

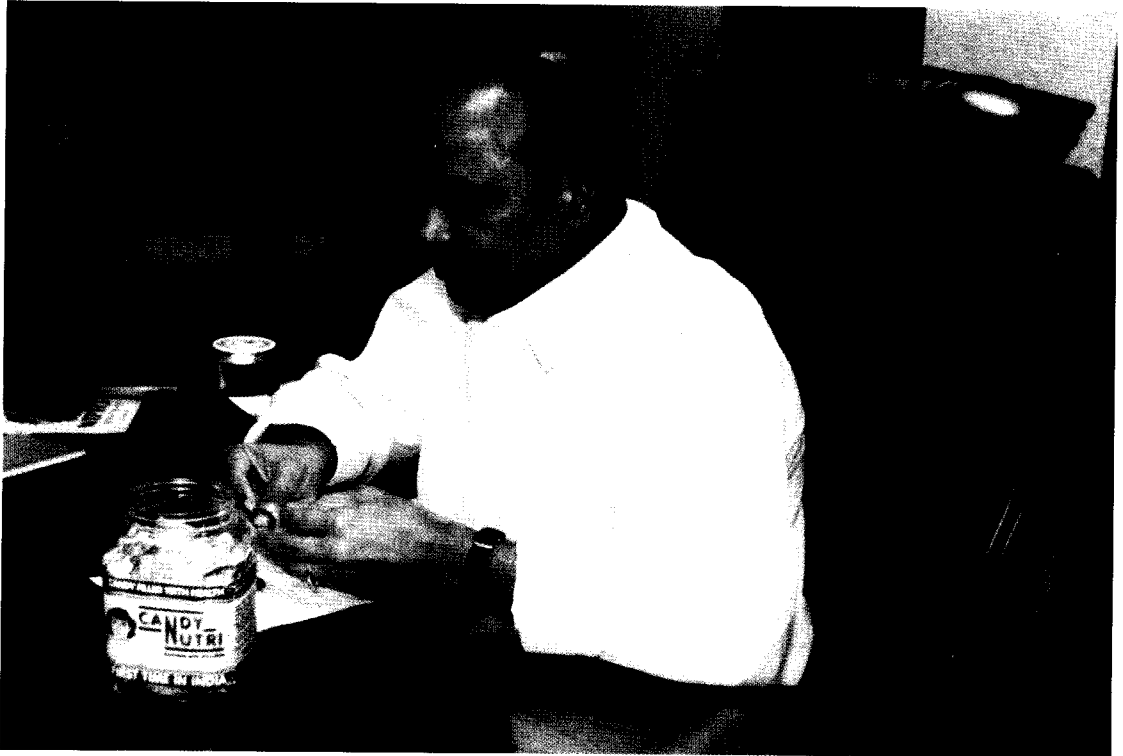


SAMPRE NUTRITIONS LTD

EIGHTEENTH ANNUAL REPORT
2008 - 2009

www.gurbanigroup.com

CANDY FILLED WITH HEALTH



Hon'able Chief Minister **Shri Y. S. RAJASEKHAR REDDY**
enjoying taste of **CANDY NUTRI**

FIRST TIME IN INDIA

BOARD OF DIRECTORS

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

AUDITORS:

T P Rao & Co.
Chartered Accountants
Plot No.32, Flot No. 114
HUDA Complex,
SaroorNagar Hyderabad -35

BANKERS:

State Bank of India
AXIS Bank Limited

REGISTERED OFFICE:

100, Sarojini Devi road,
Secunderabad – 500 003
Andhra Pradesh, India
Phone: 040 – 27841778
Fax: 040-27813931
E-Mail: gurbani@satyam.net.in
Website: www.gurbanigroup.com

WORKS:

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

REGISTRARS & TRANSFER AGENTS:

M/s. Big Share Services Private Ltd
G-10, Left Wing, Amrutha Ville,
Opp. Yashoda Hospital,
Raj Bhavan Road, Somajiguda,
Hyderabad – 500 082.

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the members of the company will be held on **TUESDAY, 29TH SEPTEMBER, 2009 at 10.00 AM** at Lions Bhavan Trust, Behind LIC Office, Paradise Circle, Secunderabad – 500 003 to transact the following items of business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and Profit & Loss Account for the financial year ended on that date together, with the report of the Board of Directors and Auditors thereof.
2. To appoint a director in place of Smt. Meera B Gurbani who retires by rotation and being eligible offer herself for re-appointment.
3. To appoint auditors to hold the office from conclusion of the Annual General Meeting to conclusion of the next Annual General Meeting and to fix their remuneration.

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

Sd/-

B K GURBANI

Chairman and Managing Director

Place: Hyderabad

Date: 26.08.2009

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxy in order to be effective must be deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.
- 2) The Register of Members and Share Transfer Books of the Company will remain closed from **FRIDAY, 25TH SEPTEMBER, 2009 TO TUESDAY, 29TH SEPTEMBER, 2009** (both days inclusive).
- 3) Members are requested to quote ledger folio number in all their correspondence to avoid delay in communication.
- 4) Members are advised to consolidate their ledger folios where they are holding shares in different folios in the same name.

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting herewith the 18th Annual Report of Company together with the Audited Accounts for the financial year ended 31st March, 2009.

FINANCIAL RESULTS:

(Rs.in lakhs)

PARTICULARS	YEAR ENDED 31.03.2009	YEAR ENDED 31.03.2008
Income Received	471.42	429.81
Expenditure	352.55	354.72
Profit before depreciation and Income tax	118.87	75.09
Depreciation	72.58	58.01
Net profit before tax	46.29	17.08
Provision for taxation		
a. Current tax	3.63	4.67
b. Deferred tax	3.38	1.07
c. Fringe Benefit Tax	1.92	1.27
Profit after tax	37.36	10.07
Brought forward from previous year	179.26	169.19
Transfer to General Reserve	-	-
Balance carried to balance sheet	204.56	179.26

DIVIDEND

Due to insufficiency of profits your directors do not recommend any dividend for the financial year 2008-2009.

OVERALL PERFORMANCE OF THE COMPANY:

During the year under review your company has achieved a turn over of Rs. **471.42** lakhs compared to last year turnover of Rs. **429.81** lakhs and earned profit of Rs. **46.29** lakhs compared to last year profit of Rs. 17.08 lakhs. Major contribution is from contract manufacturing orders from M/s. Cadbury's India Limited and M/s. The Himalaya Drug Company Ltd. around Rs. **4.00** crores and partly own sales. The company is focused towards working on the loan license system and reduce their own sales %age due to high input cost of Raw Materials especially "SUGAR, MILK POWDER & VANASPATHI".

DIRECTORS:

Smt. Meera B Gurbani retire by rotation at this Annual General Meeting and being eligible offer herself for re-appointment.

Board recommends their reappointment.

PERSONNEL :

None of the Employees of the Company is drawing remuneration exceeding limits prescribed U/ s 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DEPOSITS:

Your company has not accepted any deposits falling under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules 1975 during the year.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 the directors of your company hereby confirm that:

- i. In preparation of annual accounts for the financial year ended 31st March, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departure, if any, there from;
- ii. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2009 and of the profit and loss of the company for that period;
- iii. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv. The directors have prepared the annual accounts on a going concern basis.

