

NIMBUS FOODS INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the FIFTEENTH ANNUAL GENERAL MEETING of the members of **NIMBUS FOODS INDUSTRIES LIMITED** will be held as scheduled below:

Date : 25th September, 2010
Day : Saturday
Time : 10:15 A.M.
Place : At the Registered Office
of the Company at:
Plot No. B-13 & 14, Phase – II, GIDC Industrial Area,
Naroda, Ahmedabad-382 330.

to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt Audited Profit and Loss Account for the Financial Year 2009-10 ended on 31st March, 2010 and the Balance sheet as on that date along with Director's Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Shyamkishore Dehliwalal, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of Next Annual General Meeting and to fix their remuneration.

Registered Office:
Plot No. B-13 & 14,
Phase – II, GIDC Industrial Area,
Naroda, Ahmedabad 382 330.
Date : 9th August 2010

By Order of the Board,

VISHNU SHARMA
Chairman & Managing Director

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.
2. Pursuant to Section 154 of the Companies Act, 1956, Register of Members and shares Transfer Books of the Company will remain closed from **Tuesday, 21st September, 2010 to Saturday, 25th September, 2010 (both Days inclusive).**
3. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
4. Members are requested to:
 - a) Intimate, if shares are held in the same name or in the order and names, but in more than one account to enable the Company to club the said accounts into one account.
 - b) Notified immediately the change in their registered address, if any, to the Company.
5. The Equity Shares of the Company are now available for dematerialisation, as the Company has entered into Agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Those shareholders who wish to hold shares in electronic form may approach their Depository Participant. **The ISIN No. of the Equity Shares is INE301B01020.**

Brief resume of the Director seeking re-election at the 15th Annual General Meeting

Name	Shyamkishor Delhiwala
Age (Date of Birth)	04-10-1938
Date of Appointment	26-04-1995
Qualification and experience in specific functional area	Undergraduate, having more than 40 years of experience in administration and finance.
Directorship held in other companies	None
Membership/Chairmanships of Committee in other Public Companies	None

FIFTEENTH ANNUAL REPORT

DIRECTORS' REPORT

Dear Shareholders,

The Directors present the FIFTEENTH ANNUAL REPORT together with the Audited Statement of Account for the Financial Year 2009-10 ended on 31st March, 2010.

1. FINANCIAL RESULTS :

	2009-10	Rs. in Lacs 2008-09
Operating Profit / (Loss) (Before Interest & Depreciation)	52.21	44.06
Less : Interest	1.43	1.47
Profit/(Loss) before Depreciation	50.78	42.59
Less : Depreciation	25.56	21.00
Profit / (Loss) before Extraordinary items	25.22	21.59
Less : Loss on Sale of Investment / written off Advances	-	-
Profit / (loss) before Tax	25.22	21.59
Less : Provision for Taxation	8.00	6.95
Add/Less : Deferred Tax Assets/provision	(0.60)	0.12
Net Profit / (Loss) after Tax	17.82	14.52
Less : Prior Period Adjustment	-	0.62
Less : Short or excess provision of taxation of earlier year	0.64	-
Less: Extra Ordinary Items	-	2.63
Add: Balance brought forward from previous year	16.37	5.10
Profit / (Loss) carried to Balance Sheet	33.54	16.37

2. DIVIDEND:

In view of insufficient profits earned during the year under review and also to conserve the resources for the expansion of the activities and working capital requirement of the Company, the Board of Directors have not recommended dividend for the year under the review.

3. OPERATIONS:

The Company is in the business of Bread, Bakery products and Confectionaries. The Company has franchisee agreement with Unilever Limited for manufacturing and marketing of Modern Bread in Gujarat. Your Company has also started to develop its own products and presently such development is in the bakery related items like toast, khari and biscuits. Your company has set up a new unit for Bread and other bakery related products at Jaipur (Rajasthan) on lease basis and has commenced its commercial production from 21st July, 2010. The Bread which is being manufactured at Jaipur Unit is launched in the Jaipur and nearby market with the name "Nimbus". This new unit is having total production capacity of 1,10,00,000 breads per annum. The Company is also planning to set-up 25 retail outlets at Jaipur City as "Live Bakery Shop" and also exploring the opportunity to enter into new territory. The details of such developments will be informed to you from time to time.

