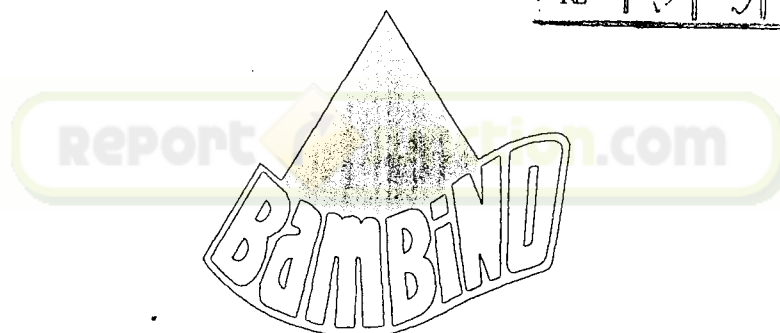


FIFTEENTH ANNUAL REPORT 1997-98

MD	✓		BKC	✓
CS	✓		DPY	25
RO	✓		DPY	✓
TRA	✓		DPY	✓
AGM	✓	✓	DPY	✓
YE	✓	✓	DPY	✓



BAMBINO AGRO INDUSTRIES LIMITED





BAMBINO AGRO INDUSTRIES LIMITED

BOARD OF DIRECTORS

Shri M. Kishan Rao
 Shri M. Subramanyam
 Shri D.J. Shukla
 Shri M. Raghuvver
 Shri S. Ramaswamy
 Shri S.R. Javalgekar

Chairman and Managing Director
 Wholetime Director
 Director
 Director
 Director
 Director

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,
 Main Branch,
 Bank Street,
 Hyderabad.

Indian Overseas Bank
 Adarshnagar Branch
 Hyderabad

REGISTRARS & TRANSFER AGENTS

Karvy Consultants Limited
 "KARVY HOUSE" 46, Avenue 4,
 Street No.1, Banjara Hills,
 Hyderabad-34.

Fifteenth Annual General Meeting

Day : Wednesday
 Date : 30th September, 1998
 Time : 11.00 A.M
 Place : Myadam Anjaiah Memorial Hall
 Munnuru Kapu Vidyarthi
 Vasathi Gruham 3-3-43,
 Kachiguda,
 Hyderabad-500 027.

Annual Report 1997-98.

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BAMBINO AGRO INDUSTRIES LIMITED**NOTICE**

NOTICE is hereby given that the **FIFTEENTH ANNUAL GENERAL MEETING** of the Members of **BAMBINO AGRO INDUSTRIES LIMITED** will be held on Wednesday, the 30th September, 1998 at 11.00 A.M at Myadam Anjaiah Memorial Hall, Munnuru Kapu Vidyarthi Vasathi Gruham, 3-3-43, Kachiguda, Hyderabad 500 027, to transact the following business.

ORDINARY BUSINESS

- 1) To receive and adopt the Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the year ended 31st March, 1998 and the Reports of the Board of Directors and Auditors thereon.
- 2) To declare a dividend.
- 3) To appoint a Director in place of Sri S. R. Javalgekar, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Sri M. Raghuvver, who retires by rotation and being eligible, offers himself for re-appointment.
- 5) To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

- 6) To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution.

"RESOLVED THAT subject to the provisions of the Companies Act, 1956 as amended from time to time or any re-enactment thereof permitting the Company to buy back its own shares, the Board of Directors of the Company be and are hereby authorised to

purchase from time to time from the existing shareholders on proportionate basis or from the open market or from shareholders holding odd-lot shares or through negotiations or other arrangements in such quantity or quantities of equity shares of the company at such rate(s) and on such terms and conditions as may be thought fit by the Board, subject to fulfillment of the applicable statutory conditions and invest amount(s) not exceeding Rs.500 lacs (Rupees five hundred lacs only) for such purchases out of the funds from free reserves or share premium account or out of proceeds of any issue made specifically for buy back purposes or out of such funds as may be allowed under the then prevailing law/rules and regulations and to cancel such number(s) of the shares so purchased".

"RESOLVED FURTHER THAT the Board of Directors of the Company shall exercise the powers conferred by this resolution only after such buy-back of shares is permitted under the Company Law.

