup.in Website: www.sampreltd.com
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<u>REGISTRAR & SHARE TRANSFER AGENTS</u>	:	M/s. Big Share Services Pvt. Ltd. 306, 3rd Floor, Right Wing, Amrutha Ville, Opp. Yashoda Hospital, Raj Bhavan Road Somajiguda, Hyderabad – 82. Ph : 040-40144582 Email: bsshyd1@bigshareonline.com
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<u>LISTED AT</u>	:	The BSE Limited
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BOARD COMMITTEES:

Audit Committee:	:	Mr. Banala Jayaprakash Reddy (Chairman) Mrs. Umra Singh Sirohi Mrs. Meera Gurbani
Nomination and Remuneration Committee	:	Mr. Banala Jayaprakash Reddy (Chairman) Mrs. Umra Singh Sirohi Mrs. Meera Gurbani
Stakeholders Relationship Committee:	:	Mrs. Meera Gurbani (Chairman) Mr. Banala Jayaprakash Reddy

NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of the Company will be held on **Tuesday, 26th September, 2017 at 10:30 A.M.** at Lions Club Conference Hall, LIC Building, 01st Floor, Paradise Circle, Secunderabad – 500 003 to transact the following items of business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements:

To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 along with the Reports of the Board of 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 APPOINT MR. VISHAL RATAN GURBANIS AS DIRECTOR OF THE COMPANY:

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

"RESOLVED THAT pursuant to Sections 152 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, **Mr. Vishal Ratan Gurbani** (DIN: 07738685), who was appointed as Additional Director by the Board in their meeting held on 21st August, 2017 under Section 161 of Companies Act, 2013 and who holds office up to date of this Annual General Meeting and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Directorship, be and is hereby appointed as Director of the Company, liable to retire by rotation."

5. TO RATIFY APPOINTMENT & REMUNERATION OF MR. VISHAL RATAN GURBANI AS WHOLE-TIME DIRECTOR OF THE COMPANY:

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V and all other applicable provisions of the Companies Act, 2013, if any, consent of the members of the Company be and is hereby accorded for appointment of Mr. Vishal Ratan Gurbani (DIN: 07738685) as Whole time Director and designated as Vice President of the Company, for a period of 5 (Five) years with effect from 21.08.2017 at a remuneration of 9,00,000 (Rupees Nine Lakhs only) per annum, as recommended by Nomination and Remuneration committee, with such yearly increment on time scale basis as may be decided by the board from time to time, provided that such remuneration does not exceed the limits specified under Section 197 read with Schedule V of the Act."

“FURTHER RESOLVED THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment, including the components of the above mentioned remuneration payable to him subject to provisions of the Act.”

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

Place : Medchal
Date : 21.08.2017

Sd/-
B K GURBANI
Chairman and Managing Director
DIN: 00318180

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.

Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.

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 the provisions of Section 102(1) of the Companies Act, 2013 is forming part of this Notice.
3. Additional information pursuant to Regulation 36 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking appointment/re-appointment at the AGM and directors liable to retire by rotation and seeking re-election is contained in the Statement annexed to Notice. The Directors have furnished the requisite consents/declarations for their appointment/re-appointment as per Companies Act, 2013 and rules thereunder.
4. 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.
5. 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.
6. The Register of Members and Share Transfer Books of the Company will be remain closed from **Thursday, 21st September, 2017 to Tuesday, 26th September, 2017** (both days inclusive)
7. 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.
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. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form. Therefore, it shall be mandatory for the transferee(s) to furnish a copy of the PAN card to M/s. Big Share Services Pvt Ltd for registration of such transfers. Members/Investors are therefore requested to make note of the same and submit their PAN card copy to M/s. Big Share Services Pvt Ltd.
11. Members who are still holding shares in physical form are advised to dematerialize their shareholding to avail of the benefits of dematerialization which include easy liquidity since trading is permitted only in dematerialized form, electronic transfer, savings in stamp duty, prevention of forgery, etc.
12. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9:00 A.M. to 5:00 P.M.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.
13. Members/Proxies should bring the duly filled Attendance slip enclosed herewith to attend the Meeting.
14. **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, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the members to exercise their right to vote at the 26th Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-voting platform provided by Central Depository Services (India) Limited (CDSL). The facility of voting through ballot paper will also be made available at the AGM and member attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Member who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The Instructions for e-voting are annexed to the Notice.

The instructions for e-voting are as under:

- a. Use the following URL for e-voting: CDSL website: <https://www.evotingindia.com>.
- b. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on **16th September, 2017** may cast their vote electronically.
- c. Click on Shareholders.
- d. The shareholders can login to the e-Voting system using their user-id (i.e. demat account number), PAN and Date of Birth (DOB) or Bank account number mentioned for the said demat account or folio.
- e. Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- f. Next enter the Image Verification as displayed and Click on Login.

- g. Follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)-</p> <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Bank Account or Date of Birth (DOB)	<p>Enter the Bank Account or Date of Birth (DD/MM/YYYY format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> ● If both the details are not recorded with the depository or company please enter the member id / folio number in the Bank details field as mentioned in instructions (d).

- h. After entering these details appropriately, click on “SUBMIT” tab.
- i. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- j. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- k. Click on the EVSN for **Sampre Nutritions Limited** on which you choose to vote.
- l. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- m. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- n. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- o. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- p. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- q. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- r. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android

based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

s. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- t. The Portal will be open for voting from 9 A.M. on **Friday, 22nd September, 2017 to 5 P.M. on Monday 25th September, 2017.**
- u. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- 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 Scrutinizer, after scrutinizing the votes cast at the meeting (Insta Poll) and through remote e-voting, will, not later than forty eight hours of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company and on the website of CDSL. The results shall simultaneously be communicated to the Stock Exchanges.
- IV. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 26, 2017.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 4:

The Board of Directors at their meeting held on 21st August, 2017 co-opted Mr. Vishal Ratan Gurbani as Additional Director on the Board under Section 161 of Companies Act, 2013 and he shall hold office up to the date of ensuing AGM. Further company is in receipt of notice U/s 160 of the act proposing his candidature alongwith requisite deposit for appointment as director of the company, liable to retire by rotation.

The Resolution is commended for approval of the members. Except the director concerned and Mr. B K Gurbani and Ms. Meera Gurbani, none of the other Directors are in any way concerned or interested in the said resolution.

Item No. 5:

The Board of Directors at their meeting held on 21st August, 2017 appointed Mr. Vishal Ratan Gurbani as a Whole-time Director of the Company with effect from 21.08.2017 for a period of five years with effect from the said date and designated him as Vice-President of the Company.

Pursuant to Section 196, 197 of the Companies Act, 2013, the terms and conditions of appointment of Whole- Time Director and remuneration payable are required to be approved by the members in the General Meeting. Further In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of office, the payment of remuneration shall be governed by the limits prescribed under section II of part II of Schedule V to the Companies Act, 2013, including any statutory modification or re-enactment thereof, for the time being in force.

The approval of the members is being sought to the terms, conditions and stipulations for the appointment of Mr. Vishal Ratan Gurbani as the Whole time Director at a remuneration of Rs. 9,00,000 (Rupees Nine Lakhs Only) per annum, as recommended by Nomination and Remuneration Committee, with such yearly increment on time-scale basis as may be decided by the Board from time to time. The aggregate of the salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under sections 197 read with Schedule V and other applicable provisions of the Companies Act, 2013.