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

As required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, the information is given in Annexure attached hereto which forms a part of this report.

D. Foreign Exchange Earnings & Outgo: (In Rs.)

	2008-09	2007-08
Foreign Exchange earnings	Nil	Nil
Foreign Exchange outgo	Nil	Nil

CORPORATE GOVERNANCE:

A) REPORT ON CORPORATE GOVERNANCE:

Report on Corporate Governance including Auditor's Certificate on Compliance with the code of Corporate Governance under Clause 49 of the listing agreement is enclosed as **Annexure – II** to this report.

B) MANAGEMENT DISCUSSION & ANALYSIS REPORT:

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

AUDITORS:

M/s. T. P. Rao & Co, Chartered Accountants, Statutory Auditors of the Company retire at the ensuing Annual General Meeting and expressed their unwillingness for re-appointment due to the pre-occupations.

Further company is in receipt of confirmation from M/s. Dendukuri Associates, Chartered Accountants expressing their willingness for appointment as statutory auditor of the company and confirmed that in the event of their appointment as Statutory Auditor at the ensuing Annual General Meeting, such appointment will be in accordance with the limits specified in Section 224 (1B) of the Companies Act, 1956.

Board recommend their appointment as approved by Audit Committee of the company.

ACKNOWLEDGEMENTS:

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

Your Directors also wish to convey their thanks and place on record their appreciation for the sincere efforts put in by the employees at all levels for the progress of the company.

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

Place: Hyderabad

Date: 26.08.2009

Sd/-

B K GURBANI

Chairman and Managing Director

FORM - "A"

[PARTICULARS UNDER THE COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1998.]

A. CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION	Current Year 2008-09	Previous Year 2007-08
1. Electricity		
a) Purchased Unit(Kwh)*	5,65,088	5,04,612
Total Amount Rs.	23,78,622	21,68,178
Rate/Unit Rs.	4.21	4.30
b) Own Generation		
i. <u>Through Diesel Generator:</u>		
Units Generated (Kwh)	25176	21705
Total Cost	7,65,404	6,87,173
Cost/Unit Rs.	30.40	31.66
ii. <u>Through steam turbine/generator</u>	-	-
2. Fire Wood (for Boiler)		
Used for Generation of Steam in Boiler		
- Quantity - Tons	2054.125	1,371.57
- Total Amount - Rs.	38,59,817	18,78,853
- Average Rate/ton - Rs.	1879	1370
3. Furnace Oil		
- Quantity - Liters	Nil	-
- Total Amount - Rs.	Nil	-
- Average Rate - Rs.	Nil	-
4. Other/internal generation	-	

B. CONSUMPTION PER KG OF PRODUCTION

Particulars		
Total Production (Kgs.)	40, 92,000	30,31,533
Electricity (Kwh)	0.58	0.72
Furnace Oil		-
Fire Wood(Kgs)	0.94	0.62
Diesel (Itrs)	0.19	0.23

FORM - "B"

PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

- | | | | |
|-----------|---|---|-----|
| A. | RESEARCH AND DEVELOPMENT (R&D) | - | NIL |
| B. | TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION: | - | NIL |

MANAGEMENT DISCUSSION AND ANALYSIS

CURRENT SCENERIO:

The organized confectionery market today is close to 1,25,000 tons per annum and in terms of Rupee value is close to 1600 crores.

To our information the unorganized sector of confectionery is double the size if the same in terms of tonnage. The growth in the confectionery category has not seen any double digit growth due to the high input cost especially sugar since the last 3 years , where as Eclairs category has grown 10 – 15 % constantly in the last 3 years.

The size of Éclair market is close to 4000 tons / annum in the Re 1/- segment and 0.50 ps category which has been shared by Cadbury India Limited, Nestle India Limited, ITC Ltd, Nutrine (now Harsheys) Parle Products , Lotus chocolate and Sampre Nutritions Ltd and few other players.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS:

OPPORTUNITIES:

- Due to high manufacturing cost with the MNC's at its own plants the trend for contract manufacturing has become a vogue in this country. While Cadbury India Limited has its own plant and also sourcing éclairs from Sampre on contract manufacturing.
- ITC ltd and Nestle have 3 contract manufacturing locations each for their éclairs and candies. Harsheys (Nutrine) while they have their own plant they have 3 contract manufacturing locations and are also sourcing éclairs and candies from Sampre.
- The capacity of Sampre is 4800 tons of éclairs and 5000 tons of HBSC per annum. We are utilizing 80% of our capacity for éclairs and 50% for HBSC currently.
- In terms of the standards, quality, trained personals, Sampre stands No 1, in private sector (contract manufacturing). Sampre is a certified ISO Co since 1995 and HACCP since 2000.
- The Company's focus has been totally on Quality and GMP (good manufacturing practices) and also the company has won a number of Quality awards from the Hon. Prime Minister's office and other respected agencies for Quality certification.
- The company's focus is on developing new products and recently we have developed a vitaminized candy with vitamins A, C, Folic acid and iron. The vitamin content, efficacy & effectiveness studies have been conducted and the report has been made by Dr Anand of AIIMS, Delhi.
- Women and child welfare department has approved the product for distribution through its Anganwadi centers for Irradication of malnutrition by the oral consumption of vitamins in the form of candy.

- This product has immense potential to market it locally besides of selling the concept to other state governments for distribution through their Anganwadi centers. Besides this the product also has potential for exports to the South Asian countries.

FUTURE OUTLOOK:

Company is planning to launch "CANDY NUTRI" in the four southern states in structure marketing way. Looking on the response the company will expand to other states.

As other Multi National company's are entering into the country, the future contract manufacturing is seems to be quite encouraging. The company is confident to include the new customers & utilize the capacities at 100%.

PRODUCT PERFORMANCE:

During the year under review your company has reached a turn over of Rs.4.71crores. This contribute measures of contract manufacturing from M/s. Cadbury's, Harshey's & Himalaya.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The company has established proper internal control systems on inventory and production process and the same is constantly reviewed and improvements are done wherever it is necessary. This will facilitate in increasing productivity.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES:

The company is pleased to inform that it has brought in qualified professionals with proven track record to strengthen company's operations in each department. This will certainly facilities to meet the challenges in a growing competitive business environment.

REPORT ON CORPORATE GOVERNANCE

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

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Directors of the Company are of the firm belief that the company can reach to the peak of success only by following good managing principles and by implementing them in a systematic manner. The company has always had good cordial relations with the shareholders, investors, creditors and the directors are ever ready to work towards the benefit of members.

BOARD OF DIRECTORS:

The present strength of the Board consists of 6 Directors, Four of them are independent non-executive, one is promoter executive directors and one is promoter non executive directors. Your company has taken all necessary steps to strengthen the Board with Optimum combination of independent and promoter directors. Board of Directors guides, direct and oversees overall management of the company and protect interest of shareholders, employees and the society at large.

