

# **SAMPRE NUTRITIONS LIMITED**

(CIN: L15499TG1991PLC013515)



## **29<sup>th</sup> ANNUAL REPORT 2019-20**



# SAMPRE NUTRITIONS LIMITED

(CIN: L15499TG1991PLC013515)

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

<b>SRI BRAHMA GURBANI</b>	: Managing Director
<b>SRI VISHAL RATAN GURBANI</b>	: Vice-President & Whole-time Director
<b>SRI BANALA JAYAPRAKASH REDDY</b>	: Independent Director
<b>SMT UMRA SINGH SIROHI</b>	: Independent Director
<b>SRI VIMAL SURESH</b>	: Independent Director

<b>SRI VAMSHI SRINIVAS VEMPATI</b>	: Chief Financial Officer
<b>SMT MONALISA PATNI</b>	: Company Secretary (up to 08.11.2019)

<b>AUDITORS</b>	: <b>M/s. RRK &amp; Associates</b> Chartered Accountants # A04, IFF The Annexe, Near Hitech City Rly Station 13th Phase, KPHB, Hyderabad – 500 085
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<b>BANKERS</b>	: <b>The South India Bank Ltd</b> Secunderabad
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<b>REGISTERED OFFICE</b>	: 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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<b>REGISTRAR &amp; SHARE TRANSFER AGENTS</b>	: M/s. Big Share Services Pvt. Ltd. 306, 3rd Floor, Right Wing, Amrutha Ville, Opp. Yashoda Hospital, Raj Bhavan Road Somajiguda, Hyderabad – 500 082. Phone: 040-40144582 Email:bsshyd1@bigshareonline.com
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<b>LISTED AT</b>	: The BSE Limited
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### BOARD COMMITTEES:

<b>Audit Committee</b>	: Mrs. Umra Singh Sirohi (Chairperson) Mr. Vishal Ratan Gurbani Mr. Vimal Suresh
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<b>Nomination and Remuneration Committee</b>	: Mrs. Umra Singh Sirohi (Chairperson) Mr. Banala Jayaprakash Reddy Mr. Vimal Suresh
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<b>Stakeholders Relationship Committee</b>	: Mrs. Umra Singh Sirohi (Chairperson) Mr. Vishal Ratan Gurbani Mr. Vimal Suresh
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## NOTICE

Notice is hereby given that the **29<sup>th</sup> Annual General Meeting** of the Members of the **Sampre Nutritions Limited** will be held on **FRIDAY, 25<sup>TH</sup> SEPTEMBER, 2020** at 02.30 PM through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business items:

### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended **31<sup>st</sup> March, 2020** along with the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Vishal Ratan Gurbani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To fix Auditors remuneration for the financial year 2020-21.

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

Place: Medchal  
Date: 31.08.2020

Sd/-  
**BRAHMA GURBANI**  
Managing Director

**NOTES:**

1. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the “AGM” through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM. Thus, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. The AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the proxy form and attendance slip are not annexed to this Notice.
3. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. The Members can join the AGM through VC/OAVM mode fifteen (15) minutes before the scheduled time of the commencement of the AGM till fifteen (15) minutes from conclusion of meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least one thousand (1000) Members on first come first served basis. This will not include large Shareholders (Shareholders holding two percent (2%) or more Shareholding), promoters, Institutional Investors, Directors, Key Managerial Personnel, the chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizer etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. Corporate members are requested to send a scanned copy (in PDF / JPG format) of the Board Resolution authorising their representatives to attend the AGM, pursuant to Section 113 of the Act, through e-mail at [Investorinfo@gurbanigroup.in](mailto:Investorinfo@gurbanigroup.in)
6. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those members whose email addresses are registered with the Company or CDSL / NSDL (“Depositories”). Members may note that the notice and Annual Report 2019-20 will also be available on the Company’s website [www.sampreltd.com](http://www.sampreltd.com), website of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com).
7. In conformity with the applicable regulatory requirements, the Notice of this AGM and the Report and Accounts 2020 are being sent only through electronic mode to those members who have registered their e-mail addresses with the company or with the Depositories.

Members who have not registered their e-mail addresses with the Company or with the Depositories and wish to receive the aforesaid documents are required members may send an e-mail to [Investorinfo@gurbanigroup.in](mailto:Investorinfo@gurbanigroup.in) or write to the RTA for registering their e-mail addresses.

8. In terms of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Resolutions for consideration at this AGM will be transacted through remote e-voting (facility to cast vote prior to the AGM) and also e-voting during the AGM, for which purpose the Board of Directors of the Company ('the Board') have engaged the services of NSDL. The Board has appointed Mr. Vasanth Kumar Bajaj, Practicing Company Secretary, as the Scrutinizer for this purpose.
9. **Remote e-voting will commence at 9.00 a.m. on Tuesday 22<sup>nd</sup> September, 2020 and will end at 5.00 p.m. on Thursday, 24<sup>th</sup> September, 2020**, when remote e-voting will be blocked by NSDL. Members who have not cast their vote through remote e-voting, may cast their vote through e-voting facility provided during the AGM, which will be disabled after 15 mins from the conclusion of Annual General Meeting.
10. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on **18<sup>th</sup> September, 2020** (cut-off date). Only those members whose names are recorded in the Register of members of the company or in the register of beneficial owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or e-voting during the AGM. A person who is not a member on the cut-off date should accordingly treat this notice as for information purposes only.
11. The register of members and Share Transfer Books of the company will be remain closed from **Tuesday, 22<sup>nd</sup> September, 2020 to Friday, 25<sup>th</sup> September, 2020 (both days inclusive)**
12. As per Regulation 40 of the listing regulations, as amended, securities of listed Companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
13. **Re-appointment of Director:**

At the ensuing AGM, Mr. Vishal Ratan Gurbani, Director of the Company shall retire by rotation under the provisions of the Act and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company have recommended the re-appointment.

**Additional information pursuant to Regulation 36 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015**

Name of Director	Mr. Vishal Ratan Gurbani
DIN No.	07738685
Date of Birth	16.11.1989
Date of First Appointment	21.08.2017
Experience in Specific Functional Area	<p>Mr. Vishal Ratan Gurbani is a post graduate in management and has about 10 years of rich experience in administration, finance and manufacturing. He has been working with company since 2010 under various capacities. He is a member of Audit Committee of the Board of Directors of the Company and stakeholders committee. He is a dedicated, organized and methodical individual has good interpersonal skills, and an excellent team worker.</p> <p>He is responsible for day to day to operations including activities of purchase/banking and other commercial activities of the company, apart from handling administration, HR &amp; finance and regularly reporting to the Board on the activities.</p>
No. of Shares held in the company	--

14. Relevant documents referred in the accompanying Notice, Registers and all other statutory documents will be made available for inspection in electronic mode. Members can inspect the same by sending an email to the Company at **Investorinfo@gurbanigroup.in**.
15. The members are requested to address all their communications to M/s. Big Share Services Private Limited the common agency to handle electronic connectivity and the shares in physical mode for prompt redressal.
16. Since the AGM will be held through VC / OAVM, the Route Map and Attendance Sheet are not required to be annexed to this Notice.
- 17. Instructions for attending the AGM and e-voting are as follows:**
  - I. Instructions for attending the AGM through VC / OAVM:**
    - (a) Members who wish to attend this AGM through VC / OAVM are requested to login to the e-voting system of NSDL at <https://www.evoting.nsdl.com/> under ‘**Shareholder / Member - Login**’ by using their remote e-voting user ID and password. Thereafter, click on the link appearing under ‘**Join General Meeting**’ against the Electronic Voting Event Number (‘EVEN’) of Sampre Nutritions Limited.

Members who do not have their user ID and password for remote e-voting or have forgotten their user ID and / or password may retrieve the same by following the instructions given **under (II)** below.

- (b) The facility for the members to join this AGM through VC / OAVM will be available from 15 minutes before the time scheduled for the meeting and may close not earlier than 30 minutes after the commencement of the meeting.
- (c) Members are requested to login to the NSDL e-voting system using their laptops / desktops / tablets with stable Wi-Fi or LAN connection for better experience. Members logging in from mobile devices or through laptops / desktops / tablets connecting via mobile hotspot or with low bandwidth, may experience audio / video loss due to fluctuation in their respective network.
- (d) Members who would like to express their views or ask questions during the meeting will be required to register themselves as speaker by sending e-mail to the CFO at **vamshi@gurbanigroup.in** from their registered e-mail address, mentioning their name, DP ID and Client ID / folio number and mobile number. Only those Members who have registered themselves as speaker by 10.30 a.m. **on Tuesday, 22<sup>nd</sup> September, 2020** will be able to speak at the meeting.

Further, Members who would like to have their questions / queries responded to during the AGM are requested to send such questions/queries in advance within the aforesaid date and time, by following similar process as stated above.

## II. Instructions for remote e-voting:

### Step 1: Login to NSDL e-voting website

- (a) Launch internet browser by typing the URL: **https://www.evoting.nsdl.com/** and click on **'Shareholder/Member - Login'**.
- (b) Insert your user ID & password on the login window and also insert the verification code as shown on the screen.

a)	For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b)	For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c)	For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

#### Password:

- i. **If you are already registered with NSDL for remote e-voting, you should use your existing password for login.** Members may also use OTP based login.
- ii. If you are using NSDL e-voting system for the first time, you would need to use your **'initial password'** for login, which has been communicated to you by the Company.
- iii. If you are unable to retrieve the 'initial password', or have forgotten your password:

Click on '**Forgot User Details / Password?**', if holding shares in dematerialised form, or

Click on '**Physical User Reset Password?**', if holding shares in certificate form.

You may also send an e-mail requesting for password at **evoting@nsdl.co.in**, mentioning your name, PAN, registered address and your DP ID and Client ID / folio number.

