

NOTICE

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

Ordinary Business

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

Special Business

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

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

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

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

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

RESOLVED FURTHER THAT pursuant to the provisions of Section 269 and other applicable provisions, if any, of the Companies Act, 1956, Mr M Kishan Rao be and is hereby appointed as the Chairman and Managing Director of the Company for a period of five years with effect from 26th November 2010 without remuneration."

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

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

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

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

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

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



NOTES:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING
- 2 The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business to be transacted at the Meeting is annexed hereto.
- 3 The Register of Members will remain closed from 21st December 2010 to 27th December 2010 (both days inclusive). The transfer books of the Company will also remain closed for the above said period.
- 4 Members are requested to intimate the Company or Registrar, the details or clarifications, if any, required in relation to this Annual Report, at least 7 (Seven) days before the Meeting to enable the Management to keep the information ready at the Meeting.
- 5 As a measure of economy, Members/proxies are requested to bring their copies of Annual Report to the Meeting and the attendance slip duly filled in for attending the Meeting. Copies of Annual Reports will not be provided at the Meeting.
- 6 Requirement under the Listing Agreement:
Pursuant to the requirement of paragraph VII (F) of Clause 49 of the Listing Agreement, the required information pertaining to the Directors on their appointment / re-appointment is furnished below:

Mr Mansoor Yar Khan

Mr Mansoor Yar Khan, aged 82 years, is a retired Army Officer having vast experience in general administration & management. He does not hold any outside Directorships.

Mr S Nageswara Rao

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

Mr M Kishan Rao

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

Mr M Raghuveer

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

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

Place: Secunderabad
Date: 26th November 2010

C Durga Prasad
Company Secretary

EXPLANATORY STATEMENT

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

Item No 4

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

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

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

Item No 5

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

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

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

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

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

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

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

Item No 6

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

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

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

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

Item No 7

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

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

Item No 8

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

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

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

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

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

Place: Secunderabad

Date: 26th November 2010

C Durga Prasad
Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

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

FINANCIAL RESULTS

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

COMPANY PERFORMANCE AND BUSINESS OUTLOOK

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

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

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

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

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

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

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

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

DIVIDEND

Keeping in view the need to conserve resources for implementing its growth plans, your Directors express their inability to recommend dividend during the year.

DIRECTORS

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

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

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

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

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

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

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

AUDITORS

The Auditors M/s PRV Associates, Chartered Accountants, Hyderabad, who retire at the ensuing Annual General Meeting of the Company, are eligible for re-appointment as Statutory Auditors of the Company till the next Annual General Meeting. The Company has received their willingness for re-appointment as Auditors of the Company and Certificate furnished under Section 224 (1B) of the Companies Act, 1956.

FIXED DEPOSITS

Your Company has not accepted any Deposits from the public during the year pursuant to Section 58A of the Companies Ac, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:

- I. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- II. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period.
- III. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- IV. The Directors had prepared the annual accounts on a going concern basis.

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 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:

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 forms 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 during the year 2009-10.

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, features as a part of Annual Report. Your Company will continue to adhere in letter and spirit to 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 Whole Time 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

The Directors would like to thank all stakeholders, namely customers, stockists, dealers, retailers, shareholders, suppliers, bankers, employees and all other associates for the continuous support given by them to the Company.

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

M Kishan Rao

Chairman and Managing Director

Place: Secunderabad

Date: 26th November 2010

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). Energy efficient systems adopted to reduce energy cost.
- ii). Use of Light Diesel Oil (LDO) in place of High Speed Diesel Oil to reduce energy cost.
- iii). Use of low cost fuel for hot water boilers.

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

Investment already made.

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 costs significantly.

Form – A

Form for Disclosure of particulars with respect to conservation of energy:

	2009-10	2008-09
A. Power and Fuel Consumption		
1. Electricity		
a) Purchased Units (KWH)	73,19,020	71,76,000
Total amount (Rs.)	3,10,61,228	4,07,44,787
Rate/Unit (Rs.)	4.24	4.23
b) Own Generation		
Through diesel generator (units)	12,67,954	28,22,865
Total Amount (Rs.)	142,02,245	2,69,59,089
Rate/Unit (Rs.)	11.20	9.55

2. Coal Quantity (tonnes)

NOT APPLICABLE

Total Cost (Rs.)

Average Rate (Rs.)

3. Husk

Quantity (tonnes)

3,183.759

3,276.600

Total cost (Rs.)

91,72,576

82,97,877

Average Rate (Rs.)

2,881.05

2,532.47

**4. HSD/LDO Consumption
for Boiler/Utilities**

Quantity (Ltrs)

75,485

46,208

Total Cost (Rs)

26,49,039

14,69,371

Average Rate (Rs.)

35.09

31.80

B. Consumption per unit of production

Production – Pasta & wheat
Products (MTS)

61,077

73,835

Electricity (KWH/Production)

141

135

Form – B

Form for Disclosure of particulars with respect to Technology Absorption, Research and Development (R&D)

- | | |
|---|---|
| 1. Specific areas in which R&D carried out by the Company | Scientific clinical trials conducted on functional food products in US FDA-approved laboratory. |
| 2. Benefits derived as a result of the R&D | New food products and functional foods would be launched shortly. |
| 3. Future plan of action | Further efforts would be made to continuously develop health related nutritional foods |

**Expenditure on R&D**

a) Capital	Nil
b) Recurring	Rs.13,58,114/-
c) Total R&D Expenditure as a percentage of total turnover	0.07%
d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action.	Not applicable

Technology Absorption, Adaptation and Innovation:

1. Efforts made towards Technology absorption, adoption and innovation	Technology absorbed
2. Benefits derived as a result of the above efforts, e.g., product improvements, cost reduction, import substitution, etc:	Indigenous spares developed for several imported parts / components
3. In case of imported technology (imported during the first 5 years reckoned from the beginning of the current financial period) following information may be furnished :	Not Applicable
a) Technology imported	
b) Year of import	
c) Has technology been fully absorbed	
d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action.	

