



37<sup>th</sup> ANNUAL REPORT  
**2012-13**

Nourishing Life...  
Flourishing Health...



**Anik Industries Limited**  
Growth Through Sustainable Development

घर जैसा घी,  
महकाए ज़िंदगी



**BOARD OF DIRECTORS**

Mr. Kailash Chandra Shahra  
Mr. Suresh Chandra Shahra  
Mr. Manish Shahra  
Mr. Ashok Trivedi  
Mr. Ashok Mehta  
Mr. Kamal Kumar Gupta  
Mr. Vijay Rath

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

**COMPANY SECRETARY**

CS Shailesh Kumath

**BANKERS**

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

**AUDITORS**

Ashok Khasgiwala & Co.  
Chartered Accountants

**REGISTERED OFFICE**

610, Tulsiani Chambers,  
Nariman Point, Mumbai (MH)-400 021

**STOCK EXCHANGE LISTING**

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

**WORKS****(A) Dairy Units**

1. Unit I-Vill. Bilawali, Maksi Road, Dewas (M.P.)
2. Unit II-Vill. Bilawali, 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

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

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## NOTICE

NOTICE is hereby given that the Thirty Seventh Annual General Meeting of the Members of Anik Industries Limited will be held at Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai- 400 018 on Friday, the 27<sup>th</sup> September, 2013 at 11.30 a.m. to transact the following business :

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 and the Profit & Loss Account for the year ended 31<sup>st</sup> March, 2013 together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vijay Rathi who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### **SPECIAL BUSINESS:**

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

**"RESOLVED THAT** pursuant to the provisions of the Section 198, 269, 309, 310 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 (including any Statutory Modification(s) or re-enactments thereof, for the time being in force), the approval of the members of the Company be and is hereby accorded for re-appointment of Mr. Suresh Chandra Shahra as Managing Director of the Company for a period of 5 years with effect from 01<sup>st</sup> August, 2013 on the terms and conditions including remuneration as set out hereunder with the liberty to Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and / or remuneration within the parameters of the applicable laws or any amendments thereto.

**TENURE: 5** (five) years with effect from 1<sup>st</sup> August, 2013.

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

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

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

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

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

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

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

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

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to increase or revise the salary upto Rs. 5,00,000/- (Rupees Five Lacs only) per month, from time to time during the tenure of said five years AND THAT the said increase or revision shall also be subject to overall limit on remuneration payable to all managerial personnel taken together, as laid down in the Companies Act, 1956 read with Schedule XIII thereto.

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

By order of the Board of Directors

Place : Indore  
Dated: 31<sup>st</sup> August, 2013

**SURESH CHANDRA SHAHRA**  
Managing Director

## NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting.
3. An Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 (the "Act") in respect of Item no. 4 of the notice set out above, is annexed hereto.
4. Register of Members and Share Transfer Books of the Company will remain closed from **25<sup>th</sup> September, 2013 to 27<sup>th</sup> September, 2013** (both days inclusive).
5. The members holdings shares in physical form are requested to intimate to the Registrar and Transfer Agents (R&TA), Sarthak Global Limited, 170/10, Film colony, R.N.T. Marg, Indore for change of address, if any, at the earliest, quoting their registered folio number, change of address in respect of shares held in demat form is required to be intimated to the concerned Depository Participant.
6. Pursuant to provisions of Section 205A and 205C of the Companies Act, 1956 dividends that are unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. The Company has transferred the unpaid or unclaimed dividends for the financial year 2003-04 & 2004-05 to the Investor Education and Protection Fund (IEPF). Members who have not encashed the dividend warrant(s) so far for the financial year ended 31<sup>st</sup> March, 2006, or any subsequent financial year are requested to make their claim to the Sarthak Global Limited, the Registrar and Share Transfer Agent of the Company. It may be noted that once the unclaimed dividend is transferred to IEPF, no claim shall lie against IEPF or the Company in respect thereof.
7. The Ministry of Corporate Affairs (MCA), Government of India, through its circular No. 17/2012 dated 23<sup>rd</sup> July, 2012 has directed Companies to upload information regarding unpaid and unclaimed dividend on the Company's website.  
In terms of the circular, the Company has uploaded the details of unpaid and unclaimed dividend on its website and the same can be viewed on [www.anikgroup.com](http://www.anikgroup.com).
8. Members are requested to :
  - a. Complete the attendance slip and deliver the same at the entrance of the meeting hall.
  - b. Bring their copies of the Annual Report at the time of attending the Annual General Meeting.
  - c. Send their questions at least 10 days in advance of the Annual General Meeting about any further information on accounts so as to enable the Company to answer their question satisfactorily.
9. All documents referred to in the accompanying Notice and Explanatory Statements are open for inspection at the Registered Office of the Company on all working days except Saturday between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting.
10. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Nos. for easy identification of attendance at the meeting.
11. The Ministry of Corporate Affairs, (MCA) has taken a "Green Initiative" in the Corporate Governance by permitting paperless compliances by Companies (vide its Circular No. 17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011) and clarified that the services of documents by a Company can be made through electronic mode.

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

By order of the Board of Directors

Place : Indore  
Dated: 31<sup>st</sup> August, 2013

**SURESH CHANDRA SHAHRA**  
Managing Director

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

Mr. Suresh Chandra Shahra was re-appointed as Managing Director with effect from 1<sup>st</sup> August, 2013 for a period of 5 years by the Board of Directors of the Company at their meeting held on 06<sup>th</sup> June, 2013, subject to the approval of members in General Meeting, on the terms and conditions mentioned in notice. Mr. Suresh Chandra Shahra is associated with the Company since last 20 years and was first time appointed as Managing Director in 1993. Currently he handles trading business of the Company. The Board of Directors is of the view that his expert knowledge and vision has helped the Company to flourish its business. He has contributed to a great extent for the success of the Company. His Contributions in previous tenure as Managing Director of the Company are worth appreciating.

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

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

By order of the Board of Directors

Place : Indore  
Dated: 31<sup>st</sup> August, 2013

**SURESH CHANDRA SHAHRA**  
Managing Director

**Details of Directors seeking appointment/ re-appointment at the Annual General Meeting (pursuant to Clause 49 of the Listing Agreement)****ITEM NO. 2**

**Mr. Vijay Rathi**, aged 61 years, holding Fellow Membership of the Institute of Chartered Accountants of India, is presently practicing as a Chartered Accountant and having vast experience in conducting stock audits of various banks. He is also Master of Arts, Master of Commerce and Bachelor of Law. He is on the Board of Sarthak Industries Ltd.

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

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

**ITEM NO. 4**

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

He is on the Board of following Companies:

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

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

By order of the Board of Directors

Place : Indore  
Dated: 31<sup>st</sup> August, 2013

**SURESH CHANDRA SHAHRA**  
Managing Director

**DIRECTORS' REPORT**

Dear Shareholders,

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

**FINANCIAL RESULTS**

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

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

**DIVIDEND**

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

**OPERATIONS**

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

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

**BUSINESS EXPANSION & DIVERSIFICATION****Dairy Business**

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



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

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

**Mining Business**

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

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

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

**Real Estate Business**

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

**FOREIGN EXCHANGE EARNINGS**

Your Company remains committed to enlarge foreign exchange earnings. During the year under review, your Company's earnings from export on FOB basis were Rs. 8,927.26 lacs.

Company is targeting other countries with additional dairy products and agri-commodities on opportunity basis to increase its foreign earnings.

**PUBLIC DEPOSITS**

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

**INSURANCE**

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

**PARTICULARS OF EMPLOYEES**

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

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

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

**HUMAN RESOURCE & INDUSTRIAL RELATIONS**

Industrial relations were harmonious throughout the year. The Board wishes to place on record their sincere appreciation to the co-



operation extended by all the employees in maintaining cordial relations.

**CORPORATE GOVERNANCE**

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

**DIRECTOR'S RESPONSIBILITY STATEMENT**

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

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed.
- b. Appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the Company for that period;
- c. Proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities have been taken to the best of their knowledge and ability.
- d. The annual accounts have been prepared on a "going concern basis".

**DIRECTORS**

Mr. Vijay Rathi, Director of the Company retires by rotation in accordance with the provisions of the Articles of Association of the Company and being eligible offer himself for reappointment.

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

**AUDITORS & AUDITORS REPORT**

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

**COST AUDIT**

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

**ACKNOWLEDGEMENTS**

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

For and on behalf of the Board of Directors

For and on behalf of the Board of Directors

**MANISH SHAHRA**  
Jt. Managing Director

**SURESH CHANDRA SHAHRA**  
Managing Director

Place : Indore  
Dated: 31<sup>st</sup> August, 2013



## ANNEXURE 'A' TO THE DIRECTORS' REPORT

Information as per section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors') Rules, 1988 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2013.

