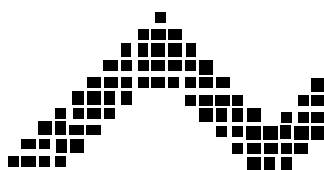


**19<sup>th</sup>**  
**ANNUAL REPORT**  
**2013-2014**



**NIMBUS FOODS INDUSTRIES LIMITED**

**NINETEENTH ANNUAL REPORT 2013-14****BOARD OF DIRECTORS:**

Shri Amit Khaksa	<i>Executive Director</i> (DIN:-00142084)
Shri Sharad Khandelwal	<i>Director</i> (DIN:-03447732)
Shri Arvind Thakkar	<i>Director</i> (DIN:-00966889)
Shri Sanjay Mangal	<i>Director</i> (DIN:-05355390)

**BANKERS:**

Axis Bank  
State Bank of India  
Bank of Baroda

**AUDITORS:**

M/s, B. S. Rajput & Associates  
Chartered Accountants  
Ahmedabad

**REGISTERED OFFICE:**

Plot No. B-13 & 14,  
Phase- II, GIDC Industrial Area,  
Naroda, Ahmedabad-382330  
Website : [www.nimbusfoods.in](http://www.nimbusfoods.in)  
E-mail: [nimbusfoods@gmail.com](mailto:nimbusfoods@gmail.com)

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**NIMBUS FOODS INDUSTRIES LIMITED**

CIN: L30006GJ1995PLC025631

**NOTICE**

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

Date : 30<sup>th</sup> September, 2014

Day : Tuesday

Time : 03:30PM

Place : At the Registered Office of the company at:

Plot No. B-13 &amp; 14, Phase-II, GIDC Industrial Area, Naroda, Ahmedabad -382 330

To transact the following business:

**ORDINARY BUSINESS:**

1. To receive and adopt Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2014, Statement of Profit and Loss and Cash Flow Statement for the Year ended on that date along with Director's Report and Auditors' Report thereon.
2. To appoint a Director in place of Shri Arvind Thakkar who retires by rotation and, being eligible, offers himself for re-appointment.
3. To re-appoint Auditors and fix their remuneration.

**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, 23<sup>rd</sup> September, 2014 to Tuesday, 30<sup>th</sup> September, 2014 (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) Notify immediately the change in their registered address, if any, to the Company.
5. The Equity Shares of the Company are available for dematerialisation. 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 19<sup>th</sup> Annual General Meeting**

<b>Name</b>	<b>Shri Arvind Thakkar (DIN:-00966889)</b>
Age (Date of Birth)	26-10-1970
Date of Appointment	14-08-2012
Qualification and experience in specific functional area	He is practising Chartered Accountant since 1973. He has an experience of more than 35 years in the field of audit of firms, nationalized banks and Companies, Company law matters, Taxation and Tax audit matters under Income Tax Act, Financial And Capital Market consultancy.
Directorship held in other companies	1. Gujarat Equity Services Limited 2. Excel Castronics Limited
Membership/Chairmanships of Committee in other Public Companies	None

**Registered Office:**

Plot No. B-13 &amp; 14

Phase -II, G.I.D.C Industrial Area,  
Naroda, Ahmedabad 382330

Date : 13/08/2014

By Order of the Board,

**Amit Khaksa**

Executive Director

(DIN:-00142084)

**DIRECTORS' REPORT**

Dear Shareholders,

The Directors present the NINETEENTH ANNUAL REPORT together with the Audited Statement of Account for the Financial Year 2013-14 ended on 31<sup>st</sup> March, 2014.

