

NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of Bambino Agro Industries Limited will be held on 27th December 2010 at 11:15 AM at Zorastrian Club, Opp : Anand Theatre, S P Road, Secunderabad – 500 003 to transact the following business:

Ordinary Business

- 1) To receive, consider and adopt the Balance Sheet as at 30th September 2010 and the Profit & Loss Account for the year ended 30th September 2010 together with the Schedules and Annexures thereto and the reports of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr Mansoor Yar Khan, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint M/s PRV Associates, Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorize the Board of Directors to fix their remuneration.

Special Business

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

"RESOLVED THAT Mr S. Nageswara Rao who was appointed as Additional Director of the Company by the Board of Directors with effect from 29th September 2010 under Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice together with the requisite deposit under Section 257 of the Companies Act, 1956 in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions if any, of the Companies Act, 1956, Mr M Kishan Rao, who was appointed as Additional Director of the Company by the Board of Directors with effect from 26th November 2010 under Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice

together with the requisite deposit under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement by rotation."

RESOLVED FURTHER THAT pursuant to the provisions of Section 269 and other applicable provisions, if any, of the Companies Act, 1956, Mr M Kishan Rao be and is hereby appointed as the Chairman and Managing Director of the Company for a period of five years with effect from 26th November 2010 without 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 the provisions of Section 269 and other applicable provisions if any, of the Companies Act, 1956, as amended from time to time or as re-enacted, Mr M Raghuveer, who was appointed as Executive Chairman without remuneration by the members of the company at the 24th Annual General Meeting held on 26th December 2007, be and is hereby re-designated as Wholetime Director with effect from 26th November 2010 for the remainder of his tenure."

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

"RESOLVED THAT pursuant to the provisions of Article 54 of the Articles of Association of the Company read with Section 293 (1) (d) of the Companies Act, 1956 and any other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the Company be and are hereby authorized to borrow any sum or sums of money from time to time from banks, financial institutions, firms, body corporate(s) or any other entities, whether unsecured or secured by mortgage, charge, hypothecation or pledge of the company's assets, notwithstanding that the money to be borrowed together with the monies already borrowed by the company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate paid up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purposes, provided, however, that the total amount upto which the moneys to be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs 200 crores (Rupees Two Hundred Crores Only)."

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

RESOLVED THAT pursuant to the provisions of Article 54 of the Articles of Association of the Company read with Section 293 (1) (a) of the Companies Act, 1956, and other applicable provisions, if any, consent of the Company be and is hereby accorded to the Board of Directors to mortgage and/or charge by the Board of Directors of the Company, all or any of the movable or immovable properties both present and future of the whole of the undertaking/undertakings of the Company for securing any loan(s) obtained or as may be obtained from any banks, financial institutions, firms, body corporate(s) or any other entities, together with interest, cost, charges, expenses and any other money/monies payable to the Company.”

NOTES:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES 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 21st December 2010 to 27th December 2010 (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, aged 82 years, is a retired Army Officer having vast experience in general administration & management. He does not hold any outside Directorships.

Mr S Nageswara Rao

Mr S Nageswara Rao's profile is mentioned in the Explanatory Statement to the Notice and is not repeated here to avoid duplication. He does not hold any outside Directorships.

Mr M Kishan Rao

Mr M Kishan Rao's profile is mentioned in the Explanatory Statement to the Notice and is not repeated here to avoid duplication.

Mr M Raghuveer

Mr M Raghuveer's profile is mentioned in the Explanatory Statement to the Notice and is not repeated here to avoid duplication.

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

Place: Secunderabad
Date: 26th November 2010

C Durga Prasad
Company Secretary

EXPLANATORY STATEMENT

Pursuant to Section 173 (2) of the Companies Act, 1956

Item No 4

Mr S Nageswara Rao, aged 64 years, is a post graduate in Management as well as Commerce. During his 33 years' stint at Andhra Pradesh State Financial Corporation (APSFC), he acquired rich experience in the areas of Internal Audit, Finance & Accounts, Project Finance and Human Resources. He served on the Boards of various companies as a nominee of APSFC, and retired as Chief General Manager after a successful career of 33 years. His varied experience and qualifications would be of immense benefit to the company.

The Company has received a notice from a member, together with the requisite deposit under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director.

Save and except Mr S Nageswara Rao, none of the other Directors of the company is in any way concerned or interested in this resolution.