- (c) Agree to the terms and conditions by clicking the box.
- (d) Click on '**Login**'. Home page of remote e-voting opens.

### **Step 2: Cast your vote on NSDL e-voting website**

- (a) Click on '**e-voting: Active Evoting Cycles / VC or OAVM**' and select the EVEN of Sampre Nutritions Limited.
- (b) Now you are ready for remote e-voting as '**Cast Vote**' page opens.
- (c) Cast your vote by selecting appropriate option and click on '**Submit**'. Thereafter click on '**Confirm**' when prompted; upon confirmation, your vote is cast and the message '**Vote cast successfully**' will be displayed.

### **Other Instructions**

- (a) Corporate and Institutional members (companies, trusts, societies etc.) are required to send a scanned copy (in PDF / JPG format) of the relevant Board Resolution / appropriate authorisation to the scrutinizer through e-mail at [cs@vkbajajassociates.com](mailto:cs@vkbajajassociates.com) with a copy marked to NSDL's e-mail ID **evoting@nsdl.co.in**.
- (b) Those who become Members of the Company after sending the notice but on or before **18<sup>th</sup> September, 2020 (cut-off date)** may write to NSDL at **evoting@nsdl.co.in** or to the Company at [Investorinfo@gurbanigroup.in](mailto:Investorinfo@gurbanigroup.in) requesting for user ID and password. On receipt of user ID and password, the steps stated above under 'Step 2: Cast your vote on NSDL e-voting website' should be followed for casting of vote.
- (c) In case of any query / grievance, you may refer to the Frequently Asked Questions for Shareholders and e-voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website **www.evoting.nsdl.com** or contact:
  - (i) Mr. Amit Vishal, Senior Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 at telephone nos. **1800-222-990 (toll free)** or **022-2499 4360** or at e-mail ID [AmitV@nsdl.co.in](mailto:AmitV@nsdl.co.in) ;
  - (ii) Mr. Vamshi , CFO, at telephone nos. 08418-222428 or at e-mail ID [vamshi@gurbanigroup.in](mailto:vamshi@gurbanigroup.in).

### **III. Instructions for e-voting during the AGM**

- (a) The procedure for e-voting during the AGM is the same as mentioned above for remote e-voting.



- (b) The aforesaid facility will be available only to those members who participate in the AGM and who do not cast their votes by remote e-voting prior to the AGM. Members, who cast their votes by remote e-voting, will not be entitled to cast their votes once again.

#### **IV. Instructions for the Members whose e-mail IDs are not registered with the Company or with the Depositories**

Members who hold shares in the certificate form or who have not registered their e-mail addresses with the Company or with the Depositories and wish to participate in the AGM or cast their votes through remote e-voting or e-voting during the meeting, may obtain their user ID and password by registering their e-mail addresses may send an e-mail to or write to the RTA for registering their e-mail addresses.

Such Members may also write to NSDL at **evoting@nsdl.co.in** and obtain their user ID and password by sending scanned copies of (i) signed request letter mentioning their name and DP ID and Client ID / folio number, (ii) share certificate (front and back) / self-attested client master or consolidated demat account statement, (iii) self-attested PAN Card, and (iv) any self-attested proof of their address (e.g. Driving License, Aadhaar Card etc.).

#### **General Information**

- (a) There will be one vote for every Client ID / registered folio number irrespective of the number of joint holders.
- (b) In case the Members require any technical assistance with respect to attending the meeting or voting during the meeting, they may contact the helpline numbers mentioned above under Clause (c) of 'Other Instructions' for remote e-voting.
- (c) **The Results of voting will be declared within 48 hours from the conclusion of the AGM and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes.** The declared Results, along with the Scrutinizer's Report, will be available forthwith on the Company's corporate website **www.sampreltd.com** under the section 'Investor Relations' and on the website of NSDL; such Results will also be forwarded to the BSE Limited where the Company's shares are listed.

## DIRECTORS' REPORT

To  
The Members

Your Directors have pleasure in presenting the Twenty Ninth Annual Report together with the Audited financial statements for the year ended **31<sup>st</sup> March, 2020**.

### 1. REVIEW OF PERFORMANCE:

(Amount in Lakhs)

Particulars	Current Year 31.03.2020	Previous Year 31.03. 2019
Income (Including Other Income)	2503.41	2871.54
Expenses (Including exceptional items)	2095.23	2495.18
Profit/(Loss) before Interest, Depreciation & Tax (PBITDA)	408.18	376.36
Finance Charges	213.32	212.67
Depreciation & amortization	149.26	139.56
Net Profit/(Loss) Before Tax	45.60	24.13
Provision for tax including Deferred Tax	12.03	1.02
Net Profit/(Loss) after tax	33.57	23.11
Add / (Less): Share of Profit / (Loss) on Associate Companies	--	--
Add / (Less): Minority Interest - Share of Profit / (Loss)	--	--
Net Profit / (Loss)	33.57	23.11
Basic	0.70	0.48
Diluted	0.70	0.48

### 2. OPERATIONAL REVIEW:

During the year under review the company has achieved turnover of Rs. 25.03 Crores as compared to Turnover of Rs. 28.72 Crores during the last financial year. Decline in turnover is mainly due to teething troubles, in the first half of the financial year caused due to new line installed by the company in the process capacity expansion and it may be noted that inspite of the teething troubles in production with new production line company, could almost maintain the turnover of last year. Your directors of the hopeful of increase in turnover in coming years considering enhanced capacity. Net profit of the company before tax is Rs. 45.60 Lakhs compared to last year profit before tax of Rs. 24.13 Lakhs. Members may note that inspite of reduction in turnover, operating margins of the company improved due to upgradation of facilities and due to the various cost reduction measures adopted by the Company.

Your company has been working as contract manufacturers for multi-national companies and leading FMCG Companies for more than 2 decades and has been continuously striving to maintain world class manufacturing standards and recognized by customers for high quality standards. During the financial year company continued the contract manufacturing

of “Eclairs” for **Mondelez India Foods Private Limited** (Formerly Cadbury India Ltd.) and after expansion of production capacities, the company has become exclusive partner of Mondelez India for manufacture of eclairs for domestic and export market.

As already informed your company has entered into manufacturing agreements with M/s. Bestie Universal Foods LLP and M/s. De Diet Chef India Private Limited. Orders from above executed agreements still not reached expected levels and management are hopeful of good orders during the current financial year.

**3. TRANSFER TO RESERVES:**

It is not proposed to transfer any amount to reserves during the financial year ended March 31, 2020.

**4. DIVIDENDS:**

Your directors do not recommend any dividends for the financial year 2019-20, as profits are planned to be ploughed back into the business operations of the Company.

**5. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**6. ELECTRONIC ANNUAL REPORT:**

In view of the continuing Covid-19 pandemic, the MCA has vide its circular dated May 05, 2020 read with circulars dated April 08, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”), permitted the Annual Report to be sent through electronic mode, accordingly electronic copies of the Annual Report for the financial year 2019-20 and Notice of the AGM are sent to all shareholders whose email addresses are registered with the Company. Members are requested to register their email ids with Company or Registrar and Share Transfer Agent (RTA) of the Company for receiving e-copies of Annual Report, Notice to the AGM and other shareholder’s communication.

**7. PUBLIC 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.

**8. SUBSIDIARY, HOLDING, JOINT VENTURE AND ASSOCIATE COMPANIES:**

As on March 31, 2020, the Company does not have any subsidiary or holding or joint venture or associate Company as defined under the Companies Act, 2013.

**9. 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**.

**10. DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- a) In the preparation of Annual Accounts for the year ended 31<sup>st</sup> March, 2020, 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, 2020 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.

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

- i) **Board Meetings:** The Board of Directors of the Company met 05 times during the year 2019-20. 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:

Names of Directors	Board Meetings				
	29.05.2019	14.08.2019	08.11.2019	12.02.2020	18.03.2020
Mr. Brahma Gurbani	Yes	Yes	Yes	Yes	Yes
Mr. Banala Jaya Prakash Reddy	Yes	Yes	No	Yes	No
Mrs. Umra Singh Sirohi	Yes	Yes	Yes	Yes	Yes
Mr. Vishal Ratan Gurbani	Yes	Yes	Yes	Yes	Yes
Mr. Vimal Suresh	Yes	Yes	Yes	Yes	Yes

- ii) **Key Managerial Personnel:** As at March 31, 2020, the following have been designated as KMP of the Company as defined under Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Mr. Brahma Gurbani, Managing Director  
Mr. Vishal Ratan Gurbani – Vice-President (Whole-time Director)  
Mr. Vamshi Srinivas Vempati, Chief Financial Officer  
Ms. Monalisa Patni – Company Secretary (upto 08.11.2019)

**iii) Changes in Directors & Key Managerial Personnel:**

During the year Ms. Monalisa Patni Company Secretary (CS) and Compliance Officer resigned from the said position w.e.f 08.11.2019.

In order to comply with provisions of Section 152 of the Companies Act, 2019 Mr. Vishal Ratan Gurbani retire by rotation in the ensuing AGM and being eligible offer himself for re-appointment. The Board recommends his re-appointment.

**iv) Independent Directors:**

1. Mr. Banala Jayaprakash Reddy – Second term w.e.f 27.09.2019
2. Mrs. Umra Singh Sirohi - Second term w.e.f 27.09 2019
3. Mr. Vimal Suresh w.e.f 14.02.2019

**v) Statement on declaration by independent directors:**

The Company has received necessary declaration from each independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**vi) 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 2 Non-executive Independent Director and 1 Executive Director. Company Secretary is Secretary to the Audit Committee.

