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TWENTY SIXTH ANNUAL REPORT 2008 - 2009

BAMBINO

BAMBINO AGRO INDUSTRIES LIMITED

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BOARD OF DIRECTORS

Mr. M.Raghuveer	:	Executive Chairman
Mr.M.Subramanyam	:	Whole time Director
Mr.P.Eshwar Das	:	Executive Director (Marketing)
Mr.Rajender Pershad	:	Director
Mr.Mansoor Yar Khan	:	Director

COMPANY SECRETARY
Mr. C. Durga Prasad

REGISTERED OFFICE
'E' Block, 104, 4th Floor
Surya Towers,
S.P.Road, Secunderabad-500003
Tel: 040-44363322

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

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

Begumpur Khatola Village,
Gurgaon, Haryana.

DEPOSITORY REGISTRARS
M/s. Karvy Consultants Private Limited
Karvy House, 46, Avenue 4, Street No.1
Banjara Hills, Hyderabad – 500 034

AUDITORS
M/s. PRV Associates
Chartered Accountants,
Hyderabad - 500 029.

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

Indian Overseas Bank
Adarshnagar Branch, Hyderabad.

IDBI Bank Limited.
Chapel Road, Hyderabad

TWENTY SIXTH ANNUAL GENERAL MEETING

Day	:	**Wednesday**
Date	:	23rd December 2009
Time	:	10.00 A.M
Venue	:	Zorastrian Club, Opp: Anand Theatre Secunderabad-500003

LISTING

The equity shares of the Company are listed at the Bombay Stock Exchange Limited

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NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of Bambino Agro Industries Limited will be held on **23rd December, 2009 at 10.00 AM at ZORASTRIAN CLUB,** Opp: Anand Theatre, S.P.Road, Secunderabad – 500 003 to transact the following business:

Ordinary Business

1) To receive and adopt the Balance Sheet as at 30th September, 2009 and the Profit & Loss Account for the year ended 30th September, 2009 and the reports of the Board of Directors and Auditors thereon.

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

3) To appoint a Director in place of Sri Mansoor Yar Khan, 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 read with all other applicable provisions, if any, of the Companies Act, 1956 as amended from time to time or as re-enacted, the company hereby accords its approval for the re-appointment of Sri M. Subramanyam as Whole Time Director for a further period of 5 years from 1st October, 2009 without remuneration.

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

"**RESOLVED THAT** in terms of applicable provisions of the Companies Act, 1956, the approval of members of the Company be and is hereby accorded to increase and re-classify the existing Authorised Share Capital of the Company of Rs.22,00,00,000/- (Rupees Twenty two crores) consisting of 2,20,00,000 (Two crore twenty lakhs) Equity Shares of Rs.10/- each to 40,50,00,000 (Forty crores fifty lakhs) consisting of 1,55,00,000 (One crore fifty five lakhs) Equity Shares of Rs.10/- each and 2,50,00,000 (Two crore fifty lakhs) preference shares of Rs.10/- each.

RESOLVED FURTHER THAT pursuant to Section 16 and other applicable provisions, if any, of the Companies Act, 1956, the existing clause V of Memorandum of Association of the company be and is hereby amended and substituted by the following clause V:-

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V. The Authorised Share Capital of the company is Rs.40,50,00,000/- (Rupees Forty crores fifty lakhs) divided into 1,55,00,000 (One crore fifty five lakhs) Equity Shares of Rs.10/- each and 2,50,00,000 (Two crore fifty lakhs) preference shares of Rs.10/- each with power to increase or reduce the share capital and to issue any shares with special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or provided by the Articles of Association of the Company for the time being.

RESOLVED FURTHER THAT Mr.M.Subramanyam, Whole Time Director and Company Secretary be and are hereby severally authorised to file necessary forms etc., with the concerned authorities and to do all such acts, deeds, matters and things as may be considered necessary in this regard".

7) To consider and if thought fit to pass with or without modification, the following resolution as special resolution.