Statement pursuant to Schedule-V of the Companies Act, 2013

I. General Information															
Nature of industry	Sampre Nutritions Limited is engaged in the manufacture of complete range of confectionery, eclairs, candies, toffees, powder and centre filled products.														
Date or expected date of commencement of commercial production	The Company was incorporated in the year 1991 and is already in commercial production for long.														
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable.														
Financial performance based on given indicators	The details of financial performance of the Company for the years 2015-16 and 2016-17 are provided in the Annual Report 2017 which accompanies this Notice.														
Foreign investments or collaborations, if any	Nil.														
II. Information about the appointee															
Background details	Mr. Vishal Ratan Gurbani holds Masters degree in Business Administration.														
Past remuneration	Rs. 9 Lakhs Per Annum														
Recognition or awards	He joined Gurbani Group during the year 2010 as Manager - Administration. Under his Guidance, M/s. Sampre Nutritions Ltd has successfully developed new products for in- house and for other Multi National Companies such as M/s. Dharampal Satyapal Ltd, M/s. Alkem Labs Ltd and M/s. Patanjali Ayurved Ltd etc.,														
Job profile and her suitability	He is responsible for supervision and functioning including activities of Purchase/ Banking and Other Commercial Activities of the Company, handling day to day affairs, regularly reporting to the Board on the activities.														
Remuneration proposed	<p>The proposed remuneration of Rs. 9.00 Lakhs per Annum, comprise of</p> <table border="1"> <thead> <tr> <th colspan="2">Amount in Rupees</th></tr> </thead> <tbody> <tr> <td>Monthly basic salary</td><td>37,500</td></tr> <tr> <td>HRA</td><td>15,000</td></tr> <tr> <td>LTA</td><td>5,000</td></tr> <tr> <td>Medical</td><td>1,250</td></tr> <tr> <td>Conveyance</td><td>1,600</td></tr> <tr> <td>Other Allowances</td><td>14,650</td></tr> </tbody> </table> <p>It is fully justifiable and profile with respects to comparable to that prevailing in the industry, keeping in view the profile and the position of confectionery industry and size of the Company.</p>	Amount in Rupees		Monthly basic salary	37,500	HRA	15,000	LTA	5,000	Medical	1,250	Conveyance	1,600	Other Allowances	14,650
Amount in Rupees															
Monthly basic salary	37,500														
HRA	15,000														
LTA	5,000														
Medical	1,250														
Conveyance	1,600														
Other Allowances	14,650														
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Vishal Gurbani is son of Brother of Mr. B K Gurbani, Managing Director of the Company														
III. Other Information															
Reasons of loss or inadequate profits	The chocolate confectionery segment is dominated by a large number of MNCs and organized confectionery manufacturers. Company is mainly engaged in Contract manufacturing of confectionery products and margins are less in contract manufacturing compared to selling of products on its own, but marketing own product in the market dominated by MNCs requires to spend on marketing and withstand fierce competition from them.														
Steps taken or proposed to be taken for improvement	<p>The Company is taking all efforts to improve efficiency in manufacturing and save cost wherever possible and also increasing production capacity to increase revenue.</p> <p>Further company continues to focus on product innovations, upholding of its high quality standards, increase in its capability to market its own products.</p>														
Expected increase in productivity and profits in measurable terms	The management has adopted focused and aggressive business strategies in all spheres of functions to improve the sales own product and profitability of the Company. Considering the present business scenario, the Company is expecting increase in revenue and profitability. The Management is confident of keeping a higher growth ratio in the period to come.														

Except Mr. B K Gurbani and Ms. Meera Gurbani, none of the Directors are in any way concerned or interested in the said resolution.

Additional information on Directors recommended for appointment / re-appointment as require under Regulation 36 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

Name of Director	Mrs. Meera Brahma Gurbani	Mr. Vishal Ratan Gurbani
DIN No.	00318319	07738685
Age	64 Yrs	28 Yrs
Date of First Appointment	27.09.1997	21.08.2017
Nature of Expertise in specific functional area	She is actively involved in social activities, especially in the field of upliftment of poor children. As a Director of the Company, she is advising in HR Activities and welfare of workers.	As Detailed in Note 5 of Explanatory Statement U/s 102 of the companies act, 2013.
Disclosure of relationships between directors inter-se	Mrs. Meera Gurbani is wife of Mr. B K Gurbani, Managing Director of the Company	Mr. Vishal Gurbani is son of Brother of Mr. B K Gurbani, Managing Director of the Company
Names of the listed companies in which the person holds the directorship and the membership of committees of the Board	Nil	Nil
No. of Shares held in the company	5,30,762	Nil
Qualification	Intermediate	Post Graduate

DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the Twenty Sixth Annual Report together with the Audited financial statements for the year ended 31st March, 2017.

1. REVIEW OF PERFORMANCE:

(Amount in Lakhs)

Particulars	Current Year 31.03.2017	Previous Year 31.03.2016
Income (Including Other Income)	3366.36	4515.32
Expenses (Including exceptional items)	3060.59	4234.68
Profit/(Loss) before Interest, Depreciation & Tax (PBITDA)	305.77	280.64
Finance Charges	110.81	64.03
Depreciation & amortization	128.70	115.48
Net Profit/(Loss) Before Tax	66.26	101.12
Provision for tax including Deferred Tax	21.09	15.25
Net Profit/(Loss) after tax	45.17	85.87
Add / (Less): Share of Profit / (Loss) on Associate Companies	-	-
Add / (Less): Minority Interest - Share of Profit / (Loss)	-	-
Net Profit / (Loss)	45.17	85.87
Basic	0.94	1.78
Diluted	0.94	1.78

2. OPERATIONAL REVIEW:

During the year under review the company has achieved turnover of Rs. 33.67 Crores as compared to Turnover of Rs. 45.15 Crores achieved during the last financial year and consequently there is decline profits of the company corresponding to decline in turnover. During the financial year company continued the contract manufacturing of "Eclairs" for M/s. Mondelez Foods India Pvt Ltd and "Pulse" for Dharampal Satyapal (DS) Group. Candy sales are on the fast track but the chocolate eclair and soft toffee category is struggling because margins are low due to the premium nature of the product which is main cause for decline in turnover of the company.

Mondelez International commissioned the first phase of its largest Asia-Pacific manufacturing facility coming up in Andhra Pradesh's Sri City. The factory that has been set up with an initial investment of \$190 million is the seventh in India for the maker of Cadbury Dairy Milk chocolates, this has affected companies contract volume with the M/s. Mondelez Foods India Pvt Ltd

Your company has been looking for alternate contracts to compensate the lesser volumes from M/s. Mondelez Foods India Pvt Ltd and your directors are happy inform company has entered into Loan License agreement with M/s Divya Pharmacy, a business undertaking of Divya Yog Mandir Trust, part of Patanjali Group, one of the fast growing FMCG of the Company for manufacturing of "Divya Cough Drops".

Further Company has also entered into Manufacturing Contract with M/s Patanjali Ayurved Limited in March 2017 for Hard Boiled Candy – Kacha Aam Hi Kick and is hopeful of clocking the turnover of around 20 Crores, to begin with, during the approaching financial year.

3. DIVIDEND:

Your directors do not recommend any dividends for the financial year 2016-17, as profits are planned to be ploughed back into the business operations of the Company.

4. DEPOSITS:

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

5. SUBSIDIARY/ASSOCIATE COMPANIES:

Your Company did not have any subsidiary or Associate Company during the financial year ended on 31st March, 2017.

In accordance with the provisions of Section 136 of the Companies Act 2013, the audited financial Statements and related information of the Company are available on our website. The said information is also available for inspection at the Registered Office of the company during business hours and separate copy of such statements will be provided at the request of the members.

6. PARTICULARS OF EMPLOYEES:

The information as required under the provisions of Section 197(12) of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time is attached herewith as Annexure 1.

7. 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 31st March, 2017, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any, there from;
- 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 31st March, 2017 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 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.