7. To consider and if thought fit, to pass with or without modifications, the following resolution as Special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 17 of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1996, the Other Objects Clause of the Memorandum of Association of the Company be altered and extended by adding the following new clause.

CLAUSE 9

To engage in the construction, installation, execution, improvement,



development, operation, maintenance and dealing of all kinds of infrastructure projects covering and including wharfs, canals, bridges, telecommunication services, water management, roads, ways, culverts, gas, electricity/power, public lighting, power stations and such other public utility projects as may be considered necessary or incidental to the attainment of these objects.

"RESOLVED FURTHER THAT pursuant to the provisions of Section 149(2A) of the Companies Act, 1956 approval be and is hereby accorded to the company to commence business stated in Clause 9 as aforesaid.

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 relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business to be transacted at the Meeting is annexed hereto.
- 3) The Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 1998 to 30th September, 1998 (both days inclusive).
- 4) Payment of dividend, when declared at the Annual General Meeting will be paid to those members whose names appear in the Register of Members as on 30th September, 1998.

- 5) Pursuant to Section 205A of the Companies Act, 1956, unclaimed dividend for the financial year ended 31st March, 1994 has been transferred to the General Revenue Account of the Central Government. Members who have not claimed the said dividend are requested to do so by making an application in the prescribed form to the Registrar of Companies, Andhra Pradesh, Hyderabad.

Similarly, unpaid dividend for the year ended 31st March, 1995 will be required to be transferred to the General Revenue Account in November, 1998. Members who have not yet claimed the same may do so immediately.

- 6) Members are requested to notify immediately any change in their address to the Company's Registrars, M/s. Karvy Consultants Limited, 46, Avenue 4, Street No.1, Banjara Hills Hyderabad 500 034.
- 7) Members are requested to intimate the Company or its Registrars, the details or clarifications, if any, required in relation to this Annual Report, atleast 7 (Seven) days before the Meeting to enable the Management to keep the information ready at the Meeting.
- 8) Shareholders holding shares in various folios with identical names and in same order are requested to furnish details of such holding to the Share Transfer Agents, to enable them to consolidate these holdings into a single holding. This will facilitate the Company to service the shareholders more effectively.
- 9) With a view to provide protection against fraudulent encashment of

BAMBINO AGRO INDUSTRIES LIMITED

dividend warrants, the Members were advised in the past to provide their Bank account numbers, names and addresses of the bank branches to enable the Company to incorporate the said details in the dividend warrants. Those Members who have not yet provided such information are again requested to provide those details quoting folio numbers so as to reach the company's Registrars M/s. Karvy Consultants Limited, latest by the 30th September, 1998.

- 10) 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.

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

ITEM NO.6

Draft Companies Bill, 1997, contains provisions allowing the Companies to purchase its own shares subject to certain conditions. The Draft Companies Bill, 1997 introduced in the Parliament in 1997 could not be enacted due to change in the Government. There are now indications that the provisions of buy back of shares by the companies would soon be introduced by amending the Companies Act

The approval of the shareholders for such buy back of shares was obtained by special resolution at the 14th Annual General Meeting held on 26th September, 1997. Considering the provisions contained in the Draft Companies Bill, 1997 regulating the buy back of shares by the Companies, the approval accorded by shareholders would cease to be

valid after 25th December, 1998. The resolution as set out in the Notice is being proposed again as the law in this regard has so far not been enacted/amended allowing the company to buy back its shares.

The proposal of buy back of shares when implemented would benefit the company and the shareholders. It is proposed to invest an amount not exceeding Rs.500 lacs for the buy back of shares.

None of the Directors is interested in the Resolution.

ITEM NO.7

In the current economic scenario where special thrust and priority is accorded to the promotion and development of the infrastructure sector, your company would like to avail of the business opportunities available in this sector as and when found appropriate.

As the above said activity is not authorised by the present Memorandum and Articles of Association, the resolution is being proposed to amend the same to enable the company to take up the proposed activity.

Your Directors commend passing of the resolutions set out in item No.7 as special resolutions.

None of the Directors is interested in the Resolutions.

