

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:

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

BANKERS:

State Bank of India
AXIS Bank Limited

REGISTERED OFFICE:

III Floor, Kiran Arcade
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, AP.
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.
Phone : 040-23374967

NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the members of the company will be held on **MONDAY, 27TH SEPTEMBER, 2010 at 11.00 AM** at Lions Club Conference Hall, LIC Building, 2nd Floor, Paradise Circle, Secunderabad – 500 003 to transact the following items of business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 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 Sri Anil Santumal Sidhani who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint a director in place of Sri George Kurian who retires by rotation and being eligible offer himself for re-appointment.
4. 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: Secunderabad.

Date: 26.08.2010

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 **WEDNESDAY 22ND SEPTEMBER, 2010 TO MONDAY, 27TH SEPTEMBER, 2010** (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 19th Annual Report of Company together with the Audited Accounts for the financial year ended 31st March, 2010.

FINANCIAL RESULTS

(Rs.in lakhs)

PARTICULARS	YEAR ENDED	YEAR ENDED
	31.03.2010	31.03.2009
Income Received	435.44	471.42
Expenditure	426.04	352.55
Profit before depreciation and Income tax	85.21	118.87
Depreciation	75.81	72.58
Net profit before tax	9.40	46.29
Provision for taxation		
a. Current tax	3.00	3.63
b. Deferred tax	-	3.38
c. Fringe Benefit Tax	-	1.92
Profit after tax	6.40	37.36
Brought forward from previous year	204.56	179.26
Transfer to General Reserve	-	-
Balance carried to balance sheet	210.96	204.56

DIVIDEND

Due to insufficiency of profits your directors do not recommend any dividend for the financial year 2009-2010.

OVERALL PERFORMANCE OF THE COMPANY

During the year under review your company has reached a turn over of Rs.4.35 crores. This contribute measures of contract manufacturing from M/s. Cadbury India Limited & Himalaya Drug Company Rs.4.15 crores and partly own sales.

DIRECTORS

Sri Anil Santumal Sidhani and Sri George Kurian, Directors of the Company retires by rotation at this Annual General Meeting and being eligible offers themselves 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, 2010 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 2010 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.)

	2009-10	2008-09
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. Dendukuri Associates, Chartered Accountants the Statutory Auditors of the Company appointed by the members of Company at Annual General Meeting held on 29th September 2009 and on intimation by the company they have expressed their inability to act as auditor of the Company due to some pre-occupations.

Further company is in receipt of confirmation from M/s. **KJD Srinivas & Co., Chartered Accountants** expressing their willingness for appointment as Statutory Auditor of the company appointed in extra ordinary general meeting held on 07.01.2009 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 recommended 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 – Cadburys India Limited, Himalaya Drug Company and the C&F Agents. Your Directors also acknowledge with deep sense of appreciation the continued support from Shareholders, Investors, Suppliers, Bankers – State Bank of India, Axis Bank, Financial institutions 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

Place: Secunderabad.
Date: 26.08.2010

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.]

CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION	Current Year	Previous Year
	2009-10	2008-09
1. Electricity		
a) Purchased Unit(Kwh)*	4,92,386	5,65,088
Total Amount Rs.	21,07,411	23,78,622
Rate/Unit Rs.	4.28	4.21
b) Own Generation		
i. Through Diesel Generator:		
Units Generated (Kwh)	30,783	25,176
Total Cost	12,52,240	7,65,404
Cost/Unit Rs.	40.68	30.40
ii. Through steam turbine/generator	-	-
2. Coal (for Boiler)		
- Quantity - Liters	1685	2054.125
- Total Amount - Rs.	32,85,360	38,59,817
- Average Rate - Rs.	1950	1879
3. Furnace Oil		
- Quantity- Liters	Nil	Nil
- Total Amount- Rs.	Nil	Nil
- Average Rate- Rs.	Nil	Nil
4. Other/internal generation	-	-

B. CONSUMPTION PER KG OF PRODUCTION

Particulars	2009-10	2008-09
Total Production	32,10,530	40,92,000
Electricity (Kwh)	0.66	0.58
Furnace Oil	NIL	NIL
Fire Wood(Kgs)	1.02	0.94
Diesel (Itrs)	0.39	0.19

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 total confectionery market is valued at Rs. 2000cr with a volume turnover of about 1,80,000 tonnes per annum. The category is largely consumed in urban areas with a 73% skew to urban markets and a 27% to rural markets.