<b>1. Financial Results :</b>		
<b>FINANCIAL RESULTS</b>	<b>2013-14</b>	<b>Rs. in Lacs 2012-13</b>
Operating Profit / (Loss)(Before Interest & Depreciation)	<b>93.89</b>	72.27
Less: Interest	<b>09.66</b>	3.51
Profit/(Loss) before Depreciation	<b>84.23</b>	68.76
Less: Depreciation & Amortisation Exp.	<b>21.52</b>	22.37
Profit / (Loss) before Extraordinary items	<b>62.71</b>	46.39
Less: Loss on Sale of Investment / written off Advances	-	-
Profit / (loss) before Tax	<b>62.71</b>	46.39
Less: Provision for Taxation	<b>21.76</b>	14.53
Add/Less: Deferred Tax Assets/provision	-	-
Net Profit / (Loss) after Tax	<b>40.95</b>	31.86
Less: Short or excess provision of taxation of earlier year	-	-
Add: Balance brought forward from previous year	<b>118.09</b>	86.23
Profit / (Loss) carried to Balance Sheet	<b>159.04</b>	118.09

**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 and Bakery products. The Company has franchisee agreement with Hindustan Unilever Limited for manufacturing and marketing of Modern Bread in Gujarat. Your Company is getting excellence in developing its own products and presently such development is in the bakery related items like toast, khari and biscuits under the brand name of "WOODOO" 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.93.89 lacs during 2013-14. As the Company had to provide for interest of Rs.9.66 lacs during the year under review, The Company provided Rs. 21.52 lacs for Depreciation and, Profit before tax stood at Rs.62.71 lacs during the year under review. After taking into account Provision for taxation, Deferred Tax Assets and prior period adjustments, extra ordinary items your Company had earned profit of Rs. 40.95 lacs.

**4. FUTURE PLANS :**

The Company is exploring the opportunities available in the Bread and Bakery Industry and has already set up a committee to explore the expansion plan of the Company in the existing field of business by increasing production capacity of its existing plan as well as set up of manufacturing facility in other parts of India.

**5. DIRECTORS :**

One of your Director Shri Arvind Thakkar 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 that:

- In the preparation of the annual accounts, the applicable accounting Standards have been followed along with proper explanation relating to material departures.



- (ii) 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, 2014 being end of the financial year 2013-14 and of the Profit of the Company for the year.
- (iii) 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.
- (iv) The Directors have prepared the annual accounts on a going concern basis.

**7. LISTING :**

The Equity shares of the Company are listed on Ahmedabad and Bombay Stock Exchanges. Annual Listing Fees of Bombay Stock Exchange Ltd. and Ahmedabad Stock Exchange is outstanding for the year 2014.15. The Company is regular in complying with the Listing Agreement entered into with the Stock Exchange.

**8. CORPORATE GOVERNANCE :**

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

**9. INSURANCE:**

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

**10. AUDITORS AND AUDITOR'S OBSERVATION:**

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, having firm registration no.119760W have submitted certificate for their eligibility for appointment under Section 139 of the Companies Act, 2013.

Board of Directors of your Company favour their re-appointment as Statutory Auditors' of the Company and such re-appointment if done, shall be upto the next Annual General Meeting of the Company.

**Auditors' observation and management's response to auditor's observation:-**

The notes and remarks of Auditors' are self-explanatory and therefore does not require any further clarifications.

**11. PARTICULARS OF EMPLOYEES :**

During the year under report, none of the employees was in receipt of remuneration exceeding the limit prescribed under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

**12. 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.

**13. PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988**

Information required u/s 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosures of particulars in the report of the Board of Directors), Rules, 1988 as amended from time to time, forms part of this report. However, as per the provisions of section 219(1)(b)(iv), the Report and accounts are being sent to all shareholders of the Company excluding the information relating to conservation of energy, technology absorption, foreign exchange earning and outgo. Any shareholders interested in obtaining such particulars may inspect the same at the registered office of the Company or write to the Company for a copy.

**14. ACKNOWLEDGEMENT :**

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

The Directors specially acknowledge the hard work, dedication and commitment of employees. Their enthusiasm and unstinting efforts have enabled the Company to emerge stronger than ever.