"**RESOLVED THAT** the Articles of Association of the company be altered in the following manner.

1) Article 4.1 be amended and substituted by the following :

"Authorised Share Capital of the Company is Rs.40,50,00,000/- (Rupees Forty Crores Fifty lakhs) divided into 1,55,00,000 (One crore fifty five lakhs) Equity Shares of Rs.10/- each and 2,50,00,000 (Two crores fifty lakhs) preference shares of Rs.10/- each".

2) Following new Article 46 A be inserted after Article 46 with marginal notes appearing as "power to issue preference shares".

46 A : "Subject to the provisions of the Act, the company shall have the power to issue or re-issue preference shares in one or more series which are, at the option of the company, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of such redemption"

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

"**RESOLVED THAT** pursuant to Section 81 (1A) and all other applicable provisions of the companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the company with the Stock Exchange where the securities of the company are listed and subject to any guidelines, regulations, approval, consent, permission or sanction of the Central Government, Reserve Bank of India and any other appropriate authorities, institutions or Bodies (hereinafter collectively referred to as "the appropriate authorities"), and subject to such conditions as may be prescribed by any one of them while granting any such approval, consent, permission, and/or sanction (hereinafter referred to as "the requisite approvals"),

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which may be agreed to by the Board of Directors of the Company (hereinafter called "the Board" the Board be and is hereby authorised to issue, offer and allot, redeemable preference shares whether Cumulative or Non cumulative to be subscribed by foreign investors / institutions and / or corporate bodies, mutual funds, banks, insurance companies, trusts and/ or individuals including promoters, individuals and such other persons / entities / whether members of the company or not whether in Indian currency or foreign currency and such issue and allotment shall be made at such times in one or more tranches, at par or at such price or prices, and on such terms and conditions including the coupon rate and redemption period as the Board may, in its absolute discretion think fit provided however that the issue of Securities as above shall not be for more than 25 Crores.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to Executive Chairman or Whole Time Director of the Company to give effect to the aforesaid resolution".

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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 will remain closed from 17th December, 2009 to 23rd December 2009 (both days inclusive). The transfer books of the Company will also remain closed for the above said period.

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

5 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.

6 Requirement under the Listing Agreement:

Pursuant to the requirement of paragraph VII (F) of Clause 49 of the Listing Agreement, the required information pertaining to the Directors on their appointment / re-appointment is furnished below :

Mr.Mansoor Yar Khan

Mr.Mansoor Yar Khan, 81 years is Retired Army Officer having vast experience in General Administration & Management. He does not hold any outside Directorships.

Mr.Rajender Pershad

Mr.Rajender Pershad, 68 years is Retired IPS Officer having rich and vast experience in Legal and General Administration & Management. He does not hold any outside Directorships.

Mr. M.Subramanyam

Mr M.Subramanyam aged 41 Years is a graduate in commerce. He has more than two decades of experience in managing business. He is looking after finance, operations and marketing functions of the Company. He has intimate understanding of the food processing industry and he is instrumental in steering the Company to sustainable growth .He is also on the Board of the following Companies viz;Seshsayi Foods (P) ltd , Ghanta Foods (P) Ltd, M.L.R Industries (P) Ltd, Revathi Tobacco Company (P) Ltd, Bambino Finance (P) Ltd, Bambino Milk Products (P) Ltd, Sai Jyothi Infrastructure Ventures (P) Ltd, M.K.R Industries Ltd and Hyderabad Nursing Home Private Limited.

By Order of the Board of Directors
of Bambino Agro Industries Limited

Place : Secunderabad
Date : 12th November 2009

(C.Durga Prasad)
Company Secretary

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EXPLANATORY STATEMENT

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

ITEM No.5.

At the Annual General Meeting held on 28th September, 2005, Mr. M.Subramanyam was re-appointed as Whole Time Director for a term of 5 years from 1st October 2004 without remuneration.The Board of Directors of the Company at their meeting held on 12th November 2009 had subject to the approval of the members re-appointed Mr.M.Subramanyam as Whole Time Director for a further period of 5 years from 1st October 2009 without remuneration. The Board decided to review the payment of remuneration to the Whole Time Director after the company earns adequate profits to declare dividend.