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

I) Board Meetings:

The Board of Directors of the Company met 07 times during the year 2016-17. The gap intervening between two meetings of the board is as prescribed in the Companies Act, 2013. The detail of number of meetings attended by each director is as follows:

S. No.	Names of Directors	Board Meetings						
		22.04.2016	30.05.2016	12.08.2016	03.10.2016	14.11.2016	14.02.2017	20.03.2017
1.	B K Gurbani	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2.	Meera B Gurbani	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Banala Jayaprakash Reddy	No	Yes	Yes	No	Yes	Yes	No
4.	Umra Singh Sirohi	Yes	Yes	Yes	Yes	Yes	Yes	Yes

ii) Changes in Directors & Key Managerial Personnel:

During the year, there were no changes in the composition of the Board of Directors.

iii) Re-Appointment/Appointment:

Mr. Vishal Ratan Gurbani was appointed as Additional Director on the Board w.e.f 21st August, 2017 under section 161 of Companies Act, 2013 and he hold the office up to the date of ensuing AGM. Further company is in receipt of notice U/s 160 of the act proposing his candidature for appointment as director of the company and the Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that Mr. Vishal Ratan Gurbani is eligible for being appointed as Director, Hence recommend his 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.

iv) Independent Directors:

The following Independent Directors who were appointed at the 23rd Annual General Meeting held on 27th 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. Mr. Banala Jayaprakash Reddy
2. Mrs. 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.

v) Board Committees:

The Company has the following Committees of the Board:

(a) 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. Umra Singh Sirohi - Member
3. Mrs. Meera Gurbani - Member

The committee met Four times during the financial year 30.05.2016, 12.08.2016, 14.11.2016 and 14.02.2017 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	4	4
3	Umra Singh Sirohi	Member	4	4

Terms of Reference:

- The recommendation 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.

Audit Committee Recommendation:

During the year, all the recommendations of the Audit Committee were accepted by the Board.

(b) 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, positive attributes, independence of directors and recommend to the board a policy relating to the remuneration of the directors, Key Managerial Employees and other employees.

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
3. Mrs. Umra Singh Sirohi - Member

Meetings and Attendance during the year:

The committee met One time during the financial year on 30.05.2016 attendance of each Member of Committee is as follows.

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

Remuneration Policy and details of remuneration paid to the Directors:

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 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 31.03.2017 to Managing Director is as under:

Name	Designation	Remuneration paid/to be paid for Financial year 2016-17 (in ₹.)		
		Salary & Perks	Commission	Total
B K Gurbani	Chairman & Managing Director	15.00 Lakhs	--	15.00 Lakhs

(C) Stakeholders Relationship Committee:

Composition of Stakeholders Relationship Committee is as follows:

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;

vi) Vigil Mechanism:

The Company has established a whistle-blower policy and also established a mechanism for Directors and employees to report their concerns.

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 to the Chairman of the Audit Committee. We affirm that during the Financial Year 2016-17, no employee has been denied access to the Audit Committee.

vii) Related Party Transactions:

The related party transactions that were entered into during the financial year were on an arm's length basis and there no material related party transactions made by the Company with Directors and other related parties which may have potential conflict with the interest of the company.

Details of the related party transactions as required pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 is attached herewith as **Annexure - 2**.

9. AUDITORS:

At the 23rd Annual General Meeting held on 27th 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.

The Auditors' Report for fiscal 2017 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this annual report.

10. SECRETARIAL AUDITORS:

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, Practicing Company Secretaries, to conduct Secretarial Audit of the Company for the Financial Year 2016-17. The Secretarial Audit Report for Financial year 2016-17 is herewith appended as **Annexure 3** 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.

11. SIGNIFICANT AND MATERIAL DISORDERS:

There are no significant and material disorders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in the future.

12. EXTRACT OF ANNUAL RETURN:

In accordance with Section 134(3)(a) of the Companies Act, 2013, and extract of Annual Return in Form MGT 9 is annexed herewith as **Annexure 4** to the Boards' Report.

13. 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.

14. 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 5** to this Report.

15. 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.

16. MANAGEMENT DISCUSSION & ANALYSIS REPORT :

As per Regulation 34 (2) and para B of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis report is attached and forms part of this report, as **Annexure 6**.

17. 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.

18. 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.

19. 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 the Order of the Board
For **SAMPRE NUTRITIONS LIMITED**

Sd/-

B K GURBANI

Chairman & Managing Director

DIN: 00318180

Sd/-

MEERA GURBANI

Director

DIN: 00318319

Place : Medchal

Date : 21.08.2017

Annexure - 1**Statement under section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:****I. Remuneration details of Directors and Key Managerial Personnel (KMPs)**

Name of the Director	Designation	% increase in remuneration over last year	Ratio of Remuneration of Directors with Median Remuneration of employees
a) Executive Director			
Brahma Kishanchand Gurbani	Managing Director	NA	8.50
b) Non – Executive Director			
Banala Jayaprakash Reddy	Independent Director	-44%	0.21
Umra Singh Sirohi	Independent Director	-44%	0.21
Meera Brahma Gurbani	Non-executive Director	-29%	0.22
c) KMP			
Vamshi Srinivas Vempati	CFO	NA	4.50

- II. Total employees on the payroll of the Company : 75
- III. Percentage increase in the median remuneration of employees during FY 2016-17 and Remuneration of Managerial Personnel Vis a Vis other employees: **The average increase every year is an outcome of the Company's market competitiveness, salary benchmark survey, inflation and talent retention.**
- IV. Pursuant to Rule 5(1)(xii) of the companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, it is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- V. Details of top ten employees of the companies in terms of remuneration drawn during the year including the details of remuneration of employees who, if employed throughout the year, were in receipt of remuneration at the rate of not less than Rs.1,02,00,000/- per annum or if employed for part of the year, were in receipt of remuneration at the rate of not less than Rs. 8,50,000/- per month - **NIL**

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at Arm's length basis.

Sl. No.	Particulars	Details
a.	Name (s) of the related party & nature of relationship	Nil
b.	Nature of contracts/arrangements/transaction	Nil
c.	Duration of the contracts/arrangements/transaction	Nil
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e.	Justification for entering into such contracts or arrangements or transactions'	Nil
f.	Date of approval by the Board	Nil
g.	Amount paid as advances, if any	Nil
h.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

Details of contracts or arrangements or transactions at Arm's length basis.

S. No.	Particulars	Details
a.	Name (s) of the related party & Nature of relationship	M/s. Royes Industries Limited Enterprise in which Directors have significant influence
b.	Nature of contracts / arrangements / transaction	Lease Agreement dated 24.04.2015 & Addendum to Lease Agreement dated 08.11.2016
c.	Duration of the contracts/ arrangements/ transaction	8 years commencing from 21 st April, 2015
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	Lease Rental of Rs. 5,00,000/- p.m towards factory premises alongwith Plant and Machinery
e.	Date of approval by the Board	27.03.2015
f.	Amount paid as advances, if any	Advance of Rs. 53,82,353/- paid as Security Deposit

**Form No. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2017

*[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 our 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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2017 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 31st March, 2017 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. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. 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 amended to Securities And Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 w.e.f from 16th May 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 amended to Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 herein referred as Listing Regulations w.e.f 02nd September, 2015.(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.*

vi. 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 the compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Regulations of SEBI (LODR) regulation, 2015.

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 at least 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' 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, regulation and guidelines.

For V K Bajaj & Associates
Company Secretaries

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

Place : Hyderabad
Date : 21.08.2017

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.

For **V K Bajaj Associates**
Company Secretaries

Place : Hyderabad
Date : 21.08.2017

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

ANNEXURE - 4

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.03.2017

[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	L15499TG1991PLC013515
2. Registration Date	03.12.1991
3. Name of the Company	SAMPRE NUTRITIONS LIMITED
4. Category / Sub-Category of the Company	Company Limited By Shares / Indian Non-Government Company
5. Address of the Registered office and contact details	Plot No. 133, Industrial Estate, Medchal – 501 401 Telephone: 08418 - 222427/28 Fax: 08418 - 222429 E-mail: gurbani@gurbanigroup.in
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 rd Floor, Right Wing, Amrutha Ville, Opp. Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad – 500 082 Phone: 040 – 40144582 e-mail: bsshyd1@bigshareonline.com

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:-

S No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Manufacture of sugar confectionery	15432	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
NIL					

