

**TWENTY NINTH
ANNUAL REPORT
2011 - 2012**



BAMBINO AGRO INDUSTRIES LIMITED

BOARD OF DIRECTORS

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

Vice President (Legal) & Company Secretary

Mr.C.Durga Prasad

REGISTERED OFFICE

'E' Block, 104, 4th Floor
Surya Towers,
S.P.Road, Secunderabad-500003
Tel: 040-44363322

ADMINISTRATIVE OFFICE

'F' Block, 104, 2nd Floor, Surya Towers
S.P.Road, Secunderabad - 500 003

MANUFACTURING FACILITIES AT :

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

DEPOSITORY REGISTRARS

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

AUDITORS

M/s. PRV Associates
Chartered Accountants
Hyderabad

BANKERS

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

Indian Overseas Bank
Adarshnagar Branch, Hyderabad.

IDBI Bank Limited.
Basheerbagh, Hyderabad

NO GIFTS
Will be Distributed at the AGM

TWENTY NINTH ANNUAL GENERAL MEETING

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

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NOTICE

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

Ordinary Business

1. To receive, consider and adopt the Profit & Loss Account for the period ended 30th September, 2012 and Balance Sheet as at 30th September 2012 together with Schedules and Annexures thereto and the Reports of the Directors' and Auditors' thereon.
2. To declare dividend, if any.
3. To appoint a Director in place of Mr.S.Venkataraman who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s.PR.V Associates, Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and authorize the Board to fix their remuneration.

Special Business

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED that pursuant to the provisions of Sections 269 and all other applicable provisions, if any, of the Companies Act, 1956, as amended from time to time or as re-enacted, Mr.M. Raghuvver be and is hereby reappointed as Whole Time Director of the Company without remuneration for a period of five years with effect from 1st December 2012.

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

Place : Secunderabad
Date : 15th November, 2012

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

NOTES :

1. MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD LODGED NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

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

2. The relative Explanatory Statements, pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business to be transacted at the Meeting is annexed hereto.
3. The Register of Members and share transfer books will remain closed from 22nd, December, 2012 to 28th, December, 2012 (both days inclusive).
4. Dividend if declared will be paid to those members whose name appears on the Register of Members as on 28th December 2012.
5. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their depository participants with whom they are maintaining their demat accounts, so as to enable the Company to dispatch dividend warrants to their correct address. Members holding shares in physical form are requested to notify/send any change in their address and bank account details to the Company/ Registrar & Share Transfer Agents, M/s. Karvy Computershare Private Limited (Karvy).
6. Members are requested to intimate the Company or Registrar, the details or clarifications, if any, required in relation to this Annual Report, atleast 7(Seven) days before the Meeting to enable the Management to keep the information ready at the Meeting.
7. As a measure of economy, Members/proxies are requested to bring their copies of Annual Reports to the Meeting and the attendance slip duly filled in for attending the Meeting. Copies of Annual Reports will not be provided at the Meeting.
8. The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in Corporate Governance by allowing paperless compliances by the Companies and has issued Circulars stating that service of notice / all documents including Annual Reports can be sent by e-mail to their Members. To support the 'Green Initiative' in the Corporate Governance and to contribute towards greener environment, we are sending all official documents to the email address provided by you with your depositories. We request you to register / update your e-mail addresses with Karvy, if shares are in physical mode or with your DP, if the holding is in electronic mode.
9. As per Section 255, 256 and other applicable provisions of the Companies Act, 1956, Mr. S. Venkatraman, Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment . The required information pertaining to the Directors on their appointment / re-appointment is furnished below :

10. Dr.S.Venkataraman

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

11. Mr. M .Raghuveer

His profile is mentioned in the explanatory statement to the notice and is not repeated here to avoid duplication.

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

Place : Secunderabad

Date : 15th November, 2012

C.Durga Prasad

Vice President- (Legal) & Company Secretary

ANNEXURE TO NOTICE DATED 15th NOVEMBER 2012

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

Item No. 5

Mr. Raghuveer aged 52 years, is a graduate in Commerce. He has more than three decades of experience in managing business. With intimate understanding of the food processing industry, he has been instrumental in steering the company to sustainable growth.

At the Annual General Meeting held on 26th December 2007, Mr. M. Raghuveer was appointed as Executive Chairman for a period of five years with effect from 1st December 2007 without remuneration. Later at the Annual General Meeting held on 27th December 2010 he was redesignated as Whole Time Director of the Company for the remaining period of his tenure. His term comes to end on 30th November 2012 and the Board of Directors recommend his reappointment as a Whole Time Director of the Company whose office shall not be liable to retire by rotation.

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

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

Your Directors recommend the resolution for your approval.

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

Place : Secunderabad

Date : 15th November, 2012

C.Durga Prasad

Vice President- (Legal) & Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

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

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

COMPANY PERFORMANCE AND BUSINESS OUTLOOK

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

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

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

DIVIDEND

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

DIRECTORS

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

AUDITORS

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

Compliance Report by a Practicing Cost Accountant

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

FIXED DEPOSITS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

Pursuant to the provisions of Clause 49 of the Listing Agreement, a report on Management Discussion

& Analysis is set out as an Annexure and forms part of this report.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy:

Disclosure of particulars with respect to conservation of energy required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of the Particulars in Report of Board of Directors) Rules, 1988 is given in Form 'A' forming part of this report. Technology Absorption:

Technology Absorption:

The details in Form 'B' as required Under Section 217(1)(e) of the Companies Act, 1956 read with relevant rules as amended from time to time from part of this report.

PARTICULARS OF EMPLOYEES

No employee of the company was in receipt of remuneration in excess of the sum prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and the Companies (Particulars of Employees) Amendment Rules, 2011 during the year 2011-12.

REPORT ON CORPORATE GOVERNANCE

Pursuant to the provisions of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, a report on the Corporate Governance, which inter alia, includes the composition and construction of Audit Committee, is featuring as a part of Annual Report. Your Company will continue to adhere in letter and spirit to the good corporate governance policies. Pursuant to the provision of Clause 49 (VII) (1) of the Listing Agreement, a certificate from the auditors of the Company on the compliance of the Clause is enclosed.

CEO'S DECLARATION

Pursuant to the provisions of Clause 49(I)(D)(ii) of the Listing Agreement, a declaration by the Chairman and Managing Director of the Company declaring that all the members of the Board and the Senior Personnel of the Company have affirmed compliance with the Code of Conduct of the Company is enclosed.

ACKNOWLEDGEMENT

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

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

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

Place: Secunderabad
Date: 15th November, 2012

M. Kishan Rao
Chairman and Managing Director

ANNEXURE TO DIRECTORS' REPORT

Additional information as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1998.

CONSERVATION OF ENERGY**A. Energy Conservation measures taken:**

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

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

Additional investments are being made to buy energy from cheaper source

C. Impact of measures at (A) and (B) above for reduction of energy consumption and consequent impact on the cost of production of goods.

The measures initiated have resulted in reduction of Hot Water generation cost and also energy cost significantly.