Hard boiled candy accounts for 18%, Eclairs and Toffees accounts for 18%, Gums and Mints and lozenges are at par and account for 13%. Digestive Candies and Lollipops account for 2.0% share respectively.

Overall industry growth is estimated at 23% in the chocolates segment and sugar confectionery segment has declined by 5%.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

- 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.
- M/s. **Krafts Foods** has takeover M/s. **Cadburys** world over, and this will be surely an opening gates of growth for your company also, not only the cadbury India doubling the turnover in next three years, but also ventures into new product range of **Krafts Foods**.
- **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 9001 & HACCP Company**.
- 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 eradication 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.
- The company is poised to gear up to meet the new challenges with existing customers as they are doubling their turnover in next three years, this directly benefit your companies capacities utilization.
- With the more demanding and meeting customer's requirements your company has spent over Rs. 50 lakhs in the last year for total up gradation and installing new equipments.
- At this point of time we are really proud to be associated with a second largest Multi National Company of the World i.e. M/s. Krafts Foods, whose turnover is more than 50 Billion US\$ and we will be a part of their company by meeting their quality norms and by delivering right quality products to them.
- We expect more than 80% capacity of utilization in current year with our existing customers and also new companies.

FUTURE OUT LOOK

- Inception of M/s. Sampre Nutritions Limited was with the vision of having an Indian Company with a world class standard, and meeting International Quality Standards. The unrelenting focus on quality has made "QUALITY" the way of Life, and thus has made it the proud recipient of various awards, and also **ISO 9001 & HACCP** Certified Company
- The infrastructure, facility and technological skill in possession with the organization has made many MNC's & Big Indian companies to have business viz like **M/s. Procter & Gamble, M/s. Warner Lambert, M/s. Godrej Hershey's Nutrine Limited, M/s. The Himalaya Drug Company Limited and Cadbury India Limited.**
- Realizing the potential of business with Globalization, entrepreneur business entity has switched on to totally professional management system and to keep abreast with global competition has continuously invested on facility, technology and human resource to meet its vision of consistently delivering quality product.
- Éclairs manufacturing facility at Sampre is serving the client of **M/s. Cadbury India Limited** association that has been more than a decade, and with each passing year has going well for the both organization to have consistent progressive growth making it Win Win proposition for both. This year 2010 is expected to be the milestone year for Sampre, with the international acquisition of **M/s. Cadbury by M/s. Kraft Foods**, there has been aggressive push to upstage the existent quality standards, which complimented with focused market penetration is expected to have growth of 25% over the past. The trends as on date are indicator of that it's a matter of time that this figure would be not only be achieved but surpassed.
- To keep abreast with the volume growth, Sampre management is making investment on high speed machines, mechanized conveying system & FFS machine which would require lower manning and result higher productivity.
- Facility of hard boiled candy is also being upgraded to have the service of new client, which would augment the capacity utilization & in turn the business.
- Today's change phase would bring productive change in our business face tomorrow.

PRODUCT PERFORMANCE

During the year under review your company has reached a turn over of Rs.4.71crores. This contributes mazor of contract manufacturing from M/s. Cadbury's India Ltd., Hershey's & Himalaya Drug Company.

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.

