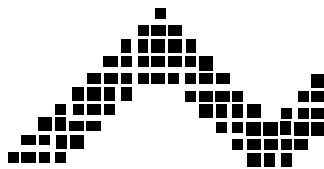


17th
ANNUAL REPORT
2011-2012



NIMBUS FOODS INDUSTRIES LIMITED



SEVENTEENTH ANNUAL REPORT 2011-12

BOARD OF DIRECTORS:

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

BANKERS:

State Bank of India

AUDITORS:

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

REGISTERED OFFICE:

Plot No. B-13 & 14,
Phase- II, GIDC Industrial Area,
Naroda, Ahmedabad-382330
Website : www.nimbusfoods.in
E-mail: info@nimbusfoods.in

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NOTICE

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

Date : 27th September, 2012

Day : Thursday

Time : 11:00 AM

Place : At the Registered Office of the company at:

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

To transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt Audited Balance Sheet of the Company as at 31st March, 2012, Statement of Profit and Loss and Cash Flow Statement for the Year ended on that date along with Director's Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Sharad Khandelwal who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of Next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

By Order of the Board,

Registered Office:

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

Amit Khaksa
Executive Director

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.
2. Pursuant to Section 154 of the Companies Act, 1956, Register of Members and Shares Transfer Books of the Company will remain closed from **Thursday, 20th Sept, 2012 to Thursday, 27nd Sept, 2012 (both Days inclusive)**.
3. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
4. Members are requested to:
 - a) Intimate, if shares are held in the same name or in the order and names, but in more than one account to enable the Company to club the said accounts into one account.
 - b) Notify immediately the change in their registered address, if any, to the Company.
5. The Equity Shares of the Company are available for dematerialisation. Those shareholders who wish to hold shares in electronic form may approach their Depository Participant. **The ISIN No. of the Equity Shares is INE301B01020.**

Brief resume of the Director seeking re-election at the 17th Annual General Meeting

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

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

Name	Mr. Arvind Thakkar
Age (Date of Birth)	30-10-1947
Date of Appointment	14-08-2012
Qualification and experience in specific functional area	He is practising Chartered Accountant since 1973. He has an experience of more than 35 years in the field of audit of firms, nationalized banks and Companies, Company law matters, Taxation and Tax audit matters under Income Tax Act, Financial And Capital Market consultancy.
Directorship held in other companies	1. Gujarat Equity Services Limited
Membership/Chairmanships of Committee in other Public Companies	None

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

Brief resume of Executive Director seeking appointment

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

* Private Companies are excluded

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

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

ITEM No. 4

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

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

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

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

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

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

C. PERQUISITES:

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

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

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

D. DUTIES:

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

E. TERMINATION:

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

**F. COMPENSATION:**

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

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

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

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

ITEM NO. 5

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

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

ITEM NO. 6

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

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

ITEM NO. 7

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

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

The Board recommends the resolution for approval of members.

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

Registered Office:

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

By Order of the Board,

Amit Khaksa
Executive Director

**DIRECTORS' REPORT**

Dear Shareholders,

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

1. Financial Results :

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

2. DIVIDEND:

In view of insufficient profits earned during the year under review and also to conserve the resources for the expansion of the activities and working capital requirement of the Company, the Board of Directors have not recommended dividend for the year under the review.

3. Operations :

The Company is in the business of Bread and Bakery products. The Company has franchisee agreement with Hindustan Unilever Limited for manufacturing and marketing of Modern Bread in Gujarat. Your Company has also started to develop its own products and presently such development is in the bakery related items like toast, khari and biscuits under the brand name of "WOOD00" and also exploring the opportunity to enter into new territory. The details of such developments will be informed to you from time to time.

The Company Earned Operating Profit of Rs.42.01 lacs during 2011-12. As the Company had to provide for interest of Rs.2.94 lacs during the year under review, The Company provided Rs. 13.46 lacs for Depreciation and, Profit before tax stood at Rs.41.82 lacs during the year under review. After taking into account Provision for taxation, Deferred Tax Assets and prior period adjustments, extra ordinary items the Net Profit for the year under review stood at Rs. 28.76 lacs.

4. FUTURE PLANS :

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

5. DIRECTORS :

One of your Director Mr. Sharad Khandelwal retires by rotation in terms of Articles 137, 138 and 139 of the Articles of Association of the Company, He however, being eligible, offers himself for reappointment.

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



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

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

6. DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to the requirement of Section 217 (2AA) of the companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the annual accounts, the applicable accounting Standards have been followed along with proper explanation relating to material departures.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at 31st March, 2012 being end of the financial year 2011-12 and of the Profit of the Company for the year.
- (iii) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the annual accounts on a going concern basis.

7. LISTING :

The Equity shares of the Company are listed on Ahmedabad and Bombay Stock Exchanges. The Company has paid Annual Listing Fees of Bombay Stock Exchange Ltd. up to the year 2012-13 and listing fees of Ahmedabad Stock Exchange is outstanding. The Company is regular in complying with the Listing Agreement entered into with the Stock Exchange.

8. DELISTING OF SECURITIES:

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

9. CORPORATE GOVERNANCE :

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

10. INSURANCE:

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

11. AUDITORS AND AUDITOR'S OBSERVATION:

The present Auditors of the Company M/s. B.S.Rajput & Associates, Chartered Accountants', Ahmedabad were appointed as Auditors and will retire at the ensuing Annual General Meeting. M/s. B.S. Rajput & Associates, Chartered Accountants, having firm registration no.119760W have submitted certificate for their eligibility for appointment under Section 224(1B) of the Companies Act, 1956.

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

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

12. PARTICULARS OF EMPLOYEES :

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

**13. DEPOSITS :**

During the year the Company has not accepted any deposit to which the provisions of section 58A of the Companies Act, 1956 are applicable.

14. PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 IS AT ANNEXURE-I:**15. ACKNOWLEDGEMENT :**

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

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

For and on behalf of the Board

Place : Ahmedabad
Date : 14/08/2012

AMIT KHAKSA
Executive Director

ANNEXURE TO DIRECTOR'S REPORT:**1. CONSERVATION OF ENERGY :**

- A. Energy Conservation measures taken: The Company gives top most priority to energy conservation and has undertaken continues measures in this respect which has shown positive result. New measures are planned to achieve further reduction in energy consumption.
- B. Additional investment and proposal if any being implemented for reduction in consumption of energy : NIL
- C. Energy consumption in terms of electricity, LDO and Gas has been reduced.
- D. Total energy consumption and energy consumption per unit of production: **Form A is annexed.**

2. TECHNOLOGY ABSORPTION :

- A. **Adoption and innovation:** Only the latest technology has been adopted in the Company.
- B. **Research and development (R & D) :** NIL

3. FOREIGN EXCHANGE EARNINGS AND OUT GO : NIL**FORM – A**

Disclosure of particulars with respect to Conservation of Energy

A. POWER AND FUEL CONSUMPTION

S.No.	Particulars	2010-11	2009-10
1.	Electricity :		
	Purchased Units (kwh/lacs)	2.24	1.43
	Total Amount (Rs. in Lacs)	13.85	8.24
	Rate / Unit (Rs.)	6.26	5.76
2.	LDO : (Light Diesel Oil)		
	Purchased (Ltr./ lacs)	0.70	NIL
	Total Amount (Rs. in Lacs)	25.28	NIL
	Rate / Ltr (Rs.)	36	NIL
3.	GAS :		
	Total Calorific / lacs	1.47	1.42
	Total Amount (Rs. in Lacs)	53.62	32.68
	Rate / Ltr (Rs.)	36.47	23.01
B.	CONSUMPTION PER UNIT OF PRODUCTION :		
	Production of Bread & Bakery (Kg)	3435663	2468075
	Production of Bread & Bakery from consumption of Maida (per Kg)	1.40	1.66

