

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.**

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**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

**(SURESH CHANDRA SHAHRA)**  
Managing Director

Place : Indore

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

**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

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****A. INDUSTRY STRUCTURE AND DEVELOPMENTS**

India is amongst one of the fastest growing consumer markets in the world with its huge population & powerful purchasing power and can be seen as rising star of the world economy in near future. In 2011-12 the Indian Economy has registered a Growth Rate of 6.5% driven on strong domestic demand despite the industrial sluggishness throughout the world.

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 accounts for around 20 per cent of global milk production, with most of it consumed domestically, which is also the fastest growing market for milk and milk products with about 10% growth rate annually. The market size in value term for milk and milk product including the organized and un-organized sector is estimated to be around USD 70 Billion. India, where consumption of dairy products is rapidly increasing, having great business opportunities in dairy sector. As per ASSOCHAM "milk production is likely to reach about 190 million tonnes in 2015 from current level of about 123 million tonnes,"

In terms of wind power installed capacity, India is the number five in the world. The unexploited resource has the potential to sustain the growth of wind energy in future. The renewable energy in India already has a significant share of India's installed power capacity & it is expected, that this share will keep on growing.

**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. With most of share of milk production is with unorganized sector, therefore increasing hygienic & quality awareness offers great opportunities to entrepreneur worldwide, who wish to capitalize on with hygienic & quality conditions for the world's largest and fastest growing market for milk and milk products. The Indian Dairy industry is rapidly growing, trying to keep the pace with global growth rate. In India potential is there for expansion in smaller towns. The Govt. of India is planning to spend nearly US \$ 3700 Million (Rs. 18,000 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 animal are poor with yield per cow less than that of foreign producers who are on the verge of entering in Indian dairy market and will soon have access to India with favorable environment of globalization. Poor quality prohibits Indian milk from being exported. Indian dairy industry will see tough competition from exporters. Technological upgradation with 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.

Before ban on export of skimmed milk powder (SMP) the Company was exporting SMP to different countries. After recently lifting of ban on exports of SMP Export prospects of these products as well as WMP, Soya Protein Isolate and Concentrate and Casein are very bright. This will help Company to get noted in other countries.

**(II) Wind Power:**

With the encouraging policy for renewable energy, this sector has shown great growth pace helped India to become new "Wind Superpower". The Company has Two Wind Power projects at Nagda Hills, Dewas (MP) and Jaisalmer (Raj) are successfully generating energy and have shown the ability of Company to diversify in Non Conventional Energy Sector.

**(III) Others:**

In current year monsoon remained favorable which has resulted in coming out of recessionary trend spread over India and global economy has also starting showing positive signal. The Company proposes to continue to recognize the full potential in agro commodities & coal in the 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, successfully 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.



Your Company has already performed well in the recently diversified mining business and apart from grabbing few mineral concessions of manganese ore has also started trading of major minerals. Efforts are continuing one to get all the permissions for starting exploration work from the allotted mines approved in its favour and to set up minerals based industries in minerals proven area for.

Real Estate business is being carried out under M/s. Mahakosh Property Developers where in 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. Out of proposed 6 towers 3 towers have already constructed and 4th one in progress, even though 60% project has already booked. 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 Oil etc.

The segment wise performance in detail is given in **Note 38** 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 new dairy plant at Dewas, whereby the total milk processing capacity reached to 10 lacs litres milk per day. Company is also setting up a new dairy plant at Etah (UP) where an old dairy plant is already exists. During the year under review your Company has successfully entered in states of Central India and Western India and products of the Company are welcomed in these markets. Endeavours are continuing to enter into remaining parts of Central, Western and Southern parts of India also. We have started concentrating more on hygienic consumer packaged products instead of bulk and are hopeful that this will further strengthen our 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 Electricity Board (RSEB) while in Madhya Pradesh we have captive consumption in our plant and remaining electricity is sold to Madhya Pradesh Electricity Board. 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:

- a. 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.
- b. 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.
- c. Profitability may be affected on account of competition from existing and prospective manufacturers of the Company's products.
- d. Dairy business is 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 AND THEIR ADEQUACY

Your Company has a 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.

**G. FINANCIALS**

(₹ in Lacs)

<b>Balance Sheet</b>	<b>As at March 31, 2012</b>	<b>As at March 31, 2011</b>
a. Share Capital	<b>2,775.35</b>	2,775.35
b. Reserves and Surplus	<b>20,131.91</b>	18,807.54
c. Non-Current Liabilities	<b>3,022.61</b>	3,863.83
d. Current Liabilities	<b>73,805.51</b>	57,397.11
e. Non-Current Assets	<b>12,375.52</b>	12,382.91
f. Current Assets	<b>87,359.88</b>	70,460.92

(₹ in Lacs)

<b>Profit &amp; Loss Account</b>	<b>For the year 2011-12</b>	<b>For the year 2010-11</b>
Sales	<b>1,60,769.63</b>	1,27,662.46
Other Income	<b>5,099.78</b>	3,167.61
Profit Before Depreciation & Tax	<b>2,175.53</b>	2,123.60
Net Profit After Tax	<b>1,324.38</b>	1,009.20
Earning Per Share	<b>4.77</b>	3.64

**H. INFORMATION TECHNOLOGY**

SAP has been implemented in all plants, depots, regional offices and head office of the Company enabling better supply chain, debtors control at operational level and access to consolidated data of the Company since the system is integrated. Among other benefits, SAP will provide real-time data, support in strategy formulations, lead to adoption of uniform and transparent business practices, render cost optimization and value enhancement.

**I. MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT**

Your Company considers the quality of its human resources to be most important asset and constantly endeavours to attract and recruit best possible talent. The number of people employed during the year was 362.

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

**J. CAUTIONARY STATEMENT**

Statements in this Management Discussion and Analysis Report 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.

**REPORT ON CORPORATE GOVERNANCE****COMPANY'S PHILOSOPHY**

The Company believes that since the trust of our stakeholders is the best asset, therefore we believe in attaining highest level of transparency, fairness & professionalism towards all our stakeholders including shareholders, employees, customers, the government, lenders and the society at large and aims at providing maximum return to all our stakeholders by way of value creation.

The Company complies with all the stipulations laid down in clause 49 of the listing agreement & with all other provisions of various acts as and when applicable on Company to ensure good corporate governance.

**1. BOARD COMPOSITION**

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Non-Executive Directors with their diverse knowledge, experience and expertise bring in their independent judgment in the deliberations and decisions of the Board.

The Company has a non-executive Chairman and the number of Independent Directors is one-third of the total number of Directors and the number of Non-Executive Directors is more than 50% of the total number of Directors.

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in clause 49 of the Listing Agreement), across all the Companies in which he is a Director.

**A) ATTENDANCE AND COMPOSITION OF THE BOARD**

Name of the Director	Category#	Attendance		No. of Directorship/ Committee Positions held in other Public Companies			No. of Shares held by NED in Anik Ind. Ltd. as on 31.03.12
		Board	Last AGM	Directorship	Committee Chairmanship*	Committee Membership*	
Mr. Kailash Chandra Shahra	PD & NED	3	Yes	6	1	--	20,100
Mr. Suresh Chandra Shahra	PD & ED	9	Yes	1	--	--	N.A.
Mr. Manish Shahra	PD & ED	9	Yes	3	---	---	N.A.
Mr. Ashok Trivedi	ED	8	Yes	---	---	---	N.A.
Mr. Kamal Kumar Gupta**	ID & NED	2	Yes	---	---	---	Nil
Mr. P. D. Nagar ***	ID & NED	4	No	2	1	2	100
Mr. Ashok Mehta	ID & NED	3	No	5	---	---	Nil

# PD - Promoter Director NED - Non- Executive Director

ED - Executive Director ID - Independent Director

\* Represents Chairmanships/memberships of Audit Committee and Shareholders'/ Investors' Grievance Committee.

\*\* Mr. Kamal Kumar Gupta has been appointed on 10.08.2011.

\*\*\* Mr. P. D. Nagar has resigned on 01.01.2012.

**B) BOARD PROCEDURE**

During the financial year 2010-11, the Board of Directors met on the following dates: 20<sup>th</sup> April, 2011; 14<sup>th</sup> May, 2011; 15<sup>th</sup> June, 2011; 09<sup>th</sup> July, 2011; 10<sup>th</sup> August, 2011; 13<sup>th</sup> August, 2011; 19<sup>th</sup> August, 2011; 03<sup>rd</sup> September, 2011; 30<sup>th</sup> September, 2011; 14<sup>th</sup> November, 2011; 14<sup>th</sup> February, 2012. The gap between any two meetings did not exceed four months, as mentioned in clause 49 of the listing agreement. The dates of the meetings were generally decided in advance. Key information is placed before the Board of Directors to appraise corporate governance.

**2. BOARD COMMITTEES**

Presently, the Board has two Committees i.e. Audit Committee and Investor Grievances/ Share Transfer Committee. Members of Audit Committee consist of two non-executive directors & one executive director while Investor Grievances / Share Transfer Committee consists of two executive directors and one non-executive director.

**A. AUDIT COMMITTEE:**

To adhere to the principle of transparent governance, a qualified and independent audit committee has been constituted.

## a) Members of Committee:

Mr. P.D. Nagar	Chairman (Resigned on 01.01.2012)
Mr. Kamal Kumar Gupta	Chairman (Appointed from 01.01.2012)
Mr. Ashok Trivedi	Member
Mr. Ashok Mehta	Member

The Company Secretary is the secretary of the committee. SVP Finance is the permanent invitee to the audit committee.

## b) Audit committee comprises Executive and non-executive directors as a member.

## c) Attendance at the audit committee meeting:

The committee met five times during the year and quorum was present for every meeting.

## d) Dates of the Audit committee meeting held:

14<sup>th</sup> May, 2011; 19<sup>th</sup> August, 2011; 3<sup>rd</sup> September, 2011; 14<sup>th</sup> November 2011; 14<sup>th</sup> February 2012. Mr. P.D. Nagar has attended four meetings, Mr. Ashok Trivedi has attended five meetings, Mr. Ashok Mehta has attended five meetings and Mr. Kamal Kumar Gupta has attended one meeting.

## e) Brief Terms of reference:

- I. Oversight of Company's financial reporting process.
- II. Recommendation for appointment of external auditors and their remuneration.
- III. Review of quarterly, half yearly and annual financial statements.
- IV. Review of internal control system, and internal audit function.
- V. Management discussion and analysis of financial condition and results of operation.
- VI. Significant related party transactions.

**B. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:**

The Shareholders/Investors' Grievance Committee has been constituted for redressal of investors complaint/grievances. The committee's primary responsibility is to implement a smooth share transfer process, minimize shareholders / investor grievance and to strengthen investor's relation.

## a) Members of Committee:

Mr. Ashok Trivedi	Chairman
Mr. Manish Shahra	Member
Mr. Ashok Mehta	Member

## b) Name and designation of compliance officer: Mr. Shailesh Kumath, Company Secretary.

c) Status of share transfers as on 31.03.2012: All valid share transfers received during the year 2011-12 have been acted upon by the Registrar of the Company. As on 31<sup>st</sup> March, 2012 there were 100 shares pending for transfers.

## d) Details of investors grievances for the year 2011-12:

Nature of Complaint	2011-12		2010-11	
	Received	Pending	Received	Pending
Non-receipt of share certificate	03	---	04	---
Non-receipt of Annual Report	03	---	12	---
SEBI / Stock Exchange	00	---	00	---
Dematerialization Complaint	00	---	00	---
Non-receipt of Dividend	09	---	12	---
Miscellaneous / Others	00	---	02	---
<b>Total</b>	<b>15</b>	<b>---</b>	<b>30</b>	<b>---</b>

### 3. DETAILS OF REMUNERATION TO DIRECTORS

#### A. REMUNERATION TO EXECUTIVE DIRECTORS

The terms of remuneration of executive directors has been fixed by the Board of Directors and approved by the shareholders. The particulars of remuneration of executive directors during the financial year 2011- 12 are as under:

(in ₹)

PARTICULARS	Suresh Chandra Shahra (Managing Director)	Manish Shahra (Jt. Managing Director)	Ashok Trivedi (Whole Time Director)
Salary & Allowances	42,00,000	36,00,000	7,06,692
Provident Fund	9,360	9,360	40,320
Bonus & Perquisite in cash or in kind	-	2,452	27,989
<b>Total</b>	<b>42,09,360</b>	<b>36,11,812</b>	<b>7,75,001</b>

The above figures do not include contribution to gratuity fund.

