

BOARD OF DIRECTORS



BOARD OF DIRECTORS

Mr. Kailash Chandra Shahra
Mr. Suresh Chandra Shahra
Mr. Manish Shahra
Mr. Ashok Trivedi
Mr. Deepakk Goyal
Mr. P.D. Nagar
Mr. Ashok Mehta
Mr. Praveen Sethia

- Chairman
- Managing Director
- Jt. Managing Director
- Whole Time Director
- Executive Director
- Independent Director
- Independent Director
- Additional Director

COMPANY SECRETARY

Mr. Shailesh Kumath

BANKERS

Dena Bank
Punjab National Bank
Central Bank of India
Oriental Bank of Commerce
Bank of India
State Bank of Travancore
Allahabad Bank
IDBI Bank Ltd.

AUDITORS

Ashok Khasgiwala & Co.
Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENT

Sarthak Global Limited
170/10, Film Colony,
Indore (M.P.) 452 001

WORKS:

DAIRY UNITS

1. Unit I-Vill. Bilawali, Dewas Maksi Road Dewas (M.P.)
2. Unit II-Vill. Bilawali, Dewas Maksi Road Dewas (M.P.)
3. Dairy Complex, Kasganj Road, Etah (U.P)
4. Govindpura Industrial Area, Bhopal

WIND POWER UNIT

1. Village Gorera, Dist. Jaisalmer (Raj.)
2. Village Nagda, Dist. Dewas (M.P.)

REGISTERED OFFICE

610, Tulsiani Chambers,
Nariman Point, Mumbai-400 021

ADMINISTRATIVE & CORPORATE OFFICE:

2/1, South Tukoganj,
Behind High Court,
Indore- 452 001

34th Annual General Meeting will be held at Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai- 400 018 on Thursday the 30th September, 2010 at 1.30 p.m.

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**NOTICE**

NOTICE is hereby given that the Thirty Fourth Annual General Meeting of the Members of Anik Industries Limited will be held at Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai- 400 018 on Thursday, the 30th September, 2010 at 1.30 p.m. to transact the following businesses :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended 31st March, 2010 together with the Report of the Directors and Auditors thereon.
2. To declare dividend on Equity shares of the Company for the year ended 31st March, 2010.
3. To appoint a Director in place of Mr. Kailash Chandra Shahra who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. P.D. Nagar who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:-
"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any other statutory modification(s) or re-enactment thereof, Mr. Praveen Sethia, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 148 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

By order of the Board of Directors

(SURESH CHANDRA SHAHRA)
Managing Director

Place : Indore
Dated: 3rd September, 2010

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. Register of Members and Share Transfer Books of the Company will remain closed from 28th September, 2010 to 30th September, 2010 (both days inclusive).
3. The Company has already notified closure of Register of Members and Transfer Books thereof from, 28th September, 2010 to 30th September, 2010 (both days inclusive) for determining the name of members eligible for dividend, if approved, on Equity shares. In respect of shares held in electronic dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the depositories for this purpose.
4. The members holding shares in physical form are requested to intimate to the Registrar and Transfer Agents (R&TA), Sarthak Global Limited, 170/10, Film colony, R.N.T. Marg, Indore (M.P.) 452 001 for change of address, if any, at the earliest, quoting their Registered Folio Number, change of address in respect of shares held in demat form is required to be intimated to the concerned Depository Participant.
5. Members are requested to :
 - a. Complete the attendance slip and deliver the same at the entrance of the meeting hall.
 - b. Bring their copies of the Annual Report at the time of attending the Annual General Meeting.
 - c. Send their questions 10 days in advance before the Annual General Meeting about any further information on accounts so as to enable the Company to answer their question satisfactorily.
6. All documents referred to in the accompanying Notice and Explanatory Statements are open for inspection at the Registered Office of the Company on all working days except Saturday between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting.
7. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Nos. for easy identification of attendance at the meeting.

By order of the Board of Directors

(SURESH CHANDRA SHAHRA)
Managing Director

Place : Indore
Dated : 3rd September, 2010

NOTICE



EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM No. 6

Mr. Praveen Sethia was appointed as an Additional Director by the Board of the Company with effect from 1st July, 2010. Pursuant to the provisions of Section 260 of the Companies Act, 1956. Mr. Praveen Sethia holds office upto the date of this Annual General Meeting.