Foreign Exchange Earnings and Outgo

1 Foreign Exchange Earned	Rs. 199.25 lakhs
2 Foreign Exchange Used	Rs. 197.52 lakhs

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

Place : Secunderabad

Date : 26.11.2010

M Kishan Rao
Chairman and Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

Operational and Financial Performance during the year:

The performance in respect of production, sales & financial parameters for the period 2009-10 in comparison to last year is as follows :

S.No.	Item	Year ended 30 Sept 2010	(Rs. in Lakhs) Year ended 30 Sept 2009
1	Production-MT	61,077.00	73,835.00
2	Sales – MT	61,221.00	73,127.00
3	Sales Turnover (Rs.Lakhs)	19,303.52	17,827.53
4	Profit Before interest, depreciation, tax & other adjustments	1,248.57	1,142.91
5	Net Profit / (Loss) after tax & other adjustments	162.52	37.42

Industrial Scenario and Development

The company's products fall under FMCG category. The company is engaged primarily in the manufacture of vermicelli, macaroni, spaghetti and other pasta products. Earlier, the consumption of pasta products was confined to urban population but now slowly with the rising literacy and income levels of rural population, the market for pasta products has expanded to smaller towns and hamlets as well. Also the awareness amongst the consumers for leading a healthy life also has led to the growth of this food sector. We at Bambino have intensified product promotion activities by highlighting nutritional values of pasta products. The company is shortly launching various pasta variants targeting both younger generation and also addressing health concerns of the consumers. India continues to be a high growth economy and a significant portion of this growth comes from FMCG sector particularly consumer product companies. For Bambino, it is imperative that we take cognizance of the changing consumer food habits and appropriately position ourselves to take full advantage of these changes. The company strives to build volumes and increase its market share by providing healthy food products that offer value to the consumers. The company also endeavors to build and maintain a robust distribution and supply chain to cater to our customers in urban, semi-urban and rural settings.

Opportunities and threats

Opportunities for further developing and expanding the business geographically to new markets exist, with the increasing awareness amongst the consumers to lead a healthy life. Pasta products have

high nutritional values and therefore have tremendous future for growth and aided by company's inherent brand strength, the company is poised for sustainable future growth.

The FMCG environment is highly competitive and the company needs to focus on brand building, product innovation and distribution to ensure survival. Advertisement, consumer offers, product promotion, product innovation, new product offerings are some of the methods to combat competition. With increasing competition and emergence of well informed, discerning consumers, Bambino will continue to focus on productivity, product innovation and product presentation. Bambino foresees several challenges such as rising input costs and cut throat competition from both organised and unorganised sector. There being no entry barriers in the food processing sector, new players can foray into this segment thereby leading to intensified competition. However, in spite of all these challenges, Bambino with its inherent brand strength, will withstand these aberrations and would further consolidate its leadership position in the pasta segment.

Risks and concerns

The rising cost of raw materials which depends on the vagaries of monsoon may create pressure on the margins.

Brand piracy which is rampant in India is another matter of concern which might shrink the company's volumes. However, appropriate infringement actions are being initiated against the pirates for countering brand piracy wherever such instances are reported.

Cautionary statement:

Statement in this "Management Discussion & Analysis" may be considered to be "forward looking statements" within the meaning of applicable securities laws or regulations. Actual results differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include Indian demand supply conditions, raw material availability and prices, agricultural yield, Government regulations besides other factors such as litigations and court cases.

CORPORATE GOVERNANCE REPORT

The Board of Directors supports the principles of Corporate Governance and accordingly implemented the same from the financial year 2002-03.

The philosophy of the company is to enhance the long-term economic value of the company and its shareholders at large by adopting better corporate practices in fair and transparent manner. The company places emphasis on integrity of internal control systems and accountability and total compliance with all statutory and/or regulatory requirements. The company is in the process of inducting one Independent Director to maintain the required balance of Independent and Non Independent Directors.

Composition of Board of Directors

Composition and category of Directors as on 30th September 2010.

Sl.No.	Name of the Director	Category
1	Mr.M.Kishan Rao	Promoter - Chairman and Managing Director*
2	Mr.M.Raghuveer	Promoter - Executive Director
3	Mr.M.Subramanyam	Promoter- Executive Director
4	Mr.P.Eshwar Das	Executive Director – Non Independent Director
5	Mr.Mansoor Yar Khan	Non-Executive & Independent Director
6	Mr.Rajender Pershad*	Non-Executive & Independent Director**
7	Mr.S Nageswara Rao**	Non-Executive & Independent Director***

*Note: *Appointed by the Board w.e.f. 26th November 2010*

*** Resigned from the Board w.e.f 23rd December 2009*

*** *Appointed by the Board w.e.f 29th September 2010*

During the period from 1st October 2009 to 30th September 2010, the Board of Directors met 11 times – on 12th November 2009, 14th November 2009, 30th January 2010, 15th February 2010, 27th March 2010, 26th April 2010, 13th May 2010, 28th July 2010, 29th July 2010, 12th August 2010 and 29th September 2010. The maximum time gap between any two meetings was not more than three calendar months.

Attendance record of Directors at Board Meetings and details of number of companies in which Directors hold memberships and directorships are as given below:

<i>Name of Director</i>	<i>Category</i>	<i>No. of Board Meetings Attended</i>	<i>Attendance in last AGM held on 23rd Dec - 09</i>	<i>Directions in other public Companies</i>	<i>No. of Memberships in other Committies</i>	<i>No. of Chairmanships on other Committies</i>
M Kishan Rao*	C/MD	1 (See Note below)	See Note below		-	--
M Raghuv eer	WTD	11	Yes	-	-	-
M Subramanyam	WTD	11	Yes	-	-	-
P Eshwar Das	ED/NID	11	Yes	-	-	-
Mansoor Yar Khan	NED/ID	7	Yes	-	-	-
Rajender Pershad**	NED/ID	See Note below	See Note below	-	-	-
S Nageswara Rao***	NED/ID	3 See Note below	See Note below	-	-	-

*Note: *Appointed by the Board w.e.f. 26th November 2010*

*** Resigned from the Board w.e.f 23rd December 2009*

*** *Appointed by the Board w.e.f 29th September 2010*

C – Chairman

WTD – Whole-Time Director

NID-Non Independent Director

ED—Executive Director

ID – Independent Director

MD- Managing Director

Committees of the Board

The Board has constituted various committees of Directors to take informed decisions and to oversee the activities falling within the purview of their terms of reference. The following are the committees of the Board:

(a) Audit Committee

The Audit Committee acts as a via media between the management, the statutory auditors and the Board of Directors. Mr S Nageswara Rao as Chairman heads it. Finance Head along with internal auditors and statutory auditors are invitees to the meetings. The Company Secretary acts as Secretary to the committee.

The brief description of terms of reference is as under:

Review with the management, statutory auditors and internal audit department, on the adequacy of internal audit control systems and ensure compliance of the same.

Undertaking periodical review of internal audit reports and discussing with the internal audit department on any significant findings and follow up thereon.

Oversee the company's financial reporting process and review the financial statements before submission to the Board.

Effective interaction with the statutory auditors from time to time and discuss before the audit commences on the nature and scope of audit as well as have a post audit discussion to ascertain any area of concern.

Considering any other matter, which the Board of Directors may refer to it.

