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SIXTEENTH ANNUAL REPORT 1998 - 99

BAMBINO

BAMBINO AGRO INDUSTRIES LIMITED

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BAMBINO AGRO INDUSTRIES LIMITED

BOARD OF DIRECTORS

Shri M. Kishan Rao	Chairman and Managing Director
Shri M. Subramanyam	Wholetime Director
Shri D.J. Shukla	Director
Shri M. Raghuveer	Director
Shri R.R. Dharamdasani	Director (IFCI Nominee)
Shri S. Ramaswamy	Director
Shri S.R. Javalgekar	Director

COMPANY SECRETARY

Shri C. Durga Prasad

REGISTERED OFFICE

Surya Towers, 4th Floor,
'E' - Block, 104, S.P. Road,
Secunderabad - 500 003.

ADMINISTRATIVE OFFICE

Surya Towers, 2nd Floor,
F-Block, 104, S.P. Road,
Secunderabad - 500 003.

MANUFACTURING FACILITIES AT

Bibinagar,
Bhongir Mandal,
Nalgonda District,
Andhra Pradesh.

Begumpur Khatola Village
Gurgaon, Haryana.

AUDITORS

PRV ASSOCIATES,
Chartered Accountants,
Hyderabad - 500 029.

BANKERS

State Bank of India,
Commercial 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.

Sixteenth Annual General Meeting

Day	:	Monday
Date	:	27th December, 1999
Time	:	11.00A.M.
Place	:	Myadam Anjaiah Memorial Hall Munnuru Kapu Vidyarthi Vasathi Gruham, 3-3-43, Kachiguda, Hyderabad - 500 027.

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NOTICE

NOTICE is hereby given that the **SIXTEENTH ANNUAL GENERAL MEETING** of the Members of **BAMBINO AGRO INDUSTRIES LIMITED** will be held on Monday, the 27th day of December, 1999 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 30th September, 1999 and the Profit and Loss Account for the period ended 30th September, 1999 and the Reports of the Board of Directors and Auditors thereon.

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

3) To appoint a Director in place of Sri S. Ramaswamy, 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 to the re-appointment of Sri. M. Subramanyam as Wholetime Director for a further period of 5 years from 1st October, 1999, without any remuneration.

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

"**RESOLVED THAT** pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered as follows by inserting new Articles, 44-A and 44-B after Article 44.

44-A Nomination of shares/Debentures

(1) Every holder of shares in, or holder of debentures of, the Company may, at any time, nominate in the prescribed manner, a person to whom his/her shares in, or debentures of, the Company shall vest in the event of his/her death.

(2) Where the shares in, or debentures of, the Company are held by more than one person jointly, the joint holders may together nominate in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.

(3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in, or debentures of, the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or holder of debentures of the Company or, as the case may be, on the death of the joint holders, become entitled to all the rights in the shares or debentures of the Company or, as the case may be, all the joint holders, in relation to such shares in, or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

(4) Where the nominee is a minor, it shall be lawful for the holder of the shares; or holder of debentures, to make the nomination to

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appoint in the prescribed manner any person to become entitled to shares in or debentures of the company, in the event of his/her death, during the minority.

44-B Transmission of shares/debentures

(1) Any person, who becomes a nominee by virtue of the provisions of Section 109-A of the Act, upon the production of such evidence, as may be required by the Board and subject as hereinafter provided, elect, either:-

(a) to be registered himself/herself as holder of the shares or debentures, as the case may be; or

(b) to make such transfer of the shares or debentures, as the case may be, as the deceased shareholder or debenture-holder, as the case may be, could have made.

(2) The board shall, in either case, have the same right to decline or suspend registration, as it would have had, if the deceased shareholder or debenture-holder, as the case may be, had transferred the shares or debentures, as the case may be, before his/her death.

(3) If the person being a nominee, so becoming entitled, elects to be registered as holder of the shares or debentures himself/herself, as the case may be, he/she shall deliver or send to the Company a notice in writing signed by him/her stating that he/she so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture-holder, as the case may be.

(4) A person, being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he/she would be entitled if he/she were the registered holder of the share or debenture except that he/she shall not, before being registered a member in respect of his/her share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time give notice requiring any such person to elect either to be registered himself/herself or to transfer the share or debenture, and if the notice is not compelled with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with.

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) Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividends for the financial year 31st March, 1995 and thereafter, which will remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government.

4) The Register of Members will remain closed from 16th December, 1999 to 27th December, 1999 (both days inclusive). The transfer books of the Company will also remain closed for the above said period.

5) Members are requested to intimate the Company or Registrar, the details or clarifications, if any, required in relation to this Annual Report, atleast 7 (Seven) days be-

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fore the Meeting to enable the Management to keep the information ready at the Meeting.

6) 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. 5

At the Annual General Meeting held on 15th September, 1994 Sri. M. Subramanyam was appointed as Wholetime Director for a term of 5 years from 1st October, 1994, on a salary of Rs.20,000/- per month in addition to commission and other standard perquisites.