The Company Earned Operating Profit of Rs.52.21lacs during 2009-10. As the Company had to provide for interest of Rs.1.43 lacs during the year under review, the Profit before Depreciation stood at Rs.50.78 lacs during the year under review. The Company provided Rs. 25.56 lacs for Depreciation and, therefore, Profit before tax stood at Rs.25.22 lacs during the year under review. After taking into account Provision for taxation, Deferred Tax Assets and prior period adjustments, extra ordinary items the Net Profit for the year under review stood at Rs. 16.37 lacs.

4. FUTURE PLANS :

Your directors are continuously looking for the expansion of the business of the Company and for that as explained earlier the Board is looking for expansion into its present business by acquiring control over other bakery manufacturing companies. The Board is also looking for expansion into snacks industry and for that presently concentrating on various types of Namkeen, chips and other fried snacks.

5. DIRECTORS :

One of your Director .Mr. Shyamkishore Dehliwala retires by rotation in terms of Articles 137, 138 and 139 of the Articles of Association of the Company, He however, being eligible, offers himself for reappointment.

6. DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to the requirement of Section 217 (2AA) of the companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed:

NIMBUS FOODS INDUSTRIES LIMITED

- (i) That in the preparation of the annual accounts, the applicable accounting Standards have been followed along with proper explanation relating to material departures.
- (ii) that the Directors have 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 31st March, 2010 being end of the financial year 2009-10 and of the Profit of the Company for the year.
- (ii) that the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iii) that the Directors have prepared the annual accounts on a going concern basis.

7. DEMATERIALISATION OF EQUITY SHARES :

To facilitate holding of securities in dematerialised / electronic form, the Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Thus, shareholders have an option to dematerialise their shares with either of the depositories. The ISIN No. allotted is INE301B01020.

8. LISTING :

The Equity shares of the Company are listed on Ahmedabad and Bombay Stock Exchanges. The Company has paid Annual Listing Fees of Bombay Stock Exchange Ltd. up to the year 2010-11 and listing fees of Ahmedabad Stock Exchange is outstanding. The Company is regular in complying with the Listing Agreement entered into with the Stock Exchange.

9. COMPLIANCE CERTIFICATE :

The Company has obtained Compliance Certificate under the provisions of section 383A of the Companies Act, 1956 from M/s Khandelwal Devesh & Associates, Company Secretaries and the same is attached with this Report as annexure.

10. CORPORATE GOVERNANCE :

The Report on Corporate Governance required under Clause 49 of the Listing Agreement is annexed.

11. GENERAL :

11.1 INSURANCE :

The Company's properties continue to be adequately insured against risks such as fire, riot, strike, civil commotion, malicious damages etc.

11.2 AUDITORS :

The present Auditors of the Company M/s. B.S.Rajput & Associates, Chartered Accountants', Ahmedabad were appointed as Auditors and will retire at the ensuing Annual General Meeting. M/s. B.S. Rajput & Associates, Chartered Accountants, have submitted certificate for their eligibility for appointment under Section 224(1B) of the Companies Act, 1956. The notes and remarks of Auditors' are self-explanatory. The specific remarks of the Auditors for non-provision of depreciation of Rs.25,267/- and Related Party Disclosure as per Accounting Standard-18 have been explained in the notes on accounts for the year 2009-10 under para 13 and 14 respectively.

11.3 PARTICULARS OF EMPLOYEES :

There is no person drawing remuneration requiring disclosure under Section 217(12-A) of the Companies Act, 1956.