1. Mrs. Umra Singh Sirohi - Chairperson
2. Mr. Vishal Ratan Gurbani - Member
3. Mr. Vimal Suresh - Member

The committee met Four times during the financial year 29.05.2019, 14.08.2019, 08.11.2019 and 12.02.2020 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	Mrs. Umra Singh Sirohi	Chairperson	4	4
2	Mr. Vimal Suresh	Member	4	4
3	Mr. Vishal Ratan Gurbani	Member	4	4

Further there are no recommendations of Audit Committee which were not accepted by the Board

**Terms of Reference:**

- Overseeing the financial reporting process of the Company.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company, decide the nature and scope of audit in consultation with Auditors as well as post-audit discussion;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing, with the management, the annual financial statements and auditor's report, quarterly financial statements, the statement of uses / application of funds thereon before submission to the board for approval, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets, statement of deviations, management discussion and analysis of financial condition & such other significant information
- Approval or any subsequent modification of transactions of the listed entity with related parties;
- Evaluation and reviewing of adequacy of internal audit function internal financial controls and risk management systems;
- To review the functioning of the whistle blower mechanism;

**(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 directorism 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. Mrs. Umra Singh Sirohi       | - | Chairperson |
| 2. Mr. Banala Jayaprakash Reddy | - | Member      |
| 3. Mr. Vimal Suresh             | - | Member      |

The Nomination and Remuneration Committee met twice during the financial year 2019-20 on 28.05.2019 and 14.08.2019.

- **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 31.03.2020 to Executive Directors are as under:

Name	Designation	Remuneration for financial year 2019-20 (in ₹.)		
		Salary & Perks	Commission	Total
Mr. Brahma Gurbani	Managing Director	24,00,000	--	24,00,000
Mr. Vishal Ratan Gurbani	Vice-President & Whole Time Director	10,69,200	--	10,69,200

**(c) Stakeholders Relationship Committee:**

The role of Stakeholders' Relationship Committee is to consider and resolve the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc, review adherence to the service standards in respect of services from the Registrar & Share Transfer Agent and ensure timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

**Composition of Stakeholders Relationship Committee is as follows:**

Mrs. Umra Singh Sirohi	-	Chairperson
Mr. Vishal Ratan Gurbani	-	Member
Mr. Vimal Suresh	-	Member

**vii) Vigil Mechanism:**

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour 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 2019-20, no employee has been denied access to the Audit Committee.

**viii) 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**.

**12. 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.

**13. MATERIAL CHANGES AND COMMITMENTS FROM THE DATE OF CLOSURE OF FINANCIAL YEAR:**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.

**14. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS:**

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

**15. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

As your company doesn't have net worth exceeding rupees five hundred crore or turnover exceeding rupees one thousand crore or net profit exceeding five crore, doesn't fall under the criteria to comply with provisions of Corporate Social Responsibility u/s 135, hence the disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are not required to be made.

**16. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Board has laid down internal financial controls and believes that the same are commensurate with the nature and size of its business. Such controls have been supplemented by the internal audits carried by Internal Auditor in discussion of top



Management including Directors and Chief Financial Officer and presented before the Audit Committee, periodically.

Based on the framework of internal financial controls and the reviews performed by the Management and the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2019-20, for ensuring the orderly and efficient conduct of its business including adherence to the Company's Policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and timely preparation of reliable financial disclosures.

**17. AUDITORS:**

M/s. R R K & Associates, Chartered Accountants (FRN: 009785S), Statutory Auditors were appointed at the Twenty Eighth AGM of the Company to hold the office for a period of five years until the conclusion of the Annual General Meeting of the Company to be held in the financial year 2024. The Company has obtained consent from the Auditors expressing their willingness to continue as statutory Auditors for financial year 2020-21 and that they are eligible for such continuation of their appointment.

Further pursuant to section 142 of the Companies Act, 2013 payment of remuneration to Auditors requires approval of members in general meeting, hence resolution commended for the approval of Shareholders to authorize the board to negotiate and fix their remuneration for FY 2020-21.

**18. DETAILS OF FRAUD REPORTED BY AUDITORS:**

The Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013.

**19. AUDITORS REPORT:**

The Auditors' Report for fiscal 2020 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this annual report.

**20. COST AUDIT & RECORDS:**

The provisions of Cost audit u/s 148 and Cost Records are not applicable to the Company.

**21. SECRETARIAL AUDITORS:**

In accordance with the provisions of Section 204 of the Companies Act, 2013 and rule 9 of Companies (Appointment and Remuneration of Managerial Persons) Rule, 2014, 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 2019-20. The Secretarial Audit Report for Financial year 2019-20 is herewith appended as **Annexure 3** to the Board's report.

With regards to advances to sister concerns, Board would like to inform you that those advances are given in the ordinary course of business and with regards non-compliance of Regulation 47(1)(a) of the Listing Regulations, you board of directors taken note of non compliance and will be more diligent in future.

**22. COMPLIANCE WITH SECRETARIAL STANDARDS:**

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and that such systems are adequate and operating effectively.

**23. 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.

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

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

**25. 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.

**26. 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**.

**27. 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.

The Company has developed and implemented a Risk Management Policy for identifying the risk associated with business of the Company and measures to be taken to mitigate the same. The Audit Committee has additional oversight in the area of financial risks and controls. All risks are well integrated with functional and business plans and are reviewed on a regular basis by the senior leadership. There are no risks which in the opinion of the Board threaten the existence of the Company

**28. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company is always committed to promote a work environment free from discrimination and harassment based on gender thereby providing a friendly workplace environment. It ensures that all employees are treated with dignity and there is no discrimination between individuals on the basis of their race, colour, gender, religion, political opinion, social origin, sexual orientation or age.

The Company has created a policy for Prevention of Sexual Harassment of Women at workplace to seek recourse and redressal to instances of sexual harassment. An Internal Complaints Committee has been constituted in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year ended March 31, 2020, the Company has not received any complaint pertaining to sexual harassment in terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**29. 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**

Place: Medchal  
Date: 31.08.2020

Sd/-  
**BRAHMA GURBANI**  
Managing Director  
DIN: 00318180

Sd/-  
**VISHAL RATAN GURBANI**  
Whole-time Director  
DIN: 07738685

**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
<b>a) Executive Director</b>			
Brahma Gurbani	Managing Director	22.00%	11.26
Vishal Ratan Gurbani	Whole-Time Director – VP	--	5.03
<b>b) KMP</b>			
Vamshi Srinivas Vempati	CFO	10.00%	4.92

II. Total employees on the payroll of the Company: 147

III. Percentage increase in the median remuneration of employees during FY 2019-20 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	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	Purchase of Raw Materials
c.	Duration of the contracts / arrangements/ transaction	8 years commencing from 21 <sup>st</sup> April, 2015	In the ordinary course of business
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 along with Plant and Machinery	Purchase of Raw Materials of Rs. 42,86,766/-
e.	Date of approval by the Board	27.03.2015	12.02.2020
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 31.03.2020

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

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

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

Based on my verification of **M/s. SAMPRE NUTRITIONS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 amended to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 w.e.f. 16<sup>th</sup> 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.

- (d) SEBI (Share Based Employee Benefits) Regulations, 2014. **Not Applicable**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**
- (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 (Prohibition of Insider Trading) Regulations, 2015
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable** and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable**

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) Following Delay/Deficiencies are being reported in compliance with SEBI(LODR) Regulation, 2015 and the Companies Act, 2013
  - i. *Company has not complied with provisions of Regulation 47(1)(a) of SEBI(LODR) Regulations, 2015*
  - ii. *Company has given advances to sister concerns in non-compliance with provisions of the Companies Act, 2013*
- v. We further report that, after considering the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, it has complied with the following laws that are applicable specifically to the Company:
  - (a) The Factories Act, 1948
  - (b) The Boilers Act, No V of 1923
  - (c) Food Safety and Standards Act, 2006.
  - (d) Water (Prevention & Control of Pollution) Act, 1961
  - (e) Air (Prevention & Control of Pollution) Act, 1981
  - (f) Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016
  - (g) The Andhra Pradesh Commodities Dealers (Licensing & Distribution) Order 1982.

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

- i) Company has complied with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) Secretarial Standards.

#### **MANAGEMENT RESPONSIBILITY:**

1. Maintenance of 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 is the responsibility of Management. Our responsibility as the Secretarial Auditor is to express an opinion on these secretarial records, systems, standards and procedures based on our audit.

2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc;
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
6. 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.

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 decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

Place: Hyderabad  
Date: 31.08.2020

Sd/-  
**Vasanth Kumar Bajaj**  
Company Secretary  
FCS 6868, C P No. 5827  
UDIN: F006868B000635914



**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31.03.2020**

[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 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, 3rd Floor, Right Wing, Amrutha Ville, Opp. Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad – 500 082 Phone: 040 401 44582 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:-