The Board of Directors of the Company at its Meeting held on 2nd December, 1999 have subject to the approval of shareholders, re-appointed Mr. M. Subramanyam as Wholetime Director for a further period of 5 years from 1st October, 1999 without any remuneration.

Mr. M. Kishan Rao, Mr. M. Raghuveer and Mr. M. Subramanyam may be deemed to be concerned or interested in the resolution.

The Directors recommend adoption of this resolution.

ITEM NO.6

The Articles of Association of the Company are proposed to be altered by inducting new Articles 44-A and 44-B as set out in the Resolution at Item No.6.

The new Articles 44-A and 44-B are proposed to be included in the existing Articles to facilitate every holder of shares in or holder of debentures of the Company to nominate at any time a person to whom his/her shares in or debentures of the Company, shall vest, in the event of his/her death, in accordance with the provisions contained in Companies Act, 1956, pursuant to 109-A and 109-B by the Companies (Amendment) Act, 1999. This Section contemplates that every holder of share/debenture/fixed deposit will have a freedom to nominate, at any time, a person to whom his/her shares/debentures/fixed deposits shall vest, in the event of his/her death. The Section also provides that where shares/ debentures/fixed deposits are held by more than one person jointly, the joint holders may together make such nominations.

The Directors recommend the Resolution for acceptance by the members. A copy of the Articles of Association of the Company is available for inspection by the members during business hours on any working day, at the Registered Office of the Company, upto the date of the meeting.

None of the Directors of the Company is, in any way, concerned or interested in the said Resolution.

BY ORDER OF THE BOARD

Place: Secunderabad
Date : 02.12.1999

C. DURGA PRASAD
Company Secretary

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DIRECTORS' REPORT

TO
THE MEMBERS

Your Directors have pleasure in presenting the SIXTEENTH Annual Report for the Financial period ended 30th September, 1999. The Financial year under review was extended by six months from 31st March, 1999 to 30th September, 1999 after obtaining requisite approvals and therefore the Accounts of the Company presented are for a period of eighteen months from 1st April, 1998 to 30th September, 1999.

FINANCIAL PERFORMANCE

(Rupees in Lakhs)

	Period ended 30.09.1999 (18 Months)	Year Ended 31.03.1998
Sales and other income	11358.07	8107.34
Profit before Interest, Depreciation and Tax	1181.96	1297.42
Less: Interest	1170.82	715.97
Profit/Loss after Interest but before Depreciation & Tax	11.14	581.45
Less: Depreciation	406.92	249.04
Profit/(Loss) before tax	(395.78)	332.41
Less: Provision for Tax	—	61.51
Profit/(Loss) after tax	(395.78)	270.90

OPERATIONS:

The period under review turned out to be difficult for the company characterised by adverse economic and business conditions. The company's performance suffered set back mainly on account of sluggish demand conditions, increase in interest and other expenses associated with launch of new products in the premium segment, lower realisation, increased competitive activity in the market place pushing up support expenditure to maintain market position thereby impacting profitability. The curtailment of flour mill operations continued during the period due to mismatch of realisation of wheat products and wheat prices also restricted sales growth and contributed to adverse financial results.

The company has initiated various proactive steps to counter these unfavourable trends through significant marketing initiatives in the form of innovative product launches and new introduction of premium products having potential for volume growth, improved packaging, continuous focus on achieving total market penetration of existing products, emphasis on aggressive marketing strategies to gain competitive edge, planned thrust on developing overseas market and above all various measures to bring down the cost of operations.

After continuous slump in the economy, the market is now showing signs of recovery and your Directors are confident that with the proactive measures initiated, the performance of the company would improve in the coming years.

The turnover and other income during the 18 months period under review amounted to Rs.11,358 lakhs compared to increased turnover and other income for the previous year on an annualised basis resulting in performance not in line with the envisaged business plans.

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DIVIDEND

In view of the loss incurred during the period under review, your Directors regret their inability to recommend any dividend.

Y2K COMPLIANCE:

All software and hardware used in recording financial transactions are Y2K compliant. Some of electronic equipments used for recording other operations are to be replaced for Y2K compliance. Necessary steps have been taken to replace the same before December, 1999 and the cost of replacement will not be substantial.

BOARD OF DIRECTORS:

Sri.R.R. Dharamdasani was appointed as nominee Director of Industrial Finance Corporation of India Ltd.

Sri. D.J. Shukla and Sri. S. Ramaswamy 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 RELATION :

During the period, industrial relations continued to be extremely cordial.

ACKNOWLEDGEMENTS :

Your Directors would like to 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 co-operation and continued support.

Your Director wish to place on record their deep appreciation of the dedicated service of the employees at all levels.

Your Directors wish to express their thanks to the shareholders 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 : 02.12.1999

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