#### B. REMUNERATION TO NON-EXECUTIVE DIRECTORS

As approved by the Board of Directors in accordance with the Articles of Association of the Company, the Non-Executive Directors are paid sitting fees for every meeting of the Board and/or Committee attended by them. No commission was paid or payable to the Non-Executive Directors during the financial year 2011-12.

The sitting fees paid to all the Non-Executive Directors for attending each meeting of the Board and / or Committee thereof for the year ended 31.03.2012 is as follows:- Mr. Kailash Chandra Shahra - Rs. 7,500/-, Mr. P.D. Nagar - Rs. 20,000/-, Mr. Kamal Kumar Gupta - 7,500/- and Mr. Ashok Mehta - Rs. 30,000/-.

### 4. GENERAL MEETINGS

#### A. ANNUAL GENERAL MEETING

The details of date, time, location and special resolutions passed at the Annual General Meeting (AGM) held during last 3 years are as under:

Date	Venue	Time	Special Resolution Passed
30.09.2009	Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai	4.00 p.m.	Special Resolution passed for alteration in the Articles of Association of Company under Section 31 of the Company Act, 1956. Special Resolution was put to vote by show of hands and was passed with the requisite majority.
30.09.2010	Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai	1.30 p.m.	No Special Resolution passed
30.09.2011	Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai	2.30 p.m.	Special Resolution passed for re-appointment of Mr. Manish Shahra as Jt. Managing Director and Mr. Ashok Trivedi as Whole Time Director of the Company. Special Resolutions were put to vote by show of hands and were passed with the requisite majority.

#### B. EXTRA-ORDINARY GENERAL MEETING

During the financial year 2011-12, no Extra Ordinary General Meeting of the Company was held.

### 5. SECRETARIAL AUDIT

A qualified Practicing Company Secretary carried out Secretarial Audit to reconcile the total Admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total Issued and Listed Capital. The audit confirms that the total Issued/ Paid-up Capital is in agreement with the total number of shares in physical forms and the total number of dematerialized shares held with NSDL and CDSL.

## 6. DISCLOSURES

The Company did not have any related party transactions, which may have potential conflict with its interest at large.

The Company has complied with the requirements of the regulatory authorities on capital markets and no penalties/ strictures have been imposed against it in the last three years.

The Company has complied with mandatory requirements of clause 49 of the Listing Agreement except composition of Board.

The Notice convening the Annual General Meeting of the Company has necessary disclosures relating to the appointment/ re-appointment of Directors.

The Company does not have a "Whistle Blower policy".

## 7. MEANS OF COMMUNICATIONS

The quarterly financial results for the financial year 2011-12 were published in the newspapers namely Free Press Journal & Navshakti (both Mumbai edition). The Company has a website, namely [www.anikgroup.com](http://www.anikgroup.com) for display of its results.

## 8. THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT FORMS PART OF ANNUAL REPORT

## 9. GENERAL SHAREHOLDERS INFORMATION

A. Date, time and venue of the annual general meeting	29 <sup>th</sup> September, 2012 at 11.30 a.m. at Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai-400 018
B. Financial calendar 2012-13	Financial Reporting (tentative) for Quarter ending June 30, 2012 - August 2012 September 30, 2012 - November, 2012 December 31, 2012 - February, 2013 March 31, 2013 - May 2013
C. Date of book closure	27 <sup>th</sup> September to 29 <sup>th</sup> September (Both days inclusive)
D. Listing on stock exchange	1) The Bombay Stock Exchange, Mumbai Phiroze Jeejee Bhoy Towers, Dalal Street, Mumbai - 400 001  2) The National Stock Exchange of India Ltd. "Exchange Plaza" Bandra Kurla Complex, Bandra (E), Mumbai-400 051
E. Listing Fees	Paid to the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) for the Financial Year 2011-12.
F. Electronic connectivity	National Security Depository Ltd. & Central Depository Services (India) Ltd.
G. ISIN No. at NSDL / CDSL	INE 087 B01017
H. Registered Office	610, Tulsiani Chambers, Nariman Point, Mumbai - 400 021 INDIA Tel. No.: +91 22 22824851, 53, 57, 59, 63 Fax No.: +91 22 22042865 Email: <a href="mailto:anik@anikgroup.com">anik@anikgroup.com</a> URL: <a href="http://www.anikgroup.com">www.anikgroup.com</a>
I. Corporate Office	2/1, South Tukoganj, Behind High Court, Indore (M.P.) - 452001 INDIA Tel. No.: +91 0731 4018009,10 Fax No.: +91 0731 2513285



## J. Plant Location

**Dairy Units**

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

**Wind Power Units**

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

## K. Company's Code / Symbol / Series on Stock Exchange

The Bombay Stock Exchange Ltd., Mumbai : 519383

National Stock Exchange of India Ltd. :ANIKINDS

## L. Market Price Data

The monthly high & low share prices of the Company traded at Bombay Stock Exchange Limited and National Stock Exchange of India Limited from 1<sup>st</sup> April 2011 to 31<sup>st</sup> March 2012 are given below:

Month	The Bombay Stock Exchange		The National Stock Exchange	
	Month High Price (Rs.)	Month Low Price (Rs.)	Month High Price (Rs.)	Month Low Price (Rs.)
Apr-11	52.00	41.50	48.50	41.50
May-11	45.40	37.10	44.60	37.15
Jun-11	41.00	36.25	41.00	35.55
Jul-11	41.90	37.05	48.15	36.65
Aug-11	41.05	32.55	44.85	32.10
Sep-11	37.00	31.10	36.35	32.00
Oct-11	36.40	32.00	36.85	31.75
Nov-11	36.85	28.00	37.00	25.65
Dec-11	34.10	22.90	31.70	23.50
Jan-12	31.45	26.60	31.50	26.00
Feb-12	32.00	25.25	31.90	26.70
Mar -12	32.80	24.55	32.65	24.55

## M. Investors correspondence may be addressed to :

Mr. Shailesh Kumath  
 Company Secretary and Compliance Officer  
 Anik Industries Limited  
 2/1, South Tukoganj,  
 Behind High Court, Indore (M.P.) - 452001 INDIA  
 Tel. No.: +91 0731 4018009,10  
 Fax No.: +91 0731 2513285  
 Email : anik@anikgroup.com

## N. Communication regarding share

Sarathak Global Limited

Transfer in physical/electronic form  
And other related correspondences

Registrar & Share Transfer Agent  
Unit : Anik Industries Limited  
170/10, R.N.T. Marg, Film Colony, Indore (M.P.).  
Tel : + 91 0731 2523545  
Fax : + 91 0731 2526388  
Email : anik@sarthakglobal.com

O. Dematerialization of shares and liquidity

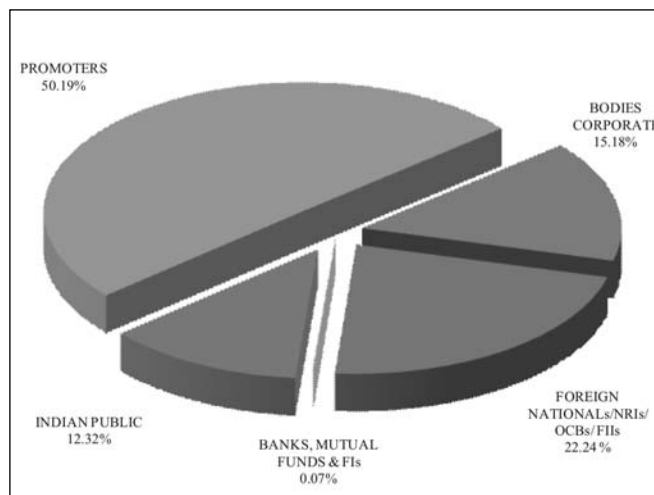
The Company's shares are traded compulsorily in demat mode under ISIN code INE 087 B01017. The National Securities Depository Limited (NSDL) and the Central Depository Services Ltd. (CDSL) are the depositories holding Company's share in demat mode. As on 31<sup>st</sup> March, 2012 out of 2,77,53,486 equity shares of Rs.10/- each, 2,12,52,610 equity shares which is 76.58% of total equity are now held in electronic form.

P. Share Transfer System

The Registrar & Share Transfer Agent M/s. Sarthak Global Ltd. deals with share transfer both in physical and dematerialized mode. The dematerialized (demat) shares are transferable through the depository system. Shares in physical form are processed by the Registrar & Share Transfer Agent and approved by the Share Transfer Committee of Directors of the company. Transfer of physical shares is made within the time stipulated by the Stock Exchange.

Q. Distribution of Equity shareholding and its pattern as on 31<sup>st</sup> March, 2012

Distribution of Equity Shareholding as on 31.03.2012			
Share Class	No. of Holders	No. of shares held	Shareholding %
Up to 500	14692	1803946	6.50
501-1000	388	320849	1.16
1001-2000	206	315423	1.14
2001-3000	81	205191	0.74
3001-4000	33	117866	0.42
4001-5000	20	94610	0.34
5001-10000	54	382301	1.38
Above 10001	91	24513300	88.32
<b>Total</b>	<b>15565</b>	<b>27753486</b>	<b>100.00</b>



### Declaration on Compliance of Code of Conduct

The Board members & senior management personnel have affirmed compliance with the code of conduct for the directors & senior management for the year ended 31<sup>st</sup> March, 2012

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

For Anik Industries Ltd.  
**Suresh Chandra Shahra**  
Managing Director



**CEO/CFO CERTIFICATION**

To  
The Board of Directors,  
**ANIK INDUSTRIES LTD.**

In relation to the Audited Financial Accounts of the Company as at March 31, 2012, we hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2012 and that to the best of their knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2012, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee:
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

**SURESH CHANDRA SHAHRA**  
Managing Director

**GAUTAM JAIN**  
SVP-Finance

To  
The Members of  
**ANIK INDUSTRIES LIMITED**

We have examined the compliance of conditions of corporate governance by Anik Industries Limited for the year ended 31<sup>st</sup> March, 2012 as stipulated in clause 49 of the listing agreement of the said Company with the stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in clause 49 of the above mentioned listing agreement except composition of Board.

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

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

**For ASHOK KHASGIWALA & CO.,**  
Chartered Accountant  
(Firm Regn. No. 0743C)

**CA AVINASH BAXI**  
Partner  
Membership No. 79722

**AUDITORS' REPORT**

To  
The Members of  
**ANIK INDUSTRIES LIMITED**

1. We have audited the attached Balance Sheet of Anik Industries Limited as at 31<sup>st</sup> March, 2012, the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 (as amended), issued by the Central Government of India in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
  - c. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are prepared in compliance with the Accounting standards referred to in Section 211 (3C) of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India;
    - i) in the case of the Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
    - ii) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
    - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For ASHOK KHASGIWALA & CO.**  
Chartered Accountants  
(Firm Regn. No.0743C)

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

**CA AVINASH BAXI**  
Partner  
(Membership No: 79722)

**ANNEXURE TO AUDITORS' REPORT**

Referred to in paragraph 3 of our report of even date.

- i)** In respect of its Fixed Assets:
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. As per the information given to us, the fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification on comparison with book records.
  - c. During the year, the Company has not disposed off a substantial part of fixed assets and we are of the opinion that the going concern status of the Company is not affected.
- ii)** In respect of Inventories:
  - a. The Inventories have been physically verified by the management. In our opinion the frequency of verification is reasonable.
  - b. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. The Company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- iii)**
  - a. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence the provisions of clauses iii(b), iii (c) and iii(d) of the Order are not applicable to the Company.
  - b. According to the information and explanations given to us, the Company has not taken any loans secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence the provisions of clauses iii(f) and iii(g) of the Order are not applicable to the Company.
- iv)** In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system in respect of these areas.
- v)**
  - a. According to the information and explanations given to us, we are of the opinion that the Company has no contract or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
  - b. In our opinion the provisions of clause v(b) of the Order are not applicable to the Company.
- vi)** According to the information and explanations given to us, the Company has not accepted any deposits from public to which the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.
- vii)** In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii)** We have broadly reviewed the books of accounts and records in respect of manufacturing of milk product and wind power generation maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209 (1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ix)**
  - a. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, service tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it. There were no arrears, as at 31<sup>st</sup> March, 2012 for a period of more than six months from the date they became payable except Central Sales Tax Rs. 1,381 and VAT Rs. 9,994 outstanding for more than six months.