During the financial year 2008-09, Eight (8) Board Meetings were held on the following dates:

30.04.2008	26.06.2008	30.06.2008	31.07.2008	26.08.2008	31.10.2008
31.01.2009	02.03.2009				

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

S. No	Director	Category	Attendance at AGM	Attendance in		Other Boards	
				Board Meeting Held	Board Meeting Attends	Directorship	Committees
1.	B K GURBANI	Promoter Executive	YES	8	8	6	—
2	MEERA B GURBANI	Promoter Non-Executive	YES	8	6	3	—
3	HARANAM R BHATIJA	Non-Executive Independent	YES	8	5	3	--
4	BJAYAPRAKASHREDDY	Non-Executive Independent	YES	8	5	1	--
5	ANIL SIDHANI	Non-Executive Independent	YES	8	3	-	—
6	GEORGE KURIAN	Non-Executive Independent	YES	8	4	-	—

Additional information on Directors retiring by rotation and seeking re-appointment at the Annual General Meeting in terms of Clause 49 of the Listing Agreement.

Name of Director	:	Smt. Meera B Gurbani
Date of Birth	:	24.09.1953
Age	:	56
Date of First Appointment	:	27.09.1997
Experience in Specific Functional Area	:	She is actively involved in social activities, Specially in the field of upliftment of poor children through "ROUSHANI" organization at Secunderabad. As director of the company She is Advising in HR Activities and welfare of workers.
No of Shares held in the company	:	530762
Qualification	:	Intermediate

AUDIT COMMITTEE:

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

- | | | | |
|----|-------------------------|---|----------|
| 1. | Mr. B Jayaprakash Reddy | - | Chairman |
| 2. | Mr. Harnam R Bhatija | - | Member |
| 3. | Mr. Anil Sidhani | - | Member |

Meetings and attendance during the year:

The committee met 4 times during the financial year on 30.06.2008, 31.07.2008, 26.08.2008 and 31.10.2008 and attendance of each Member of Committee is as follows.

S. No.	Name of the Member	Designation	No of Meetings held	No of Meetings attended
1	Mr. B Jayaprakash Reddy	Chairman	4	4
2	Mr. Harnam R Bathija	Member	4	3
3	Mr. Anil Sidhani	Member	4	3

BROAD TERMS OF REFERENCE:

The broad terms of reference are:

- (a) Reviewing with the management the internal control systems, observations of the auditors, half-yearly and annual financial statements before submission to the Board.
- (b) Recommendation of matters relating to financial management and audit reports;
- (c) The Committee is authorized to investigate into matters referred /delegated to it by the Board and, for this purpose, has full access to information / records of the Company including seeking external professional support, if necessary.

REMUNERATION COMMITTEE

◆ Brief description of terms of reference

The Remuneration Committee is vested with the power to decide and pay to the Executive and Non-Executive directors of the Company. This power is exercisable on behalf of the Board of Directors and the Shareholders.

◆ Composition-name of members and Chairperson

The Remuneration Committee constitutes of following directors:

1. Mr. B Jayaprakash Reddy - Chairman
2. Mr. Harnam R Bhatija - Member
3. Mr. Anil Sidhani - Member

DETAILS OF THE DIRECTORS' REMUNERATION :

Director	Designation	Remuneration paid/to be paid for Financial Year 2008-09 (in Rs.)		
		Salary & Perk	Commission	Total
B K GURBANI	Chairman & Managing Director	420000	-	420000

SHAREHOLDERS AND INVESTOR GRIEVANCE COMMITTEE

Composition of Shareholder and Investor Grievance Committee is as follows.

1. Sri Meera B Gurbani - Chairman
2. Sri B Jayaprakash Reddy - Member

The committee specifically looks after the services of the Registrars and share transfer agents and recommends measures for providing efficient services to investors. It shall resolve within the reasonable time, various complaints received from the investors.

OTHERS

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

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

Nature of Complaints	Year 2008 – 09		
	Received	Resolved	Pending
Total Complaints	8	8	NIL

(c) General Body Meetings:

Location and time where the last three AGMs held:

Year	Location	Date	Time (A.M)	No of Special Resolutions
2007-08	Club Conference Hall, LIC Building, 2 nd Floor, Paradise Circle, Secunderabad-3	27.09.2008	10.30	Nil
2006-07	Lions Club Conference Hall, LIC Building, 2 nd Floor, Paradise Circle, Secunderabad-3	29.09.2007	10.00	Nil
2005-06	Lions Club Conference Hall, LIC Building, 2 nd Floor, Paradise Circle, Secunderabad-3	30.09.2006	10.30	1

DISCLOSURES:

CEO Certification :

The Managing Director has given a certificate to the Board as contemplated in Clause 49 of the Listing Agreement.

Related Party Transactions :

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

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

Details of Non Compliance and Penalties :

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

Means of Communication:

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

Management Discussion and Analysis Report:

As required by Clause 49 of the Listing Agreement, Management Discussion and Analysis report is a part of the Annual Report.

GENERAL SHAREHOLDER INFORMATION:

• **AGM:** The 18th Annual General Meeting of the Company will be held on **Tuesday, 29th September, 2009** at 10.00 A.M at Lions Bhavan Trust, Behind LIC Office, Paradise Circle, Secunderabad – 500 003.

• Financial Calendar:

First Quarter Results	Last week of July, 2009
Second Quarter Results	Last week of October, 2009
Third Quarter Results	Last week of January, 2010
Fourth Quarter Results	Last week of April, 2010

• **Book Closure Date** : **FRIDAY 25TH SEPTEMBER, 2009 TO TUESDAY 29TH SEPTEMBER, 2009** (both days inclusive)

• **Listing on Stock Exchanges:** The shares of the company are listed on Bombay Stock Exchange Limited

Listing fee for the financial year 2009-10 has been paid to Bombay Stock Exchange Limited. Trading in the shares of the company was suspended by BSE due to some non-compliance. Company has completed all formalities for revocation of suspension and awaiting approval of BSE.

Scrip Code : BSE - 530617

ISIN No. for NSDL & CDSL : INE375C01014

Registrar and Transfer Agents : M/s. Big Share Services Private Limited
G-10, Left Wing, Amrutha Ville,
Opp: Yashoda Hospital,
Somajiguda, Raj Bhavan Road,
Hyderabad-500 082.

Market Price Data : Shares of the Company are not traded during financial year 2008-09 as script is under suspension.

SHAREHOLDING PATTERN AS ON 31ST MARCH 2009:

Sl no	Category	No. Of Shares Held	% Of Shareholding
1	Indian Promoters	2510647	52.09
2	Mutual Funds & UTI	-	-
3	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions / Non-Govt. Institution)	15200	0.32
4	FII's	-	-
5	Private Corporate Bodies	172308	3.57
6	Indian Public	1974745	40.97
7	NRI's / OCB's	147100	3.05
	TOTAL	4820000	100.00

DISTRIBUTION OF SHAREHOLDING:**DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 20 09**

Sl. No.	Category From - To Rs Rs	Total Holders	% of Total Holders	Total Holding in Rupees	% of Total Capital
1	Upto - 5000	2,679	77.04	64,17,110	13.31
2	5001 - 10000	455	13.08	39,82,790	8.26
3	10001 - 20000	175	5.03	28,31,040	5.88
4	20001 - 30000	50	1.44	13,15,820	2.73
5	30001 - 40000	31	0.90	11,44,030	2.37
6	40001 - 50000	27	0.78	13,00,760	2.70
7	50001 - 100000	38	1.09	26,81,020	5.56
8	100001 and above	23	0.66	2,85,27,430	59.19
	Total	3,478	100.00	4,82,00,000	100.00

Dematerialization of shares and liquidity:

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

80.33% of total equity capital of the Company is held in dematerialization form with NSDL and CDSL as on 31st March, 2009.