The Company has received a Notice in writing under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Praveen Sethia for the office of Director of the Company.

The Board of Directors accordingly recommend the resolution set out in Item No. 6 for your approval.

None of the Directors of the Company other than Mr. Praveen Sethia is concerned or interested in the said resolution.

By order of the Board of Directors

Place : Indore

Dated : 3rd September, 2010

(SURESH CHANDRA SHAHRA)
Managing Director

Details of Directors seeking appointment/ re-appointment at the Annual General Meeting (pursuant to Clause 49 of the Listing Agreement)

ITEM No. 3:

Mr. Kailash Chandra Shahra, aged 72 years, is B.Com. and LL.B. He possesses more than 48 years of rich experience in the industry. Apart from Chairmanship of the Company, Mr. Kailash Chandra Shahra also leads the Ruchi Group of Companies. Mr. Kailash Chandra Shahra has been awarded 'Udyog Ratna' award by the Chief Minister of Madhya Pradesh for his contribution to the economic development of the state. He is on the Board of the following Public Companies:

1. Ruchi Soya Industries Limited.
2. National Steel & Agro Industries Ltd.
3. Ruchi Strips & Alloys Ltd.
4. Indian Steel Corporation Ltd.
5. National Board of Trade Ltd.

Mr. Kailash Chandra Shahra is the Chairman of the Investor Grievance Committee in the Ruchi Soya Industries Limited. Further, he is also a member of the Audit committee in the National Steel & Agro Industries Ltd. and the Remuneration Committee in the Ruchi Soya Industries Ltd..

Mr. Kailash Chandra Shahra holds 20,100 Equity shares in the Company.

ITEM No. 4:

Mr. P.D. Nagar, aged 65 years, a fellow member of the Institute of Chartered Accountants of India and possesses rich experience in Finance, Accounts and Taxation. He is on the Board of the following public companies:

1. MPSE Securities Ltd.
2. Rajratan Global Wire Ltd.
3. Rajratan Thai Wires Limited.

Mr. P.D. Nagar holds 100 Equity shares in the Company.

ITEM No. 6:

Mr. Praveen Sethia, aged 43 years, is a member of the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India. He is having exposure to various facades of infrastructure BOT Project Sectors like identifying opportunities, establish viability, fund raising, implementation and monitoring the project.

He is on the Board of the Intec Capital Ltd.

Mr. Praveen Sethia does not hold any Equity shares in the Company.

By order of the Board of Directors

Place : Indore

Dated : 3rd September, 2010

(SURESH CHANDRA SHAHRA)
Managing Director



DIRECTORS' REPORT

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting Thirty Fourth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2010.

Financial Results

The Performance of the Company for the Financial Year ended on 31st March, 2010 is summarized below:

Particulars	(Rs.in Lacs)	
	2009-10	2008-09
Sales and other Income	1,22,327.59	1,02,097.75
Gross Profit	1,908.18	1,799.76
Depreciation	387.83	354.49
Profit for the year	1,520.36	1,445.27
Profit before tax	1,520.36	1,445.27
Provision for Taxation for the year	(360.00)	(400.00)
Provision for Fringe Benefit Tax	-	(19.00)
Provision for Deferred Taxation for the year	(50.67)	(120.70)
Income Tax for earlier years (net)	(3.63)	173.23
Profit after Taxation	1,106.06	1,078.80
Balance brought forward from previous year	9,276.75	8,419.74
Amount Available for Appropriation	10,382.81	9,498.54
Transfer to General Reserve	500.00	26.97
Proposed Dividend on Equity Shares	166.52	166.52
Tax on Dividend	27.66	28.30
Surplus carried to Balance Sheet	9,688.63	9,276.75

DIVIDEND

Your Directors are pleased to recommend Dividend of 6% (Rs 0.60/- per equity share) for the year ended 31st March, 2010 on Equity Share Capital of Rs. 27.75 Cr. involving an outgo of Rs. 166.52 Lacs. Additionally, Dividend Distribution Tax will involve an outlay of Rs. 27.66 Lacs.

OPERATIONS

The overall performance of the Company showed significant improvement as compared to the previous year. The Company has achieved turnover of Rs. 1,223 Crores with around 20% growth as compared to previous year. Operating Profit & Net profit also increased by 6% at Rs. 1,908.18 Lacs by 2.5% at Rs. 1,106.06 Lacs respectively during the year under review.