## AUDITORS' REPORT



- b. According to the records of the Company and information and explanation given to us, the disputed statutory dues including provident fund, sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited with appropriate authorities are as under :

Name of the Statute	Nature of Dispute	Amount Involved (Rupees)	Period to which the Amount Relates	Forum where Dispute is Pending
Central Excise & Service Tax	Excise Duty	56,00,554	2002-03 to 2004-05	CESTAT
The Sales Tax Act	Sales Tax	5,71,73,950	2001-02	Dy. Commissioner of Sales Tax (Appeal)
The Central Sales Tax Act	Central Sales Tax	13,47,641	2004-05	Additional Commissioner Commercial Tax
M.P. VAT Act, 2002	Commercial Tax	28,56,777	2007-08	M. P. Commercial Tax (Appellate Board)

- x) The Company has no accumulated losses as at 31<sup>st</sup> March 2012. The Company has not incurred cash losses during the year under audit and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank. The Company has not issued any debenture.
- xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Reports) Order, 2003 are not applicable to the Company.
- xv) According to the information and explanations given to us, and the representations made by the management, we are of the opinion that the terms and conditions of the guarantee given to banks for and on behalf of loan taken by others are not prejudicial to the interest of the Company.
- xvi) In our opinion and according to the information and explanations given to us, the company has not raised any term loan during the year.
- xvii) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that no funds raised on short term basis have been utilised for long term purposes.
- xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Act.
- xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures.
- xx) The Company has not raised money by public issues during the year.
- xxi) During the course of our examination of the books of accounts and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.

**For ASHOK KHASGIWALA & CO.**  
Chartered Accountants  
(Firm Regn. No.0743C)

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

**CA AVINASH BAXI**  
Partner  
(Membership No: 79722)


**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012**

(Figures in ₹)

PARTICULARS		Note	As at March 31, 2012		As at March 31, 2011	
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>					
	<b>(1) Shareholders' Funds</b>					
	(a) Share capital	1	27,75,34,860		27,75,34,860	
	(b) Reserves and surplus	2	2,01,31,91,518		1,88,07,53,604	
				2,29,07,26,378		2,15,82,88,464
	<b>(2) Non-current liabilities</b>					
	(a) Long-term borrowings	3	19,56,05,260		28,53,04,502	
	(b) Deferred tax liabilities (Net)	4	9,87,06,152		9,27,77,524	
	(c) Long-term provisions	5	79,50,448		83,01,533	
				30,22,61,860		38,63,83,559
	<b>(3) Current liabilities</b>					
	(a) Short-term borrowings	6	2,99,00,40,914		2,15,67,81,767	
	(b) Trade payables	7	4,11,77,25,713		3,32,84,37,126	
	(c) Other current liabilities	8	26,85,29,563		25,32,43,234	
	(d) Short-term provisions	9	42,55,269		12,49,533	
				7,38,05,51,459		5,73,97,11,660
	<b>TOTAL</b>			<b>9,97,35,39,697</b>		<b>8,28,43,83,683</b>
<b>II.</b>	<b>ASSETS</b>					
	<b>(1) Non-current assets</b>					
	(a) Fixed assets	10				
	(i) Tangible assets		1,16,30,22,198		1,19,05,14,176	
	(ii) Intangible assets		38,92,822		77,56,476	
	(iii) Capital work-in-progress		1,82,29,287		1,79,65,201	
			1,18,51,44,307		1,21,62,35,853	
	(b) Non-current investments	11	7,08,410		8,91,910	
	(c) Long-term loans and advances	12	5,16,99,235		2,11,63,782	
				1,23,75,51,952		1,23,82,91,545
	<b>(2) Current assets</b>					
	(a) Current investments	13	24,61,27,782		14,23,54,054	
	(b) Inventories	14	1,41,43,30,154		1,58,06,93,367	
	(c) Trade receivables	15	4,43,66,46,955		3,12,47,83,028	
	(d) Cash and bank balances	16	1,62,48,05,721		1,19,44,62,621	
	(e) Short-term loans and advances	17	80,91,54,684		81,60,46,159	
	(f) Other current assets	18	20,49,22,449		18,77,52,909	
				8,73,59,87,745		7,04,60,92,138
	<b>TOTAL</b>			<b>9,97,35,39,697</b>		<b>8,28,43,83,683</b>
	<b>NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS</b>	1 to 48				

As per our report of even date attached

For and on behalf of the Board of Directors

 For **ASHOK KHASGIWALA & CO.**  
Chartered Accountants

**CA AVINASH BAXI**  
Partner  
Membership No.79722

**CS SHAILESH KUMATH**  
Company Secretary

**SURESH CHANDRA SHAHRA**  
Managing Director

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

**GAUTAM JAIN**  
SVP- Finance

**MANISH SHAHRA**  
Jt. Managing Director

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012**

(Figures in ₹)

PARTICULARS		Note	For the year 2011-12	For the year 2010-11
<b>I</b>	<b>REVENUE FROM OPERATIONS (GROSS)</b>	19	<b>16,07,71,09,752</b>	12,76,63,19,422
	Less : Excise duty		<b>1,46,568</b>	73,409
	Revenue from operations (Net)		<b>16,07,69,63,184</b>	12,76,62,46,013
<b>II</b>	<b>Other income</b>	20	<b>50,99,78,574</b>	31,67,61,032
<b>III</b>	<b>Total Revenue (I + II)</b>		<b>16,58,69,41,758</b>	13,08,30,07,045
<b>IV</b>	<b>EXPENSES</b>			
	Cost of materials consumed	21	<b>3,39,29,50,018</b>	2,68,08,18,599
	Purchases of Stock-in-Trade	22	<b>11,38,23,94,384</b>	9,34,44,01,693
	Changes in inventories of finished goods, work-in-progress and Stock- in-Trade	23	<b>16,20,37,763</b>	(24,99,13,761)
	Employee benefits expense	24	<b>11,10,50,861</b>	10,13,08,416
	Finance costs	25	<b>57,87,24,311</b>	35,44,25,722
	Depreciation and amortisation expense	10	<b>5,64,09,379</b>	4,95,76,858
	Other expenses	26	<b>74,22,30,906</b>	63,96,06,063
	<b>Total expenses</b>		<b>16,42,57,97,622</b>	12,92,02,23,590
<b>V</b>	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>16,11,44,136</b>	16,27,83,455
<b>VI</b>	<b>Exceptional and Extraordinary items</b>		-	-
<b>VII</b>	<b>Profit before tax (V- VI)</b>		<b>16,11,44,136</b>	16,27,83,455
<b>VIII</b>	<b>Tax expense:</b>			
	(1) Current tax		<b>2,20,00,000</b>	4,10,00,000
	(2) Deferred tax		<b>59,28,628</b>	1,36,44,053
	(3) Tax for earlier years		<b>7,77,594</b>	72,19,219
<b>IX</b>	<b>Profit for the year (VII- VIII)</b>		<b>13,24,37,914</b>	10,09,20,183
<b>X</b>	<b>Earning per equity share:</b>			
	(1) Basic		<b>4.77</b>	3.64
	(2) Diluted		<b>4.77</b>	3.64
	<b>NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS</b>	1 to 48		

As per our report of even date attached

For and on behalf of the Board of Directors

For **ASHOK KHASGIWALA & CO.**  
Chartered Accountants**CA AVINASH BAXI**  
Partner  
Membership No.79722**CS SHAILESH KUMATH**  
Company Secretary**SURESH CHANDRA SHAHRA**  
Managing DirectorPlace : Indore  
Dated : 3<sup>rd</sup> September, 2012**GAUTAM JAIN**  
SVP- Finance**MANISH SHAHRA**  
Jt. Managing Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012** (Figures in ₹)

PARTICULARS	2011-12	2010-11
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
a) <b>Net profit before tax &amp; Extraordinary Item</b>	<b>16,11,44,136</b>	16,27,83,455
Adjustment For :		
Depreciation	5,64,09,379	4,95,76,858
Finance Costs	57,87,24,311	42,96,92,616
Interest Received	(34,95,86,666)	(29,47,05,994)
Dividend Income	-	(85,781)
Excess Provision Diminution in value of Investment Reversed	-	(50,38,300)
Provision for Diminution in value of Investments	2,97,910	3,79,590
(Profit) \ Loss on Sale of Fixed Assets	-	16,29,014
(Profit) \ Loss on Sale of Investment	-	(47,55,618)
	<b>44,69,89,070</b>	33,94,75,840
b) <b>Operating profit before working capital changes</b>	<b>44,69,89,070</b>	33,94,75,840
Adjustment For :		
Trade and other receivables	(1,32,77,60,024)	(19,04,64,503)
Inventories	16,63,63,213	(26,96,50,011)
Trade and Other Payables	82,33,90,292	24,75,69,053
	<b>10,89,82,551</b>	12,69,30,379
c) <b>Cash Generated from Operations</b>	<b>10,89,82,551</b>	12,69,30,379
Direct Taxes Paid	(4,76,95,015)	(2,30,90,857)
Net cash from operating activities	<b>6,12,87,536</b>	10,38,39,522
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(2,53,17,833)	(7,61,44,692)
(Payment) / Receipt from partnership firm	(10,38,88,138)	1,94,17,341
Sale of fixed assets	-	10,50,000
Purchase of New Investment	-	(2,06,000)
Sale of Investment	-	1,28,40,372
Interest Received	34,95,86,666	29,47,05,994
Dividend Received	-	85,781
Changes in bank balances not considered as cash and cash equivalent	32,11,41,887	24,02,88,150
Net cash used in investing activities	<b>54,15,22,582</b>	49,20,36,946
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed from Borrowing	86,29,72,989	9,00,59,178
Repayment of Borrowing	(13,55,73,809)	(1,08,69,51,589)
Interest Paid	(57,87,24,311)	(42,96,92,616)
Dividend and Dividend Tax Paid	-	(1,94,17,796)
Net cash from financing activities	<b>14,86,74,869</b>	(1,44,60,02,823)
<b>D. NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>75,14,84,987</b>	(85,01,26,355)
Cash and Cash Equivalents at Beginning of the Year	33,50,04,271	1,18,51,30,626
Cash and Cash Equivalents at End of the Year	1,08,64,89,258	33,50,04,271
Bank balances not considered as cash and cash equivalent	53,83,16,463	85,94,58,350
Cash and Bank balances as at the year end	1,62,48,05,721	1,19,44,62,621

As per our report of even date attached

For and on behalf of the Board of Directors

For **ASHOK KHASGIWALA & CO.**  
Chartered Accountants**CA AVINASH BAXI**  
Partner  
Membership No.79722**CS SHAILESH KUMATH**  
Company Secretary**SURESH CHANDRA SHAHRA**  
Managing DirectorPlace : Indore  
Dated : 3<sup>rd</sup> September, 2012**GAUTAM JAIN**  
SVP- Finance**MANISH SHAHRA**  
Jt. Managing Director

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012**

**NOTE- 1 SHARE CAPITAL**

(Figures in ₹)

PARTICULARS	As at March 31, 2012	As at March 31, 2011
<b>A Authorised</b>		
i) Equity Shares 4,50,00,000 face value of Rs. 10/- each	<b>45,00,00,000</b>	45,00,00,000
ii) Non-cumulative Redeemable Preference Shares 5,00,000 face value of Rs. 100/- each	<b>5,00,00,000</b>	5,00,00,000
	<b>50,00,00,000</b>	50,00,00,000
<b>B Issued, Subscribed and paid-up</b>		
2,77,53,486 Equity Shares of Rs.10/- each fully paid up	<b>27,75,34,860</b>	27,75,34,860
	<b>27,75,34,860</b>	27,75,34,860