**1. CONSERVATION OF ENERGY**

<b>PARTICULARS</b>	<b>Current Year 2012-13</b>	<b>Previous Year 2011-12</b>
<b>A Power &amp; Fuel Consumption</b>		
<b>1 Electricity</b>		
a) Units Purchased	<b>85,20,326</b>	86,63,227
Total Amount (Rs.)	<b>6,06,31,451</b>	5,06,71,732
Rate/Unit(Rs.)	<b>7.12</b>	5.85
b) Own Generation		
Units Produced	<b>14,35,025</b>	13,57,719
Total Amount (Rs.)	<b>2,37,20,779</b>	2,08,51,763
Rate/Unit(Rs.)	<b>16.53</b>	15.36
<b>2 Coal</b>		
Quantity (in MT)	<b>7,298.36</b>	7,384.56
Total Cost (Rs.)	<b>3,97,88,794</b>	4,49,89,557
Average Rate Per MT(Rs)	<b>5,451.75</b>	6,092.38
<b>3 Other (Husk, Saw Dust etc.)</b>		
Quantity (Tons)	<b>7,656.33</b>	8,255.51
Total Amount (Rs.)	<b>2,78,34,698</b>	3,22,68,329
Average Cost(Rs.)	<b>3635.51</b>	3,908.70
<b>B Consumption per unit of production</b>		
Electricity (unit)	<b>130.08</b>	158.63
Coal (MT)	<b>0.10</b>	0.12
Other (Husk, Saw Dust, etc.)	<b>0.10</b>	0.13

**2. TECHNOLOGY ABSORPTION**

The Company is keeping pace with the developments in the Milk Processing, modern, hygienic and nutritious dairy products and adapting its plants in line with these developments.

**3. FOREIGN EXCHANGE EARNING AND OUTGO**

During the year under review, the foreign exchange outgo was Rs. 32,412.36 Lacs (Prev. Yr. Rs. 52,726.24 Lacs) and the foreign exchange earnings on exports were Rs. 8,927.26 Lacs (Prev. Yr Rs. 8,922.57 Lacs).

For and on behalf of the Board of Directors

For and on behalf of the Board of Directors

**MANISH SHAHRA**  
Jt. Managing Director

**SURESH CHANDRA SHAHRA**  
Managing Director

Place : Indore  
Dated: 31<sup>st</sup> August, 2013

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

With mass population and powerful purchasing power, India is amongst one of the fastest growing consumer market and expected to be the strongest economy in the world in coming future. However, worldwide slow down has also affected Indian economy resulting in growth rate of 5% in last financial year i.e. slowest in the last decade.

Your Company is primarily engaged in the business of processing of Milk & Milk Products, Trading of Agri- Commodities & Coal and Wind power Generation.

India has been ranked first amongst the world's milk producing countries, which accounts for around 20 per cent of global milk production, most of which is consumed domestically, which is also the fastest growing market for milk and milk products with about 10% growth rate annually. India, where consumption of dairy products is rapidly increasing, is well poised for higher growth in the coming years in dairy sector. As per ASSOCHAM "milk production is likely to reach about 190 million tonnes in 2015 at the growth rate of 10 per cent per annum"

In terms of wind power installed capacity, India is amongst top five countries in the world. The unexploited resource has the potential to sustain the growth of wind energy in future. The renewable energy in India has already 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:**

India has retained the leadership position in Milk production in the world which is estimated at around 135 million tonnes during 2012-13. In India, milk is treated as the powerhouse of natural nutrients which are necessary to sustain a healthy mind and body. It is an important source of protein for a sizable portion of India's large vegetarian population. The importance of dairy enterprises in the national economy can be gauged from the fact that the value of output from milk group is highest amongst all the agricultural commodities. Since 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 and trying to keep the pace with global growth rate. In India potential is there for expansion in smaller towns.

Indian Dairy Industry is in unorganized form where quality of milk and animal are poor with yield per cow less than that of the foreign producer 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.

The Government of India has permitted for exporting of Skimmed Milk Powder (SMP), therefore, 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 which helped India to become the new "Wind Superpower". The Company has Two Wind Power projects at Nagda Hills, Dewas (MP) and Jaisalmer (Rajasthan) 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, the bumper production of all agri commodities is expected that will help the market with regular availability of material and established market prices. The symptoms of global commodity business are favorable for coming period and suitable steps of Government and Reserve Bank of India will also keep lower movement in exchange rates. The Company proposes to continue to recognize the full potential in agri-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, successful diversification, introduction of new products, emerging 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 as few of the mines allotted to your Company are marching ahead towards getting necessary permissions/ approvals coming closure to start commercial production in short span of time. Further, sincere efforts of your Company are continue to set up mineral based industry in Madhya Pradesh to use explored minerals from own mines in future.

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

Other - Trading of Coal, Agri Commodities, Edible Oil etc.

The segment wise performance in detail is given in **Note No. 36** 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 last year. To capture additional market share and to fulfill coming demand of dairy products, the Company is also setting up a new dairy plant at Etah (U.P.) where an old dairy plant already exists. During the year under review, the Company has started its operation in Raipur (Chhattisgarh) and endeavors are also continuing to enter into remaining parts of Central, Western and Southern parts of India also. We have started concentrating more on supplying hygienic quality liquid milk in pouches and in line with Company have successfully launched liquid milk in tetra pack with longer shelf life and 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 risks 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 basically based on monsoon. Unfavorable 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, 2013</b>	<b>As at March 31, 2012</b>
a. Share Capital	<b>2,775.35</b>	2,775.35
b. Reserves and Surplus	<b>21,198.34</b>	20,131.91
c. Non-Current Liabilities	<b>2,083.00</b>	3,022.61
d. Current Liabilities	<b>57,722.46</b>	73,805.51
e. Non-Current Assets	<b>15,550.60</b>	12,375.52
f. Current Assets	<b>68,228.55</b>	87,359.88

(₹ in Lacs)

<b>Profit &amp; Loss Account</b>	<b>For the year 2012-13</b>	<b>For the year 2011-12</b>
a. Sales & Other Income	<b>1,30,412.83</b>	1,65,869.42
b. Profit Before Depreciation & Tax	<b>1,880.18</b>	2,175.53
c. Depreciation	<b>571.83</b>	564.09
d. Net Profit After Tax	<b>1,066.43</b>	1,324.38
e. Earning Per Share (in `)	<b>3.84</b>	4.77

**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 endeavors to attract and recruit best possible talent. The number of people employed during the year was 365.

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 the 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 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 31.03.13
		Board	Last AGM	Directorship	Committee Chairmanship*	Committee Membership*	
Mr. Kailash Chandra Shahra	PD & NED	3	No	6	1	---	20,100
Mr. Suresh Chandra Shahra	PD & ED	9	Yes	1	---	---	N.A.
Mr. Manish Shahra	PD & ED	9	Yes	2	---	---	N.A.
Mr. Ashok Trivedi	ED	8	Yes	1	---	---	N.A.
Mr. Kamal Kumar Gupta	ID & NED	4	Yes	---	---	---	Nil
Mr. Vijay Rathi **	ID & NED	4	Yes	1	2	---	Nil
Mr. Ashok Mehta	ID & NED	4	No	---	---	---	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. Vijay Rathi has been appointed on 02.04.2012.

#### **B) BOARD PROCEDURE**

During the financial year 2012-13, the Board of Directors met on the following dates: 02<sup>nd</sup> April, 2012; 18<sup>th</sup> May, 2012; 25<sup>th</sup> June, 2012; 20<sup>th</sup> August, 2012; 03<sup>rd</sup> September, 2012; 03<sup>rd</sup> October, 2012; 04<sup>th</sup> October, 2012; 15<sup>th</sup> October, 2012; 31<sup>st</sup> October, 2012; 17<sup>th</sup> November, 2012; 01<sup>st</sup> February, 2013; 14<sup>th</sup> February, 2013. The gap between any two meetings did not exceed four months, as mentioned in clause 49 of the listing agreement. The dates of the meeting were generally decided in advance. Key information is placed before 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 consist 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. Kamal Kumar Gupta	Chairman (Resigned on 02.04.2012)
Mr. Vijay Rathi	Chairman (Appointed on 02.04.2012)
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:

18<sup>th</sup> May, 2012; 20<sup>th</sup> August, 2012; 3<sup>rd</sup> September, 2012; 17<sup>th</sup> November, 2012; 14<sup>th</sup> February, 2013. Mr. Vijay Rathi has attended four meetings, Mr. Ashok Trivedi has attended five meetings, Mr. Ashok Mehta has attended four meetings.

## 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'/investors' grievances 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 31.03.2013: All valid share transfers received during the year 2012-13 have been acted upon by the Registrar of the Company. As on 31<sup>st</sup> March, 2013 there were no shares pending for transfers.

## d) Details of investors' grievances for the year 2012-13:

Nature of Complaint	2012-13		2011-12	
	Received	Pending	Received	Pending
Non-receipt of share certificate	04	---	03	---
Non-receipt of Annual Report	05	---	03	---
SEBI / Stock Exchange	00	---	00	---
Dematerialization Complaint	00	---	00	---
Non-receipt of Dividend	07	---	09	---
Miscellaneous / Others	03	---	00	---
<b>Total</b>	<b>19</b>	<b>---</b>	<b>15</b>	<b>---</b>

### 3. DETAILS OF REMUNERATION TO DIRECTORS

#### A. REMUNERATION TO EXECUTIVE DIRECTORS

The terms of remuneration of executive directors have been fixed by the Board of Directors and approved by the shareholders. The particulars of remuneration of executive directors during the financial year 2012- 13 are as under:

(Figures in ₹)

PARTICULARS	Mr. Suresh Chandra Shahra (Managing Director)	Mr. Manish Shahra (Jt. Managing Director)	Mr. Ashok Trivedi (Whole Time Director)
Salary & Allowances	42,00,000	8,50,000	7,66,692
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>8,61,812</b>	<b>8,35,001</b>

The above figures do not include contribution to gratuity fund.