HUMAN RESOURCES

The company is pleased to inform that it has brought in qualified professional with proven track record to strengthen company's operations in each department. This will certainly facilitate 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 director and one is promoter non executive director. 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 2009-10, Six (6) Board Meetings were held on the following dates:

30.04.2009	31.07.2009	26.08.2009	31.10.2009	30.01.2010	29.03.2010
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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	Name of the Director	Category	Attendance at last AGM	Attendance in		Other Boards	
				Board Meeting Held	Board Meeting Attends	Director ship	Commitees
1.	B K GURBANI	Promoter Executive	YES	6	6	3	—
2	MEERA B GURBANI	Promoter Non-Executive	YES	6	4	2	—
3	HARNAM R BHATIJA	Non-Executive Independent	YES	6	3	2	--
4	B JAYAPRAKASHREDDY	Non-Executive Independent	YES	6	3	1	--
5	ANIL SIDHANI	Non-Executive Independent	YES	6	2	-	—
6	GEORGE KURIAN	Non-Executive Independent	YES	6	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 the Director	:	Sri. Anil Santumal Sidhani
Date of Birth	:	03.08.1967
Age	:	43
Date of First Appointment	:	30.07.2007
Experience in Specific Functional Area	:	He has 18 years experience in engineering and confectionary industries. For past 12 years he is engaged in confectionary industries with expertise on production and quality control.
No of Shares held in the company	:	0
Qualification	:	B.com

Name of the Director	:	Sri. George Kurian
Date of Birth	:	18.04.1960
Age	:	50
Date of First Appointment	:	29.09.2007
Experience in Specific Functional Area	:	He has 24 years of rich varied experience in pharmaceuticals/ Confectionary industry majority of which has been with reputed Multinational Company viz. M/s. Astra IDL, Parke - Davis Limited & Prizer and well known Indian companies like Gland Pharma Limited & M/s. Dabur Pharmaceuticals limited. He has headed training department of control manufacturing division for "Halls" brand.
No of Shares held in the company	:	0
Qualification	:	Post Graduate in Microbiology with proficiency course in Genetic Engineering

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 5 times during the financial year on 30.04.2009, 31.07.2009, 26.08.2009, 30.10.2009 and 30.01.2010 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	5	5
2	Mr. Harnam R Bathija	Member	5	4
3	Mr. Anil Sidhani	Member	5	4

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.

4. 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:

S.No,	Name of the Member	Designation
1.	Mr. B Jayaprakash Reddy	Chairman
2.	Mr. Harnam R Bhatija	Member
3.	Mr. Anil Sidhani	Member

DETAILS OF THE DIRECTORS' REMUNERATION

Name	Designation	Remuneration paid/to be paid for the Financial year 2009-10 (in Rs.)		
		Salary & Perks	Commission	Total
B K GURBANI	Chairman & Managing Director	4,20,000	—	420000

SHAREHOLDERS AND INVESTOR GRIEVANCE COMMITTEE

Composition of Shareholder and Investor Grievance Committee is as follows.

S.No.	Name of the Member	Designation
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 readressed during the year

Number of Complaints	Year 2009 – 10		
	Received	Resolved	Pending
Total Complaints	8	8	NIL

(c) General Body Meetings

The last four Annual General Meetings of the company were held at the following location

Year	Location	Date	Time (A.M)	No of Special Resolutions
2008-09	Lions Club Conference Hall, LIC Building, 2 nd Floor, Paradise Circle, Secunderabad-3	29.09.2009	10.00	Nil
2007-08	Lions 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

The company publishes its quarterly results and Annual Results 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

a) Nineteenth Annual General Meeting

Date, Time and Venue : Monday, 27th September, 2010 at 11.00 A.M at Lions Club Conference hall, II Floor LIC Building, Paradise Circle, Secunderabad – 500 003.

b) Financial Calendar:

Results	For 2009-10 were announced on
First Quarter Results	Last week of July, 2010
Second Quarter Results	Last week of October, 2010
Third Quarter Results	Last week of January, 2011
Fourth Quarter Results	Last week of April, 2011

Dates of Book closer : WEDNESDAY 22nd SEPTEMBER, 2010 TO MONDAY 27TH SEPTEMBER, 2010 (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 2010-11 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 2009-10 as script is under suspension.