1.1 The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

1.2 The details of Shareholders holding more than 5% shares in the company :

NAME OF THE SHAREHOLDERS	As at March 31, 2012		As at March 31, 2011	
	No. of shares held	% Held	No. of shares held	% Held
<b>EQUITY SHARES</b>				
Clemfield Industries Ltd.	<b>28,98,018</b>	<b>10.44</b>	28,98,018	10.44
Suman Agritech Pvt. Ltd.	<b>16,58,754</b>	<b>5.98</b>	16,58,754	5.98
Promise Securities Pvt. Ltd.	<b>16,09,125</b>	<b>5.80</b>	16,09,125	5.80
Neha Resorts & Hotels Pvt. Ltd.	<b>14,61,448</b>	<b>5.27</b>	14,61,448	5.27

1.3 The reconciliation of the number of shares outstanding is set out below:

PARTICULARS	As at March 31, 2012		As at March 31, 2011	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares at the beginning of the year	<b>2,77,53,486</b>	<b>27,75,34,860</b>	2,77,53,486	27,75,34,860
Add: Shares issued during the year	-	-	-	-
<b>Equity Shares at the year</b>	<b>2,77,53,486</b>	<b>27,75,34,860</b>	2,77,53,486	27,75,34,860



## NOTE- 2 RESERVES AND SURPLUS

(Figures in ₹)

PARTICULARS		As at March 31, 2012		As at March 31, 2011
<b>A Securities Premium Account</b>				
As per last year Balance Sheet		<b>16,25,32,030</b>		16,25,32,030
<b>B General Reserve</b>				
As per last year Balance Sheet	<b>64,52,13,577</b>			64,52,13,577
Add: Transfer from Capital Reserve	<b>32,25,000</b>	<b>64,84,38,577</b>		
<b>C Capital Reserve</b>				
As per last year Balance Sheet	<b>32,25,000</b>		<u>32,25,000</u>	
less: Transfer to General Reserve	<b>32,25,000</b>	-	-	32,25,000
<b>D Surplus in Statement of Profit and Loss</b>				
As per last year Balance Sheet	<b>1,06,97,82,997</b>		96,88,62,814	
Add : Profit for the year	<b>13,24,37,914</b>	<b>1,20,22,20,911</b>	<u>10,09,20,183</u>	1,06,97,82,997
<b>Total Reserves and Surplus</b>		<b>2,01,31,91,518</b>		<u>1,88,07,53,604</u>

## NOTE- 3 LONG -TERM BORROWINGS

PARTICULARS	As at March 31, 2012	As at March 31, 2011
<b>Secured Loans</b>		
<b>a) Term Loans</b>		
- From Banks		
i) Dena Bank	<b>2,60,88,869</b>	6,43,75,000
ii) HDFC Bank Ltd.-I	-	18,53,599
iii) HDFC Bank Ltd.-II	<b>7,20,00,000</b>	9,00,00,000
iv) Punjab National Bank Ltd.	<b>7,15,00,000</b>	8,80,00,000
v) IDBI Bank Ltd.	<b>14,47,36,840</b>	17,23,68,420
(See Notes below)		
<b>b) Other Loans</b>		
- From Bank	<b>6,92,635</b>	42,81,292
(See Note below)		
	<b>31,50,18,344</b>	<u>42,08,78,311</u>
Less : Amount disclosed under the head Current Maturities of Long Term Debt [Refer Note 8 (a)]	<b>11,94,13,084</b>	13,55,73,809
	<b>19,56,05,260</b>	<u>28,53,04,502</u>

**Nature of Security and terms of repayment for secured borrowings**

<b>Name of the lender</b>	<b>Rate of Interest</b>	<b>Nature of Security</b>	<b>Terms of Repayment</b>
Term loan from Dena Bank amounting to Rs.2,60,88,869/- (March 31, 2011: Rs.6,43,75,000/-)	15.75 % p.a.	Secured by hypothecation of specific equipments / machineries purchased after 31.03.06 at Dewas and Etah plants and entire plant and machineries at Bhopal unit of the Company, equitable mortgage over land & buildings situated at Govindpura Industrial area, Bhopal and personal guarantee of two directors of the Company.	Repayable in 16 equal quarterly instalments of Rs. 93,75,000 each, commenced from March, 2009 and last instalment due on August, 2012.
Term loan from HDFC Bank amounting to Rs. Nil (March 31, 2011: Rs. 18,53,599/-)	11.00% p.a. (Fixed)	Secured by exclusive charge by way of hyphothecation of specific equipment and personal guarantee of one director of the Company.	Repayable in 47 equal monthly instalments of Rs. 1,44,000 each, commenced from March, 2008 and last instalment paid on February, 2012.
Term loan from HDFC Bank amounting to Rs. 7,20,00,000/- (March 31, 2011: Rs. 9,00,00,000/-)	13.30% p.a.	Secured by equitable mortgage of property situated at Bhourtal Extension, Swami Dayanand Saraswati Ward, Jabalpur (M.P.), collateral security by equitable mortgage BTC Flat No. 201-A, 201-B, 202-A, 202-B, 203-A, 203-B, 204-A & 204-B, Second Floor of Banshi trade centre ,581/5 MG Road Indore (M.P.), Registered in the name of Gloryshine Property Developers Pvt. Ltd. Indore (M.P.) and personal guarantee of two directors of the Company.	Repayable in 20 equal quarterly instalments or Rs. 45,00,000 each, commenced from March, 2011 and last instalment due on March, 2015.
Term loan from Punjab National Bank amounting to Rs. 7,15,00,000/- (March 31, 2011: Rs. 8,80,00,000/-)	14.25% p.a.	Secured by exclusive first charge on all movable / immovable fixed assets purchased out of term loan and personal guarantee of two directors of the Company.	Repayable in 20 equal quarterly instalments or Rs. 55,00,000 each, commenced from March, 2010 and last instalment due on March, 2015.
Term loan from IDBI Bank amounting to Rs. 14,47,36,840/- (March 31, 2011: Rs.17,23,68,420/-)	13.50% p.a.	Secured by equitable mortgage of plot of land at kolkata and personal guarantee of two directors of the Company, Equitable mortgage of plot of land situated at Nipania (indore , M.P.) registered in the name of Brightstar Housing Pvt. Ltd. Indore (M.P.)	Repayable in 20 equal quarterly instalments of Rs. 1,31,57,895 each, commenced from February, 2010 and last instalment due on February, 2015
Others Loan - Vehicle Loan from Banks amounting to Rs. 6,92,635/- (March 31, 2011: Rs. 42,81,292/-)	11% p.a. (fixed)	Secured by charge on specific asset purchased	1-Repayable in 34 monthly instalments of Rs. 89,685 (including interest) each to HDFC Bank, commenced from June , 2009 and last instalment due on April, 2012.  2-Repayable in 47 monthly instalments of Rs. 68,881 (including interest) to HDFC Bank, commenced from July, 2008 and last instalment due on April, 2012.  3-Repayable in 47 monthly instalments of Rs. 17,488 (including interest) each to HDFC Bank, commenced from September, 2008 and last instalment due on July, 2012.  4-Repayable in 36 monthly instalments of Rs. 51,601 (including interest) each to AXIS Bank, commenced from June, 2009 and last instalment due on July 2012.

**NOTE-4 DEFERRED TAX LIABILITIES (Net)**

(Figures in ₹)

<b>PARTICULARS</b>	<b>As at March 31, 2012</b>	<b>As at March 31, 2011</b>
<b>Deferred Tax Liabilities</b>		
Due to depreciation difference on Fixed Assets	<b>10,27,77,028</b>	9,59,66,591
<b>Total</b>	<b>10,27,77,028</b>	9,59,66,591
<b>Deferred Tax Assets</b>		
Other timing difference	<b>40,70,876</b>	31,89,067
<b>Total</b>	<b>40,70,876</b>	31,89,067
<b>Deferred Tax Liabilities (Net)</b>	<b>9,87,06,152</b>	9,27,77,524

**NOTE-5 LONG TERM PROVISIONS**

<b>PARTICULARS</b>	<b>As at March 31, 2012</b>	<b>As at March 31, 2011</b>
Provision for employee benefits		
i) Gratuity	<b>42,97,685</b>	53,51,288
ii) Leave Encashment	<b>36,52,763</b>	29,50,245
	<b>79,50,448</b>	83,01,533

**NOTE-6 SHORT TERM BORROWINGS**

<b>PARTICULARS</b>	<b>As at March 31, 2012</b>	<b>As at March 31, 2011</b>
<b>Loans repayable on demand</b>		
<b>A) Secured Loans</b>		
Working Capital loan from banks		
From Banks	<b>1,32,63,98,110</b>	1,11,13,35,319
(See Note below)		
<b>B) Unsecured Loans</b>		
i) From Banks	<b>40,00,00,000</b>	40,00,00,000
ii) Buyers credit from Banks (Refer Note 29)	<b>1,26,36,42,804</b>	62,54,46,448
iii) Intercompany Deposits	-	2,00,00,000
	<b>2,99,00,40,914</b>	2,15,67,81,767

**Working Capital Loans from Consortium Banks are secured by :**

- Hypothecation of stocks of raw materials, finished goods, stores and spares, stock in process, packing materials and book debts, and all other movables, both present and future, lying or stored in factory premises, at Village Bilawali, Dist. Dewas (M.P.), Kasganj Road, Etah(U.P.), Govindpura, Bhopal uints or where ever else, the same may be held or kept.
- Further secured by Equitable Mortgage created over the Land situated at village Bilawali Dist. Dewas (MP), Kasganj Road, Etah (U.P.) with all buildings, super structures, plant & Machinery installed thereon except specific equipment, Plant & Machinery charged to Dena Bank for securing Term Loan.
- Personal guarantee of two Directors.

## NOTES



### NOTE-7 TRADE PAYABLES

(Figures in ₹)

PARTICULARS	As at March 31, 2012	As at March 31, 2011
-Due to Micro, Small and medium Enterprises (Refer Note No. 28)	-	-
-Due to Others	<u>4,11,77,25,713</u>	<u>3,32,84,37,126</u>
	<u>4,11,77,25,713</u>	<u>3,32,84,37,126</u>

Trade Payables includes bills payable for purchases of materials Rs. 1,27,56,73,973/- (Pre. Year Rs.1,10,93,03,660/- )

### NOTE-8 OTHER CURRENT LIABILITIES

PARTICULARS	As at March 31, 2012	As at March 31, 2011
a Current maturities of long-term debt ( Refer Note 3)	<b>11,94,13,084</b>	13,55,73,809
b Interest accrued and due on borrowings	<b>48,97,471</b>	47,48,877
c Unpaid Dividends	<b>1,23,01,293</b>	1,61,01,987
d Security and Other Deposits	<b>1,10,86,380</b>	97,82,317
e Advances from Customers	<b>3,78,73,010</b>	5,31,55,233
f Bank overdraft- as per books	<b>1,26,55,747</b>	48,64,536
g Other Payables		
i) Statutory Dues	<b>42,61,653</b>	77,44,164
ii) Creditors for Capital Expenditure	<b>87,50,283</b>	35,36,823
iii) Liabilities for Expenses	<b>5,72,90,642</b>	1,77,35,488
	<u><b>26,85,29,563</b></u>	<u>25,32,43,234</u>

### NOTE-9 SHORT TERM PROVISIONS

PARTICULARS	As at March 31, 2012	As at March 31, 2011
Provision for employee benefits		
i) Gratuity	<b>31,23,855</b>	6,09,582
ii) Leave Encashment	<b>11,31,414</b>	6,39,951
	<u><b>42,55,269</b></u>	<u>12,49,533</u>

(P.T.O.)