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

Nimbus is in the sunshine Industries of Food with a growing market footprint across key states of Gujarat, Madhya Pradesh, Maharashtra and Rajasthan. The core area of the Company is Bakery products like Bread, Toasts Biscuits and Khari. The Bread & Bakery industry is a fast growing industry and has a very good future potential. The Company is having manufacturing and marketing of Bread in the Brand name of "MODERN" and for that the Company is having Franchise Agreement with Hindustan Uniliver Ltd. in the state of Gujarat. The Company is also manufacturing and marketing various other bakery products except bread in the Brand name of "WOODOO" for the state of Gujarat. The Company is planning to set up three new units at Nagpur, Pune and Surat with minimum capacity of 30000 loafs per day between the period of two years. The Company has very good distribution network and it helps in market penetration. Locations for new units proposed to be launched are chosen in order to keep a check on transportation costs. Every unit is proposed to be located at a distance of 300 kms. from either side of the unit.

b. Opportunities and Threats:**OPPORTUNITIES**

- Difficult market conditions have encouraged manufacturers to concentrate on New Product Development (NPD), which has revitalized some sectors.
- The growing interest in organic food offers many opportunities for the bread market.
- The development of functional food has already been exploited by some bread manufacturers, and may lead to further opportunities in the future.
- Although the market has reached saturation level in terms of penetration, there is still scope for increasing the frequency of purchase.
- The development of in store bakeries (ISBs) has helped to improve perceptions of the quality of bread, reminding consumers of its traditional, aesthetic characteristics such as crustiness and aroma.

THREATS

- Although heavy discounting by supermarkets has been less of a problem for the bread market over the past year, there are signs that the proliferation manufacturers to gain shelf space.
- The wide range of product positioning can also be confusing for the consumer.
- Bread's image as a commodity product is still likely to act as a brake to any real growth within the market.

c. Segment wise Performance:

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

d. Recent Trend and Future Outlook:

The Indian market for bread and baker products is estimated at about 10,000 Crore per annum and is growing at rate of 35 percent. It is observed after indulgence in the bread industry since last so many years that the cost of manufacturing Bread and bakery products is low after initial setup of plant and machinery and the tastes and preferences of consumers in bakery products is highly dependent upon the innovative creation of new or existing products which will create handsome opportunities with tremendous profit margins.



The Company is in strong planning of product positioning target and new innovation of bakery products like puddings, tiramisu, production of variety biscuits, cakes by new creative technique for brand image of "WOODOO" in consumers.

e. Risks and Concerns:

Like any other industry Food and specially Bakery and Bread Products are also exposed to risk of competition. Volatility in prices of commodities like wheat, Maida etc. also increase risks of profit margin as increase in prices of final product is governed by so many factors. Therefore it is not easy to increase the price of final products. The Company is taking necessary steps to safeguards itself from the volatility of commodity prices.

f. Internal Control Systems and their Adequacy:

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

g. Financial Performance with respect to operational performance:

The Financial performance of the Company for the year 2011-12 is described in the Directors' Report under the head operations.

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

The Nimbus Foods Industries Limited continued to place emphasis on human capital and aims at creating a corporate culture that respect people, develops and trains them to deliver high quality performance and rewards talent and performance with growth opportunity. Employees relations continue to be cordial and harmonious.

I. Cautionary Statement:

Statement in this Management Discussion and Analysis Report, Describing the Company's objectives, estimates and expectations may constitute Forward Looking Statements within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

For and on behalf of the Board

Place : Ahmedabad
Date : 14/08/2012

AMIT KHAKSA
Executive Director



REPORT ON CORPORATE GOVERNANCE

INTRODUCTION

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

1. COMPANY'S PHILOPHY ON CODE OF GOVERNANCE :

Nimbus Foods Industries Limited believes in maintaining the highest standards of Corporate Governance. It is our Company's constant endeavour to adopt best Corporate Governance practises and provide oversight and guidance to the management in strategy implementation, risk management and fulfilment of stated goals.

Our Company is in compliance with the Corporate Governance guidelines as stipulated under various clauses especially clause 49 of the Listing Agreement entered into with stock exchanges. A report on the matters mentioned in the said clauses and the practices followed by the Company is detailed below.

2. BOARD OF DIRECTORS :

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

a) Composition and category of Directors :

Name of Directors	Category of Directorship	No. of other Director Ships*	Committee (1) Membership (2) Chairmanship in other Companies	No. of Board Meetings Attended out of 7	Attendance at the AGM held on 22nd September 2011 Yes/No
Amit Khaksa	Executive Non-Independent	—	—	7	Y
Arvind Thakkar##	Non-executive Independent	1	—	N.A.	N.A.
Sanjay Mangal##	Non Executive Independent	—	—	N.A	N.A.
Sharad Khandelwal	Non Executive	—	—	6	Y
Deepak G. Sharma#	Non Executive	—	—	7	Y
Bhaichand G. Prajapati#	Non Executive Independent	—	—	7	Y

* Private Companies excluded.

upto 14th August 2012

w.e.f. 14th August 2012

**b) Details of the Directors seeking Re-appointment/Appointment in the Annual General Meeting :
Brief resume of the Director seeking re-election at the 17th Annual General Meeting**

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

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

Name	Mr. Arvind Thakkar
Age (Date of Birth)	30-10-1947
Date of Appointment	14-08-2012
Qualification and experience in specific functional area	He is practising Chartered Accountant since 1973. He has an experience of more than 35 years in the field of audit of firms, nationalized banks and Companies, Company law matters, Taxation and Tax audit matters under Income Tax Act, Financial And Capital Market consultancy.
Directorship held in other companies	1. Gujarat Equity Services Limited
Membership/Chairmanships of Committee in other Public Companies	None

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

Brief resume of Executive Director seeking appointment

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

* Private Companies are excluded

**c) BOARD PROCEDURES :**

The Board of Directors meets at least once a quarter to review the performance and Financial Results. A detailed agenda file is sent to all Directors well in time of the Board Meetings. The Chairman/Director briefs the Directors at every Board Meeting about the overall performance of the Company. All major decisions/ Approvals are taken at the Meeting of the Board of Directors such as policy formation, Business plans, budgets, investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors during the financial 2011-12 were held on 13/04/2011, 14/05/2011, 28/06/2011, 12/07/2011, 12/08/2011, 10/11/2011 and 07/02/2012.

3. AUDIT COMMITTEE :

Term of reference:

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

The Audit Committee of the Company is reconstituted on 14/08/2012. The meetings of the Audit Committee were held on 12/05/2011, 10/08/2011, 08/11/2011 & 05/02/2012 during the year. The Composition and attendance of directors in Audit Committee during the year is as under-

Sr. No.	Director	Status	No. of Meetings Attended
01.	Mr. Arvind Thakkar*	Chairman(w.e.f 14/08/2012)	N.A.
02.	Mr. Sanjay Mangal*	Member	N.A.
03.	Mr. Deepak Sharma#	Member	4
04.	Mr. Bhaichand Prajapati #	Chairman(upto 14/08/2012)	4
05.	Mr. Amit Khaksa	Member	4

* w.e.f. 14/08/2012

upto 14/08/2012

4. REMUNERATION COMMITTEE :

The Board Committee is vested with the responsibilities to function as per SEBI Guidelines and Companies Act, 1956 and recommends to the Board compensation package. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees.