During the year under review, 4 Audit Committee meetings were held on 26th November 2009, 30th January 2010, 13th May 2010 and 12th August 2010. The attendance of the members was as under:

Name of the Member	No of Meetings attended
Mr.S Nageswara Rao*	-
Mr.M.Raghuveer	4
Mr.Mansoor Yar Khan	3
Mr.Rajender Pershad**	1

*Note: * Appointed by the Board on 29th September 2010*

*** Resigned from the Board w.e.f 23rd December 2009*

(b) Compensation and Remuneration Committee:

The committee looks into matters relating to the remuneration structure of the Directors and senior employees of the company. The Board has reconstituted the committee and it now comprises of Mr S Nageswara Rao and Mr Mansoor Yar Khan. The committee has not met during the period under review. The Non Executive Directors and the Executive Directors who are not in receipt of managerial remuneration are paid a sitting fee of Rs 5000/- per meeting as revised by the Board of Directors at their meeting dated 26th November 2010.

Disclosures

The Company has disclosed the Related Party transactions with the key management personnel in Notes to Accounts. None of the transactions with any of the related parties were in conflict with the interests of the Company.

There has been no non-compliance by the Company of the regulations imposed by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last 3 years.

Investor Requests / Complaints for the period 01-10-09 to 30-09-10

S.NO	PARTICULARS	RECEIPT	RESOLVED	PENDING
1	Change/Correction of Address	61	61	0
2	Change/correction of Bank Mandate	0	0	0
3	Complaints from SEBI	0	0	0
4	Complaints from Stock Exchanges	0	0	0
5	Deletion of joint name due to death	4	4	0
6	Exchange of Share Certificates	52	52	0
7	Letter of Intimation of Bank Mandate	1	1	0
8	Loss of securities and request for issue of duplicate s/c	19	19	0
9	Non receipt of Annual Reports	7	7	0
10	Non receipt of dividend warrants	10	10	0
11	Non receipt of securities	4	4	0
12	Receipt of dividend warrants for revalidation	2	2	0
13	Receipt of I/B and affidavit for issue of duplicate securities	0	0	0
14	Registration of Power of Attorney	1	1	0
15	Request for consolidation / split of securities	0	0	0
16	Request for issue of duplicate dividend warrants	0	0	0
17	Request for stop of transfer of securities	0	0	0
18	Request for transmission	8	8	0
19	Request for transposition	0	0	0
	Total	169	169	0

The company received requests for transfer of 10050 equity shares, demat of 29840 equity shares and remat of 111 equity shares during the same period and these have been processed.

Disclosures:

The Company has not entered into any transaction of material nature with related parties viz., Promoters, Directors or the Management, their relatives, which were in conflict with the interests

of the company. Suitable disclosures as required by the Accounting Standard (AS 18) – related party transactions, have been made in the Annual Report.

There is no pecuniary relationship or transactions of non-executive directors’ vis-à-vis the Company that has potential conflict with the interests of the company at large.

General Body Meetings

a) Details of last three AGMs

The information about the last three general body meetings is given below:

<i>Financial Year</i>	<i>AGM</i>	<i>Venue</i>	<i>Time and Date</i>
2006-07	24th AGM	Zorastrian Club, Opp Anand Theatre, S P Road, Secunderabad-500 003	1:45 PM on 26th December 2007
2007-08	25th AGM	Zorastrian Club, Opp Anand Theatre, S P Road, Secunderabad-500 003	11:00 AM on 24th December 2008
2008-09	26th AGM	Zorastrian Club, Opp Anand Theatre, S P Road, Secunderabad-500 003	10:00 AM on 23rd December 2009

b) Special Resolutions passed through postal ballot system during the year and person who conducted the postal ballot exercise.

No special resolution was required to be put through postal ballot system last year.

c) Whether any special resolution proposed to be conducted through postal ballot.

Special resolution might be proposed to be conducted through postal ballot or e-voting in 2011

Means of Communication

Financial results of the Company (Quarterly, Half-yearly and Annual) have been approved by the Board and intimated to the Bombay Stock Exchange and are published in Business Standard and Andhra Prabha newspapers. The SEBI EDIFAR system has been discontinued with effect from 1st April 2010 vide SEBI Circular No: CIR/CFD/DCR/3/2010 dated 16th April, 2010.

General Shareholders’ Information:

1. Annual General Meeting :

Day and Date : 27th December 2010
 Time : 11.00 AM
 Venue : Zorastrian Club, Opp: Anand Theatre, S.P.Road, Sec’bad-3

Book Closure Dates : 21st December 2010 to 27th December 2010

Financial Calendar 2010-11 : (Tentative)

Financial reporting for the quarter ending :

December 31, 2010 : Last week of January 2011

March 31, 2011 : Last week of April 2011

Annual General Meeting for the year

ending March 31, 2011 : Last week of September, 2011

Listing of Shares :

The equity shares of the company are listed on the following stock exchange:

The Bombay Stock Exchange Ltd.

Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai – 400 001

Listing fee including for the year 2009-2010 has been paid to the above Stock Exchange.

Market Price Data:

The high and low prices of shares traded during each month of the last financial year from October 2009 to September 2010 as downloaded from BSE website are as under.

Month & Year	BSE (in Rs.)	
	High	Low
October 2009	39.30	27.60
November 2009	33.90	27.00
December 2009	43.85	28.60
January 2010	49.90	33.00
February 2010	45.85	35.00
March 2010	44.10	35.50
April 2010	54.90	36.95
May 2010	43.45	35.30
June 2010	41.90	36.30
July 2010	47.00	37.65
August 2010	45.00	37.90
September 2010	49.00	39.20

Distribution of Shareholding as on 30.09.2010

SI No	Category	Cases	% of Cases	Amount	% Amount
1	1 - 5000	11654	95.96	10368810.00	12.95
2	5001 - 10000	266	2.19	2146140.00	2.68
3	10001 - 20000	106	0.87	1598280.00	2.00
4	20001 - 30000	24	0.20	592590.00	0.74
5	30001 - 40000	19	0.16	675750.00	0.84
6	40001 - 50000	14	0.12	632750.00	0.79
7	50001 - 100000	28	0.23	1934130.00	2.41
8	100001 & ABOVE	34	0.28	62140010.00	77.59
	Total:	12145	100.00	80088460.00	100.00

Registrar & Share Transfer Agents :

The company has appointed Karvy Computershare Private Limited as the Registrar and Transfer Agents for both physical and electronic shares. The ISIN No. of the Company's shares is INE 921D01013. The address of the Registrar and Transfer Agent is as follows :

Karvy Computershare Private Limited

Karvy House, 46, Avenue 4, Street No.1

Banjara Hills

Hyderabad – 500 034

Tel.No.: (040) 23312454/23320751/752/251

e-mail: mailmanager@karvy.com

Shareholders are requested to address all correspondence such as for transfer, transmission, Electronic Clearing Service, Demat related queries etc., to the Registrar and Transfer Agent.

Share Transfer System :

Share Transfer requests received are processed within the prescribed time under the Companies Act, 1956, subject to the documents being in order not complete in all respects.

A committee of directors has been constituted to approve the transfer, transmission, issue duplicate share certificates and allied matters. The Company's Registrars, M/s.Karvy Computershare Pvt Ltd., have adequate infrastructure to process the above matters.