*To strengthen the Company's financial position, Mr. Manish Shahra, Jt. Managing Director of the Company, has informed the Board to draw salary only Rs. 25,000/- per month in place of Rs. 3,00,000/- per month w.e.f. 01.06.2012. The Board accepted the request of Mr. Manish Shahra and appreciates his efforts and support in the interest of the Company.*

#### 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 2012-13.

The sitting fees paid to all Non-Executive Directors for attending each meeting of the Board and/or Committee thereof for the year ended 31.03.2013 is as follows:- Mr. Kailash Chandra Shahra - Rs. 7,500/-, Mr. Vijay Rathi - Rs. 20,000/-, Mr. Kamal Kumar Gupta - 10,000/- 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
30.09.2010	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.
29.09.2012	Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai	11.30 a.m.	No Special Resolution passed

#### B. EXTRA-ORDINARY GENERAL MEETING

During the financial year 2012-13, no Extra Ordinary General Meeting of the Company was held.

#### C. POSTAL BALLOT

No postal ballot was conducted during the year under review. At present, there is no proposal for passing any Special Resolution through Postal Ballot.

### 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 2012-13 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	27 <sup>th</sup> September, 2013 at 11.30 a.m. at Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai-400 018
B. Financial calendar 2013-14	Financial Reporting (tentative) for Quarter ending June 30, 2013 - August 2013 September 30, 2013 - November, 2013 December 31, 2013 - February, 2014 March 31, 2014 - May 2014
C. Date of book closure	25 <sup>th</sup> September to 27 <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 (MH) - 400 001  2) The National Stock Exchange of India Ltd. "Exchange Plaza" Bandra Kurla Complex, Bandra (E), Mumbai (MH) - 400 051
E. Listing Fees	Paid to the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) for the Financial Year 2012-13.
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 (MH) - 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.) - 452 001, 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. : 519383

The 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, 2012 to 31<sup>st</sup> March, 2013 are given below:

(Figures in ₹)

Month	The Bombay Stock Exchange Ltd.		The National Stock Exchange of India Ltd.	
	Month High Price	Month Low Price	Month High Price	Month Low Price
Apr-12	36.90	26.15	36.80	26.70
May-12	31.80	24.25	31.90	24.00
Jun-12	37.70	27.35	36.70	26.55
Jul-12	40.55	31.80	40.55	31.00
Aug-12	38.65	31.35	38.70	30.90
Sep-12	36.40	30.65	37.10	31.30
Oct-12	36.00	31.10	36.30	31.05
Nov-12	38.50	31.50	38.00	31.50
Dec-12	38.95	33.25	39.00	33.75
Jan-13	40.00	33.05	42.00	33.75
Feb-13	37.70	25.25	38.00	28.00
Mar -13	31.90	18.05	33.00	18.10

**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  
Transfer in physical/electronic form  
And other related correspondences

Sarthak Global Limited  
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

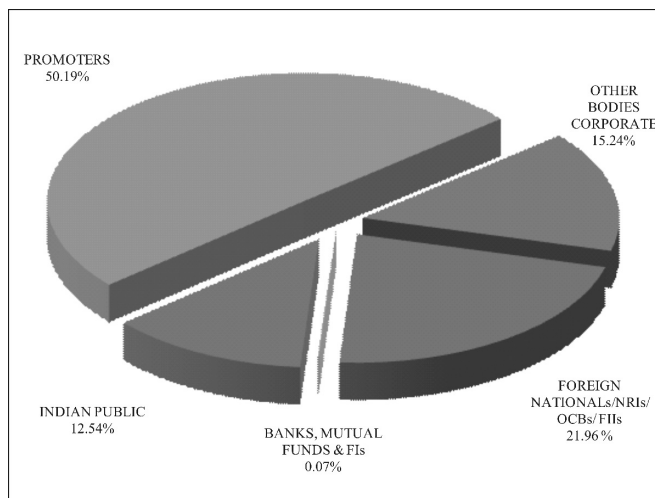
The Company's shares are traded compulsorily in demat mode under ISIN code INE 087 B01017. The National Securities Depository Limited (NSDL) and the Central Depository Services Ltd. (CDSL) are the depositories holding Company's share in demat mode. As on 31<sup>st</sup> March, 2013 out of 2,77,53,486 equity shares of Rs.10/- each, 2,12,64,310 equity shares which is 76.62% 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, 2013

Distribution of Equity Shareholding as on 31.03.2013			
Share Class	No. of Holders	No. of shares held	Shareholding %
Up to 500	14,495	17,77,035	6.40
501-1000	393	3,26,877	1.18
1001-2000	196	2,95,449	1.07
2001-3000	78	1,95,512	0.70
3001-4000	39	1,40,960	0.51
4001-5000	24	1,11,360	0.40
5001-10000	55	3,81,478	1.38
10001 & above	97	2,45,24,815	88.36
<b>Total</b>	<b>15,377</b>	<b>2,77,53,486</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, 2013

Place : Indore  
Dated : 31<sup>st</sup> August, 2013

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, 2013, we hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2013 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, 2013, which is 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.

**SURESH CHANDRA SHAHRA**  
Managing Director

Place : Indore  
Dated : 31<sup>st</sup> August, 2013

**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, 2013 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.

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

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

Place : Indore  
Date : 31<sup>st</sup> August, 2013

**INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
**ANIK INDUSTRIES LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Anik Industries Limited ("The Company"), which comprises the Balance Sheet as at 31<sup>st</sup> March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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, 2013;
- 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.

**Report on Other Legal and Regulatory Requirements**

1. 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 give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227 (3) of the Act, 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply 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, 2013 and taken on record by the Board of Directors none of the directors is disqualified as on 31<sup>st</sup> March, 2013 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

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

Place : Indore  
Dated : 06<sup>th</sup> June, 2013

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

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph (1) under the heading of "Report on Other Legal and Regulatory Requirements" 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 and in our opinion, 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 and in our opinion, 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 particulars of contract or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of the rupees five lakhs in respect of each party during the year, have been made at prices which appear reasonable having regard to prevailing market prices at the relevant time.
- 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 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, 2013 for a period of more than six months from the date they became payable.

- b. According to the records of the Company and information and explanation given to us, the statutory dues which have not been deposited with appropriate authorities on account of any dispute are as under:

Name of the Statute	Nature of Dispute	Amount Involved	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)
M.P. VAT Act, 2002	Commercial Tax	28,56,777	2007-08	M. P. Commercial Tax (Appellate Board)
The Income Tax Act, 1961	Income Tax	2,10,05,710	2009-10	Commissioner of Income Tax (Appeal)

- x) The Company does not have accumulated losses as at 31<sup>st</sup> March, 2013. 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 any 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 Report) 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 condition 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) 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 account 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 : 06<sup>th</sup> June, 2013

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

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013**

(Figures in ₹)

PARTICULARS		Note	As at March 31, 2013		As at March 31, 2012	
<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	<u>2,11,98,34,492</u>		<u>2,01,31,91,518</u>	
				<b>2,39,73,69,352</b>		2,29,07,26,378
	<b>(2) Non-current liabilities</b>					
	(a) Long-term borrowings	3	9,74,73,680		19,56,05,260	
	(b) Deferred tax liabilities (Net)	4	10,23,98,313		9,87,06,152	
	(c) Long-term provisions	5	<u>84,28,039</u>		<u>79,50,448</u>	
				<b>20,83,00,032</b>		30,22,61,860
	<b>(3) Current liabilities</b>					
	(a) Short-term borrowings	6	1,91,84,52,412		2,99,00,40,914	
	(b) Trade payables	7	3,63,60,50,468		4,11,77,25,713	
	(c) Other current liabilities	8	21,37,63,316		26,85,29,563	
	(d) Short-term provisions	9	<u>39,79,324</u>		<u>42,55,269</u>	
				<b>5,77,22,45,520</b>		7,38,05,51,459
	<b>TOTAL</b>			<b><u>8,37,79,14,904</u></b>		<u>9,97,35,39,697</u>
<b>II.</b>	<b>ASSETS</b>					
	<b>(1) Non-current assets</b>					
	(a) Fixed assets	10				
	(i) Tangible assets		1,46,89,47,857		1,16,30,22,198	
	(ii) Intangible assets		29,168		38,92,822	
	(iii) Capital work-in-progress		<u>2,55,06,456</u>		<u>1,82,29,287</u>	
			<b>1,49,44,83,481</b>		<b>1,18,51,44,307</b>	
	(b) Non-current investments	11	10,16,450		7,08,410	
	(c) Long-term loans and advances	12	<u>5,95,60,126</u>		<u>5,16,99,235</u>	
				<b>1,55,50,60,057</b>		1,23,75,51,952
	<b>(2) Current assets</b>					
	(a) Current investments	13	12,88,76,612		24,61,27,782	
	(b) Inventories	14	1,33,90,80,261		1,41,43,30,154	
	(c) Trade receivables	15	3,60,13,40,977		4,43,66,46,955	
	(d) Cash and bank balances	16	73,03,55,952		1,62,48,05,721	
	(e) Short-term loans and advances	17	75,74,82,869		77,58,37,637	
	(f) Other current assets	18	<u>26,57,18,176</u>		<u>23,82,39,496</u>	
				<b>6,82,28,54,847</b>		8,73,59,87,745
	<b>TOTAL</b>			<b><u>8,37,79,14,904</u></b>		<u>9,97,35,39,697</u>
	<b>NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS</b>	1 to 46				
	<b>SIGNIFICANT ACCOUNTING POLICIES</b>	47				