The Remuneration Committee of the Company is reconstituted on 14/08/2012. The meetings of Remuneration Committee were held on 20-07-2011, 10-11-2011, and 05-03-2012 during the year. The Composition and attendance of directors in Remuneration Committee during the year is as under-

Sr. No.	Director	Status	No. of Meetings Attended
01.	Mr. Sanjay Mangal*	Chairman(w.e.f.14/08/2012)	N.A.
02.	Mr. Deepak Sharma#	Chairman(upto 14/08/2012)	3
03.	Mr. Bhaichand Prajapati #	Member	3
04.	Mr. Sharad Khandelwal	Member	2
05.	Mr. Amit Khaksa	Member	3

upto 14/08/2012

* w.e.f. 14/08/2012

Details of remuneration paid:

- Shri Amit Khaksa, Joint Managing Director was paid Rs 3,00,000/- as remuneration during the year 2011-12.
- No Sitting Fees, Commission of Stock Option has been offered to the Directors.

**5. SHAREHOLDERS/INVESTORS' GRIEVANCES COMMITTEE :**

The Board has constituted Shareholders/Investors' Grievances Committee for the purpose of effective redressal of the complaints of the shareholders such as Dematerialisation, share Transfer, Non-receipt of Balance Sheet etc. Shri Amit Khaksa, Chairman and Shri Sharad Khandelwal are members of the Committee.

The Company received 2 complaint during the year. There was no valid request for transfer of share pending as on 31st March, 2012.

Shri Amit Khaksa, Executive Director is the Compliance Officer for the above purpose.

6. GENERAL BODY MEETINGS :

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue
2010-2011	22-09-2011	11 Morning	Plot No. B-13 & 14Phase – II, GIDC Industrial Area, Naroda,Ahmedabad - 382330
2009-2010	25-09-2010	10:15 Morning	Plot No. B-13 & 14Phase – II, GIDC Industrial Area, Naroda,Ahmedabad - 382330
2008-2009	30-09-2009	12:00 Noon	Plot No. B-13 & 14Phase – II, GIDC Industrial Area, Naroda,Ahmedabad - 382330

Note :

- (a) No special Resolution passed in the last AGM of the Company.
- (b) Postal Ballot was conducted by the Company during the financial year 2011-12 and following three Special Resolutions were passed through postal ballot.
 - (i) Approval to Increase in the limit of investment/loan/giving guarantee and/or providing security under Section 372A of the Companies Act, 1956.
 - (ii) Approval under Section 293(1)(a) of the Companies Act, 1956 for mortgage and/or charge of movables and immovable properties of the Company.
 - (iii) Approval to Issue Convertible Warrants to Promoter and Non-Promoters Group on preferential basis.

5. DISCLOSURES :

- (a) The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company. The Company has no subsidiary.
- (b) There was neither been any non-compliance of any legal provision of applicable law, nor any penalty imposed by the Stock Exchange/s or SEBI or any other authorities, on any matters related to Capital Market during the last three years.

6. MEANS OF COMMUNICATION :

- (a) In compliance with the requirements of the Listing Agreement, the Company regularly intimates Unaudited/ Audited Financial Results to the Stock Exchange/s immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in "Free Press Gujarat" of English Edition and "Lokmitra" of Gujarati Edition.
- (b) During the year ended on 31st March, 2012, no presentation was made to institutional investors or analyst or any other enterprise.
- (c) Management Discussion and Analysis form part of the Annual Report.

7. SHAREHOLDERS' INFORMATION :

- (a) Registered Office : Plot No.B-13 & 14 Phase-II, GIDC Industrial Area, Naroda, Ahmedabad - 382 330.
- (b) Annual General Meeting :
 - Day : Thursday
 - Date : 27th September, 2012
 - Time : 11.00 A.M.
 - Venue : At the Registered Office of the Company at:
Plot No.B-13 & 14 Phase - II, GIDC Industrial Area, Naroda, Ahmedabad - 382 330



- (c) Financial Calendar (tentative) :
- 1st Quarter Results : 2nd week of August, 2012
- Half-Yearly Results : 2nd Week of November, 2012
- 3rd Quarter Results : End January 2013
- Yearly Results (Un-audited) : 2nd week of May, 2013
- (d) Book Closure Dates : From : Thursday, the 20th September 2012
To : Thursday, the 27th September 2012
(Both Days inclusive)
- (e) Dividend Payment Date : Not Applicable.
- (f) Listing of shares on Stock Exchanges : 1. Ahmedabad Stock Exchange Limited,
Kamdhenu Complex, 1st Floor, Opp. Shajanand College, Panjara Pole, Ambawadi, Ahmedabad-380 015.
2. Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001
- (g) Stock Code : ASE 36004
BSE 531598
- (h) Registrar and Share Transfer Agents : The Company has appointed the below mentioned agency as Registrars and share Transfer Agents (RTA) for both physical and Demat Segment of Equity Shares of the Company:
SHAREPRO SERVICES (INDIA) PVT. LTD.
416-420, 4th.Floor, Devnandan Mall, Opp. Sanyash Ashram, Ellisbridge, AHMEDABD – 380006
Tel No. 079-26582381/82/83/84 Fax No. 079-26582385
Email: sharepro.ahmedabad@shareproservices.com
- (i) Share Transfer System : Securities lodged for transfer at Registrar's address are normally processed within 15 days from the date of lodgement, if documents are clear in all respects. Request for dematerialization of securities are processed and confirmation is given to the depositories within 15 days.
- (j) Stock Price Data :

The shares of the Company have been traded at the Bombay Stock Exchange during 1st April, 2011 to 31st March, 2012. The information of Stock Price data are submitted here under:

Month	BSE		Shares Traded (No.)
	High (Rs.)	Low (Rs.)	
April, 2011	2.60	2.02	20,42,080
May, 2011	2.46	1.95	25,81,257
June, 2011	2.09	1.35	25,15,489
July, 2011	1.94	1.41	12,82,078
August, 2011	1.88	1.42	12,98,567
September, 2011	2.05	1.46	6,64,763
October, 2011	2.00	1.51	5,66,359
November, 2011	2.02	1.36	5,89,715
December, 2011	1.69	1.35	3,26,163
January, 2012	1.68	1.37	5,20,031
February, 2012	1.71	1.18	7,30,629
March, 2012	1.70	1.19	5,84,606



(k) Distribution of Shareholding as on 31th March, 2012:

No. of Equity Shares Held	No. of Shareholders	% of Share Holders	No. of Shares Held	% of shareholding
Up to 500	5431	40.152	1459106	2.872
501 to 1000	3374	24.945	2938574	5.783
1001 to 2000	2170	16.043	3512819	6.913
2001 to 3000	914	6.757	2470958	4.863
3001 to 4000	290	2.144	1069396	2.105
4001 to 5000	372	2.750	1796559	3.536
5001 to 10000	533	3.941	4052635	7.976
Above 10000	442	3.268	33511033	65.952
Grand Total	13526	100	50811080	100

(l) Category of Shareholders as on 31st March, 2012:

Category	No. of Share held	% of Shareholding
Promoters & PAC	1,28,26,615	25.24
Financial Institutions/ Banks	—	—
Mutual Fund	—	—
Bodies Corporate	1,05,02,411	20.67
NRIs	27500	0.05
Public	3,79,84,465	54.09
Grand Total	5,08,11,080	100.00

(m) Outstanding GDRs/ADRs/Warrants:

The Company has not issued any GDRs/ADRs. The Company has 2,50,00,000 outstanding Warrants for the conversion into Equity Share, at the end of the financial year 2011-12.

