

**35<sup>th</sup>**  
**ANNUAL REPORT**  
**2010-11**



**ANIK INDUSTRIES LIMITED**

GROWTH THROUGH SUSTAINABLE DEVELOPMENT







## BOARD OF DIRECTORS

Mr. Kailash Chandra Shahra  
Mr. Suresh Chandra Shahra  
Mr. Manish Shahra  
Mr. Ashok Trivedi  
Mr. P.D. Nagar  
Mr. Ashok Mehta  
Mr. Kamal Kumar Gupta

- Chairman
- Managing Director
- Jt. Managing Director
- Whole Time 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

## REGISTERED OFFICE

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

## STOCK EXCHANGE LISTING

The National Stock Exchange of India Ltd.  
The Bombay Stock Exchange Ltd.

## WORKS

### (A) 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 (M.P.)

### (B) Wind Power Units

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

## REGISTRAR & SHARE TRANSFER AGENT

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

## ADMINISTRATIVE & CORPORATE OFFICE

2/1, South Tukoganj,  
Behind High Court,  
Indore (M.P.)- 452 001

**35<sup>th</sup> Annual General Meeting will be held at Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai- 400 018 on Friday the 30<sup>th</sup> September, 2011 at 2.30 p.m.**

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**NOTICE**

NOTICE is hereby given that the Thirty Fifth 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 Friday, the 30<sup>th</sup> September, 2011 at 2.30 p.m. to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2011 and the Profit & Loss Account for the year ended 31<sup>st</sup> March, 2011 together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ashok Mehta who retires by rotation and being eligible offers himself for re-appointment.
3. 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:**

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **special resolution:-**

**"RESOLVED THAT** pursuant to the provisions of the Section 198, 269, 309, 310 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any of the Companies Act, 1956 (including any Statutory Modification(s) or re-enactments thereof, for the time being in force), the approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Manish Shahra as the Jt. Managing Director of the Company for a period of 5 years with effect from 1<sup>st</sup> July, 2011 on the terms and conditions including remuneration as set out hereunder with the liberty to Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and / or remuneration within the parameters of the applicable laws or any amendments thereto.

**TENURE:** 5 (five) years with effect from 1<sup>st</sup> July, 2011.

**FUNCTIONS:** Mr. Manish Shahra shall have substantial powers of management subject to direction, control and superintendence of the Board of Directors.

**SALARY:** Rs. 3,00,000/- per month upto a maximum of Rs. 7,50,000/- per month.

**PERQUISITES:** Subject to the ceiling of Rs.6,00,000/- per annum:

Contribution to Provident fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the Rules of the Company.

**SITTING FEES:** Mr. Manish Shahra shall not be entitled to any sitting fees.

**RESOLVED FURTHER THAT** wherein a financial year during the currency of his tenure, the Company has no profits or its profits are inadequate the remuneration payable to him shall not exceed the ceiling limit prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956 for that year, which will be payable to him as minimum remuneration for that year.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to increase or revise the remuneration upto Rs. 7,50,000/- (Rupees Seven Lacs Fifty Thousand only) per month (exclusive of perquisites), from time to time during the tenure of said five years AND THAT the said increase or revision shall also be subject to overall limit on remuneration payable to all the then managerial personnel taken together, as laid down in the Companies Act, 1956, read with Schedule XIII thereto.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto and the Board shall have absolute powers to decide break up of the remuneration within the above said maximum permissible limit and in order to give effect to the foregoing resolution or as may be otherwise considered by it to be in the best interest of the Company."

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **special resolution:-**

**"RESOLVED THAT** pursuant to the provisions of the Section 198, 269, 309, 310 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any of the Companies Act, 1956 (including any Statutory Modification(s) or re-enactments thereof, for the time being in force), the approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Ashok Trivedi as the Whole-time Director of the Company for a period of 5 years with effect from 1<sup>st</sup> April, 2011 on the terms and conditions including remuneration as set out hereunder with the liberty to Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute



to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and / or remuneration within the parameters of the applicable laws or any amendments thereto.