A predetermined process cycle at regular interval ensures transfer of share expeditiously and thereafter an option letter is sent to the transferees for dematerialization.

Secretarial Audit :

The Securities and Exchange Board of India (SEBI) vide its circular No. D & CC/FITTC/CIR – 16/2002 dated 31st December, 2002 has made it mandatory that a secretarial audit by a practicing Company Secretary be carried out to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital.

In keeping with the requirements of the SEBI and the Stock Exchanges, a secretarial audit by a Practising Company Secretary is being carried out to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The said audit confirms that the total issued/paid up capital tallies with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Address for correspondence:

Registered Office :

Bambino Agro Industries Limited
4E, Surya Towers, 104,
S.P.Road, Secunderabad – 500 003

Compliance Officer :

Shri C.Durga Prasad
Company Secretary
Email Id: durgaprasad@bambinoagro.com
Tel. No.: 040-44363322 Fax : 040-27816615

Plants Location :

- | | |
|---|---|
| a) Bibinagar, Bhongir Mandal
Nalgonda District
Andhra Pradesh | b) Begumpur Khatola Village
Gurgaon
Haryana |
|---|---|

CEO'S DECLARATION

I, M Kishan Rao, Chairman and Managing Director, do hereby declare that pursuant to the provisions of Clause 49 (I) (D) (ii) of the Listing Agreement, all the members of the Board and Senior Management Personnel of the Company have furnished affirmation of compliance with the Code of Conduct of the Company.

Place: Secunderabad

Date: 26th November 2010

M Kishan Rao

Chairman and Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Bambino Agro Industries Limited

We have examined the compliance of conditions of Corporate Governance by Bambino Agro Industries Limited for the period ended 30th September 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders / Investors Grievance Committee and the certificate of the Registrars of the Company.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For PRV ASSOCIATES

Chartered Accountants

F.R. No: 006447S

Place: Hyderabad

Date: 26 -11-2010

M.V.PURUSHOTTAMA RAO

PARTNER

Membership No : 7393



**PRV ASSOCIATES
CHARTERED ACCOUNTANTS**

3-6-203, Ground floor, Himayathnagar
Hyderabad-500029. Ph: 23227651, 23223289
Email:prv_associates@yahoo.co.in

AUDITORS' REPORT

TO

THE SHAREHOLDERS OF BAMBINO AGRO INDUSTRIES LIMITED.

1. We have audited the attached Balance Sheet of Bambino Agro Industries Limited, as at 30th September 2010 and the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion and report thereto.
3. As required by the Companies (Auditor's Report Order, 2003, issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the company, as we considered appropriate, we enclose in the annexure a statement on the matters specified in the said Order.
4. Further to our comments in Annexure referred to in Paragraph (3) above.
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, the Company has kept proper books of accounts as required by law so far as appears from our examination of such books.
 - c. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet and Profit and Loss Account comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of representations received from the Directors as on 30.09.2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 30.09.2010 from being appointed as Directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f. In our opinion, and to the best of our information and according to the explanations given to us, read with the accounting policies and Notes to the Accounts (Schedule W), the said accounts subject to note No.IV regarding change in accounting policy in respect of Inter Divisional Transfers. (effect on profits Nil), give the information required by the Companies Act, 1956 in the manner so required and give us a true and fair view in conformity with the accounting principles generally accepted in India.
 1. In case of Balance Sheet, of the state of affairs of the Company as at 30th September, 2010 and
 2. In the case of the Profit and Loss Account of the Company for the year ended on that date.
 3. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For PRV ASSOCIATES
Chartered Accountants
F.R. No: 006447S

Place: Hyderabad
Date: 26. 11.2010

M.V.PURUSHOTTAMA RAO
PARTNER
Membership No : 7393

**ANNEXURE TO THE AUDITORS' REPORT REFERRED TO
IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE**

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) A majority of the assets of the Company have been physically verified by the management during the year. There is a phased program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) During the year, the company has not disposed off substantial part of the Fixed Assets.
- ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanation given to us the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. In respect of stock of finished goods lying with C&FA, we have been informed that the Company has physically verified the stocks at regular intervals.
- c) In our opinion and according to the information and explanation given to us the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) Unsecured loans from Directors and others, is an amount of Rs.9,25,31,053/- (Previous year Rs.9,48,52,318/-) as at the balance sheet date and the terms and conditions of which are not prima facie prejudicial to the interest of the Company. No interest was paid on such loans.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposits as defined under sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance and Deposits Rules, 1975). In our opinion and according to the information and explanation given to us, based on the view taken by the Company, Unsecured Loans obtained from Directors and others, listed in the Registers maintained U/s.301 of Companies Act, 1956, do not fall within the purview of Section 58(A) of the Companies Act, 1956 and the Rules made there under.



- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) The Central Government has not prescribed maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 for the Company.
- ix) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
b) According to the information and explanations given to us, no undisputed amount payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at September 30, 2010 for a period of more than six months from the date they became payable.
c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- x) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xi) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xii) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiii) In our opinion, the terms and conditions on which the company has given guarantees for loans by others from banks or financial institutions are not prejudicial to the interest of the company.
- xiv) In our opinion, the term loans have been applied for the purpose for which they were raised.
- xv) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment and vice-versa.
- xvi) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xvii) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued debentures.
- xviii) The company has not raised money by way of public issues.
- xix) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For PRV ASSOCIATES
Chartered Accountants
F.R. No: 006447S

Place: Hyderabad
Date: 26. 11.2010

M.V.PURUSHOTTAMA RAO
PARTNER
Membership No : 7393

BALANCE SHEET AS AT 30th SEPTEMBER 2010

PARTICULARS	Schedule Reference	AS AT 30-Sep-10 AUDITED Rs.	AS AT 30-Sep-09 AUDITED Rs.
Source of Funds			
Share Holders Funds			
Share capital	A	80,088,460	80,088,460
Reserves and Surplus	B	195,675,314	176,423,414
Loan Funds			
Secured Loans	C	590,117,842	473,183,215
Unsecured Loans	D	104,417,654	104,719,419
Deferred Tax Liability (Net)		29,308,879	26,668,724
TOTAL		999,608,149	861,083,232
Application of Funds			
Fixed Assets			
Gross Block	E	640,447,059	622,588,520
Less: Depreciation		386,283,664	414,289,843
Net Block		254,163,395	208,298,677
Investments	F	19,549,000	19,549,000
Current Assets, Loans and Advances			
Inventories	G	529,444,426	404,142,941
Sundry Debtors	H	102,724,242	96,193,812
Cash and Bank Balances	I	87,154,895	73,047,971
Loans and Advances	J	54,106,673	69,188,790
		773,430,236	642,573,514
Current Liabilities and Provisions			
Current Liabilities	K	80,935,700	46,309,155
Provisions		7,845,911	9,488,530
		88,781,611	55,797,685
Net Current Assets		684,648,625	586,775,832
Deferred Revenue Expenditure (To the extent not written off)	L	41,247,129	46,459,724
TOTAL		999,608,149	861,083,232