SNo.	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. 01/04/2019				No. of Shares held at the end of the year i.e. 31/03/2020				% Changes during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2544463	0	2544463	52.79	2543963	0	2543963	52.78	-0.1
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/Fl	0	0	0	0	0	0	0	0	0
f) Any Other...	0	0	0	0	0	0	0	0	0
<b>Sub - Total (A) (1):-</b>	<b>2544463</b>	<b>0</b>	<b>2544463</b>	<b>52.79</b>	<b>2543963</b>	<b>0</b>	<b>2543963</b>	<b>52.78</b>	<b>-0.1</b>
<b>(2) Foreign</b>									
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 Corp.	0	0	0	0	0	0	0	0	0
d) Banks/Fl	0	0	0	0	0	0	0	0	0
e) Any Other...	0	0	0	0	0	0	0	0	0
<b>Sub - Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>2544463</b>	<b>0</b>	<b>2544463</b>	<b>52.79</b>	<b>2543963</b>	<b>0</b>	<b>2543963</b>	<b>52.78</b>	<b>-0.1</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/Fl	0	0	0	0	7	0	7	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State 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) FIs	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(NBFC)	0	0	0	0	0	0	0	0	0
(i-a) Foreign Portfolio Investor -II	0	0	0	0	0	0	0	0	0
<b>Sub-total (B) (1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>
<b>2.Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	53921	2600	56521	1.17	29793	2600	32393	0.67	-0.50
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	1161438	376102	1537540	31.90	1166335	370802	1537137	31.89	-0.01
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakhs	492999	0	492999	10.23	394889	0	384889	8.19	-2.04
c) Other (specify)									
(c-i) NBFC	3900	0	3900	0.08	3900	0	3900	0.08	0
(c-ii) Clearing Members	24903	0	24903	0.52	18403	0	18403	0.38	-0.13
(c-iii) Non-Resident Indians	83717	182400	266117	5.52	76125	179900	256025	5.31	-0.21
(c-iv) HUF	35157	0	35157	0.73	33283	0	33283	0.69	-0.04
<b>Sub - Total (B) (2):-</b>	<b>1714035</b>	<b>561502</b>	<b>2275537</b>	<b>47.21</b>	<b>1714035</b>	<b>561502</b>	<b>2275537</b>	<b>47.21</b>	<b>0.00</b>
<b>Total Public Shareholding (B) = (B)(1)+ (B)(2)</b>	<b>1714035</b>	<b>561502</b>	<b>2275537</b>	<b>47.21</b>	<b>1714035</b>	<b>561502</b>	<b>2275537</b>	<b>47.21</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A + B + C)</b>	<b>4216078</b>	<b>603922</b>	<b>4820000</b>	<b>100</b>	<b>4258498</b>	<b>561502</b>	<b>4820000</b>	<b>100</b>	<b>0</b>

**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 Gurbani	8,87,916	18.42	0	8,87,416	18.41	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
	<b>Total</b>	<b>25,44,463</b>	<b>52.79</b>	<b>0</b>	<b>25,43,963</b>	<b>52.78</b>	<b>0</b>	<b>0</b>

**iii) Change in Promoters' Shareholding:**

S. No	Names of the Shareholders'	Shareholding at the beginning of the year		Reason for	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the company
1.	Promoter Group	25,44,463	52.79	Transfer	25,43,963	52.78

**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.	Ramit Rajinder Bhardwaj	At the beginning of the year	81885	1.70			
		At the end of the year	135290	2.81	31.03.2020	135290	2.81
2.	Niranjan S Shetty	At the beginning of the year	60785	1.26			
		At the end of the year	-	-	31.03.2020	-	-
3.	Joydeep Roy	At the beginning of the year	38463	0.80			
		At the end of the year	63215	1.31	31.03.2020	63215	1.31

4.	Asha Mathur	At the beginning of the year	34037	0.71			
		At the end of the year	-	-	31.03.2020	-	-
5.	Patel Varshaben D	At the beginning of the year	208	0.00			
		At the end of the year	28820	0.60	31.03.2020	28820	0.60
6.	Sanjay Bhattacharya	At the beginning of the year	20323	0.42			
		At the end of the year	22487	0.47	31.03.2020	22487	0.47
7.	Smita Divesh Shah	At the beginning of the year	18950	0.39			
		At the end of the year	18950	0.39	31.03.2020	18950	0.39
8.	Sunitha Reddy Kyatham	At the beginning of the year	18000	0.37			
		At the end of the year	18000	0.37	31.03.2020	18000	0.37
9.	Daksha Vishanji Kotak	At the beginning of the year	27950	0.58			
		At the end of the year	17150	0.36	31.03.2020	17150	0.36
10.	Pavan Maddipati	At the beginning of the year	15884	0.33			
		At the end of the year	17336	0.36	31.03.2020	17336	0.36
11	Satish Pratap Dalvi	At the beginning of the year	8163	0.17			
		At the end of the year	18838	0.39	31.03.2020	18838	0.39
12	Vijaya Gopal Rao Bakaraju	At the beginning of the year	13642	0.28			
		At the end of the year	18678	0.39	31.03.2020	18678	0.39

**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 Gurbani	887916	18.42	01.04.2019	-	-	887916	18.42
		887416	18.41	31.03.2020			887416	18.41
2.	Vishal Ratan Gurbani	-	-	01.04.2019	-	-	-	-
		-	-	31.03.2020			-	-
3.	Banala Jaya prakash Reddy	-	-	01.04.2019	-	-	-	-
		-	-	31.03.2020			-	-
4.	Umra Singh Sirohi	-	-	01.04.2019	-	-	-	-
		-	-	31.03.2020			-	-
5.	Vimal Suresh	-	-	01.04.2019	-	-	-	-
		-	-	31.03.2020			-	-
6.	Vamshi Srinivas Vempati	-	-	01.04.2019	-	-	-	-
		-	-	31.03.2020			-	-
		-	-	31.03.2020			-	-

**V. INDEBTEDNESS:**

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

(In ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	17,27,27,921	2,77,90,473	-	20,05,18,394
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>17,27,27,921</b>	<b>2,77,90,473</b>	<b>-</b>	<b>20,05,18,394</b>
<b>Change in Indebtedness during the financial year</b>				
Addition / (Reduction)	(1,67,29,321)	1,77,25,755	-	9,96,434
<b>Net Change</b>	<b>(1,67,29,321)</b>	<b>1,77,25,755</b>	<b>-</b>	<b>9,96,434</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	15,59,98,600	4,55,16,228	-	20,15,14,828
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>15,59,98,600</b>	<b>4,55,16,228</b>	<b>-</b>	<b>20,15,14,828</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In ₹)

S. No.	Particulars of Remuneration	Brahma Gurbani Managing Director	Vishal Ratan Gurbani Vice - President & Whole time Director	Total Amount
1.	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,00,000	10,69,200	34,69,200
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961			
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961.			
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission - as % of profit - others, specify...	--	--	--
5.	Others, please specify	--	--	--
	<b>Total (A)</b>	24,00,000	10,69,200	<b>34,69,200</b>
	<b>Ceiling as per the Act-Schedule V of the Act</b>	--	--	<b>84,00,000</b>

### B. Remuneration to other directors:

(In ₹)

Sl. No.	Particulars of Remuneration	Banala Jayaprakash Reddy	Umra Singh Sirohi	Vimal Suresh	Total
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	62,745 - -	65,450 - -	66,790 - -	1,94,985 - -
	<b>Total (1)</b>	<b>62,745</b>	<b>65,450</b>	<b>66,790</b>	<b>1,94,985</b>
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	- - -	- - -	- - -	- - -
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>62,745</b>	<b>65,450</b>	<b>66,790</b>	<b>1,94,985</b>
	<b>Total Managerial Remuneration</b>				<b>36,64,185</b>
	<b>Overall Ceiling as per the Act*</b>				<b>84,00,000</b>

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

(In ₹)

<b>S. No.</b>	<b>Particulars of Remuneration</b>	<b>Vamshi Srinivas Vempati Chief Financial Officer</b>	<b>Monalisa Patni Company Secretary</b>	<b>Total</b>
<b>1.</b>	<b>Gross salary (a+b+c)</b>	<b>10,46,880</b>	<b>90,000</b>	<b>11,36,880</b>
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10,46,880	90,000	11,36,880
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>10,46,880</b>	<b>90,000</b>	<b>11,36,880</b>

**VII. 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 of Boiler with Briquettes.

**(ii) the steps taken by the Company for utilizing alternate source of energy:**

Company continued to install solar panels for its lighting requirement where ever it is feasible.

**(iii) the Capital Investment on energy conservation equipments:**

Amount spent on conservation of energy is not significant compared size of the balance sheet.

**B. TECHNOLOGY ABSORPTION:**

~~(i) the efforts made towards technology absorption.~~

~~(ii) the benefits derived like product improvement, cost reduction, production development or import substitute.~~

~~(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year: Not Applicable~~

~~a. the details of technology imported~~

~~b. the year of Import~~

~~c. whether the technology been fully absorbed~~

~~d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and:~~

(iv) the expenditure incurred on research and development.      NIL

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

(Amount in ₹ )

Particulars	March 31, 2020
Foreign exchange earnings	NIL
Foreign exchange outgo	NIL



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDIAN ECONOMY

One of the fastest-growing economies in the world up until recent years, India recorded below 6% GDP growth on a y-o-y basis for the 1<sup>st</sup> time in seven years. The Indian economy grew at 4.2 per cent in 2019-20, lower than the 6.1 per cent figure registered in 2018-19, as the Covid-19 pandemic adversely impacted economic activity in the last month of the current fiscal year, especially manufacturing and construction. The full-year GDP growth is the lowest India has registered in 11 years.

The Central Statistics Office had earlier forecast that the economy would grow at 5 per cent in 2019-20. In the January-March quarter, GDP grew at 3.1 per cent as against 5.7 per cent in the corresponding year-ago period. These are the first set of GDP numbers showing the impact of the Covid-19 pandemic and the nationwide lockdown, which came into effect from 25 March 2020. Economists expect a massive contraction in the first quarter of 2020-21 due to the two-month lockdown, which is likely to pull down the full-year growth to a 5-7 per cent contraction.

The Reserve Bank of India's monetary policy committee refrained from providing any growth projections for the first time in its history, citing the huge uncertainties around the pandemic and its impact on various sectors.

### INDUSTRY STRUCTURE AND DEVELOPMENTS:

Indian confectionery market is competitive and has evolved drastically over the years. With multinational companies accounting for major market share, small businesses are making their way with new product innovations and marketing strategies for surviving in the segment. Years of bringing home premium chocolates as gifts for relatives and friends – be it for the sake of societal status confirmation or general show-off – has made the Indian taste buds more comfortable with the candies and chocolates even for their auspicious and everyday moments. This clearly reflects the fact that the confectionery sector has attracted our sweet-tooth, and is pulling up the growth 'bar' strongly.

