

TWENTY NINTH ANNUAL REPORT 2011 - 2012



BAMBINO AGRO INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr.M.Kishan Rao	:	Chairman and Managing Director
Mr. M.Raghuveer	:	Wholetime Director
Mr.M.Subramanyam	:	Wholetime Director
Mr.P.Easwara Das	:	Executive Director (Marketing)
Mr.Mansoor Yar Khan	:	Director
Mr.S.Nageswara Rao	:	Director
Dr.S.Venkataraman	:	Director

Vice President (Legal) & 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 AT :

- 1) Bibinagar, Bhongir Mandal,
Nalgonda District, Andhra Pradesh.
- 2) Begumpur Khatola Village,
Gurgaon, Haryana.

DEPOSITORY REGISTRARS

M/s. Karvy Computer Share Private Limited
Plot No.17-24, Vithal Rao Nagar,
Madhapur, Hyderabad - 500 081.

AUDITORS

M/s. PRV Associates
Chartered Accountants
Hyderabad

BANKERS

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

Indian Overseas Bank
Adarshnagar Branch, Hyderabad.

IDBI Bank Limited.
Basheerbagh, Hyderabad

NO GIFTS
Will be Distributed at the AGM

TWENTY NINTH ANNUAL GENERAL MEETING

Day	:	Friday
Date	:	28th December 2012
Time	:	9.45 A.M
Venue	:	Zorastrian Cub, Beside Yatri Niwas Secunderabad - 500003

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NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting of Bambino Agro Industries Limited will be held on Friday, the 28th December, 2012 at 9.45 A.M at ZORASTRIAN CLUB, Beside Yatri Niwas, S.P.Road, Secunderabad – 500 003 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Profit & Loss Account for the period ended 30th September, 2012 and Balance Sheet as at 30th September 2012 together with Schedules and Annexures thereto and the Reports of the Directors' and Auditors' thereon.
2. To declare dividend, if any.
3. To appoint a Director in place of Mr.S.Venkataraman who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 next Annual General Meeting and authorize the Board 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 pursuant to the provisions of Sections 269 and all other applicable provisions, if any, of the Companies Act, 1956, as amended from time to time or as re-enacted, Mr.M. Raghuveer be and is hereby reappointed as Whole Time Director of the Company without remuneration for a period of five years with effect from 1st December 2012.

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

Place : Secunderabad
Date : 15th November, 2012

C.Durga Prasad
Vice President- (Legal) & Company Secretary

NOTES :

1. MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING 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 SHOULD LODGED NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

PLEASE NOTE THAT NO GIFTS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING

2. The relative Explanatory Statements, pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business to be transacted at the Meeting is annexed hereto.
3. The Register of Members and share transfer books will remain closed from 22nd, December, 2012 to 28th, December, 2012 (both days inclusive).
4. Dividend if declared will be paid to those members whose name appears on the Register of Members as on 28th December 2012.
5. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their depository participants with whom they are maintaining their demat accounts, so as to enable the Company to dispatch dividend warrants to their correct address. Members holding shares in physical form are requested to notify/send any change in their address and bank account details to the Company/ Registrar & Share Transfer Agents, M/s. Karvy Computershare Private Limited (Karvy).
6. 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.
7. As a measure of economy, Members/proxies are requested to bring their copies of Annual Reports 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.
8. The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in Corporate Governance by allowing paperless compliances by the Companies and has issued Circulars stating that service of notice / all documents including Annual Reports can be sent by e-mail to their Members. To support the 'Green Initiative' in the Corporate Governance and to contribute towards greener environment, we are sending all official documents to the email address provided by you with your depositories. We request you to register / update your e-mail addresses with Karvy, if shares are in physical mode or with your DP, if the holding is in electronic mode.
9. As per Section 255, 256 and other applicable provisions of the Companies Act, 1956, Mr. S. Venkatraman, Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. The required information pertaining to the Directors on their appointment / re-appointment is furnished below :

10. Dr.S.Venkataraman

Dr. S. Venkataraman aged 68 years holds the following Academic and Professional qualifications namely M.Sc (Pharmacology) in the faculty of medicine, Diploma in Higher Education, M.D.(Alternate Medicine) & Ph.D(Pharmacology) in the faculty of Medicine. He has 34 years of teaching and research experience in Pharmacology/Toxicology of natural products, single and polyherbal Sidha and Ayurvedic products. He is a recipient of many prestigious awards and holds various positions in many scientific organizations. His rich experience will benefit the company in developing health related food products.