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 : 06<sup>th</sup> June, 2013

**GAUTAM JAIN**  
SVP- Finance

**MANISH SHAHRA**  
Jt. Managing Director



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013**

(Figures in ₹)

PARTICULARS		Note	For the year 2012-13	For the year 2011-12
<b>I</b>	<b>REVENUE FROM OPERATIONS (GROSS)</b>	19	<b>12,64,02,05,347</b>	16,07,71,09,752
	Less : Excise duty		<b>1,58,056</b>	1,46,568
	Revenue from operations (Net)		<b>12,64,00,47,291</b>	16,07,69,63,184
<b>II</b>	<b>Other income</b>	20	<b>40,12,35,639</b>	50,99,78,574
<b>III</b>	<b>Total Revenue (I + II)</b>		<b>13,04,12,82,930</b>	16,58,69,41,758
<b>IV</b>	<b>EXPENSES</b>			
	Cost of materials consumed	21	<b>3,20,99,59,187</b>	3,39,29,50,018
	Purchases of Stock-in-Trade	22	<b>8,25,32,25,464</b>	11,38,23,94,384
	Changes in inventories of finished goods, work-in-progress and Stock- in-Trade	23	<b>9,44,52,814</b>	16,20,37,763
	Employee benefits expense	24	<b>12,23,55,876</b>	11,10,50,861
	Finance costs	25	<b>47,48,09,521</b>	57,87,24,311
	Depreciation and amortisation expense	10	<b>5,71,83,367</b>	5,64,09,379
	Other expenses	26	<b>69,84,61,566</b>	74,22,30,906
	<b>Total expenses</b>		<b>12,91,04,47,795</b>	16,42,57,97,622
<b>V</b>	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>13,08,35,135</b>	16,11,44,136
<b>VI</b>	<b>Exceptional and Extraordinary items</b>		-	-
<b>VII</b>	<b>Profit before tax (V- VI)</b>		<b>13,08,35,135</b>	16,11,44,136
<b>VIII</b>	<b>Tax expense</b>			
	(1) Current tax		<b>2,05,00,000</b>	2,20,00,000
	(2) Deferred tax		<b>36,92,161</b>	59,28,628
	(3) Tax for earlier years		-	7,77,594
<b>IX</b>	<b>Profit for the year (VII- VIII)</b>		<b>10,66,42,974</b>	13,24,37,914
<b>X</b>	<b>Earning per equity share (Face Value of Rs. 10/- each)</b>			
	(1) Basic		<b>3.84</b>	4.77
	(2) Diluted		<b>3.84</b>	4.77
	<b>NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS SIGNIFICANT ACCOUNTING POLICIES</b>	1 to 46 47		

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 : 06<sup>th</sup> June, 2013

**GAUTAM JAIN**  
SVP- Finance

**MANISH SHAHRA**  
Jt. Managing Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

(Figures in ₹)

<b>PARTICULARS</b>	<b>2012-13</b>	<b>2011-12</b>
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
a) <b>Net profit before tax &amp; Extraordinary Item</b>	<b>13,08,35,135</b>	16,11,44,136
Adjustment For :		
Depreciation	<b>5,71,83,367</b>	5,64,09,379
Finance Costs	<b>47,48,09,521</b>	57,87,24,311
Interest Received	<b>(29,65,91,412)</b>	(34,95,86,666)
Provision for Diminution in value of Investments	<b>70,343</b>	2,97,910
(Profit) \ Loss on Sale of Fixed Assets	<b>(3,04,63,437)</b>	-
	<b>33,58,43,517</b>	44,69,89,070
b) <b>Operating profit before working capital changes</b>	<b>33,58,43,517</b>	44,69,89,070
Adjustment For :		
Trade and other receivables	<b>82,43,55,584</b>	(1,32,77,60,024)
Inventories	<b>7,52,49,893</b>	16,63,63,213
Trade and Other Payables	<b>(50,94,58,342)</b>	82,33,90,292
	<b>72,59,90,652</b>	10,89,82,551
c) <b>Cash Generated from Operations</b>	<b>72,59,90,652</b>	10,89,82,551
Direct Taxes Paid	<b>(3,28,84,017)</b>	(4,76,95,015)
Net cash from operating activities	<b>69,31,06,635</b>	6,12,87,536
<b>B CASHFLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	<b>(36,41,59,496)</b>	(2,53,17,833)
(Payment ) / Receipt from partnership firm	<b>11,72,47,187</b>	(10,38,88,138)
Sale of fixed assets	<b>3,44,49,999</b>	-
Purchase of New Investment	<b>(3,74,400)</b>	-
Interest Received	<b>29,65,91,412</b>	34,95,86,666
Changes in bank balances not considered as cash and cash equivalent	<b>36,16,07,385</b>	32,11,41,887
Net cash used in investing activities	<b>44,53,62,087</b>	54,15,22,582
<b>C CASHFLOW FROM FINANCING ACTIVITIES</b>		
Proceed from Borrowing	<b>(1,07,70,88,502)</b>	86,29,72,989
Repayment of Borrowing	<b>(11,94,13,084)</b>	(13,55,73,809)
Interest Paid	<b>(47,48,09,521)</b>	(57,87,24,311)
Dividend and Dividend Tax Paid	<b>-</b>	-
Net cash from financing activities	<b>(1,67,13,11,107)</b>	14,86,74,869
<b>D NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(53,28,42,385)</b>	75,14,84,987
Cash and Cash Equivalents at Beginning of the Year	<b>1,08,64,89,258</b>	33,50,04,271
Cash and Cash Equivalents at End of the Year	<b>55,36,46,873</b>	1,08,64,89,258
Bank balances not considered as cash and cash equivalent	<b>17,67,09,078</b>	53,83,16,463
Cash and Bank balances as at the year end	<b>73,03,55,952</b>	1,62,48,05,721

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 : 06<sup>th</sup> June, 2013

**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 2013**

**NOTE- 1 SHARE CAPITAL**

(Figures in ₹)

<b>PARTICULARS</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
<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	<b>5,00,00,000</b>	5,00,00,000
5,00,000 face value of Rs. 100/- each	<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 reconciliation of the number of shares and amount outstanding is set out below:

<b>PARTICULARS</b>	<b>As at March 31, 2013</b>		<b>As at March 31, 2012</b>	
	<b>No. of Shares</b>	<b>Amount</b>	<b>No. of Shares</b>	<b>Amount</b>
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 end of the year</b>	<b>2,77,53,486</b>	<b>27,75,34,860</b>	2,77,53,486	27,75,34,860

1.2 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 in the ensuing Annual General Meeting, 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.

1.3 The details of Shareholders holding more than 5% shares in the Company :

<b>NAME OF THE SHAREHOLDERS</b>	<b>As at March 31, 2013</b>		<b>As at March 31, 2012</b>	
	<b>No. of shares held</b>	<b>% Held</b>	<b>No. of shares held</b>	<b>% Held</b>
<b>EQUITY SHARES</b>				
Clemfield Industries Ltd.	<b>28,98,018</b>	<b>10.44</b>	28,98,018	10.44
Suman Agritech 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

**NOTE- 2 RESERVES AND SURPLUS**

(Figures in ₹)

PARTICULARS		As at March 31, 2013		As at March 31, 2012
<b>A Securities Premium Account</b>				
At the beginning of the year	<b>16,25,32,030</b>		16,25,32,030	
Add : Received during the year	-		-	
As at the end of the year		<b>16,25,32,030</b>		16,25,32,030
<b>B General Reserve</b>				
At the beginning of the year	<b>64,84,38,577</b>		64,84,38,577	
Add : Transfer during the year	-		-	
As at the end of the year		<b>64,84,38,577</b>		64,84,38,577
<b>C Surplus in Statement of Profit and Loss</b>				
At the beginning of the year	<b>1,20,22,20,911</b>		1,06,97,82,997	
Add : Profit for the year	<b>10,66,42,974</b>		13,24,37,914	
As at the end of the year		<b>1,30,88,63,885</b>		1,20,22,20,911
<b>Total Reserves and Surplus</b>		<b>2,11,98,34,492</b>		<b>2,01,31,91,518</b>

**NOTE- 3 LONG -TERM BORROWINGS**

PARTICULARS	As at March 31, 2013	As at March 31, 2012
<b>Secured Loans</b>		
<b>a) Term Loans</b>		
- From Banks	<b>19,01,05,260</b>	31,43,25,709
(See Notes below)		
<b>b) Other Loans</b>		
- From Bank	-	6,92,635
(See Note below)		
	<b>19,01,05,260</b>	<b>31,50,18,344</b>
Less : Amount disclosed under the head Current Maturities of Long Term Debt [Refer Note 8 (a)]	<b>9,26,31,580</b>	11,94,13,084
	<b>9,74,73,680</b>	<b>19,56,05,260</b>