Besides, the entry of various multinational companies in the Indian confectionery market has not only increased the competition but also the per-capita consumption, by launching new products at affordable prices, and creating awareness among the buyers through advertisements and promotional campaigns. It is found that emerging trend of gifting confectionery products and untapped rural market are among the key factors that are expected to fuel growth in Indian confectionery market in the near future.

## **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, Competition in the confectionery market continues to intensify, with more and more local & unorganized players offering high channel margins. These players, who are not constrained by scale issues, flood the market with novel flavors across product formats. Organised players new launches/innovations in Mints/Gums @ higher price points, where as unorganized play is comparatively lower. Functional products and sugar free confectionery dominate the world-wide market, while that trend is yet to pick up in India.

## **PERFORMANCE:**

At the instance, during the year 2019-20, our total turnover is 24.99 Crores compared to Turnover of 28.68 Crores in the previous year and total profit earned 33.57 Lakhs compared to turnover of 23.11 Lakhs in the previous year.

As you know that company has been working as contract manufactures for multi-national companies and leading FMCG Companies for more than 2 decades and has been continuously striving to maintain world class manufacturing standards and recognized by customers for high quality standards, your Company has launched 6 new flavors of hard boiled candies during the 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

#### Opinion

We have audited the accompanying Financial Statements of **SAMPRE NUTRITIONS LIMITED** ("the company"), which comprise the Balance Sheet as at **31<sup>st</sup> March 2020**, the Statement of Profit and Loss, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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, 2020;
- 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.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

*We have determined that there were no such key audit matters to communicate in our report.*

#### Responsibility of Management for the Standalone 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 Indian Accounting Standards (Ind AS) 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **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 Indian Accounting Standards (Ind AS) 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<sup>st</sup> March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B', and
- g) With respect to the other matters included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, to our best of our information and according to the explanations given to us :
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For R R K & Associates**

Chartered Accountants

FRN No. 09785S

Sd/-

**R. Radha Krishna**

Partner

M.No.210777

UDIN: 20210777AAAAHJ5548

Date: 29/06/2020

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. The Company has not granted any loans to the parties covered in the register maintained under section 189 of the Companies Act, 2013, except for unsecured trade advances in normal course of business.
- 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. In our opinion, and according to the information and explanations given to us, the company is not required to maintain cost records and accounts as provided under sub section (1) of section 148 of the Companies Act, 2013.
- vii. a. According to the records provided to us, the Company is regular except for following cases 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, 2020 for a period of more than six months from the date they became payable.

Particulars	Amount in Rs.
Tax Deducted at Source	105,625
Professional Tax	15,000

- 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 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 Ind AS 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 R R K & Associates**  
Chartered Accountants  
FRN No. 09785S

Date:29/06/2020  
Place: Hyderabad

Sd/-  
**R. Radha Krishna**  
Partner  
M.No.210777  
UDIN: 20210777AAAAHJ5548



## **Annexure - B to the Auditors' 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 LIMITED** ("the Company") as of **31<sup>st</sup> March 2020** in conjunction with our audit of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS 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 2020, 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.

Date:29/06/2020  
Place: Hyderabad

**For R R K & Associates**  
Chartered Accountants  
FRN No. 09785S

Sd/-  
**R. Radha Krishna**  
Partner  
M.No.210777  
UDIN: 20210777AAAAHJ5548

## SAMPRE NUTRITIONS LIMITED

### Balance Sheet as at March 31, 2020

(All amounts are in Indian rupees except as otherwise stated)

PARTICULARS	Notes	As at March 31, 2020	As at March 31, 2019
<b>I. ASSETS</b>			
<b>1. Non-Current Assets</b>			
a) Property, Plant & Equipment	3	185,419,737	152,922,356
b) Capital work-in-progress	4	54,169,906	88,844,851
c) Financial assets			
Investments in Subsidiaries & Others	5	100,000	100,000
Other Financial Assets	6	4,819,195	7,119,936
d) Other non-current assets	7	-	311,869
		<b>244,508,838</b>	<b>249,299,013</b>
<b>2. Current Assets</b>			
a) Inventories	8	70,369,074	59,295,604
b) Financial Assets			
Trade Receivables	9	35,775,182	49,890,234
Cash and Cash Equivalents	10	8,474,386	3,435,424
Others Financial Assets	6	14,796,113	18,798,950
c) Other Current Assets		-	-
		<b>129,414,754</b>	<b>131,420,212</b>
		<b>373,923,592</b>	<b>380,719,225</b>
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. EQUITY</b>			
a) Equity Share Capital	11	48,200,000	48,200,000
b) Other Equity	12	58,869,947	55,512,700
<b>Total Equity</b>		<b>107,069,947</b>	<b>103,712,700</b>
<b>2. LIABILITIES</b>			
Deferred tax liability (net)	13	4,949,674	4,462,506
<b>Non-current liabilities Financial Liabilities</b>			
Long term borrowings	14	107,979,077	109,755,409
		<b>112,928,752</b>	<b>114,217,915</b>
<b>Current liabilities Financial Liabilities</b>			
Short-term Borrowings	15	80,459,781	72,234,877
Trade payables	16	47,698,301	61,805,809
Other current liabilities	17	25,055,408	28,288,063
Short-term provisions	18	711,404	459,861
		<b>153,924,894</b>	<b>162,788,610</b>
		<b>373,923,592</b>	<b>380,719,225</b>

Summary of significant accounting policies 1-44

The accompanying notes referred above form an integral part of the financial statements.

As per our report of even date attached

**For RRK & Associates**

Chartered Accountants

FRNo.009785S

Sd/-

**R.Radha Krishna**

Partner

Membership No. 210777

Place: Hyderabad

Date : 29<sup>th</sup> June, 2020

**For and on behalf of the Board of Directors  
of Sampre Nutritions Limited**

Sd/-

**Brahma Gurbani**

Managing Director

DIN: 00318180

Sd/-

**Vishal Ratan Gurbani**

Whole-time Director

DIN: 07738685

Sd/-

**V.Vamshi Srinivas, CFO**

**SAMPRE NUTRITIONS LIMITED**  
**Statement of profit and loss for the year ended March 31, 2020**  
 (All amounts are in Indian rupees except as otherwise stated)

PARTICULARS	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>INCOME</b>			
Revenue from operations	19	248,545,815	286,804,132
Other income	20	1,795,000	349,967
		<b>250,340,815</b>	<b>287,154,099</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	21	82,453,206	184,263,647
Manufacturing expenditure	22	93,892,768	36,637,442
Employee benefits expense	23	8,868,993	7,045,066
Other expenses	24	24,308,038	21,571,338
Depreciation	25	14,925,823	13,956,152
Finance costs	26	21,331,702	21,267,118
		<b>245,780,530</b>	<b>284,740,763</b>
<b>Profit/ (loss) before tax</b>		<b>4,560,285</b>	<b>2,413,336</b>
<b>Tax expense</b>		-	-
Current tax		-	459,861
Short /(Excess) Provision for Taxation		4,465	511,099
Deferred tax (credit)/charge	33	1,198,573	(869,364)
<b>Total tax expense</b>		<b>1,203,038</b>	<b>101,596</b>
<b>Profit/ (loss) for the period/year</b>		<b>3,357,247</b>	<b>2,311,740</b>
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income for the Year</b>		<b>3,357,247</b>	<b>2,311,740</b>
<b>Earnings per equity share</b>			
[Nominal value of equity share Rs. 10]			
Basic and Diluted (Rs.)	34	0.70	0.48
Weighted average no. of equity shares		4,820,000	4,820,000

The accompanying notes referred above form an integral part of the financial statements. 1-44  
 As per our report of even date attached

**For RRK & Associates**  
 Chartered Accountants  
 FRNo.009785S

Sd/-  
**R.Radha Krishna**  
 Partner  
 Membership No. 210777  
 Place: Hyderabad  
 Date : 29<sup>th</sup> June, 2020

**For and on behalf of the Board of Directors  
 of Sampre Nutritions Limited**

Sd/-    Sd/-  
**Brahma Gurbani**    **Vishal Ratan Gurbani**  
 Managing Director    Whole-time Director  
 DIN: 00318180    DIN: 07738685  
 Sd/-  
**V.Vamshi Srinivas, CFO**

**SAMPRE NUTRITIONS LIMITED**  
**CASH FLOW STATEMENT**

(All amounts are in Indian rupees except as otherwise stated)

PARTICULARS	For the year ended March 31, 2020	For the year ended March, 31 2019
<b>A. Cash flow from operating activities</b>		
<b>Profit/ (loss) before tax</b>	4,560,285	2,413,336
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation expense	14,925,823	13,956,152
Profit / (Loss) on sale of fixed assets / CWIP	16,466	161,120
Interest income accrued	(181,616)	(245,331)
Interest Expense	9,162,412	12,566,019
<b>Operating profit before working capital changes</b>	<b>28,483,370</b>	<b>28,851,295</b>
<b>Movements in Working Capital :</b>		
(Increase)/ Decrease in inventories	(11,073,470)	(10,032,032)
(Increase)/ Decrease in Financials Assets	21,730,863	(7,595,494)
(Increase)/ Decrease in other non-current assets	311,869	388,375
(Increase)/ Decrease in Other Current Non Financial Assets	-	49,071
Increase / (Decrease) in Trade payables	(14,107,508)	45,910,416
Increase/ (decrease) in other current Financial Liabilities	2,219,483	1,639,297
Increase / (Decrease) in Other Non-Financial Liabilities	0	0
<b>Cash generated / used in operations</b>	<b>27,564,607</b>	<b>59,210,929</b>
Direct taxes (paid)/Refund (net)	(1,776,559)	(2,388,707)
<b>Net cash generated/ (used) from operating activities (A)</b>	<b>25,788,048</b>	<b>56,822,222</b>
<b>B. Cash flow from investing activities</b>		
Proceeds of fixed assets including Capital work - in - progress	(13,758,939)	(103,325,627)
Proceeds from sale of fixed assets	994,215	180,000
Interest received	181,616	245,331
<b>Net cash generated/ (used) in investing activities (B)</b>	<b>(12,583,108)</b>	<b>(102,900,296)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long term borrowings (Net of repayment)	(7,228,470)	27,781,661
Proceeds from short term borrowings	8,224,904	31,928,230
Interest expense paid	(9,162,412)	(12,566,019)
<b>Net cash flow generated/ (used) in financing activities (C)</b>	<b>(8,165,978)</b>	<b>47,143,872</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>5,038,962</b>	<b>1,065,798</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3,435,424</b>	<b>2,369,626</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>8,474,386</b>	<b>3,435,424</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	80,993	86,675
Deposits with banks	233,000	2,240,642
With banks - on current accounts	8,160,392	1,108,107
<b>Cash and cash equivalents</b>	<b>8,474,386</b>	<b>3,435,424</b>

The accompanying notes referred above form an integral part of the financial statements.