Item No 5

Mr M Kishan Rao, the founder of the Bambino Group, started business with tobacco trade in 1954. After perceiving the market potential in Cheroots for about 4 years, he established Cheroot manufacturing facilities in Andhra Pradesh. His dynamic vision then saw him enter into the wheat processing sector in the early eighties, and a wheat mill was set up at Bibinagar, near Hyderabad, for manufacture of whole wheat flour, semolina, maida and bran.

A visit to a technology fair in Germany by Mr M Kishan Rao gave rise to the idea of getting into the business of Pasta manufacturing. Today, Bambino is a household name, and the word has become generic to Vermicelli, which is a part of the daily diet of millions in India.

Mr M Kishan Rao was earlier the Chairman and Managing Director of the company till 2003-2004. He has been guiding the company as Chief Mentor after relinquishing his Directorship of the company. At the meeting of the Board of Directors of the company held on 26th November 2010, he was appointed as Additional Director of the company. Further, he was also appointed as Chairman and Managing Director of the company subject to the approval of the members of the company in the ensuing Annual General Meeting.

He is also on the Board of the following companies: viz; Seshsayi Foods P Ltd, Ghanta Foods P Ltd, MLR Industries P Ltd, Revathi Tobacco Co P Ltd, Bambino Milk Products P Ltd, KRS Finance P Ltd and Bambino Finance P Ltd.

The Company has received a notice from a member, together with the requisite deposit under

Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director.

Mr M Kishan Rao, Chairman and Managing Director, is interested in this resolution. Mr M Raghuveer and Mr M Subramanyam, Wholetime Directors, being relatives of Mr M Kishan Rao, may also be deemed to be interested in this resolution.

Item No 6

Mr M Raghuveer, aged 50 years, is a graduate in Commerce. He has more than three decades of experience in managing business. He has intimate understanding of the food processing industry and he is instrumental in steering the Company to sustainable growth.

At the Annual General Meeting held on 26th December 2007, Mr M Raghuveer was appointed as Executive Chairman for a period of five years with effect from 1st December 2007 without remuneration.

He is also on the Board of the following companies: viz; Seshsayi Foods P Ltd, Ghanta Foods P Ltd, MLR Industries P Ltd, Revathi Tobacco Co P Ltd, Bambino Milk Products P Ltd, KRS Finance P Ltd, Bambino Finance P Ltd and Hyderabad Nursing Home P Ltd.

Mr M Raghuveer is interested in this resolution. Mr M Kishan Rao, Chairman and Managing Director and Mr M Subramanyam, Wholetime Director, being relatives of Mr M Raghuveer, may also be deemed to be interested in this resolution.

Item No 7

The shareholders at their meeting held on 6th November 1996 had authorized the Board of Directors under Section 293 (1) (d) of the Companies Act, 1956, to borrow in excess of the aggregate paid-up capital and free reserves of the company provided the total borrowings do not exceed Rs 60 crores. The company might be requiring funds for implementing various expansion cum diversification plans which the Board may decide to pursue as and when the opportunity arises. The company therefore intends to enhance the limit under Section 293 (1) (d) of the Companies Act, 1956 from Rs 60 crores to Rs 200 crores to enable the Board to exercise the borrowing powers as and when it becomes necessary.

None of the Directors is concerned or interested in this resolution.

Item No 8

Section 293 (1) (a) of the Companies Act, 1956 provides that the Board of directors of a public company, or of a private company which is a subsidiary of a public company, shall not, except with the consent of such public company or subsidiary in general meeting, sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the company, or

where the company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking.

As stated in the explanatory statement to Item No 7 above, it may be necessary for the company to approach banks, financial institutions, firms, body corporate(s) or any other entities for financial assistance for funding the future expansion cum diversification plans of the company as and when the Board decides, which may necessitate creation of securities by way of mortgage on and hypothecation of the company's immovable and movable assets in favour of banks, financial institutions, firms, body corporate(s) or any other entities. Since mortgage and/or charging of the assets of the company may be regarded as disposal thereof, it is necessary for the members of the company to pass resolution under Section 293 (1) (a) of the Companies Act, 1956.

Your Directors commend the resolution for approval. None of the Directors is concerned or interested in this resolution.

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

Place: Secunderabad
Date: 26th November 2010

C Durga Prasad
Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Twenty Seventh Annual Report together with audited accounts of the Company for the year ended 30th September 2010.

