BOARD OF DIRECTORS

Shri M. K[illegible]	Chairman and Managing Director
Shri M. Subramanyam	Wholetime Director
Shri D.J. Shukla	Director
Smt. V.Annapoorani	Director (Upto 19.08.2002)
Shri M. Raghunath	Director
Shri S. Rameswamy	Director
Shri S. Santhanam	Director.

AUDIT COMMITTEE

Shri S. Santhanam	Chairman
Shri M. Subramanyam	Member
Smt. V. Annapoorani	Member (Upto 19.08.2002)

COMPANY SECRETARY
Shri C. Durga Prasad

REGISTERED OFFICE.
Surya Towers, 4th Floor,
'E' - Block, 104, S.P. Road,
Secunderabad-500003.

ADMINISTRATIVE OFFICE
Surya Towers, 2nd Floor,
F-Block, 104, S.P. Road,
Secunderabad-500003.

MANUFACTURING FACILITIES AT
Bibinagar,
Bhongir Mandal,
Nalgonda District, Andhra Pradesh.

Begumpur Khatola Village
Gurgaon, Haryana

AUDITORS
PRV ASSOCIATES,
Chartered Accountants,
Hyderabad-500029

BANKERS
State Bank of India,
Commercial Branch,
Bank Street, Koti, Hyderabad.

Indian Overseas Bank
Adarshnagar Branch, Hyderabad

REGISTRARS & TRANSFER AGENTS
Karvy Consultants Limited
21, Road No.4, Street No.1
Banjara Hills, Hyderabad-34

NINTEENTH ANNUAL GENERAL MEETING

Day : Wednesday
Date : 18th December, 2002
Time : 9.45 A.M
Place : Bansa Gardens,
Banka Estate, 207,
Sikh Road,
Secunderabad - 500 003.

LISTING OF EQUITY SHARES

The equity shares of the company are listed at the following Stock Exchanges

1. The Hyderabad Stock Exchange Ltd
2. The Delhi Stock Exchange Association Ltd
3. Mangalore Stock Exchange
4. The Stock Exchange, Mumbai
5. Madras Stock Exchange Ltd.

ANNUAL REPORT 2001-2002.

NOTICE

NOTICE is hereby given that the NINETEENTH ANNUAL GENERAL MEETING of the Members of BAMBINO AGRO INDUSTRIES LIMITED will be held on Wednesday, the 18th day of December, 2002 at 9.45 A.M at Bantia Gardens, Bantia Estate, 207, Sikh Road, Secunderabad - 500003, to transact the following business.

ORDINARY BUSINESS:

1) To receive and adopt the Balance Sheet as at 31st March, 2002 and the Profit and Loss Account for the year ended 31st March, 2002 and the Directors' and Auditors' Reports thereon.

2) To appoint a Director in place of Sri. M. Raghuveer, who retires by rotation and being eligible, offers himself for re-appointment.

3) To appoint a Director in place of Sri. S. Santhanam, who retires by rotation and being eligible, offers himself for re-appointment.

4) To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5) To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT subject to the provisions of Section 269 and all other applicable provisions, if any, of the Companies Act, 1956, as amended from time to time or as re enacted, and subject to obtaining other requisite approvals if any, the consent of the Company be and is hereby accorded for the re-appointment of Sri M. Kamal [illegible] as Managing Director for a further period of 5 years from 1st September, 2002, without any remuneration."

BY ORDER OF THE BOARD

Place: Secunderabad
Date: 4th November, 2002

C.DURGA PRASAD
Company Secretary

NOTES:

1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2) The Register of Members will remain closed from 12th December, 2002 to 18th December, 2002 (both days inclusive). The transfer books of the Company will also remain closed for the above said period.

3) Members are requested to intimate the Company or Registrar, the details or clarifications, if any, required in relation to the Annual Report, atleast 7 (Seven) days before the Meeting to enable the Management to keep the information ready at the Meeting.

4) As a measure of economy, Members/proxies are requested to bring their copies of Annual Report to the Meeting and the attendance slip duly filled in for attending the Meeting. Copies of Annual Reports will not be provided at the Meeting.

5) Unclaimed dividend of the year 1994-95 is being transferred to the Investor Education & Protection Fund of the Central Government and the unclaimed dividend for the subsequent years will be transferred to the said fund as under:-

1995-96	04.11.[illegible]	05.11.2003
1996-97	25.09.1997	25.09.2004
1997-98	30.09.1998	29.09.2005

Members who have not encashed their dividend warrants pertaining to these years may have their warrants revalidated by sending them to the Registered Office of the Company. It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund, no claim shall lie against the company.