11.4 DEPOSITS :

During the year the Company has not accepted any deposit to which the provisions of section 58A of the Companies Act, 1956 are applicable.

12. PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 IS AT ANNEXURE-I:

13. ACKNOWLEDGEMENT :

Your Directors express their sincere gratitude for the assistance and co-operation extended by promoters, Banks, Government Authorities, Employees and Shareholders.

For and on behalf of the Board,

Place : Ahmedabad
Date : 9th August 2010

VISHNU SHARMA
Chairman & Managing Director

FIFTEENTH ANNUAL REPORT

ANNEXURE TO DIRECTOR'S REPORT :

1. CONSERVATION OF ENERGY:

- A. Energy Conservation measures taken: The Company gives top most priority to energy conservation and has undertaken continues measures in this respect which has shown positive result. New measures are planned to achieve further reduction in energy consumption.
- B. Additional investment and proposal if any being implemented for reduction in consumption of energy : NIL
- C. Energy consumption in terms of electricity, LDO and Gas has been reduced.
- D. Total energy consumption and energy consumption per unit of production: **Form A is annexed.**

2. TECHNOLOGY ABSORPTION:

- A. **Adoption and innovation:** Only the latest technology has been adopted in the Company.
- B. **Research and Development (R & D):** NIL

3. FOREIGN EXCHANGE EARNINGS AND OUT GO : NIL

FORM - A

Disclosure of particulars with respect to Conservation of Energy

A. POWER AND FUEL CONSUMPTION

Particulars	2009-10	2008-09
Electricity :		
Purchased Units (kwh/lacs)	1.26	1.5352
Total Amount (Rs, in Lacs)	7.50	9.11
Rate / Unit (Rs.)	5.95	5.94
LDO : (Light Diesel Oil)		
Purchased (Ltr./ lacs)	NIL	NIL
Total Amount (Rs, in Lacs)	NIL	NIL
Rate / Ltr (Rs.)	NIL	NIL
GAS :		
Total Calorific / lacs	1.29	1.23
Total Amount (Rs, in Lacs)	27.59	37.36
Rate / Ltr (Rs.)	21.42	30.46

B. CONSUMPTION PER UNIT OF PRODUCTION :

Production of Bread (Kg)	2700422	2667661
Total Consumption Cost per Kg	1.42	1.74

For and on behalf of the Board,

Place : Ahmedabad
Date : 9th August 2010

VISHNU SHARMA
Chairman & Managing Director

NIMBUS FOODS INDUSTRIES LIMITED

Co. Reg. No. : L30006GJ1995PLC025631

Nominal Capital: Rs. 9,20,00,000/-

COMPLIANCE CERTIFICATE

To,
NIMBUS FOODS INDUSTRIES LTD.
Ahmedabad.