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

Name of the lender	Rate of Interest	Nature of Security	Terms of Repayment
Term loan from HDFC Bank, Sanctioned amount Rs. 9,00,00,000/-, Outstanding amount Rs. 5,40,00,000/- (March 31, 2012: Rs. 7,20,00,000/-)	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 of Rs. 45,00,000 each, commenced from March, 2011 and last instalment due on March, 2015.
Term loan from Punjab National Bank Sanctioned amount Rs. 11,00,00,000/-, Outstanding amount Rs. 4,40,00,000/- (March 31, 2012: Rs. 7,15,00,000/-)	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 of Rs. 55,00,000 each, commenced from March, 2010 and last instalment due on March, 2015.
Term loan from IDBI Bank, Sanctioned amount Rs. 25,00,00,000/-, Outstanding amount Rs. 9,21,05,260/- (March 31, 2012: Rs. 14,47,36,840/-)	13.50% p.a.	Secured by equitable mortgage of plot of land situated at J.L.No. 35 Mauza Gangapur, KITP, Kolkata Leather Complex, Bhangar Police station District-24 Paraganas (South), West Bengal and personal guarantee of two directors of the Company, Equitable mortgage of plot of land situated at Nipania (indore, M.P.) owned by Brightstar Housing Pvt. Ltd. Indore (M.P.)	Repayable in 19 equal quarterly instalments of Rs. 1,31,57,895 each, commenced from February, 2010 and last instalment due on February, 2015.

## NOTE-4 DEFERRED TAX LIABILITIES (Net)

(Figures in ₹)

PARTICULARS	As at March 31, 2013	As at March 31, 2012
<b>Deferred Tax Liabilities</b>		
Due to depreciation difference on Fixed Assets	<b>10,66,15,576</b>	10,27,77,028
<b>Total</b>	<b>10,66,15,576</b>	10,27,77,028
<b>Deferred Tax Assets</b>		
Other Timing Difference	<b>42,17,263</b>	40,70,876
<b>Total</b>	<b>42,17,263</b>	40,70,876
<b>Deferred Tax Liabilities (Net)</b>	<b>10,23,98,313</b>	9,87,06,152

## NOTE-5 LONG TERM PROVISIONS

PARTICULARS	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits (Refer Note No. 35)	<b>84,28,039</b>	79,50,448
	<b>84,28,039</b>	79,50,448

## NOTE-6 SHORT TERM BORROWINGS

PARTICULARS	As at March 31, 2013	As at March 31, 2012
<b>Loans repayable on demand</b>		
<b>A) Secured Loans</b>		
Working Capital loan From Banks (See Note below)	<b>85,63,19,804</b>	1,32,63,98,110
<b>B) Unsecured Loans</b>		
i) From Banks	<b>50,00,00,000</b>	40,00,00,000
ii) Buyers credit from Banks (Refer Note No. 29)	<b>56,21,32,608</b>	1,26,36,42,804
	<b>1,91,84,52,412</b>	2,99,00,40,914

**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 units or wherever else, the same may be held or kept.
- Further secured by Equitable Mortgage created over the Land situated at village Bilawali Dist .Dewas (M.P.) , 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.

**NOTE-7 TRADE PAYABLES**

(Figures in ₹)

<b>PARTICULARS</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
-Due to Micro, Small and medium Enterprises (Refer Note No. 28)	<b>4,05,154</b>	1,18,330
-Due to Others	<b>3,63,56,45,314</b>	4,11,76,07,383
	<b>3,63,60,50,468</b>	4,11,77,25,713

Trade Payables includes bills payable for purchases of materials Rs. 1,90,19,80,511 /- (Pre. Year Rs.1,27,56,73,973/-)

**NOTE-8 OTHER CURRENT LIABILITIES**

<b>PARTICULARS</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
a Current maturities of long-term debt ( Refer Note No. 3)	<b>9,26,31,580</b>	11,94,13,084
b Interest accrued and due on borrowings	<b>50,14,211</b>	48,97,471
c Unpaid Dividends (Refer Note Below)	<b>1,12,54,132</b>	1,23,01,293
d Security and Other Deposits	<b>1,39,53,437</b>	1,10,86,380
e Advances from Customers	<b>2,84,69,658</b>	3,78,73,010
f Bank overdraft- as per books	<b>1,17,14,812</b>	1,26,55,747
g Other Payables		
i) Statutory Dues	<b>33,74,693</b>	42,61,653
ii) Creditors for Capital Expenditure	<b>14,44,270</b>	87,50,283
iii) Other Liabilities	<b>4,59,06,523</b>	5,72,90,642
	<b>21,37,63,316</b>	26,85,29,563

Note- There are no amount due for payments to the Investor Education &amp; Protection Fund.

**NOTE-9 SHORT TERM PROVISIONS**

<b>PARTICULARS</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
Provision for employee benefits (Refer Note No. 35 )	<b>39,79,324</b>	42,55,269
	<b>39,79,324</b>	42,55,269

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

PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK	
	As at April 1, 2012	Additions	Deductions/ Adjustments/	As at March 31, 2013	Up to March 31, 2012	For the year	Deductions/ Adjustments	Up to March 31, 2013	As at March 31, 2012
<b>TANGIBLE ASSETS</b>									
LAND - FREE HOLD	25,19,91,473	33,60,11,620	(19,28,819)	58,60,74,274	-	-	-	-	25,19,91,473
LAND - LEASEHOLD	11,46,97,360	54,62,724	-	12,01,60,084	2,01,764	39,368	-	2,41,132	11,44,95,596
BUILDINGS	20,25,84,305	51,11,794	(19,48,291)	20,57,47,808	3,55,39,637	64,54,394	(5,71,276)	4,14,22,755	16,70,44,668
PLANT AND MACHINERY	79,75,50,426	155,48,035	(1,81,114)	81,29,17,347	22,10,34,900	3,82,01,510	(61,706)	25,91,74,704	57,65,15,526
OFFICE EQUIPMENTS	1,87,90,298	9,10,509	-	1,97,00,807	1,16,84,190	17,54,875	-	1,34,39,065	71,06,108
FURNITURE & FIXTURES	4,01,85,880	1,87,252	-	4,03,73,132	1,52,47,841	21,77,884	-	1,74,25,725	2,49,38,039
VEHICLES	4,46,40,230	1,87,252	(12,64,813)	4,33,75,417	2,37,09,442	46,91,682	(7,03,493)	2,76,97,631	2,09,30,788
<b>TOTAL</b>	1,47,04,39,972	36,32,31,934	(53,23,037)	1,82,83,48,869	30,74,17,774	5,33,19,713	(13,36,475)	35,94,01,012	1,16,30,22,198
Previous year	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	1,19,05,14,176
<b>INTANGIBLE ASSETS</b>									
TRADE MARK	3,00,000	-	-	3,00,000	2,40,833	30,000	-	2,70,833	59,167
SOFTWARES	1,15,00,963	-	-	1,15,00,963	76,67,308	38,33,654	-	1,15,00,962	38,33,655
<b>TOTAL</b>	1,18,00,963	-	-	1,18,00,963	79,08,141	38,63,654	-	1,17,71,795	38,92,822
Previous year	1,18,00,963	-	-	1,18,00,963	40,44,487	38,63,654	-	79,08,141	77,56,476
<b>CAPITAL WORK IN PROGRESS</b>									
<b>Total</b>	1,48,22,40,935	36,32,31,934	(53,23,037)	1,84,01,49,832	31,53,25,915	5,71,83,367	(13,36,475)	37,11,72,807	1,82,29,287
Previous year	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
									-

**NOTE-11 NON CURRENT INVESTMENTS**

(Figures in ₹)

<b>PARTICULARS</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
<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.	<b>9,00,000</b>	9,00,000
Less : Provision for diminution in value of investment	<b>5,23,800</b>	4,66,180
	<b>3,76,200</b>	4,33,820
ii) 23,000 (Previous year 23,000 ) Equity Shares of Rs.5/- each fully paid up in Brahmanand Himghar Ltd.	<b>1,15,000</b>	1,15,000
Less: Provision for diminution in value of investments	<b>24,150</b>	15,410
	<b>90,850</b>	99,590
<b>T O T A L : (i+ii)</b>	<b>4,67,050</b>	5,33,410
<b>b) Unquoted (Non Trade)</b>		
100 (Previous year 100) Equity Shares of Rs.10/- each fully paid in National Board of Trade Ltd	<b>1,000</b>	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 Kymore Iron Ore Pvt Ltd	<b>50,000</b>	50,000
Less : Provision for diminution in value of investment	<b>50,000</b>	50,000
	-	-
ii) 5,000 (Previous year 5,000) Equity Shares of Rs.10/- each fully paid up in Nirbhay Buildcon Pvt. Ltd	<b>50,000</b>	50,000
iii) In Anik Internatioanal Pte Ltd.		
9000 (Pre. Yr Nil ) Equity share of SGD 1/- each	<b>3,74,400</b>	-
	<b>4,24,400</b>	50,000
<b>B Government Securities</b>		
National Savings Certificates/Kisan Vikas Patra (deposited with Government authorities)	<b>24,000</b>	24,000
<b>C Investment In Partnership Firm -Associate</b>		
Balance in Capital account of "Mahakosh Property Developers" ( Refer Note No. 35 )	<b>1,00,000</b>	1,00,000
Aggregate amount of unquoted investments	<b>1,24,000</b>	1,24,000
<b>Total (A+B+C)</b>	<b>10,16,450</b>	7,08,410
Aggregate Amount of Quoted investments	<b>10,15,000</b>	10,15,000
Market Value of Quoted investments	<b>4,67,050</b>	5,33,410
Aggregate Amount of Unquoted investments	<b>4,75,400</b>	1,01,000
Aggregate Provision for diminution in value of Quoted Investments	<b>5,47,950</b>	4,81,590
Aggregate Provision for diminution in value of Unquoted Investments	<b>50,000</b>	50,000
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**