SHAREHOLDING PATTERN AS ON 31ST MARCH 2010

Sl no	Category	No. Of Shares Held	% Of Shareholding
1	Indian Promoters	2555770	53.02
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	160200	3.32
6	Indian Public	1793030	37.2
7	NRI's / OCB's	295800	6.14
	TOTAL	4820000	100.00

DISTRIBUTION OF SHAREHOLDING**DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2010**

Sl. No.	Category From - To Rs	Total Share Holders	% of Total Share Holders	Total Holding in Rupees	% of Total Capital
1	Upto - 5000	2694	77.13	62,90,440	13.05
2	5001 - 10000	455	13.03	39,77,790	8.25
3	10001 - 20000	179	5.12	28,86,090	5.99
4	20001 - 30000	47	1.34	12,43,210	2.57
5	30001 - 40000	30	0.86	11,13,030	2.30
6	40001 - 50000	27	0.77	13,00,760	2.70
7	50001 - 100000	41	1.17	30,15,710	6.26
8	100001 and above	20	0.57	2,83,72,970	58.88
	Total	3493	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, 2010.

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 directors of the company. Under code, it is responsibility of all employees and Directors to familiarize themselves with the Code and Comply with its standards.

I hereby certify that the Board Members and senior management personnel of Sampre Nutritions Limited have affirmed compliance with the Code for the Financial Year 2009-10.

Place : Secunderbad
Date : 26-08-2010

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, 2010 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, 2010 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 **KJD SRINIVAS & CO**
Chartered Accountants

Place: Secunderabad
Date: 26.08.2010

Sd/-
V SRIRAMA MURTY
Partner

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 2010**, 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 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 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 read together with the schedules and notes and accounting policies hereon 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 2010.
- (b) In the case of the Profit and Loss account, of the profit of the company for the year ended on that date.
- (c) In the case of Cash Flow Statement of the Cash Flows for the year ended on that date.

Place: Secunderabad.
Date: 26-08-2010

For KJD SRINIVAS & CO.,
Chartered Accountants
Sd/-

{ V SRIRAMA MURTY }
Partner.
M No.216780

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 effect 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 procedures 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) (a) 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.

Place: Secunderabad.
Date: 26-08-2010

For KJD SRINIVAS & CO.,
Chartered Accountants

Sd/-
{ V SRIRAMA MURTY }
Partner.
M No.216780

SAMPRE NUTRITIONS LIMITED
BALANCE SHEET AS ON 31.03.2010

(Amounts in Rupees)

PARTICULARS	Schedule	AS ON 31.03.2010	AS AT 31.03.2009
1. Sources of Funds			
A. Share Holders Funds			
a. Share Capital	1	48,200,000	48,200,000
b. Share Application money		3,700,000	3,700,000
Profit & Loss Account	2	19,884,116	21,956,454
B. Loan Funds	3	44,185,383	33,942,154
C. Deferred Tax Liability	4	8,457,704	8,400,969
		<u>124,427,202</u>	<u>116,199,577</u>
2. Application of Funds			
A. Fixed Assets	5		
a. Fixed Assets		156,610,030	153,710,684
b. Less: Depreciation		69,184,039	61,602,215
c. Net Block		87,425,991	92,108,469
B. Working Capital			
a. Current Assets	6	55,151,725	60,637,921
b. Sundry Debtors	7	19,771,491	38,347,899
		<u>35,380,233</u>	<u>22,290,022</u>
Preliminary Expenses not written off	8	1,620,978	1,801,086
TOTAL		<u>124,427,202</u>	<u>116,199,577</u>

This is the Balance sheet referred to
Our report of even date.