FINANCIAL RESULTS

		(Rs.in lakhs)
Particulars	Year Ended 30.09.2010	Year Ended 30.09.2009
Sales and other Income	20246.58	18161.84
Profit/ (Loss) before Depreciation, Financial Expenses, Tax and other Adjustments	1248.57	1142.91
Less : Financial Expenses	842.70	751.81
Profit / (Loss) before Depreciation, Tax and other Adjustments	405.87	391.10
Less: Depreciation	157.26	289.35
Profit before Tax and other Adjustments	248.61	101.75
Provisions for Tax:		
Current Tax	59.69	(7.10)
Deferred Tax	26.40	(54.10)
Fringe Benefit Tax	0.00	(3.12)
Net Profit/Loss after Tax and other adjustments	162.52	37.43

COMPANY PERFORMANCE AND BUSINESS OUTLOOK

During the year ended 30th September 2010, the company achieved turnover of Rs 20,246.58 lakhs as against Rs 18,161.84 lakhs in the previous year even in the intensively competitive post-recession environment. This was achieved through operational and procurement efficiencies, improved productivity, judicious cost management initiatives and increased price realization.

Various strategic marketing initiatives of the company also contributed to sustained growth. Increased C&FA points to enhance the geographical reach of the company's products, appointing super-stockists to increase the availability of the company's products in rural markets and smaller towns, and usage

of superior packaging material to enhance the shelf-life of the company's products are some of the major marketing initiatives taken by the company this year. The company is preparing for sustainable growth through strategic positioning of its products, particularly pasta and macaroni, keeping in mind the changing food habits of the consumers and higher health awareness amongst the consumers. The company plans to expand its market share in the pasta segment by outsourcing from manufacturing units of associate companies to further enhance its leadership edge.

The company is constantly on the lookout for new opportunities for growth. It has partnered with Domino's Pizza, one of the largest and fastest growing international food chains for supply of pasta products to all Domino's outlets across the country.

The company is all set to launch various new varieties of pasta, macaroni and vermicelli like Healthy 3-minute Instant Pasta with Sauce, Macaroni Chocodelite, Vermicelli Chocodelite, multi-cereal pasta, multi-cereal flour etc that will significantly improve the sales growth of the company.

The company has established an in-house Nutrition Department which is aggressively engaged in conducting product promotions in schools, colleges and other institutions by highlighting the nutritional values of pasta products.

The company's vision is to position itself as a health and wellness partner of the modern Indian, and cater to his need for nutritionally rich and healthy, tasteful food products that provide the calories, vitamins and minerals needed to sustain a physically and mentally demanding lifestyle. The company is actively engaged in developing a range of dietary functional foods that will be launched this year in a phased manner. It is a matter of pride for BAMBINO that it is the first food company in India to have conducted scientific clinical trials on functional food products in a United States FDA approved laboratory. The company looks upon these dietary functional foods as futuristic products that would drive further growth of the company.

On the exports front, concerted efforts are being made to tap the huge exports market.

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 Mansoor Yar Khan, Director, retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

Mr Rajender Pershad resigned from the Board on 23rd December 2009. The Board wishes to place on the record its deep appreciation of the services rendered by him to the Company.

Mr S Nageswara Rao was appointed as Additional Director of the company with effect from 29th September 2010. He holds office upto the date of the ensuing Annual General Meeting. The company has received a notice under Section 257 of the Companies Act, 1956 from a shareholder of the company, together with the requisite deposit, signifying his intention to propose the name of

Mr S. Nageswara Rao for appointment as Director of the company.

Mr M Kishan Rao was earlier the Chairman and Managing Director of the company till 2003-2004. He continued to guide the company as Chief Mentor after relinquishing his Directorship of the company.

He was appointed as Additional Director of the company by the Board. He was also appointed as Chairman and Managing Director, with effect from 26th November 2010, subject to approval by the members. The Company has received a notice from a member, together with the required deposit under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director.

Mr M Raghuveer was the Executive Chairman of the company. Consequent upon the appointment of Mr M Kishan Rao as Chairman and Managing Director of the company, Mr M Raghuveer was re-designated as Wholtime Director of the company in the meeting of the Board of Directors of the company held on 26th November 2010.

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 Company till the next Annual General Meeting. The Company has received their willingness for re-appointment as Auditors of the Company and Certificate furnished 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 Ac, 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 judgments 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.