

KEYTAKEAWAYS FROM ANNUAL REPORT 2015-16

(1) General Information

(i) Nature of Industry

The Company is a the largest manufacturer of vermicelli and other pasta products sold under the reputed brand name "BAMBINO". The Company also sells the products of its associates engaged in the manufacture of pasta and instant mixes, spices, namkeens, sweet meats etc.

The other related information as envisaged under Companies (Meetings of Board and its Powers) Rules, 2014 are furnished hereunder:

Particulars	₹ in cr
A. Sale, purchase, supply of materials or goods directly or through appointment of agents with Seshsayi Foods Pvt Ltd, Bambino Pasta Food Industries Pvt Ltd (Formerly known as MLR Industries Pvt Ltd) and Ghanta Foods Pvt Ltd	400 p.a
B. Leasing of property of any kind with Seshsayi Foods Pvt Ltd, Bambino Pasta Food Industries Pvt Ltd (formerly known as MLR Industries Pvt Ltd.), Ghanta Foods Pvt Ltd, KRS Finance Pvt Ltd, Mr. M Kishan Rao, Revathi Tobacco Company Pvt Ltd, Bambino Milk Products Pvt Ltd, Revathi Tobacco Company and Bambino Finance Pvt Ltd	50 p.a
C. Availing or rendering of services with Marshall Transport Company, Madhava Roller Flour Mills, MK Rao Family Trust, Seshsayi Foods Pvt Ltd, Bambino Pasta Food Industries Pvt Ltd (formerly known as MLR Industries Pvt Ltd.) and Ghanta Foods Pvt Ltd	50p.a

iii) Transactions with Related Companies/Others

S. No.	Particulars of the Party	Purchases	Sales	Services Rendered	Services Availed	Lease Rentals Paid
1	Seshsayi Foods Private Limited	440,091,417	3,068,836	6,295,263	-	174,000
2	Ghanta Foods Private Limited	124,222,131	7,237,021	15,610,403	-	-
3	Bambino Pasta Food Industries Private Limited (Formerly known as MLR Industries Private Limited)	296,815,612	7,237,470	24,714,102	-	420,000
4	KRS Finance Private Limited	-	-	-	-	324,720
5	Marshal Transport Company	-	-	-	141,233,680	-
7	Madhava Roller Flour Mills	-	-	-	956,242	-
6	M. Kishan Rao (HUF)	-	-	-	-	4,100,960

III. OTHER INFORMATION:

(1) Reasons of loss or inadequate profits:

FMCG sector is going through tough times with increased competition from organized and unorganized sector resulting in shrinking of margins.

(2) Steps taken or proposed to be taken for improvement:

Your Company has been in the field of manufacturing and marketing of vermicelli, macaroni and other pasta products for the over 30 years and continuously strives to come up with more healthy options in the health and wellness segment. The company proposes to launch different variants of vermicelli, multigrain vermicelli and focus on premium pasta products in addition to launching functional foods under nutrition and health platform. Your company is currently focusing on strengthening its in-house R & D to develop nutritional and functional foods with added health benefits. Your Company is confident that it will deliver accelerated growth with better cost and revenue management during the next financial year.

(3) Expected increase in productivity and profits in measurable terms

The company is hopeful of achieving a higher growth through optimisation of operations.

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State of Company's affairs

During the period under review, your company has earned revenue from operations and other income of 26980.82 lacs with a net profit of 641.77 lacs. The figures of current financial year are not comparable to the figures of last FY 2014-15, as your Company had considered closing its previous accounting period for 6 months i.e from 1 October 2014 to 31 March 2015 to align in accordance with the New Companies Act, 2013.

Research & Development

Bambino's focus is on innovation of functional foods, i.e. food items with definitive health benefits by fortification with natural products containing quantified amounts of active substances, thus striving for "tasteful health".

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances if any:	Justification for entering into contracts
1	Seshsayi Foods Pvt Ltd, Bambino Pasta Food Industries Pvt Ltd (formerly known as MLR Industries Pvt Ltd) and Ghanta Foods Pvt Ltd	Sale/ purchase/ supply of goods/ materials directly/ through agents	1-4-2015 to 31-03-2020	Contracts/ arrangement are on arms length in ordinary course of business and the quantum of total transaction as on 31 March 2016 was ₹ 87.86 cr	4th June 2016	NIL	Company with its wide sales and distribution network is catering to the growing needs of the consumers and is providing required support to the related companies through visibility of their products in the market, thereby increasing the variety of food products under the flagship of the Company alongside increasing the profitability of the Company and stakeholders

3.	Marshall Transport Company, Madhava Roller Flour Mills, M K Rao Family Trust, Seshsayi Foods Pvt Ltd, Bambino Pasta Food Industries Pvt Ltd (formerly known as MLR Industries Pvt Ltd) and Ghanta Foods Pvt Ltd	Availing and rendering of services	1-4-2015 to 31-03-2020	Availing transportation services, supply of corrugated boxes including commission earned in ordinary course and the quantum of total transaction as on 31 March 2016 was ₹ 18.89 cr	4th June 2016	NIL	To maintain uninterrupted supply of goods and services facilitating continuity of business operations.
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Future Outlook

As a pioneer in the vermicelli & pasta industry, Bambino is looking at future to reposition itself as a food healthcare organization. With this objective, the company has strengthened its R & D by identifying lifestyle diseases and developing traditional food of India, which also has health benefits. In order to establish that the product has got proper certification, it is being tested in reputed institutions & hospitals by clinical trials, to ensure what we claim will be in the final product. This will definitely enhance the value of the brand to enter a unique area of lifestyle diseases and giving them suitable solutions, without having side effects. This will also broaden the company's spectrum of distribution to new channels like chemists, hospitals and other wellness stores. It will be a great service to the society and creating a strong foundation for future. This will not only help the

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company to grow further but also bestow good profits. This will transform Bambino into a trans-national company with functional foods.

2) Details of Auditors' Remuneration (Excluding Service Tax)

Srl.no	Particulars	2015-16 ₹	2014-15 ₹
1.	Audit Fee	10,65,800	3,00,000
2.	Certification Fee	1,50,000	75,000

b) Consumption

Srl.no	Particulars	2015-16	2014-15
1	Wheat and Wheat Products	9047.49	4302.32
2	Packing Materials	1485.09	668.94
3	Traded Goods	5258.42	2505.22
	TOTAL	15791.00	7476.49