<b>PARTICULARS</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
Unsecured ,considered good		
a Capital advances	<b>19,11,671</b>	82,61,278
b Security Deposits	<b>1,29,45,087</b>	1,11,18,606
c Advance Income Tax (Net of Provision)	<b>4,47,03,368</b>	3,23,19,351
	<b>5,95,60,126</b>	5,16,99,235



## NOTE-13 CURRENT INVESTMENTS

(Figures in ₹)

PARTICULARS	As at March 31, 2013	As at March 31, 2012
<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
Less: Provision for diminution in value of investments	13,828	36,410
	1,86,172	163,590
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
Less: Provision for diminution in value of investments	1,36,065	1,09,500
	3,63,935	3,90,500
<b>Total : (i+ii+iii+iv)</b>	<b>16,00,107</b>	<b>16,04,090</b>
<b>B Investment In Partnership Firm-Associate</b>		
Balance in Current account of "Mahakosh Property Developers"	12,72,76,505	24,45,23,692
( Refer Note No. 34 )	12,72,76,505	24,45,23,692
<b>Total (A+B)</b>	<b>12,88,76,612</b>	<b>24,61,27,782</b>
Aggregate Amount of Unquoted Investments	17,50,000	17,50,000
Market Value of Quoted investments	16,00,107	16,04,090
Aggregate Provision for diminution in value of Unquoted Investments	1,49,893	1,45,910
Aggregate Amount of Unquoted Investments- In Partnership Firm	12,72,76,505	24,45,23,692

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	50,69,271	40,04,141
b Work-in-progress	1,08,85,587	1,42,20,106
c Finished goods	90,48,45,361	78,90,47,342
d Stock in trade	36,19,59,977	56,88,76,291
e Consumables, Stores & Spares	5,63,20,065	3,81,82,274
	<b>1,33,90,80,261</b>	<b>1,41,43,30,154</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	50,69,271	40,04,141
<b>Total</b>	<b>50,69,271</b>	<b>40,04,141</b>
<b>Finished Goods</b>		
Ghee	39,18,60,394	28,41,28,626
Milk Powder	32,73,00,862	30,98,17,433
Soya Iso Prolet	69,075	1,67,984
Butter	18,23,66,607	19,46,73,542
others	32,48,423	2,59,757
<b>Total</b>	<b>90,48,45,361</b>	<b>78,90,47,342</b>
<b>Work In Progress</b>		
Milk	1,08,85,587	70,44,130
others	-	71,75,976
<b>Total</b>	<b>1,08,85,587</b>	<b>1,42,20,106</b>
<b>Stock In Trade</b>		
Steam Coal	33,12,57,400	37,98,35,510
Crude Palm Oil	2,99,569	5,24,27,256
Soya Seed	-	26,46,138
Wheat	-	2,83,66,002
Gram	2,01,85,798	6,97,16,737
other	1,02,17,210	3,58,84,648
<b>Total</b>	<b>36,19,59,977</b>	<b>56,88,76,291</b>

(Figures in ₹)

<b>PARTICULARS</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
<b>NOTE-15 TRADE RECEIVABLES</b>		
Outstanding Over Six Months from the date they were due for payment		
Unsecured, Considered Good	<b>15,97,68,485</b>	15,39,56,851
Unsecured, Considered Doubtful	<b>3,90,162</b>	3,90,162
Outstanding Less than Six Months from the date they were due		
Unsecured, Considered Good	<b>3,44,15,72,492</b>	4,28,26,90,104
	<b>3,60,17,31,139</b>	4,43,70,37,117
Less : Provision for doubtful debts	<b>3,90,162</b>	3,90,162
	<b>3,60,13,40,977</b>	4,43,66,46,955
<b>NOTE-16 CASH AND BANK BALANCES</b>		
<b>A Cash and Cash Equivalent</b>		
a) Balances with Banks		
i) In Current Accounts	<b>30,84,95,707</b>	26,46,97,395
ii) In Deposit Accounts with maturity upto 3 months		
Earmarked against credit facility (Refer Note No. 29)	<b>22,70,04,281</b>	77,74,41,360
Others	-	-
b) Cash on hand	<b>1,81,46,885</b>	4,43,50,503
	<b>55,36,46,873</b>	1,08,64,89,258
<b>B Other Bank Balances</b>		
a) Deposit Accounts with maturity more than 3 months and upto 12 months		
Earmarked against credit facility	<b>16,52,38,862</b>	52,58,75,924
Others	<b>2,16,084</b>	1,39,246
b) Unpaid dividend account (Earmarked)	<b>1,12,54,132</b>	1,23,01,293
	<b>17,67,09,078</b>	53,83,16,463
	<b>73,03,55,952</b>	1,62,48,05,721
<b>NOTE-17 SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered Good)		
a Security Deposits	<b>16,74,22,399</b>	17,75,10,616
b Loans and advances to related parties	-	5,24,32,637
c Loans and Advances to Employees	<b>84,93,273</b>	67,85,428
d Balance with Government Authorities	<b>3,03,11,047</b>	2,80,83,017
e Prepaid Expenses	<b>5,53,79,295</b>	3,81,11,733
f Advances to Suppliers	<b>42,46,82,849</b>	40,67,24,962
g Other Advances recoverable in cash or in kind for which value to be received	<b>7,11,94,006</b>	6,61,89,244
	<b>75,74,82,869</b>	77,58,37,637
<b>NOTE-18 OTHER CURRENT ASSETS</b>		
(Unsecured, Considered Good)		
Interest Accrued		
On Fixed Deposits with Banks	<b>72,55,214</b>	2,19,50,068
On Others receivables	<b>25,84,62,962</b>	21,62,89,428
	<b>26,57,18,176</b>	23,82,39,496

## NOTE-19 REVENUE FROM OPERATIONS

(Figures in ₹)

PARTICULARS		For the Year 2012-13		For the Year 2010-11
A Sales of Products	12,59,47,97,581		16,04,70,33,329	
Sale of Wind Power generated	1,21,72,514		80,52,981	
Other operating income	3,32,35,252		2,20,23,442	
Revenue from operations (Gross)	12,64,02,05,347		16,07,71,09,752	
Less: Excise duty	1,58,056		1,46,568	
Revenue from operations (Net)		12,64,00,47,291		16,07,69,63,184
		<u>12,64,00,47,291</u>		<u>16,07,69,63,184</u>
<b>Broad Category of Sale of Product</b>				
Ghee	2,71,92,21,018		2,58,47,58,175	
Pasteurised Milk	1,61,49,83,171		1,62,65,78,241	
Milk Powder	3,09,75,80,728		2,01,22,74,091	
Soya Iso Prolet	25,91,831		26,71,695	
Steam Coal	1,72,76,59,150		4,49,06,36,785	
Soya Seed	-		94,27,31,232	
Crude Palm Oil	1,37,08,45,642		1,21,82,99,640	
others	2,06,19,16,041		3,16,90,83,470	
<b>Total</b>		<u>12,59,4797,581</u>		<u>16,04,70,33,329</u>

## NOTE-20 OTHER INCOME

PARTICULARS	For the Year 2012-13	For the Year 2011-12
1 Interest Income	29,65,91,412	34,95,86,666
2 Insurance claims received	36,45,709	10,63,465
3 Profit from Sale of Fixed Assets	3,06,74,757	-
4 Other non operating Income		
Profit from Partnership Firm	2,88,07,340	8,00,00,000
Agriculture Income (net of Expenses Rs. 1,03,278/-Prev.Yr. Rs. 1,23,625/-)	3,01,481	2,12,340
Profit from Transactions on Commodity exchange	3,25,13,450	6,46,69,426
Miscellaneous Income	87,01,490	1,44,46,677
	<u>40,12,35,639</u>	<u>50,99,78,574</u>

**NOTE-21 COST OF MATERIALS CONSUMED**

(Figures in ₹)

PARTICULARS	For the Year 2012-13		For the Year 2011-12
a) Raw Materials	2,97,53,71,053		3,18,25,82,455
b) Packing Materials	23,45,88,134		21,03,67,563
	<u>3,20,99,59,187</u>		<u>3,39,29,50,018</u>

**Imported and Indigenous Raw materials consumed**

PARTICULARS	For the year 2012-13	%	For the year 2011-12	%
Imported	-	-	-	-
Indigenous	2,97,53,71,053	100	3,18,25,82,455	100

