



37th ANNUAL REPORT
2012-13

Nourishing Life...
Flourishing Health...



Anik Industries Limited
Growth Through Sustainable Development

घर जैसा घी,
महकाए जिंदगी



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
- Independent 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 (MH)-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, Maks Road, Dewas (M.P.)
2. Unit II-Vill. Bilawali, Maks 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

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37th Annual General Meeting will be held at Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai- 400 018 on Friday the 27th September, 2013 at 11.30 a.m.



NOTICE

NOTICE is hereby given that the Thirty Seventh 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 27th September, 2013 at 11.30 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit & Loss Account for the year ended 31st March, 2013 together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vijay Rathi 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 re-appointment of Mr. Suresh Chandra Shahra as Managing Director of the Company for a period of 5 years with effect from 01st August, 2013 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 1st August, 2013.

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

SALARY: Rs. 3,50,000/- per month upto a maximum of Rs. 5,00,000/- per month.

PROVIDENT FUND: Company's contribution towards provident fund as per the rules of the Company for the time being in force.

MEDICAL REIMBURSEMENT: Reimbursement of expenses incurred for self and family in accordance with the rules of the Company.

LEAVE TRAVEL CONCESSION: Reimbursement of expenses incurred for self and family once in a year in accordance with the rules of the Company.

BONUS, GRATUITY & LEAVE ENCASHMENT: As per rules of the Company and subject to provisions of respective statutory enactment.

SITTING FEES: Mr. Suresh Chandra 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 be and is hereby authorised to increase or revise the salary upto Rs. 5,00,000/- (Rupees Five Lacs only) per month, 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 managerial personnel taken together, as laid down in the Companies Act, 1956 read with Schedule XIII thereto.

RESOLVED FURTHER THAT the Board or any other person authorized by the board in this regard, be and is hereby authorized to do all such acts, deeds and things as may be necessary, desirable or expedient for giving effect to this resolution."

By order of the Board of Directors

Place : Indore
Dated: 31st August, 2013

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. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting.
3. An Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 (the "Act") in respect of Item no. 4 of the notice set out above, is annexed hereto.
4. Register of Members and Share Transfer Books of the Company will remain closed from **25th September, 2013 to 27th September, 2013** (both days inclusive).
5. The members holdings 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.
6. 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 & 2004-05 to the Investor Education and Protection Fund (IEPF). Members who have not encashed the dividend warrant(s) so far for the financial year ended 31st March, 2006, 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 once the unclaimed dividend is transferred to IEPF, no claim shall lie against IEPF or the Company in respect thereof.
7. The Ministry of Corporate Affairs (MCA), Government of India, through its circular No. 17/2012 dated 23rd July, 2012 has directed Companies to upload information regarding unpaid and unclaimed dividend on the Company's website.
In terms of the circular, the Company has uploaded the details of unpaid and unclaimed dividend on its website and the same can be viewed on www.anikgroup.com.
8. 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.
9. 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.
10. 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.
11. 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 in case the shares are held in physical form.

By order of the Board of Directors

Place : Indore
Dated: 31st August, 2013

SURESH CHANDRA SHAHRA
Managing Director

**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.****ITEM NO. 4**

Mr. Suresh Chandra Shahra was re-appointed as Managing Director with effect from 1st August, 2013 for a period of 5 years by the Board of Directors of the Company at their meeting held on 06th June, 2013, subject to the approval of members in General Meeting, on the terms and conditions mentioned in notice. Mr. Suresh Chandra Shahra is associated with the Company since last 20 years and was first time appointed as Managing Director in 1993. Currently he handles trading business of the Company. The Board of Directors is of 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. His Contributions in previous tenure as Managing Director of the Company are worth appreciating.

Re-appointment of Mr. Suresh Chandra Shahra, as 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.

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

By order of the Board of Directors

Place : Indore

Dated: 31st August, 2013

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. Vijay Rathi, aged 61 years, 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 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.

ITEM NO. 4

Mr. Suresh Chandra Shahra, aged 70 years, is Bachelor of Engineering (Mech.) He is associated with the Company since last 20 years and was first time appointed as Managing Director in 1993. He is having vast experience in trading business of the Company. His expert knowledge and vision has helped the Company to flourish its business.

He is on the Board of following Companies:

1. Shahra Brothers Pvt. Ltd.
2. Ruchi Realty Private Limited
3. Ruchi Realty Holdings Limited
4. Shahra Estate P Ltd.

Mr. Suresh Chandra Shahra holds 4,45,350 Equity shares in the Company as on 31.03.2013.