**NOTE 10. : FIXED ASSETS** (Figures in ₹)

PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK	
	As at April 1, 2011	Additions	Deductions/ Adjustments	As at March 31, 2012	Up to March 31, 2011	For the year	Deductions/ Adjustments	Up to March 31, 2012	As at March 31, 2012
<b>TANGIBLE ASSETS</b>									
LAND - FREE HOLD	25,19,91,473	-	-	25,19,91,473	-	-	-	-	25,19,91,473
LAND - LEASEHOLD	11,46,97,360	-	-	11,46,97,360	(1,62,396)	(39,368)	-	(2,01,764)	11,44,95,596
BUILDINGS	19,65,40,312	60,43,993	-	20,25,84,305	(2,92,34,602)	(63,05,035)	-	(3,55,39,637)	16,70,44,668
PLANT AND MACHINERY	78,16,70,374	1,58,80,052	-	79,75,50,426	(18,36,81,529)	(3,73,53,371)	-	(22,10,34,900)	57,65,15,526
OFFICE EQUIPMENTS	1,78,38,661	9,51,637	-	1,87,90,298	(99,28,069)	(17,56,121)	-	(1,16,84,190)	71,06,108
FURNITURE & FIXTURES	4,01,16,473	69,407	-	4,01,85,880	(1,30,27,470)	(22,20,371)	-	(1,52,47,841)	2,49,38,039
VEHICLES	4,25,31,572	21,08,658	-	4,46,40,230	(1,88,37,983)	(48,71,459)	-	(2,37,09,442)	2,09,30,788
<b>TOTAL</b>	1,44,53,86,225	2,50,53,747	-	1,47,04,39,972	(25,48,72,049)	(5,25,45,725)	-	(30,74,17,774)	1,16,30,22,198
Previous year	1,17,58,47,472	27,31,75,095	36,36,342	1,44,53,86,225	(21,01,16,173)	(4,57,13,204)	9,57,328	(25,48,72,049)	1,19,05,14,176
<b>INTANGIBLE ASSETS</b>									
TRADE MARK	3,00,000	-	-	3,00,000	(2,10,833)	(30,000)	-	(2,40,833)	59,167
SOFTWARES	1,15,00,963	-	-	1,15,00,963	(38,33,654)	(38,33,654)	-	(76,67,308)	38,33,655
<b>TOTAL</b>	1,18,00,963	-	-	1,18,00,963	(40,44,487)	(38,63,654)	-	(79,08,141)	38,92,822
Previous year	3,00,000	1,15,00,963	-	1,18,00,963	(1,80,833)	(38,63,654)	-	(40,44,487)	77,56,476
<b>CAPITAL WORK IN PROGRESS</b>									
<b>Total</b>	1,45,71,87,188	2,50,53,747	-	1,48,22,40,935	(25,89,16,536)	(5,64,09,379)	-	(31,53,25,915)	1,18,51,44,307
Previous year	1,17,61,47,472	28,46,76,058	36,36,342	1,45,71,87,188	(21,02,97,006)	(4,95,76,858)	9,57,328	(25,89,16,536)	1,19,82,70,652
									-

## NOTES



### NOTE-11 NON CURRENT INVESTMENTS

(Figures in ₹)

PARTICULARS	As at March 31, 2012	As at March 31, 2011
<b>A Investment in Equity Instruments:</b>		
<b>a) Quoted (Non Trade)</b>		
i) 30,000 (Previous year 30,000 ) Equity Shares of Rs.10/- each fully paid up in National Steel & Agro Industries Ltd.	9,00,000	9,00,000
ii) 23,000 (Previous year 23,000 ) Equity Shares of Rs.5/- each fully paid up in Brahmanand Himghar Ltd.	1,15,000	1,15,000
	<b>10,15,000</b>	10,15,000
Less: Provision for diminution in value of investments	4,81,590	3,48,090
Aggregate amount of quoted investments	<b>5,33,410</b>	6,66,910
<b>b) Unquoted (Non Trade)</b>		
100 (Previous year 100) Equity Shares of Rs.10/- each fully paid in National Board of Trade Ltd	1,000	1,000
	<b>1,000</b>	1,000
<b>c) Unquoted - At Cost</b>		
<b>Trade Investments</b>		
<b>Investment in Others</b>		
i) 5,000 (Previous year 5,000) Equity Shares of Rs.10/- each fully paid up in Nirbhay Buildcon Pvt. Ltd	50,000	50,000
ii) 5,000 (Previous year 5,000) Equity Shares of Rs.10/- each fully paid up in Kymore Iron Ore Pvt Ltd	50,000	50,000
	<b>1,00,000</b>	1,00,000
Less: Provision for diminution in value of investments	50,000	-
	<b>50,000</b>	1,00,000
<b>B Government Securities</b>		
National Savings Certificates/Kisan Vikas Patra (deposited with Government authorities)	24,000	24,000
<b>C Investment In Partnership Firm -Associate</b>		
Balance in Capital account of "Mahakosh Property Developers" ( Refer Note 35 )	1,00,000	1,00,000
Aggregate amount of unquoted investments	<b>1,24,000</b>	1,24,000
<b>Total (A+B+C)</b>	<b>7,08,410</b>	8,91,910
Aggregate Amount of Quoted investments	<b>10,15,000</b>	10,15,000
Market Value of Quoted investments	<b>5,33,410</b>	6,66,910
Aggregate Amount of Unquoted investments	<b>1,01,000</b>	1,01,000
Aggregate Provision for diminution in value of Quoted Investments	<b>4,81,590</b>	3,48,090
Aggregate Provision for diminution in value of Unquoted Investments	<b>50,000</b>	-
Aggregate Amount of Unquoted investments- In Government Securities	<b>24,000</b>	24,000
Aggregate Amount of Unquoted investments- In Partnership Firm	<b>1,00,000</b>	1,00,000

Basis of Valuation: The Non current investments are valued at cost of acquisition, no provision is made for diminution in the value of investment where diminution is temporary

### NOTE-12 LONG -TERM LOANS & ADVANCES

PARTICULARS	As at March 31, 2012	As at March 31, 2011
Unsecured ,considered good		
a Capital advances	82,61,278	72,44,030
b Security Deposits	1,11,18,606	65,17,822
c Advance Tax (Net)	3,23,19,351	74,01,930
	<b>5,16,99,235</b>	2,11,63,782



NOTE-13 CURRENT INVESTMENTS

(Figures in ₹)

PARTICULARS	As at March 31, 2012	As at March 31, 2011
<b>A Mutual Funds (Unquoted)</b>		
<b>Non Trade Investments</b>		
i) 5,000 Units (Previous year 5,000 Units) of PNB Principal Junior Cap Fund	50,000	50,000
ii) 20,000 Units (Previous year 20,000 Units) of IDBI Nifty Junior Fund	2,00,000	2,00,000
iii) 97,799.51 Units (Previous year 97,799.51 Units) of Kotak Contra Mutual Fund	10,00,000	10,00,000
iv) 5,000 Units (Previous year 5,000 Units) of SBI Infrastructure Fund	5,00,000	5,00,000
	17,50,000	17,50,000
Less: Provision for diminution in value of investments	1,45,910	31,500
<b>Total :</b>	<b>16,04,090</b>	<b>17,18,500</b>
<b>B Investment In Partnership Firm-Associate</b>		
Balance in Current account of "Mahakosh Property Developers" (Refer Note 35 )	24,45,23,692	14,06,35,554
	24,45,23,692	14,06,35,554
<b>Total (A+B)</b>	<b>24,61,27,782</b>	<b>14,23,54,054</b>
Aggregate Amount of Unquoted Investments	17,50,000	17,50,000
Market Value of Quoted investments	16,04,090	17,18,500
Aggregate Provision for diminution in value of Unquoted Investments	1,45,910	31,500
Aggregate Amount of Unquoted Investments- In Partnership Firm	24,45,23,692	14,06,35,554

Basis of Valuation: The Current investments are valued at lower of cost and fair value

NOTE-14 INVENTORIES

(As valued and certified by management)

a Raw Materials	40,04,141	38,34,565
b Work-in-progress	1,42,20,106	1,05,65,324
c Finished goods	78,90,47,342	64,36,33,683
d Stock in trade	56,88,76,291	87,99,82,495
e Consumables, Stores & Spares	3,81,82,274	4,26,77,300
	<b>1,41,43,30,154</b>	<b>1,58,06,93,367</b>

Basis of Inventory Valuation : Valued at lower of cost or net relisable value , except scrap is valued at net realisable value

Broad Category of Inventories		
<b>Raw Materials</b>		
Milk	40,04,141	38,34,565
<b>Total</b>	<b>40,04,141</b>	<b>38,34,565</b>
<b>Finished Goods</b>		
Ghee	28,41,28,626	28,79,47,380
Milk Powder	30,98,17,433	20,75,08,135
Soya Iso Prolet	1,67,984	2,522
Butter	19,46,73,542	14,81,75,646
others	2,59,757	-
<b>Total</b>	<b>78,90,47,342</b>	<b>64,36,33,683</b>
<b>Work In Progress</b>		
Milk	70,44,130	1,01,66,588
others	71,75,976	3,98,736
<b>Total</b>	<b>1,42,20,106</b>	<b>1,05,65,324</b>
<b>Stock In Trade</b>		
Steam Coal	37,98,35,510	25,42,94,351
Crude Palm Oil	5,24,27,256	-
Soya Seed	26,46,138	45,60,45,422
Wheat	2,83,66,002	3,00,20,434
Gram	6,97,16,737	3,18,410
other	3,58,84,648	13,93,03,878
<b>Total</b>	<b>56,88,76,291</b>	<b>87,99,82,495</b>

## NOTES



(Figures in ₹)

PARTICULARS	As at March 31, 2012	As at March 31, 2011
<b>NOTE-15 TRADE RECEIVABLES</b>		
Outstanding Over Six Months from the date they were due for payment		
Unsecured, Considered Good	15,39,56,851	11,71,49,158
Unsecured, Considered Doubtful	3,90,162	3,90,162
Outstanding Less than Six Months from the date they were due		
Unsecured, Considered Good	4,28,26,90,104	3,00,76,33,870
	4,43,70,37,117	3,12,51,73,190
Less : Provision for doubtful debts	3,90,162	3,90,162
	<u>4,43,66,46,955</u>	<u>3,12,47,83,028</u>
<b>NOTE-16 CASH AND BANK BALANCES</b>		
<b>A Cash and Cash Equivalent</b>		
a) Balances with Banks		
i) In Current Accounts	26,46,97,395	22,23,31,176
ii) In Deposit Accounts with maturity less than 3 months (Refer note below)	-	-
Against Buyer's Credits (Refer Note 29)	46,93,38,079	2,00,00,000
Against Margin Money (under lien)	30,81,03,281	7,60,77,782
b) Cash on hand	4,43,50,503	1,65,95,313
	<u>1,08,64,89,258</u>	<u>33,50,04,271</u>
<b>B Other bank balances</b>		
a) Deposit Accounts with maturity more than 3 months *		
Against Buyer's Credits (Refer Note 29)	19,20,00,000	63,01,00,000
Against Margin Money (under lien)	33,38,75,924	21,31,17,117
Others	1,39,246	1,39,246
b) Unclaimed dividend account (Earmarked)	1,23,01,293	1,61,01,987
	<u>53,83,16,463</u>	<u>85,94,58,350</u>
	<u>1,62,48,05,721</u>	<u>1,19,44,62,621</u>
*Note: Include balances with maturity more than 12 months .	4,66,51,863	5,41,246
<b>NOTE-17 SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered Good)		
a Security Deposits	17,75,10,616	17,88,85,122
b Loans and advances to related parties	5,24,32,637	5,24,32,637
c Loans and Advances to Employees	67,85,428	70,06,546
d Balance with Government Authorities	6,14,00,064	3,98,87,553
e Prepaid Expenses	3,81,11,733	3,69,15,174
f Advances to Suppliers	40,67,24,962	44,36,36,327
g Other Advances recoverable in cash or in kind	6,61,89,244	5,72,82,800
	<u>80,91,54,684</u>	<u>81,60,46,159</u>
<b>NOTE-18 OTHER CURRENT ASSETS</b>		
Interest Accrued		
On Fixed Deposits with Banks	2,19,50,068	1,07,30,886
On Others receivables	18,29,72,381	17,70,22,023
	<u>20,49,22,449</u>	<u>18,77,52,909</u>



**NOTE-19 REVENUE FROM OPERATIONS**

(Figures in ₹)