Form – A**Form for Disclosure of particulars with respect to conservation of energy:**

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

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

Form – B

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

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

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

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

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

3. Future plan of action

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

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

5. Technology Absorption, Adaptation and Innovation:

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

Foreign Exchange Earnings and Outgo

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

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

Place: Secunderabad
Date: 15th November, 2012

M. Kishan Rao
Chairman and Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

Operational and Financial Performance during the year:

The performance in respect of production, sales & financial parameters for the period 2011-12 in comparison to last year is as follows :

S.No.	Particulars	Year ended 30 Sept 2012	Year ended 30 th Sept 2011
			(Rs. In lakhs)
1	Production-MT	48,932	53,478
2	Sales – MT	47,648	54,317
3	Sales Turnover	22,480.78	20,408.94
4	Profit Before interest, depreciation, tax & other	1,795.01	1,577.93
5	Net Profit / (Loss) after tax & other adjustments	306.79	186.20

Industry Structure and Development

The Company is a public company domiciled in India and incorporated under the provisions of the Companies Act 1956. Its shares are listed on BSE. The Company is engaged in the manufacturing and selling vermicelli, macaroni and other pasta products under the reputed brand name "BAMBINO". The Company also sells the products of its associate companies engaged in the manufacture of pasta and instant mixes, spices, namkeens, sweet meats etc.,.

The domestic pasta industry in India is highly fragmented, with the organized segment accounting for about 28% of market share. It is estimated that the total installed capacity of domestic Pasta Industry is about 3,00,000 TPA, out of which organized sector accounts for about 85,000 TPA only. Industry reports indicate that the domestic industry will have to add further capacity to cater to any further increase in demand.

Competitive pricing, expansions, aggressive advertising campaigns and attractive packaging, offering new value added products are the strategies used by firms to gain market share.

Opportunities & threats:

In the last few years, there is a steep increase in per capita disposable income which has led to an increase in per-capita consumption expenditure on food. There has been a significant growth in the size of households in the middle to very rich segment. Increase in the youth population (age group 15-25) in the country and growing migration of population from rural to urban India also showcases huge potential still to be exploited and the industry is poised for a tremendous growth. Leveraging the company's brand image, the company has biggest opportunity in increasing the depth and width of the market by varied product offerings supported by aggressive marketing initiatives.

However, there being no entry barrier in the food processing sector, new players can foray into this segment thereby intensifying the competition leading to price wars and thereby affecting the realizations. The company's profitability also depends on vagaries of monsoon which can affect the availability and price of the raw materials. There is also threat of spurious / counterfeit products flooding the market, which can have negative impact on sales volumes of the genuine and reputed players in the market.

Future Outlook:

Your company's key thrusts for the current year would be to deliver profitable growth, effective cost reduction management, aggressively scale up the FMCG initiatives including brand building and maintain leadership position, introduce healthier life style products in the pasta range, new offerings that would meet nutrition, taste and health improvement factors. The company also seeks to enhance supply chain and sales distribution capabilities. Strong management and technical capabilities, good financial flexibility, experience of the group of about 3 decades in manufacturing and marketing the pasta products, all these initiatives are expected to provide sustainable growth by establishing the company as the leading FMCG player in the pasta and other food segments.

Risks & concerns:

The major risks faced by our company continue to be volatile and inflationary commodity environment, intensified competition from both organized and unorganized sector, infringement of the brand from unscrupulous manufacturers which may affect the profitability.

Internal control systems & their adequacy:

The company has adequate Management Information System and Internal control system commensurate with its size and volume of business.

The duties and responsibilities are clearly defined and well set at all managerial positions in the organization. Regular internal audit and check system ensures that the responsibilities are executed effectively add that the Management Information System (MIS) aids in the control mechanism.

Human relations / Industrial relations:

The company has been providing extensive training to its sales team to improve its product knowledge and selling skills. The employees are motivated by creating employee friendly working environment and attractive compensation management. The relation with workers and employees remained cordial during the year under review.

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

Composition of Board of Directors

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.

Composition and category of Directors as on 30th September 2012

S.No.	Name of the Director	Category
1	Mr.M.Kishan Rao	Promoter-Chairman & Managing Director
2	Mr.M.Raghuveer	Promoter-Whole Time Director
3	Mr.M.Subramanyam	Promoter- Whole Time Director
4	Mr.P.Easwara Das	Executive Director – Non Independent Director
5	Mr.Mansoor Yar Khan	Non-Executive Director & Independent Director
6	Mr.S.Nageswara Rao	Non-Executive Director & Independent Director
7	Dr.S.Venkataraman	Non-Executive Director & Independent Director

During the period from 1st October 2011 to 30th September 2012, the Board of Directors met 4 times on, 21.11.2011, 13.02.2012, 12.05.2012 and 11.08.2012. The maximum time gap between any two meetings was not more than three calendar months.

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

Name of Director	Category	No.of Board Meetings Attended	Attendance in last AGM held on 29 th Dec 2011	Directorships in other Public Companies	No.of Memberships in other Committees	No. of Chairmanships in other Committees
M Kishan Rao	CMD	4	Y	-	-	-
M Raghuveer	WTD	4	Y	-	-	-
M Subramanyam	WTD	4	Y	-	-	-
Mansoor Yar Khan	NED/ID	4	Y	-	-	-
P Easwara Das	ED/NID	4	Y	-	-	-
S Nageswara Rao	NED/ID	4	Y	-	-	-
S Venkataraman	NED/ID	4	Y	-	-	-

CMD – Chairman & Managing Director

WTD – Whole-Time Director

E.D - Executive Director

ID - Independent Director

NED - Non Executive 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:

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 the Committee The 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 1st October 2011 to 30th September 2012, the Board of Directors met 4 times on 05.10.2011, 24.11.2011, 14.02.2012, 12.05.2012 and 11.08.2012.. The attendance of the members was as under:

Name of the Member	No. of Meetings attended
Mr. M.Kishan Rao	4
Mr. M Raghuv eer	4
Mr. S.Nageswara Rao	4
Mr. Mansoor Yar Khan	4
Dr. S.Venkataraman	4

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 constituted remuneration committee comprising of Mr.Mansoor Yar Khan Mr.S.Nageswara Rao and Dr S.Venkataraman. The committee did not meet during the year. Directors are paid sitting fee at the rate of Rs.5000/- per attending each Board/ Committee meetings.

Disclosures

The Company had 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.

BAMBINO AGRO INDUSTRIES LIMITED

Investor Requests / Complaints for the period 1st October 2011 to 30th September 2012.

S.No.	PARTICULARS	RECEIVED	RESOLVED	PENDING
1	Complaints from SEBI	0	0	0
2	Complaints from Stock Exchanges	0	0	0
3	Non-receipt of Annual Reports	5	5	0
4	Query for payment of dividend	3	3	0
5	Non-receipt of securities	13	13	0
6	Non-receipt of duplicate/transmission/ deletion of share certificates	0	0	0
7	Non-receipt of securities after transfer	0	0	0
	TOTAL	21	21	0

The company received requests for transfer of 9756 equity shares, demat of 5015629 equity shares and remat of 33 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 :

Financial Year	AGM	Venue	Time & Date of AGM
2008-09	26 th AGM	Zorastrian Club, Opp: Anand Theatre, S.P.Road Secunderabad	11:00 AM on 23 th December 2009
2009-10	27 th AGM	Zorastrian Club, Opp: Anand Theatre, S.P.Road Secunderabad	10:00 AM on 27 th December 2010
2010-11	28 th AGM	Zorastrian Club, Opp: Anand Theatre, S.P.Road Secunderabad	11:15 AM on 29 th December 2011

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

Two special resolutions were passed by postal ballot vide notice dt.14.02.2011. The postal ballot process was conducted by Mr. P. Venkata Narayana, Practising Company Secretary who was appointed as scrutinizer.

▲ ANNUAL REPORT 2011 - 2012

The first resolution was for amendment to the Objects clause of the Memorandum of Association enabling the company to engage in the business of power generation and information technology. The second resolution was for authorising the company to commence the business of power generation and information technology.