Management of the Company under the direction of your Board of Directors is continues in achieving the targets of cutting down in the cost of operations and getting efficiency in this area by using better alternated resources/means.

BUSINESS EXPANSION & DIVERSIFICATION

MINING BUSINESS

On the front of recently diversified business of mining the year under review has remained very fruitful and two Mining Concessions have been allotted to your Company in which the First is as Mining Lease at Miragpur Dist. Balaghat (MP) and the Second as Prospecting License at Mahadula (Mahashtra). We expect to start functioning after various procedural formalities and permissions are granted. Based on sound financial background and captive usage of minerals in the industry being projected by the Company, we expect to get allotment of Manganese Ore mines at other places also.

DIRECTORS' REPORT



Your Company is also very keen in setting up Mineral Based Industries and in a step forward it is already in the process of setting up Ferro-Alloys Plant through one of its subsidiaries M/s. Anik Ferro-Alloys Pvt. Ltd. at Meghanagar Dist. Jhabua (MP). Also to speed up this object your company has also purchased an existing Plant of Ferro-Alloys at the same location in Jhabua of M/s. Jalan Ispat Castings Ltd. (in Liquidation) through the Gujrat High Court, from where we expect to take commercial production from April-2011.

Better profitability and turNover is expected from this activity also in near future.

REAL ESTATE BUSINESS

The integrated township project 'Active Acres' at Kolkata launched in 2008 by Mahakosh Property Developers a partnership wherein your company is a partner with major stake has received great response from all over in the form of booking even in the phase of recession period in the Real Estate Sector, which is a good sign of your Company's reputation and sustainability which will result in good profits in the years to come.

NEW DAIRY PLANT

A new Milk Processing Plant with capacity to produce 30 Tons Milk Powder per day by processing 4 Lacs Litres per day has been commissioned successfully at Dewas (MP) with total investment of around Rs. 22 crores. The commercial production from the said Plant has already been started. This Plant will provide great opportunities of exports available in Milk Powder business to your Company resulting in good profits in the years to come.

FOREIGN EXCHANGE EARNINGS

Your company remains committed to enlarge its Foreign Exchange Earnings. During the year under review, your company's earnings from export of goods on FOB basis was Rs. 9,339.55 lacs earned through export of Agri-Commodities.

Yours Company is targeting other countries with additional Dairy Products and Agri-Commodities on opportunity basis to increase its foreign earnings.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public during the year under review.

INSURANCE

All the properties and Insurable Interests of the Company including Building and Plant & Machinery have been adequately insured..

PARTICULARS OF EMPLOYEES

The Statement of Particulars of Employees as required by the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Directors Report is annexed herewith as Annexure 'A'.

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

Information as per section 217(1)(e) read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure 'B' forming part of this Report.

HUMAN RESOURCE & INDUSTRIAL RELATIONS

Industrial relations were harmonious throughout the year. The Board wishes to place on record their sincere appreciation to the co-operation extended by all employees in maintaining cordial relations.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

DIRECTOR'S RESPONSIBILITY STATEMENT

The Company is in compliance with various accounting and financial reporting requirements in respect of the financial statement for the period under review. Pursuant to section 217(2AA) of the Companies Act, 1956, and in respect of the Annual Accounts for the period under review, the Director hereby confirms that:

- a. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- b. Appropriate Accounting Policies have been selected and applied consistently and made judgments and estimates that are



DIRECTORS' REPORT

reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and of the profit or loss of the Company for that period;

- c. 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 have been taken to the best of their knowledge and ability.
- d. The annual accounts have been prepared on a "Going Concern Basis".

DIRECTORS

Mr. Kailash Chandra Shahra and Mr. P.D. Nagar, Directors of the Company retire by rotation in accordance with the provisions of the Articles of Association of the Company and being eligible offer themselves for reappointment.

Mr. Shashi Kumar and Mr. Surpalsinh Jhala have been appointed as Additional Directors of the Company w.e.f 19.02.2010. Mr. Ashok Phadnis has resigned from the Directorship of the Company on 10.03.2010. Due to adverse health conditions Mr. Shashi Kumar and Mr. Supralsinh Jhala have resigned from the Directorship on 08.05.2010 and 10.07.2010 respectively. The Board appreciates the valuable services rendered by Mr. Shashi Kumar, Mr. Surpalsinh Jhala and Mr. Ashok Phadnis during their association with your Company.