(n) Dematerialisation:

The Company has entered into Agreement with National Securities Depository Limited (NSDL) and Central Depository Services (india) Limited (CDSL) for Dematerialisation of Shares. The Company's equity shares are compulsorily traded in dematerialized form. The ISIN No. of the Company is **INE301B01020**. As on 31st March, 2012, a total of 44364799 Shares of the Company which is 87.31% of the share Capital of the Company stands dematerialised.

8. OFFICE & PLANT LOCATION :

The Company's Office and Ahmedabad Plant is located at

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

Jaipur (Leased) Plant is located at

E-421/422, Road No. 17, Nr. Kailash Canteen, V.K.I. Area, Jaipur - 302023

9. ADDRESS FOR CORRESPONDENCE :

SHAREPRO SERVICES (INDIA) PVT. LTD.

416-420, 4th.Floor, Devnandan Mall, Opp. Sanyash Ashram, Ellisbridge, AHMEDABAD – 380006

Tel No. 079-26582381/82/83/84 Fax No. 079-26582385 Email: sharepro.ahmedabad@shareproservices.com

For any assistance regarding correspondence dematerialisation of shares, share transfers, transactions, change of address, non-receipt of dividend or any other query, relation to shares:

Registered Office : Plot No.B-13 & 14, GIDC Industrial Area, Naroda, Ahmedabad-382 330

Telephone Nos. : (079) 2281 3445

Fax No. : (079) 2281 4023

E-mail : info@nimbusfoods.in

Compliance Officer : Mr. Amit Khaksa, Executive Director.

For and on behalf of the Board

Place : Ahmedabad

Date : 14/08/2012

Amit khaksa
Executive Director

**DECLARATION**

I, Amit Khaksa, Executive Director of the Nimbus Foods Industries Ltd. hereby declare that as of March, 31, 2012, all the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct for the Board Member and Senior Management Personnel laid down by the Company.

Place : Ahmedabad
Date : 14/08/2012

For and on behalf of the Board
Amit khaksa
Executive Director

CERTIFICATE ON CORPORATE GOVERNANCE

The Members of

Nimbus Foods Industries Limited

Ahmedabad

We have examined the compliance of the conditions of Corporate Governance by Nimbus Foods Industries Limited for the year ended on March 31, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of the 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 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 the above mentioned Listing Agreement.

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

For B.S. RAJPUT & ASSOCIATES

Chartered Accountants

FRN:119760W

Bhupendra Singh Rajput

Partner

M.No.: 106729

Place : AHMEDABAD
Date : 14/08/2012

CHAIRMAN & WHOLE TIME DIRECTOR (WTD) DESIGNATED AS EXECUTIVE DIRECTOR CERTIFICATION:

I, Amit Jogendra Khaksa, Chairman & Whole time Director designated as Executive Director of Nimbus Foods Industries Limited to the best of my knowledge and belief certify that:

1. These statements do not contain any untrue statement of a material fact or omit to state a material fact or contain statements that might be misleading
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. To the best of my knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct.
4. I am responsible for establishing and maintaining internal controls over financial reporting for the company, and I have evaluated the effectiveness of the internal control system of the Company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control system, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
5. I further certify that we have indicated to the auditors and Audit Committee:
 - (a) There have been no significant changes in internal controls during the year.
 - (b) There have been no Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
 - (c) There have been no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Place : Ahmedabad
Date : 14/08/2012

Amit Khaksa
Chairman & Executive Director



AUDITORS REPORT

To the Members of
NIMBUS FOODS INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of **Nimbus Foods Industries Limited** as at 31st March, 2012 and the Statement of Profit & Loss of the Company for the year ended on 31st March, 2012 annexed thereto and report thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Manufacturing and other Companies (Auditors Report) order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act., 1956 and in terms of information and explanation given to us and also on the basis of such checks as we considered appropriate, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that :
 - i) 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.
 - ii) 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 the books.
 - iii) The Balance Sheet and Statement of Profit & Loss, dealt with by this report, are in agreement with the books of Accounts.
 - iv) In our opinion, the Statement of Profit & Loss and Balance Sheet comply with the Accounting Standard referred to in Sec. 211(3) (C) of the Companies Act.,1956, as amended by the Companies (Amendment) Act.,1999.
 - v) On the basis of the written declaration received from the directors and taken on record by the board of directors, we report that none of the Directors of the Company is disqualified as at 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act., 1956.
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information as required by the Companies Act.,1956, in the manner so required and give a True and Fair view in conformity with the accounting principles generally accepted in India :
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March,2012 and
 - b) In the case of the Statement of Profit & Loss, of the Profit for the year ended on that date.
 - c) In the case of the Cash Flow statement, of the cash flows for the year ended on that date.

For B.S. RAJPUT & ASSOCIATES

Chartered Accountants

FRN:119760W

Bhupendra Singh Rajput

Partner

M.No.: 106729

Place : AHMEDABAD

Date : 14/08/2012

**ANNEXURE OF THE AUDITORS' REPORT**

TO THE MEMBERS OF

NIMBUS FOODS INDUSTRIES LIMITED

(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) All the assets have been physically verified by the management during the year and also there is a regular programme 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) According to information and explanation given to us the company has not disposed off substantial parts of fixed assets during the year.
- (ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.
- (iii) a) The company has taken loan of Rs. 15.00 lacs from one party in earlier years which is covered in the register maintained under section 301 of the Companies Act., 1956. During the year under consideration the Company has not taken any further loans. The year-end balance of loans taken remains Rs. 15.00 lacs. During the year under consideration the company given the advances amounting to Rs. 359.42 lacs against supply of goods and services to such related parties which is covered in the register maintained under section under section 301 of the Companies Act, 1956. The year-end balance of advance given to such parties was remaining Rs. 496.36 lacs.
- b) In our opinion, the rate of Interest is NIL and other terms and condition on which loans have been taken / granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act.,1956 are not , prima facie , prejudicial to the interest of the Company.
- c) The Company is regular in repaying amounts as stipulated and has been regular in the payments.
- d) According to the information and explanation given to us there is no overdue amounts of loans taken or granted to / from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act., 1956
- (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 purchases 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 contract 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 to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public and hence directives issued by the Reserve Bank of India and provisions of Section



58A and 58AA of the Companies Act, 1956 and the rules framed there under are not applicable for the year under audit.

- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under 209(1)(d) of the Companies Act.,1956 .
- (ix) a) According to the records of the Company the company is regular in depositing with appropriate authorities undisputed statutory dues including employees' state insurance, income tax, sales 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 amounts payable in respect of income tax, sales tax, custom duty, excise duty and cess were in appears, as at 31st March, 2012 for a period of more than six months from the date they became payable.
- (x) In our opinion, the company has no accumulated losses and has not incurred cash loss during the year.
- (xi) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayments of its dues to banks or financial institution .
- (xii) The company has not granted any loans or advances on the basis of securities by the way of pledge on shares, debentures or other securities .
- (xiii) In our opinion the company is not a chit fund or a nidhi , mutual benefits fund society. Therefore the provisions of clause 4(xiii) of the Companies (Auditors report) order, 2003 are not applicable to the company.
- (xiv) In our opinion the company is not dealing in trading of shares , securities , debenture , or the investments and hence requirement of clause 4(xiv) of the Companies (Auditors report) order, 2003 are not applicable to the company .
- (xv) According to the information and explanation given to us the company has given guarantee for loan taken by other from banks and financial institutions, (during the year under review).
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term fund has been used to finance short-term assets except permanent working capital.
- (xviii) The company has made preferential allotment of shares to parties and companies which is covered in the register maintained u/s 301 of the Companies Act.,1956.
- (xix) No debentures have been issued by the company and hence, the question of creating securities in the respect thereof does not arise.
- (x) The company has not raised any money by way of public issue during the year.
- (xxi) Accordingly 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 B.S. RAJPUT & ASSOCIATES

Chartered Accountants

FRN:119760W

Bhupendra Singh Rajput

Partner

M.No.: 106729

Place : AHMEDABAD

Date : 14/08/2012



BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS	Note No.	As at 31.03.2012		As at 31.03.2011	
		Rs.	Rs.	Rs.	Rs.
I. EQUITY AND LIABILITIES					
1. Shareholders' funds					
(a) Share Capital	1	50,811,080		45,811,080	
(b) Reserves and Surplus	2	20,905,384		7,979,289	
(c) Money received against share warrants		-	71,716,464	-	53,790,369
2. Share application money pending allotment (To the extent not refundable)			18,812,500	-	
3. Non-current liabilities					
(a) Long-term borrowings	3	4,883,440		3,044,585	
(b) Deferred Tax liabilities (Net)		342,911		186,916	
(c) Other Long term liabilities		-		-	
(d) Long-term Provisions		-	5,226,351	-	3,231,501
4. Current Liabilities					
(a) Short term borrowings	4	316,984		366,404	
(b) Trade payables		14,201,332		21,004,722	
(c) Other current liabilities		-		-	
(d) Short term provisions		1,152,558		1,104,320	
TOTAL			15,670,874		22,475,446
			111,426,189		79,497,316
II ASSETS					
1. Non-current assets					
(a) Fixed assets	5				
(i) Tangible assets		19,911,518		21,110,358	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		591,111		13,202	
(iv) Intangible assets under development		-		-	
(b) Non-current investments		-		-	
(c) Deferred tax assets (net)		-		-	
(d) Long-term loans and advances	6	37,251,037		29,327,325	
(e) Other non-current assets	7	365,615		425,427	
			58,119,281		50,876,311
2. Current assets					
(a) Current investments	8	5,000,000		5,000,000	
(b) Inventories	9	4,027,279		7,169,717	
(c) Trade receivables	10	6,627,259		6,544,861	
(d) Cash and Bank Balances	11	4,775,444		8,284,075	
(e) Short-term loans and advances	12	32,873,626		1,619,053	
(f) Other current assets	13	3,300		3,300	
TOTAL			53,306,908		28,621,005
			111,426,189		79,497,316

Significant accounting policies and notes to accounts 22

Note : Figures in brackets indicate negative figures.

The previous year's figures have been regrouped and reclassified wherever necessary.

In terms of our report of even date

For B.S. Rajput & Associates

Chartered Accountants

(FRN : 119760W)

(Bhupendra Singh Rajput)

Partner

Place : Ahmedabad

Dated : 14/08/2012

On behalf of the Board of Directors

Nimbus Foods Industries Limited

(Amit Khaksa)

Executive Director

(Sharad Khandelwal)

Director



STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st March, 2012

PARTICULARS	Note No.	Upto 31.03.2012		Upto 31.03.2011	
		Rs.	Rs.	Rs.	Rs.
I Revenue from operations:	14				
Sale of Products		105,933,003			94,548,043
Sale of Services		-			-
Other Operating Revenues		-	105,933,003	-	94,548,043
Less: Excise Duty		-		-	-
Increase in Inventory	15	(3,142,437)		1,395,481	
II Other Income	16	276,024	(2,866,413)	878,625	2,274,106
III Total Revenue (I + II)			<u>103,066,589</u>		<u>96,822,149</u>
IV Expenses					
Cost of Materials Consumed	17	-		-	
Purchases of Stock in Trade		63,594,629		66,884,700	
Changes in inventories of finished goods, work in progress and Stock-in-trade		-		-	
Employee benefits expense	18	7,026,084		5,073,256	
Finance Costs	19	294,445		209,121	
Depreciation and amortization expense	20	1,405,926		1,721,683	
Other expense	21	26,563,416		19,224,632	
Total Expense			<u>98,884,500</u>		<u>93,113,392</u>
V Profit before exceptional and extraordinary items and tax (III-IV)			<u>4,182,090</u>		<u>3,708,757</u>
VI Exceptional Items			-		-
VII Profit before extraordinary items and tax (V-VI)			<u>4,182,090</u>		<u>3,708,757</u>
VIII Extraordinary items			-		-
IX Profit before tax (VII-VIII)			<u>4,182,090</u>		<u>3,708,757</u>
X Tax expense:					
(1) Current tax		1,150,000		1,100,000	
(2) Deferred tax		155,995		182,236	
(3) Prior Period Adjustments		-		34,225	
			<u>1,305,995</u>		<u>1,316,461</u>
XI Profit/(Loss) for the period from continuing operations (IX - X)			<u>2,876,095</u>		<u>2,392,296</u>
XII Profit/(Loss) for the period from discontinuing operations			-		-
XIII Tax expense of discontinuing operations			-		-
XIV Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)			-		-
XV Profit/(Loss) for the period (XI + XIV)			<u>2,876,095</u>		<u>2,392,296</u>
XVI Earnings per equity share:					
(1) Basic			0.06		0.05
(2) Diluted			0.06		0.05

Significant accounting policies and notes to accounts 22

Note : Figures in brackets indicate negative figures.

The previous year's figures have been regrouped and reclassified wherever necessary.

In terms of our report of even date

For B.S. Rajput & Associates

Chartered Accountants

(FRN : 119760W)

(Bhupendra Singh Rajput)

Partner

Place : Ahmedabad

Dated : 14/08/2012

On behalf of the Board of Directors

Nimbus Foods Industries Limited

(Amit Khaksa)

Executive Director

(Sharad Khandelwal)

Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	As at 31.03.2012		As at 31.03.2011	
	Rs.	Rs.	Rs.	Rs.
A. Cash Flow from Operating Activities				
Net Profit before tax and Extraordinary Items		4,182,090		3,708,757
Adjusted for				
Depreciation and amortization expense	1,405,926		1,721,683	
Loss on Sale of Asset	111,050		3,108	
		<u>1,516,976</u>		<u>1,724,791</u>
Operating Profit before Working Capital Changes		5,699,065		5,433,548
Adjusted for				
Inventories	3,142,438		(1,395,481)	
Sundry Debtors	(82,398)		(1,593,294)	
Loans & Advances	(39,178,287)		(11,969,603)	
Current Liabilities & Provisions	(6,804,573)	(42,922,819)	6,779,978	(8,178,399)
Cash generated from Operating Activities		<u>(37,223,754)</u>		<u>(2,744,851)</u>
Lees : Direct Tax Provisions		<u>(1,150,000)</u>		<u>(1,100,000)</u>
Net Cash flow Operating Activities		<u><u>(38,373,754)</u></u>		<u><u>(3,844,851)</u></u>
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	(3,292,222)		(5,238,472)	
Sales of Fixed Assets	2,455,991		3,478,082	
Adjustment of Taxation of earlier year	-		(34,225)	
Decrease in Profit & Loss A/c (Dr Balance)	-		-	
Increase in Investments	-		-	
Net Cash used in Investing Activities		<u><u>(836,231)</u></u>		<u><u>(1,794,615)</u></u>
C. Cash Flow from Financing Activities				
Issue of Shares at Premium	15,050,000		-	
Share application money received	18,812,500			
Increase in Secured Loan	1,838,854		664,862	
Increase in Capital Reserves				
Increase in Unsecured Loan	(0)		546,859	
Net Cash used in Financing Activities		<u>35,701,354</u>		<u>1,211,721</u>
Net increase in Cash and Cash Equivalents (A+B+C)		<u><u>(3,508,631)</u></u>		<u><u>(4,427,745)</u></u>
Opening Balance of Cash and Cash Equivalents		8,284,075		12,711,820
Closing Balance of Cash and Cash Equivalents		4,775,444		8,284,075

Note : Figures in brackets indicate negative figures.