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

Address for correspondence for both physical and demat:

M/s. Big Share Services Private Limited
G-10, Left Wing, Amrutha Ville,
Opp: Yashoda Hospital,
Somajiguda, Raj Bhavan Road,
Hyderabad -500 082.

DECLARATION OF THE MANAGING DIRECTOR ON COMPLIANCE WITH CODE OF CONDUCT AND ETHICS:

SAMPRE NUTRITIONS LIMITED has adopted a Code of Business Conduct and Ethics ("the Code") which applied to all employees and director of the company. Under code, it is responsibility of all employees and Directors to familiarize themselves with the Code and Comply with its standards.

I hereby certify that the Board Members and senior management personnel of Sampre Nutritions Limited have affirmed compliance with the Code for the Financial Year 2008-09.

Sd/-

B K GURBANI

Chairman & Managing Director

AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To,
The Members
M/s. **Sampre Nutritions Limited**

We have examined the compliance of conditions of Corporate Governance by M/S. **Sampre Nutritions Limited** for the financial year ended 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said company with Stock exchanges.

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

We state that in respect of Investor grievances received during the year ended 31st March, 2009 no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

For TP RAO & CO
Chartered Accountants

Sd/-

T. Prasad Rao
Proprietor

Date: 26.08.2009
Place: Hyderabad

AUDITOR'S REPORT

The Members of
M/s. SAMPRE NUTRITIONS LIMITED

1. We have audited the attached balance sheet of **M/s. SAMPRE NUTRITIONS LIMITED** as at **31st March 2009**, the profit and loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (including all amendments thereafter) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) 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;
 - (iii) The balance sheet and profit and loss account dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the balance sheet, and profit and loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956:

- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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 31st March 2009.
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date.

For TP RAO & CO
Chartered Accountants

Date: 26.08.2009
Place: Hyderabad

Sd/-
T. Prasad Rao
Proprietor
M No. : 019096

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 3 of 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 the assets have not been physically verified by the management during the year but there is a regular programme of verification which, 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) Fixed Assets disposed off during the year; do not affect the going concern status of the company.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedure of physical verification of inventories 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. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured to and from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the clauses 4 (iii) (b) to (d) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) According to the information and explanations given to us, there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Accordingly, the clause 4(v) (b) of the order is not applicable.
- (vi) Company has not accepted any deposits from the public with in the meaning of sections 58A and 58AA of the company Act, 1956 and rules framed there under.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 in respect of activities carried out by the company.
- (ix) The company is generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (x) The company does not have accumulated losses as at the end of the financial year and has not incurred cash losses in the current financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution, bank or debenture holders.
- (xii) In our opinion and according to the information and explanations given to us the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence clause 4(xii) of the order is not applicable.
- (xiii) In our opinion, the company is not a chit fund or a *nidhi* / mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) The company has not issued any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term funds, No long-term funds have been used to finance short-term assets except permanent working capital.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly Clause 4(xviii) of the order is not applicable.
- (xix) According to the information and explanations given to us, the company has not issued any debentures. Accordingly Clause 4(xix) of the order is not applicable.

- (xx) The company has not raised any money by public issue during the year. Accordingly Clause 4(xx) of the order is not applicable.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For TP RAO & CO
Chartered Accountants

Date: 26.08.2009
Place: Hyderabad

Sd/-
T. Prasad Rao
Proprietor
M.No. : 019096

SAMPRE NUTRITIONS LIMITED
BALANCE SHEET AS ON 31.03.2009

(Amounts in Rupees)

PARTICULARS	Schedule	AS ON 31.03.2009	AS AT 31.03.2008
1. Sources of Funds			
A. Share Holders Funds			
a. Share Capital	1	48,200,000	48,200,000
b. Reserves & Surpluses	2	<u>25,656,454</u>	<u>23,125,869</u>
		73,856,454	71,325,869
B. Loan Funds			
a. Secured Loans	3	33,942,154	36,463,287
b. Unsecured Loans		<u>0</u>	<u>0</u>
		33,942,154	36,463,287
C. Deferred Tax Liability			
	4	<u>8,400,969</u>	<u>8,062,977</u>
		116,199,577	115,852,133
2. Application of Funds			
A. Fixed Assets			
	5		
a. Gross Block		153,710,684	144,048,298
b. Less: Depreciation		<u>61,602,216</u>	<u>54,343,760</u>
c. Net Block		92,108,468	89,704,538
B. Current Assets, Loans & Advances			
a. Inventories	6	12,025,290	11,836,218
b. Sundry Debtors	7	37,241,486	31,953,733
c. Cash & Bank Balances	8	294,855	206,981
d. Loans & Advances	9	<u>11,076,290</u>	<u>10,445,310</u>
		60,637,921	54,442,242
C. Current Liabilities & Provisions			
a. Current Liabilities	10	34,676,028	29,170,005
b. Provisions	11	<u>3,671,871</u>	<u>1,376,000</u>
Net Current Assets		22,290,022	23,896,237
D. Miscellaneous Exp			
	12	1,801,086	2,251,358
(To the extent not written off)			
TOTAL		<u>116,199,577</u>	<u>115,852,133</u>

Notes to Accounts - 17

Above Schedules and Notes on accounting policies form part of Balance Sheet

As per our report attached

For **T.P. RAO & Co**
Chartered Accountants
Sd/-

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

T. Prasad Rao
Proprietor
Place: Hyderabad
Date: 26.08.2009

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

Sd/-
(MEERA GURBANI)
Director

SAMPRE NUTRITIONS LIMITED
PROFIT & LOSS ACCOUNT FOR THE FINANCIAL YEAR ENDED 31.03.2009

PARTICULARS	Schedule	Year ended 31.03.2009	Year ended 31.03.2008
<i>Amount in Rupees</i>			
A. Income			
a. Sales		1,698,204	10,484,295
b. Processing Charges		45,335,056	31,943,505
c. Miscellaneous Income	13	69,816	553,907
d. Increase in Stock		39,136	-
		<u>47,142,212</u>	<u>42,981,707</u>
B. Expenditure			
a. Manufacturing Expenses	14	24,001,504	22,749,989
b. Administrative, Selling and Distribution Expenses	15	7,702,392	6,547,292
c. Interest	16	3,100,989	5,221,275
d. Depreciation	6	7,258,456	5,801,280
e. Decrease in stock		-	953,064
f. Preliminary Expenses Written off	12	450,272	-
		<u>42,513,612</u>	<u>41,772,900</u>
Profit before Tax		4,628,600	1,708,807
Provision for Tax - Current Year		363,000	467,553
Profit after Tax		4,265,600	1,241,254
Provision for FBT		191,541	126,663
Prior Period Expenses		3,720,265	-
Balance Profit after Tax		353,793	1,114,591
Extra Ordinary Income		2,514,783	-
Net Current Year Profit		2,868,576	1,114,591
Add: Previous year profit		17,925,869	16,919,081
Profit available for Appropriation		2,07,94,445	18,033,672
Add/(Less) Deferred Tax Adjustment		337,992	107,803
Surplus carried to Balance Sheet		20,456,454	17,925,869

Notes to Accounts - 17

Above Schedules and Notes on accounting policies form part of Profit & Loss Accounts

As per our report attached

For **T.P. RAO & Co**
Chartered Accountants

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

Sd/-
T. Prasad Rao
Proprietor
Place: Hyderabad
Date: 26.08.2009

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

Sd/-
(MEERA GURBANI)
Director

SAMPRE NUTRITIONS LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Amount in Rs.