Mr. Praveen Sethia was appointed as Additional Director of the Company w.e.f. 01.07.2010 and who holds office upto the ensuing Annual General Meeting. The Company has received a Notice u/s 257 of the Companies Act, 1956 together with the requisite deposit from a shareholder and proposes to appoint him as a Director of the Company liable to retire by rotation.

AUDITORS & AUDITORS REPORT

The Auditors M/s. Ashok Khasgiwala & Co., Chartered Accountants, retires at the forthcoming Annual General Meeting and is eligible for re-appointment. The notes referred to by the Auditors in their Report are self explanatory and hence do not require any explanation.

SUBSIDIARY COMPANIES:

The Company had following subsidiaries as on 31st March, 2010:

1. Anik Energy Pvt. Ltd.
2. Anik Ferro-Alloys Pvt. Ltd.

However due to no business activity in both the subsidiary companies during the Financial Year 2009-10 the financial results of both the companies have not been consolidated.

ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to all of the Company's employees for their enormous personal efforts as well as their collective contribution during the year. The Directors would also like to thank the shareholders, customers, suppliers, bankers, financial institutions and all other business associates for their continuous support given by them to the Company and their confidence in the management.

For and on behalf of the Board of Directors

(MANISH SHAHRA)
Jt. Managing Director

For and on behalf of the Board of Directors

(SURESH CHANDRA SHAHRA)
Managing Director

Dated : 3rd September, 2010
Place : Indore

DIRECTORS' REPORT



ANNEXURE 'A' TO THE DIRECTORS' REPORT

Statement of particulars of employees as required by the provisions of section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended, and forming part of the Director's Report for the year 2009-10.

Name	Designation	Qualification	Experience	Date of Joining	Remuneration (in Rs.)	Age (yrs.)	Last employment
Mr. Suresh Chandra Shahra	Managing Director	B.E	45 years	26.07.93	4109360	66	N.A.
Mr. Manish Shahra	Jt. Managing Director	B.E. & M.B.A.	16 years	26.04.93	3050067	39	N.A.
Mr. Deepakk Goyal	Executive Director	Sc. Graduate & M.B.A.	15 years	01.09.09	1838392	38	Shyam Group of Industries

Notes:

1. Nature of employment is contractual. Other Terms & conditions are as per the Company's rules.
2. Mr. Suresh Chandra Shahra is related to Mr. Kailash Chandra Shahra, Chairman and Mr. Manish Shahra, Jt. Managing Director of the Company.
3. Mr. Manish Shahra is related to Mr. Suresh Chandra Shahra, Managing Director and Mr. Kailash Chandra Shahra, Chairman of the Company.
4. Remuneration received includes Salary, contribution to Provident Fund, Gratuity Fund and other perquisites evaluated in accordance with the Income Tax Rules as applicable.

ANNEXURE 'B' TO DIRECTORS' REPORT

Information as per section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2010.

Particulars	Current Year 2009-10	Previous Year 2008-09
1. CONSERVATION OF ENERGY		
A Power & Fuel Consumption		
1 Electricity		
a) Units Purchased	63,66,036	64,23,957
Total Amount (Rs.)	3,01,70,080	2,76,46,634
Rate/Unit(Rs.)	4.74	4.30
b) Own Generation		
Units Produced	14,56,972	9,05,535
Total Amount (Rs.)	1,52,05,040	1,09,57,941
Rate/Unit(Rs.)	10.44	12.10
2 Coal		
Quantity (in MT)	5,311.752	4,576.274
Total Cost (Rs.)	1,97,64,526	1,91,73,468
Average Rate Per MT(Rs)	3,720.91	4,189.76
3 Other (Husk, Saw Dust etc.)		
Quantity (Tons)	5,927.56	6,145.045
Total Amount (Rs.)	1,58,56,193	1,69,35,057
Average Cost(Rs.)	2,674.99	2,755.89
B Consumption per unit of production		
Electricity (unit)	160.83	147.56
Coal (MT)	0.11	0.10
Other (Husk, Saw Dust, etc.)	0.12	0.13

2. TECHNOLOGY ABSORPTION

The Company is keeping pace with the developments in the Milk Processing, Modern, Hygienic and Nutritious Dairy Products and adapting its Plants in line with these developments.