IV. 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. 01/04/2016				No. of Shares held at the end of the year i.e. 31/03/2017				% 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	2572563	53.37	2572563	0	2572563	53.37	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Bank/FI	0	0	0	0	0	0	0	0	0
f) Any Other...	0	0	0	0	0	0	0	0	0
Sub – Total (A) (1):-	2572563	0	2572563	53.37	2572563	0	2572563	53.37	0
(2) Foreign									
a) NRIs –Individual	0	0	0	0	0	0	0	0	0
b) Other- Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Crop.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other...	0	0	0	0	0	0	0	0	0
Sub - Total (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	2572563	0	2572563	53.37	2572563	0	2572563	53.37	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) Sate Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others(specify)	0	0	0	0	0	0	0	0	0
(i-a) Foreign Portfolio Investor -II	0	0	0	0	0	0	0	0	0
Sub-total (B) (1):-	0	0	0	0	0	0	0	0	0
2.Non- Institutions									
a) Bodies Corp.									
i) Indian	54370	2600	56970	1.18	59375	2600	61975	1.29	+0.11
ii) Overseas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Individual									
i) Individual shareholders holding nominal share capital uptoRs. 1 lakh	933810	446722	1380532	29.91	979122	102100	1081222	22.43	-7.48
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakhs	490830	0	490830	8.92	481352	334072	815424	16.92	+8.00
c) Other (specify)									
(c-i) Clearing Members	6675	0	6675	0.14	44504	0	44504	0.92	+0.78
(c-ii) Non-Resident Indians	99530	212900	312430	6.48	49412	194900	244312	5.07	-1.41
Sub - Total (B) (2):-	1584815	662622	2247437	46.63	1613765	633672	2247437	46.63	0.00
Total Public Shareholding (B) = (B)(1)+ (B)(2)	1584815	662622	2247437	46.63	1613765	633672	2247437	46.63	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	4144378	675622	4820000	100	4186328	633672	4820000	100	0

ii) Shareholding of Promoters:

S. No.	Names of the Shareholders'	Share Holding at the beginning of the year			Share Holding at the end of the Year			% 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	9,16,016	19.00	0	0
2.	Saritha B Gurbani	7,61,762	15.80	0	7,61,762	15.80	0	0
3.	Meera B Gurbani	5,30,762	11.01	0	5,30,762	11.01	0	0
4.	Saraswathi Gurbani	2,22,023	4.61	0	2,22,023	4.61	0	0
5.	Deepa Gurbani	1,42,000	2.95	0	1,42,000	2.95	0	0
Total		25,72,563	53.37	0	25,72,563	53.37	0	0

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
Nil						

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.	Dheeraj Kumar Lohia	At the beginning of the year	74774	1.55	31.03.2017	71774	1.48
		At the end of the year	71774	1.48			
2.	Tanvi Jignesh Mehta	At the beginning of the year	49364	1.02	31.03.2017	55907	1.15
		At the end of the year	55907	1.15			
3.	Anil Madanlal Raika	At the beginning of the year	---	0.00	31.03.2017	54000	1.12
		At the end of the year	54000	1.12			
4.	Subhadra Ramesh Shah	At the beginning of the year	38700	0.80	31.03.2017	38700	0.80
		At the end of the year	38700	0.80			
5.	Ramit Rajinder Bhardwaj	At the beginning of the year	10645	0.22	31.03.2017	28812	0.59
		At the end of the year	28812	0.59			
6.	Kailashben Ashokkumar Patel	At the beginning of the year	25000	0.51	31.03.2017	27500	0.57
		At the end of the year	27500	0.57			
7.	Raj Kumar Agarwal	At the beginning of the year	---	0.00	31.03.2017	20000	0.41
		At the end of the year	20000	0.41			
8.	Lekhya Kantheti	At the beginning of the year	---	0.00	31.03.2017	20000	0.41
		At the end of the year	20000	0.41			
9.	Mahesh T Ahuja	At the beginning of the year	---	0.00	31.03.2017	19050	0.39
		At the end of the year	19050	0.39			
10.	Sushila Ishvarlal Shah	At the beginning of the year	16017	0.33	31.03.2017	16600	0.34
		At the end of the year	16600	0.34			

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	01.04.2016	-	-	9016016	19.00
		9016016	19.00	31.03.2017	-	-	9016016	19.00
2.	Meera B Gurbani	5,30,762	11.01	01.04.2016	-	-	5,30,762	11.01
		5,30,762	11.01	31.03.2017	-	-	5,30,762	11.01
3.	Banala Jayaprakash Reddy	-	-	01.04.2016	-	-	-	-
		-	-	31.03.2017	-	-	-	-
4.	Umra Singh Sirohi	-	-	01.04.2016	-	-	-	-
		-	-	31.03.2017	-	-	-	-
5.	Vamshi Srinivas Vempati	-	-	01.04.2016	-	-	-	-
		-	-	31.03.2017	-	-	-	-

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
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,90,06,926	-	-	7,90,06,926
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	7,90,06,926	-	-	7,90,06,926
Change in Indebtedness during the financial year				
Addition / (Reduction)	2,75,65,954	-	-	2,75,65,954
Net Change	2,75,65,954	-	-	2,75,65,954
Indebtedness at the end of the financial year				
i) Principal Amount	10,65,72,880	-	-	10,65,72,880
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	10,65,72,880	-	-	10,65,72,880

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	--	--
Total (A)		15,00,000	15,00,000
Ceiling as per the Act*		84,00,000	84,00,000

B. Remuneration to other directors:**(In ₹)**

Sl. No.	Particulars of Remuneration	Meera B Gurbani	Banala Jayaprakash Reddy	Umra Singh Sirohi	Total
1.	Independent Directors				
	• Fee for attending board / committee meetings	-	40,000	40,000	80,000
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
Total (1)		-	40,000	40,000	80,000
2.	Other Non-Executive Directors				
	• Fee for attending board / committee meetings	40,000	-	-	40,000
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
Total (2)		40,000	-	-	40,000
Total (B)=(1+2)		40,000	40,000	40,000	1,20,000
Total Managerial Remuneration					16,20,000
Overall Ceiling as per the Act*					84,00,000

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:**(In ₹)**

S. No.	Particulars of Remuneration	Vamshi Srinivas Vempati Chief Financial Officer	Total
1.	Gross salary (a+b+c)	8,52,000	8,52,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,52,000	8,52,000
	(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	-	-
	Total	8,52,000	8,52,000

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.

**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, when compared to size of the balance sheet.

B. TECHNOLOGY ABSORPTION:

- (i) the efforts made towards technology absorption : NIL
- (ii) the benefits derived like product improvement, cost reduction, production development or import substitute : NIL
- (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 : NIL

FOREIGN EXCHANGE EARNINGS AND OUTGO :

(Amount in ₹)

Particulars	March 31, 2017
Foreign exchange earnings	65,85,840/-
Foreign exchange outgo	Nil

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDIAN ECONOMY

While the global economies continued to witness slow growth during the current year as well, the Indian economy on a macro basis stayed fairly robust. The below par performance of global economy was reflected in a continued slowdown in growth in most emerging and developing economies, driven by weaker capital inflows and a subdued global trade. India, however, was one of the faster growing large economies in the world, with a currency that performed better than most other emerging market currencies.

There was a significant upturn in commodity prices after a year of deflation. Consumer spending remained subdued during the early part of the year impacted by two years of drought. The gradual recovery of the market was temporarily impacted by adverse liquidity conditions post demonetisation and especially in the December quarter. Overall, this was a year of moderate growth rates across FMCG categories.

Given the backdrop of slow market growth, volatile input cost environment and heightened competitive intensity, the operating environment for your Company during the year continued to be challenging. Your Company's performance for the year 2016-17 has to be viewed in the context of aforesaid economic and market environment.

INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Indian Sugar Confectionery industry is benefitting 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 found shopping mall culture. Based on type, the Confectionery market is categorized into sugar, chocolate, fine bakery wares, and others. In terms of sugar confectionery, the market is divided into hard-boiled sweets, caramel & toffees, gums & jellies, medicated confectionery, mints, and others. Chocolate confectionery is subsegmented into white, milk, and dark chocolate.

OUTLOOK OF THE HARD BOILED CANDY MARKET:

[Pulse candy](#) has become the biggest player in the [hard-boiled candy](#) (HBC) market, doubling its sales to Rs 326 crore in 2016-17 over the previous year, as per Nielsen data. Pulse, a centre-filled sugar candy, is closely followed by Indonesian coffee-flavoured brand [Kopiko](#) at around Rs 306 crore. This mirrors a trend of hard-boiled candies driving the Rs 8,500-crore (\$1.3-billion) Indian confectionery market with other prominent categories such as eclairs and gums showing sluggish growth due to lack of innovation. From being just a third of the overall confectionery market last year, HBCs currently account for nearly half of the total confectionery market, according to Nielsen.

