

36<sup>th</sup> ANNUAL REPORT  
**2011-12**

Anik - Believes in giving... Healthy living !



**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. Ashok Mehta  
Mr. Kamal Kumar Gupta  
Mr. Vijay Rath

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

**COMPANY SECRETARY**

CS 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

**36<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 Saturday the 29<sup>th</sup> September, 2012 at 11.30 a.m.**

**CONTENTS**

Notice of the Meeting	1
Directors' Report	4
Management Discussion & Analysis Report	8
Corporate Governance Report	11
Auditors' Report	18
Balance Sheet	21
Profit & Loss Account	22
Cash Flow Statement	23
Notes	24

**NOTICE**

NOTICE is hereby given that the Thirty Sixth 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 Saturday, the 29<sup>th</sup> September, 2012 at 11.30 a.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, 2012 and the Profit & Loss Account for the year ended 31<sup>st</sup> March, 2012 together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kailash Chandra Shahra who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Kamal Kumar Gupta who retires by rotation and being eligible offers himself for re-appointment.
4. 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:**

5. 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. Vijay Rathi, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and 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

Place : Indore  
Dated: 3<sup>rd</sup> September, 2012

**(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 **27<sup>th</sup> September, 2012 to 29<sup>th</sup> September, 2012** (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 and 205C of the Companies Act, 1956 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. The Company has transferred the unpaid or unclaimed dividends for the financial year 2003-04 to the Investor Education and Protection Fund (IEPF). Members who have not encashed the dividend warrant(s) so far for the financial year ended 31<sup>st</sup> March, 2005, 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.

## NOTICE



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 at least 10 days in advance of 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 communication 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](mailto:anik@sarthakglobal.com) in case the shares are held in physical form.

By order of the Board of Directors

Place : Indore  
Dated: 3<sup>rd</sup> September, 2012

**(SURESH CHANDRA SHAHRA)**  
Managing Director

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

### **ITEM NO. 5**

Mr. Vijay Rathi was appointed as an Additional Director by the Board of the Company with effect from 02<sup>nd</sup> April, 2012. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Vijay Rathi 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. Vijay Rathi for the office of Director of the Company.

The Board of Directors accordingly recommends the resolution set out in Item No. 5 for your approval.

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

By order of the Board of Directors

Place : Indore  
Dated: 3<sup>rd</sup> September, 2012

**(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. Kailash Chandra Shahra**, aged 74 years, is B.Com. and LL.B. He possesses more than 50 years of rich experience in the industry. Apart from Chairmanship of the Company, Mr. Kailash Chandra Shahra also leads the Ruchi Group of Companies. He 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 Companies:

1. Ruchi Soya Industries Limited
2. Shahra Brothers Pvt. Ltd.
3. Indian Steel Corporation limited
4. National Board of Trade Limited
5. Mahadeo Shahra & Sons Pvt. Ltd.
6. Ruchi Strips & Alloys Limited
7. National Steel & Agro Industries limited
8. Revati Cements Private Limited
9. Federation of Indian Commodity Exchange
10. Shahra Sons Private Limited

Mr. Kailash Chandra Shahra is Chairman of Investor Grievance Committee and a member of Remuneration Committee in Ruchi Soya Industries Limited.

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

**Item no. 3:**

**Mr. Kamal Kumar Gupta**, aged 64 years, is Bachelor of Engineering. He is having vast experience in the field of mining.

He does not have directorship in any other Company.

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

**Item no. 5:**

**Mr. Vijay Rathi**, holding Fellow Membership of The Institute of Chartered Accountants of India, is presently practicing as a Chartered Accountant and having vast experience in conducting stock audits of various banks. He is also a Master of Arts, Master of Commerce and Bachelor of Law. He is on the Board of Sarthak Industries Ltd.

Mr. Vijay Rathi is Chairman of Audit Committee, Remuneration Committee and Investor grievance committee in Sarthak Industries Limited.

Mr. Vijay Rathi does not hold any shares in the Company.

By order of the Board of Directors

Place : Indore

Dated: 3<sup>rd</sup> September, 2012

**(SURESH CHANDRA SHAHRA)**  
Managing Director

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting Thirty Sixth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2012.

**FINANCIAL RESULTS**

The Performance of the Company for the financial year ended on 31<sup>st</sup> March, 2012 is summarized below:

<b>(₹ in Lacs)</b>		
<b>Particulars</b>	<b>2011-12</b>	<b>2010-11</b>
Sales and other Income	<b>1,65,869.42</b>	1,30,830.07
Gross Profit	<b>2,175.53</b>	2,123.60
Depreciation	<b>564.09</b>	495.77
Profit before tax	<b>1,611.44</b>	1,627.83
Provision for Taxation for the year	<b>(220.00)</b>	(410.00)
Provision for Deferred Taxation for the year	<b>(59.29)</b>	(136.44)
Income tax for earlier years (net)	<b>(7.77)</b>	(72.19)
Profit after Taxation	<b>1,324.38</b>	1,009.20
Balance brought forward from previous year	<b>10,697.83</b>	9,688.63
Amount Available for Appropriation	<b>12,022.21</b>	10,697.83
Transfer to General Reserve	--	--
Proposed Dividend on Equity Shares	--	--
Tax on Dividend	--	--
Surplus carried to Balance Sheet	<b>12,022.21</b>	10,697.83

**DIVIDEND**

Your Company is exploring business opportunities for implementing the expansion plans of the existing businesses and few years back has diversified in mining and mineral based new projects which requires substantial capital investment, 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 2011-12.