674 ballot papers were received constituting 5527460 equity shares of Rs.10/- each. 599 votes were cast in favour of first resolution constituting 5480623 equity shares of Rs.10/- each and 37 were cast against the resolution constituting 43385 equity shares of Rs. 10/- each. 573 votes were cast in favour of the second resolution constituting 5478912 equity shares of Rs.10/- each and 37 were cast against the resolution constituting 43385 equity shares of Rs. 10/- each. The resolutions were passed by the shareholders with requisite majority.

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

No special resolution is proposed to be conducted through postal ballot system.

Means of Communication

Financial results of the Company (Quarterly, half-yearly and Annual) have been approved by the Board and intimated to the Stock Exchanges and are published in Business Standard and Surya.

General Shareholders' Information:

A. Day and Date : 28 December 2012
Time : 9.45 AM
Venue : Zoroastrian Club, Beside Yatri Niwas S.P.Road, Sec'bad-3

B. Book Closure Dates : 22 Dec 2012 to 28th Dec 2012

C. Financial Calendar for the Accounting year 2012-13

Financials for the quarter ending :

December 31, 2012 : Within 45 days from the end of quarter
March 31, 2013 : Within 45 days from the end of quarter
June 30, 2013 : Within 45 days from the end of quarter
30th September 2013 : Last week of November 2013

D. 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 2012-13 has been paid to the above Stock Exchange.

E. Stock Code

(a) Trading Symbol : BAL
(b) Demat ISIN number in NSDL & CDSL : INE921D01013
(c) Scrip ID : 519295

F. Electronic Connectivity

National Securities Depository Limited : Central Depository Services (India) Limited
Trade World, Kamala Mills Compound : Phiroze Jeejeebhoy Towers, 28th Floor
Senapati Bapat Marg, Lower Parel : Dalal Street, Mumbai-400 023
Mumbai- 400 013

BAMBINO AGRO INDUSTRIES LIMITED**G. Market Price Data :**

The high and low prices of shares traded during each month of the last accounting year 2011-12 as downloaded from BSE website are as under.

Month & Year	BSE (in Rs.)	
	High	Low
October 2011	30.65	26
November 2011	33.3	27
December 2011	31.6	25
January 2012	28.75	25.1
February 2012	30.8	25.55
March 2012	28.95	24
April 2012	30.15	24.85
May 2012	28.45	24.05
June 2012	28.75	24
July 2012	28.35	25.3
August 2012	27.75	24.45
September 2012	34.05	23.95

H. Distribution of Shareholding as on 30th September 2012.

S.No	Category	Cases	% of Cases	Amount	% Amount
1	upto 1 - 5000	11766	96.17	10105960.00	12.62
2	5001 - 10000	253	2.07	2017140.00	2.52
3	10001 - 20000	108	0.88	1622550.00	2.03
4	20001 - 30000	25	0.20	630380.00	0.79
5	30001 - 40000	16	0.13	548890.00	0.69
6	40001 - 50000	10	0.08	456740.00	0.57
7	50001 - 100000	26	0.21	1770360.00	2.21
8	100001 & ABOVE	30	0.25	62936440.00	78.58
	Total	12234	100.00	80088460.00	100.00

I. Shareholding Pattern as on 30th September 2012

BAMBINO AGRO INDUSTRIES LIMITED				
S.No	Description	Cases	Shares	% Equity
1	BANKS	1	100	0.00
2	CLEARING MEMBERS	10	3407	0.04
3	DIRECTORS AND THEIR RELATIVES	13	217376	2.71
4	H U F	52	21705	0.27
5	INDIAN MUTUAL FUNDS	2	5204	0.06
6	BODIES CORPORATES	90	69469	0.87
7	NON RESIDENT INDIANS	47	94942	1.19
8	PROMOTERS BODIES CORPORATE	1	118844	1.48
9	COMPANY PROMOTERS	8	5615764	70.12
10	RESIDENT INDIVIDUALS	12010	1862035	23.25
	Total:	12234	8008846	100.00

J. 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

Plot No.17 to 24, Vithal Rao Nagar, Madhapur, Hyderabad - 500 081.

Tel.No.: (040) 44655000, e-mail: einward.ris@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.

K. 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 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 dematerialisation.

L. Reconciliation of Share Capital Audit:

The Securities and Exchange Board of India (SEBI) vide its circular No.D & CC/FITTC/CIR-16/2002 dated 31st December, 2002 has been made it mandatory that a secretarial audit by a practising 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.

Dematerialisation of shares

As on 30th September 2012, shares were dematerialized which constitute 83.46 % of the paid up capital.

The particulars of dematerialisation are as follows:

S.No.	Category	No. of Cases	Total No of Shares	% to Equity
1	Physical	8172	1324821	16.54
2	NSDL	2589	6461094	80.67
3	CDSL	1473	222931	2.78
	TOTAL	12234	8008846	100.00

M. Address for Investor Correspondence

Sri C Durga Prasad
Vice President - (Legal) & Company Secretary
Bambino Agro Industries Limited
Tel No: 040 44363322,
Fax: 040 2781 6615
4E, Surya Towers, 104,
S.P.Road, Secunderabad – 500 003
Email ID: durgaprasad@bambinoagro.com

N Plants Location :

- | | |
|--|---|
| a) Bibinagar, Bhongir Mandal
Nalgonda District A.P. | b) Begumpur Khatola Village
Gurgaon, Haryana |
|--|---|

CEO'S DECLARATION

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 : 15-11-2012

M. Kishan Rao
Chairman and Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
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 2012, 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 : 15th November 2012

M.V.PURUSHOTTAMA RAO
PARTNER
Membership No : 7393

**PRV ASSOCIATES
CHARTERED ACCOUNTANTS**

3-6-203, GROUND FLOOR, HIMAYATNAGAR
HYDERABAD-500029; Ph: 23227651, 23223289
Email:prv_associates@yahoo.co.in

AUDITORS' REPORT

We have audited the accompanying financial statements of Bambino Agro Industries Limited (the company), which comprise the Balance Sheet as at 30th September 2012, and the statement of profit and loss and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including accounting standard referred to in sub section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedure selected depends on the auditors' judgement, including the assessment of risks of material misstatements of financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and also the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of financial statements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India;

- a. In case of Balance Sheet of the state of affairs of the company as at 30th September 2012
- b. In case of statement of Profit & Loss, of the profit or loss for the year ended as on that date, and
- c. In case of cash flow statement, of the cash flow for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4& 5 of the Order.
2. As required by section 227 (3) of the Act, we report that
 - 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, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit & Loss and Cash flow statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash flow statement comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act.
 - e. On the basis of representations received from the Directors as on 30.09.2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 30.09.2012 from being appointed as Directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

Place: Hyderabad
Date :15th November 2012

**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 procedure 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 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 8,29,97,751/- (Previous year Rs8,71,30,416/-) 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 the 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.

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- 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, employees 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, 2012 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 (Auditors 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 (Auditors 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**

**M.V.PURUSHOTTAMA RAO
PARTNER
Membership No : 7393**

Place: Hyderabad
Date :15th November 2012

BAMBINO AGRO INDUSTRIES LIMITED

BALANCE SHEET AS AT 30th SEPTEMBER 2012

(Amount in Rs.)