The previous year's figures have been regrouped and reclassified wherever necessary.

In terms of our report of even date

For B.S. Rajput & Associates

Chartered Accountants

(FRN : 119760W)

(Bhupendra Singh Rajput)

Partner

Place : Ahmedabad

Dated : 14/08/2012

On behalf of the Board of Directors

Nimbus Foods Industries Limited

(Amit Khaksa)

Executive Director

(Sharad Khandelwal)

Director



NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2012

	As At 31.03.2012 (Rs.)	As At 31.03.2011 (Rs.)
NOTE : 1		
AUTHORISED CAPITAL :		
92,000,000(92,000,000) Equity Shares of Rs. 1/- each	92,000,000	92,000,000
	<u>92,000,000</u>	<u>92,000,000</u>
ISSUED SUBSCRIBED & PAID UP :		
50811080 Equity Shares of Re. 1/- Each fully paidup (P.Y. 45811080 Equity Shares)	50,811,080	45,811,080
	<u>50,811,080</u>	<u>45,811,080</u>

Reconciliation of Shares:	Nos	Amt(Rs)	Nos	Amt(Rs)
Opening Share Capital	45,811,080	45,811,080	45,811,080	45,811,080
Add: Shares issued During the year	5,000,000	5,000,000	-	-
Add: Rights/Bonus Shares Issued	-	-	-	-
Total	50,811,080	50,811,080	45,811,080	45,811,080
Less: Buy back of Shares	-	-	-	-
Less Reduction in Capital	-	-	-	-
Closing Share Capital	50,811,080	50,811,080	45,811,080	45,811,080

List of Share holders having 5% or more Shares (In Nos)

Name Of Shareholders	In Nos	In %	In Nos	In %
Vraj Consultancy Services Pvt Ltd	5,000,000	9.84	-	-
Swarnjyot Finvest Pvt Ltd	8,240,000	16.22	8,240,000	17.99
Nimbus Finvest Pvt. Ltd.	-	-	2,421,588	5.29

NOTE : 2 RESERVE & SURPLUS**Capital Reserve**

Opening Balance	2,232,172	2,232,172
Add : Transfer from Statement of Profit & Loss	-	-
Less : Appropriations	-	-
Closing Balance	2,232,172	2,232,172

Statement of Profit & Loss

Opening Balance	5,747,117	3,354,822
Add: Profit During The Year	2,876,095	2,392,296
Less: Proposed Dividend (Incl .Tax) (Disclose Amt of Dividend Per Share)	-	-
Transfer to Reserves	-	-
Bonus Shares	-	-
Closing Balance	8,623,212	5,747,117
Share Premium	10,050,000	-
	<u>20,905,384</u>	<u>7,979,289</u>



	As At 31.03.2012 (Rs.)	As At 31.03.2011 (Rs.)
--	------------------------------	------------------------------

NOTE : 3 NON- CURRENT LIABILITIES**(A) Long term Borrowings**

Term Loans	-	355,644
Loans & Advance from Related Parties	1,500,000	1,500,000
Loans and Advances from Others	3,383,440	931,380
Others	-	257,561
	<u>4,883,440</u>	<u>3,044,585</u>

(B) Deferred Tax liabilities (Net)

Deferred Tax Liabilities	342,911	186,916
	<u>342,911</u>	<u>186,916</u>

NOTE : 4 : CURRENT LIABILITIES**(A) Short term Borrowings**

Unsecured	1,247	-
Deposits from Dealer	311,938	366,404
Other Loans and Advances	3,799	-
	<u>316,984</u>	<u>366,404</u>

(B) Trade Payables

For Goods/Services	8,428,934	12,966,163
For Expenses	5,319,429	7,557,010
For Statutory Dues	191,596	133,603
For Advances From Customers	261,374	347,945
	<u>14,201,332</u>	<u>21,004,722</u>

(C) Short Term Provision

Other Provisions	2,558	-
Provision for Taxation	1,150,000	1,104,320
	<u>1,152,558</u>	<u>1,104,320</u>



NOTE : 5 FIXED ASSETS AS AT 31ST MARCH, 2012

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK					NET BLOCK		
	RATE OF DEP.%	OPENING BALANCE	ADDITION	DEDUCTION	TOTAL	OPENING BALANCE	ADDITION	Reversal due to Capital Subsidy	DED.	TOTAL	31.3.2012	31.3.2011
GIDC Plot	0.00%	4,215,000	1,449,195	-	5,664,195	-	-	-	-	-	5,664,195	4,215,000
Building	10.00%	5,130,416	-	534,000	4,596,416	1,766,121	336,430	220,023	-	1,882,527	2,713,889	3,364,295
Plant & machinery	13.91%	16,048,568	808,719	1,905,000	14,952,287	6,585,239	1,365,147	825,883	-	7,124,503	7,827,783	9,463,329
Computer & Printers	40.00%	399,217	3,000	-	402,217	249,135	60,920	-	-	310,055	92,162	150,082
Cycle	13.91%	3,100	-	-	3,100	1,193	265	-	-	1,458	1,642	1,907
Furniture & Fixtures	18.10%	51,944	-	-	51,944	9,590	7,666	-	-	17,256	34,688	42,354
Workshop Equipment	13.91%	361,413	8,230	-	369,643	107,006	36,160	-	-	143,165	226,478	254,407
Office Equipment	13.91%	402,934	36,820	-	439,754	143,656	39,273	-	-	182,929	256,825	259,278
Motor Car	25.89%	2,051,702	408,349	311,000	2,149,051	219,652	538,439	-	182,959	575,133	1,573,918	1,832,050
Scooter	13.91%	54,332	-	-	54,332	17,687	-	-	-	17,687	36,645	36,645
GIDC Flat	10.00%	195,415	-	-	195,415	41,949	-	-	-	41,949	153,466	153,466
Vehicle	13.91%	1,568,033	-	-	1,568,033	230,489	7,719	-	-	238,208	1,329,825	1,337,544
TOTAL		30,482,074	2,714,313	2,750,000	30,446,387	9,371,716	2,392,020	1,045,906	182,959	10,534,871	19,911,518	21,110,358
PREVIOUS YEAR		29,759,946	5,238,472	4,503,142	30,495,276	8,731,796	2,479,133	817,262	1,021,952	9,371,716	21,123,560	21,028,149
Construction WIP		13,202	577,909	-	591,111	-	-	-	-	-	591,111	13,202

As At	As At
31.03.2012	31.03.2011
(Rs.)	(Rs.)