PARTICULARS	AS ON 31.03.2009	AS ON 31.03.2008
Schedule - 1		
Share Capital		
<u>AUTHORIZED CAPITAL</u>		
60,00,000 Equity Shares of Rs.10/- each	<u>60,000,000</u>	<u>60,000,000</u>
Issued, Subscribed & Paid Up Capital		
48,20,000 Equity Shares of Rs.10/- each	<u>48,200,000</u>	<u>48,200,000</u>
Schedule - 2		
Reserves & Surplus		
Share Premium	3,700,000	3,700,000
State Subsidy	1,500,000	1,500,000
Profit & Loss Account	<u>20,456,454</u>	<u>17,925,869</u>
	<u>25,656,454</u>	<u>23,125,869</u>
Schedule - 3		
Secured Loans		
Loans Under Hire Purchase Scheme	17,797	239,800
Term Loan from SBI	3,849,590	3,849,590
Cash Credit from SBI	13,260,465	15,029,686
Cash Credit from UTI	<u>16,814,302</u>	<u>17,344,211</u>
	<u>33,942,154</u>	<u>36,463,287</u>
Schedule - 4		
Deferred Tax Liability		
Deferred Tax Liability upto 31/03/2008	8,062,977	7,955,174
Add / (Less) Adjustments	<u>337,992</u>	<u>107,803</u>
	<u>8,400,969</u>	<u>8,062,977</u>
Schedule - 6		
Inventories		
(As taken value and certified by the Management)		
Finished Goods	2,185,355	2,185,355
Raw Materials	629,053	627,853
Packing Materials	7,210,148	7,091,490
Work In Progress	705,650	705,650
Stores, Spares & Consumables	<u>1,295,084</u>	<u>1,225,870</u>
	<u>12,025,290</u>	<u>11,836,218</u>
Schedule - 7		
Sundry Debtors		
(Unsecured considered good)		
Debts due morethan 6 Months	34,306,604	27,781,708
Debts due lessthan 6 Months	<u>2,934,882</u>	<u>4,172,025</u>
	<u>37,241,486</u>	<u>31,953,733</u>

SAMPRE NUTRITIONS LIMITED
100, S.D.ROAD, SECUNDERABAD

Schedule - 5

FIXED ASSETS

Particulars	Rate	Gross Block				Depreciation				Net Block	
		AsAt 01.04.08	Additions	deduct ions	AsAt 31.03.09	up to 31.03.08	for the period	Dedn.s during yr	total up to 31.03.09	AsAt 31.03.09	AsAt 31.03.08
Land		2,124,163	-	-	2,124,163	-	-	-	-	2,124,163	2,124,163
Buildings	3.34	28,486,275	1,487,373	-	29,973,648	10,161,407	985,005	-	11,146,411	18,827,237	18,324,868
Office & canteen	1.63	2,237,920	-	-	2,237,920	489,413	36,478	-	525,891	1,712,029	1,748,507
Plant & Machinery	4.75	85,531,672	7,099,388	-	92,631,060	25,838,272	4,190,087	-	30,028,359	62,602,702	59,693,400
Air Conditioning	7.07	4,830,868	28,000	-	4,858,868	3,742,515	342,938	-	4,085,453	773,415	1,088,353
Electrical Equipmt	7.07	3,652,047	847,663	-	4,499,710	2,936,760	280,293	-	3,217,053	1,282,657	715,287
Furniture & Fittinigs	6.33	3,807,996	68,047	-	3,876,043	2,715,310	243,882	-	2,959,192	916,851	1,092,686
Laboratoty Equipments	7.07	985,692	37,260	-	1,022,952	863,731	69,717	-	933,449	89,503	121,961
Office equipment	7.07	1,684,027	16,200	-	1,700,227	1,103,513	119,450	-	1,222,963	477,264	580,514
Computers & Printers	40	-	65,925	-	65,925	-	17,248	-	17,248	48,677	-
Vehiclele	9.5	8,902,404	-	-	8,902,404	5,270,586	845,728	-	6,116,314	2,786,090	3,631,818
Generator	7.07	1,592,936	-	-	1,592,936	1,068,229	112,621	-	1,180,849	412,087	524,707
Mis. Fixed Asstes	7.07	212,298	12,530	-	224,828	154,024	15,009	-	169,034	55,794	58,274
sub Total		144,048,298	9,662,386	-	153,710,684	54,343,760	7,258,456	-	61,602,216	92,108,468	89,704,538
Cap -- WIP		-	-	-	-	-	-	-	-	-	-
Total		144,048,298	9,662,386	-	153,710,684	54,343,760	7,258,456	-	61,602,216	92,108,468	89,704,538
Previous year figures		116,030,119	28,402,419	-	144,048,298	48,623,532	5,801,280	-	54,343,760	89,704,538	67,406,587

SAMPRE NUTRITIONS LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Amount in Rs.

PARTICULARS	AS ON 31.03.2009	AS ON 31.03.2008
Schedule - 8		
Cash & Bank Balances		
Cash on Hand	238,744	199,350
Cash at Bank with Scheduled Banks	<u>56,111</u>	<u>7,631</u>
	<u>294,855</u>	<u>206,981</u>
Schedule - 9		
Loans & Advances		
(Considering good, recoverable incash kind to the extent of value)		
Deposits	3,590,395	3,590,395
Other Advances	<u>7,485,895</u>	<u>6,854,915</u>
	<u>11,076,290</u>	<u>10,445,310</u>
Schedule - 10		
Current Liabilities & Provisions		
Sundry Creditors - Due to SSI	-	-
Sundry Creditors - Due to Other than SSI	21,510,644	11,493,416
Other Payables	<u>13,165,384</u>	<u>17,676,589</u>
	<u>34,676,028</u>	<u>34,676,028</u>
Schedule - 11		
Provisions		
Provision for Income Tax	2,627,417	467,553
Provision for Fringe Benefit Tax	271,541	126,663
Provision for Gratuity	<u>772,913</u>	<u>781,784</u>
	<u>36,71,871</u>	<u>1,376,000</u>
Schedule - 12		
Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Product Development expenses	2,251,358	2,251,358
Less: Written off during the year	<u>450,272</u>	<u>-</u>
	<u>1,801,086</u>	<u>2,251,358</u>
Schedule - 13		
Miscellaneous Income		
Bank Interest	-	346,509
Oter Income	<u>69,816</u>	<u>207,398</u>
	<u>69,816</u>	<u>553,907</u>
Schedule - 14		
Manufacturing Expenses		
ESI Contribution	202,528	215,011
Repairs & Maintenance	1,163,756	1,026,691
Fuel & Power Consumption	7,107,134	4,651,241
Hamali Charges	56,878	-
PF Contribution	578,225	578,880
Raw & Packing Material Consumption	667,933	6,017,065
Salaries & Wages	12,050,657	9,209,480
Stores & Consumables Consumption	610,063	806,666
Transport Charges (Materials)	-	52,105
Processing Loss	10,119	192,850
Others	<u>1,554,212</u>	<u>-</u>
	<u>24,001,504</u>	<u>22,749,989</u>

SAMPRE NUTRITIONS LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Amount in Rs.