PARTICULARS	NOTES No.	As at 30 - Sep - 2012		As at 30 - Sep - 2011	
I EQUITY AND LIABILITIES					
Shareholders' funds					
Share Capital	2	80,088,460		80,088,460	
Reserves and Surplus	3	231,011,891	311,100,351	214,295,485	294,383,945
Non-Current Liabilities					
Long-term borrowings	4	252,168,387		183,112,742	
Deferred tax liabilities (Net)	5	21,245,973		25,293,763	
Other Long term liabilities	6	22,269,101		15,074,601	
Long-term provisions	7	4,855,804	300,539,265	7,504,257	230,985,363
Current Liabilities					
Short-term borrowings	8	377,272,493		340,809,614	
Trade Payables	9	102,464,455		89,683,796	
Other current Liabilities	10	89,289,504		74,514,214	
Short-term provisions	11	37,935,404	606,961,857	19,111,367	524,118,991
TOTAL			<u>1,218,601,473</u>	<u>1,049,488,299</u>	
II ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	12	364,488,692		301,473,893	
Intangible Assets		-		-	
Capital Work-in-Progress	13	4,373,171		708,681	
Non-current investments	14	19,549,000		19,549,000	
Long term loans and advances	15	-		-	
Other non-current assets	16	14,401,982	402,812,845	28,695,864	350,427,438
Current Assets					
Current Investments		-		-	
Inventories	17	590,973,157		495,106,878	
Trade receivables	18	100,804,318		63,314,173	
Cash and cash equivalents	19	55,589,138		40,003,539	
Short-term loans and advances	20	52,041,815		97,317,792	
Other Current Assets	21	16,380,200	815,788,628	3,318,479	699,060,861
TOTAL			<u>1,218,601,473</u>	<u>1,049,488,299</u>	

**As per Our report of even date
for PRV Associates**

Chartered Accountants, F.R.No. 006447S

**M V Purushottama Rao, Partner
MEMBERSHIP NO. 7393**

Place : Secunderabad
Date : 15th November, 2012

C. DURGA PRASAD
Vice President (Legal) &
Company Secretary

for and on behalf of the Board

M. KISHAN RAO
Chairman and Managing Director

M. SUBRAMANYAM
Whole Time Director

PROFIT & LOSS ACCOUNT FOR THE PERIOD 01-10-2011 TO 30-09-2012

(Amount in Rs.)

PARTICULARS	NOTES No.	Year ended 30 - Sep-2012	Year ended 30 - Sep-2011
REVENUE			
Revenue from Operations	22	2,248,078,375	2,040,894,414
Other Operating Income	23	-	-
TOTAL REVENUE		<u>2,248,078,375</u>	<u>2,040,894,414</u>
EXPENSES			
Cost of Materials consumed	25	982,922,940	974,686,047
Purchase of Stock-in-Trade		534,255,626	388,851,470
Changes in Inventories of Finished Goods, Work in Progress	24	-45,788,034	25,342,858
Other manufacturing expenses	26	21,574,704	12,148,419
Employee benefits expenses	27	179,560,034	144,452,336
Finance Costs	29	105,091,596	96,910,847
Depreciation and Amortisation expenses	12 & 13	32,859,761	33,251,523
Other expenses	28 a & b	396,051,673	337,620,591
TOTAL EXPENSES		<u>2,206,528,298</u>	<u>2,013,264,091</u>
Profit before exceptional and extraordinary items and tax		41,550,077	27,630,323
Exceptional Items		-	-
Profit before extraordinary items and Tax		41,550,077	27,630,323
Extraordinary items		(3,151,070)	-
Profit Before Tax		<u>38,399,007</u>	<u>27,630,323</u>
Tax Expense			
- Current Tax		(11,768,272)	(13,025,268)
- Deferred Tax Charge/Credit		4,047,790	4,015,116
- Sub Total - Tax Expense		<u>(7,720,482)</u>	<u>(9,010,152)</u>
Profit for the peirod after tax		<u>30,678,525</u>	<u>18,620,171</u>
Basic Earnings Per Share of Rs.10/- each (In Rupees)	32	3.83	2.32
Diluted Earnings Per Share of Rs.10/- each(In Rupees)	32	3.83	2.32
Notes to Accounts & Significant Accounting policies			
The Notes No 1 to 33 are integrated part of these Financial Statements			

**As per Our report of even date
for PRV Associates**

Chartered Accountants, F.R.No. 006447S

**M V Purushottama Rao, Partner
MEMBERSHIP NO. 7393**

Place : Secunderabad
Date : 15th November, 2012

C. DURGA PRASAD
Vice President (Legal) &
Company Secretary

for and on behalf of the Board

M. KISHAN RAO
Chairman and Managing Director

M. SUBRAMANYAM
Whole Time Director

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET

Particulars	Year Ended 30-09-2012	Year Ended 30-09-2011
	Rs.	Rs.
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and after extra ordinary items	41,550,077	27,630,323
ADJUSTMENTS FOR:		
Add : Depreciation	32,859,761	33,251,523
Financial Expenses	105,091,596	97,355,131
Operating Profit before Working Capital Changes	179,501,434	158,236,977
ADJUSTMENTS FOR:		
(Increase) / Decrease in Inventories	(95,866,279)	34,337,548
(Increase) / Decrease in Trade & other Receivables	(5,406,757)	32,090,738
Increase / (Decrease) in Trade Payables & Others	46,379,986	7,004,341
Cash generated from Operations	124,608,384	231,669,604
Financial Expenses	(105,091,596)	(97,355,131)
Direct Taxes Paid	(14,919,342)	(13,025,268)
Dividend paid	(13,962,119)	-
Dividend equalisation reserve	(1,533,926)	-
Deferred Revenue Expenses	14,424,751	13,163,680
NET CASH FLOW FROM OPERATING ACTIVITIES	3,526,152	134,452,885
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(99,539,051)	(81,270,700)
Proceeds on sale of Fixed Assets	0	0
NET CASH USED IN INVESTING ACTIVITIES	(99,539,051)	(81,270,700)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	0	0
Proceeds from Increase in Capital Reserve	0	0
Proceeds from Central Subsidy Received	0	0
Proceeds from General Reserve Received	1,533,926	0
Proceeds from Long Term Borrowings	73,601,691	(120,380,241)
Proceeds from Short Term Borrowings	38,000,000	5,442,075
Increase / (Decrease) in Working Capital	(1,537,121)	14,604,628
NET CASH USED IN FINANCING ACTIVITIES	111,598,496	(100,333,538)
Net increase in cash and cash equivalents (A+B+C)	15,585,597	(47,151,351)
Cash and Cash Equivalents -opening balance	40,003,541	87,154,895
Cash and Cash Equivalents -closing balance	55,589,138	40,003,541

for and on behalf of the Board

M. KISHAN RAO

Chairman and Managing Director

M. SUBRAMANYAM

Whole Time Director

Place : Secunderabad
Date : 15th November, 2012**C. DURGA PRASAD**
Vice President (Legal) &
Company Secretary

AUDITOR'S CERTIFICATE

We have examined the cash flow statement of M/s Bambino Agro Industries Limited for the year ended on 30th September 2012. 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: 15.11.2012

**M.V.PURUSHOTTAMA RAO
Partner
MEMBERSHIP NO. 7393**

NOTES TO THE ACCOUNTS

(Amount in Rs.)