We have examined the registers, records, books and papers of **NIMBUS FOODS INDUSTRIES LTD.**, as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2010**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made there under and all entries have been duly recorded.
2. The company has duly filed forms and returns as stated in Annexure "B" to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under and with additional fees in case of delay, if any.
3. The Company being Limited Company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met Six times on 30/04/2009, 31/07/2009, 31/08/2009, 31/10/2009, 30/01/2010 and 26/03/2010 in respect of said meetings proper notices were given and proceedings were properly recorded and signed in the Minute Book maintained for the purpose. No circulation resolutions were passed during the year under consideration.
5. To update the Register of Members for the purpose of AGM, the company has closed its Register of Members and Share Transfer Books from 25/09/2009 to 30/09/2009 (both days inclusive).
6. The Annual General Meeting for the financial year ended on 31/03/2009 was held on 30/09/2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the minute book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the year.
8. As informed by the Management, during the year under review, the Company has advanced to firms or companies referred to under section 295 of the Act and complied with the provisions of the Act.
9. The company has duly complied with the provisions of section 297 of the Act in respect of the contracts specified in that section.
10. As per auditor's report the Company has taken loan from the Companies covered in the register maintained under section 301 of the Companies Act, 1956 and the Company has complied with the necessary provisions of the Act.
11. No transaction was entered into by the Company during the year requiring approval under section 314 of the Act.
12. No Duplicate share certificate was issued during the year.
13. The Company has;
 - i) delivered all the share certificates lodged with it for transfer in accordance with the provisions of the Act;
 - ii) not declared any dividend for the Year ended on 31.03.2010;
 - iii) not required to post warrants to any members of the Company as no dividend was declared during the year;
 - iv) no such unclaimed / unpaid amount required to be transferred to Investors Education and Protection Fund;
 - v) duly complied with the requirements section 217 of the Act.
14. The Board of Directors of the company is duly constituted. The Company has appointed Mr. Bhaychand G. Prajapati as a director during the year and Mr. Pankaj J. Bulani resigned from the Board of Directors of the Company during the year. Apart from this there was no appointment of alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has appointed Mr. Amit J. Sharma (Khaksa) as Joint Managing Director during the financial year under review and has complied with the relevant provisions of the Companies Act, 1956.
16. No sole selling agent was appointed during the year.

FIFTEENTH ANNUAL REPORT

17. The Company was not required to obtain necessary approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authority as may be prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any equity shares, debentures and other securities during the financial year.
20. The Company has not bought back any shares during the year.
21. The Company has not issued any preference shares/debentures and therefore redemption of the same does not arise.
22. The Company has not kept any rights to dividends or right/bonus shares in abeyance during the year.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The borrowings of the Company are within the limits as prescribed under section 293(1) (d) of the Act.
25. The Company has made loan or advances or made investments or given guarantee or provided securities to other bodies corporate and consequently entries have been made in the register kept for the purpose.
26. The company has not altered the provisions of the Memorandum of Association with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the Memorandum of Association with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of Memorandum of Association with respect to the name of the company during the year under scrutiny.
29. The company has not altered provisions of Memorandum of Association with respect to the Share Capital of the company during the year under scrutiny.
30. The company has not altered Articles of Association during the year under scrutiny.
31. As per the information provided by the management of the company, no prosecutions were initiated against the company and no show-cause notices were received by the company for alleged offences under the Act and no fines, penalties and punishments were imposed on the company in any cases as per information and explanations received from the management.
32. The company has not received any money as security from its employees during the year under certification.
33. As per the information provided by the management of the company, it has generally deposited both employees' and employer's contributions to Provident Fund with prescribed authorities within the time limits pursuant to section 418 of the Act.

For, **Khandelwal Devesh & Associates**
Company Secretaries

Place : Ahmedabad
Date : 9th August 2010

Devesh Khandelwal
Proprietor
M.No. : 12372
COP No. : 4202

NIMBUS FOODS INDUSTRIES LIMITED

Annexure A Registers as maintained by the Company:

1. Members Register u/s 150 of the Act.
2. Share Transfer Register u/s 111A of the Act.
3. Directors Register u/s 303 of the Act.
4. Register of Directors Holding u/s 307 of the Act.
5. Register of Contracts u/s 301 of the Act.
6. Register of Disclosure by Directors u/s 301(3) of the Act.
7. Board Meeting Minutes and General Meeting Minutes.
8. Register of Investments u/s 372A of the Act.
9. Fixed Assets Register.
10. Register of Charges.