**TENURE:** 5 (five) years with effect from 1<sup>st</sup> April, 2011.

**SALARY:** Rs. 54,000/- per month upto a maximum of Rs. 1,00,000/- per month.

**PERQUISITES:** Subject to the ceiling of Rs. 5,000/- per month:

Contribution to Provident fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the Rules of the Company.

**SITTING FEES:** Mr. Ashok Trivedi shall not be entitled to any sitting fees.

**RESOLVED FURTHER THAT** wherein a financial year during the currency of his tenure, the Company has no profits or its profits are inadequate the remuneration payable to him shall not exceed the ceiling limit prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956 for that year, which will be payable to him as minimum remuneration for that year.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to increase or revise the remuneration upto Rs. 1,00,000/- (Rupees One Lac only) per month (exclusive of perquisites), from time to time during the tenure of said five years AND THAT the said increase or revision shall also be subject to overall limit on remuneration payable to all the then managerial personnel taken together, as laid down in the Companies Act, 1956, read with Schedule XIII thereto.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto and the Board shall have absolute powers to decide break up of the remuneration within the above said maximum permissible limit and in order to give effect to the foregoing resolution or as may be otherwise considered by it to be in the best interest of the Company."

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. Kamal Kumar Gupta, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and 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

Place : Indore

Dated: 3<sup>rd</sup> September, 2011

(SURESH CHANDRA SHAHRA)

Managing Director

#### 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 **28<sup>th</sup> September, 2011 to 30<sup>th</sup> September, 2011** (both days inclusive).
3. 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 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.
4. Pursuant to provisions of Section 205A of the Companies Act, 1956, as amended dividends that are unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Members who have not encashed the dividend warrant(s) so far for the financial year ended 31<sup>st</sup> March, 2004, or any subsequent financial year are requested to make their claim to the Sarthak Global Limited, the Registrar and Share Transfer Agent of the Company. It may be noted that the once the unclaimed dividend is transferred to IEPF, no claim shall lie against IEPF or the Company in respect thereof.





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.
8. The Ministry of Corporate Affairs, (MCA) has taken a "Green Initiative" in the Corporate Governance by permitting paperless compliances by companies (vide its Circular No. 17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011) and clarified that the services of documents by a company can be made through electronic mode.

Accordingly, it has been decided to send all future communications from the Company including notices, annual reports, attendance slip, proxy form etc., to the shareholders in electronic form to their registered e-mail address. Members are requested to update their e-mail IDs with depository participants (DP) for shares held in electronic form or with the Registrar and Transfer Agent at **anik@sarthakglobal.com** in case the shares are held in physical form.

By order of the Board of Directors

**(SURESH CHANDRA SHAHRA)**  
Managing Director

Place : Indore

Dated: 3<sup>rd</sup> September, 2011

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

### **ITEM NO. 4**

Mr. Manish Shahra was re-appointed as Joint Managing Director with effect from 1<sup>st</sup> July, 2011 for a period of 5 years by the Board of Directors of the Company at their meeting held on 15<sup>th</sup> June, 2011, subject to the approval of members in General Meeting, on the terms and conditions mentioned in notice. Mr. Manish Shahra is associated with the Company since last 18 years and was first time appointed as Joint Managing Director in 2009. The Board of Directors holds the view that his expert knowledge and vision has helped the Company to flourish its business. He has contributed to a great extent for the success of the Company.

The re-appointment of Mr. Manish Shahra, as Joint Managing Director of the Company is in accordance with the provisions of Companies Act, 1956 read with Schedule XIII thereto and requires approval of the members of the Company in General Meeting.

The Board of Directors accordingly recommends the special resolution set out at Item No. 4 of the accompanying notice for the approval of the members of the Company.

None of the Directors of the Company except Mr. Manish Shahra, Mr. Suresh Chandra Shahra and Mr. Kailash Chandra Shahra is concerned or interested in the said resolution.

### **ITEM NO. 5**

Mr. Ashok Trivedi was re-appointed as Whole-time Director with effect from 1<sup>st</sup> April, 2011 for a period of 5 years by the Board of Directors of the Company at their meeting held on 15<sup>th</sup> June, 2011, subject to the approval of members in General Meeting, on the terms and conditions mentioned in notice. Mr. Ashok Trivedi is associated with the Company since last 22 years. The Board of Directors holds the view that his expert knowledge and vision has helped the Company to flourish its business.