Particulars	As at 30 - Sep - 2012	As at 30 - Sep - 2011		
2. SHARE CAPITAL				
Authorised				
1,55,00,000 Equity Shares of Rs.10/- Each	155,000,000	155,000,000		
2,50,00,000 Preference Shares of Rs.10/- Each	250,000,000	250,000,000		
	<u>405,000,000</u>	<u>405,000,000</u>		
A reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period				
I) No of shares outstanding at the beginning of the period	8,008,846	8,008,846		
II) No of shares issued during the period	--	--		
III) No of shares brought back/forfeited during the period	--	--		
IV) No of shares outstanding at the end of the period	8,008,846	8,008,846		
Details of shares held by each shareholder holding more than 5%				
Equity shares of Rs.10/- each fully paid up.				
Name of the Shareholder	No.of Shares	% of Holding	No.of Shares	% of Holding
M. Kishan Rao	1,875,590	23.42	1,865,396	23.29
M. Raghuv eer	1,486,542	18.56	1,486,542	18.56
M. Subramanyam	1,509,034	18.84	1,509,034	18.84
M. Kishan Rao(HUF)	439,076	5.48	439,076	5.48
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	22,477,360		22,477,360	
Subscribed & Paid up Capital				
80,91,046 Equity Shares of Rs.10/- each	80,910,460		80,910,460	
Less: 82,200 Equity Shares forfeited	822,000		822,000	
	<u>80,088,460</u>		<u>80,088,460</u>	
Particulars	As at 30-09-2011	Additions/ created during the year	Deductions during the year	As at 30-09-2012
3. RESERVES AND SURPLUS				
Capital Reserve on Amalgamation	50,420,900	-	-	50,420,900
Capital Reserve on Shares Forfeited	205,500			205,500
Securities Premium Reserve	42,760,500	-	-	42,760,500
Central Subsidy	3,750,000			3,750,000
General Reserve	29,334,222	1,533,926	-	30,868,148
Surplus as per Profit & Loss Account(1)	87,824,363	15,182,480	-	103,006,843
	214,295,485	16,716,406	-	231,011,891

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		(Amount in Rs.)	
Notes :		Sep. 2012	Sep. 2011
(1) Profit for the Period		30,678,525	18,620,171
<u>Less:</u> Dividend on Equity Shares @15%	12,013,269	-	-
- Tax on Distributed Profits on Equity Shares	1,948,850	-	-
- Transfer to General Reserve	<u>1,533,926</u>	<u>15,496,045</u>	-
		<u>15,182,480</u>	<u>18,620,171</u>
Particulars		As at 30 - Sep - 2012	As at 30 - Sep - 2011
NON-CURRENT LIABILITIES			
4 LONG-TERM BORROWINGS			
Secured			
A. Loans From Banks			
Term Loans			
Indian Overseas Bank Ltd Term Loans		68,320,636	19,405,947
First Charge on the Assets Procured from out of the Term Loans			
IDBI Term Loan		15,000,000	22,200,000
First Charge on the Fixed Assets of the Co. situated at Gurgaon			
APSFC Working Capital Term Loans		85,850,000	46,650,000
First Charge on the Fixed Assets of the Co. situated at Gurgaon to the extent of Rs.5.33 Crores			
Total		<u>169,170,636</u>	<u>88,255,947</u>
B Loans From Others			
- Term Loans			
		-	-
Unsecured			
- Directors			
		77,150,301	86,093,004
- Others			
		<u>5,847,450</u>	<u>8,763,791</u>
		<u>252,168,387</u>	<u>183,112,742</u>
5 DEFERRED TAX LIABILITY			
Deferred Tax Liabilities			
		28,009,184	32,935,935
Deferred Tax Assets			
		<u>6,763,211</u>	<u>7,642,172</u>
Deferred Tax Liabilities (Net)			
		<u>21,245,973</u>	<u>25,293,763</u>
6 OTHER LONG-TERM LIABILITIES			
Other Liabilities			
		<u>22,269,101</u>	<u>15,074,601</u>
		<u>22,269,101</u>	<u>15,074,601</u>
7 LONG TERM PROVISIONS			
Employee Benefits			
		4,855,804	7,504,257
Premium on Redemption of FCCB'S			
		-	-
Provision on MTM (assuming long term)			
		-	-
		<u>4,855,804</u>	<u>7,504,257</u>

BAMBINO AGRO INDUSTRIES LIMITED

(Amount in Rs.)		
Particulars	As at 30 - Sep - 2012	As at 30 - Sep - 2011
CURRENT LIABILITIES		
8 SHORT TERM BORROWINGS		
Secured		
Term loans from Banks		
Indian Overseas Bank - Term Loan (exclusive charge on the raw materials procured from the term loan)	38,000,000	-
Working Capital-loans repayable on demand		
State Bank of India - Cash Credit	7,147,598	178,617,684
- Foreign Currency Non Rupee Bank Demand Loan	176,861,575	-
Pari Passu First Charge on the Current Assets and Pari Passu Second Charge on the Fixed Assets of the Co.		
Indian Overseas Bank - Cash Credit	96,963,499	101,790,639
Pari Passu First Charge on the Current Assets and Pari Passu Second Charge on the Fixed Assets of the Co.		
IDBI Bank Ltd - Cash Credit	<u>58,299,821</u>	<u>60,401,291</u>
Pari Passu First Charge on the Current Assets and Pari Passu Second Charge on the Fixed Assets of the Co.	339,272,493	340,809,614
Total	<u>377,272,493</u>	<u>340,809,614</u>
Unsecured		
9 TRADE PAYABLES		
Trade payables	34,275,402	89,683,796
Due to Related parties	68,189,052	-
Others	-	-
	<u>102,464,454</u>	<u>89,683,796</u>
10 OTHER CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	65,742,000	55,205,000
Other payable-employees	2,630,736	1,223,513
Trade Deposits & Advances	-	-
Sales Tax & Withholding taxes payable	20,916,768	18,085,701
Interest Accrued & Due	-	-
Interest Accrued but not due	-	-
Unpaid matured deposits and interest accrued thereon Unpaid/unclaimed Dividends	-	-
Other payables	-	-
	<u>89,289,504</u>	<u>74,514,214</u>
11 SHORT-TERM PROVISIONS		
Dividends on Equity Shares (including Dividend Distribution Tax)	13,962,119	-
Income Tax & Wealth Tax	-	2,739,389
Employee Benefits	-	-
Others	<u>23,973,285</u>	<u>16,371,978</u>
	<u>37,935,404</u>	<u>19,111,367</u>

12. FIXED ASSETS												(Amount in Rs.)	
Description	GROSS BLOCK				DEPRECIATION				NET BLOCK				
	AS AT 30.09.11	ADDIT-IONS DURING THE YEAR	DELET-IONS DURING THE YEAR	AS AT 30.09.12	UPTO 30.09.11	DURING THE YEAR	DELET-IONS DURING THE YEAR	UPTO 30.09.12	AS AT 30.09.12	AS AT 30.09.11			
TANGIBLE ASSETS													
LAND	7570998	0	0	0	0	0	0	0	7570998	7570998			
BUILDINGS	93030001	0	0	93030001	43913997	3107202	0	47021199	46008802	49116004			
PLANT & MACHINERY	581776857	92328009	3983524	670121342	355160788	27658018	3983524	378835282	291286060	226616069			
FULLY DEPRECIATED PLANT & MACHINERY	38245374	3983524	0	42228898	38245374	0	0	42228898	0	0			
VEHICLES	18538995	0	2687499	15851496	6257109	904676	2687499	4474286	11377210	12281886			
FULLY DEPRECIATED VEHICLES	0	2687499	0	2687499	0	0	0	2687499	0	0			
FURNITURE	7095058	4600	4873906	2225752	6671186	0	4873906	1797280	428472	423872			
FULLY DEPRECIATED FURNITURE	0	4873906	0	4873906	0	0	0	4873906	0	0			
OFFICE EQUIPMENTS	6056248	1558901	0	7615149	2263831	374904	0	2638735	4976413	3792416			
COMPUTERS	4486155	1983049	188300	6280904	2813507	814960	188300	3440167	2840737	1672648			
FULLY DEPRECIATED COMPUTERS	7935266	188300	0	8123566	7935266	0	0	8123566	0	0			
TOTAL	764734952	107607790	11733229	860609511	463261058	32859760	11733229	496120819	364488692	301473893			
13. Capital work-in-progress	708681	4373171	708681	4373171	0	0	0	0	4373171	708681			
TOTAL	765443633	111980961	12441910	864982682	463261058	32859760	11733229	496120819	368861863	302182574			
PREVIOUS YEAR FIGURES	684179294	83712744	2448405	765443633	430015899	33251523	2454769	463261059	302182574	254163395			

BAMBINO AGRO INDUSTRIES LIMITED

(Amount in Rs.)