The HBC segment has strong sub-categories such as lacto candies, cough lozenges and digestive candies and most major players are present in that category. It has grown so big that when a new player comes in and studies the market, it decides to launch in that particular segment instead of innovating in others.

The confectionery space in India is known by certain distinct characteristics - highly price sensitive, extremely low value, and a distribution driven market. With major players such as Nestle, Hindustan Lever and Gujarat Co-operative Milk Marketing Federation eyeing this space for a

bigger bite of the pie, competition is expected to heat up. Since the pocket money of children accounts for a bulk of confectionery purchases, pricing is low and generally under Re. 1. Prices of key brands have been more or less constant over the past five years, leading to a massive pressure on margins.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS:

Innovations, new launches of brands and variants are driving candies segment growth to a 15% level, almost double the rate at which confectionery category is growing, product innovation in terms of formulations, processing, and packaging is the major factor that drives the growth of the confectionery industry.

The Indian confectionery market is very different from the global market. The trade is significantly different with the global market relying heavily on organised trade. In India, unorganised mom and pop retail outlets such as paan shops and kirana outlets result in the bulk of sales. Organised trade is still insignificant in terms of sales. Functional products and sugar free confectionery dominate the world-wide market, while that trend is yet to pick up in India.

The GST in India was implemented w.e.f from 1st July 2017, thereby pushing forward this biggest tax reform to the next level

PERFORMANCE:

At the instance, during the year 2016-17, our total turnover is Rs. 3358.17 Lakhs from Rs. 4508.92 Lakhs in the previous year and total Profit earned Rs. 45.17 Lakhs from Rs. 85.87 Lakhs in the previous year.

Your company has been looking for alternate contracts to compensate the lesser volumes from M/s. Mondelez Foods India Pvt Ltd and your directors are happy inform company has entered into Loan License agreement with M/s Divya Pharmacy, a business undertaking of Divya Yog Mandir Trust, part of Patanjali Group, one of the fast growing FMCG of the Company for manufacturing of "Divya Cough Drops".

Further Company has also entered into Manufacturing Contract with M/s Patanjali Ayurved Limited in March 2017 for Hard Boiled Candy – Kacha Aam Hi Kick and is hopeful of clocking the turnover of around 20 Crores, to begin with, during the approaching financial year.

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.

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.

CAUTIONARY STATEMENT:

Statements made in this report describing the company's projections, estimates, expectations or predictions may be "forward looking" within meaning of applicable securities laws and regulations. Actual results may differ from such estimates whether expressed or implied. Factors which would make a significant difference to the company's operations include availability of quality raw material, market prices of other important raw materials like milk powder, vegetable fat etc., changes in Government regulations and tax laws economic conditions affecting demand/supplies and other environmental factors over which the company does not have control.

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 **31st March 2017**, 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, 2017;
- 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, 2016 ("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, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, 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.
 - iv. The Company has provided requisite disclosure in of it's financial statements as to holding as well as dealing in Specified Bank Notes (SBN's) during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company.

For R R K & Associates

Chartered Accountants

FRN No. 09785S

Sd/-

R. Radha Krishna

Partner

M.No.210777

Date : 29-05-2017

Place : Hyderabad

Annexure 'A'
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.
 - c. According to the information and explanations given to us all the title deeds of immovable properties are held in the name of the company.
- 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.
 - a. The Company has granted unsecured Advances to the parties covered in the register maintained under section 189 of the Companies Act, 2013.
 - b. The terms of the loans granted above are not prejudicial to the interest of the company and repayments including interest thereon have been regular according to the schedule as stipulated there under.
 - iv. The Company has been complied with provisions of section 185 and 186 of the Companies Act, 2013 wherever applicable in respect of loans, investments, guarantees, and security.
 - v. The Company has not accepted any deposits from the public.
 - vi. We have broadly reviewed the cost records maintained by the Company pursuant to the rules made by the Central Government under section 148(1) of the companies Act, 2013 and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determine whether they are accurate or complete.
- 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 31st March, 2017 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, except for below mentioned, there are no dues in respect of VAT, Service Tax, Duty of Excise, 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 relates	Forum where pending
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 (Appeals)- Attended PH during June -2015.
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 31-01-2014, Remand back to Commissioner of Central Excise Appeals .
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.
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.
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 on 22.12.2014.
Central Excise Act, 1944	Excise Duty	Excise Duty on Freebies Paid Rs. 11,54,946/-.	From January-2013- Dec 2013	CESTAT, Bangalore, SCN:40/2014 issued 03-03-2014.Appeal filed on 24.07.2015
Central Excise Act, 1944	Excise Duty	Excise Duty on Freebies Payable Rs.95,96,005/-.	From Apr-2014- Dec 2014	O.R.No.101/2015-Adjn (Commr.) (C.E.), O.I.O No.HYD-EXCUS-004-COM-041-15-16 Dated: 15.10.2015.Appeal Filed on 11.02.2016.
Central Excise Act, 1944	Excise Duty	Excise Duty on Freebies Payable Rs.2,51,86,222/- .	From Apr-2014- Dec 2014	O.I.O No.HYD-EXCUS-0004-COM-017-15-16 Dated: 24.06.2015. Appeal Filed on 08.10.2015
Central Excise Act, 1944	Excise Duty	Excise Duty on PME Case Rs.212,09,684/-	From Jan- 2015 – Oct 2015	CESTAT
Central Excise Act, 1944	Excise Duty	Excise Duty on Valuation for Rs.86,23,672/-	F.Y.2010-11	DGCEI
Income Tax Act, 1961	Income Tax	Rs.42 Lakhs	A.Y.2005-06	CIT (A), Circle 3(1), Hyderabad

- viii. The Company has not defaulted in repayment of loans or borrowings to the financial institutions or banks or government or dues to debenture holders.
- ix. In our opinion, Term Loans were applied for the purpose for which the said loans were obtained.
- x. 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.
- xi. According to the records of the Company and on the basis of the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.
- xii. The Company is not a Nidhi Company.
- xiii. In our opinion, and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- xiv. In our opinion, and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. In our opinion, and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For RRK & Associates

Chartered Accountants

FRN No.09785S

Sd/-

R.Radha Krishna

Partner

M.No.210777

Date : 29-05-2017

Place : Hyderabad

Annexure - B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of Sampre Nutritions Ltd ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures

that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For RRK & Associates

Chartered Accountants

Firm Registration No. 09785S

Sd/-

R.Radha Krishna

Partner

M.No.210777

Date : 29-05-2017

Place : Hyderabad

SAMPRE NUTRITIONS LIMITED
BALANCE SHEET AS ON 31.03.2017

Amount in Rupees

PARTICULARS	Notes	AS ON 31.03.2017	AS ON 31.03.2016
Equity and liabilities			
Shareholders' funds			
Share capital	3	48,200,000	48,200,000
Reserves and surplus	4	50,779,043	46,261,750
		<u>98,979,043</u>	<u>94,461,750</u>
Share application money pending allotment	-	-	-
Non-current liabilities			
Long-term borrowings	5	67,758,270	38,941,099
Long-term provisions	6	-	-
Deferred Tax Liability (net)	11	4,050,552	4,606,789
		<u>71,808,823</u>	<u>43,547,888</u>
Current liabilities			
Short-term borrowings	7	58,776,260	35,103,939
Other current liabilities	8	30,098,000	63,318,776
Short-term provisions	6	1,873,955	1,722,411
		<u>90,748,215</u>	<u>100,145,126</u>
TOTAL		<u>261,536,080</u>	<u>238,154,764</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	90,843,242	90,133,981
Intangible assets		-	-
Capital Work in Progress	9A	55,764,332	38,600,483
Non-current investments	10	100,000	100,000
Deferred tax assets (net)	-	-	-
Long-term loans and advances	-	700,264	787,797
		<u>147,407,838</u>	<u>129,622,261</u>
Current assets			
Current investments		-	-
Inventories	14	35,912,764	24,901,948
Trade receivables	15	48,436,323	60,508,820
Cash and bank balances	16	2,741,310	2,331,067
Short-term loans and advances	12	27,037,845	20,790,669
Other current assets	-	-	-
		<u>114,128,242</u>	<u>108,532,503</u>
TOTAL		<u>261,536,080</u>	<u>238,154,764</u>