As per our report of even date attached

**For RRK & Associates**

Chartered Accountants  
FRNo.009785S

Sd/-

**R.Radha Krishna**

Partner

Membership No. 210777

Place: Hyderabad

Date : 29<sup>th</sup> June, 2020

**For and on behalf of the Board of Directors  
of Sampre Nutritions Limited**

Sd/-

**Brahma Gurbani**

Managing Director

DIN: 00318180

Sd/-

**Vishal Ratan Gurbani**

Whole-time Director

DIN: 07738685

Sd/-

**V.Vamshi Srinivas, CFO**

## SAMPRE NUTRITIONS LIMITED

### Statement of Changes in Equity for the year ended March 31, 2020

#### a) Equity Share Capital

<b>For the year ended 31st March, 2019</b>	
Balance as at 01st April, 2018	4,820,000
Changes in equity share capital during the year	-
<b>Balance as at 31st March, 2019</b>	<b>4,820,000</b>
<b>For the year ended 31st March, 2020</b>	
Balance as at 01st April, 2019	4,820,000
Changes in equity share capital during the year	-
<b>Balance as at 31st March, 2020</b>	<b>4,820,000</b>

#### b) Other Equity

Particulars	Reserves & Surplus		
	Capital Reserve	Retained Earnings	Total
<b>Balance as at April 1, 2018</b>	<b>3,700,000</b>	<b>49,500,960</b>	<b>53,200,960</b>
Total Comprehensive Income for the Year			-
i) Additions during the year	-	-	-
ii) Utilisation during the year	-	-	-
iii) Profit / (Loss) for the year	-	2,311,740	2,311,740
iv) Other Comprehensive Income	-	-	-
<b>Balance as at March 31, 2019</b>	<b>3,700,000</b>	<b>51,812,700</b>	<b>55,512,700</b>
Total Comprehensive Income for the Year			-
i) Additions during the year	-	-	-
ii) Utilisation during the year	-	-	-
iii) Profit / (Loss) for the year	-	3,357,247	3,357,247
iv) Other Comprehensive Income	-	-	-
<b>Balance as at March 31, 2020</b>	<b>3,700,000</b>	<b>55,169,947</b>	<b>58,869,947</b>

As per our report of even date

As per our report of even date attached

#### For RRK & Associates

Chartered Accountants

FRNo.009785S

Sd/-

**R.Radha Krishna**

Partner

Membership No. 210777

Place: Hyderabad

Date : 29<sup>th</sup> June, 2020

#### For and on behalf of the Board of Directors of Sampre Nutritions Limited

Sd/-

**Brahma Gurbani**

Managing Director

DIN: 00318180

Sd/-

**Vishal Ratan Gurbani**

Whole-time Director

DIN: 07738685

Sd/-

**V.Vamshi Srinivas, CFO**

## **SAMPRE NUTRITIONS LIMITED**

### **Notes to financial statements for the year ended March 31, 2020**

#### **1 Basis of accounting and preparation of Financial Statements**

##### **a) Company Overview**

Sampre Nutritions Limited is a Public Limited Company domiciled in the State of Telangana, Hyderabad incorporated under the Provisions of the Companies Act, 1956. The Company is engaged in the activity of manufacturing of confectionery products. The Equity shares of the company are listed with the BSE Limited.

The principal place of business is situated at 133, TSIIIC Industrial Estate, Medchal-501401, Medchal Malkajgiri Dist, Telangana.

##### **b) Basis of accounting and preparation of Financial Statements**

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs (MCA) pursuant to Section 133 of the Companies Act 2013, read with Companies ( Indian Accounting Standards) Rules 2015 as amended and other relevant provisions of the Act. The Company has consistently applied the accounting policies during the period presented in the financial statements.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### **c) Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Although these estimates are based upon management's best knowledge of current events, actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical Judgements** In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

**Key sources of estimation uncertainty :** The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Key sources of estimation uncertainty : The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Income taxes: The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

**d) Operating Cycle and Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification in accordance with Part-I of Division- II of Schedule III of the Companies Act, 2013.

An asset is treated as current when (a) It is expected to be realised or intended to be sold or consumed in normal operating cycle; (b) It is held primarily for the purpose of trading; or (c) It is expected to be realised within twelve months after the reporting period, or (d) The asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when (a) It is expected to be settled in normal operating cycle; or (b) It is held primarily for the purpose of trading; or (c) It is due to be settled within twelve months after the reporting period, or (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its normal operating cycle.

**e) Standards issued but not yet effective**

On 30th March 2019, the Ministry of Corporate (MCA) has notified the Ind AS 116 'Leases', and issued amendments to the Ind AS 12 'Income Taxes', Ind AS 19 'Employee Benefits'.

The effective date for adoption and application of above stated is annual period beginning from on or after 01st April, 2019. The Company does not have any impact on account of this amendments.

**2.**

**a) Property, Plant and Equipment & Depreciation**

**i) Recognition and Measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises:

Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.



Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant part of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised from financial statement, either on disposal or when no economic benefits are expected from its use or disposal. The gain or loss arising from disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment recognised in the statement of profit and loss account in the year of occurrence.

#### **ii) Subsequent expenditure**

Subsequent expenditure is capitalised only if its is probable that the future economic benefits associated with the expenditure will flow to the company.

#### **iii) Depreciation**

Depreciation amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on assets has been provided on Straight line basis at the useful lives specified in the Schedule II of the Companies Act, 2013. Depreciation on additions / deductions is calculated pro-rata from / to the month of additions / deductions.

Assets costing less than INR 5,000/- are depreciated at 100% in the year of acquisition.

#### **b) Revenue recognition**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Interest income: Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

#### **c) Inventories**

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost, calculated on weighted average basis, and net realizable value. Cost of raw materials and stores comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Items held for use in the production of inventory are not written below cost if the finished product in which these will be incorporated are expected to be sold at or above cost.

#### d) Foreign Currencies

**Functional currency:** The functional currency of the Company is the Indian rupee.

Transactions and translations: Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign-currency-denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

#### e) Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

**Current tax:** Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

**Deferred tax:** Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

**f) Impairment of Assets**

**Non Financial Assets** :The carrying value of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve for that asset.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

**Financial assets:** The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**g) Provisions and Contingent Liabilities**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised in the Financial Statements.

## h) Non-derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

### i) Financial assets

**Cash and cash equivalents** For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Trade Receivables and Loans:** Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

**Debt Instruments:** Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

**Equity Instruments:** All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis.

### ii) Financial assets– Subsequent measurement

**Financial assets at amortised cost:** Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through other comprehensive income (FVTOCI):** Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

**Financial assets at fair value through profit or loss (FVTPL):** Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

### iii) Financial liabilities

**Loans and borrowings:** After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost on accrual basis.

**Financial guarantee contracts:** Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

### iv) Financial liabilities - Subsequent measurement

Financial liabilities are measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, carrying amounts approximate the fair value due to the short maturity of these instruments.

### v) De-recognition

The Company de-recognizes a financial assets when the contractual rights to the cash flows from the financial asset expires or it transfers the financial assets and the transfer qualifies for derecognition under Indian Accounting Standard 109 "Financial Instruments". A financial liability (or a part of financial liability) is de-recognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

### vi) Offsetting of financial instruments

Financial assets and financial liabilities are offsetted and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### i) Earnings Per Share

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

### SAMPRE NUTRITIONS LIMITED

Notes to financial statements

(All amounts are in Indian rupees except as otherwise stated)