BY ORDER OF THE BOARD

Place : Secunderabad
Date : 30.07.1998

C. DURGA PRASAD
Company Secretary

BAMBINO AGRO INDUSTRIES LIMITED



DIRECTORS' REPORT

TO
THE MEMBERS

Your Directors have pleasure in presenting the FIFTEENTH Annual Report for the financial year ended 31st March, 1998.

FINANCIAL PERFORMANCE

(Rupees in Lakhs)
Year Ended on

	31.03.1998	31.03.1997
Sales and other income	<u>8107.34</u>	<u>8135.75</u>
Profit before Interest, Depreciation and Tax	<u>1297.42</u>	<u>1376.60</u>
Less: Interest	<u>715.97</u>	<u>808.53</u>
Profit after Interest but before Depreciation & Tax	<u>581.45</u>	<u>568.07</u>
Less: Depreciation	<u>249.04</u>	<u>242.02</u>
Profit before tax	<u>332.41</u>	<u>326.05</u>
Less: Provision for Tax	<u>61.51</u>	<u>60.82</u>
Profit after tax	<u>270.90</u>	<u>265.23</u>
Investment Allowance Reserve withdrawn	—	—
Excess Provision of Income Tax written back	—	5.00
Profit Brought Forward on Amalgamation	—	59.09
Profit Brought Forward	<u>274.30</u>	<u>511.88</u>
	<u>545.20</u>	<u>841.20</u>
Appropriations		
Proposed Dividend	<u>187.56</u>	<u>187.56</u>
General Reserve	<u>150.00</u>	<u>379.34</u>

OPERATIONS :

The performance of the company during the first half of the year 1997-98 was encouraging. However, in the latter half, the performance was adversely affected mainly on account of slowdown in demand in most of the sectors particularly in the food processing segment. In line with the company's long term strategy and to improve and sustain growth levels, continuous efforts are being made to broadbase the product range. These initiatives have resulted in the company launching new pasta products during the year which have necessitated additional promotional and product publicity expenses resulting in pressure on margins. The increase in the wheat prices owing to lower wheat output had its inevitable impact on the company's profitability. The other factor which affected the performance of the company was the unremunerative price for the wheat products which compelled the company to operate the flour mill division much below the optimum level. Despite subdued demand and unfavourable trends, the company could maintain turnover and profitability at the level of previous year.

During the year under report, the Company achieved a turnover of Rs.7976 lacs resulting in a net profit of Rs. 271 lacs.

DIVIDEND :

Your Directors are pleased to recommend a dividend of 30% for the year ended 31st March, 1998. If approved at the forthcoming Annual General Meeting, the dividend will be paid to those shareholders whose names appear in the Register of Members as on 30th September, 1998.

ODD LOT SCHEME :

The company had formulated an Odd Lot Scheme to provide avenues to the Odd Lot

BAMBINO AGRO INDUSTRIES LIMITED

shareholders to sell their shares in a manner that they realise the full market price after deduction of service charges as specified in the scheme. The Odd Lot Scheme has been in operation from 1st October '97 as originally envisaged in the scheme. However, with a view to provide another opportunity to the shareholders who have not availed this facility, the company has decided to extend the operation of the scheme for a further period of one year from 1st October '98. The shareholders who are desirous of disposing of their odd lot shares may please write to the company for further details.

BOARD OF DIRECTORS :

Sri. S. R. Javalgekar and Sri. M. Raghuvver retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS :

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

PARTICULARS OF EMPLOYEES :

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and the Accounts is being sent to all shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

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 :

The Company continues to maintain cordial and harmonious relations with the work force in all its divisions.

ACKNOWLEDGMENTS :

Your Directors convey their sincere thanks to Industrial Finance Corporation of India Limited, Industrial Development Bank of India, State Bank of India and Indian Overseas Bank for their continued support and assistance to the company.

Your Directors also wish to acknowledge the continued support and confidence reposed in the management by the shareholders.

Your Directors also express their appreciation of the contributions made by the employees at all levels for the growth of the company

for and on behalf of the Board

PLACE : SECUNDERABAD **M. KISHAN RAO**
DATE : 30.07.1998 Chairman & Managing Director