**Imported and Indigenous Packing materials consumed**

PARTICULARS	For the year 2012-13	%	For the year 2011-12	%
Imported	-	-	-	-
Indigenous	23,45,88,134	100	21,03,67,563	100

**Detail of Raw Material Consumed**

PARTICULARS	For the year 2012-13		For the year 2011-12	
Whole Milk	2,93,24,93,600		3,14,42,02,219	
Others	4,28,77,453		3,83,80,236	
<b>Total</b>	<u>2,97,53,71,053</u>		<u>3,18,25,82,455</u>	

**NOTE-22 PURCHASES OF STOCK IN TRADE**

Purchases of Traded Goods	8,25,32,25,464		11,38,23,94,384
	<u>8,25,32,25,464</u>		<u>11,38,23,94,384</u>
<b>Broad Category of Purchase of Stock In Trade</b>			
Ghee	1,01,66,03,382		1,00,04,88,013
Pasteurised Milk	10,16,98,789		30,47,29,648
Milk Powder	2,17,35,37,220		93,61,40,707
Steam Coal	1,51,05,53,097		4,40,65,61,679
Soya Seed	-		51,75,51,346
Crude Palm Oil	1,29,53,41,776		1,27,87,21,506
others	2,15,54,91,200		2,93,82,01,485
<b>Total</b>	<u>8,25,32,25,464</u>		<u>11,38,23,94,384</u>

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

PARTICULARS	For the Year 2012-13	For the Year 2011-12
<b>Finished goods</b>		
Opening Stock	78,90,47,342	64,36,33,683
Closing Stock	90,48,45,361	78,90,47,342
	<u>11,57,98,019</u>	<u>14,54,13,659</u>
<b>Work-in-progress</b>		
Opening Stock	1,42,20,106	1,05,65,324
Closing Stock	1,08,85,587	1,42,20,106
	<u>(33,34,519)</u>	<u>36,54,782</u>
<b>Stock in trade</b>		
Opening Stock	56,88,76,291	87,99,82,495
Closing Stock	36,19,59,977	56,88,76,291
	<u>(20,69,16,314)</u>	<u>(31,11,06,204)</u>
	<u>(9,44,52,814)</u>	<u>(16,20,37,763)</u>

(Figures in ₹)

PARTICULARS	For the Year 2012-13	For the Year 2011-12
<b>NOTE-24 EMPLOYEE BENEFITS EXPENSE</b>		
Salary, Wages and Bonus	11,36,26,575	10,22,11,134
Contribution to Provident and Other Funds	58,07,013	61,37,678
Workmen & Staff Welfare expenses	29,22,288	27,02,049
	<b>12,23,55,876</b>	<b>11,10,50,861</b>
<b>NOTE-25 FINANCE COSTS</b>		
Interest paid	37,04,73,372	39,29,02,111
Net Loss on foreign Currency Transactions and Translation	3,14,83,099	11,22,49,500
Other borrowing costs	7,28,53,050	7,35,72,700
	<b>47,48,09,521</b>	<b>57,87,24,311</b>
<b>NOTE-26 OTHER EXPENSES</b>		
Consumption of Stores & Spares	3,69,46,629	1,86,87,246
Power & Fuel	15,19,75,723	14,87,81,381
Rent	1,13,95,110	80,70,908
Repairs - Plant & Machinery	1,78,48,032	1,36,47,504
Repairs - Buildings	3,39,141	3,00,192
Repairs - Others	25,95,813	19,14,041
Insurance	55,21,277	74,88,135
Rates & Taxes excluding taxes on Income	3,71,13,537	1,87,09,900
Freight & forwarding	6,94,90,670	7,83,81,554
Selling and Distribution Expenses	15,06,14,595	12,77,85,200
Donation	3,42,502	7,05,121
Travelling & Conveyance	2,60,44,074	2,49,14,323
Bank Commission & Charges	20,64,511	17,51,369
Net Loss on foreign Currency Transactions and Translation	13,11,63,689	23,43,94,978
Misc. expenses	5,50,06,263	5,66,99,054
	<b>69,84,61,566</b>	<b>74,22,30,906</b>

**27 CONTINGENT LIABILITIES AND COMMITMENTS**

(To the extent not provided for)

(Figures in ₹)

PARTICULARS	For the Year 2012-13	For the Year 2011-12
<b>i) Contingent Liabilities</b>		
a) Outstanding Bank Guarantees	4,24,17,877	4,26,37,877
b) Income tax / Sales tax/ Excise duty demand disputed in appeal [Net of advance paid Rs. 2,73,45,565 (Previous year Rs.2,74,85,565 ) against disputed demand]	5,92,91,426	3,94,93,357
c) Estimated liability of Custom Duty, which may arise if export obligation/ commitment is not fulfilled	1,35,59,347	1,35,59,347
d) Letter of Credit opened on behalf of others	Nil	30,83,177
e) Claims against the company not acknowledged as debt	5,40,47,817	4,39,98,583
f) Bills Discounting with Banks	2,43,71,008	9,02,25,500
<b>ii) Commitments</b>		
a) Estimated amount of contracts remaining to be executed on capital account (Net of advances)	Nil	3,98,000
b) Guarantee issued by bank for and on behalf of third party, against lien on fixed deposit	1,69,33,600	1,69,33,600

- 28 a) Trade Payables includes Rs. 4,05,154 (Previous Year 1,18,330) amount due to micro, small and medium enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) Act.  
b) The details of amount outstanding to Micro, Small and Medium Enterprises are as under :

<b>PARTICULARS</b>	<b>For the Year 2012-13</b>	<b>For the Year 2011-12</b>
Principle amount due and remain unpaid	<b>4,05,154</b>	1,18,330
Interest due on above and unpaid interest	--	--
Interest paid	--	--
Payment made beyond appointed day during the year	--	--
Interest due and payable for the period of delay	--	--
Interest accrued and remaining unpaid	--	--
Amount of further interest due and payable in succeeding years	--	--

- c) The information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.
- 29 During the year Company has availed buyer's credit, the said facility outstanding as at 31<sup>st</sup> March 2013, was Rs. 5,621 lacs (Previous year Rs. 12,636 lacs) out of which Rs. Nil (Pre. Year Rs. 6,292 lacs ), is guaranteed by banks against lien on Fixed Deposits (refer Note No. 16 ) with them and balance buyer's credit of Rs. 5,621 lacs by earmarking the non fund based credit facilities sanctioned by the banks.
- 30 Sitting fees paid to directors Rs. 67,500/-(Previous year Rs.65,000/-) 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 **Remuneration to the Auditors**  
(Including Service Tax as applicable)

<b>PARTICULARS</b>	<b>For the Year 2012-13</b>	<b>For the Year 2011-12</b>
a) For Audit	<b>5,61,800</b>	5,61,800
b) For Tax Audit	<b>28,090</b>	28,090
c) For other services	<b>62,550</b>	65,076
d) Out of pocket expenses	<b>7,630</b>	9,468

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

(Figures in ₹)

NAME OF PARTNERS	2012-13			2011-12		
	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	12,72,76,505	21%	1,00,000	24,45,23,692	21%
Shri Suresh Chandra Shahra (HUF)	10,50,000	59,01,490	21%	10,50,000	(2,01,00,000)	21%
Smt. Mriduladevi Shahra	10,50,000	(48,25,191)	11%	10,50,000	(1,78,00,000)	11%
Shri Manish Shahra	1,40,000	(26,02,910)	21%	1,40,000	(42,40,000)	21%
Shri Nitesh Shahra	1,00,000	54,03,659	11%	1,00,000	(1,10,00,000)	11%
M/s. Osprey Trades & Agencies Pvt. Ltd.	50,000	(6,74,23,329)	15%	50,000	(8,80,00,000)	15%
<b>Total</b>	<b>24,90,000</b>	<b>6,37,30,224</b>	<b>100%</b>	<b>24,90,000</b>	<b>10,33,83,692</b>	<b>100%</b>

## 35 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 statement of Profit and Loss. 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 2012-13	For the Year 2011-12
<b>I. Table Showing Change in the Present Value of Defined Benefit Obligation</b>		
Present Value of Benefit Obligation as at the beginning of the Current Period	1,00,06,582	83,35,860
Interest Cost	8,50,559	6,87,708
Current Service Cost	9,82,442	11,61,655
Past Service Cost (Non Vested Benefit)	--	--
Past Service Cost (Vested Benefit)	--	--
Liability Transferred in	--	--
Liability transferred out	--	--
Benefit Paid	(11,06,849)	(88,372)
Actuarial (gain)/loss on obligations	(3,79,438)	(90,269)
<b>Present Value of Benefit Obligation as at the end of the Current Period</b>	<b>1,03,53,296</b>	<b>1,00,06,582</b>
<b>II. Table of Fair value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the Period	25,85,042	23,74,990
Expected Return on Plan Assets	2,19,729	1,95,937
Contributions	2,16,002	82,054
Transfer from other company	--	--
Transfer to other company	--	--
Benefit Paid	(11,123)	(88,372)
Actuarial gain/(loss) on Plan Assets	14,609	20,433
<b>Fair Value of Plan Assets at the end of the Period</b>	<b>30,24,259</b>	<b>25,85,042</b>
<b>III. Table of Recognition of Actuarial Gains/Losses</b>		
Actuarial (Gains)/Losses on Obligation for the Period	(3,79,438)	(90,269)
Actuarial (Gains)/Losses on Asset for the Period	(14,609)	(20,433)
Subtotal	(3,94,047)	(1,10,702)
<b>Actuarial (Gains)/Losses Recognized in Income &amp; Expenses Statement</b>	<b>(3,94,047)</b>	<b>(1,10,702)</b>
<b>IV. Actual Return on Plan Assets</b>		
Expected Return on Plan Assets	2,19,729	1,95,937
Actuarial Gains/(Losses) on Plan Assets	14,609	20,433
<b>Actual Return on Plan Assets</b>	<b>2,34,338</b>	<b>2,16,370</b>