11. Mr. M .Raghuveer

His 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 : 15th November, 2012

C.Durga Prasad

Vice President- (Legal) & Company Secretary

ANNEXURE TO NOTICE DATED 15th NOVEMBER 2012

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956

Item No. 5

Mr. Raghuveer aged 52 years, is a graduate in Commerce. He has more than three decades of experience in managing business. With intimate understanding of the food processing industry, he has been 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. Later at the Annual General Meeting held on 27th December 2010 he was redesignated as Whole Time Director of the Company for the remaining period of his tenure. His term comes to end on 30th November 2012 and the Board of Directors recommend his reappointment as a Whole Time Director of the Company whose office shall not be liable to retire by rotation.

Mr. Raghuveer is also on the Board of the following companies: viz., Seshsayi Foods Pvt Ltd, Ghanta Foods Pvt Ltd, MLR Industries Pvt Ltd, Revathi Tobacco Company Pvt Ltd, Bambino Milk Products Pvt Ltd, KRS Finance Pvt Ltd, Bambino Finance Pvt Ltd and Hyderabad Nursing Home Pvt Ltd.

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

Your Directors recommend the resolution for your approval.

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

Place : Secunderabad

Date : 15th November, 2012

C.Durga Prasad

Vice President- (Legal) & Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Twenty Ninth Annual Report together with audited accounts of the Company for the year ended 30th September 2012. **(Rs. in lacs)**

FINANCIAL RESULTS		
Particulars	Year Ended 30.09.2012	Year Ended 30.09.2011
Sales and other Income	22480.78	20408.94
Profit/ (Loss) before Depreciation, Financial Expenses, Tax and other Adjustments	1795.01 1795.02	1577.93 1582.37
Less: Financial expenses	1051.22	973.55
Profit/ (Loss) before Depreciation, Tax and other adjustments	743.78	608.82
Less: Depreciation	328.60	332.52
Profit before Tax and other adjustments	415.19	276.30
Provision for Tax:		
Current Tax	(149.19)	(130.25)
Deferred Tax	40.48	40.15
Net Profit/Loss after Tax	306.79	186.20
Add Profit brought forward	878.24	692.04
Profit available for appropriation	1184.71	878.24
Less Dividend	120.13	--
Less tax on proposed dividend	19.49	--
Transfer to General Reserve	15.34	--
Surplus carried forward to Balance Sheet	1029.76	878.24

COMPANY PERFORMANCE AND BUSINESS OUTLOOK

During the period under review, the company has delivered superior performance with improvements across key parameters. During the year under report, the company achieved turnover of Rs.22481 Lakhs as against turnover of Rs.20409 Lakhs in previous period. The healthy growth has resulted in higher net profits of Rs.306.79 Lakhs compared to previous year. . The growth in the bottom line has been driven by good sales and other income, lower interest cost, overall cost management initiatives through operational and procurement efficiencies, productivity improvement. These encouraging results are despite unexpected increase in commodity prices and fuel cost due to power holidays / power cuts.

The company during the period under report launched Raagi Vermicelli in the health and wellness segment. Also launching Instant Pasta in different flavours in the current year and has plans to launch multigrain vermicelli and different variants of pasta products under nutrition and health platform. The company hopes to increase its reach in the rural market with appropriate distribution strategies in place. Increasing urbanization, changing demographic profile of the Indian population, rising income and propensity towards disposability, rapid economic growth over the last few years is expected to result in sustained increase in per capita income which would further propel the movement of growth of FMCG sector and the company would look to exploit this opportunity for accelerated growth in the coming years by leveraging the company's brand strength. The Company is in the process of further strengthening the in-house R & D to focus on development of nutritional, functional foods with added health benefits. The Company is confident to deliver improved growth

in the current year with better revenue management, cost management and product innovation to fulfill the needs of consumers of different preferences.