PARTICULARS		For the Year 2011-12		For the Year 2010-11
Sales of Products	16,04,70,33,329		12,73,67,79,470	
Sale of Wind Power generated	80,52,981		85,97,200	
Other operating income	2,20,23,442		2,09,42,752	
Revenue from operations (Gross)	16,07,71,09,752		12,76,63,19,422	
Less: Excise duty	1,46,568		73,409	
Revenue from operations (Net)		16,07,69,63,184		12,76,62,46,013
		16,07,69,63,184		12,76,62,46,013
<b>Broad Category of Sale of Product</b>				
Ghee	2,58,47,58,175		1,93,91,18,236	
Pasteurised Milk	1,62,65,78,241		1,18,87,02,293	
Milk Powder	2,01,22,74,091		1,07,24,63,651	
Soya Iso Prolet	26,71,695		13,87,830	
Steam Coal	4,49,06,36,785		3,56,09,83,241	
Soya Seed	94,27,31,232		1,46,85,03,456	
Crude Palm Oil	1,21,82,99,640		1,82,43,99,153	
Others	3,16,90,83,470		1,68,12,21,610	
<b>Total</b>		16,04,70,33,329		12,73,67,79,470

**NOTE-20 OTHER INCOME**

PARTICULARS	For the Year 2011-12	For the Year 2010-11
1 Dividend Income		
- From Others	-	85,781
2 Net gain on sale of long term investment	-	47,55,618
3 Insurance claims received	10,63,465	58,59,187
4 Interest Income	34,95,86,666	29,47,05,994
5 Other non operating Income		
Profit from Partnership Firm	8,00,00,000	-
Agriculture Income (net of Expenses Rs. 1,23,625/-Prev.Yr. Rs. 1,11,956/-)	2,12,340	2,09,356
Profit from Transactions on Commodity exchange	6,46,69,426	-
Miscellaneous Income	1,44,46,677	1,11,45,096
	50,99,78,574	31,67,61,032

## NOTES



### NOTE-21 COST OF MATERIALS CONSUMED

(Figures in ₹)

PARTICULARS	For the Year 2011-12	For the Year 2010-11
a) Raw Materials	3,18,25,82,455	2,51,44,53,123
b) Packing Materials	21,03,67,563	16,63,65,476
	<u>3,39,29,50,018</u>	<u>2,68,08,18,599</u>

#### Imported and Indigenous Raw materials consumed

PARTICULARS	For the year 2011-12	%	For the year 2010-11	%
Imported	-		-	
Indigenous	3,18,25,82,455	100	2,51,44,53,123	100

#### Imported and Indigenous Packing materials consumed

PARTICULARS	For the year 2011-12	%	For the year 2010-11	%
Imported	-		-	
Indigenous	21,03,67,563	100	16,63,65,476	100

#### Detail of Raw Material Consumed

PARTICULARS	For the year 2011-12	For the year 2010-11
Whole Milk	3,14,42,02,219	2,48,83,50,987
Others	3,83,80,236	2,61,02,136
<b>Total</b>	<b>3,18,25,82,455</b>	<b>2,51,44,53,123</b>

### NOTE-22 PURCHASES OF STOCK IN TRADE

Purchases of Traded Goods	11,38,23,94,384	9,34,44,01,693
	<u>11,38,23,94,384</u>	<u>9,34,44,01,693</u>

Broad Category of Purchase of Stock In Trade			
Ghee	1,00,04,88,013	52,86,38,204	
Pasteurised Milk	30,47,29,648	9,63,31,138	
Milk Powder	93,61,40,707	26,39,69,444	
Steam Coal	4,40,65,61,679	3,32,37,86,840	
Soya Seed	51,75,51,346	1,81,93,09,564	
Crude Palm Oil	1,27,87,21,506	1,73,80,78,138	
others	2,93,82,01,485	1,57,42,88,365	
<b>Total</b>	<b>11,38,23,94,384</b>	<b>9,34,44,01,693</b>	

### NOTE-23 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

PARTICULARS	For the Year 2011-12	For the Year 2010-11
<b>Finished goods</b>		
Opening Stock	64,36,33,683	49,75,58,188
Closing Stock	78,90,47,342	64,36,33,683
	<u>14,54,13,659</u>	<u>14,60,75,495</u>
<b>Work-in-progress</b>		
Opening Stock	1,05,65,324	16,21,67,607
Closing Stock	1,42,20,106	1,05,65,324
	<u>36,54,782</u>	<u>(15,16,02,283)</u>
<b>Stock in trade</b>		
Opening Stock	87,99,82,495	62,45,41,946
Closing Stock	56,88,76,291	87,99,82,495
	<u>(31,11,06,204)</u>	<u>25,54,40,549</u>
	<u>(16,20,37,763)</u>	<u>24,99,13,761</u>

(Figures in ₹)

<b>PARTICULARS</b>	<b>For the Year 2011-12</b>	<b>For the Year 2010-11</b>
<b>NOTE-24 EMPLOYEE BENEFITS EXPENSE</b>		
Salary, Wages and Bonus	<b>10,22,11,134</b>	9,31,98,027
Contribution to Provident and Other Funds	<b>61,37,678</b>	48,38,131
Workmen & Staff Welfare expenses	<b>27,02,049</b>	32,72,258
	<b>11,10,50,861</b>	10,13,08,416
<b>NOTE-25 FINANCE COSTS</b>		
Interest paid	<b>39,29,02,111</b>	29,97,92,530
Net Loss on foreign Currency Transactions and Translation	<b>11,22,49,500</b>	-
Other borrowing costs	<b>7,35,72,700</b>	5,46,33,192
	<b>57,87,24,311</b>	35,44,25,722
<b>NOTE-26 OTHER EXPENSES</b>		
Consumption of Stores & Spares	<b>1,86,87,246</b>	2,96,31,109
Power & Fuel	<b>14,87,81,381</b>	11,94,41,516
Repairs - Plant & Machinery	<b>1,36,47,504</b>	1,14,45,950
Repairs - Buildings	<b>3,00,192</b>	9,27,709
Repairs - Others	<b>19,14,041</b>	28,05,276
Insurance	<b>74,88,135</b>	42,17,060
Rent	<b>80,70,908</b>	1,85,01,680
Rates & Taxes excluding taxes on Income	<b>1,87,09,900</b>	1,81,21,802
Freight & forwarding	<b>7,83,81,554</b>	7,50,24,753
Selling and Distribution Expenses	<b>12,77,85,200</b>	13,93,03,619
Donation	<b>7,05,121</b>	8,17,380
Travelling & Conveyance	<b>2,49,14,323</b>	2,89,70,721
Bank Commission & Charges	<b>17,51,369</b>	30,49,351
Net Loss on foreign Currency Transactions and Translation	<b>23,43,94,978</b>	8,77,61,013
Net Loss on sale of Fixed Assets	<b>-</b>	16,29,014
Misc. expenses	<b>5,66,99,054</b>	9,79,58,110
	<b>74,22,30,906</b>	63,96,06,063

**27 CONTINGENT LIABILITIES AND COMMITMENTS**

( To the extent not provided for )

(Figures in ₹)

PARTICULARS	For the Year 2011-12	For the Year 2010-11
<b>i) Contingent Liabilities</b>		
a) Outstanding Bank Guarantees	4,26,37,877	4,38,18,777
b) Income tax / Sales tax/ Excise duty demand disputed in appeal [Net of advance paid Rs. 2,74,85,565 (Previous year Rs.2,74,85,565 ) against disputed demand]	3,94,93,357	3,94,93,357
c) Estimated liability of Custom Duty, which may arise if export obligation/ commitment is not fulfilled	1,35,59,347	1,17,93,819
d) Letter of Credit opened on behalf of others	30,83,177	5,52,00,000
e) Claims against the company not acknowledged as debt	4,39,98,583	42,40,483
f) Bills Discounting with Banks	9,02,25,500	35,97,43,177
<b>ii) Commitments</b>		
a) Estimated amount of contracts remaining to be executed on capital account (Net of advances)	3,98,000	5,48,000
b) Corporate Guarantee given on behalf of others	-	60,00,00,000
c) Guarantee issued by bank for and on behalf of third party, against lien on fixed deposit	1,69,33,600	1,80,80,100

28 The Company has not received any intimation from " Suppliers" regarding their status under the Micro ,Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at year end together with interest paid/payable under this Act have not been given.

29 During the year Company has availed buyer's credit, the said facility outstanding as at 31<sup>st</sup> March 2012, was Rs. 12,636 lacs (Previous year Rs. 6,254 lacs) out of which Rs.6,292 lacs (Pre. Year Rs 6,254 lacs ), is guaranteed by banks against lien on Fixed Deposits (refer note 16 ) with them and balance buyer's credit line of Rs. 6,343 lacs guaranteed by banks, against earmarking the credit facilities sanctioned by the banks.

30 Sitting fees paid to directors Rs. 65,000/- (Previous year Rs.12,500/-) included in miscellaneous expenses .

31 In the opinion of the Board of Directors, current assets, loans and advances have value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet and that the provision for known liabilities is adequate and reasonable. There are no contingent liabilities other than stated hereinabove.

32 The lease deed in respect of the land at Jaisalmer on which Wind Mill is installed, is yet to be executed.

**33 Capital Work In Progress**

A Pre-operative expenditure incurred during the construction period pending for capitalisation has been dealt with as under:-

PARTICULARS	For the Year 2011-12	For the Year 2010-11
Opening Balance	-	65,16,033
a) Salary, Labour & Wages	-	7,53,142
b) Travelling Expenses	-	40,200
c) Interest on Term Loan	-	66,28,702
d) Others	-	9,40,415
	<b>NIL</b>	<b>1,48,78,492</b>
Less : Amount Capitalised During The Year	-	1,48,78,492
Balance pending allocation to be capitalised	<b>NIL</b>	<b>NIL</b>

B Borrowing Cost capitalised during the year on funds attributable to construction/ set-up of new project at Dewas Rs. NIL (previous year 1,00,91,106/-) and included under capital work in progress Rs. NIL (previous year Rs. NIL)



### 34 Remuneration to the Auditors

(including service tax, as applicable)

(Figures in ₹)

PARTICULARS	For the Year 2011-12	For the Year 2010-11
a) For Audit	5,00,000	2,75,000
b) For Tax Audit	25,000	25,000
c) For other services	65,076	68,702
d) Out of pocket expenses	9,468	8,436
e) Service Tax for	60,778	37,976

### 35 Particulars of Investment in Partnership firm - Mahakosh Property Developers

NAME OF PARTNERS	2011-12			2010-11		
	Balance in capital account	Balance in current account	Share of Profit/Loss	Balance in capital account	Balance in current account	Share of Profit/Loss
M/s. Anik Industries Ltd.	1,00,000	24,45,23,692	21%	1,00,000	14,06,35,554	25%
Shri Suresh Chandra Shahra (HUF)	10,50,000	(2,01,00,000)	21%	10,50,000	(2,01,00,000)	21%
Smt. Mriduladevi Shahra	10,50,000	(1,78,00,000)	11%	10,50,000	(1,78,00,000)	11%
Shri Manish Shahra	1,40,000	(42,40,000)	21%	1,40,000	(42,40,000)	21%
Shri Nitesh Shahra	1,00,000	(1,10,00,000)	11%	1,00,000	(1,00,00,000)	11%
M/s. Osprey Trades & Agencies Pvt. Ltd.	50,000	(8,80,00,000)	15%	50,000	(80,00,000)	11%
<b>Total</b>	<b>24,90,000</b>	<b>10,33,83,692</b>	<b>100%</b>	<b>24,90,000</b>	<b>8,04,95,554</b>	<b>100%</b>

\* Other Income includes Rs.800 Lacs for surrender of 4% Share of Profit from 25% to 21%

### 36 Disclosure as per AS-15 "Employee Benefits" (Revised 2005)

- a The Company has opted for scheme with Life Insurance Corporation of India to cover its liabilities towards employees gratuity at Etah Unit. The annual premium paid to Life Insurance Corporation of India is charged to Profit and Loss Account. The Company also carried out actuarial valuation of gratuity using Projected Unit Credit Method as required by Accounting Standard 15 "Employee Benefits" (Revised 2005) and difference between fair value of plan assets and liability as per actuarial valuation as at year end is recognized in Profit and Loss Account.