For and on behalf of the Board

**AMIT KHAKSA**

*Executive Director*

(DIN:-00142084)

Place : Ahmedabad

Date : 13/08/2014

**MANAGEMENT DISCUSSION AND ANALYSIS****a. Industry Structure and Developments:**

Your Company's Bakery portfolio includes biscuit, bread, cake and rusk. Bread and Biscuits are the largest of these categories, and has attracted a vast array of competitors ranging from large national local companies to smaller regional players. Cake, Rusk and bread Overall Bakery, despite the general economic sluggishness, is still growing at 12-14%, with specific segments within that, growing faster – at the top end, driven by differentiation and new tastes, experiences, and at the bottom end, through availability and affordability.

The food market itself has seen some interesting structural changes in the past few years with the emergence of a diversified palate of choices across functional and indulgent products. Additionally, with greater affluence and exposure, consumers are increasingly migrating from unbranded commodities, sold loose, to branded and packaged solutions that are hygienic and convenient. The Company, therefore expects the overall Bakery market to grow 13-15% in the coming year.

**b. Business Strategy:**

Your Company's strategy is based on inspirational growth, in the context of the opportunities and challenges that the Indian market presents – an increasing consumer appetite to continually upgrade, irrespective of price points, demanding value for money propositions at all times and a more intense and vibrant competitive scenario.

The focus continues to be on profitable growth, driven through innovation and operational excellence right through the value chain. Revenue and cost management form an intrinsic part of operational excellence and will continue to be monitored closely for improvement. The role of innovation in your Company is about creating new sources of value. These include completely new or renovated products and packs that create greater consumer delight or the application of new technology that reduces cost and increases quality delivery, or a process innovation that reduces time to completion and increases efficiency. This comprehensive view of innovation enables your Company to experiment and pilot new initiatives and scale those that are successful. An in-depth understanding of consumers and what excites and motivates them forms the backbone of all our actions – from product design and benefit propositions, to their delivery. Building, improving and maintaining consumer preference and purchase form the basis of your Company's business and long-term success.

**c. Segment wise Performance:**

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

**d. Recent Trend and Future Outlook:**

As discussed previously, the domestic market for packaged, branded bakery product is expected to grow 13-15% in the near term. The challenge to profitable growth comes from the trend in commodity prices, the general economic sentiment and a macro environment that contributes to operational stability in the manufacturing units and markets. Simultaneously, the Indian market opportunity and food market growth will attract new local and international players with deep pockets and a differentiated capability in their domains of operation to enter and expand operations in India. Creating a leadership position in this environment will demand that your Company's brands and their propositions are relevant and exciting for consumers and differentiated enough to create a higher preference and purchase. Your Company's focus is on differentiating its products and continually renovating and innovating them to create unique and superior experiences for its consumers and customers. This, combined with effective cost management will generate profitable growth.

**e. Risks and Concerns:**

The major risks and areas of concern stem from the aspiration to drive high double digit growth in an environment of economic sluggishness in India, coupled with the volatility of commodity prices and policies. Additionally, greater competitive intensity in this context could drive up the cost of doing business

**f. Internal Control Systems and their Adequacy:**

Your Company believes in formulating adequate and effective internal control system and implementing the same strictly to ensure that assets and interests of the Company are safeguarded and reliability of accounting data and accuracy are ensured with proper checks and balances. The Internal control system is improved and modified continuously to meet the changes in the business conditions, statutory and accounting requirements. The Company's internal audit function is responsible for assessing and improving the effectiveness of risk management, control and governance process. The management of the Company duly considered and takes appropriate action on the recommendations made by statutory auditors and Independent Audit Committee of the Board of Directors.

**g. Financial Performance with respect to operational performance:**

The Financial performance of the Company for the year 2013-14 is described in the Directors' Report under the head operations.