6) The company's shares are now available for trading in demat. Investors are requested to open an account with a depository participant to trade in the dematerialised form.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.5

At the Annual General Meeting held on 29th September, 1997, Sri M. Kishan Rao was appointed as Managing Director for a term of 5 years from 1st September, 1997 on a monthly basic salary of Rs.25,000/-, house rent allowance of Rs.15,000/-, and commission subject to statutory ceiling in addition to other standard perks.

The Board of Directors of the company at its Meeting held on 8th November, 2002 have subject to the approvals of shareholders reappointed Mr. M. Kishan Rao as Managing Director for a further period of 5 years from 1st September, 2002 but without remuneration considering the difficult financial position of the company. The Board however decided to review the subject of payment of remuneration to the Managing Director as and when the company's financial position improves.

[illegible] Mr. M. Kishan Rao, Mr. [illegible] Mr. [illegible] may be [illegible] in the resolution.

The Directors recommend adoption of this resolution.

BY ORDER OF THE BOARD

Place : Secunderabad
Date : 8th November, 2002

C. DURGA PRASAD
Company Secretary

DIRECTORS' REPORT

TO

THE MEMBERS

Your directors have pleasure in presenting 18th Annual Report together with Audited Accounts for the year ended 31st March, 2002.

FINANCIAL PERFORMANCE

(Rupees in Lakhs)

	Year ended 31.03.2002	Period ended 31.03.2001 (6 Months)
Sales and other income	[illegible]	[illegible]
Profit before Interest, Depreciation and Tax	[illegible]	[illegible]
Less: Interest	[illegible]	[illegible]
Profit/(Loss) after Interest but before Depreciation & Tax	[illegible]	[illegible]
Less: Depreciation	[illegible]	[illegible]
Profit/(Loss) before tax	[illegible]	[illegible]
Less: Taxation		
(a) Current Tax	—	[illegible]
(b) Deferred Tax	[illegible]	—
Profit/(Loss) after tax	[illegible]	[illegible]

During the year under review, the company operated under difficult business environment. The company's performance was adversely affected because of the severity of the continuing recession resulting in lower sales volumes, lower realisation and negative profitability. Apart from the stagnant market conditions, highly competitive environment prevailing in the fast moving consumer goods industry has led to heavy trade load offers [illegible] the price [illegible]. [illegible] capacity due to mismatch in the realisations of wheat products and wheat prices contributing further to the adverse financial results. Despite this scenario, the company recorded reasonable sales in volume terms though there is marginal drop in the sales over the previous year. On the export front, the company has strengthened its marketing efforts to boost its overseas sales. Considering the global slowdown, the company registered reasonable export volumes during the year under review. Series of cost cutting measures initiated by the company resulted in savings in operating cost and containing further loss during the year under review.

Current year so far does not appear to show signs of improvement as demand continues to be sluggish. The company is preparing itself to meet these challenges. It is reworking out strategies to enhance its leadership position in the defined markets. The company has also initiated steps to replace high cost borrowings with low cost funds. It has also set itself aggressive targets in all other areas of cost reduction to enhance the company's competitive strength. With these initiatives, it is hoped that the performance of the company would improve in the coming years.

During the year under review, the company achieved a turnover of Rs.73.05 crores resulting in a pre tax loss of Rs.367.[illegible] lacs as against profit of Rs.42.22 lacs during the previous 6 months accounting period.

DIVIDEND:

In view of loss incurred for the year ended 31st March, 2002, your Directors regret their inability to recommend any dividend.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000, the Directors confirm that:

1. in preparation of the Accounts under review, the applicable accounting standards have been followed.

2. [illegible] accounting [illegible] have been applied [illegible] judgements and estimates which are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at the end of 31st March, 2002 and of the profit of the Company for the year under review.

3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

4. the Accounts for the period under review have been prepared on a "going concern" basis.

BOARD OF DIRECTORS:-

Mrs. V. Annapoorani ceased to be a Director with effect from 30.09.2002 consequent to the withdrawal of nomination by IFCI Ltd. The Board places on record its appreciation for the services and valuable guidance rendered by Mrs. V. Annapoorani during her tenure as Director.

Sri M. Raghuveer and Sri S. Seethanimaiah retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

AUDITORS:

M/s. PRV Associates, Chartered Accountants, Hyderabad, the Company's Auditors retire at the conclusion of the Annual General Meeting and are eligible for re-appointment.

PARTICULARS OF EMPLOYEES

As none of the employees of the Company has received remuneration in excess of the prescribed limits, the statement required under Sub-section 2A of Section 217 of the Companies Act, 1956 [illegible] Particulars of [illegible] Rules, 1975 is not given.

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

The requisite information pursuant to the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the annexed statement.

