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EIGHTEENTH ANNUAL REPORT 2000 - 2001

BAMBINO

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BAMBINO AGRO INDUSTRIES LIMITED

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BAMBINO AGRO INDUSTRIES LTD.

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

Dear Shareholder

July 30, 2001

Sub: Dematerialisation of shares

***

We are glad to inform you that the company has voluntarily opted for the induction of the company's shares into the depository system by entering into a separate tripartite agreements with National Securities Depository Ltd (NSDL), Central Depository Services (India) Ltd (CDSL) and Karvy Consultants Ltd to facilitate holding and trading of the company's shares in dematerialised form.

Both the depositories has become functional for activation of the dematerialisation process. The ISIN No. allotted to the company's shares is INE 921DO1013.

The depository system envisages the elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transits, delay in transfers, cost towards stamp duty etc. In view of these factors, investor protection/investor services has assumed a new dimension. We at BAMBINO have been endeavouring to keep pace with the changes in the depository environment and have accordingly implemented the depository system to facilitate electronic transactions of the company's shares.

All the shareholders/investors are therefore requested to avail this facility which would enable the members to hold and trade the shares of the company in dematerialised form. To enable this, you will have to open and account with the Depository participant (DP) who are agents of NSDL and CDSL and lodge your share certificates through DP for dematerialisation.

It is reiterated once again that depository is a much more safe and user friendly mode of holding and transacting your securities. We would therefore request you to seriously evaluate this option.

We are always available to you for any assistance/clarification.

Thanking you,

Yours faithfully,
for **BAMBINO AGRO INDUSTRIES LTD.**

C. DURGA PRASAD
COMPANY SECRETARY

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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 S. Ramaswamy	Director
Shri S.Santhanam	Director
Mrs. V. Annapoorani	Director (IFCI Nominee)

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.

Eighteenth Annual General Meeting

Day : Thursday
Date : 27th September, 2001
Time : 10.00 A.M.
Place : Myadam Anjaiah Memorial Hall
Munnuru Kapu Vidyarthi
Vasathi Gruham, 3-3-43,
Kachiguda,
Hyderabad - 500 027.

Equity shares listed at:

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

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NOTICE

NOTICE is hereby given that the **EIGHTEENTH ANNUAL GENERAL MEETING of the Members of BAMBINO AGRO INDUSTRIES LIMITED** will be held on Thursday, the 27th day of September, 2001 at 10.00 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, 2001 and the Profit and Loss Account for the six months period ended 31st March, 2001 and the Reports of the Board of Directors and Auditors thereon.

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

3) To appoint 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 the following resolution with or without modification(s) as a SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner.

(i) The following new headings and Article 44A and 44B with marginal notes thereof, be inserted after the existing Article 44.

44A Dematerialisation of Securities.

For the purpose of this Article, unless the context otherwise requires:

A. Definitions:

Beneficial Owner: 'Beneficial Owner' means the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

Bye-laws: 'Bye-laws' means bye-laws made by a Depository under Section 26 of the Depositories Act, 1996;

Depositories Act: 'Depositories Act' means the Depositories Act, 1996, and any statutory modification(s) or re-enactment thereof for the time being in force;

Depository: 'Depository' means a company formed and registered under the Companies Act, 1956 (1 of 1956) ('the Act') and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992).

Record: 'Record' includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI.

Regulations: 'Regulations' means the regulations made by SEBI.

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SEBI: SEBI means the Securities and Exchange Board of India.

Shareholder or member: 'Shareholder' or 'member' means the duly registered holder from time to time of the shares of the company and includes the subscribers to the Memorandum of Association of the Company and also every person holding Equity Shares and/or Preference Shares of the Company as also one whose name is entered as a beneficial owner of the shares in the records of a Depository;

B. Dematerialisation of Securities:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its shares, debentures and other securities (both existing and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996 and the Rules framed thereunder, if any:

C. Option for Investors:

Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. Where a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of such information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security.

D. Securities in Depositories to be in fungible form:

All securities held by a Depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners;

E. Rights of Depositories and Beneficial Owners:

i. Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner;

ii. Save as otherwise provided in (i) above, the Depository as registered owner of the securities shall not have any voting rights or any other right in respect of the securities held by it.

iii. Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a Depository.

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F. Depository to furnish information:

Notwithstanding anything to the contrary contained in the Act or these Articles, where the securities are held in a Depository, the records of the beneficial ownership may be served by such a Depository on the Company by means of electronic mode or by delivery of floppies and discs.

G. Option to opt out in respect of any security:

If a beneficial owner seeks to opt out of a Depository in respect of any security, the beneficial owner shall inform the Depository accordingly. The Depository shall, on receipt of the intimation as above, make appropriate entries in its record and shall inform the Company accordingly.

The company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

H. Sections 83 and 108 of the Act not to apply:

Notwithstanding anything to the contrary contained in the Articles

i. Section 83 of the Act regarding the necessity of having distinctive numbers for securities issued by the company shall not apply to the shares with a Depository:

ii. Section 108 of the Act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of the Depository.

I. Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owners, maintained by Depository under Section 11 of the Depositories Act shall be deemed to be the Register and Index of Members and Security holders as the case may be for the purposes of these Articles.

J. Intimation to Depository:

Notwithstanding anything contained in the Act or these Articles, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities thereof to the Depository immediately on allotment of such securities.

K. Stamp duty on securities held in dematerialised form:

No stamp duty would be payable on shares and securities held in dematerialised form in any medium as may be permitted by law including any form of electronic medium.

L. Applicability of the Depositories Act:

In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in any electronic and fungible form in Depository, the provisions of the Depositories Act, 1996 or any modification(s) or re-enactment thereof shall apply.

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M. Company to recognise the rights of Registered Holders as also the Beneficial Owners in the records of the Depository:

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the Beneficial Owner of the shares in records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof".

44B Register and Index of Members.

The Company shall cause to be kept at its Registered Office or at such other place as may be decided by the Board of Directors, the Register and Index of Members in accordance with Sections 150 and 151 and other applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with the details of shares held in physical and dematerialised form in any media as may be permitted by law including in any form of electronic media.

The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall also deemed to be the Register and Index of Members for the purpose of the Companies Act, 1956 and any amendment or re-enactment thereof. The Company shall have power to keep in any State or country outside India, a Register of Members for the residents in that State or Country.

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 and Share Transfer Books will remain closed from 21st September, 2001 to 27th September, 2001 (both days inclusive).
3) 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 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 dividends of the following years will be transferred to the Investor Education & Protection Fund of the Central

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Government at the dates mentioned against them

Financial Year	Date of Declaration	Due for Transfer
1994-95	29.09.1995	28.09.2002
1995-96	06.11.1996	05.11.2003
1996-97	26.09.1997	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.

6) The company's shares are now available for trading in demat form. Investors are requested to open an account with a depository participant to trade in the dematerialised form. Code No. allotted to the Company's shares by the Depository is INE921DO1013

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

ITEM NO.5

The Depository system envisages the elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, cost towards stamp duty, postal/ courier charges etc,. Keeping in view this investor friendly mechanism introduced through the enactment of Depositories Act, 1996, the company with a view to benefit the investors has voluntarily opted for the induction of the company's shares into the depository system by entering into tripartite agreement with National Securities Depository Limited (NSDL), Central Depository Services (India) Ltd (CDSL) and Karvy Consultants Ltd to facilitate the holding and trading of company's shares in the dematerialised form.

It is proposed to alter the Articles of Association of the company as set out in resolution at item No.5 by inducting a new Article 44A and 44B so as to incorporate therein necessary provisions relating to the depository system.

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.

Your Directors commend the resolution for approval.

None of the Directors is interested in the resolution.

BY ORDER OF THE BOARD

Place : Secunderabad **C. DURGA PRASAD**
Date : 30th July, 2001 Company Secretary

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DIRECTORS' REPORT

TO
THE MEMBERS

Your Directors have Pleasure in presenting their 18th Annual Report together with Audited Accounts for the period ended 31st March, 2001. The accounts are drawn for a period of six months from 1st October, 2000 to 31st March, 2001 and are not strictly comparable with that of the previous year.

FINANCIAL PERFORMANCE

(Rupees in Lakhs)

	Period ended 31.03.2001 (6 Months)	Year Ended 30.09.2000 (12 Months)
Sales and other income	3864.90	8527.05
Profit before Interest, Depreciation and Tax	571.73	1161.29
Less: Interest	389.99	870.00
Profit after Interest but before Depreciation & Tax	181.74	291.29
Less: Depreciation	139.52	264.80
Profit before tax	42.22	26.49
Less: Provision for Tax	19.68	--
Profit after tax	22.54	26.49

The period under consideration continued to be difficult due to slower market growth and increased competitive activity in the organised sector leading to severe pressure on margins. Input prices and overhead costs were also on the rise while the price levels of the company's products remain generally flat. Flour mill operations continued to be curtailed due to unremunerative selling prices for wheat products. The company responded to this adverse trade conditions by improvement in the overall operational efficiencies, implementing cost reduction programmes, focus on market penetration into the institutional segment and registering growth in exports business.

During the six months period under review, the company achieved a turnover of Rs.38.35 crores resulting a pre tax profit of 42.22 lacs as against profit of Rs.26.49 lacs during the previous twelve months accounting year. This creditable performance was achieved against the back drop of difficult market scenario. The current year has commenced as per plan and your Directors are hopeful of continued good results. However the current level of inflation and economic indicators pointing towards the sluggish market are matters of serious concern. Imposition of Entry Tax on Diesel by the Government of Andhra Pradesh will further impact the bottom line. With appropriate strategies in place, your company is looking forward to future prospects with cautious optimism. This optimism is due to the fact that company products carry strong customer preference which has enabled the company to maintain overall leadership position. The company is also looking for new opportunities for accelerating growth by leveraging the company's inherent brand strength.

DIVIDEND:

In view of insufficiency of profits for the period ended 31st March, 2001, no dividend has been recommended by your Directors.

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. appropriate accounting policies have been applied consistently. Judgement 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, 2001 and of the profit of the Company for the period under review.

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