#### 3. Property Plant and Equipment

Cost	Freehold Land	Misc Fixed Assets	Electrical Equipment	Factory Buildings	Plant and machinery	Office Buildings	Office Equipment	Computer equipment	Furniture and fixtures	Vehicles	Total fixed assets
<b>As at April 1, 2018</b>	2,124,163	638,801	22,253,687	59,755,632	150,550,196	5,554,280	4,457,294	497,107	14,984,963	26,769,995	287,586,118
Additions	-	-	5,700	-	30,684,824	7,538,352	-	-	109,200	75,000	38,413,076
Deletions	-	-	-	-	-	-	-	-	-	(650,000)	(650,000)
<b>As at March 31, 2019</b>	<b>2,124,163</b>	<b>638,801</b>	<b>22,259,387</b>	<b>59,755,632</b>	<b>181,235,020</b>	<b>13,092,632</b>	<b>4,457,294</b>	<b>497,107</b>	<b>15,094,163</b>	<b>26,194,995</b>	<b>325,349,194</b>
Additions	-	-	18,000	642,000	46,058,890	-	33,120	-	66,000	1,615,875	48,433,885
Deletions	-	-	-	(642,000)	-	-	-	-	-	(952,500)	(1,594,500)
<b>As at March 31, 2020</b>	<b>2,124,163</b>	<b>638,801</b>	<b>22,277,387</b>	<b>59,755,632</b>	<b>227,293,910</b>	<b>13,092,632</b>	<b>4,490,414</b>	<b>497,107</b>	<b>15,160,163</b>	<b>26,858,370</b>	<b>372,188,579</b>
<b>Depreciation</b>											
<b>As at April 1, 2018</b>	-	599,937	15,088,584	28,048,131	85,474,867	1,061,272	3,649,463	457,398	5,804,509	18,595,403	158,779,566
Adjustment to opening Reserve	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	9,401	761,472	2,838,220	7,457,782	119,312	118,154	37,713	1,025,906	1,588,192	13,956,152
Deletions	-	-	-	-	-	-	-	-	-	(308,880)	(308,880)
<b>As at March 31, 2019</b>	-	<b>609,338</b>	<b>15,850,056</b>	<b>30,886,352</b>	<b>92,932,649</b>	<b>1,180,585</b>	<b>3,767,617</b>	<b>495,111</b>	<b>6,830,414</b>	<b>19,874,715</b>	<b>172,426,838</b>
Adjustment to opening Reserve	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	9,401	762,906	2,838,220	8,633,564	238,418	110,293	1,002	1,039,956	1,292,061	14,925,823
Deletions	-	-	-	-	-	-	-	-	-	(583,819)	(583,819)
<b>As at March 31, 2020</b>	-	<b>618,740</b>	<b>16,612,963</b>	<b>33,724,572</b>	<b>101,566,213</b>	<b>1,419,003</b>	<b>3,877,910</b>	<b>496,113</b>	<b>7,870,370</b>	<b>20,582,957</b>	<b>186,768,842</b>
<b>Net Block</b>											
<b>As at April 1, 2018</b>	<b>2,124,163</b>	<b>38,864</b>	<b>7,165,103</b>	<b>31,707,501</b>	<b>65,075,328</b>	<b>4,493,008</b>	<b>807,831</b>	<b>39,709</b>	<b>9,180,454</b>	<b>8,174,592</b>	<b>128,806,552</b>
<b>As at March 31, 2019</b>	<b>2,124,163</b>	<b>29,463</b>	<b>6,409,331</b>	<b>28,869,280</b>	<b>88,302,371</b>	<b>11,912,047</b>	<b>689,677</b>	<b>1,996</b>	<b>8,263,749</b>	<b>6,320,280</b>	<b>152,922,356</b>
<b>As at March 31, 2020</b>	<b>2,124,163</b>	<b>20,061</b>	<b>5,664,424</b>	<b>26,031,060</b>	<b>125,727,696</b>	<b>11,673,629</b>	<b>612,504</b>	<b>994</b>	<b>7,289,793</b>	<b>6,275,413</b>	<b>185,419,737</b>

#### 4. Capital work - in - progress

As at March 31, 2019	88,844,851
As at March 31, 2020	54,169,906

## 5. Non-Current Investments

	As at March 31, 2020	As at March 31, 2019
Investment in equity instruments in other "companies" Unquoted, Fully Paidup equity instruments 1000 equity share of Rs.100 each of Cosmos Co-Op Bank Ltd	100,000	100,000
	<b>100,000</b>	<b>100,000</b>

## 6. Other Non-current and Current Financial Assets

	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Security deposits</b>				
Unsecured, considered good (A)	4,819,195	7,119,936	-	-
	<b>4,819,195</b>	<b>7,119,936</b>		
Other loans and advances				
Advances to employees	-	-	1,434,212	1,400,658
Balance with Revenue authorities	-	-	11,666,917	16,005,793
Advances to Suppliers	-	-	1,694,983	1,392,499
<b>(B)</b>	-	-	<b>14,796,113</b>	<b>18,798,950</b>
<b>(A+B)</b>	<b>4,819,195</b>	<b>7,119,936</b>	<b>14,796,113</b>	<b>18,798,950</b>

## 7. Other Non-current and Current Assets

	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Other Assets</b>				
Misc Expenditure to the extent not written off - A	-	311,869	-	-
	-	<b>311,869</b>	-	-
<b>Advances recoverable in cash or kind</b>				
Unsecured, considered good Prepaid Expenses - B	-	-	-	-
	-	-	-	-
<b>(A+B)</b>	-	<b>311,869</b>	-	-

**8. Inventories (valued at lower of cost and net realisable value) (Refer note 44)**

	As at March 31, 2020	As at March 31, 2019
Raw Materials	38,385,697	35,004,406
Packing Materials	31,983,377	24,291,198
	<b>70,369,074</b>	<b>59,295,604</b>

**9. Trade receivables**

	As at March 31, 2020	As at March 31, 2019
- Unsecured, considered good Trade Receivables (Outstanding for a period of more than six months)	-	-
Others	35,775,182	49,890,234
	<b>35,775,182</b>	<b>49,890,234</b>

**10. Cash and Cash Equivalents**

	As at March 31, 2020	As at March 31, 2019
<b>Cash and Cash equivalents</b>		
Balance with banks	8,160,392	1,108,107
- On current accounts		
Margin money deposit	233,000	2,240,642
Cash on hand	80,993	86,675
	<b>8,474,386</b>	<b>3,435,424</b>

**11. Share Capital**

	As at March 31, 2020	As at March 31, 2019
<b>Authorised Shares</b>		
6,000,000 (March 31, 2019: 6,000,000) equity shares of Rs. 10 each	60,000,000	60,000,000
<b>Issued and subscribed shares</b>		
48,20,000 (March 31, 2019: 48,20,000) equity shares of Rs. 10 each	48,200,000	48,200,000
	<b>48,200,000</b>	<b>48,200,000</b>



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

	March 31, 2020		March 31, 2019	
	Number	Amount in Rs.	Number	Amount in Rs.
At the beginning of the year	4,820,000	48,200,000	4,820,000	48,200,000
Outstanding at the end of the year	4,820,000	48,200,000	4,820,000	48,200,000

**b) Terms/right attached to equity shares**

The Company has issued 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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	March 31, 2020		March 31, 2019	
	Number	% holding in the class	Number	% holding in the class
<b>Equity shares of Rs. 10 each fully paid</b>				
Brahma K Gurbani	887,416	18.41	887,916	18.42
Saritha. B. Gurbani	761,762	15.80	761,762	15.80
Meera B. Gurbani	530,762	11.01	530,762	11.01

As per the records of the Company, including its register of shareholders/members, the above shareholding represents legal and beneficial ownership.

**12. Other Equity**

	As at March 31, 2020	As at March 31, 2019
<b>Securities premium account</b>	<b>3,700,000</b>	<b>3,700,000</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	51,812,700	49,500,960
Profit / (loss) for the period/year	3,357,247	2,311,740
Add/Less: Transfer of Balances	-	-
<b>Net surplus/(deficit) in the statement of profit and loss</b>	<b>55,169,947</b>	<b>51,812,700</b>
	<b>58,869,947</b>	<b>55,512,700</b>

**13. Deferred Tax Liability (Net) - (Refer Note No.33)**

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Deferred Tax Liability, Net</b>	5,661,079	4,462,506
<b>Deferred Tax Asset, Net</b>	-	-
	-	-
<b>Mat Credit Entitlement (Net)</b>	(711,404)	-
<b>Total</b>	<b>4,949,674</b>	<b>4,462,506</b>

**14. Long-term borrowings**

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Term Loans (Secured) (Refer Note No.28)</b>		
- Term loans From Banks	73,116,004	96,930,744
- Vehicle Loans From Banks	1,087,743	1,336,706
- Other Vehicle Loan	1,335,072	2,225,594
Loans & Advances from related persons	45,516,228	27,790,473
	121,055,047	128,283,517
Less: Current Maturities of long term borrowings	13,075,970	18,528,108
	<b>107,979,077</b>	<b>109,755,409</b>

Note: There is no default in repayment of loan and interest as at Balance Sheet.

**Vehicle loan from Banks & others**

Vehicle loans are secured by Hypothecation of vehicles purchased out of amount financed and personal guarantees of Directors

**15. Short term borrowings**

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
The South Indian Bank Bill Discounting	30,000,000	29,999,783
The South Indian Bank Cash Credit	50,459,781	42,235,094
	<b>80,459,781</b>	<b>72,234,877</b>

Notes:

- Working capital limits are availed from The south Indian Bank, secured by Hypothecation of entire Current Assets of the Company both present and future at 10.45 % rate of interest repayable on demand.
- All the Term Loans are availed against hypothecation of Plant & Machinery both present and future and EM of Land and Buildings Situated at Plot No: 133 and land in between Plot No. 133 & 137 in SY No. 865/2, IE, Medchal.
- All the facilities availed from The South India Bank are further secured by collateral securities and personal guarantees of Directors and their relatives
- There is no default in repayment of loan and interest as at Balance Sheet.