INDUSTRIAL RELATIONS

During the year under review, the industrial relations at both the units of the company continue to be cordial and peaceful.

ACKNOWLEDGEMENTS

The Directors wish to acknowledge and record their appreciation of the support received from company's Bankers and term lending financial institutions. Your Directors also place on record their appreciation of the contribution made by the employees at all levels.

Your Directors also wish to express their thanks to the shareholders, suppliers, stockists, selling agents and customers for the confidence reposed in the company and the support extended by them.

For and on behalf of the Board

M. KISHAN RAO
Chairman & Managing Director

Place : Secunderabad
Date : 6-11-2002

ANNEXURE [illegible] DIRECTORS' REPORT

Additional information as required under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988

CONSERVATION OF ENERGY.

a) **Energy conservation measures taken:**

i) Comprehensive Energy Audit planned to improve energy conservation

ii) Use of Light Diesel Oil (LDO) in place of High Speed Diesel (HSD) Oil to reduce energy cost.

b) **Additional investment and proposal being implemented for reduction of consumption of energy:**

Introduction of energy efficient systems pursuant to energy audit recommendation proposed

c) **Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:**

The benefits of the measures at (a) and (b) above would be realised in the coming years.

FORM - A

Form for Disclosure of particulars with respect to conservation of Energy

	(2001-2002) (12 months period)	2000-2001 (6 months period)
A. Power and Fuel Consumption		
1. Electricity		
a. Purchased Units	30,72,185	13,85,000
Total Amount (Rs.)	1,34,63,591	56,62,591
Rate / Unit (Rs.)	4.38	4.42
b. Own Generation		
(i) Through diesel generator (Units)	20,90,595	13,58,375
Units per ltr. of Diesel oil (Units)	3.02	3.39
Cost / Unit (Rs.)	6.41	4.56
2. Coal	N	N
Quantity (tons)	O	O
Total Cost (Rs.)	T	T
Average Rate (Rs.)		
3. Furnace Oil	A	A
Quantity (tons)	P	P
Total Amount (Rs.)	P	P
Average Rate (Rs.)	L	L
	I	I
	C	C
4. Other / internal generation	A	A
Quantity	B	B
Total Cost (Rs.)	L	L
Rate/ Unit (Rs.)	E	E
B. Consumption per Unit of Production		
Production - Pasta and Wheat Products (MTS)	34,670	20,874
Electricity (Units / Ton)	148.75	129.15
Diesel Oil (Ltrs / Ton)	30.95	26.54

Form for disclosure of particulars with respect to absorption

Research and development (R & D)

1. Specific areas in which R & D carried out by the Company	:	Process and new product development and development of improved low cost packaging
2. Benefits derived as a result of the above R & D	:	Cost optimisation and increased volumes expected
3. Future plan of action	:	To develop health foods and snacks
4. Expenditure on R & D (a) Capital (b) Recurring (c) Total (d) Total R & D expenditure as a percentage of total turnover		Negligible

Technology absorption, adaptation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation	:	Technology Absorbed
2. Benefits derived as a result of the above efforts, eg., product improvement cost reduction, product development, import substitution, etc	:	Indigenous spares developed for several imported parts / components
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished: a) Technology imported b) Year of import c) Has technology been fully absorbed? d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plan of action.		Not Applicable

Foreign exchange earnings / outgo	:	Earnings	:	Rs. 86,03,334
		Out go	:	Rs. 8,09,737

AUDITORS' REPORT

TO

THE MEMBERS OF BAMBINO AGRO INDUSTRIES LIMITED.

We have audited the attached Balance Sheet of BAMBINO AGRO INDUSTRIES LIMITED, as at 31st MARCH, 2002 and also the annexed Profit and Loss Account of the Company for the year ended on that date annexed thereto. The 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.

We conducted our audit in accordance with 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 mis-statement. 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.

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Central Government in terms of Section 227(4A) 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.

2. Further to the comments in the Annexure referred to in Paragraph (I), we report that:

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books of account.

c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.

d) In our opinion, the Balance Sheet and Profit and Loss Account comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

e) On the basis of information and explanations received from the Directors of the Company and Company Secretary, none of the Directors are prima-facie disqualified from being appointed as Directors of the Company under clause (g) of sub section (1) of Section 274 of the Companies Act, 1956 as on 31st March, 2002.

II 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:

i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2002, and

ii) In the case of the Profit and Loss Account, loss of the Company for the year ended as on that date.

For PRV ASSOCIATES
Chartered Accountants

Sd/-
M.V. PURUSHOTTAMA RAO
PARTNER

PLACE : Hyderabad
DATE : 8th Aug 2002