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 : 29-05-2017

for and on behalf of the Board

Sampre Nutritions Limited

Sd/-

(B K GURBANI)

Chairman & Managing Director

DIN: 00318180

Sd/-

(MEERA B GURBANI)

Director

DIN: 00318319

Sd/-

(V. VAMSHI SRINIVAS)

Chief Financial Officer

SAMPRE NUTRITIONS LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2017

Amount in Rupees

PARTICULARS	Notes	Year ended 31.03.2017	Year ended 31.03.2016
A. Income			
Revenue from operations	17	335,816,823	450,892,175
Other income	18	818,696	639,544
Total revenue (I)		336,635,519	451,531,718
Expenses			
Raw Material Consumed	19	213,692,782	302,044,584
Manufacturing Expenses	20	70,968,644	95,780,531
Increase or Decrease in WIP & Finished Goods	21	-	-
Employee benefit expenses	22	5,873,812	4,750,043
Finance costs	23	11,080,622	6,403,256
Other expenses	24	15,523,376	20,893,338
Depreciation and amortization expense	25	12,869,980	11,547,754
Preliminary Exp written off		-	-
Total expenses (II)		330,009,215	441,419,506
(Loss) / profit before tax (III)=(I)-(II)		6,626,304	10,112,213
Tax expenses			
Current tax		2,665,248	1,722,411
Deferred tax		(556,237)	(197,697)
(Excess)/short provision of tax relating to earlier years		-	-
Total tax expense (IV)		2,109,011	1,524,714
(Loss) / profit for the year (III)-(IV)		4,517,293	8,587,499
Less/Add: Prior Period Expenditure		-	-
Balance carried to Balance Sheet		4,517,293	8,587,499
Earnings per equity share			
Basic (Computed on the basis of total (loss) / profit for the year)		0.94	1.78
Diluted (Computed on the basis of total (loss) / profit for the year)		0.94	1.78

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

DIN: 00318180

Sd/-

(MEERA B GURBANI)

Director

DIN: 00318319

Place : Medchal

Date : 29-05-2017

Sd/-

(V. VAMSHI SRINIVAS)

Chief Financial Officer

SAMPRE NUTRITIONS LIMITED
NOTES TO BALANCE SHEET

Amount in Rupees

PARTICULARS	AS ON 31.03.2017	AS ON 31.03.2016
3. Share capital		
Authorized shares		
60,00,000 (March 31, 2017: 60,00,000) equity shares of	60,00,000	60,00,000
Issued, subscribed and fully paid-up shares		
48,20,000 (March 31, 2017: 48,20,000) equity shares of Rs.10/- each fully paid up	48,20,000	48,20,000
Total issued, subscribed and fully paid-up share	48,20,000	48,20,000

**(a) Reconciliation of the shares outstanding at the
beginning and at the end of the Equity Share**

	31-Mar-2017		31-Mar-2016	
	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	-	-	-	-
Outstanding at the end of the period	4,820,000	48,200,000	4,820,000	48,200,000

(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%

Equity shares of Rs.10 each fully paid	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	% holding	No. of Shares	% holding
1. Brahma 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 31.03.2017	AS ON 31.03.2016
4. Reserves and surplus		
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	42,561,750	32,394,251
Add: Profit/ (Loss) for the year	4,517,293	8,587,499
Less: Share of profit of firm already transferred	-	-
Add / Less : Transfer of Balances		1,580,000
Net surplus/ (deficit) in the statement of profit and loss	<u>47,079,043</u>	<u>42,561,750</u>
State Subsidy	-	-
Share Premium	3,700,000	3,700,000
Total reserves and surplus	<u>50,779,043</u>	<u>46,261,750</u>
5. Long-term borrowings		
Term Loans -		
From banks (Secured)		
- Term Loan (The Cosmos Co-Op Bank Ltd.)	44,928,152	41,504,755
- Vehicle Loans	28,68,468	23,98,232
	<u>47,796,620</u>	<u>43,902,987</u>
From - Related Parties	<u>24,611,650</u>	-
Less : Current Maturity shown under Other current Liabilities	4,650,000	4,961,888
	<u>67,758,270</u>	<u>38,941,099</u>
Notes		
1). Term Loan taken from The Cosmos Co-Op Bank Ltd has been secured by hypothecation of Industrial Land & Factory building along with Plant & Machinery		
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 default in repayment of loan and interest as at Balance Sheet.		
6. Provisions		
Short term provisions		
Provision for taxation (Net of advance tax)	1,873,953	1,722,411
Other provisions	-	-
	<u>1,873,953</u>	<u>1,722,411</u>
	<u>1,873,953</u>	<u>1,722,411</u>
7. Short-term borrowings		
Loan repayable on demand		
The Cosmos Co-Op Bank Ltd	58,776,260	35,103,939
Other loans and advances		
Loan against Deposits	-	-
Unsecured borrowings	-	-
	<u>58,776,260</u>	<u>35,103,939</u>
The above amount includes		
Secured borrowings	58,776,260	35,103,939
Unsecured borrowings	-	-

Notes : Cash Credit availed from The Cosmos Co-op Bank Ltd has secured by hypothecation of Book Debts & Inventory.

SAMPRE NUTRITIONS LIMITED
NOTES TO BALANCE SHEET

Amount in Rupees

PARTICULARS	AS ON 31.03.2017	AS ON 31.03.2016
8. Other current liabilities		
Trade payables (including acceptances and no MSME paybles)	21,560,356	33,780,921
Others Trade payables (including acceptances and no MSME payables)	-	5,315,649
Audit Fee Payable	181,125	156,750
Other liabilities		
Advance from Customers	-	6,599,997
Employee benefit payable	1,235,323	5,308,921
Statutory dues payable	2,471,197	2,554,030
Expenses and other payable	-	4,640,621
Current Maturity of Long Term Borrowing	4,650,000	4,961,888
	<u>30,098,000</u>	<u>63,318,776</u>
10. Non Current Investments		
Other Investments	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
11. Deferred tax asset/ (liability) (net)		
Opening Balance	(4,606,789)	(4,804,486)
Deferred Tax Asset / Liability for the period	556,237	197,697
Deferred tax asset (net)	<u>(4,050,552)</u>	<u>(4,606,789)</u>
12. Loans and advances		
A. Security deposits		
Electricity and other Deposits	14,068,019	13,483,700
	<u>(A) 14,068,019</u>	<u>13,483,700</u>
B. Advances recoverable in cash or kind		
Capital Advances	-	-
Receivables from Directors	-	-
Unsecured, considered doubtful	-	-
	-	-
Provision for doubtful advances	-	-
	<u>(B) -</u>	<u>-</u>
C. Other loans and advances		
Employee Loans, Advances (Secured, considered good)	6,799,508	1,818,596
Loans to Others(Unsecured, considered good)	-	-
Balances with Revenue Authorities	-	-
Balances with Revenue Authorities Excise Duty	3,581,339	-
Balances with Revenue Authorities Vat	1,721,390	1,535,405
Balances with Revenue Authorities Income Tax TDS	867,590	3,952,969
Advance income tax	-	-
Prepaid expenses (Chit Loss)	-	-
Other Advances	-	-
	<u>(C) 12,969,826</u>	<u>7,306,969</u>
Total (A+B+C)	<u>27,037,845</u>	<u>20,790,669</u>