3. FOREIGN EXCHANGE EARNING AND OUTGO

During the year under review, the Foreign Exchange Outgo was Rs. 48,384.02 Lacs (Prev. Yr. Rs. 38,205.54 Lacs) and the foreign exchange earning on exports was Rs. 9,339.55 Lacs (Prev. Yr Rs. 2,656.31 Lacs).

For and on behalf of the Board of Directors

For and on behalf of the Board of Directors

(MANISH SHAHRA)

(SURESH CHANDRA SHAHRA)

Jt. Managing Director

Managing Director

Dated : 3rd September, 2010

Place : Indore



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

India, one of the fastest growing consumers markets in the world with its huge population & powerful purchasing power, can be seen as Rising Star of the world economy. In 2009-10 the Indian Economy has Registered a Growth Rate of 7.4% driven on robust performance of the Manufacturing Sector on the back of government and consumer spending.

Your company is primarily engaged in the business of processing of Milk & Milk Products, trading of Agri-Commodities & coal and Wind Power Generation.

India, the largest milk producing country in the world is also the fastest growing market for milk and milk products. The market size in value terms for milk and milk products including the organized and un-organized sectors is estimated to be around USD 47.6 Billion and growing at nearly 7.5% annually. India where consumption of dairy products is rapidly increasing having great business opportunities in dairy sector.

The Indian Wind Energy Sector has an installed capacity of 11,807.00 MW (as on March 31, 2010). In terms of wind power installed capacity, India is ranked 5th in the World. Today India is a major player in the global wind energy market. However the potential is far from exhausted.

It is estimated that with the current level of technology, the 'on-shore' potential for utilization of wind energy for electricity generation is of the order of 65,000 MW. The unexploited resource availability has the potential to sustain the growth of wind energy sector in India in the years to come.

B. OPPORTUNITIES & THREATS

(I) DAIRY BUSINESS:

In India milk is treated as powerhouse of natural nutrients which are necessary to sustain a healthy mind and body. It offers great opportunities to entrepreneurs worldwide, who wish to capitalize on one of the world's largest and fastest growing markets for milk and milk products. The Indian dairy industry is rapidly growing, trying to keep pace with the global growth. Annual growth rate is of more than 7% in this sector. In India potential is there for expansion in smaller towns. Presently, about 1.15 lakh village level co-operative societies spread over the country form part of the National Milk Grid. The Govt. of India is planning to spend nearly US\$ 3700 Million (Rs.18,500 crores) for the Dairy Sector under the National Dairy Plan during the next few years.

Indian dairy industry is in unorganized form where quality of milk and animals are poor with yield per cow less than those of foreign producers who are on the verge of entering in Indian dairy market and will soon have access to India under WTO regime. Poor quality of milk prohibits Indian milk from being exported. Indian dairy industry will see tough competition from imports. Technological upgradation with the aim to provide nutrition, health and high quality are key factors for success in dairy business. In years to come greater demand for unadulterated pasteurized liquid milk in poly pouches, high quality nutrition products will be the thrust area for growth.

Company is at present exporting SMP to different countries while the prospects of exporting WMP, Soya Protein Isolate and Concentrate and Casein is very bright. Export prospects of these products will help company to get Noted in other countries.

(II) WIND POWER

In power generation India has become the new "Wind Superpower". Company's two wind power projects at Nagda Hills, Dewas (M.P.) and Jaisalmer (Raj.) are successfully generating energy and have shown the ability of the Company to diversify in Non-Conventional Energy Sector. In Financial Year 2009-10 both wind power units of the Company generated 30,63,404 Electricity Units.

(III) OTHERS

In current year monsoon remained favourable which has resulted in coming out of recessionary trend spread over India and global economy has also starting showing positive signal. The Company also got succeeds in keeping pace with the past performance of previous years. The company proposes to continue to recognize the full potential in coal and agro commodities in coming period.