None of the Directors except Mr.M.Raghuveer, Executive Chairman being relative are deemed to be directly or indirectly interested or concerned in the said resolution.

ITEM NO.6

Presently, the Authorised Share Capital of the company is Rs.22,00,00,000/- (Rupees Twenty two crores) consisting of 2,20,00,000 Equity Shares of Rs.10/- each. The Company would be required to raise funds for implementing its growth plans either by issue of Preference Shares or Borrowings from banks. The existing Equity Capital is in excess of the requirements. To enable the Board of Directors to issue Preference Shares at appropriate time, the Board is approaching you to have your approval for increasing the Authorised Capital along with re-classification of the securities into equity and preference share capital.

Board recommends passing of this Special resolution. None of the Directors of the company are in any way concerned or interested in the resolution.

ITEM NO.7

The resolution as set out in the notice is consequential to item No.6 with regard to increase and re-classification of Authorised Capital. Further, the Articles of Association is sought to be amended by inserting a new clause to empower the company to issue Preference Shares .

Board recommends passing of this Special resolution. None of the Directors of the company are in any way concerned or interested in the resolution.

ITEM NO.8

There is a need to strengthen the finances of the company in view of the increasing business activities. It is proposed to issue and allot at appropriate time, redeemable preference shares to such entities as set out in the resolution.

Yours Directors recommend the above special resolution for your approval. None of the Directors of the company are in any way concerned or interested in the resolution.

By Order of the Board of Directors
of Bambino Agro Industries Limited

(C.Durga Prasad)
Company Secretary

Place : Secunderabad
Date : 12th November 2009

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DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Twenty-Sixth Annual Report together with audited accounts of the Company for the year ended 30th September 2009.

FINANCIAL RESULTS (Rs. In Lacs)

Particulars	Year Ended 30.09.2009 (12 months)	Period Ended 30.09.2008 (18 months)
Sales and other Income	18161.84	22605.00
Profit/ (Loss) before Depreciation, Financial Expenses, Tax and other Adjustments.	1142.90	1154.38
Less; Financial Expenses	751.81	565.03
Profit / (Loss) before Depreciation, Tax and other Adjustments	391.09	589.35
Less: Depreciation	289.35	565.03
Profit before Tax and other Adjustments	101.74	119.76
Provisions for Tax :		
Current Tax	(7.10)	(33.87)
Deferred Tax	(54.10)	(37.31)
Fringe Benefit Tax	(3.12)	(12.24)
Net Profit/Loss after Tax and before other adjustments	37.42	36.34
Add: Written back of earlier year's interest provision on OTS with Institutions	—	1315.92
Profit after tax and other adjustments	37.42	1352.26
Less: Excess TDS Written off	—	(30.20)
Profit after tax and other adjustments	37.42	1352.26
Less: Excess TDS Written off	—	(30.20)
Profit after tax and other adjustments	37.42	1322.06

COMPANY PERFORMANCE AND BUSINESS OUTLOOK

The company has achieved substantial growth during the year under view with sales volumes and values recording 20% jump .This performance was achieved against the backdrop of global economic recession, slowdown in growth in modern trade and intense competition.. However higher finance charges and increased sales promotional spends to maintain the leadership position in the pasta market resulted in erosion of margins.

During the year under report, the Company achieved turnover of Rs.18161.84 Lacs resulting in pre tax profit of Rs.101.74 Lacs

Realising the huge opportunity to tap the rural market, the Company has launched small pack of vermicelli priced Rs. 5/-. To meet the taste and requirement of urban consumers, Pasta Gold in attractive package has been launched which has international Italian taste and yet has Indian price. The company having made intimate understanding of the Indian Consumers has through its in-house R&D has developed Functional foods like Nutritional High Fiber foods which would address the health concerns and nutritional requirements of the consumers. These health food products has a huge potential for growth and the company hopes to capitalize on this opportunity.

The performance of exports business was well below expectations due to global economic recession. However, now with the global economy recovering, the company is hopeful of executing sizeable export orders.

DIVIDEND

Keeping in view the need to conserve resources for implementing its growth plans, your Directors express their inability to recommend dividend during the year.

DIRECTORS

Mr. Rajender Pershad and Mr.Mansoor Yar Khan Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

AUDITORS

The Auditors M/s.PRV Associates, Chartered Accountants, Hyderabad, who retire at the ensuing Annual General Meeting of the Company, are eligible for re-appointment as Statutory Auditors of the

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Company till the next Annual General Meeting. The Company has received their willingness for re-appointment as auditors of the Company and furnished a Certificate under Section 224 (1B) of the Companies Act, 1956.

FIXED DEPOSITS

Your Company has not accepted any Deposits from the public during the year pursuant to Section 58A of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Directors confirm that:

I. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

II. The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period.

III. The Directors had 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 fraud and other irregularities.

IV. The Directors had prepared the annual accounts on a going concern basis.

MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

Pursuant to the provisions of Clause 49 of the Listing Agreement, a report on Management Discussion & Analysis is set out in Annexure and forms part of this report.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy:

Disclosure of particulars with respect to conservation of energy required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of the particulars in report of Board of Directors) Rules, 1988 is given in Form 'A' forming part of this report.

Technology Absorption:

The details in Form 'B' as required Under Section 217(1)(e) of the Companies Act, 1956 read with relevant rules as amended from time to time forms part of this report.

PARTICULARS OF EMPLOYEES

No employee of the company was in receipt of remuneration in excess of the sum prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 during the financial year 2008-09.

REPORT ON CORPORATE GOVERNANCE

Pursuant to the provisions of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, a report on the Corporate Governance, which inter alia, includes the composition and construction of Audit Committee, is featuring as a part of Annual Report. Your Company will continue to adhere in letter and spirit to the good corporate governance policies. Pursuant to the provisions of Clause 49 (VII) (1) of the Listing Agreement, a certificate from the auditors of the Company on the compliance of the Clause is enclosed.

CEO'S DECLARATION

Pursuant to the provisions of Clause 49(I)(D)(ii) of the Listing Agreement, a declaration by the Whole Time Director of the Company declaring that all the members of the Board and the Senior Personnel of the Company have affirmed compliance with the Code of Conduct of the Company is enclosed.

ACKNOWLEDGEMENT

The Directors would like to thank all stakeholders, namely customers, stockists, dealers, retailers, shareholders, suppliers, bankers, employees and all other associates for the continuous support given by them to the Company

For and on behalf of the Board of Directors of
Bambino Agro Industries Limited

M.Raghuveer - **M.Subramanyam**
Executive Chairman — Whole Time Director

Place : Secunderabad
Date : 12th November 2009

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ANNEXURE TO DIRECTORS' REPORT

Additional information as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1998.

CONSERVATION OF ENERGY

A. Energy Conservation measures taken :

i). Energy efficient systems adopted to reduce energy cost.

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

B. Additional investment and proposal being considered for reduction of Consumption of energy.

Conversion of systems for switching over from high cost fuel to low cost fuel planned.

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 measures initiated have resulted in reduction of Hot Water generation cost and also energy cost significantly.

Form – A

Form for Disclosure of particulars with respect to conservation of energy:

		2008-09	2007-08
a.	Power and Fuel consumption		
1.	Electricity		
a.	Purchased Units (KWH)	7176000	8965340
	Total amount (Rs.)	**40744787**	**37245378**
	Rate/Unit (Rs.)	4.23	4.15
b.	Own Generation		
	Through diesel generator (units)	2822865	4070185
	Total Amount (Rs.)	26959089	39138832
	Rate/Unit (Rs.)	9.55	9.62
2.	Coal Quantity (tones)	NOT APPLICABLE	
	Total Cost (Rs.)		
	Average Rate (Rs.)		

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