M/s. Sampre Nutritions Limited

Depreciation As Per Companies Act for the Financial Year Ended 31.03.2017

Block Name	Gross Block			As at 31.03.17	Up to 31.03.16	Depreciation		Up to 31.03.17	Net Block	
	As at 01.04.16	Additions during the period	Deletions during the period			For the period	Adjustments due to deletions during the period		As on 31 March 17	As on 31 March 16
Sch No. 9 - Tanbible Assets	FREE HOLD LANE	2,124,163	-	2,124,163	-	-	-	-	2,124,163	2,124,163
	BUILDINGS	58,714,743	-	58,714,743	22,404,687	2,805,224	-	25,209,911	33,504,832	36,310,056
	OFFICE AND CANTEN	4,317,873	1,236,407	5,554,280	842,183	99,777	-	941,960	4,612,320	3,475,690
	PLANT AND MACHINERY	107,528,438	2,464,713	109,993,150	69,656,395	7,235,795	-	76,892,190	33,100,961	37,872,043
	AIR CONDITIONERS	7,090,963	91,750	7,182,713	6,312,189	93,943	-	6,406,132	776,581	778,774
	ELECTRICAL EQUIPMENTS	7,293,160	1,375,258	8,668,418	5,962,875	201,115	-	6,163,990	2,504,428	1,330,285
	FURNITURE AND FIXTURES	5,016,092	6,851,244	11,867,336	4,350,769	579,311	-	4,930,079	6,937,257	665,323
	LABORATORY EQUIPMENT	2,098,561	115,439	2,214,000	1,510,246	76,788	-	1,587,035	626,965	588,315
	OFFICE EQUIPMENT	1,974,190	-	1,974,190	1,911,336	27,155	-	1,938,491	35,699	62,854
	COMPUTERS AND PRINTERS	408,857	88,250	497,107	368,742	50,301	-	419,043	78,064	40,115
	VEHICLES	22,484,336	2,117,155	1,867,597	22,733,894	15,851,559	1,619,028	518,997	16,951,590	6,632,777
	GENERATOR	2,067,387	587,625		2,655,012	1,869,318	40,226	-	1,909,544	745,468
	MISC FIXED ASSETS	601,196	-		601,196	545,680	41,316	-	586,997	14,199
Total	221,719,959	14,927,840	1,867,597	234,780,202	131,585,978	12,869,980	518,997	143,936,961	90,843,242	90,133,981
Sch 9A: Capital WIP	38,600,483	17,163,849	-	55,764,332	-	-	-	-	55,764,332	38,600,483
Grand Total (A+B)	260,320,442	32,091,689	1,867,597	290,544,534	131,585,978	12,869,980	518,997	143,936,961	146,607,574	128,734,464
Previous Year	216,925,918	43,394,524	-	260,320,442	120,038,224	11,697,218	-	131,585,978	128,734,464	96,887,694

SAMPRE NUTRITIONS LIMITED
NOTES TO BALANCE SHEET

Amount in Rupees

PARTICULARS	AS ON 31.03.2017	AS ON 31.03.2016
13. Other assets		
Misc Expenditure to the extent not written off	700,264	787,797
	<u>700,264</u>	<u>787,797</u>
Provision for doubtful others	-	-
	<u>700,264</u>	<u>787,797</u>
14. Inventories		
(a) Raw materials	24,429,472	16,126,186
(b) Packing Materials	11,483,292	8,775,762
(c) Work-in-progress	-	-
(d) Finished goods	-	-
	<u>35,912,764</u>	<u>24,901,948</u>
15. Trade receivables		
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)	40,478,635	45,240,248
Receivables from related parties		
Unsecured, considered good	7,957,689	15,268,572
Doubtful	-	-
Provision for doubtful trade receivables	-	-
	<u>48,436,323</u>	<u>60,508,820</u>
	<u>48,436,323</u>	<u>60,508,820</u>
16. Cash, bank balances		
Cash and Cash Equivalents		
Balances with banks:		
Deposits with original maturity of less than three months	-	-
Cash on hand	571,068	160,825
	<u>571,068</u>	<u>160,825</u>
Other bank balances		
Margin money deposit	2,170,242	2,170,242
Amount disclosed under non-current assets	-	-
	<u>2,741,310</u>	<u>2,331,067</u>

SAMPRE NUTRITIONS LIMITED
NOTES TO BALANCE SHEET

Amount in Rupees

PARTICULARS	AS ON 31.03.2017	AS ON 31.03.2016
17. Revenue from operations		
Sale of products	275,652,456	363,255,282
Processing Charges	60,164,367	87,636,893
	<u>335,816,823</u>	<u>450,892,175</u>
18. Other income		
Interest on deposits	257,171	305,554,.00
Dividend Income	369,400	225,337,.00
Other non operating income	192,125	108,653
	<u>818,696</u>	<u>639,544</u>
19. Raw Materials and Packing Materials Consumed		
Opening stock	24,901,948	14,009,335
Add: Purchases	224,703,598	312,937,197
	<u>249,605,546</u>	<u>326,946,532</u>
Less: Closing stock	35,912,764	24,901,948
Cost of material consumed	<u>213,692,782</u>	<u>302,044,584</u>
20. Other Manufacturing Expenses		
Fuel & Power Consumption	12,945,236	18,586,587
Factory Salaries and Wages (Including Provident fund and other funds)	36,276,007	61,799,404
Factory Expenses	3,737,076	4,098,195
Transport and Hamali Charges	12,263,684	8,384,851
Repairs and Maintenance	5,746,641	2,412,270
Subcontracting Expenses	-	499,225
	<u>70,968,644</u>	<u>95,780,531</u>
21. Increase / Decrease in WIP & Finished Goods		
Inventories at the end of the year		
Finished Goods	-	-
Work in Progress	-	-
	<u>-</u>	<u>-</u>
Inventories at the beginning of the year		
Finished Goods	-	-
Work in Progress	-	-
	<u>-</u>	<u>-</u>
Increase / (Decrease) in stock	<u>-</u>	<u>-</u>
22. Employee benefit expenses		
Salaries and wages including Provident Fund and other funds	4,355,962	3,167,210
Bonus	17,850	82,833
Gratuity	-	-
Directors Remuneration	1,500,000	1,500,000
	<u>5,873,812</u>	<u>4,750,043</u>

SAMPRE NUTRITIONS LIMITED
NOTES TO BALANCE SHEET

Amount in Rupees

PARTICULARS	AS ON 31.03.2017	AS ON 31.03.2016
23. Finance costs		
Interest		
On Term Loans & Other Finance Costs	10,932,229	6,175,788
Other finance costs - Vehicle	51,233	59,075
Bank charges	97,159	168,393
	<u>11,080,622</u>	<u>6,403,256</u>
24. Other expenses		
Advertisement Expenses	35,394	66,649
AGM Expenses	33,200	10,100
Building Maintenance	1,049,847	1,195,114
Business Promotion Expenses	392,146	1,768,039
Chit Loss		451,200
Computer Maintenance	52,162	64,491
Courior and Postal Charges	124,455	233,655
Donations	115,011	74,509
Electricity Charges	304,612	155,540
General Expenses	1,598,372	3,010,771
Insurance	832,503	993,318
Key Man Insurance Exp.	1,391,832	
Legal and professional	855,766	223,000
Loan Processing Fee		99,043
Medical Expenses	34,264	171,140
Membership and Subscription Fee	75,475	47,559
Miscellaneous expenses		
Office Expenses	66,284	
Payments to auditors	172,500	150,000
Preliminary Expenses written off	87,533	87,533
Printing and stationery	421,324	512,194
Professional Tax	67,500	58,950
Rates and taxes	517,923	12,377
Rental Charges	2,333,333	5,187,097
Repairs and maintenance	21,452	284,191
Service Tax Paid	-	-
Security Services	1,399,037	1,209,502
Sitting Fee	120,000	200,000
Staff Welfare Expenses	1,362,980	2,759,711
Telephone Expenses	583,267	542,695
Travelling and conveyance	1,093,762	976,600
Vehicle Maintainence	381,434	348,360
	<u>15,523,376</u>	<u>20,893,338</u>
25. Depreciation and amortization expense		
Depreciation of tangible assets	12,869,980	11,547,754
	<u>12,869,980</u>	<u>11,547,754</u>