Gratuity (Figures in ₹)

PARTICULARS	For the Year 2011-12	For the Year 2010-11
<b>I. Change in Benefit Obligation</b>		
Liability at the beginning of the year	83,35,860	74,90,358
Interest Cost	6,87,708	6,17,955
Current Service Cost	11,61,655	10,58,139
Past Service Cost (Non Vested Benefit)	--	--
Past Service Cost (Vested Benefit)	--	--
Settlement	--	--
Liability Transfer in	--	--
Liability transfer out	--	--
Benefit Paid	(88,372)	--
Actuarial (gain)/loss on obligations	(90,269)	(8,30,592)
<b>Liability at the end of the year</b>	<b>1,00,06,582</b>	<b>83,35,860</b>
<b>II. Change in Fair value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	23,74,990	15,25,876
Expected Return on Plan Assets	1,95,937	1,25,885
Contributions	82,054	6,97,590
Transfer from other company	--	--
Transfer to other company	--	--

## NOTES



Benefit Paid	(88,372)	--
Actuarial gain/(loss) on Plan Assets	20,433	25,639
Fair Value of Plan Assets at the end of the year	25,85,042	23,74,990
<b>Total Actuarial Gain/(Loss) To Be Recognised</b>	<b>1,10,702</b>	<b>8,56,231</b>
<b>III. Amount Recognised in the Balance Sheet</b>		
Liability at the end of the year	25,85,042	83,35,860
Present Value of Benefit Obligation as at the end of the Period	(1,00,06,582)	23,74,990
Difference	(74,21,540)	(59,60,870)
Unrecognised Past Service Cost	--	--
Un recognised Transition Liability	--	--
<b>Net (Liability)/Asset Recognised in the Balance Sheet</b>	<b>(74,21,540)</b>	<b>(59,60,870)</b>
<b>IV. Expenses Recognised in Profit and Loss Account</b>		
Current Service Cost	11,61,655	10,58,139
Interest Cost	6,87,708	6,17,955
Expected Return on Plan Assets	(1,95,937)	(1,25,885)
Past Service Cost (Non Vested Benefit) Recognised	--	--
Past Service Cost (Vested Benefit) Recognised	--	--
Recognition of Transition Liability	--	--
Acturial Gain or Loss	(1,10,702)	(8,56,231)
<b>Expense Recognised in P&amp; L</b>	<b>15,42,724</b>	<b>6,93,978</b>
<b>V. Assets Information</b>		
Government of India Assets	--	--
Corporate Bonds	--	--
Special Deposits Scheme	--	--
Equity Shares of Listed Companies	--	--
Property	--	--
Other	--	--
Insurer Managed Funds	25,85,042	23,74,990
<b>Total</b>	<b>25,85,042</b>	<b>23,74,990</b>
<b>VI. Balance Sheet Reconciliation</b>		
Opening Net Liability	59,60,870	59,64,482
Expense as above	15,42,724	6,93,978
Transfer from other company net	--	--
Transfer to other company net	--	--
Employers Contribution	(82,054)	(6,97,590)
<b>Net Liability/ (Assets) Recognised in Balance Sheet</b>	<b>74,21,540</b>	<b>59,60,870</b>
<b>VII. Assumptions</b>		
Discount Rate (Prev.)	8.25%	8.25%
Rate of Return on Plan Assets (Prev.)	8.25%	8.25%
Salary Escalation (Prev.)	5.00%	5.00%
Attretion Rate (Prev.)	2.00%	2.00%
Discount Rate (Current)	8.50%	8.25%
Rate of Return on Plan Assets (Current)	8.50%	8.25%
Salary Escalation (Current)	5.00%	5.00%
Attretion Rate (Current)	2.00%	2.00%

- b The liability in respect of leave encashment is determined using actuarial valuation carried out as at balance sheet date.  
Leave encashment liability as at the year end Rs. 47,84,177/- (Prev.year Rs. 29,50,245/-)

**37 During the year, the following expenditure relating to prior years has been debited to the profit and loss account** (Figures in ₹)

<b>PARTICULARS</b>	<b>For the Year 2011-12</b>	<b>For the Year 2010-11</b>
Travelling Expenses	<b>48,334</b>	1,11,042
Custom duty & stamp duty	-	12,11,666
Rent Expenses	<b>6,000</b>	2,79,941
Postage Charges	-	60,000
Storage Charges	<b>25,354</b>	4,92,024
Brokerage & Commission	<b>5,777</b>	-
Repair & Maintanace Charges	<b>99,888</b>	2,85,405
Salary	<b>3,22,290</b>	1,38,000
Interest	-	97,663
Consultancy	<b>1,90,189</b>	-
Mics. Exp.	<b>5,04,038</b>	84,628
<b>TOTAL</b>	<b>12,01,870</b>	<b>27,60,369</b>

### 38 Segment Reportings

#### (a) Primary Segment - Business Segment

<b>S.N.</b>	<b>PARTICULARS</b>	<b>DAIRY PROD</b>	<b>WIND POWER</b>	<b>OTHERS</b>	<b>UNALLOCABLE</b>	<b>TOTAL</b>
1	SEGMENT REVENUE (NET SALES/INCOME)	<b>6,29,46,91,930</b> 4,23,91,49,505	<b>80,52,981</b> 85,97,200	<b>9,78,93,49,606</b> 8,52,77,25,135	<b>14,52,60,575</b> 1,28,29,211	<b>16,23,73,55,092</b> 12,78,83,01,051
2	SEGMENT RESULTS (PROFIT BEFORE INTEREST & TAX)	<b>34,66,56,046</b> 9,12,11,104	<b>27,78,017</b> 24,08,869	<b>-1,82,14,197</b> 23,65,97,141	<b>5,90,61,915</b> -10,77,13,931	<b>39,02,81,781</b> 22,25,03,183
	LESS: FINANCE COST	-	-	-	-	<b>57,87,24,311</b>
		-	-	-	-	35,44,25,722
	ADD: INTEREST RECEIVED	-	-	-	-	<b>34,95,86,666</b>
		-	-	-	-	29,47,05,994
	PROFIT FOR THE YEAR	-	-	-	-	<b>16,11,44,136</b>
		-	-	-	-	16,27,83,455
	ADD : PRIOR PERIOD ADJUSTMENT	-	-	-	-	-
		-	-	-	-	-
	PROFIT BEFORE TAXATION	-	-	-	-	<b>16,11,44,136</b>
		-	-	-	-	16,27,83,455
	LESS : Current Tax Provision	-	-	-	-	<b>2,20,00,000</b>
		-	-	-	-	4,10,00,000
	Deferred Tax Provision	-	-	-	-	<b>59,28,628</b>
		-	-	-	-	1,36,44,053
	Income Tax For Earlier Year	-	-	-	-	<b>7,77,594</b>
		-	-	-	-	72,19,219
	PROFIT AFTER TAX	-	-	-	-	<b>13,24,37,914</b>
		-	-	-	-	10,09,20,183
3	SEGMENT ASSETS	<b>3,58,46,53,247</b> 2,34,85,53,554	<b>7,10,59,873</b> 6,89,67,162	<b>3,49,22,09,880</b> 3,93,13,09,866	<b>2,54,64,61,154</b> 1,78,49,05,207	<b>9,69,43,84,154</b> 8,13,37,35,789
4	SEGMENT LIABILITIES	<b>1,24,98,00,784</b> 82,75,30,389	<b>2,97,799</b> 9,99,162	<b>3,12,86,93,146</b> 2,81,38,46,739	<b>1,96,69,264</b> -19,14,67,550	<b>4,39,84,60,993</b> 3,45,09,08,740
5	Cost incurred during the year to acquire segment of fixed assets	<b>2,28,44,484</b> 7,36,85,195	<b>0</b> 0	<b>14,500</b> 2,11,153	<b>21,94,763</b> 1,19,96,295	<b>2,50,53,747</b> 8,58,92,643
6	SEGMENTAL DEPRECIATION	<b>4,04,08,436</b> 3,37,12,982	<b>40,51,303</b> 40,51,303	<b>2,13,372</b> 2,13,372	<b>1,17,36,268</b> 1,15,99,200	<b>5,64,09,379</b> 4,95,76,857
7	Non Cash Expenditure Other Than DEP.	-	-	-	-	-

#### (b) Secondary Segment - Geographical : Company's all operating facilities are located in India.

<b>PARTICULARS</b>	<b>For the Year 2011-12</b>	<b>For the Year 2010-11</b>
Domestic Revenue	<b>16,18,23,61,460</b>	12,61,59,03,429
Export Revenue	<b>5,49,93,632</b>	17,23,97,622
	<b>16,23,73,55,092</b>	<b>12,78,83,01,051</b>

## NOTES



(Figures in ₹)

PARTICULARS	For the Year 2011-12	For the Year 2010-11
<b>Note :</b>		
(i) Unallocable Segment assets exclude the following :		
Investment	24,68,36,192	14,32,45,964
Advance Income Tax	29,63,19,351	25,22,66,999
(ii) Unallocable Segment liabilities exclude the following :		
Secured Loans	1,52,20,03,370	1,53,41,51,548
Unsecured Loans	1,66,36,42,804	1,04,82,57,407
Deferred Tax Liability	9,87,06,152	9,27,77,524
Provision For Tax	26,40,00,000	24,48,65,069

### 39 Earning Per Share (EPS)

PARTICULARS	For the Year 2011-12	For the Year 2010-11
Nominal value per Equity Share (Rs.)	10	10
Profit After Tax (Rs.)	13,24,37,914	10,09,20,183
Weighted Avg. No. of Equity Shares	2,77,53,486	2,77,53,486
Basic and Diluted Earning per share (Rs.)	4.77	3.64

### 40 Financial and Derivatives Instruments

(i) Notional amounts of derivative contract entered into by the company and outstanding as on 31<sup>st</sup> March, 2012

Particulars	2011-12				2010-11			
	No. of Contract	Currency	Amount in Foreign Currency	Equivalent Amount in INR	No. of Contracts	Currency Amount in	Amount in Foreign Currency	Equivalent Amount in INR
Buyers Credit (Purchase)	5	USD	1,21,50,000	63,47,98,000	4	USD	80,25,850	37,42,74,610
Forward Contracts (Purchase)	18	USD	1,59,39,000	80,69,16,729	4	USD	1,32,50,000	59,09,50,000
Forward Contracts (Purchase)	---	---	---	---	1	AUD	2,50,000	1,14,07,500
Forward Contracts (Purchase)	---	---	---	---	1	GBP	1,00,000	71,30,000
Forward Contracts (Sale)	4	USD	40,19,070	21,54,90,364	---	---	---	---

All the above contracts are for hedging purpose and not for speculation.

(ii) Foreign Currency exposure which are not hedged as at the Balance Sheet Date.