PARTICULARS	AS ON 31.03.2009	AS ON 31.03.2008
Schedule - 15		
Administration, Selling & Distribution Expenses		
Advertisement Expenses	16,414	65,058
Annual Maintenance	13,626	-
Auditors Remuneration	90,000	90,000
Bank Charges	57,779	211,447
Bonus	16,000	76,006
Business Promotion Expenses	427,312	461,511
Canteen Expenses	17,781	201,458
Conveyance	448,489	146,530
Delivery Charges - Sales	22,415	282,370
Director's Remuneration	420,000	420,000
Donation	-	6,000
Electricity Charges	128,099	82,962
General Expenses	734,448	551,269
Exgratia & Gratuity	48,000	91,124
Hire Purcahse Charges	-	96,746
Insurance Charges	576,458	104,536
Legal & Professional Charges	327,083	420,089
Loss on Sale of Vehicle	-	25,189
Membership & Subscriptions	38,449	49,638
Pest Control Expenses	25,770	42,379
Postage & Telegrams	115,374	50,799
Printing & Stationery	209,850	147,896
Rates & Taxes	24,214	234,257
Sundry Debit Balances written off	27,806	-
Salaries & Wages	1,801,080	1,121,898
Security Service Charges	333,234	406,922
Service Charges	-	7,556
Staff Welfare Expenses	649,975	125,775
Telephone & Internet Charges	640,264	505,941
Travelling Expenses	418,188	360,701
Vehicle Repairs & Maintenance	74,284	161,235
	7,702,391	6,547,292
Schedule - 16		
Interest		
on Term Loan	-	421,618
on Working Capital	3,035,741	4,795,023
Others	65,248	4,634
	3,100,989	5,221,275

SCHEDULE – 17

SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

(A) The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis. The financial statements have been prepared under the historical cost convention as going concern, in accordance with the Generally Accepted Accounting Principles to comply in all material aspects with the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

(B) Revenue Recognition:

1. Revenue from sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer/agent, which coincides with the passing of possession to the buyer/agent.
2. Sales are inclusive of Excise duty and all recoveries except Sales Tax.

(C) Subsidy / Benefits:

Subsidy received is credited to reserves & surplus.

(D) Fixed Assets and Depreciation:

1. Fixed Assets are stated at cost less accumulated depreciation, cost includes cost of installation / commissioning and apportioned pre – operative expenses reduced by CENVAT credit availed by the company.
2. Depreciation on fixed assets is provided on straight line method at the rates specified in Schedule XIV of the Companies Act 1956.

(E) Foreign Exchange Transactions:

Foreign exchange transactions of revenue in nature are accounted at the exchange rates prevailing on the date of transaction and are recognized in the Profit and Loss Account. There are no Foreign Exchange Transactions with respect to Assets and Liabilities.

(F) Inventories:

The basis of valuation of inventories is as under:

- I Raw Materials & Packing Materials Cost or realizable value which ever is lower. Cost is computed on the basis of weighted average method including freight and related expenses reduced by CENVAT benefits.
- II Work – in – process At cost or net realizable value, which ever is lower. (Cost includes materials and related overheads)
- III Finished Goods At cost or net realizable value, which ever is lower
- IV Stores, spares & consumables Cost or realizable value which ever is lower. Cost is ascertained on Weighted average basis.

(G) Impairment of Assets

Management periodically assess using external and internal sources whether there is an indication that an Asset may be impaired. An impairment occurs where the carrying

value exceeds the recoverable amount. The impairment loss of the assets net selling price or present value of future cash flows expected to arise from the continuing use of the assets and its eventual disposal.

(H) Employee / Retirement Benefits:

a. Provident Fund:

Company's contribution to provident fund is accounted on accrual basis and is charged to revenue account.

b. Gratuity and Leave Encashment:

Liability in respect of leave encashment and gratuity in accordance with the rules of the company is provided for based on the assumption that such benefits are payable to employees at the end of the accounting year.

(I) Borrowing Cost:

Interest on funds borrowed for acquisition of assets is being capitalized upto the date the related assets are put to use. Interest on funds borrowed for other than acquisition of assets is recognized in the Profit and Loss Account.

Interest on SBI Working Capital loan & Termloan is not provided for the financial year.

(J) Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future.

(K) Provisions:

Provisions are recognized where there is a present obligations as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which the reliable estimate can be made. These are reviewed at each balance sheet and adjusted to reflect the current best estimate.

NOTES ON ACCOUNTS

1. Contingent liabilities not provided for in respect of:

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

2. Secured Loans:

- a. The loans under hire purchase schemes are secured by hypothecation of vehicles owned by the company

- b. The working capital loan of Rs.168lakhs from AXI Bank is primarily secured by first charge on stocks procured against confirmed orders / LC, hypothecation of book debts and export bills and collaterally secured by second charge on the fixed block of the company.
- c. The working capital limits of and Rs.150lakhs from SBI, Commercial Branch, Koti, Hyderabad is secured by exclusive first charge on stock of Raw Materials, Stock in process, Finished Goods and receivables of the company pertaining to the project of Micronutrient Initiative and collaterally secured by company's plot of land in between plot no.33 & 137 admeasuring 2119.8 Sq. Mtrs. In S. No. 865/2 situated in Industrial Estate, Medchal RR Dist besides second charge on entire other current assets of the company (Other than charged to UTI Bank Ltd, Begumpet, Hyderabad).
3. The sundry debtors, current assets, loans and advances have a value on realization, in the ordinary course of business, at least equal to the amount at which they are stated by the company.
4. The company has corresponded with old debtors and creditors and the dues which were neither recoverable nor payable have been written off during the year. Still there are some parties from which the company is yet to receive confirmations in respect of balances outstanding in sundry debtors and creditors.
5. As per the information available with the company, it appears that no dues outstanding for more than 30 days in excess of Rs.1,00,000/- as on 31st March 2009 in respect of Small Scale Industrial Undertakings. It is reported that there are no specific claims on the company from the small scale industrial supplier under the "Interest on Delayed Payments to small Scale and Ancillary Industrial Undertaking Act, 1993" during the said year.

6. Payment Auditors

Particulars	31 st March, 2009 (Amount Rs.)	31 st March, 2008 (Amount Rs.)
Audit fees	60,000	60,000
Tax Audit Matters	18,000	18,000
Certification & Other Services	12,000	12,000
Total	90,000	90,000

7. Director's Remuneration:

Particulars	31 st March, 2009 (Amount Rs.)	31 st March, 2008 (Amount Rs.)
Salary & Allowances to Managing Director	4,20,000	4,20,000
Salary & Allowances to Other Directors	-	-
Total	4,20,000	4,20,000

8. There are no debts outstanding as on 31st March 2009 from Directors or other officers of the company other than imprest cash in order to meet running expenses.
9. Traveling expenses includes Rs.4,18,188 (Previous year Rs.3,60,701/-) towards Directors traveling out of which Director's foreign travel expenses is to the tune of Rs. NIL (Previous year Rs.38,771).