Particulars	As at 30 - Sep - 2012	As at 30 - Sep - 2011
14 A. NON-CURRENT INVESTMENTS		
Number Face value All unquoted unless Per Unit otherwise specified 1954900 10/-	19,549,000	19,549,000
Non Trading Investments Spectrum Power Generation Limited 0.05% 15 year Redeemable Preference Shares fully paid up.		
B. CURRENT INVESTMENTS		
NON-CURRENT ASSETS		
15 LONG-TERM LOANS AND ADVANCES		
Loans to subsidiaries	-	-
Employee Loans & Advances	-	-
16 OTHER NON-CURRENT ASSETS		
Security Deposits	-	-
Other Long-term Receivables	743,284	612,415
Deferred Revenue Expenditure	<u>13,658,698</u>	<u>28,083,449</u>
	<u>14,401,982</u>	<u>28,695,864</u>
CURRENT ASSETS		
17 INVENTORIES		
- Raw materials	170,941,232	142,670,267
- Stores ,spares,fuels & Packing Materials	67,960,562	65,245,339
- Stock in trade (in respect of goods acquired for trading)	29,190,237	11,617,531
- Process stocks	-	-
- Finished Goods	<u>322,881,126</u>	<u>275,573,741</u>
	<u>590,973,157</u>	<u>495,106,878</u>
18 TRADE RECEIVABLES		
Secured	-	-
- Over six months - Good	-	-
- Other Debts - Good	-	-
Unsecured		
- Over six months - Good	-	-
- Doubtful	-	-
Other Debts - Good	<u>100,804,318</u>	<u>63,314,173</u>
	<u>100,804,318</u>	<u>63,314,173</u>

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(Amount in Rs.)		
Particulars	As at 30-Sep-2012	As at 30-Sep-2011
19 CASH AND CASH EQUIVALENTS		
- Cash in hand and as Imprest	1,583,416	1,182,133
- Cheques /Drafts in hand	-	-
- On Current Accounts	51,666,789	32,872,670
- On Dividend Account	-	-
- On Deposit Accounts	-	-
- As Margin Money - Deposit with Banks	2,338,933	5,948,736
	<u>55,589,138</u>	<u>40,003,539</u>
20 SHORT TERM LOANS AND ADVANCES		
- Loans and advances to related parties	7,117,110	47,080,165
- Loans and advances to Employees	6,524,854	10,052,227
- Deposits	6,268,308	9,648,463
- Deposits /Balances with Excise/ Sales Tax Authorities	24,862,449	24,955,769
- Advance payment of Income tax /Wealth Tax (including TDS)	7,269,094	5,581,168
- MAT Credit entitlement	-	-
	<u>52,041,815</u>	<u>97,317,792</u>
21 OTHER CURRENT ASSETS		
- Other Current Assets	<u>16,380,200</u>	<u>3,318,479</u>
Particulars	Year Ended 30-Sep-2012	Year Ended 30-Sep-2011
22 REVENUE FROM OPERATIONS		
Sales of products	2,256,936,441	2,041,044,029
Sales of services	-	-
	2,256,936,441	2,041,044,029
<u>Less: Excise Duty</u>	<u>8,858,066</u>	<u>149,616</u>
Net Sales	<u>2,248,078,375</u>	<u>2,040,894,414</u>
23 OTHER INCOME		
Income from Current Investments (Non-Trade)-Dividend-ICD		
Net gain/loss on sale of current investments	-	-
Other Non-Operating Income		
24 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Stock at close - Process	-	-
Stock at close - Finished	322,387,151	275,573,741
Stock at commencement - Process	-	-
Stock at commencement - Finished	275,573,741	301,941,974
Increase/(Decrease) in Stocks	<u>46,813,410</u>	<u>(26,368,233)</u>

BAMBINO AGRO INDUSTRIES LIMITED

(Amount in Rs.)

Particulars	Year Ended 30 - Sep - 2012	Year Ended 30 - Sep - 2011
Stock at close - Stores stock	-	1,025,376
Stock at commencement - Stores	1,025,376	-
Increase/(Decrease) in Stores Stock	<u>(1,025,376)</u>	<u>1,025,376</u>
Increase/(Decrease) in Stocks (Finished goods & stores)	<u>45,788,034</u>	<u>(25,342,858)</u>
25 COST OF MATERIAL CONSUMED		
Raw & process Materials consumed		
- Rawa	335,469,027	322,499,050
- Wheat	439,116,691	466,560,687
- Vermicelli (Loose)	9,223,737	-
Power and Fuel	77,638,690	70,227,391
Stores, Spares & Packing Materials Consumed	<u>121,474,795</u>	<u>115,398,918</u>
	<u>982,922,940</u>	<u>974,686,047</u>
26 OTHER MANUFACTURING EXPENSES		
Processing charges	-	-
Repairs - Plant & Machinery	18,343,919	10,387,140
- Buildings	<u>3,230,785</u>	<u>1,761,279</u>
	<u>21,574,704</u>	<u>12,148,419</u>
27 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages, Bonus, Gratuity, Security Services & Allowances	151,690,207	123,328,396
Contribution to Provident & Superannuation Fund	9,864,927	7,957,401
Staff Welfare Expenses	<u>18,004,900</u>	<u>13,166,539</u>
	<u>179,560,034</u>	<u>144,452,336</u>
28 OTHER EXPENSES		
Rent	9,881,642	5,136,155
Lease Charges	660,000	1,335,000
Rates & Taxes	1,386,175	1,483,229
Insurance	1,961,583	2,666,949
Advertisement, Publicity and Sales Promotion	91,866,132	79,195,351
Travelling and Other Incidental Expenses	36,523,362	33,642,423
Office Maintenance	5,730,713	4,855,714
Vehicle Running & Maintenance	2,625,091	2,516,643
Electricity & Lighting	1,098,852	842,348
Registration & Filing Fee	39,347	236,042
Books & Periodicals	70,019	56,995

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(Amount in Rs.)		
Particulars	Year Ended 30 - Sep - 2012	Year Ended 30 - Sep - 2011
Subscription & Membership	282,165	290,048
General Expenses	654,942	551,024
Printing and Stationery	1,451,086	1,887,296
Communication Expenses	3,286,262	2,854,546
Staff Recruitment and Training	843,499	861,998
Donation	150,498	98,103
Auditors Remuneration - As Auditors		
- For Tax Audit	60,000	60,000
- For Certification/Limited Review	245,000	340,000
- For Out of pocket expenses	-	-
Legal , Professional and Consultancy Charges	11,967,609	12,548,761
Freight and Forwarding (including Ocean Freight)	144,101,752	113,076,520
Directors' Sitting Fees	185,000	170,000
Directors' Commission	-	-
Miscellaneous Expenses	-	109,899
Foreign Exchange Fluctuation loss/(gain)	346,593	141,076
Discount and Claims to Customer and Other		
Selling Expenses	39,233,731	38,361,162
Commission on Sales	23,570,151	17,984,611
Loss/(Gain) on sale/disposal of Fixed Assets/Intangibles	-	-
Loss/(Gain) on sale of Raw Materials	-	-
Bad Debts/Irrecoverable advances written off	-	-
Total	<u>378,221,204</u>	<u>321,301,893</u>
28a DEFERRED REVENUE EXPENDITURE WRITTEN OFF	<u>14,424,751</u>	<u>13,163,680</u>
28b RESEARCH & DEVELOPMENT EXPENSES	<u>3,405,718</u>	<u>3,155,018</u>
29 FINANCE COST		
Interest expense on Term Loans	39,940,096	27,845,013
Interest expense on FCNRB	4,655,703	-
Interest expense on Overdrafts and other borrowings	52,942,219	62,871,223
Other borrowings cost	8,025,847	6,497,818
Net gain/loss on foreign currency transactions and translations	-	-
	<u>105,563,865</u>	<u>97,214,054</u>
Less: Interest Income	<u>472,269</u>	<u>303,207</u>
	<u>105,091,596</u>	<u>96,910,847</u>