2011-12				2010-11		
Currency	Payable	Receivable	Net	Payable	Receivable	Net
USD	3,42,75,745	---	3,42,75,745	2,77,80,858	---	2,77,80,858

### 41 Related Party Disclosure

#### (A) Relationships

##### (a) Associate/ Joint Venture

Mahakosh Property Developers (a firm where company is a partner)

##### (b) Key Management Personnel & their relatives

- Shri Suresh Chandra Shahra : Managing Director
- Shri Manish Shahra : Jt. Managing Director
- Shri Ashok Trivedi : Whole Time Director

##### (c) Other parties where Key Management Personnel and/or their relatives have significant influence.

- Shahra Securities Pvt Ltd
- Mahadeo Shahra Sukrat Trust
- Mahakosh Family Trust

**Note : Related party relationships is as identified by the Company and relied upon by the auditor.**

**(B) Transactions carried out with related parties referred above :**

(Figures in ₹)

Particulars	19(a)	19(b)	19(c )
<b>INCOME</b>			
<b>Interest received:</b>			
Mahakosh Property Developers	<b>2,38,88,138</b>	--	--
	3,07,12,659	--	--
<b>EXPENDITURE</b>			
<b>Remuneration:</b>			
Mr. Suresh Chandra Shahra	--	<b>42,09,360</b>	--
	--	42,09,360	--
Mr. Manish Shahra	--	<b>36,13,301</b>	--
	--	36,26,216	--
Mr. Ashok Trivedi	--	<b>8,01,993</b>	--
	--	7,40,978	--
Mr. Deepakk Goyal	--	--	--
	--	30,75,000	--
<b>Director Sitting Fees:</b>			
Mr. Kailash Chandra Shahra	--	<b>7,500</b>	--
	--	1,500	--
Mr. Ashok Mehta	--	<b>30,000</b>	--
	--	6,000	--
Mr. P.D. Nagar	--	<b>20,000</b>	--
	--	4,000	--
Mr. Kamal Kumar Gupta	--	<b>7,500</b>	--
	--	--	--
Mr. Praveen Sethia	--	--	--
	--	1,000	--
<b>Donation:</b>			
Mahadeo Shahra Sukrat Trust	--	--	<b>1,77,000</b>
	--	--	5,88,000
<b>Rent :</b>			
Mahakosh Family Trust	--	--	<b>3,22,572</b>
	--	--	--
<b>Finance Given:</b>			
Shahra Securities Pvt. Ltd.	--	--	--
	--	--	10,13,505
<b>Investment with Partnership firm</b>			
<b>In capital/current account</b>			
Mahakosh Property Developers	<b>24,46,23,692</b>	--	--
	14,07,35,554	--	--
<b>Balance at the end of the year</b>			
Receivable:			
Shahra Securities Pvt. Ltd.	--	--	<b>5,24,32,637</b>
	--	--	5,24,32,637

## NOTES



42 The Company has provided Rs. 1,01,500/- (previous year Rs. 97,000/-) towards wealth tax liability, which is included in Rates & Taxes.

### 43 Leases (Where company is lessee)

The Company has taken various premises under operating leases with no restrictions and are renewable / cancelable at the option of either parties. There is no escalation clause in the lease agreement. There are no sub-leases. There are no restrictions imposed by lease arrangements. The aggregate amount of operating lease payments recognized in the statement of profit and loss is Rs.80.70 lacs (Pre. Year Rs.185.01 lacs). The company has not recognized any contingent rent as expense in the statement of profit and loss.

(Figures in ₹)

PARTICULARS	For the Year 2011-12	For the Year 2010-11
<b>44 i) Expenditure in foreign currency</b>		
Foreign Travels	8,74,613	11,45,591
Interest	6,18,59,180	38,78,963
Brokerage & Commission	-	9,20,590
Others	22,38,139	27,73,997
<b>ii) Value of Imports (On CIF basis)</b>		
Capital Goods	---	---
Purchase of Raw Materials & Finished Goods	4,38,71,25,911	4,11,91,51,248
Merchandise Trade	82,05,26,895	27,54,54,010
<b>45 Earnings in Foreign Currency</b>		
Export of Goods on FOB basis	5,49,93,632	17,23,97,622
Merchandise trade on FOB basis	83,72,63,258	28,32,81,153

### 46 Imported and Indigenous Stores and Spares consumed

PARTICULARS	For the year 2011-12	%	For the year 2010-11	%
Imported	-		-	
Indigenous	1,86,87,246	100	2,96,31,109	100

47 The financial statements have been prepared in line with the requirements of Revised Schedule VI of Companies Act, 1956 as introduced by the Ministry of Corporate Affairs from the financial year ended on 31<sup>st</sup> March 2012. Accordingly, assets and liabilities are classified between current and non-current considering 12 month period as operating cycle. Consequently, the Company has re-classified previous year figures to confirm to this year's classification.

48 Company Information, Significant Accounting policies and practices adopted by the Company are disclosed in the statement annexed to these financial statements as "Annexure A."

As per our report of even date attached

For and on behalf of the Board of Directors

For **ASHOK KHASGIWALA & CO.**  
Chartered Accountants

**CA AVINASH BAXI**  
Partner  
Membership No.79722

**CS SHAILESH KUMATH**  
Company Secretary

**SURESH CHANDRA SHAHRA**  
Managing Director

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

**GAUTAM JAIN**  
SVP- Finance

**MANISH SHAHRA**  
Jt. Managing Director

**Annexure-A:****NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012.****GENERAL INFORMATION**

Anik Industries Limited (Formerly known as Madhya Pradesh Glychem Industries Limited) was incorporated as a Limited Company on February 10<sup>th</sup>, 1976.

The Company's manufacturing units of dairy business are situated at Dewas & Bhopal in M.P. and at Etah in U.P. The Company's products i.e. Ghee, SMP, Milk etc. are marketed in all over the country under leading brands ANIK and SOURABH, which are assurance of best quality.

Company is also having presence in Housing and Property Development, Merchant Trading, Wind Power Generation and Mining activities.

The shares of the Company are listed at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****a) Basis of Accounting**

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP), Accounting Standards Issued by the Institute of Chartered Accountants of India, as applicable, and the relevant provisions of the Companies Act, 1956.

**b) Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Difference between the actual results and the estimates are recognized in the period in which the results are known/ materialized.

**c) Revenue recognition**

The Company follows mercantile system of the accounting and recognises income and expenditure on accrual basis except those with significant uncertainties.

**d) Fixed Assets****i) Fixed Assets**

Fixed assets are stated at cost of acquisition or construction, net of tax /duty credit availed if any, including any cost attributable for bringing the assets to its working condition for its intended use, less depreciation (except freehold land).

**ii) Capital Expenditure**

Assets under erection/installation and advance given for Capital Expenditure are shown as "Capital work in progress", Expenditure during construction period are shown as "pre-operative expenses" to be capitalized on erection/installations of the assets.

**iii) Leasehold Land**

Cost of Lease hold land is amortized over the period of lease.

**e) Depreciation**

Depreciation on fixed assets is provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition / disposal, except for low value items costing Rs. 5,000/- or less are written off fully in the year of purchase.

**f) Intangible Assets**

The cost of acquisition of trademark is amortized over a period of 10 years. The cost of software acquired for internal use are amortized over a period of 3 years or useful life of the software, whichever is shorter.

**g) Borrowing cost**

Borrowing cost attributable to the acquisition and constructions of assets are capitalised as part of the cost of such asset upto the date when such asset is ready for its intended use. Other borrowing costs are charged to Profit and Loss Account.

**h) Valuation of inventories**

Inventories are valued at lower of cost or net realisable value, except scrap is valued at net realisable value. Cost of inventory is arrived at by using Moving Average Price Method. Cost of inventory is generally comprises of cost of purchases, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

**i) Export Incentive**

The Export incentives are accounted for on accrual basis taking into account certainty of realisation and its subsequent utilisation.

**j) Investment**

Investments are valued at cost of acquisition. In case of long term investments, no provision is made for diminution in the value of investments, where, in the opinion of the Board of Directors such diminution is temporary.

Current Investments are stated at lower of cost and market/fair value.

**k) Foreign currency transaction**

- a) All transactions in foreign currency are recorded at the rates of the exchange prevailing on the dates when the relevant transactions took place any gain/ loss on account of the fluctuations in the rate of exchange is recognized in the statement of Profit & Loss.
- b) Monetary items in the form of loans, current assets and current liabilities in foreign currencies at the close of the year are converted in the Indian currency at the appropriate rate of exchange prevailing on the dates of the Balance Sheet. Resultant gain or loss on account of fluctuation in the rate of exchange is recognized in the statement of Profit & Loss.
- c) In respect of the Forward Exchange Contracts entered into to hedge foreign currency risks, the difference between the Forward Rate and Exchange Rate at the inception of the contract is recognized as income or expense over the life of the contract. Further, the exchange difference arising on such contracts are recognized as income or expense along with the exchange difference on the underlying assets/ liabilities.

**l) Employee Benefits.**

**(a) Post-employment benefit plans**

- i) Defined Contribution Plan - Contributions to Provident Fund and Family Pension fund are accrued in accordance with applicable statute and deposited with appropriate authorities.
- ii) Defined Benefit Plan
  - a. The liability in respect of leave encashment is determined using actuarial valuation carried out as at Balance Sheet date. Actuarial gains and losses are recognized in full in Profit and Loss Account for the year in which they occur.
  - b. The Company has opted for scheme with Life Insurance Corporation of India to cover its liabilities towards employees gratuity at Etah Unit. The annual premium paid to Life Insurance Corporation of India is charged to Profit and Loss Account. The Company also carried out actuarial valuation of gratuity using Projected Unit Credit Method as required by Accounting Standard 15 "Employee Benefits" (Revised 2005) and difference between fair value of plan assets and liability as per actuarial valuation as at year end is recognized in Profit and Loss Account.

**(b) Short term employee benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employees render the services. These benefits include compensated absence also.

**m) Taxes on Income**

Provision for Current Tax is the amount of tax payable on taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on the timing difference, being the difference between taxable income and the accounting income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

#### **n) Segment Accounting**

Segment Accounting Policies:-

Following accounting policies have been followed by the Company for segment reporting.

- (1) The Company has disclosed business segment as the primary segment. Segments have been identified taking into account the type of products, the differing risk and returns and the internal reporting system. The various segments identified by the Company comprised as under :

<b>Name of Segment</b>	<b>Comprised of</b>
Dairy Products	- Milk, Ghee, Milk Powder and other Dairy products.
Wind Power Unit	- Wind Power Generation
Other	- Trading of Coal, Agri Commodities, Edible Oil etc.

By products related to each segment have been included in respective segment.

- (2) Segment revenue, segment results, segment assets and segment liabilities includes respective amounts directly identified with the segment and also an allocation on reasonable basis of amounts not directly identified. The expenses which are not directly relatable to the business segment are shown as unallocable corporate cost. Assets and liabilities that cannot be allocated between the segments are shown as unallocable corporate assets and liabilities respectively. Intersegment revenue are recognised at sale price.

#### **o) Impairment of Assets**

The carrying amount of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/ external factors.

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### **p) Provision, Contingent Liabilities and Contingent Assets**

Provision involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

#### **q) Cash Flow Statement**

Cash flows are reported using indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the company are segregated based on the available information.



**ANIK INDUSTRIES LIMITED**  
**610, Tulsiani Chambers, Nariman Point, Mumbai-400 021**  
**36<sup>th</sup> Annual General Meeting**

DP id.....  
 Client id.....

**PROXY FORM**

Folio No\*.....  
 No. of Shares.....

\*Applicable for investor holding shares in electronic form

I/We.....of.....  
 in the district of.....being a Member / Members hereby appoint .....  
 of ..... in the district of ..... of failing him..... of  
 ..... in the district of ..... as my/our proxy to attend and vote for me/us on my/our behalf at the  
 Annual General Meeting of the Company to be held on Saturday, the 29<sup>th</sup> September, 2012 at Sunville Deluxe Pavillion, Sunville  
 Building, 9, Dr. Annie Basent Road, Worli, Mumbai-400018 at 11.30 a.m., or at any adjournment thereof.

Signed this..... day of....., 2012

Signature

Affix  
One Rupee  
Revenue  
Stamp

**For OFFICE USE ONLY:**

Proxy No..... Date of Receipt: ..... No. of Shares:.....

- Notes: (a) The Form should be signed across the stamp as per specimen signature.  
 (b) The Proxy Form duly completed must be deposited at the Registered Office of the Company in not less than  
 48 hours before the time fixed for holding the aforesaid meeting.

**ANIK INDUSTRIES LIMITED**  
 Regd. Office: 610, Tulsiani Chambers, Nariman Point, Mumbai - 400021  
**36<sup>th</sup> Annual General Meeting**

**ATTENDANCE SLIP**

(To be filled in and handed over at the entrance of the meeting hall)

Full Name of Member (in BLOCK LETTERS).....

Regd. Folio No/ Client ID No. ....

No. of Shares held.....

Full Name of the Proxy (in BLOCK LETTERS).....  
 (To be filled only where a proxy attends the meeting)

I hereby record my presence at the 36<sup>th</sup> Annual General Meeting of the Company being held on Saturday, the 29<sup>th</sup> September, 2012  
 at 11.30 a.m. at Sunville Deluxe Pavilion, Sunville Building 9, Dr. Annie Besant Road, Worli, Mumbai - 400018.

**Signature of Member / Proxy**





If undelivered please return to :

**Sarthak Global Limited**

Unit - Anik Industries Limited

170/10, Film Colony, R.N.T. Marg, Indore - 452001