DIVIDEND

Your Directors are pleased to recommend a dividend of 15% for the period ended 30th September 2012 and the said Dividend if approved would absorb a sum of Rs.1,20,13,269 plus dividend tax of Rs.19,48,913. The dividend, if approved, at the ensuing Annual General Meeting will be paid to all eligible equity shareholders of the Company whose name appear in the register of members as on 28th, December, 2012.

DIRECTORS

Dr. S.Venkataraman, Director of the Company retires by rotation and being eligible, offers himself for re-appointment.

AUDITORS

The Auditors M/s.PR.V 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 furnished a Certificate under Section 224 (1B) of the Companies Act, 1956.

Compliance Report by a Practicing Cost Accountant

Pursuant to the provisions of Companies (Cost Accounting Records) Rules 2011 and the directives issued by the Ministry of Corporate Affairs, the Company has appointed M/s SRK Associates, a firm of Practicing Cost Accountants for issue of Compliance report certifying that the Company has maintained proper cost records and other cost data in accordance with the above guidelines for the financial year 2011-12.

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 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.

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 as an 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:

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 form 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 and the Companies (Particulars of Employees) Amendment Rules, 2011 during the year 2011-12.

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 provision 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 Chairman and Managing 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

Your Directors wish to place their sincere appreciation for the support and co-operation that the Company has received from its Shareholders, Bankers, Customers, Suppliers, Stockists, Selling Agents, Central and State Governments, various Statutory Authorities and others associated with the Company.

Your Directors also wish to place on record their appreciation to employees at all levels for their commitment, hard work and dedicated support.

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

Place: Secunderabad
Date: 15th November, 2012

M. Kishan Rao
Chairman and Managing Director

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) Additional investment planned to reduce energy cost. The Company's technical team is working on the project to generate solar power in accordance with the policy announced by the Government of Andhra Pradesh

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

Additional investments are being made to buy energy from cheaper source

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:

	2011-12	2010-11
Power and Fuel consumption		
1. Electricity		
a) Purchased Units (KWH)	7396164	90,88,168
Total amount (Rs)	36849949	4, 39, 35,122
Rate/Unit (Rs.)	4.98	4.83
b) Own Generation		
Through diesel generator (units)	1807134	6, 57,398
Total Amount (Rs.)	24793921	1, 01, 77,484
Rate/Unit (Rs.)	13.72	15.48
2. Coal quantity (tonnes)	NOT APPLICABLE	
Total Cost (Rs)		
Average Rate (Rs.)		
3. Husk		
Quantity (tonnes)	3429.67	3333.47
Total cost (Rs.)	13229078	97, 49,478
Average Rate (Rs.)	3857.25	2,924.72
4. HSD/LDO Consumption for Boiler/Utilities		
Quantity (Ltrs)	60655	1, 11,667
Total Cost (Rs.)	2458934	40, 76,365
Average Rate (Rs)	40.54	36.50

B Consumption per unit of production		
Production (Pasta & Wheat Products) (MTS)	48,932	53,478
Electricity (KWH/Production)	188	182

Form – B

Form for Disclosure of particulars with respect to Technology Absorption, Research and Development

1. Specific areas in which R&D carried out by the Company

- a) Focussed in developing healthy instant pasta and dietary functional foods
- b) Health and wellness category of foods under development
- c) Explore new areas within the scope of business

2. Benefits derived as a result of the R&D

- a) Development of nutritional and healthy foods
- b) Expansion of product category
- c) To improve and sustain the market position
- d) Growth in business
- e) Edge over competitors
- f) Further strengthening in-house R & D to meet the parameters of the Govt. for obtaining recognition and other attendant benefits.

3. Future plan of action

- a) Extension of Pasta range variants with health and nutritional benefits
- b) Ready to make convenient foods
- c) Develop functional foods
- d) Expanding pasta category with rice based pasta variants

4. Expenditure on R&D : Rs 34,05,718

5. Technology Absorption, Adaptation and Innovation:

- a) New process technology absorbed for Instant Pasta
- b) InVitro digestibility studies conducted for new products developed under health & wellness category.
- c) To develop rice based pasta variants.

Foreign Exchange Earnings and Outgo

1 Foreign Exchange Earned	Rs.385.00
2 Foreign Exchange Used	Rs.211.32

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

Place: Secunderabad
Date: 15th November, 2012

M. Kishan Rao
Chairman and Managing Director