For **KJD Srinivas & Co**
Chartered Accountants

Sd/-

V. Srirama Murty
Partner
Place: Secunderabad
Date: 26.08.2010

for and on behalf of the Board
for Sampre Nutritions Limited

Sd/-

(B K GURBANI)
Chairman & Managing Director

Sd/-

(MEERA GURBANI)
Director

SAMPRE NUTRITIONS LIMITED
PROFIT & LOSS ACCOUNT FOR THE FINANCIAL YEAR ENDED 31.03.2010

PARTICULARS	Schedule	<i>Amount in Rupees</i>	
		Year ended 31.03.2010	Year ended 31.03.2009
A. Income			
a. Sales	9	43,544,465	47,142,212
		<u>43,544,465</u>	<u>47,142,212</u>
B. Expenditure			
a. Costs & purchases	10	23,733,875	24,001,504
b. Administrative expenses	11	8,420,524	7,644,613
c. Financial charges	12	2,687,927	3,158,768
d. Depreciation	5	7,581,824	7,258,456
e. Preliminary Expenses Written off		180,108	450,272
		<u>42,604,258</u>	<u>42,513,613</u>
Net Profit		940,207	4,628,600
Provision for Tax - Current Year		300,000	363,000
Profit after Tax		640,207	4,265,600
Provision for FBT		-	191,541
Prior Period Expenses		-	3,720,265
Balance Profit after Tax		640,207	353,793
Extra Ordinary Income		-	2,514,783
Net Current Year Profit		640,207	2,868,576
Add: Previous year profit		20,456,454	17,925,869
Profit available for Appropriation		21,096,661	2,07,94,445
Add/(Less) Deferred Tax Adjustment		56,735	337,992
Surplus carried to Balance Sheet		21,039,926	20,456,454

This is the Profit & Loss account referred to

Our report of even date.

As per our report attached

For **KJD Srinivas & Co**
Chartered Accountants

Sd/-

V. Srirama Murty

Partner

Place: Secunderabad

Date: 26.08.2010

for and on behalf of the Board
for Sampre Nutritions Limited

Sd/-

(B K GURBANI)

Chairman & Managing Director

Sd/-

(MEERA GURBANI)

Director

SAMPRE NUTRITIONS LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT
FOR THE YEAR ENED 31-03-2010

Amount in Rs.

PARTICULARS	AS ON 31.03.2010	AS ON 31.03.2009
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORIZED CAPITAL		
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	48,200,000	48,200,000
Share application money	<u>3,700,000</u>	<u>3,700,000</u>
	<u>51,900,000</u>	<u>51,900,000</u>
Schedule - 2		
Reserves & Surplus		
State Subsidy	1,500,000	1,500,000
Less Transfer of Balances	(2,655,810)	-
Profit & Loss Account	<u>21,039,926</u>	<u>20,456,454</u>
	<u>19,884,116</u>	<u>21,956,454</u>
Schedule - 3		
Secured Loans		
Term Loan from SBI	3,849,590	3,849,590
Cash Credit from SBI	13,260,465	13,260,465
Cash Credit from Axis Bank	15,976,647	16,814,302
Unsecured loans		
Bk Gurbani & Others	7,726,214	-
Cadbury India Ltd.	2,714,370	-
Sriram transport corpn	458,097	-
SK Sharma & Sons	200,000	-
Loans Under Hire Purchase Scheme		17,797
	<u>44,185,383</u>	<u>33,942,154</u>
Schedule - 4		
Deferred Tax Liability		
Deferred Tax Liability upto 31/03/2009	8,400,969	8,062,977
Add / (Less) Adjustments	56,735	337,992
	<u>8,400,969</u>	<u>8,062,977</u>
Schedule - 6		
Sundry Debtors		
Inventories	-	37,241,486
Cash on hand	4,390,695	12,025,290
Cash at Bank with Scheduled banks	2,154,485	238,744
Deposits	3,595,995	56,111
Other advances	<u>1,840,187</u>	<u>3,590,395</u>
	<u>55,151,725</u>	<u>60,637,921</u>
Schedule - 7		
Current Liabilities & Provisions		
Sundry creditors	10,180,308	21,510,644
Other payables	(783,322)	16,837,255
Provision for tax	300,000	-
Naturally Health products P ltd	6,014,815	-
Taraka Foods and Confectionery P ltd.	<u>4,059,690</u>	<u>-</u>
	<u>19,771,491</u>	<u>38,347,899</u>