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

Your Company is committed to driving an effective and transparent Performance Culture and mindset wherein people take higher ownership and accountability for their own performance and contribute positively and collaboratively to your Company's Business Goals. The same is facilitated through a structured goal alignment and cascading process that links Company goals with individual and functional goals. Your Company has also rolled out functional competency frameworks that measure not just results but "how results are achieved" through the introduction of 'Core Values & Leadership behavior'

**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.

For and on behalf of the Board

Place : Ahmedabad  
Date : 13/08/2014

**AMIT KHAKSA**  
*Executive Director*  
(DIN:-00142084)

**REPORT ON CORPORATE GOVERNANCE****INTRODUCTION**

Corporate Governance encapsulates corporate fairness, integrity, transparency and accountability. An organisation's growth and stability depends upon co-operation from its stakeholders which can be secured through the assimilation of good governance practices. It is continuous journey towards enhancing sustainable value creation and is an upward moving target.

**1. COMPANY'S PHILOPHY ON CODE OF GOVERNANCE :**

Your Company considers good Corporate Governance a pre-requisite for meeting the needs and aspirations of its shareholders and other stakeholders in the Company and firmly believes that the same could be achieved by maintaining transparency in its dealings, creating robust policies and practices for key processes and systems with clear accountability, integrity, transparent governance practices and the highest standard of regulatory compliance.

**2. BOARD OF DIRECTORS :**

The Board of Directors has been constituted in a manner which ensures optimum mix of Executives and Non-Executive Directors. As on date, the Board of Directors comprise of FOUR directors of which three are non-executive directors.

**a) Composition and category of Directors :**

Name of Directors	Category of Directorship	No. of other Director Ships*	No. of Board Meetings Attended out of 4	Attendance at the AGM held on 16 <sup>th</sup> September 2014 Yes/No	No. of Board Committee of other Companies in which a Member/Chairman**
Amit Khaksa (DIN:-00142084)	Executive Non-Independent	-	4	Y	No
Sharad Khandelwal (DIN:-03447732)	Non Executive	-	4	Y	No
Arvind Thakkar (DIN:-00966889)	Non-executive Independent	2	4	Y	No
Sanjay Mangal (DIN:-05355390)	Non Executive Independent	-	4	Y	No

\* Excludes alternate directorship and directorship in foreign companies, private companies and companies governed by Section 25 of the Companies Act, 1956.

\*\* Excludes Committees other than Audit Committee and Shareholders' / Investors' Grievance Committee and companies other than Public Limited Companies.



**b) Details of the Directors seeking Re-appointment/Appointment in the Annual General Meeting :****Brief resume of the Director seeking re-election at the 19<sup>th</sup> Annual General Meeting**

Name	Shri Arvind Thakkar (DIN:-00966889)
Age (Date of Birth)	26-10-1970
Date of Appointment	14-08-2012
Qualification and experience in specific functional area	He is practising Chartered Accountant since 1973. He has an experience of more than 35 years in the field of audit of firms, nationalized banks and Companies, Company law matters, Taxation and Tax audit matters under Income Tax Act, Financial And Capital Market consultancy.
Directorship held in other companies	1. Gujarat Equity Services Limited 2. Excel Castronics Limited
Membership/Chairmanships of Committee in other Public Companies	None

**c) BOARD PROCEDURES:**

The Board of Directors meets at least once a quarter to review the performance and Financial Results. A detailed agenda file is sent to all Directors well in time of the Board Meetings. The Chairman/Director briefs the Directors at every Board Meeting about the overall performance of the Company. All major decisions/ Approvals are taken at the Meeting of the Board of Directors such as policy formation, Business plans, budgets, investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors during the financial 2013-14 were held on 30/05/2013, 14/08/2013, 15/11/2013, and 14/02/2014.