By order of the Board of Directors

Place : Indore

Dated: 31st August, 2013

SURESH CHANDRA SHAHRA
Managing Director

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty Seventh Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS

The Performance of the Company for the financial year ended on 31st March, 2013 is summarized below:

(₹ in Lacs)		
Particulars	2012-13	2011-12
Sales and other Income	1,30,412.83	1,65,869.42
Gross Profit	1,880.18	2,175.53
Depreciation	571.83	564.09
Profit before tax	1,308.35	1,611.44
Provision for Taxation for the year	(205.00)	(220.00)
Provision for Deferred Taxation for the year	(36.92)	(59.29)
Income tax for earlier years (net)	--	(7.77)
Profit after Taxation	1,066.43	1,324.38
Balance brought forward from previous year	12,022.21	10,697.83
Amount Available for Appropriation	13,088.64	12,022.21
Transfer to General Reserve	--	--
Proposed Dividend on Equity Shares	--	--
Tax on Dividend	--	--
Surplus carried to Balance Sheet	13,088.64	12,022.21

DIVIDEND

Your Company is exploring business opportunities for implementing the expansion plans of the existing businesses of milk & food processing as well as recently diversified mining and mineral based new projects; therefore it is necessary to conserve the funds to meet these investment opportunities, which your Board believes would enhance the shareholders wealth in coming period. Thus, your Board has not recommended any dividend for the financial year 2012-13.

OPERATIONS

During the year, Company achieved a turnover of Rs. 1,30,412 Lacs, which is decreased by around 21% as compared to previous year. Operating profit has decreased by around 13% and stood at Rs. 1,880 Lacs and net profit also decreased by around 19% and stood at Rs. 1,066 Lacs during the year under review. The same is due to lower turnover in trading business to avoid unforeseen losses on account of high volatility in commodity prices and high upward fluctuation in US Dollar against Indian Rupee. However on the manufacturing front the turnover increased by more than 16% and stood at Rs. 75,199 Lacs, but manufacturing profit has gone down by 23% due to increased cost of raw milk.

Management of the Company under the direction of your Board of Director 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**Dairy Business**

During the year under review, your Company has increased its dairy business turnover by about 16% as compared to previous year. Your Company has started concentrating more on supplying hygienic quality liquid milk in pouches and in line with the same in 2012 it has successfully launched liquid milk in tetra pack with longer shelf life. Similarly to cater Central India with hygienic



packed milk, Company has started its operation in Raipur, (Chhattisgarh). To cover more part of the urban area of North India, it has proposed to set up a new dairy plant at Etah (UP) for supply of pouch milk and better quality milk power. The said plant is expected to come in operation by April, 2014.

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.

Mining Business

On the Front of recently diversified business of mining, the year under review again remained productive as few of mines allotted to your Company are marching ahead towards getting necessary approvals/permissions coming closure to start commercial production in the short span of time.

Further, sincere efforts of your Company are continue to set up mineral based Industry in Madhya Pradesh to use explored minerals from its own mines in future.

Better profitability and turnover is expected from these activities in future.

Real Estate Business

The integrated township project 'Active Acres' at Kolkata launched few years back by M/s. Mahakosh Property Developers, a partnership firm wherein your Company is partner with major stake, is continuously getting good response from all segments of public even in the phase of recession period in the Real Estate Sector, where, out of completed 4 towers and 1 tower under construction, booking of about 75% of the residential units has been done and more than 100 families have started living in township, which is a good sign of your Company's reputation and sustainability which will result in good profits in the years to come.

FOREIGN EXCHANGE EARNINGS

Your Company remains committed to enlarge foreign exchange earnings. During the year under review, your Company's earnings from export on FOB basis were Rs. 8,927.26 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 Director hereby confirms 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. Vijay Rathi, Director of the Company retires by rotation in accordance with the provisions of the Articles of Association of the Company and being eligible offer himself for reappointment.

The Board of Directors at their meeting held on 06th June, 2013 reappointed Mr. Suresh Chandra Shahra as Managing Director of the Company for a period of 5 years with effect from 1st August, 2013. The Board of Directors recommends his re-appointment.

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.

COST AUDIT

Pursuant to the circular dated 24th January, 2012 of the Ministry of Corporate Affairs, your Company has appointed M/s K.G. Goyal & Co., Cost Accountants, (Firm Registration no. 00017) as Cost Auditor for the year 2012-13, with the consent of the Central Government, for the audit of cost accounts maintained by the Company.

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: 31st August, 2013



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 31st March, 2013.

1. CONSERVATION OF ENERGY

PARTICULARS	Current Year 2012-13	Previous Year 2011-12
A Power & Fuel Consumption		
1 Electricity		
a) Units Purchased	85,20,326	86,63,227
Total Amount (Rs.)	6,06,31,451	5,06,71,732
Rate/Unit(Rs.)	7.12	5.85
b) Own Generation		
Units Produced	14,35,025	13,57,719
Total Amount (Rs.)	2,37,20,779	2,08,51,763
Rate/Unit(Rs.)	16.53	15.36
2 Coal		
Quantity (in MT)	7,298.36	7,384.56
Total Cost (Rs.)	3,97,88,794	4,49,89,557
Average Rate Per MT(Rs)	5,451.75	6,092.38
3 Other (Husk, Saw Dust etc.)		
Quantity (Tons)	7,656.33	8,255.51
Total Amount (Rs.)	2,78,34,698	3,22,68,329
Average Cost(Rs.)	3635.51	3,908.70
B Consumption per unit of production		
Electricity (unit)	130.08	158.63
Coal (MT)	0.10	0.12
Other (Husk, Saw Dust, etc.)	0.10	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. 32,412.36 Lacs (Prev. Yr. Rs. 52,726.24 Lacs) and the foreign exchange earnings on exports were Rs. 8,927.26 Lacs (Prev. Yr Rs. 8,922.57 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: 31st August, 2013