**16. Trade payables**

	As at March 31, 2020	As at March 31, 2019
Dues to Related parties	-	-
Other		
a. Trade Creditors.	28,634,266	52,506,495
b. Creditor for Expenses	7,808,620	5,592,826
c. Creditors for Capital Goods	11,255,414	3,706,488
d. Dues to others	-	-
	<b>47,698,301</b>	<b>61,805,809</b>

**Note: Details of dues to micro and small enterprises as defined under the MSMED ACT, 2006**

Based on information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2020

**17. Other current liabilities**

	As at March 31, 2020	As at March 31, 2019
Current maturities of long term debt	13,075,970	18,528,108
Advances from customers	1,180,840	3,184,944
Dues to employees	6,315,446	1,731,433
Other statutory liabilities	4,483,151	4,667,778
Provision for expenses	-	175,800
	<b>25,055,408</b>	<b>28,288,063</b>

**18. Short term provisions**

	As at March 31, 2020	As at March 31, 2019
Provision for income tax	711,404	459,861
	<b>711,404</b>	<b>459,861</b>

**19. Revenue from operations**

	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of products	248,545,815	286,804,132
Processing Charges	-	-
	<b>248,545,815</b>	<b>286,804,132</b>

## 20. Other income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income	181,616	134,581
Dividend Received	-	110,750
Other non operating income	1,613,384	104,636
	<b>1,795,000</b>	<b>349,967</b>

## 21. Cost of Materials Consumed

	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Stock	59,295,604	49,263,572
Add: Purchases	93,526,676	194,295,679
Less: Closing stock	70,369,074	59,295,604
	<b>82,453,206</b>	<b>184,263,647</b>

## 22. Manufacturing expenditure

	For the year ended March 31, 2020	For the year ended March 31, 2019
Fuel & Power consumption	18,125,043	4,530,592
Factory salaries and Wages	37,406,073	23,049,179
Factory Expenses	32,355,868	6,350,389
Transport & Hamali Charges	1,200,993	653,885
Repairs & Maintenance	4,804,791	2,053,397
	<b>93,892,768</b>	<b>36,637,442</b>

## 23. Employee benefits expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, bonus and allowances	5,399,793	4,100,866
Directors Remuneration	3,469,200	2,944,200
	<b>8,868,993</b>	<b>7,045,066</b>

## 24. Other expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Advertisement Expenses	53,600	54,820
AGM Expenses	9,900	4,200
Building Maintenance	582,353	988,877
Business Promotion Expenses	408,149	1,059,468
Computer Maintenance	195,075	101,617
Communication Expenses	109,995	60,011
Donations	39,333	62,709

Electricity Charges	384,141	313,571
General Expenses	1,621,696	2,233,812
Insurance	1,047,482	1,036,243
Key Man Insurance Exp	2,435,020	1,421,894
Legal and professional	493,730	535,339
Loan Processing Fee	-	74,104
Loss on sale of Asset	64,853	161,120
Medical Expenses	256,295	322,190
Membership and Subscription Fee	6,860	4,500
Office Expenses	748,602	322,067
Payments to auditors	205,000	177,000
Printing and stationery	306,879	320,485
Professional Tax	104,000	69,800
Rates and taxes	1,266,594	102,476
Rental Charges	6,826,258	5,405,000
Repairs and maintenance	2,465	-
Security Services	2,691,591	2,107,631
Sitting Fee	194,985	160,000
Staff Welfare Expenses	2,667,673	2,969,538
Telephone Expenses	295,591	239,305
Travelling and conveyance	889,001	998,752
Vehicle Maintainence	400,917	264,812
	<b>24,308,038</b>	<b>21,571,338</b>

## 25. Depreciation expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of tangible assets	14,925,823	13,956,152
Less: Transferred to capital work-in-progress	-	-
	<b>14,925,823</b>	<b>13,956,152</b>

## 26. Finance costs

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on Term Loans	9,162,412	12,566,019
Interest - Others	10,775,736	6,877,845
Bank charges	1,393,555	1,823,255
	<b>21,331,702</b>	<b>21,267,118</b>

## NOTES TO FINANCIAL STATEMENTS

### 27. Contingent liabilities not provided for in respect of:

The company is in receipt of assessment orders 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 forums. The Company is expecting a favorable result from the appellate authority.

### 28. Secured Loans (Refer Note No.14)

#### Term loans From Banks:

- a. The term loan from banks includes Rs.10,79,79,077/- from 'The South Indian Bank Ltd' which was availed for acquisition of Plant & Machinery and construction works at 10.65% rate of interest.
- b. All term loans are repayable as per the repayment schedule as stipulated in sanction letter of the bank.

#### Vehicle Loans From Banks:

Vehicle loans were obtained from HDFC Bank and The Cosmos Co-Op Bank Ltd, secured by hypothecation of vehicles financed by the banks.

#### Other Vehicle Loan

Other Vehicle loan obtained from 'Daimler Financial Services India Private Ltd', secured by hypothecation of vehicles owned by the company.

### 29. Dues to Micro and Small Enterprises

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 2020 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 "The Micro, Small and Medium Enterprises Development Act, 2006" during the said year.

### 30. Payment to Auditors:

Particulars	31 <sup>st</sup> March, 2020 (Amount in Rs.)	31 <sup>st</sup> March, 2019 (Amount in Rs.)
Audit Fee	155,000	127,500
Tax Audit Matters	30,000	30,000
Certification & Other Services	20,000	20,000
Total	2,05,000	1,77,500

31. There are no debts outstanding as on 31st March 2020 from Directors or other officers of the company other than imprest cash in order to meet running expenses.

### 32. Segment Reporting:

The company's business consists of one primary reportable business segment of manufacturing of sugar boiled candies and toffees and having two manufacturing facilities at a) Plot No: 133, IE, Medchal & b) Plot No: 127 & 128, IE, Medchal. It 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

### 33. Deferred Tax Asset / (Liability):

The movement of Provision of Deferred Tax for the year ended 31-03-2020 is as given below:

Particulars	Asset/(Liability) As on 31.03.2019	Recognised in Profit & Loss Account	Others	Asset/ (Liability) As on 31.03.2020
Timing Differences on account of Depreciation	(44,62,506)	(24,97,269)	-	(69,59,774)
Unabsorbed Tax Losses (Depreciation Loss)	-	12,98,696	-	12,98,696
MAT Credit Entitlement/ (Utilisation)	-	-	-	7,11,404
<b>Total</b>	<b>(44,62,506)</b>	<b>(11,98,573)</b>	<b>-</b>	<b>49,49,674</b>

### 34. 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	FY2019-20	FY 2018-19
Profit attributable to Equity Share Holders (A)	33,57,247	23,11,740
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	0.70	0.48
Diluted EPS	0.70	0.48

### 35. Taxes on income

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

### 36. Related Party Disclosures

"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. Naturalle Health Products Pvt. Ltd.

- b) Key Managerial Personnel

Shri Brahma K Gurbani (MD)

Shri Vishal R Gurbani (WTD-VP)

**a) Related Party Transactions:**

Name of Related Party	Nature of transaction	Current Year	Previous Year
Shri. Brahma K Gurbani	Managerial Remuneration	24,00,000	18,75,000
Shri Vishal R Gurbani	Managerial Remuneration	10,69,200	10,69,200
Shri. Brahma K Gurbani	Unsecured Borrowings	3,50,41,403	2,31,10,010
Smt. Meera B Gurbani	Unsecured Borrowings	1,04,74,825	46,80,463
Royes Industries Limited	Lease Rentals	60,00,000	54,05,000
Royes Industries Limited	Purchases	42,86,766	--

**b) Balances receivable /Payable**

Name of Related Party	Nature of transaction	As at March 31, 2020	As at March 31, 2019
Royes Industries Limited	Advances Receivables	1,00,05,664	1,17,07,153
Naturalle Health Products Pvt Ltd	Advances Receivables	15,50,138	3,08,861
Shri. Brahma K Gurbani	Unsecured Borrowings	3,50,41,403	2,31,10,010
Smt. Meera B Gurbani	Unsecured Borrowings	1,04,74,825	46,80,463

- c) Disclosure of Unsecured Loans received from Directors and Relatives of Directors Pursuant to Rule 16A of Companies (Acceptance of Deposits) Rules 2014 is as follows.

S No.	Name of Lender	Nature of Relation	Amount
1	Shri. Brahma K Gurbani	Director	3,50,41,403
2	Smt. Meera B Gurbani	Relative of Director	1,04,74,825

**37. CIF Value of Imports**

	FY 2019-20(Rs.)	2018-19(Rs.)
Raw materials	---	---
Packing materials	---	---
Traded goods	---	---
Capital goods	---	---



38. Previous year's figures have been re grouped / and or re-arranged wherever necessary to confirm with the current year classification.
39. 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.
40. Depreciation has been provided on the straight-line method as per the rates prescribed as of Schedule II of The Companies Act 2013.
41. 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.
42. Paisa is rounded off to nearest rupee.
43. 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 2020. 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.
44. Additional Information pursuant to provisions of the Companies Act, 2013.

(As certified by Management of the Company)

Particulars	FY 2019-20		FY 2018-19	
	Quantity (Kg)	Value (Rs. Lakhs)	Quantity (Kg)	Value (Rs. Lakhs)
Opening Stock	638962	592.95	530857	492.63
Production (Sugar based candies)	2677226	N.A	1912696	N.A
Closing Stock	758226	703.69	638962	592.95
Sales – Own product (Sugar based candies Confectionery) & Job Work	8348721	2499.26	1787566	1653.50
Sales – Job Work	-	-	5783518	1214.54

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

Material Consumed	FY 2019-20		FY 2018-19	
	Quantity (Kg)	Value	Quantity (Kg)	Value
Raw Material (No. / Kgs)				
- Sugar	668340	243.94	816749	302.27
- Glucose	620518	129.81	797564	180.16
- Flavors & Others	1192422	300.95	1505713	380.02
Total	2481280	674.70	3120026	862.45
Primary packing Materials	52114	149.83	67657	176.64
Others	-	-	-	-
<b>Total</b>	<b>2533394</b>	<b>824.53</b>	<b>3187683</b>	<b>1039.09</b>

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

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

Particulars	Year ended March 31, 2020		Period ended March 31, 2019		
	Value	%		Value	%
Indigenous	8,24,53,206	100	Indigenous	18,42,63,647	100
Imported	-	-	Imported	-	-
<b>Total</b>	<b>8,24,53,206</b>	<b>100</b>	<b>Total</b>	<b>18,42,63,647</b>	<b>100</b>

For and on behalf of board of directors

**For RRK & Associates**  
Chartered Accountants  
FRNo.009785S

Sd/-  
**BRAHMA GURBANI**  
Managing Director  
(DIN: 00318180)

Sd/-  
**VISHAL RATAN GURBANI**  
Whole- time Director  
(DIN: 07738685)

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

Sd/-  
**V.Vamshi Srinivas**  
CFO

Date: 29/06/2020  
Place: Medchal