**3. AUDIT COMMITTEE :**

Term of reference:

The terms of reference of the Audit committee, as specified by the Board, includes the whole as specified in the clause 49 of the listing agreement, including a review of audit procedures and techniques, financial reporting systems, internal control systems and procedures besides ensuring compliance with regulatory guidelines. The committee members are all non-executive and majority being the independent directors, collectively having requisite knowledge of finance, accounts and company law. The committee recommends the appointment of external auditors and their fees and payments and also takes an overview of the financial reporting process to ensure that financial statements are correct sufficient and credible. The report of the statutory auditors is reviewed along with managements' comments and action-taken reports.

The meetings of the Audit Committee were held on 30/05/2013, 14/08/2013, 15/11/2013, and 14/02/2014 during the year. The Composition and attendance of directors in Audit Committee during the year is as under-

Sr. No.	Director	Status	No. of Meetings Attended
01	Mr. Arvind Thakkar (DIN:-00966889)	Chairman	04
02	Mr. Sanjay Mangal (DIN:-05355390)	Member	04
03	Mr. Amit Khaksa (DIN:-00142084)	Member	04

**4. Remuneration / Compensation Committee:**

The remuneration committee consists of three directors all being non-executive directors. The committee recommends the remuneration packages to the Executive Directors, to the senior officers, employees etc.

Composition:

The Remuneration Committee comprises Mr. Sanjay Mangal(DIN:-05355390) as chairman, Mr. Arvind Thakkar(DIN:-00966889) and Mr. Sharad Khandelwal(DIN:-03447732) members of the Committee respectively.



Meetings and attendance during the year.:

There was no meeting of the Committee held, during the year.

## 5. Share Transfer & Shareholders' / Investors' Grievance and Ethics / Compliance Committee:

### The Committee:

- (i) approves and monitors transfers, transmission, splitting, consolidation, dematerialisation, rematerialisation of securities and issue of duplicate share certificates by the Company over and above the delegated power.
- (ii) looks into various issues relating to shareholders, including redressal of complaints relating to transfer of shares, non-receipt of annual reports, dividends, etc.;
- (iii) carries out the functions envisaged under the Code of Conduct for Prevention of Insider Trading adopted by the Company in terms of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992

Shri Sanjay Mangal (DIN:-05355390), Chairman and Shri Sharad Khandelwal(DIN:-03447732) and Shri Amit Khaksa(DIN:-00142084) are members of the Committee, as re-constituted w.e.f. 1<sup>st</sup> April, 2014.

Complaints received and resolved during the year:

No. of shareholders' complaints resolved during the year	Nil
No. of shareholders' complaints received during the year	Nil
No. of complaints not resolved to the satisfaction of shareholders	Nil
No. of pending share transfers	Nil

## 6. GENERAL BODY MEETINGS :

- (a) Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue
2012-13	16/09/2013	3.30 P.M.	Plot No. B-13 & 14Phase – II, GIDC Industrial Area, Naroda, Ahmedabad – 382330
2011-12	27/09/2012	11.00 A.M.	
2010-11	22/09/2011	11.00 A.M.	

- (b) Whether any Special Resolutions and/or Resolution through Postal Ballots were passed during the financial year 2013-14: No such resolution(s) passed in the financial; year 2013-14.

## 7. DISCLOSURES :

- (a) Disclosures of materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the Management, their Subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large:

Related party transactions in the ordinary course of business are reported to the Audit Committee. The related party transactions were (i) in the normal course of business, or (ii) on arms length basis, or (iii) not in conflict with the interests of the Company at large that are disclosed in financial statements for the year 2013-14.

- (b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last three years: None.

- (c) Risk Management:

A detailed review of business risks and the Company's plan to mitigate them is presented to the Audit Committee of the Board. The Company has been taking steps to mitigate foreseeable business risks. Business risk evaluation and management is an ongoing and continuous process within the Company and regularly updated to the Audit Committee.

- (d) Code of Conduct:

The Company has laid down a Code of Conduct for the members of the Board as well as for all employees of the Company. The code has also been posted on the Company's website – [www.nimbusfoods.in](http://www.nimbusfoods.in). The Executive