The future performance of your company would depend to a large extent on its ability to successfully run its existing and forthcoming Plants, successful diversification, introduction and market of dairy products and other commodities on opportunity basis. We are hopeful that through the combination of market developments and expansion activity, there will be healthy growth over the next few years.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT



Your Company has already shown positive signals in the recently entered mining business and gradually started trading of major minerals, got success in getting mining concessions as well as efforts are continuing one to get major areas of manganese and iron ore under mining lease approved in its favour and to set up mineral based industries in mineral proven areas.

Real Estate business is being carried out under M/s. Mahakosh Property Developers wherein the company is a major partner under which an integrated township is being developed at Kolkata on total land of 17 acres with total construction area of approx. 20 lacs sq. ft. Success in the said project will lead the Company to enter in real estate business directly. Your company is also having keen interest in entering into venture with the other real estate company to take its major hold.

C. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Your company has identified three business segments in line with the accounting standard on segment reporting. These are:

- | | | |
|----------------|---|---|
| Dairy Products | - | Milk, Ghee, Milk Powder and other Dairy products. |
| Wind Power | - | Wind Power Generation |
| Others | - | Trading of Coal, Agri commodities, edible oils etc. |

The segment wise performance in detail is given in Schedule 19, Note 13 to the audited accounts of the company as available in this annual report.

D. OUTLOOK

With increasing demand of dairy products, the Company has successfully set up a milk processing unit at Bhopal and in addition to that a milk powder Plant has also been successfully set up and commissioned at existing Dewas Plant, whereby total milk processing capacity reached to 10 lacs liter milk per day. During the year under review your company has successfully entered in states of Central and Western India and products of the Company are welcomed in these market. Endeavors are continuing to enter into remaining parts of Central & Western India and Southern parts of India also. The Company has started concentrating more on hygienic consumer packaged products instead of bulk and hopeful that this will further strengthen position in the market.

Further, the Wind Power Projects of the Company are generating electricity satisfactorily. Electricity produced in Rajasthan Plant is being sold to Rajasthan State Electricity Board (RSEB) while in Madhya Pradesh we have captive consumption in our Plant and remaining electricity is sold to Madhya Pradesh Electricity Board (MPEB). We see ecological power generation as the sunrise industry of tomorrow and have positioned ourselves to save the nature and to reap the reward for our stakeholders.

With our strong focus on core business activities and our competitive position, better performance is expected in the years to come.

E. RISK AND CONCERNS

The major risk and concerns attributed to the performance of the company are:

- The company is exposed to risks from market fluctuation of foreign exchange. Hence the erratic movement in foreign exchange rates and international prices of dairy products may influence the performance of the company. Change in duty structure may affect adversely.
- Increase in input costs, change in tax structure, change in interest rates, changes in govt. policies/ laws of land, development and stability of Indian economy against the negative external and internal forces may also impact the overall performance of the company.
- Profitability may be affected on account of competition from existing and prospective manufacturers of the company's products.
- Dairy business basically based on monsoon. Unfavourable monsoon may affect the milk availability and Company may Not get milk upto installed capacity and demand.

F. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your company has good and effective internal control system for its various units in respect of efficiency of operations, financial reporting, proper recording and safeguarding of assets, compliance with applicable laws and regulations, etc.

The adequacy of the same has been reported by the statutory auditors of your company in their report as required under the Manufacturing & Other Companies (Auditors Report) Order, 1988.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

G. FINANCIALS

(Rs.in Lacs)

Balance Sheet	As at 31.03.10	As at 31.03.09
1. Share Capital	2,775.35	2,775.35
2. Reserves and Surplus	17,798.33	16,886.46
3. Loans (Secured & Unsecured)	35,793.01	13,816.51
4. Deferred Taxation(Net)	791.33	740.66
5. Net Fixed Assets	11,923.47	9,979.48
6. Net Current Assets	43,575.73	21,860.80

(Rs.in Lacs)

Profit & Loss Account	As at 31.03.10	As at 31.03.09
1. Sales	1,21,681.35	1,01,049.63
2. Other Income	646.24	1,048.12
3. Profit Before Depreciation & Tax	1,908.18	1,799.77
4. Net Profit After Tax	1,106.06	1078.80
5. Earning Per Share (Rs.)	3.99	3.89

H. MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

Your company considers the quality of its human resources to be most important asset and constantly endeavors to attract and recruit best possible talent. The number of people employed during the year was 309.

The industrial relations of the company continue to remain harmonious and cordial with focus on improving productivity and quality.

I. CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.