As per our report of even date

for PRV Associates

Chartered Accountants, F.R. No: 0064475

M V Purushottama Rao, Partner

Membership No. 7393

Place : Secunderabad

Date : 26th November 2010

For and on behalf of the Board

M.Kishan Rao

Chairman and Managing Director

C.Durga Prasad
Company Secretary**M.Subramanyam**
Whole Time Director

PROFIT AND LOSS ACCOUNT FOR THE PERIOD 01.10.2009 TO 30.09.2010

PARTICULARS	Schedule Reference	YEAR ENDED 30-Sep-10 Rs.	YEAR ENDED 30-Sep-09 Rs.
Income			
Sales and Services	M	1,930,351,616	1,782,753,017
Other Income	N	23,019,790	25,673,625
Stock Increase/(Decrease)	O	71,287,095	7,757,461
		2,024,658,501	1,816,184,103
Expenditure			
Materials Consumption	P	1,445,049,047	1,311,952,776
Manufacturing Expenses	Q	75,877,736	85,193,078
Salaries & Wages	R	110,818,543	91,373,347
Administration Expenses	S	48,093,709	37,410,088
Selling Expenses	T	203,124,763	162,251,746
Finance Charges	U	84,270,049	75,181,425
Research & Development Expenses	V	1,358,114	--
Depreciation		15,726,056	28,935,083
Deferred Revenue Expenditure Written Off		15,479,367	13,712,494
		1,999,797,384	1,806,010,037
Profit / (Loss) Before Taxation		24,861,117	10,174,066
Tax Expenses:			
-Current Income Tax		(5,969,062)	(710,117)
-Fringe Benefit Tax		-	(311,718)
-Deferred Tax (Liability)/Asset		(2,640,155)	(5,409,897)
		16,251,900	3,742,334
Profit / (Loss) After Tax		16,251,900	3,742,334
Profit / (Loss) Brought Forward		52,952,292	49,209,958
		69,204,192	52,952,292
Appropriations			
Proposed Dividend		-	-
Transferred to General Reserve		-	-
Surplus/(Deficit) carried to Balance Sheet		69,204,192	52,952,292
		69,204,192	52,952,292
Significant Accounting Policies and Notes on Accounts	W		

As per our report of even date
for PRV Associates
Chartered Accountants, F.R. No: 0064475
M V Purushottama Rao, Partner

Membership No. 7393

Place : Secunderabad

Date : 26th November 2010

For and on behalf of the Board

M.Kishan Rao

Chairman and Managing Director

C.Durga Prasad
 Company Secretary

M.Subramanyam
 Whole Time Director

SCHEDULES FORMING PART OF THE BALANCE SHEET

PARTICULARS	AS AT 30-Sep-10 Rs.	AS AT 30-Sep-09 Rs.
SCHEDULE A: SHARE CAPITAL		
Authorised Capital		
1,55,00,000 Equity Shares of Rs.10/- Each	155,000,000	220,000,000
2,50,00,000 Preference Shares of Rs.10/- Each	250,000,000	--
	405,000,000	220,000,000
Issued Capital	62,520,670	62,520,670
Less: Shares Derated (4,08,757 shares of Rs.10/- each) from Promoters	4,087,570	4,087,570
Add: Issue of 22,47,736 Equity Shares of Rs.10/- Each to Promoters	22,477,360	22,477,360
Subscribed & Paid up Capital	80,910,460	80,910,460
80,91,046 Equity Shares of Rs.10/- Each		
Less: 82,200 Equity Shares forfeited	822,000	822,000
	80,088,460	80,088,460
SCHEDULE B: RESERVES AND SURPLUS		
Capital Reserve	50,420,900	50,420,900
Share Premium	42,760,500	42,760,500
Central Subsidy	3,750,000	750,000
General Reserve	29,334,222	29,334,222
Surplus in Profit & Loss Account	69,204,192	52,952,292
Add: Forfeited Equity Shares amount paid-up	205,500	205,500
	195,675,314	176,423,414
SCHEDULE C: SECURED LOANS		
Term Loans		
From Financial Institutions	137,702,000	112,724,672
From Others	71,668	192,904
Working Capital Loans		
From Banks	452,344,174	360,265,639
	590,117,842	473,183,215
SCHEDULE - D: UNSECURED LOANS		
From Directors	2,367,063	0
From Relatives	90,163,990	94,852,318
Security Deposits from Dealers	11,886,601	9,867,101
	104,417,654	104,719,419

SCHEDULE : E - FIXED ASSETS

Name of the Asset	GROSSBLOCK				DEPRECIATION				NET BLOCK	
	As at 30.09.09 (Rs.)	Additions During the Year (Rs.)	Deletions During the Year (Rs.)	As at 30.09.10 (Rs.)	Up To 30.09.09 (Rs.)	During The Year (Rs.)	Deletions During the Year (Rs.)	Up To 30.09.10 (Rs.)	As at 30.09.10 (Rs.)	As at 30.09.09 (Rs.)
LAND	7570998	-	-	7570998	-	-	-	-	7570998	7570998
BUILDINGS	92444105	585896	-	93030001	37712085	3094710	-	40806795	52223206	54732020
PLANT AND MACHINERY	494498930	56103145	36020767	514581308	354082099	11362832	36020767	329424164	185157144	40416831
VEHICLES	4762183	3986041	-	8748224	4209433	587169	-	4796602	3951622	552750
FURNITURE	6875738	34098	-	6909836	5788780	437224	-	6226004	683832	1086958
OFFICE EQUIPMENTS	4917543	543105	-	5460648	1748673	244121	-	1992794	3467854	3168870
COMPUTERS	11519022	338490	7711468	4146044	10748773	-	7711468	3037305	1108739	770249
TOTAL	622588519	61590775	43732235	640447059	414289843	15726056	43732235	386283664	254163395	208298676
PREVIOUS YEAR FIGURES	607304488	17088746	1804717	622588519	387159478	28935083	1804717	414289843	208298676	220145013

PARTICULARS	AS AT 30-Sep-10 Rs.	AS AT 30-Sep-09 Rs.
SCHEDULE F: INVESTMENTS		
19,54,900 0.05% 15 year Redeemable Preference Shares of Rs.10/- each in Spectrum Power Generation Limited fully paid up.	19,549,000	19,549,000
	<hr/> 19,549,000	<hr/> 19,549,000
SCHEDULE G: INVENTORIES (As valued and certified by management)		
Spares At Cost	12,176,655	13,055,532
Raw Materials At Cost	120,789,943	69,245,364
Packing Materials At Cost	38,687,463	36,063,690
Traded Goods At Cost	55,848,391	55,123,475
Finished Goods At cost or market price whichever is lower	301,941,974	230,654,879
	<hr/> 529,444,426	<hr/> 404,142,941
SCHEDULE H: SUNDRY DEBTORS (Unsecured, Considered Good)		
Debts outstanding for a period exceeding six months	1,167,933	1,124,275
Other Debts	101,556,309	95,069,537
	<hr/> 102,724,242	<hr/> 96,193,812
SCHEDULE I: CASH AND BANK BALANCES		
Cash on Hand	1,307,945	785,325
Balance in Current A/cs with Scheduled Banks	85,846,950	72,262,646
	<hr/> 87,154,895	<hr/> 73,047,971

PARTICULARS	AS AT 30-Sep-10 Rs.	AS AT 30-Sep-09 Rs.
SCHEDULE J: LOANS AND ADVANCES		
(Unsecured ,considered good unless otherwise stated)		
Advances Recoverable in Cash or Kind or for Value to be Received	23,413,182	42,072,110
Deposits	27,395,890	23,093,002
Tax deducted at source	3,297,601	4,023,678
	<u>54,106,673</u>	<u>69,188,790</u>
SCHEDULE K: CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors		956,900
- Micro and Small Scale Undertakings	1,358,173	28,682,158
- Other Creditors	40,596,922	15,523,826
Other Liabilities	37,775,323	1,146,271
Advances from Customers	1,205,281	
	<u>80,935,700</u>	<u>46,309,155</u>
Provisions		
Provision for Income tax	15,454	1,760,209
Provision for Retirement Benefits	7,830,457	7,728,321
	<u>7,845,911</u>	<u>9,488,530</u>
SCHEDULE L: DEFERRED REVENUE EXPENDITURE		
(To the extent not written off)		
Opening Balnace	(A) 46,459,724	32,573,615
Less : Transfer to P & L A/c	(B) 15,479,367	13,712,494
	C=(A-B) <u>30,980,357</u>	<u>18,861,121</u>
Add:		
Deferred Revenue Expenditure	(D) 10,266,772	27,598,602
	(C+D) <u>41,247,129</u>	<u>46,459,724</u>

BAMBINO AGRO INDUSTRIES LIMITED

PARTICULARS	Year ended 30-Sep-10 Rs.	Year ended 30-Sep-09 Rs.
SCHEDULE M : SALES AND SERVICES		
Sales	1,930,351,616	1,782,753,017
	<u>1,930,351,616</u>	<u>1,782,753,017</u>
SCHEDULE N : OTHER INCOME		
Interest	229,164	163,892
Sale of Scrap and Others	22,790,626	25,509,733
	<u>23,019,790</u>	<u>25,673,625</u>
SCHEDULE O: STOCK INCREASE / (DECREASE)		
Opening Stock	230,654,879	222,897,418
Closing Stock	301,941,974	230,654,879
Increase / (Decrease)	<u>71,287,095</u>	<u>7,757,461</u>
SCHEDULE P: MATERIALS CONSUMPTION		
Raw Materials	1,004,267,333	978,054,219
Packing Materials	118,629,413	93,255,519
Traded Goods	322,152,301	240,643,037
	<u>1,445,049,047</u>	<u>1,311,952,776</u>
SCHEDULE Q: MANUFACTURING EXPENSES		
Power and Fuel	57,409,405	56,840,390
Customs Duty	425,231	664,202
Lease Charges	2,159,955	2,460,000
Repairs to Buildings	1,266,866	4,215,399
Repairs to Machinery	12,654,713	19,148,625
Security Services	1,961,566	1,864,462
	<u>75,877,736</u>	<u>85,193,078</u>
SCHEDULE R: SALARIES AND WAGES		
Salaries and Wages	94,581,917	78,471,162
Staff Welfare Expenses	10,129,557	7,500,921
Contribution to :		
Provident Fund & others	5,182,333	4,563,137
E.S.I	924,737	838,128
	<u>110,818,543</u>	<u>91,373,347</u>

PARTICULARS	Year ended 30-Sep-10 Rs.	Year ended 30-Sep-09 Rs.
SCHEDULE S: ADMINISTRATION EXPENSES		
Rent	4,263,808	3,368,019
Rates and Taxes	2,402,195	1,589,260
Printing & Stationery	1,315,651	1,637,256
Postage and Telephone	2,988,692	2,627,523
Conveyance	13,717,817	11,921,896
Auditor's Remuneration		
Audit Fee	120,000	120,000
Tax Audit fee	40,000	40,000
Fee for other services	-	15,500
Insurance	2,229,684	2,164,860
Legal and Professional Charges	14,377,613	6,006,916
Other Expenses	6,638,249	7,918,858
	48,093,709	37,410,088
SCHEDULE T: SELLING EXPENSES		
Freight	99,237,880	93,744,528
Travelling Expenses	20,041,932	16,303,282
Advertisement	3,657,101	847,492
Discount and Damages	19,800,453	16,249,621
Commission	14,777,745	11,548,134
Sales Tax/Octroi	3,282,998	4,816,432
Sales Expenses & Trade Schemes	42,326,654	18,742,255
	203,124,763	162,251,744
SCHEDULE - U : FINANCE CHARGES		
Interest on Term Loans	14,929,250	10,110,055
Interest - Others	69,340,799	65,071,370
	84,270,049	75,181,425
SCHEDULE : V :RESEARCH & DEVELOPMENT EXPENSES		
Research & Development expenses	311,292	-
Salaries	896,244	-
Travelling expenses	4,794	-
Testing & Analysing charges	145,784	-
	1,358,114	-

SCHEDULE : W
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

- a) The accounts have been prepared to comply in all material aspects with applicable accounting principles, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.
- b) Lease Rentals and other expenses in respect of leased assets are treated as revenue expenditure.
- c) Sales include packing charges and are gross of commission to Selling Agents and discounts.
- d) Export sales are accounted on the basis of Bill of Lading.
- e) Export sales are recorded at the exchange rates prevailing as on the transaction date and adjusted for the exchange difference, if any, upon realization.

2. FIXED ASSETS

- a) All fixed assets are stated at cost of acquisition or construction less accumulated depreciation.
- b) In the case of imported machinery purchased out of foreign currency loan, the changes in liability arising due to exchange rate at the time of repayment of loan installment and due to realignment of loan in Indian Rupee have been adjusted in the cost of machinery.

3. DEPRECIATION

- a) Depreciation on fixed assets is charged on Straight Line method at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- b) Depreciation on additions to fixed assets has been calculated on pro-rata basis from the date of addition.

4. INVENTORIES

- a) Stores and Spares are valued at cost and are charged to revenue on the basis of issues.
- b) Raw material and packing materials are valued at cost.
- c) Finished goods are valued at Cost or Market price whichever is lower.
- d) Empties are valued at net realizable value.
- e) Obsolete/damaged and unserviceable stores & spares are Nil during the year (previous year Rs.Nil).