The re-appointment of Mr. Ashok Trivedi, as Whole-time Director of the Company is in accordance with the provisions of Companies Act, 1956 read with Schedule XIII thereto and requires approval of the members of the Company in General Meeting.



## NOTICE



The Board of Directors accordingly recommends the special resolution set out at Item No. 5 of the accompanying notice for the approval of the members of the Company.

None of the Directors of the Company except Mr. Ashok Trivedi is concerned or interested in the said resolution.

### ITEM NO. 6

Mr. Kamal Kumar Gupta was appointed as an Additional Director by the Board of the Company with effect from 10<sup>th</sup> August, 2011. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Kamal Kumar Gupta 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. Kamal Kumar Gupta for the office of Director of the Company.

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

None of the Directors of the Company other than Mr. Kamal Kumar Gupta is concerned or interested in the said resolution.

By order of the Board of Directors

Place : Indore

Dated: 3<sup>rd</sup> September, 2011

(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. 2

**Mr. Ashok Mehta**, aged 53 years is a Fellow Member of the Institute of Company Secretaries of India. His areas of specialization include Corporate Laws including monopolies laws, exchange control laws and securities regulations.

He is on the Board of the following Companies:

1. Hod Laboratories Ltd.
2. Madhya Pradesh Stock Exchange Ltd.
3. D&H Secheron (Overseas) Ltd. (Incorporated in Isle of Man)
4. Dalmal & Hasamal Secheron Welding (East Africa) Ltd. (Incorporated in Kenya)
5. Bonanza Biotech Ltd.
6. D&H Secheron Electrodes Pvt. Ltd.
7. D&H Secheron Infrastructures Pvt. Ltd.
8. Lilac Goods Private Limited

Mr. Ashok Mehta does not hold any shares in the Company as on 31.03.2011.

#### ITEM NO. 4

**Mr. Manish Shahra**, aged 40 years has done Bachelor of Engineering and Master of Business Administration. Being Joint Managing Director of the Company, he has made great contribution in the success of the Company through his expert knowledge and hard working. He is expert in all segments of industry more particularly in finance & marketing.

He is on the Board of the following Companies:

1. Ruchi Infotech Ltd.
2. Ruchi Realty Holdings Ltd.
3. Anik Energy Pvt. Ltd.
4. Anik Precious Metals Pvt. Ltd.
5. Anik Renewable Energy Private Limited





6. Ankesh Resorts & Hotels Pvt. Ltd.
7. Brightstar Infrastructures Pvt. Ltd.
8. Deepti Housing Pvt. Ltd.
9. Nav Nirman Vidyut Utpadan Pvt. Ltd.
10. Neha Securities Pvt. Ltd.
11. Samridhi Power Generation Pvt. Ltd.
12. Nebula Infratech Pvt. Ltd.
13. Sonakshi Hotels Private Limited

Mr. Manish Shahra holds 4,24,124 equity shares in the Company as on 31.03.2011.

**ITEM NO. 5**

**Mr. Ashok Trivedi**, aged 56 years is Master of Arts and he is having more than 27 years of experience in Edible Oil Industry, Solvent Extraction Industry & liasioning at various levels.

He is on the Board of following Companies:

1. Avantika Farms Private Limited
2. Agile Resorts Pvt. Ltd.
3. Anik Energy Pvt. Ltd.
4. Anik Aluminium Pvt. Ltd.
5. Anik Precious Metals Pvt. Ltd.
6. Anik Infotech Pvt. Ltd.
7. Neha Resorts & Hotels Pvt. Ltd.

Mr. Ashok Trivedi does not hold any shares in the Company as on 31.03.2011.

**ITEM NO. 6**

**Mr. Kamal Kumar Gupta**, aged 63 years, is a Bachelor of Engineering. He is having vast experience in the field of mining.

He does not have any directorship in any other company.

Mr. Kamal Kumar Gupta does not hold any Equity shares in the Company.