BAMBINO AGRO INDUSTRIES LIMITED

(Amount in Rs.)		
Particulars	Year Ended 30 - Sep - 2012	Year Ended 30 - Sep - 2011
30 Capital commitments		
Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) Rs. million (Previous year Rs. million) [(Advance Rs. million(previous year million)]	NIL	NIL
31 Contingent liabilities	NIL	NIL
Claims /Demands for the following matters in respect of which proceedings or appeals are pending and are not acknowledged as debts:		
- Central Excise	-	-
- Income Tax	-	-
Outstanding guarantees furnished by Banks on behalf of the Company/By the Company including in respect of Letters of Credit and Bank Guarantees	34.71	294.45
32 Earnings Per Shares(EPS)		
I Net Profit as per Profit and Loss Account available for Equity Shareholders	30,678,525	18,620,171
II Weighted average number of equity shares for Earnings Per Share Computation		
A For Basic Earnings Per Share of Rs. 10/- each Nos.	8,008,846	8,008,846
B For Diluted Earnings Per Share of Rs.10/- each Nos.	8,008,846	8,008,846
III Earnings Per Share (Weighted Average)		
Basic	3.83	2.32
Diluted	3.83	2.32
As per Our report of even date for PRV Associates Chartered Accountants, F.R.No. 006447S	for and on behalf of the Board	
M V Purushottama Rao, Partner MEMBERSHIP NO. 7393	M. KISHAN RAO Chairman and Managing Director	
Place : Secunderabad Date : 15th November, 2012	C. DURGA PRASAD Vice President (Legal) & Company Secretary	M. SUBRAMANYAM Whole Time Director

Notes forming part of the Financial Statements

Note No.33

1. CORPORATE INFORMATION

The Company is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed in BSE. The Company is engaged in manufacturing and selling vermicelli, macaroni and other pasta products under the brand name "Bambino". The Company also sells the products of its associate companies engaged in the manufacture of pasta and instant mixes, spices, namkeens, sweet meats masalas etc.

2. SIGNIFICANT ACCOUNTING POLICIES

- a) The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAPP) to comply with the accounting standards notified under the Companies(Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year unless otherwise stated.
- b) As notified under the Companies Act, 1956, the financial statements for the year ended 30th September, 2012 are prepared as prescribed under the Revised Schedule VI. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. The company has regrouped/reclassified the previous year figures wherever necessary in accordance with the requirements applicable in the current year.
- c) Lease Rentals and other expenses in respect of leased assets are treated as revenue expenditure.
- d) Sales include, packing charges and are gross of commission to Selling Agents and discounts.
- e) Export sales are accounted on the basis of Bill of Lading.
- f) Export sales are recorded at the exchange rates prevailing as on the transaction date and adjusted for the exchange difference, if any, upon realization.

3. 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.

4. 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.

- c) No depreciation has been provided on the fully depreciated assets.

5. INVENTORIES

- a) Stores and Spares are valued at cost and are charged to revenue on the basis of issues.
- b) Raw materials 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).

6. DEFERRED REVENUE EXPENDITURE

- a) Expenditure incurred on advertisement and other expenses for promotion of new products and recruitment of key personnel is amortised 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.

7. 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.

8. 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.

9. Events occurring after the Balance Sheet date

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

10. 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.

11. 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 reissued so far.

II. Secured Loans

- a) 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 .
- b) Working Capital loans from Banks viz., State Bank of India, Commercial Branch, Hyderabad. Indian Overseas Bank, Adarshnagar Branch, Hyderabad, IDBI Bank 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.
- c) 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 Bank, are further secured by a second charge on the movable & immovable assets of the Company on pari passu basis.
- d) 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.

The above information and that given in Notes to Accounts No.9 – 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. The Company during the year has converted part of Cash Credit limit in to a foreign currency non rupee bank demand loan of US \$31,90,000/- equivalent to Indian Rupees 17,68,61,575 at Rs.55.4425 per US \$. This loan is repayable at the end of one year from the date of conversion of the loan i.e. 29.05.2013. The loan is repayable at the rate of Rs.58.505 per US \$. Interest on such loan is debited to the Profit and Loss account. The profit and loss due to the exchange fluctuation in repayment of the loan shall be accounted for in the year in which the transaction is closed. The transaction falling under the preview of AS 11 the exchange rate of currency as at end date of balance sheet being lesser than the rate of the contract pledged, the resultant gain has not been considered in the Financial Statements.

BAMBINO AGRO INDUSTRIES LIMITED

V. Contingent Liabilities

(i) Others :	30 - Sep - 2012	30 - Sep - 2011
Letters of Credit	Nil	Nil
Bank Guarantees	Rs.34.71 lacs	Rs.294.45lacs

VI. Expenditure in Foreign Currency

Travelling Expenses	Nil	Rs.10.47 lacs
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VII. CIF Value of Imports

Capital equipment including Spares and components	Rs.211.32 lacs	Rs.263.17lacs
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VIII. Earnings in Foreign Currency

F O B Value of Exports	Rs.385.00 lacs	Rs.164.31lacs
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IX. Taxes

Provision for Income tax Rs.1,49,19,342/- previous year Rs.1,30,25,268.

I. Details of Auditors' Remuneration

(Amount in Rs.)

	30 - Sep - 2012	30 - Sep - 2011
Statutory Audit Fee	2,50,000	2,50,000
Tax Audit Fee	50,000	50,000
Fees for Other Services	5,000	1,00,000
Service Tax	37,698	30,900
	<hr/>	<hr/>
	3,42,698	4,30,900

(Amount in Rs.)