SAMPRE NUTRITIONS LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT
FOR THE YEAR ENED 31-03-2010

Depreciation and fixed asset schedule
Schedule : 5

Assets	Gross block				Depreciation				Net Block	
	Rate	As at 1.4.09	Additions	Deletions	As at 31.3.10	Up to 31.3.09	For the year	Up to 31.3.10	As at 31.3.10	As at 31.3.09
Land	0	2124163			2124163	0		0	2124163	2124163
Buildings	3.34%	29973648	5159		29978807	11146411	1001263	12147674	17825974	18827237
Office & canteen	1.63%	2237920			2237920	525891	36478	562369	1675551	1712029
Plant & machinery	4.75%	92631060	1022560		93653620	30028359	4430384	34458743	58172318	62602702
Air conditioners	7.07%	4858868			4858868	4085453	343522	4428975	429893	773415
Electrical Equipments	7.07%	4499710	88030		4587740	3217053	321929	3538982	960728	1282657
Furniture & fittings	6.33%	3876043	15000		3891043	2959192	245796	3204988	671055	916851
Laboratory equipment	7.07%	1022952	54276		1077228	933449	73820	1007269	15683	89503
Office equipment	7.07%	1700227	3900		1704127	1222963	119288	1342251	357976	477264
Computers & Printers	40%	65925	77516		143441	17248	31844	49092	16833	48677
Vehicles	9.50%	8902404	1132903	160000	9875307	6116314	845728	6962042	1940362	2786090
Generator	7.07%	1592936			1592936	1180849	112621	1293470	299466	412087
Misc Fixed Assets	7.07%	224828	21000		245828	169034	19151	188185	36643	55794
Total		153710684	2420344	160000	155971028	61602216	7581824	69184040	84526645	92108469

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

Amount in Rs.

PARTICULARS	AS ON 31.03.2010	AS ON 31.03.2009
Schedule - 8		
Preliminary Expenses Not writtenoff		
Opening balance	1,801,086	2,251,358
Less writtenoff during the year	180,108	450,272
	<u>1,620,978</u>	<u>1,801,086</u>
Schedule - 9		
Income		
Sales	1,541,680	1,698,204
Processing charges	41,757,447	45,335,056
Other Income	245,338	69,816
Increase in stocks	-	39,136
Net Sales	<u>43,544,465</u>	<u>47,142,212</u>
Total Revenue	<u>43,544,465</u>	<u>47,142,212</u>
Schedule - 10		
Raw Packing Material	1,052,699	667,932
Fuel & power consumption	-	-
Factory expenses	21,510,644	11,493,416
Transport & hamali charges	13,165,384	17,676,589
Processing loss & other charges	168,818	1,564,331
Repair & Maintenance	<u>3,022,211</u>	<u>1,163,756</u>
	<u>23,733,875</u>	<u>24,001,504</u>
Schedule - 11		
Administrative; Selling & Distribution Expenses		
Advertisement Expenses	47,502	16,414
Annual Maintenance	-	13,626
Auditors Remuneration	150,000	90,000
Bonus	187,500	16,000
Business Promotion Expenses	-	427,312
Canteen Expenses	-	17,781
Delivery Charges - Sales	-	22,415
Director's Remuneration	420,000	420,000
Electricity Charges	109,507	128,099
General Expenses	2,182,123	734,448
Insurance Charges	108,036	576,458
Legal & Professional Charges	204,428	327,083
Membership & Subscriptions	25,000	38,449
Pest Control Expenses	-	25,770
Postage & Telephone	-	755,638
Printing & Stationery	233,761	209,850
Rates & Taxes	58,535	24,214
Salaries & Wages	2,770,509	1,801,080
Security Services	426,888	333,234
Staff Welfare Expenses	698,653	697,975
Travelling & conveyance	648,620	866,677
Vehicle Repairs & Maintenance	126,428	74,284
Sundry debit balance writtenoff	23,033	27,806
	<u>8,420,524</u>	<u>7,644,613</u>

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

Amount in Rs.