By order of the Board of Directors

Place : Indore

Dated: 3<sup>rd</sup> September, 2011

**(SURESH CHANDRA SHAHRA)**  
Managing Director



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting Thirty Fifth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2011.

### FINANCIAL RESULTS

The Performance of the Company for the financial year ended on 31<sup>st</sup> March, 2011 is summarized below:

(Rs.in Lacs)

Particulars	2010-11	2009-10
Sales and other Income	1,27,883.01	1,22,327.59
Gross Profit	2,123.60	1,908.18
Depreciation	495.77	387.83
Profit before tax	1,627.83	1,520.36
Provision for Taxation for the year	(410.00)	(360.00)
Provision for Deferred Taxation for the year	(136.44)	(50.67)
Income tax for earlier years (net)	(72.19)	(3.63)
Profit after Taxation	1,009.20	1,106.06
Balance brought forward from previous year	9,688.63	9,276.75
Amount Available for Appropriation	10,697.83	10,382.81
Transfer to General Reserve	--	500.00
Proposed Dividend on Equity Shares	--	166.52
Tax on Dividend	--	27.66
Surplus carried to Balance Sheet	10,697.83	9,688.63

### DIVIDEND

Your Company is exploring business opportunities for implementing the expansion plans of the existing businesses and recently diversified mining and mineral based new projects by itself and through its associates, therefore it is necessary to conserve the funds to meet these investment opportunities, which your Board believes would enhance the shareholders' wealth in the long term. Thus, your Board has not recommended any dividend for the financial year 2010-11.

### OPERATIONS

The overall performance of the Company showed significant improvement as compared to the previous year. The Company achieved turnover of Rs. 1,27,883.01 Lacs with around 4.5% growth as compared to previous year. Operating profit has increased by 11.27% at Rs. 2,123.60 Lacs but Net Profit decreased by 8.76% at Rs. 1,009.20 Lacs during the year under review.

Management of the Company under the direction of your Board of Directors is continued 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 productive as apart from getting final approval of Ministry of Mines, Government of India for earlier recommended mining concessions at Miragpur (M.P.) & Mahadulla (Mh.), your Company also got approval of one more Manganese mine at Nandia Loharpura (M.P.). Functioning from the aforesaid allotted Manganese mines can be started only after clearing various procedural formalities and grant of relevant permissions & approvals. However, we expect to complete all the formalities within a span of next one year from the date hereof.





Further your Company is also very keen to set up mineral based industry in Madhya Pradesh to process minerals to be explored from its own mines. Land has been identified at two locations and project work shall start in near future.

Better profitability and turnover is expected from these activities in 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 major partner is continuously getting good response from all segments of society being offered at very competitive rates at the best location. Overwhelming response of the project is a good sign of your Company's reputation and sustainability which will result in ample profits in the years to come. Further the Company has also been allotted land by the Maharashtra Industrial Development Corporation at Butibori Industrial Area in Nagpur and also acquired land near to Kolkata at Kolkata Leather Complex, KITP, Gangapur, West Bengal where also your Company is keen to set up an IT project under one of its sole proprietary concern M/s. Ruchi Infosystems.

**New Dairy Plant**

A new Milk Processing plant with capacity to produce 30 Tons Milk Powder per day by processing 4 Lacs liters per day has been commissioned successfully at Dewas (M.P.) with total investment of around Rs. 22 crores. The commercial production from the said plant is being taken successfully. This plant provides great opportunities of exports available in Milk Powder business to your Company resulting in good profits in the years to come.

In addition to that your Company is enthusiastically eying the southern and the eastern region of the India for setting up few more dairy plants to cover these regions where we are sure that the products of the Company shall be taken hand to hand.

**FOREIGN EXCHANGE EARNINGS**

Your company remains committed to enlarge foreign exchange earnings. During the year under review, your company's earnings from export of goods on FOB basis was Rs. 4,556.79 lacs earned through export of Agri-Commodities.

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 properties and insurable interests of the Company including Building and Plant & Machinery have been adequately insured.

**PARTICULARS OF EMPLOYEES**

None of the employees of the Company was drawing remuneration in excess of the limits prescribed under the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended till date.

**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 'A' 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 Report, 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: