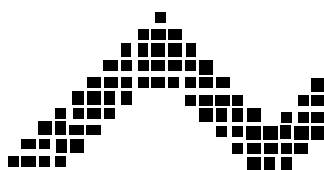


17th
ANNUAL REPORT
2011-2012



NIMBUS FOODS INDUSTRIES LIMITED

**SEVENTEENTH ANNUAL REPORT 2011-12****BOARD OF DIRECTORS:**

Shri Amit Khaksa	<i>Executive Director</i>
Shri Sharad Khandelwal	<i>Director</i>
Shri Arvind Thakkar	<i>Additional Director(w.e.f.14/08/2012)</i>
Shri Sanjay Mangal	<i>Additional Director(w.e.f. 14/08/2012)</i>
Shri Deepak Sharma	<i>Director (upto 14/08/2012)</i>
Shri Bhaychand Prajapati	<i>Director (upto 14/08/2012)</i>

BANKERS:

State Bank of India

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
E-mail: info@nimbusfoods.in

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NOTICE

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

Date : 27th September, 2012

Day : Thursday

Time : 11:00 AM

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 Balance Sheet of the Company as at 31st March, 2012, 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 Mr. Sharad Khandelwal 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.

SPECIAL BUSINESS:

4. Appointment of Mr. Amit Khaksa as Whole time Director designated as Executive Director of the Company.

To consider and if deemed fit, to pass with or without modifications, the following resolution as a *Special Resolution*:

"RESOLVED THAT pursuant to the provisions of sections 198,269, 309,310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of shareholders, the company do hereby accord its approval to the appointment of Mr. Amit Khaksa as Whole time Director designated as Executive Director of the Company, not liable to retired by rotation, for a period of five years with effect from 14th August, 2012 on the terms and conditions set out herein under (the said term and conditions as approved by the Remuneration Committee) and that he be paid remuneration by way of Salary and Perquisites not exceeding the amount thereof as set out in the accompanying explanatory statement which is permissible under part II of Schedule XIII the Companies Act, 1956."

"RESOLVE FURTHER THAT the Board of Directors, be and is hereby authorised to alter and vary the terms and conditions of appointment of Mr. Amit Khaksa as to remuneration (including perquisites) within the ceiling limits in that behalf laid down in the accompanying explanatory statement which is permissible under Part II of Schedule XIII of the Companies Act, 1956."

"RESOLVE FURTHER THAT for the purpose of giving to this resolution, the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds and things as may be deemed necessary or desirable or to settle any question or difficulty that may arise, in such manner as it may deem fit."

5. Appointment of Mr. Arvind Thakkar as a Director of the company.

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

"RESOLVED THAT Mr. Arvind Thakkar who was appointed as an Additional Director of the Company with effect from 14/08/2012 and who holds the office up to the date of this Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing from a member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

6. Appointment of Mr. Sanjay Mangal as a Director of the company.

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

"RESOLVED THAT Mr. Sanjay Mangal who was appointed as an Additional Director of the Company with effect from 14/08/2012 and who holds the office up to the date of this Annual General Meeting of the Company, in



terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing from a member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

7. Delisting of Equity Shares from the Ahmedabad Stock Exchange.

To consider and if deemed fit, to pass with or without modifications, the following resolution as a *Special Resolution*.

"RESOLVED THAT subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956, and the rules framed there under, listing agreement, SEBI (Delisting of Securities) Guidelines, 2003, and such other applicable laws, rules, regulations and guidelines, and subject to such approvals, permission and sanctions, as may be necessary, the Board of directors of the company be and is hereby authorized to seek voluntarily delisting of its securities from Ahmedabad stock exchange."

"RESOLVED FURTHER THAT the securities of the company shall continue to be listed on the stock exchange having nationwide trading terminals viz. the Bombay Stock Exchange, Mumbai and therefore as per the said guidelines issued by the Securities and Exchange Board of India, no exit opportunity need to be given to the shareholders of the company."

"RESOLVED FURTHER THAT the Board of directors of the company be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable and to execute all such deeds and documents as may be considered necessary and expedient to give effect to the above said resolution."

Registered Office:

Plot No. B-13 & 14
Phase –II, G.I.D.C Industrial Area,
Naroda, Ahmedabad 382330
Date : 14/08/2012

By Order of the Board,

Amit Khaksa
Executive 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 **Thursday, 20th Sept, 2012 to Thursday, 27nd Sept, 2012 (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 17th Annual General Meeting

Name	Mr. Sharad Khandelwal
Age (Date of Birth)	26-10-1970
Date of Appointment	14-02-2011
Qualification and experience in specific functional area	Master degree(M.COM) in the field of Taxation and having more than 18 years of experience in the related field.
Directorship held in other companies	None
Membership/Chairmanships of Committee in other Public Companies	None

**Brief resume of the Directors seeking election at the 17th Annual General Meeting**

Name	Mr. Arvind Thakkar
Age (Date of Birth)	30-10-1947
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
Membership/Chairmanships of Committee in other Public Companies	None

Name	Mr. Sanjay Mangal
Age (Date of Birth)	16-09-1971
Date of Appointment	14-08-2012
Qualification and experience in specific functional area	He is Commerce graduate and he has an experience of 22 years in the financial management and capital market advisory.
Directorship held in other companies	None
Membership/Chairmanships of Committee in other Public Companies	None

Brief resume of Executive Director seeking appointment

Name	Mr. Amit Khaksa
Age (Date of Birth)	22-08-1979
Date of Appointment (Director)	01-04-2006
Qualification and experience in specific functional area	Mr. Amit Khaksa, Executive Director of the Company aged around 33 years is a Graduate and jointed the Board of the Company in the year 2006 as Director Mr. Amit Khaksa's responsibilities in the Company encompass product delivery, project execution for innovative production techniques, quality control and enhancement, process and customer satisfaction. He supervises the functioning of various departments in the organization such as Sales & marketing, Estimation, customer Relationship Management, cost audit, Human resources, Purchase, Corporate Communications.
Directorship held in other companies	—
Membership/Chairmanships of Committee in other Public Companies	None

* Private Companies are excluded

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT 1956.**

In conformity with the provisions of section 173(2) of the companies act, 1956, following explanatory statement sets out all material facts relating to the special business mentioned at item No. 4, 5, 6, and 7 of the accompanying notice dated 14th August, 2012 should be taken as a forming part of the Notice.

ITEM No. 4

Mr. Amit Khaksa, Executive Director of the Company aged around 32 years is a Commerce Graduate and jointed the Board of the Company in the year 2006 as Director. He is not on the board of any other public Limited Companies.

Mr. Amit Khaksa's responsibilities in the Company encompass product delivery, project execution for innovative production techniques, quality control and enhancement, process and customer satisfaction. He supervises the functioning of various departments in the organization such as Sales & marketing, Estimation, customer Relationship Management, cost audit, Human resources, Purchase, Corporate Communications.

In the terms of office spanning six years Mr. Amit Khaksa has contributed extensively towards the growth of the Company and has been actively responsible for the launch of new product lines and attainment of the highest standard of quality.

In the view of significant contributions made by him the Board of Directors recommend the appointment of Mr. Amit Khaksa as a Whole time Director designated as Executive Director of the Company for the period of five years on the terms conditions detailed below, which shall be effective from 14th August, 2012.

A. Basic Salary: Rs.35,000/- (Rupees Thirty five Thousands Only) per month with authority to the Board of Directors to revise the basic salary from time to time taking into account the performance of the Company, subject to ceiling of Rs.50,000/- (Rupees Fifty Thousands Only) per month.

B. Other Allowances: Up to 30% of the basic salary and as determined by the Board from time to time.

C. PERQUISITES:

- Contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these either or put together are not taxable under the Income-tax Act, 1961.
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service
- Encashment of leave at the end of tenure.
- Medical Reimbursement:
Medical reimbursement expenses incurred for the Executive Director and family Subject to ceiling of one month's salary per year or three month's salary over a period of three years.
- Leave Travel Concession for self and family at a rate not exceeding one month's Salary for one year or three month's salary in a block of three years.
- Free use of Company's car with driver for Company's business and free telephone Facility at residence.

III. The Executive Director shall be entitled to reimbursement of expenses incurred by him In connection with the business of the Company.

IV. The Executive Director shall not, so long as he functions as such, become interested or Otherwise concerned directly or through his wife and/or minor children in any selling Agency of the Company without the prior approval of the Central Government.

D. DUTIES:

Subject to the superintendence, direction, and control of the Board of Directors of the Company the Executive Director Shall be entrusted with powers of Administration, Marketing and Accounts and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time. The headquarter of Executive Director shall be at Ahmadabad or at such place as the Board of Directors may decided from time to time.

E. TERMINATION:

The Executive Director may be removed from his office for gross negligence, breach of Duty or trust if a special Resolution to that effect is passed by the Company in its General Meeting. The Executive Director may resign from his office by giving 90 days' Notice to the Company.

**F. COMPENSATION:**

In the event of termination of office of Executive Director takes place before the expiration of tenure thereof, Executive Director shall be entitled to receive compensation from the Company for loss of office to extent and subject to limitation as provided under Section 318 of the Companies Act, 1956.

As per the provision of Section 198, 269, 309, 314 and all other applicable provisions, if any, of the Companies Act, 1956 consent of the Company accorded by Special Resolution is necessary for holding office as a Executive Director of the Company on remuneration.

The terms and conditions mentioned in the above Explanatory Statement may be treated as abstract of the terms proposed contract under Section 302 of the Companies Act, 1956.

None of the present Directors is concerned or interested in the business. The proposed appointee Mr. Amit Khaksa may be treated as concerned or interested in the said business as the business is relating to his appointment as Executive Director of the Company with effect from 14th August, 2012.

ITEM NO. 5

Under section 260 of the Companies Act, 1956, Mr. Arvind Thakkar was appointed as an Additional Director of the Company in the Meeting of the Board of Directors held on 14th August, 2012. Mr. Arvind Thakkar holds his office upto the date of ensuing Annual General Meeting. Due notice under section 257 of the Act has been received along with requisite fee from a member proposing the appointment of Mr. Arvind Thakkar as Director of the Company liable to retire by rotation.

None of the Director of the Company except Mr. Arvind Thakkar is concerned or interested in this resolution. The Board of Directors recommends the resolution for approval of shareholders.

ITEM NO. 6

Under section 260 of the Companies Act, 1956, Mr. Sanjay Mangal was appointed as an Additional Director of the Company in the Meeting of the Board of Directors held on 14th August, 2012. Mr. Sanjay Mangal holds his office upto the date of ensuing Annual General Meeting. Due notice under section 257 of the Act has been received alongwith requisite fee from a member proposing the appointment Mr. Sanjay Mangal as Director of the Company liable to retire by rotation.

None of the Director of the Company except Mr. Sanjay Mangal is concerned or interested in this resolution. The Board of Directors recommends the resolution for approval of shareholders.

ITEM NO. 7

The Securities & Exchange Board of India (SEBI) notified guidelines for voluntary delisting of securities from the stock exchanges. As per clause of SEBI (Delisting of Securities) Guidelines, 2003 an exit opportunity to the shareholders need not be given where securities of the company remain listed on the stock exchange having nationwide trading terminal, i.e., The Stock Exchange, Mumbai, The National Stock Exchange and any other stock exchange that may be specified by SEBI in this regard.

At present the equity shares of the company are listed at Bombay Stock Exchange Limited Considering the negligible volume of trading and as a part of its cost reduction measure, the consent of members is sought for getting its securities delisted from Ahmedabad Stock Exchange as proposed in the special resolution. The securities of the company shall continue to be listed on the Stock Exchange, Mumbai.

The Board recommends the resolution for approval of members.

None of the directors is, in any way, concerned or interested in the said resolution.

Registered Office:

Plot No. B-13 & 14
Phase -II, G.I.D.C Industrial Area,
Naroda, Ahmedabad 382330
Date : 14/08/2012

By Order of the Board,

Amit Khaksa
Executive Director

**DIRECTORS' REPORT**

Dear Shareholders,

The Directors present the SEVENTEENTH ANNUAL REPORT together with the Audited Statement of Account for the Financial Year 2011-12 ended on 31st March, 2012.

1. Financial Results :

	2011-12	Rs. In Lacs 2010-11
Operating Profit / (Loss)(Before Interest & Depreciation)	58.23	55.80
Less: Interest	2.94	2.09
Profit/(Loss) before Depreciation	55.29	53.71
Less: Depreciation	13.46	16.62
Profit / (Loss) before Extraordinary items	41.82	37.09
Less: Loss on Sale of Investment / written off Advances	-	-
Profit / (loss) before Tax	41.82	37.09
Less: Provision for Taxation	11.50	11.00
Add/Less: Deferred Tax Assets/provision	1.56	1.82
Net Profit / (Loss) after Tax	28.76	24.27
Less: Short or excess provision of taxation of earlier year	-	0.34
Add: Balance brought forward from previous year	57.47	33.54
Profit / (Loss) carried to Balance Sheet	86.23	57.47

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 has also started to develop its own products and presently such development is in the bakery related items like toast, khari and biscuits under the brand name of "WOOD00" 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.42.01 lacs during 2011-12. As the Company had to provide for interest of Rs.2.94 lacs during the year under review, The Company provided Rs. 13.46 lacs for Depreciation and, Profit before tax stood at Rs.41.82 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. 28.76 lacs.

4. FUTURE PLANS :

The Company is planning to set up its units at Nagpur, Surat and Pune with average installed capacity of 30,000 standard loafs per day. The Company has also planned out to start bakery shops in Nagpur, Surat and Pune with an average of 3500 kg production capacity under the brand name of "WOOD00".

5. DIRECTORS :

One of your Director Mr. Sharad Khandelwal 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.

Mr. Arvind Thakkar and Mr. Sanjay Mangal have been appointed as an Additional Directors under Independent category w.e.f. 14/08/2011. In the terms of Section 260 of the Companies Act, 1956 Mr. Arvind Thakkar and Mr.



Sanjay Mangal holds office upto the ensuing Annual General Meeting of the Company and being eligible offers himself for appointment as the director of the Company. , Mr. Arvind Thakkar is a practicing Chartered Accountant since 35 years having a vast experience in the field of Taxation and tax audit matters and Mr. Sanjay Managal has an experience of more than 22 years in the field of capital market and financial management. Looking to the experience the Board recommends their appointment as Directors of the Company.

Mr. Bhaychand Prajapati and Mr. Deepak Sharma have resigned on 14/08/2012, the board has taken on record the valuable services and advices given by them during their tenure as Directors of the Company.

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:

- (i) 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, 2012 being end of the financial year 2011-12 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. The Company has paid Annual Listing Fees of Bombay Stock Exchange Ltd. up to the year 2012-13 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.

8. DELISTING OF SECURITIES:

At present the equity shares of the company are listed at Bombay Stock Exchange Limited Considering the negligible volume of trading and as a part of its cost reduction measure, the consent of members is sought for getting its securities delisted from Ahmedabad Stock Exchange as proposed in the special resolution. The securities of the company shall continue to be listed on the Bombay Stock Exchange, Mumbai.

9. CORPORATE GOVERNANCE :

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

10. INSURANCE:

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

11. 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 224(1B) of the Companies Act, 1956.

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.

12. 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.



13. 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.

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

15. 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

Place : Ahmedabad
Date : 14/08/2012

AMIT KHAKSA
Executive Director

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

S.No.	Particulars	2010-11	2009-10
1.	Electricity :		
	Purchased Units (kwh/lacs)	2.24	1.43
	Total Amount (Rs. in Lacs)	13.85	8.24
	Rate / Unit (Rs.)	6.26	5.76
2.	LDO : (Light Diesel Oil)		
	Purchased (Ltr./ lacs)	0.70	NIL
	Total Amount (Rs. in Lacs)	25.28	NIL
	Rate / Ltr (Rs.)	36	NIL
3.	GAS :		
	Total Calorific / lacs	1.47	1.42
	Total Amount (Rs. in Lacs)	53.62	32.68
	Rate / Ltr (Rs.)	36.47	23.01

B. CONSUMPTION PER UNIT OF PRODUCTION :

Production of Bread & Bakery (Kg)	3435663	2468075
Production of Bread & Bakery from consumption of Maida (per Kg)	1.40	1.66