10. Segment Reporting:

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

11. Deferred Tax Liability:

Deferred tax liability as on 01.04.2009 due to timing differences between financial statements and taxation statements based on the return of income filed by the company as per applicable rate of taxation, estimated at Rs.3,37,992(Net) has been shown under Deferred Tax Liability in Balance Sheet as per the procedure prescribed in the Accounting Standard – 22.

The movement of Provision of Deferred Tax for the year ended 31-03-2009 is as given below :

Particulars	(Liability) / Asset as on 01.04.2008	Asset / (Liability) for the year	(Liability) / Asset as on 31.03.2009
Timing Differences on account of depreciation of assets	(80,62,977)	(3,37,992)	(8,400,969)

12. 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	2008 – 2009	2007 – 2008
Profit attributable to Equity Share Holders (A)	4,265,600	12,41,254
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/-	10/-
Earning Per share	0.88	0.26

13. Taxes on income and Fringe Benefit

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

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

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

Name of the related parties and description of relationship

a) Associates: M/s. Royes Industries Limited
M/s. Naturalle Health Products Pvt. Ltd.
M/s. Taraka Foods and Confectionery Pvt. Ltd.

b) Key Managerial Personnel Shri Brahma K Gurbani (MD)
Smt Meera B Gurbani (Director)

c) Details of transactions during the year :

(Rs. In lacs)

Particulars	Associates	Key Managerial Personnel	Relatives of Key Managerial Personnel
Remuneration	—	4.20	—

15. Disclosure as required under Clause 32 of Listing Agreement.

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

(Rs. In Lakhs)

Name of the Company	Amount on outstanding as 31.03.2009	Max. Outstanding during the year
Taraka Food & Confectionery Pvt Ltd	(40.60)	(40.85)
Royes Industries Limited	62.25	62.25
Naturalle Health Products Pvt. Ltd.	(12.07)	(22.17)

16. Previous years figures have been re grouped / and or re arranged wherever necessary to confirm with the current year classification.

17. 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.

18. Depreciation has been provided on straight line method in accordance with the provision of companies act, 1956.

19. There were no employee drawing remuneration of Rs.24.00lacs or more per annum or Rs.2.00lacs or more per month, if employed for part of the year.

20. Paisa is rounded off to nearest rupee.

21. 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 2009. 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.

22. ADDITIONAL INFORMATION pursuant to provisions of para 3, 4C and 4D of part II Schedule VI of the Companies Act, 1956.

S.N.	Particulars	2008 – 2009		2007 – 2008	
		Value	Quantity	Value	Quantity
A	Capacity production, Sales & Stocks				
1.	Capacity				
	a. Licensed Capacity	N.A	N.A	N.A	N.A.
	b. Installed Capacity(Single shift basis)	N.A	2400TPA	NA	2400TPA
	(As certified by Management but not verified by auditors being a technical matter)				

	2008 – 2009		2007 – 2008	
	Quantity (Kg)	Value	Quantity (Kg)	Value
Opening Stock	60,033.00	21.85	60216	35.20
Production (Sugar based candies)	4,091,987.98	N.A.	3031533	N.A.
Closing Stock	60,033	21.85	60033	21.85
Sales – Own product (Sugar based candies Confectionery)	14,083.50	16.98	82892	104.84
Sales – Job work	4,077,904.48	453.35	2948824	319.44

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

Material Consumed

	2008 – 2009		2007 – 2008	
	Quantity (Kg)	Value	Quantity (Kg)	Value
Raw Material (Nos / Kgs)				
- Sugar	9,890	2.83	55327	15.82
- Glucose	8,640	2.31	50940	13.60
- Flavours & others	2,298	3.89	13524	1.28
Total	20,828	9.03	1,19,791	30.70
Packing Material (Nos.)				
Primary packing (laminare)	4794	3.74	28147	25.79
Secondary Packing (No)				
- Polybag (No)	-	-	60355	2.42
- Woven bags (No)	-	-	1055	1.26
Total	4794	3.74	89557	29.47

B. Value of Imports on CIF Basis	N.A	N.A	N.A	N.A
C. Expenses in Foreign Currency	NIL	N.A.	N.A.	N.A.
D. Value of Imported and Indigenous Materials consumed and % of each to total consumption				
i. Imported	NIL		NIL	
ii. Indigenous	12.77		60.17	
Percentage	100%		100%	

Signature to schedule 1 to 17 as pre our report attached.

As per our report attached
For **T.P. RAO & Co**
Chartered Accountants

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

Sd/-
T. Prasad Rao
Proprietor
Place: Hyderabad
Date: 26.08.2009

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

Sd/-
(MEERA GURBANI)
Director

SAMPRE NUTRITIONS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009

PARTICULARS	Year ending 31.03.2009	Year ending 31.03.2008
A. Cash Flow from Operating Activities		
Net Profit before tax and Extraordinary Items	46.29	17.09
<i>Adjustment for:</i>		
Tax Provision	(5.55)	(5.94)
Depreciation	72.58	57.19
Other Income	(1.09)	(5.54)
Misc. Expenditure (Amortised)	4.50	(22.51)
Total Adjustments	70.45	23.20
Operating Profit before Working Capital Change	116.74	40.29
<i>Adjustment for:</i>		
Current Assets	(61.08)	317.80
Current Liabilities	77.46	(75.04)
Net of Adjustments	16.38	242.76
Deferred Revenue Expenditure	-	-
Cash Flow before Extraordinary items	133.12	283.05
Extra Ordinary Items	(12.05)	-
Net Cash from Operating Activities	121.06	283.05
B. Cash Flow from Operating Activities		
Purchase of Fixed Assets	(96.66)	(280.18)
Investment Application Money	-	-
Other Income	1.09	5.54
Net Cash Used in Investing Activity	(95.57)	(274.64)
C. Cash Flow from Financing Activities		
Proceeds from, Issue of Share Capital		
Borrowings (Net)	(25.21)	(18.24)
Dividend Paid	-	-
Net Cash from Financing Activities	(25.21)	(18.24)
Net Increase / (Decrease) in Cash & Cash Equivalents	0.28	(9.83)
Cash & Cash Equivalents as at 01.04.2008	2.10	11.93
Cash & Cash Equivalents as at 31.03.2009	2.38	2.10

As per our report attached

For **T.P. RAO & Co**
Chartered Accountants

Sd/-
T. Prasad Rao
Proprietor
Place: Hyderabad
Date: 26.08.2009

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

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

Sd/-
(MEERA GURBANI)
Director

AUDITORS' CERTIFICATE

To
The Board of Directors,
Sampre Nutritions Limited
100, S.D.Road, Secunderabad

We have examined the attached Cash Flow Statement of M/s. Sampre Nutritions Limited for the year ended 31st March, 2009

The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of listing agreement with the Stock Exchange and is based on and in agreement with the corresponding Profit & Loss account and Balance Sheet of the Company covered by our report of 31st March 2009 to the members of the Company.