NOTE : 6 : NON CURRENT ASSETS

Long term Loans & Advances

Security Deposits	1,926,585	1,714,701
Loans and Advances to Related Parties	34,591,005	26,327,202
Other Loans and Advances (Specify Nature)	733,447	1,285,421
	37,251,037	29,327,325

NOTE : 7 : OTHER NON CURRENT ASSETS

Preliminary & Pre-Operative Exp.	365,615	425,427
	365,615	425,427

NOTE : 8 : CURRENT ASSETS

(A) Non Current Investments	5,000,000	5,000,000
Long Term Investment - Associate Concern In Equity Shares-Unquoted , fully paid up 500000 Govindam Agro Foods Pvt. Ltd. (500000 Equity Shares of Rs. 10/- each Fully paid-up)		
	5,000,000	5,000,000

**NIMBUS FOODS INDUSTRIES LIMITED**

	As At 31.03.2012 (Rs.)	As At 31.03.2011 (Rs.)
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NOTE : 9**(B) Inventories**

Raw Material	1,765,165	4,949,168
Packing Material	1,489,059	1,524,540
Work In Process	-	-
Stock-in-Trade	773,055	696,010
Stores and Spares	-	-
	<u>4,027,279</u>	<u>7,169,717</u>

NOTE : 10**(C) Trade Receivables**

Over Six Months	2,176,726	2,480,706
Below Six Months	4,450,533	4,064,155
Less:		
Provision for Doubtful Debts	-	-
	<u>6,627,259</u>	<u>6,544,861</u>

NOTE : 11**(D) Cash & Bank Balances**

Cash on Hand	4,035,402	3,607,925
Balance with Banks		
- In Current Accounts	740,042	3,319,047
- In Fixed Deposit Accounts	-	1,357,103
	<u>4,775,444</u>	<u>8,284,075</u>

NOTE : 12**(E) Short term Loans & Advances**

Loans and Advance to Directors	547,500	-
Loans and Advance to Others	851,583	828,620
Advances to Suppliers	12,892,836	179,427
Prepaid Expenses	43,107	-
Advances Staff and Others	17,522,415	611,006
Balance with Statutory Authorities	1,016,185	-
	<u>32,873,626</u>	<u>1,619,053</u>

NOTE : 13**(F) Other Current Assets**

3,300	3,300
<u>3,300</u>	<u>3,300</u>

**NOTE FORMING PART OF STATEMENT OF PROFIT & LOSS**

	Year Ended 31.03.2012 (Rs.)	Year Ended 31.03.2011 (Rs.)
NOTE : 14 SALES		
Sales	105,933,003	94,548,043
	<u>105,933,003</u>	<u>94,548,043</u>
NOTE : 15 INCREASE / (DECREASE) IN STOCK		
Closing Stock	4,027,279	7,169,716
Less : Opening Stock	7,169,716	5,774,235
Increase / (Decrease) in Stock	<u>(3,142,437)</u>	<u>1,395,481</u>
NOTE : 16 OTHER INCOME		
Commission Income	7,759	-
Distributors Claim	-	362,988
Interest received	56,403	134,144
Kasar vatav	40,367	302,303
Rate Difference	91,010	74,628
Round off	880	1,936
Weight Diff.	79,605	2,626
	<u>276,024</u>	<u>878,625</u>
NOTE : 17 PURCHASE		
Material Purchase	63,594,629	66,884,700
	<u>63,594,629</u>	<u>66,884,700</u>
NOTE : 18 EMPLOYEE BENEFIT COSTS		
Salaries, Wages, Bonus etc.	5,984,252	4,517,065
Contribution to P.F, E.S.I and Other Statutory Funds	82,883	54,230
Workmen and Staff Welfare Expenses	958,949	501,961
	<u>7,026,084</u>	<u>5,073,256</u>
NOTE : 19 FINANCE COSTS		
Interest on Term Loan	246,066	200,454
Interest on Unsecured Loans	40,014	-
Interest Others	8,365	8,667
	<u>294,445</u>	<u>209,121</u>
NOTE : 20 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation	1,346,114	1,661,871
Amortization Exp	59,812	59,812
	<u>1,405,926</u>	<u>1,721,683</u>

**NIMBUS FOODS INDUSTRIES LIMITED**

	Year Ended 31.03.2012 (Rs.)	Year Ended 31.03.2011 (Rs.)
NOTE : 21 OTHER EXPENSES		
Advertisement Exp.	118,405	125,987
Assets written off	-	64,603
Audit Fee	80,000	60,000
Bank Charges	64,814	58,570
Brokerage Charge	50,592	56,383
Cleaning Exp	185,462	89,291
Consultant Charges	217,053	184,998
Conveyance Exp.	156,339	40,058
Director Remuneration	300,000	900,000
Distribution Exp.	4,789,302	3,606,939
Electricity & Fuel Expenses	4,317,998	2,924,197
Factory Exp.	227,192	382,323
Forwarding Charges	1,987,892	1,216,062
Freight & Octroi Exp.	1,658,485	1,131,497
Insurance Charges	56,295	67,111
Job Work Charges-Out Side Factory	3,897,919	2,311,349
Legal Charges	274,048	91,580
Loading & Unloading Exp.	103,190	89,474
Loan Process Charges	111,050	3,108
Loss on Sale of Asset	28,041	2,732
Membership Fees	12,806	11,464
Misc. Exp.	191,898	111,862
Office Exp	63,205	79,540
Postage & Courier	89,679	53,651
Production Charges	107,903	17,120
Rate Difference (Discount)	1,957,024	998,453
Rates & Taxes	113,321	59,816
Rent Exp	680,075	541,754
Repair & Maintenance	1,566,038	1,183,342
Royalty Exp.	1,722,241	1,688,188
Security Expences	229,960	191,162
Stationery & Printing Exp.	371,284	330,076
Telephone Expenses	323,117	131,852
Travelling Exp.	176,035	222,661
Vehicle Repairing	99,666	31,792
Water Charges	229,501	157,428
Weight Charges	5,586	8,210
	26,563,416	19,224,632

**1. Significant Accounting Policies of Accounting Standard****(a) Basis of Preparation of Financial Statement**

The financial statements have been prepared under the historical cost convention method in accordance with the generally accepted accounting principles and the provisions of the Companies act 1956. The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis except in the case of significant uncertainty relating to income.

(b) Fixed Assets and Depreciation:

Fixed assets of the Company are stated at cost renewals and replacements are either Capitalized or charged to revenue, as appropriate, depending upon the nature and long-term utility of such renewals/ replacements. In respect of assets scrapped, discarded or retired during the year, the net book value of such assets is written off as loss on discarded fixed assets. The receipts on sale of such scrapped assets are accounted as and when realized.

(c) Depreciation:

The Company has a policy of providing depreciation on fixed assets on written down basis u/s 205(2)(a) of the Companies Act, 1956 at the rates specified in schedule XIV of the said Act.

(d) Investment:

Investment in shares of companies, quoted or unquoted are carried at cost of acquisition.

(e) Sales, Purchase and Inventories:

Sales are invoiced on delivery of goods. Purchases are accounted on the receipt of title of goods including related cost. Inventories are valued at cost including all related expenses or market value whichever is lower on FIFO Basis. Stock of Educational materials has been valued at cost.

(f) Miscellaneous Expenditure :

Preliminary & Preoperative Expenditure is written off over five years.