**OPERATIONS**

The overall performance of the Company showed remarkable improvement as compared to the previous year. The Company achieved turnover & other income of Rs. 1,65,869.42 Lacs with around 27% growth as compared to previous year however due to increased cost of raw material and other variable costs of Operating profit has increased only by 2.45% at Rs. 2,175.53 Lacs and Net profit increased handsomely by 31.23% at Rs. 1,324.38 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 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 newly diversified business of mining the year under review has remained productive one wherein after getting final approval of Ministry of Mines, Government of India for earlier recommended mining concessions, your Company has aggressively applied for various procedural formalities which includes prospecting work of allotted area, application before Ministry of Environment & Forest, submission of draft mining plan to Indian Bureau of Mines and various other field work formalities, however start of functioning from allotted mines needs to comply with various lengthy procedural formalities but



with our sincere and aggressive efforts towards these we expect to complete all the formalities in a further period of one year from the date hereof.

Further your Company is also very enthusiastic to set up mineral based industry in Madhya Pradesh to process minerals to be explored from its own mines. Land has been indentified 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 named 'Active Acres' at Kolkata launched few years back by Mahakosh Property Developers a partnership wherein your Company is a partner with major stake is continued to acknowledge great response from all segments which can be seen in the form of encouraging bookings even in the tight phase 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. 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 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 litres per day commissioned at Dewas (MP) is running successfully. This plant has provided great opportunities of exports available in Milk Powder business to your Company after recently lifting of ban on skimmed milk powder by the Govt. of India, resulting in good profits in the years to come.

Your Company is also planning to setup a new dairy plant at Etah for better quality of milk powder to cater northern and north-east part of the Country. This plant is expected to be operational by April 2013.

In addition to this, your Company is enthusiastically keeping a watch on the southern and the eastern regions of 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 Agri-commodities on FOB basis were Rs. 8,922.57 lacs.

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 the 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 Directors hereby confirm that:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed.
- b. Appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the 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. Kamal Kumar Gupta, 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. Praveen Sethia has resigned from the Directorship of the Company on 19.04.2011. Mr. P.D. Nagar has resigned from the Directorship of the Company on 01.01.2012. The Board appreciates the valuable services rendered by Mr. Praveen Sethia and Mr. P.D. Nagar during their association with your Company.

The Members of the Company in the Annual General Meeting held on 30.09.2011 reappointed Mr. Manish Shahra as the Joint Managing Director of the Company for a period of 5 years with effect from 1<sup>st</sup> July, 2011 and 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.

Mr. Vijay Rathi was appointed as an Additional Director of the Company w.e.f. 02.04.2012 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, retire at the forthcoming Annual General Meeting and are eligible for re-appointment. The notes referred to by the Auditors in their Report are self explanatory and hence do not require any explanation.

### ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to all of the employees of the Company 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 to the Company and their confidence in the management.

For and on behalf of the Board of Directors

For and on behalf of the Board of Directors

**(MANISH SHAHRA)**

Jt. Managing Director

**(SURESH CHANDRA SHAHRA)**

Managing Director

Place : Indore

Dated: 3<sup>rd</sup> September, 2012



## ANNEXURE 'A' TO THE 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 31<sup>st</sup> March, 2012.

PARTICULARS	Current Year 2011-12	Previous Year 2010-11
<b>1. CONSERVATION OF ENERGY</b>		
<b>A Power &amp; Fuel Consumption</b>		
<b>1 Electricity</b>		
a) Units Purchased	<b>86,63,227</b>	77,12,402
Total Amount (Rs.)	<b>5,06,71,732</b>	4,11,20,358
Rate/Unit(Rs.)	<b>5.85</b>	5.33
b) Own Generation		
Units Produced	<b>13,57,719</b>	14,10,924
Total Amount (Rs.)	<b>2,08,51,763</b>	1,94,52,353
Rate/Unit(Rs.)	<b>15.36</b>	13.79
<b>2 Coal</b>		
Quantity (in MT)	<b>7,384.56</b>	5,753.52
Total Cost (Rs.)	<b>4,49,89,557</b>	2,72,62,834
Average Rate Per MT(Rs)	<b>6,092.38</b>	4,738.46
<b>3 Other (Husk, Saw Dust etc.)</b>		
Quantity (Tons)	<b>8,255.51</b>	8,393.72
Total Amount (Rs.)	<b>3,22,68,329</b>	3,16,05,971
Average Cost(Rs.)	<b>3,908.70</b>	3,765.43
<b>B Consumption per unit of production</b>		
Electricity (unit)	<b>158.63</b>	157.04
Coal (MT)	<b>0.12</b>	0.10
Other (Husk, Saw Dust, etc.)	<b>0.13</b>	0.14

**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. 52,726.24 Lacs (Prev. Yr. Rs. 44,033.24 Lacs) and the foreign exchange earning on exports was Rs. 8,922.57 Lacs (Prev. Yr Rs. 4,556.79 Lacs).

For and on behalf of the Board of Directors

For and on behalf of the Board of Directors

**(MANISH SHAHRA)**  
Jt. Managing Director

**(SURESH CHANDRA SHAHRA)**  
Managing Director

Place : Indore

Dated: 3<sup>rd</sup> September, 2012