5. DEFERRED REVENUE EXPENDITURE

- a) Expenditure incurred on advertisement and other expenses for promotion of new products and recruitment of key personnel is amortized over a period of five years, having due regard to the nature of expenses and the benefit that may be derived there from. Expenditure on routine product advertisement and personnel recruitment is expensed off to profit & loss account in the year in which it is incurred.
- b) 1/10th of expenditure incurred on the issue of equity shares is written off. The balance is carried forward as deferred revenue expenditure subject to future write off.

6. RETIREMENT BENEFITS

- a) Provident fund contributions, a defined contribution scheme, are charged to the profit and loss account.
- b) Gratuity liability, a defined benefit scheme, is provided based on actuarial valuation and funded through the scheme administered by Life Insurance Corporation of India.
- c) Leave encashment benefit is provided on the un-utilized leave balances of the employees as at the end of the accounting year.

7. Prior period and extra-ordinary items

Prior period and extra-ordinary items and changes in accounting policies having material impact on the financial affairs of the company are disclosed.

8. Events occurring after the Balance Sheet date

Material events occurring after the date of Balance Sheet are taken into cognizance.

9. Taxes on Income

Current Tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred Tax is recognized, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets are recognized subject to the consideration of prudence. The tax rates and laws that have been enacted or substantively enacted as of the balance sheet date are applied.

10. NOTES TO ACCOUNTS
I. Share Capital

For non-payment of call-moneys 82,200 equity shares of Rs.10/- each were forfeited by the Board after due compliance of legal formalities and such shares have not been re issued so far.

II. Secured Loans

- All the term loans are secured by exclusive first charge by way of hypothecation of all movable assets both present & future and mortgage of immovable properties acquired from out of the respective loans .
- Working Capital loans from Banks viz., State Bank of India, Commercial Branch, Hyderabad & Indian Overseas Bank, Adarshnagar Branch, Hyderabad ,IDBI Chapel Road branch,Hyderabad are secured on pari passu basis by a first charge by way of hypothecation of all stocks of raw materials, packing materials, finished goods, stores & spares and book debts.
- Working Capital loans from State Bank of India are further secured by a second charge on the movable and immovable assets at Bibinagar and on plant and machinery at Gurgaon. Working Capital loans from State Bank of India, Indian Overseas Bank and IDBI, are further secured by a second charge on the movable & immovable assets of the Company on pari passu basis.
- Sri M.Kishan Rao, Sri M.Raghuveer and Sri M.Subramanyam have guaranteed all the above loans in their personal capacities.

III. Sundry Creditors

The names of small scale Industries to whom the company owes a sum exceeding Rs.1 Lakhs which is outstanding for more than 30 days as on the Balance sheet date, computed on a unit wise basis are: CLJ Plastics, Rasik poly Flexil private Limited, etc.

The above information and that given in Schedule "K" – Current liabilities regarding Small Scale Industrial Undertakings has been determined to the extent such parties have been identified on the basis of information available with the company.

IV. Contingent Liabilities

Contingent liability in respect of corporate guarantee furnished on behalf of a body corporate is Nil, since the guarantee is not Renewed. (Previous year Rs.6530.48 lacs)

(i) Others:

	30TH SEP, 2010	30TH SEP,2009
Letters of Credit	Rs. 53.53 lacs	Rs.25.01 lacs
Bank Guarantees	Rs.188.37 lacs	Rs.48.32 lacs

V. Expenditure in Foreign Currency

Travelling Expenses	Rs. 2.50 lacs	Rs.5.14 lacs
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VI. CIF Value of Imports

Capital equipment including Spares and components	Rs.195.02 lacs	Rs.89.41 lacs
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VII. Earnings in Foreign Currency

F O B Value of Exports	Rs.199.25 lacs	Rs.200.52 lacs
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VIII. Taxes

Provision for Income tax has been made for Rs.59,69,062 /-

I. Details of Auditors' Remuneration

	30th Sep 2010	30 th Sep 2009
Statutory Audit Fee	1,20,000	1,20,000
Tax Audit Fee	40,000	40,000
Fees for other Services	-	15,500
Service Tax	16,480	18,190
Total	1,76,480	1,93,690

II. Details of Managerial Remuneration

Executive Director (Marketing)

	30th Sep 2010	30 th Sep 2009
Salary & Perquisites	11,25,475	11,09,376
Contribution to Provident Fund	89,253	80,604
Total	12,14,728	11,89,980

III. Director's Sitting Fees

Other expenses includes Directors Sitting Fee of Rs.85,000/- (Previous year Rs.72,000/-)

IV. Deferred Tax

- a. The Company has adopted Accounting Standard 22 "Accounting for Taxes on Income" issued by the ICAI, with effect from 1st April 2001. The accumulated deferred tax liability amounting to Rs.2,93,08,879/- on account of timing differences between book and tax profits as of 1st April, 2001 has been adjusted against General Reserve and subsequent year's deferred tax adjustments were carried out in the respective Profit and Loss Accounts.
- b. During the current year the tax effect of the timing differences resulted in deferred tax liability of Rs. 26,40,155/- and the same has been shown in P&L Account.

V. Related Parties Disclosure

i) **Particulars of Subsidiary / Associates Companies**

NAME OF THE RELATED PARTY

ASSOCIATE COMPANIES

Seshasayi Foods Private Limited
 Ghanta Foods Private Limited
 KRS Finance Limited
 MLR Industries Pvt. Limited
 Revathi Tobacco Co. Private Limited

OTHER ASSOCIATES

M K Rao Family Trust
 Madhava Roller Flour Mills
 Marshal Transport Company

ii) Key Management Personnel

Sri.M. KISHAN RAO	Chairman and Managing Director
Sri.M. RAGHUVEER	Whole Time Director
Sri M. SUBRAMANYAM	Whole Time Director
Sri. P. ESWAR DAS	Executive Director (Marketing)

iii) Transactions with Associate Companies / Others

	Associate Companies Amt/Rs.	Associates Amt/Rs.
Purchase of goods		
Seshasayi Foods Pvt Ltd	258608494	
Ghanta Foods Pvt Ltd	100191102	
Sale of goods		
Seshasayi Foods Pvt Ltd	7923316	
Ghanta Foods Pvt Ltd	8394234	
Services availed from Associates		
Marshal Transport Company		66148300
Madhava Roller Flour Mills		187875
Services rendered to Associate Companies		
Seshasayi Foods Pvt Ltd	11445868	
Ghanta Foods Pvt Ltd	4367783	
Lease Rentals		
Seshasayi Foods Pvt Ltd	705600	
Ghanta Foods Pvt Ltd	775200	
MLR Industries Pvt Ltd	378000	
KRS Finance Pvt Ltd	292248	
Outstanding Balance included In Current Assets:		
Associate Company		
Ghanta Foods Pvt Ltd	56337597	
Other Associates:		
Marshal Transport Company	4449198	
Madhava Roller Flour Mills	5216399	
Outstanding Balance included In Current Liabilities:		
Associate Companies		
Seshasayi Foods Pvt Ltd	24004446	
KRS Finance Pvt Ltd	421164	
MLR Industries Pvt Ltd	25414949	

VI. Inter Divisional Transfers

There has been a change in the Accounting Policy 1 (C) with respect to accounting for transfers from Flour Mill Division to Pasta Division. Hitherto the Company has included the Inter Divisional Transfers in both Sales and Material Consumption. With effect from 1st April, 2010 the Company has discontinued this practice. As a result, the Sales and Raw material Consumption are less by Rs.1431.68 lakhs. However, this has no effect on the Profits of the company.