PARTICULARS	AS ON 31.03.2010	AS ON 31.03.2009
Schedule - 12		
Financial Charges		
Interest on Working capital	2,586,361	3,035,741
Other financial charges	-	65,248
Bank charges	101,566	57,779
	<u>2,687,927</u>	<u>3,158,768</u>

SCHEDULE – 13

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:

S.No.	Description	Details
I	Raw Materials & Packing material	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 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.

SCHEDULE - 14**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 to Auditors:

Particulars	31 st March, 2010 (Amount Rs)	31 st March, 2009 (Amount Rs.)
Audit fees	100,000	60,000
Tax Audit Matters	30,000	18,000
Certification & Other Services	20,000	12,000
Total	1,50,000	90,000

7. Director's Remuneration

Particulars	31 st March, 2010 (Amount Rs.)	31 st March, 2009 (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

- There are no debts outstanding as on 31st March 2010 from Directors or other officers of the company other than imprest cash in order to meet running expenses.
- 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 31-03-2010 is as given below:

Particulars	(Liability) / Asset as on 31.03.2010	Asset / (Liability) for the year	(Liability) / Asset as on 31.03.2009
Timing Differences on account of depreciation of assets	(8,400,969)	84,00,969	NIL

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	2009-10	2008 - 09
Profit attributable to Equity Share Holders (A)	7,51,091	4,265,600
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	0.15	0.88

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

"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	-

Particulars	Associates	Key Managerial Personnel	Relatives of Key Managerial Personnel
Remuneration	NIL	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 outstanding as on 31.03.2010	Max. Outstanding during the year
Taraka Food & Confectionery Pvt Ltd	(40.60)	(40.85)
Royes Industries Limited	-	-
Naturalle Health Products Pvt. Ltd.	-	-

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 employees 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. Paise 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 owes, which are outstanding for more than 45 days as at 31st March 2010. 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**A. Capacity production, Sales & Stocks**

Sl. No.	Particulars	2009-10		2008-09	
		Value	Quantity	Value	Quantity
a.	Licensed Capacity	N.A.	N.A.	N.A.	N.A.
b.	Installed Capacity (Single shift basis)	N.A.	2400 TPA	NA	2400 TPA

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

Particulars	2009 – 10		2008 – 09	
	Quantity (Kg)	Value	Quantity (Kg)	Value
Opening Stock	60,033	21.85	60,033	21.85
Production (Sugar based candies)	32,10,530	N.A.	4,091,988	N.A.
Closing Stock	54,000	20.32	60,033	21.85
Sales – Own product (Sugar based candies Confectionery)	21,300	15.41	14,083.50	104.84
Sales – Job work	31,89,230	417.57	4,077,904.48	453.35

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

Material Consumed	2009 – 10		2008 – 09	
	Quantity (Kg)	Value	Quantity (Kg)	Value
Raw Material (Nos / Kgs)				
- Sugar	8120	2.35	9,890	2.83
- Glucose	85	2.12	8,640	2.31
- Flavours & others	4150	4.10	2,298	3.89
Total	20770	8.57	20,828	9.03
Packing Material (Nos.)				
Primary packing (laminates)	4973	3.92	4794	3.74
Secondary Packing (No)				
- Polybag (No)	-	-	-	-
- Woven bags (No)	-	-	-	-
Total	4973	3.92	4794	3.74