II. Details of Directors' Remuneration

30 - Sep - 2012

30 - Sep - 2011

Executive Director (Marketing)		
Salary, Perquisites and arrears	35,29,318	29,63,671
Contributions to Provident Fund including against arrears	2,50,110	1,99,531
	<hr/>	<hr/>
	37,79,428	31,63,202

III. Director's Sitting Fees

Other expenses includes Directors Sitting Fee of Rs.1,85,000/- (Previous year Rs.1,70,000/-)

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.3,56,65,778/- 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 asset of Rs.40,47,790/ - 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

Seshsayi Foods Private Limited
 Ghanta Foods Private Limited
 KRS Finance Private Limited
 MLR Industries 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 & 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		
Seshsayi Foods Pvt Ltd	230,908,496	
Ghanta Foods Pvt Ltd	186,378,141	
MLR Industries Pvt Ltd	274,680,853	
Sale of goods		
Seshsayi Foods Pvt Ltd	9,613,971	
Ghanta Foods Pvt Ltd	10,197,637	
MLR Industries Pvt Ltd	21,394,924	
Services availed from Associates		
Marshal Transport Company		89,433,553
Madhava Roller Flour Mills		315,461

Services rendered to Associates

Seshsayi Foods Pvt Ltd	12,585,663
Ghanta Foods Pvt Ltd	9,022,206
MLR Industries Pvt Ltd	9,318,127

Lease Rentals

Ghanta Foods Pvt Ltd	235,200
MLR Industries Pvt. Ltd	378,000
KRS Finance Pvt. Ltd	292,248

Outstanding Balance included in Current Assets :

Marshal Transport Company	3,703,922
Madhava Roller Flour Mills	6,962,609

Outstanding Balance Included In Current Liabilities

MLR Industries Pvt. Ltd	68,299,077
KRS Finance Pvt. Ltd	937,560

VI. 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.

VII. Earnings Per Share

	2011-2012	2010-11
	Rs.	Rs.
Profit after taxation as per Profit & Loss Account	3,06,78,525	1,86,20,171
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)	3.83	2.32

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

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

X. 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-2012		30-Sep-2011	
	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	9452	27,55,73,741	10291	30,19,41,974
Production				
Pasta Products	34322		33625	
Wheat Products	14610		19853	
Turnover				
Pasta Products	33305	204,54,67,911	34437	180,60,12,183
Wheat Products	14343	17,59,17,161	19880	23,48,82,231
Closing Stock	10736	32,28,81,126	9452	27,55,73,741

Consumption Details

	30-Sep-2012		30-Sep-2011	
	Qty MTS	Value Rs	Qty MTS	Value Rs.
Wheat and Wheat products	50545	78,38,09,455	54236	78,90,59,737
Packing Materials		12,14,74,795		11,53,98,918

Signatures to Notes to accounts 1 to 33

for and on behalf of the Board

for PRV Associates
Chartered Accountants, F.R.No. 006447S

M V Purushottama Rao,
Partner
MEMBERSHIP NO. 7393

M. KISHAN RAO
Chairman and Managing Director

Place : Secunderabad
Date : 15th November, 2012

C. DURGA PRASAD
Vice President (Legal) &
Company Secretary

M. SUBRAMANYAM
Whole Time Director

ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORM

To
Bambino Agro Industries Limited
 2nd Floor, Surya Tower,
 104, S.P. Road,
 Secunderabad - 500 003.

For Shares held in Physical mode

Please complete this form and send it to Karvy Computershare Pvt. Ltd.
 Plot No. 17 to 24, Vithal Rao, Nagar,
 Madhapur, Hyderabad - 500 081.
 Phone: 91-40-44655000
 Fax : 91-40-23420814
 Email ID : einward.ris@karvy.com

For Shares held in physical mode form

Master Folio No.

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For Shares held in Demat mode

Please inform your DP's directly

FOR OFFICE USE ONLY	
ECS Ref. No.	<table border="1" style="width: 100%; height: 20px;"></table>

Name of First Holder	<table border="1" style="width: 100%; height: 20px;"></table>										
Bank Name	<table border="1" style="width: 100%; height: 20px;"></table>										
Branch Name & Address	<table border="1" style="width: 100%; height: 20px;"></table>										
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Account type (Please tick)	---->	Savings 10 <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td></tr></table>		Current 11 <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td></tr></table>		Cash Credit 10 <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td></tr></table>								
A/c.No. (as appearing on the cheque book)	---->	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr></table>												
Active date of this Mandate	---->	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr></table>												

I, hereby, declare that the particular given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Bambino Agro Industries Limited and Karvy Computershare Pvt. Ltd., will not be held responsible. I have read the optional invitation letter and agree to discharge the responsibility expected of me as a participant under the scheme.

I further undertake to inform the Company any change in my Bank/Branch and Account number.

Dated : _____ (Signature of First holder)

Note : On Dematerialisation of existing physical shares for which you have availed ECS facility, the above form needs to be re-submitted

Certified that the particulars furnished above are correct as per our records

Bank's Stamp

Date : _____ (Signature of the Official of the Bank)

PAYMENT OF DIVIDEND THROUGH ELECTRONIC CLEARING SERVICE (ECS)

The Securities Exchange Board of India (SEBI) has advised the Companies to mandatorily use ECS facility wherever available for distributing dividends or other cash benefits, etc., to the investors. This facility provides instant credit of dividend amount to your Bank Account electronically at no extra cost. ECS also eliminates the delay in postal transit and fraudulent encashment of warrants. Only individual transactions upto ` 5,00,000/- would be covered under the Scheme.

Under this facility the amount of dividend payable to you would be directly credited to your bank account. Your bank's branch will credit your account and indicate the credit entry as 'ECS' in your pass book/statement account. We would be issuing an advice to you directly after the transaction is effected.

In case you wish to have your dividends paid through ECS and are holding the Company's shares in electronic form you may kindly fill in the enclosed ECS mandate Form and submit it to your Depository Participant. However, in case you are holding the company shares in physical form and wish to have your future dividends paid through ECS you may kindly return the said ECS mandate form duly completed and signed by you at our Registered Office address mentioned elsewhere in this report.

If you do not wish to opt for ECS facility, we strongly recommend that you provide the details of your Bank's Name, Bank's Branch, type of Account and Account Number to your depository participant, in cases where shares are held in electronic form and to us in cases where shares are held in physical form for printing the same on the dividend warrants which will be dispatched to you. In the event of any change or correction in the details that might have been provided by you earlier, kindly send revised particulars to your depository participants or to us as the case may be at an early date.

We request you to kindly submit the ECS / Bank details latest by Saturday, 22 December, 2012 to enable us to include the same for the payment of the current year's dividend.

BAMBINO AGRO INDUSTRIES LIMITED

Regd. Office : "E" Block, 104, 4th Floor
Surya Towers, S.P.Road, Secunderabad – 500003

TWENTY NINTH ANNUAL GENERAL MEETING – ATTENDANCE SLIP

Regd. Folio No.....
Client ID No.....
DPID No.....

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder.

I hereby record my presence at the Twenty Ninth Annual General Meeting of the Company held on 28th December 2012 at 9.45 AM at Zorastrian Club, Beside Yatri Niwas, S.P.Road, Secunderabad – 500 003.

Name of the Member/Proxy (If any)
(in Block Letters)

Signature of Member/Proxy

NOTE : Please fill this Attendance slip and hand it over at the entrance of the venue, Shareholders are requested to bring their copies of Annual Report with them.

BAMBINO AGRO INDUSTRIES LIMITED

Regd. Office : "E" Block, 104, 4th Floor
Surya Towers, S.P.Road, Secunderabad – 500003

NO GIFTS
Will be Distributed at the AGM

TWENTY NINTH ANNUAL GENERAL MEETING – PROXY FORM

Regd. Folio No.....
Client ID No.....
DPID No.....

I/We Being a Member/Members of Bambino Agro Industries Limited, hereby appointin the district of or failing him / her in the district of..... as my/our Proxy to vote for me/us on my/our behalf at the Twenty Ninth Annual General Meeting of the Company to be held on 28th December 2012 at 9.45 AM or at any adjournment there of.

Signed this day of 2012

Name

Address

Affix
1 Rupee
Revenue
Stamp

Note : The Proxy form duly signed must be deposited at the Regd. Office of the Company at least 48 hours before the meeting. @ Applicable to Investors holding shares in electronic form.

PRINTED MATTER
BOOK - POST



If undelivered please return to :
Bambino Agro Industries Limited
2nd Floor, Surya Towers,
104, S.P. Road,
Secunderabad - 500 003.