SAMPRE NUTRITIONS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

PARTICULARS	Year ending 31.03.2017	Year ending 31.03.2016
Cash flow from operating activities		
(Loss) / profit before tax	6,626,304	10,112,213
<u>Non-cash adjustment to reconcile profit before tax to net cash flows</u>		
Depreciation and amortization	12,869,980	11,547,754
Interest Income	(192,125)	(145,337)
Finance Cost	11,080,622	6,403,256
Operating (loss) / profit before working capital changes	30,384,780	27,917,886
<u>Movements in working capital :</u>		
Increase/ (decrease) in other current liabilities & Provisions	(33,069,234)	23,888,387
Decrease / (increase) in trade receivables	12,072,497	(23,569,354)
Decrease / (increase) in short-term loans and advances	(6,247,176)	(3,805,969)
Decrease / (increase) in other current assets	(11,010,816)	(10,892,613)
Decrease / (increase) in other non-current assets	87,534	87,533
Cash generated from /(used in) operations	(7,782,415)	13,625,870
Direct taxes paid (net of refunds)	(2,665,248)	(1,722,411)
Net cash flow from/ (used in) operating activities (A)	(10,447,663)	11,903,459
Cash flows from investing activities		
Purchase of fixed assets, including capital work in progress and	(32,091,689)	(43,394,524)
Proceeds from Sale of Fixed Assets	1,348,600	-
Interet / Dividend from Investments	192,125	225,337
Net cash flow from/ (used in) investing activities (B)	(30,550,964)	(43,169,187)
Cash flows from financing activities		
Long-term borrowings (net)	28,817,171	22,361,807
Short-term borrowings (net)	23,672,321	17,270,619
Finance Expenses	(11,080,622)	(6,403,256)
Net cash flow from/ (used in) in financing activities (C)	41,408,870	33,229,169
Net increase/(decrease) in cash and cash equivalents (A + B + C)	410,243	1,963,441
Cash and cash equivalents at the beginning of the year	2,331,067	367,626
Cash and cash equivalents at the end of the year	2,741,310	2,331,067

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 : 29-05-2017

for and on behalf of the Board
Sampre Nutritions Limited

Sd/-

(B K GURBANI)
Chairman & Managing Director
DIN: 00318180

Sd/-

(MEERA B GURBANI)
Director
DIN: 00318319

Sd/-

(V. VAMSHI SRINIVAS)
Cheif 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-501 401, Telangana.

SIGNIFICANT ACCOUNTING POLICIES:

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 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 in respect of central excise and income tax for various years, against the said assessment order, the company has preferred for appeal before the appellate authorities in respective forum. The company is expecting unfavorable results 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.

Dues to Micro and Small Enterprises :

4. 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 2017 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.

5. Payment to Auditors:

Particulars	31 st March, 2017	31 st March, 2016
	(Amount in Rs.)	(Amount in Rs.)
Audit Fee	122,500	100,000
Tax Audit Matters	30,000	30,000
Certification & Other Services	20,000	20,000
Total	1,72,500	1,50,000

6. There are no debts outstanding as on 31st March 2017 from Directors or other officers of the company other than imprest cash in order to meet running expenses.

7. 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

8. Deferred Tax Liability:

Deferred tax liability as on 01.04.2017 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 31-03-2017 is as given below:

Particulars	Asset / (Liability) As on 31.03.2016	Asset / (Liability) for the year	Asset / (Liability) As on 31.03.2017
Timing Differences on account of Depreciation	(46,06,789)	556,237	(40,50,552)

9. 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	2016-17	2015-16
Profit attributable to Equity Share Holders (A)	45,17,293	85,87,499
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	0.94	1.78
Diluted EPS	0.94	1.78

10. Taxes on income

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

11. 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) Enterprise which are owner or have significant influence of or are partners with key management personnel and their relative:

M/s. Royes Industries Limited

M/s. Natural Health Products Pvt. Ltd.

- b) Key Managerial Personnel

Shri Brahma K Gurbani (MD)

- a) Transaction during the year

Name of Related Party	Nature of transaction	Current Year	Previous Year
Shri. Brahma K Gurbani	Managerial Remuneration	15,00,000	15,00,000
Shri. Brahma K Gurbani	Unsecured Borrowings	129,90,780	-
Smt. Meera B Gurbani	Unsecured Borrowings	15,74,760	-
Royes Industries Limited	Advances Receivables	291,81,674	415,01,889
Natural Health Products Pvt Ltd	Advances Receivables	44,86,479	87,82,831
Royes Industries Limited	Lease Payments	23,33,333	-

- b) Balances receivable /Payable

Name of Related Party	Nature of transaction	As at March 31, 2017	As at March 31, 2016
Royes Industries Limited	Advances Receivables	71,59,582	135,04,567
Natural Health Products Pvt Ltd	Advances Receivables	7,98,106	17,64,004
Shri. Brahma K Gurbani	Unsecured Borrowings	1,29,90,780	-
Smt. Meera B Gurbani	Unsecured Borrowings	15,74,760	-

12. During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows;

	SBNs *	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	543,313	543,313
(+) Permitted receipts	-	274,000	274,000
(-) Permitted payments	-	49,623	49,623
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	767,690	767,690

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016.

13. CIF Value of Imports

	2016-17 (Rs.)	2015-16 (Rs.)
Raw materials	—	—
Packing materials	—	—
Traded goods	—	—
Capital goods	65,85,840	30,40,431

14. Previous year's figures have been re grouped / and or re-arranged wherever necessary to confirm with the current year classification.
15. 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.
16. Depreciation has been provided on the straight-line method as per the rates prescribed as of Schedule II of The Companies Act 2013.
17. 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.
18. Paisa is rounded off to nearest rupee.
19. Micro and Medium Scale Business Entities: There are no micro, small and medium enterprises, to whom the company over dues, which are outstanding for more than 45 days as at 31st March 2017. 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.
20. ADDITIONAL INFORMATION pursuant to provisions of the Companies Act, 2013.
(As certified by Management of the Company)

Particulars	2016-17		2015-16	
	Quantity (Kg)	Value (Rs. Lakhs)	Quantity (Kg)	Value (Rs. Lakhs)
Opening Stock	239434	249.02	135505	140.93
Production (Sugar based candies)	3267938	N.A	3649176	N.A
Closing Stock	292313	359.13	239434	249.02
Sales – Own product (Sugar based candies Confectionery)	3267938	2756.52	3649176	3632.55
Sales – Job Work	391340	601.64	3584532	876.36

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

Material Consumed	2016-17		2015-16	
	Quantity (Kg)	Value	Quantity (Kg)	Value
Raw Material (No. / Kgs)				
- Sugar	1768333	739.16	2340692	651.14
- Glucose	1217115	423.55	1865270	497.28
- Flavors & Others	2981527	603.66	302712	613.48
Total	5966975	1766.37	4508674	1761.90
Primary packing Materials	136235	370.55	161962	1258.54
Others	-	-	-	-
Total	6103210	2136.92	4670636	3020.44

B. Value of Imports on CIF Basis	N.A	65,85,840	N.A	30,40,431
C. Expenses on Foreign Currency	Nil	Nil	Nil	N.A

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

Particulars	Year ended March 31, 2017		Period ended March 31, 2016		
	Value	%		Value	%
Indigenous	65,85,840/-	100	Indigenous	30,40,431	100
Imported			Imported	-	-
Total	65,85,840/-	100	Total	30,40,431	100

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
DIN: 00318180

Sd/-
(MEERA B GURBANI)
Director
DIN: 00318319

Place : Medchal
Date : 29-05-2017

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

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 25th Annual General Meeting of the Company, to be held on **Tuesday, 26th September, 2017 at 10.30 A.M** at Lions Club Conference Hall, LIC Building, 01st 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	Re-appointment of Mrs. Meera Gurbani as Director	
3	Ratification of Appointment of Auditors.	
4	Appointment of Mr. Vishal Ratan Gurbani as Director	
5	Ratification of Appointment & Remuneration of Mr. Vishal Ratan Gurbani as Whole-time Director Of The Company	

Signed this 26th day of September, 2017.

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
26TH ANNUAL GENERAL MEETING
Tuesday, 26th September, 2017 at 10.30 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 26th Annual General Meeting of the company at **Lions Club Conference Hall, LIC Building, 01st 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