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
iii Percentage	100%	100%

Signature to schedule 1 to 14
As per our report attached

For KJD SRINIVAS & CO
Chartered Accountants

Sd/-
V SRIRAMA MURTY
Partner.
Place: Secunderabad
Date: 26.08.2010

for and on behalf of the Board

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

Sd/-
(MEERA GURBANI)
Director

SAMPRE NUTRITIONS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2010

PARTICULARS	Year ending 31.03.2010	Year ending 31.03.2009
A. Cash Flow From Operating Activities		
Net profit before tax and Extraordinary items	9.40	46.29
<i>Adjustments for</i>		
Tax Provisions	(3.00)	(5.55)
Depreciation	75.82	72.58
Other income	(2.45)	(1.09)
Miscellaneous expenses (Amortised)	1.80	4.50
Total adjustments	72.17	70.45
Operating profit before Working capital change	81.57	116.74
<i>Adjustments for</i>		
Current Assets	(120.31)	(61.08)
Current Liabilities	185.76	77.46
Net Adjustments	65.45	16.38
Deferred Revenue expenditure	0.00	0.00
Cash Flow before Extraordinary items	147.02	133.12
Extraordinary items	0.00	(12.05)
Net Cash from operating Activities	147.02	121.07
B. Cash Flow from operating Activities		
Purchase of Fixed assets	(28.99)	(96.66)
Investment Application money		
Other income	2.45	1.09
Net cash used in Investing activity	(26.54)	(95.57)
C. Cash flow from Financing Activities		
Proceeds from Issue of Share capital		
Borrowings (Net)	120.48	25.51
Dividend paid		
Net cash from Financing Activities	120.48	25.51
Net Increase/(Decrease) in cash & Cash equivalents	55.03	0.28
Cash & Cash Equivalents as on 1.4.2010	2.38	2.10
Cash & Cash Equivalents as on 31.3.2010	65.45	2.38

As per our report attached

For KJD SRINIVAS & CO

Chartered Accountants

Sd/-

V SRIRAMA MURTY

Partner.

for and on behalf of the Board

Sd/-

(B K GURBANI)

Chairman & Managing Director

Sd/-

(MEERA GURBANI)

Director

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

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, 2010.

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 2010 to the members of the Company.

For **M/s KJD SRINIVAS & CO.,**
CHARTERED ACCOUNTANTS

PLACE: Secunderabad.
DATE : 26-08-10

Sd/-
(V SRIRAMA MURTY)
Partner.
Membership No.216780

**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 : 31-03-2010

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

(Rs '000)

Partuculars	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 14
As per our report attached
For **KJD Srinivas & Co.,**
Chartered Accountants

Sd/-

V. SRIRAMA MURTHY
Partner
Place: Secunderabad
Date: 26.08.2010

for and on behalf of the Board
for Sampre Nutritions Limited

Sd/-

(B K GURBANI)
Chairman & Managing Director

Sd/-

(MEERA GURBANI)
Director

**SAMPRE NUTRITIONS LIMITED
SECUNDERABAD – 500 003.**

**ATTENDANCE SLIP
NINETEENTH ANNUAL GENERAL MEETING
MONDAY, 27TH SEPTEMBER, 2010 AT 11.00 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 NINETEENTH 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:**
1. 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.
 2. Shareholders or Proxy holders are requested to bring their copy of the Annual Report for reference at the meeting.

**SAMPRE NUTRITIONS LIMITED
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 Nineteenth Annual General Meeting of the Company to be held on Monday, the 27th September, 2010 at 11.00a.m. at the Lions Club Conference Hall, LIC Building, Second Floor, Paradise Circle, Secunderabad – 500 003 and any adjournment thereof.

Signed this _____ day of _____, 2010

Signature _____

Affix
1 Rupee
Revenue
Stamp

Note:

1. The Proxy Form shall be completed and signed by the shareholder across the revenue stamp as per the specimen signature registered with the company.
2. 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.