For TP RAO & CO
Chartered Accountants

Date: 26.08.2009
Place: Hyderabad

Sd/-
T. Prasad Rao
Proprietor
M.No. : 019096

**INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration Details:

Registration No. : 13515 State Code : 01
Balance Sheet Date : 31-03-2009

II. Capital Raised during in Year (Amount in Rs, thousands)

Public Issue : NIL Rights Issue : NIL
Bonus Issue : NIL Private Placement : NIL

III. Position of Mobiliation and Deployment of Funds (Amount in Rs. Thousands)

	Current Year	Previous Year
Total Liabilities	116200	115852
Total Assets	116200	115852
Sources of Funds		
Paid up Capital	48200	48200
Reserves & Surplus	25656	23125
Secured Loans	33942	36463
Un Secured Loans	-	-
Deferred Tax Liabilities	8401	8063
Application of Funds		
Net Fixed Assets	92108	89705
Investments	-	-
Net Current Assets	22290	23896
Misc. Expenditure	1801	2251
IV. Performance of Company		
Turnover (Gross Revenue)	47142	42982
Total Expenditure	42514	41273
Profit / (Loss) before Tax	4628	1709
Profit / (Loss) after Tax	4266	1241
Earnings per share in Rs.	0.88	0.26
Dividend Rate %	NIL	NIL

Signature to Schedule 1 to 17

As per our report attached
For **T.P. RAO & Co**
Chartered Accountants

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

Sd/-
T. Prasad Rao
Proprietor
Place: Hyderabad
Date: 26.08.2009

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

Sd/-
(MEERA GURBANI)
Director

SAMPRE NUTRITIONS LIMITED
Regd. Office: 100, S.D. ROAD, SECUNDERABAD – 500 003.

ATTENDANCE SLIP
EIGHTEENTH ANNUAL GENERAL MEETING
TUESDAY, 29TH SEPTEMBER, 2009 AT 10.00 AM

REGISTERED Folio no. / Demat Account No.(Client ID)	
DP ID No.	
Name of Shareholder	
Number of Shares held	

I / We hereby record my / our presence at the EIGHTEENTH ANNUAL GENERAL MEETING of the company at the Lions Club Conference Hall, LIC Building, Second Floor, Paradise Circle, Secunderabad – 500 003.

Shareholder's / Proxy's Signature

- IMPORTANT:**
- Share holder or Proxy holder attending this meeting must bring this attendance slip to the meeting and hand over at the entrance duly filed and signed.
 - Shareholders or Proxy holders are requested to bring their copy of the Annual Report for reference at the meeting.

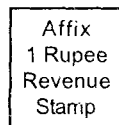
SAMPRE NUTRITIONS LIMITED
Regd. Office: 100, S.D. ROAD, SECUNDERABAD – 500 003.
PROXY FORM

REGISTERED Folio no. / Demat Account No.(Client ID)	
DP ID No.	
Name of Shareholder	
Number of Shares held	

I / We _____ of _____ in the District of _____ being a member / members of Sampre Nutritions Limited, hereby appoint _____ of _____ in the District of _____ as my / our proxy to vote for me / us on my / our behalf at the Eighteenth Annual General Meeting of the Company to be held on Tuesday, the 29th September, 2009 at 10.00a.m. at the Lions Club Conference Hall, LIC Building, Second Floor, Paradise Circle, Secunderabad – 500 003 and any adjournment thereof.

Signed this _____ day of _____, 2009

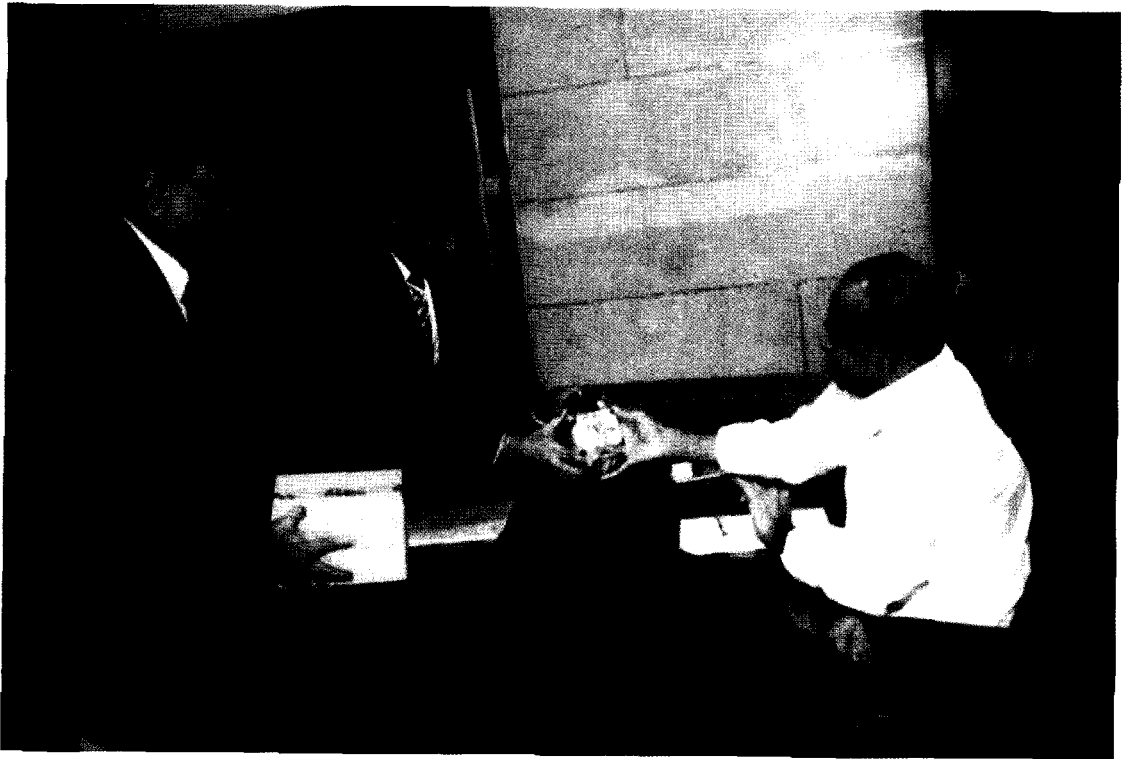
Signature _____



Note:

- The Proxy Form shall be completed and signed by the shareholder across the revenue stamp as per the specimen signature registered with the company.
- The Proxy Form must be deposited at the Registered Office of the company not less than 48 hours before the time fixed for holding the meeting.

Gurbani Group



Mr. B. K. GURBANI, CMD & **Mr. GEORGE KURIAN**, Director Operations
presenting **CANDY NUTRI** to
Hon'able Chief Minister **SHRI Y. S. RAJA SEKHAR REDDY**, at his office

www.gurbanigroup.com

To,



SAMPRE NUTRITIONS LTD

Corporate Office :

3rd Floor, Kiran Arcade

100, S.D. Road, Secunderabad - 500 003.

Phone : +91-40-27841778/79, Fax : 27813931

Email : bkgurbani@gurbanigroup.com

Production Plants :

133 Industrial Estate

Medchal - 501 401 (Hyd), A.P., INDIA.

Phone : +91-8418-222427/428 Fax : 222429

Email : gurbani@satyam.net.in

AN ISO 9001 & HACCP CERTIFIED COMPANIES