Annexure B

Forms and returns as filed by the company with the Registrar of Companies, Regional Director, central Government or other Authorities during the Financial Year ending on 31st March, 2010

Sr. No	Description of Document	Filed under Section	Date of Filing and SRN No.	Whether filed under prescribed time (Yes/No)	If delay in filing whether requisite additional fee paid
1	Form 20B (Annual Return -2008-09)	159	29/01/2010, P45302791	No	Yes
2	Form 23AC and 23ACA (Balance Sheet - 2008-09)	210	30/01/2010, P45403169	No	Yes
3	Form 66 (2008-09)	383A	29/01/2010, P45303559	No	Yes
4	Form 32 for appointment of Bhaychand G Prajapati as additional director and cessation of Panakj M Bulani	303(2)	30/01/2010 A45403169	No	Yes
5	Form 32 for appointment Bhaychand G Prajapati as Director	303(2)	26/12/2009 A75362731	No	Yes
6	Form 32 for Change of designation of Amit M Bulani	303(2)	30/01/2010 A77507366	No	Yes
7	Form 23	192	29/01/2010, P77378354	No	Yes

For, Khandelwal Devesh & Associates
Company Secretaries

Place : Ahmedabad
Date : 9th August 2010

Devesh Khandelwal
Proprietor
M.No. : 12372
COP No. : 4202

FIFTEENTH ANNUAL REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

a. Industry Structure and Developments:

The core area of the Company is Bakery products like Bread, Toasts, Biscuits and Confectionery products. The Bakery and Confectionery industry is a fast growing industry and have a very good future potential. The Company is having manufacturing and marketing of Bread in the Brand name of "MODERN" and for that the Company is having Franchise Agreement with Hindustan Uniliver Ltd. in the state of Gujarat. The Company is also manufacturing and marketing various other bakery products except bread in the Brand name of "WOODOO" for the state of Gujarat. The Company has set up a new unit for Bread and other bakery related products at Jaipur (Rajasthan) on lease basis and has commenced its commercial production from 21st July, 2010. The Bread which is being manufactured at Jaipur Unit is launched in the Jaipur and nearby market with the name "Nimbus". This new unit is having total production capacity of 1,10,00,000 breads per annum. The Company is also planning to set-up 25 retail outlets at Jaipur City as "Live Bakery Shop" and also exploring the opportunity to enter into new territory. The details of such developments will be informed to you from time to time.

b. Opportunities and Threats:

The management sees major opportunity in food industry. The food industry is growing fast and becoming organised sector. Entry of so many big retail chains giving boost to the food industry to grow. The Management sees very good business opportunity by entering into live bakery shop in retail format, therefore exploring various possibilities of it and will up-date shareholders for any development.

The food industry is very competitive and due to volatility in commodities, which are major raw material of food industry, the industry is facing pressure on margin. Smaller players in the industry are also facing tough competition from big and organised players.

c. Segmentwise Performance:

The Company's primary business is bakery and confectionery. The food related products of the Company incorporate product group's viz. Bakery and Confectionery which have similar risks and returns and are in one segment only.

d. Recent Trend and Future Outlook:

The market seems to be looking up and companies have forecasted higher spending in increasing production and setting up retail outlets. We expect to perform better in coming years.

e. Risks and Concerns:

Like any other industry Food and specially Bakery and Confectionery Products are also exposed to risk of competition. Volatility in prices of commodities like wheat, Maida etc. also increase risks of profit margin as increase in prices of final product is governed by so many factors. Therefore it is not easy to increase the price of final products. The Company is taking necessary steps to safeguards itself from the volatility of commodity prices.

f. Internal Control Systems and their Adequacy:

The Company has adequate systems of internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

g. Financial Performance with respect to Operational Performance:

The Financial performance of the Company for the year 2009-10 is described in the Directors' Report under the head operations.

h. Material Developments in Human Resources and Industrial Relations Front:

Your Company has undertaken certain employees' Development initiatives which have very positive impact on the moral and team spirit of the employees. The Company has continued to give special attention to Human Resources/ Industrial Relations development. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock-out etc.

i. Cautionary Statement:

Statement in this Management Discussion and Analysis Report, Describing the Company's objectives, estimates and expectations may constitute Forward Looking Statements within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

Place : Ahmedabad
Date : 9th August 2010

For and on behalf of the Board,
VISHNU SHARMA
Chairman & Managing Director