VII. Applicability of Accounting Standard - 17

The Company is engaged in Food Products, which as per AS 17 is considered the only reportable business segment. The geographical segmentation is not relevant as exports are insignificant.

VIII. Earnings Per Share

	2009-2010	2008-09
	Rs.	Rs
Profit after taxation as per Profit & Loss Account	1,62,51,900	37,42,334
Weighted Average number of Equity Share outstanding	80,08,846	80,08,846
Basic and diluted earnings per share in rupees (Face value – Rs. 10/- per share)	2.03	0.47

IX. Previous year's figures have been re-grouped / re-arranged wherever necessary to confirm to current year's classification.

X. Figures have been rounded off to the nearest rupee.

XI. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of Part – II of Schedule VI of the Companies Act , 1956.

	30-Sep-2010		30-Sep-2009	
	Qty MTS	Value Rs	Qty MTS	Value Rs.
Wheat and Pasta products				
Licensed Capacity P.A	NA		NA	
Installed Capacity P.A.	125460		125460	
Opening Stock	10435	23,06,54,879	9727	22,28,97,418
Production	61077		73835	
Turnover	61221	193,03,51,616	73127	178,27,53,017
Closing Stock	10291	30,19,41,974	10435	23,06,54,879

Consumption Details

	30-Sep-2010			30-Sep-2009		
	Qty MTS	Value Rs	%age	Qty MTS	Value Rs.	%age
Wheat and Wheat products	62573	100,42,67,333	-	73076	97,80,54,219	-
Packing Materials	-	11,86,29,413	-	-	9,32,55,519	-
Consumables & Spares						
a) Imported	-	12,27,639	15.13	-	15,00,188	42.58
b) Indigenous	-	68,87,193	84.87	-	20,22,776	57.42

As per our report of even date

for PRV Associates

Chartered Accountants, F.R. No: 0064475

M V Purushottama Rao, Partner

Membership No. 7393

Place : Secunderabad

Date : 26th November 2010

For and on behalf of the Board

M.Kishan Rao

Chairman and Managing Director

C.Durga Prasad
Company Secretary

M.Subramanyam
Whole Time Director

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET

PARTICULARS	Year Ended	Year Ended
	30.09.2010	30.09.2009
	Rs	Rs
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and after extra ordinary items	24,861,119	10,174,066
Increase in Capital Reserve	-	-
ADJUSTMENTS FOR :		
Add:		
Depreciation	15,726,056	28,935,083
Financial Expenses	84,270,049	75,181,425
(Profit)/Loss on sale of Fixed Assets, net	-	-
	<hr/>	<hr/>
Operating Profit before Working Capital Changes	124,857,224	114,290,574
ADJUSTMENTS FOR :		
(Increase) / Decrease in Inventories	(125,301,485)	(46,151,340)
(Increase) / Decrease in Trade & other Receivables	8,551,687	17,491,066
Increase / (Decrease) in Trade Payables	32,983,926	(7,960,785)
	<hr/>	<hr/>
Cash generated from Operations	41,091,352	77,669,515
Interest Paid	(84,270,049)	(75,181,425)
Direct Taxes Paid	(5,969,062)	(1,021,835)
Deferred Revenue Expenses	5,212,595	(13,886,109)
NET CASH FLOW FROM OPERATING ACTIVITIES	<hr/> (43,935,164)	<hr/> (12,419,853)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(61,590,775)	(17,088,746)
Proceeds on sale of Fixed Assets	-	-
NET CASH USED IN INVESTING ACTIVITIES	<hr/> (61,590,775)	<hr/> (17,088,746)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	-	-
Proceeds from Central Subsidy Received	3,000,000	
Proceeds from Long Term Borrowings	24,856,092	(26,935,204)
Proceeds from Short Term Borrowings	(301,765)	2,813,179
Increase / (Decrease) in Working Capital	92,078,535	78,021,818
NET CASH USED IN FINANCING ACTIVITIES	<hr/> 119,632,862	<hr/> 53,899,793
Net increase in cash and cash equivalents (A+B+C)	14,106,923	24,391,193
Cash and Cash Equivalents -opening balance	73,047,971	48,656,778
Cash and Cash Equivalents -closing balance	87,154,895	73,047,971

C.Durga Prasad
Company Secretary

For and on behalf of the Board

Place : Secunderabad
Date : 26th November 2010

M.Subramanyam
Whole Time Director

M.Kishan Rao
Chairman and Managing Director

AUDITOR'S CERTIFICATE

We have examined the cash flow statement of M/s Bambino Agro Industries Limited for the year ended on 30th September 2010. The statement has been prepared by the company in accordance with the requirements of clause 32 of the listing agreement with the Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the company by our report given to the Members of the Company.

For PRV ASSOCIATES
Chartered Accountants
F.R. No: 006447S

Place : Hyderabad
Date : 26th November 2010

M V Purushottama Rao
Partner
Membership No. 7393

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956

Balance sheet abstract and company's general business profile :

1. REGISTRATION DETAILS

Registration No.	:	4363
Status Code	:	01
Balance Sheet Date	:	30 th September 2010

2. CAPITAL RAISED DURING THE YEAR

Public Issue	Nil	Rights Issue	Nil
Private Placement	Nil	Bonus Issue	Nil

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities	999608	Total Assets	999608
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SOURCES OF FUNDS
APPLICATION OF FUNDS (Amount in Rs. Thousands)

Paid up Capital	80088	Net Fixed Assets	254163
Reserves and Surplus	195675	Investments	19549
Secured Loans	590117	Net Current Assets	684649
Unsecured Loans	104417	Misc Expenditure	41247
Deferred Tax Liability	29308	Profit & Loss Account	-

4. PERFORMANCE OF THE COMPANY (Amount in Rs. Thousands)

Turnover (Incl. other income)	1953371	Total Expenditure	1999797
Profit Before Tax	24861	Profit After Tax	16252
Earnings per share	2.03	Dividend (%)	NIL

5. GENERIC NAMES OF PRINCIPAL PRODUCTS OF COMPANY

Item Code No. (ITC Code)	Product Description
19021900	Vermicelli, Macaroni and Spaghetti etc.
11010000	Wheat Flour and Maida
11031101	Semolina