(g) Excise Duty :

Excise duty is not applicable to the business in which the company is engaged

(h) Borrowing cost:

The company follows the practice of capitalizing interest on borrowing for capital expenditure up to the date the assets is put to use.

(i) Taxes on Income :

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on excepted outcome of assessment/appeals.

Deferred Tax is recognized on timing difference between the accounting income and the taxable income for the year ended and quantified using the tax rates and laws enacted or substantially enacted as on the balance sheet date.

**Notes on Accounts**

1. The Sundry Creditors, Sundry Debtors, Unsecured loans and loans & advances are subjected to confirmation.
2. Director's Remuneration **₹ 3,00,000** (P.Y. ₹ 9,00,000)
3. Auditor's Remuneration :

	(In ₹)	
Particulars	Current year	Previous year
Audit Fees	80,000	60,000
Out of pocket Exp.	NIL	NIL

4. In the opinion of the Board of Directors, the Current Assets, Loans and Advances are approximately value stated, if realised in the ordinary course of business .The provisions of all known liabilities are adequately provided and not in the excess of amount reasonably necessary.
5. The Company has given Corporate Guarantees to banks against Loans sanctioned by banks to the group companies aggregate to Rs. 19.70Crores (PY : Rs.4.60 crores.)
6. The Company had been advised that the computation of net profit u/s 349 of the Companies Act., 1956 had not been made since no commission is paid / payable to the directors for the year.
7. AS- 15: In the opinion of the Board at present the company is not liable for gratuity and treatment of retirement benefit are accounted for as and when paid.
8. Estimated amount of contracts remaining to be executed on capital account and not provided for Nil (P.Y. Nil)

	2011-12	2010-11
9. C.I.F. value of imports(excluding purchase of items Imported by other agencies)	Nil	Nil
10 Expenditure in foreign currency	Nil	Nil
11. Earning in foreign exchange	Nil	Nil
12. Contingent Liabilities	Nil	Nil

13. The Contribution to the defined contribution scheme such as Provident Fund etc. is charged to the Statement of Profit & Loss as incurred. However no provision for gratuity is made during the year as the same is still not applicable to the Company.



14. Related Party Disclosure : As per Accounting Standard-18 (AS-18)

Sr. No.	Name of Related Party	Relationship
1.	Shri Amit Khaksa	Executive Director
2.	Shri Sharad Khandelwal	Director
3.	Shri Bhaichand Prajapati	Director
4.	Shri Deepak Sharma	Director
5.	Shri Sitaram G. Sharma	Director's Relative
6.	Balaji Resources & Trading Co. Ltd.	Associate Concern
7.	Nimbus Foods Ltd.	Associate Concern
8.	Chinar Capital Market Pvt. Ltd.	Associate Concern
9.	Shri Govindam Agro Foods Pvt. Ltd	Associate Concern
10.	Nimbus Auto Fast O Forge Pvt. Ltd	Associate Concern
11.	Nimbus Beverages Pvt. Ltd.	Associate Concern
12.	Nimbus Infrabuilt Pvt. Ltd.	Associate Concern

List of transaction:

S.N.	Name of Party	Particulars of Transaction	Amount (₹)
1.	Amit Khaksa	Salary	3,00,000
2.	Nimbus Foods Ltd.	Advances given	5,20,119
3.	Balaji Resources & Trading Co. Ltd.	Advances of previous years received	6,00,000
4.	Chinar Capital Market Pvt. Ltd.	Advances given	4,99,950
5.	Shri Govindam Agro Foods Pvt. Ltd	Advances Given.	37,78,818
6.	Nimbus Beverages Pvt. Ltd.	Advances given	3,17,20,857

15. Quantitative detail information as required under para 3, 4C and 4D of part II of schedule VI of the Companies Act, 1956 to the extent applicable is as under:

Quantitative Information

Units	Current Year Kgs.	Previous Year Kgs.
Capacity :		
Bread :		
Licensed	N.A.	N.A.
Installed	N.A.	N.A.
Utilised	N.A.	N.A.

**Raw Material Consumption: (Major Items)**

Units	Current Year Kgs.	Previous Year Kgs.
Maida consumed	2465167	1909392
Material Consumed :		
Imported (in Rs.)	NIL	NIL
Indigenous (in Rs.)	0%	0%
	3,59,09,419	2,95,95,576
	100%	100%
Production :		
Bread & Bakery (Kg.)	3435663	2468075

16. Accounting for Taxes on Income (AS-22)

Deferred Tax Assets/ Liability are provided in accordance with Accounting Standard AS-22 issued by the Institute of Chartered Accountants of India.

17. Details of Earnings per Shares:

S.No.	Particulars	2011-12	2010-11
1.	No. of Equity Shares of Re.1/- each	50811080	45811080
2.	Net Profit After Tax	28,76,095	26,08,756
3.	Basic and diluted earning per Shares	0.06	0.05

18. AS-28 : All the assets have been physically verified by the management during the year and also there is a regular programme 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.

19. The previous year's figure have been rearranged / re grouped where ever necessary.

In terms of our report of even date

For B.S. Rajput & Associates

Chartered Accountants

(FRN : 119760W)

(Bhupendra Singh Rajput)

Partner

Place : Ahmedabad

Dated : 14/08/2012

On behalf of the Board of Directors

Nimbus Foods Industries Limited

(Amit Khaksa)

Executive Director

(Sharad Khandelwal)

Director

NIMBUS FOODS INDUSTRIES LIMITED

Regd. Office : Plot No. B-13 & 14, Phase-II, GIDC Industrial Area, Naroda, Ahmedabad -382 330

PROXY FORM

DP Id* _____ Regd. Folio No. _____

Client Id* _____

I/We _____

of _____ in the district of

_____ being a member/members of the above named Company, hereby appoint

Mr./Mrs. _____ of _____ in the

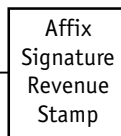
district of _____ or failing him/her Mr./Mrs. _____ of

_____ in the district of _____

as my/our Proxy to vote for me/our behalf at the at the Annual General Meeting of the Company to be held on Thursday, the 27th September, 2012 at 11.00 a.m. at Plot No. B-13 & 14, Phase-II, GIDC Industrial Area, Naroda, Ahmedabad -382 330

Signed the _____ day of _____ 2012

Signature _____



* Applicable for members holding shares in dematerialised form.

- 1. The Proxy Form signed across revenue stamp should reach the Company's Registered Office at least 48 hours before the scheduled time of meeting.

NIMBUS FOODS INDUSTRIES LIMITED

Regd. Office : Plot No. B-13 & 14, Phase-II, GIDC Industrial Area, Naroda, Ahmedabad -382 330

ATTENDANCE SLIP

Full name of the Member attending : _____

Name of Proxy : _____

I hereby record my presence at the Annual General Meeting being held on Thursday, the 27th September, 2012 at 11.00 a.m. at Plot No. B-13 & 14, Phase-II, GIDC Industrial Area, Naroda, Ahmedabad -382 330.

Regd. Folio No. _____

DP Id* _____

Client Id* _____

No. of Share held _____

Member's/Proxy's Signature
(To be signed at the time of handing over the slip)

* Applicable for members holding shares in dematerialised form.

Note : Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.

BOOK-POST

If undelivered

Please return to :

NIMBUS FOODS INDUSTRIES LIMITED

Regd. Office : Plot No. B-13 & 14, Phase-II,
GIDC Industrial Area, Naroda, Ahmedabad -382 330