<b>V. Amount Recognised in the Balance Sheet</b>		
Fair Value of Plan Assets at the end of the Period	<b>30,24,259</b>	25,85,042
Present Value of Benefit Obligation as at the end of the Period	<b>(1,03,53,296)</b>	(1,00,06,582)
Funded Status	<b>(73,29,037)</b>	(74,21,540)
Unrecognised Past Service Cost at the end of the Period	--	--
Un recognised Transitional Liability at the end of the Period	--	--
<b>Net (Liability)/Asset Recognised in the Balance Sheet</b>	<b>(73,29,037)</b>	(74,21,540)
<b>VI. Expenses Recognised in the Income Statement</b>		
Current Service Cost	<b>9,82,442</b>	11,61,655
Interest Cost	<b>8,50,559</b>	6,87,708
Expected Return on Plan Assets	<b>(2,19,729)</b>	(1,95,937)
Acturial Gains/(Losses)	<b>(3,94,047)</b>	(1,10,702)
Past Service Cost (Non Vested Benefit) Recognised during the Period	--	--
Past Service Cost (Vested Benefit) Recognised during the Period	--	--
Transition Liability recognized during the Period	--	--
<b>Expense Recognised in P &amp; L</b>	<b>12,19,225</b>	15,42,724
<b>VII. Balance Sheet Reconciliation</b>		
Opening Net Liability	<b>74,21,540</b>	59,60,870
Expense as above	<b>12,19,225</b>	15,42,724
Net Transfer In	--	--
Net Transfer Out	--	--
Benefit Paid Directly by the Employer	<b>(10,95,726)</b>	--
Employers Contribution	<b>(2,16,002)</b>	(82,054)
<b>Net Liability/ (Assets) Recognised in Balance Sheet</b>	<b>73,29,037</b>	74,21,540
<b>VIII. Category of Assets</b>		
Government of India Assets	--	--
Corporate Bonds	--	--
Special Deposits Scheme	--	--
Equity Shares of Listed Companies	--	--
Property	--	--
Insurer Managed Funds	<b>30,24,259</b>	25,85,042
Other	--	--
<b>Total</b>	<b>30,24,259</b>	25,85,042
<b>IX. Experience Adjustment</b>		
On Plan Liability (Gains)/Losses	<b>(7,12,001)</b>	80,458
On Plan Assets (Losses)/ Gains	<b>14,609</b>	20,433
<b>X. Assumptions</b>		
Discount Rate (Previous)	<b>8.50%</b>	8.25%
Rate of Return on Plan Assets (Previous)	<b>8.50%</b>	8.25%
Salary Escalation (Previous)	<b>5.00%</b>	5.00%
Attrition Rate (Previous)	<b>2.00%</b>	2.00%
Discount Rate (Current)	<b>8.00%</b>	8.50%
Rate of Return on Plan Assets (Current)	<b>8.70%</b>	8.50%
Salary Escalation (Current)	<b>5.00%</b>	5.00%
Attrition Rate (Current)	<b>2.00%</b>	2.00%

- b The liability in respect leave encashment is determined using actuarial valuation carried out as at balance sheet date. Leave encashment liability as at the year end Rs. 50,78,326/- (Prev.year Rs. 47,84,177/-)



## 36 Segment Reportings

## (a) Primary Segment - Business Segment

(Figures in ₹)

S.N.	PARTICULARS	DAIRY PROD	WIND POWER	OTHERS	UNALLOCABLE	TOTAL
1	SEGMENT REVENUE (NET SALES/INCOME)	7,51,99,89,517 6,29,46,91,930	1,21,72,514 80,52,981	5,12,03,94,689 9,78,93,49,606	9,21,34,799 14,52,60,575	12,74,46,91,518 16,23,73,55,092
2	SEGMENT RESULTS (PROFIT BEFORE INTEREST & TAX)	26,61,35,322 34,66,56,046	68,03,471 27,78,017	16,22,900 -1,82,14,197	3,44,91,551 5,90,61,916	30,90,53,244 39,02,81,781
	LESS : FINANCE COSTS	-	-	-	-	47,48,09,521
	ADD: INTEREST RECEIVED	-	-	-	-	57,87,24,311
	PROFIT FOR THE YEAR	-	-	-	-	29,65,91,412
	ADD : PRIOR PERIOD ADJUSTMENT	-	-	-	-	34,95,86,666
	PROFIT BEFORE TAXATION	-	-	-	-	13,08,35,135
	LESS : Current Tax Provision	-	-	-	-	16,11,44,136
	Deferred Tax Provision	-	-	-	-	2,05,00,000
	Income Tax For Earlier Year	-	-	-	-	2,20,00,000
	PROFIT AFTER TAX	-	-	-	-	36,92,161
		-	-	-	-	59,28,628
		-	-	-	-	7,77,594
		-	-	-	-	10,66,42,974
		-	-	-	-	13,24,37,914
3	SEGMENT ASSETS	4,69,29,88,218 3,58,46,53,247	7,30,06,600 7,10,59,873	1,65,15,16,008 3,49,22,09,880	1,30,07,25,641 2,54,64,61,154	7,71,82,36,468 9,69,43,84,154
4	SEGMENT LIABILITIES	2,03,85,77,737 1,24,98,00,784	3,18,321 2,97,799	1,29,71,94,100 3,12,86,93,146	-5,14,68,699 1,96,69,264	3,28,46,21,458 4,39,84,60,993
5	Cost incurred during the year to acquire segment of fixed assets	1,71,29,167 2,28,44,484	- -	- 14,500	34,21,69,578 21,94,763	35,92,98,745 2,50,53,747
6	SEGMENTAL DEPRECIATION	4,14,25,204 4,04,08,436	40,51,303 40,51,303	2,16,046 2,13,372	1,14,90,814 1,17,36,268	5,71,83,367 5,64,09,379

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

PARTICULARS	For the Year 2012-13	For the Year 2011-12
Domestic Revenue	11,85,19,65,221	15,34,50,98,202
Export Revenue	89,27,26,297	89,22,56,890
	12,74,46,91,518	16,23,73,55,092

PARTICULARS	For the Year 2012-13	For the Year 2011-12
<b>Note :</b>		
(i) Unallocable Segment assets exclude the following :		
Investment	12,98,93,062	24,68,36,192
Advance Income Tax	32,93,17,266	29,63,19,351
(ii) Unallocable Segment liabilities exclude the following :		
Secured Loans	1,04,64,25,064	1,52,20,03,370
Unsecured Loans	1,06,21,32,608	1,66,36,42,804
Deffered Tax Liability	10,23,98,313	9,87,06,152
Provision For Tax	28,45,00,000	26,40,00,000

**37 Earning Per Share (EPS)**

<b>PARTICULARS</b>	<b>For the Year 2012-13</b>	<b>For the Year 2011-12</b>
Nominal value per Equity Share (Rs.)	<b>10</b>	10
Profit After Tax (Rs.)	<b>10,66,42,974</b>	13,24,37,914
Weighted Avg. No. of Equity Shares	<b>2,77,53,486</b>	2,77,53,486
Basic and Diluted Earning per share (Rs.)	<b>3.84</b>	4.77

**38 Financial and Derivatives Instruments**

Derivative contract entered by the Company and outstanding as on 31<sup>st</sup> March, 2013

**(i) Notional amounts of derivative contract entered into by the company and outstanding as on 31<sup>st</sup> March, 2013**

<b>PARTICULARS</b>	<b>2012-13</b>				<b>2011-12</b>			
	<b>No. of Contract</b>	<b>Currency</b>	<b>Amount in Foreign Currency</b>	<b>Equivalent Amount in INR</b>	<b>No. of Contracts</b>	<b>Currency Amount in</b>	<b>Amount in Foreign Currency</b>	<b>Equivalent Amount in INR</b>
Buyers Credit (Purchase)	<b>10</b>	<b>USD</b>	<b>72,63,000</b>	<b>41,20,13,235</b>	5	USD	1,21,50,000	63,47,98,000
Forward Contracts (Purchase)	<b>8</b>	<b>USD</b>	<b>75,00,000</b>	<b>40,99,04,000</b>	18	USD	1,59,39,000	80,69,16,729
Forward Contracts (Sale)	<b>--</b>	<b>USD</b>	<b>--</b>	<b>--</b>	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.**

<b>2012-13</b>				<b>2011-12</b>		
<b>Currency</b>	<b>Payable</b>	<b>Receivable</b>	<b>Net</b>	<b>Payable</b>	<b>Receivable</b>	<b>Net</b>
<b>USD</b>	<b>1,08,39,408</b>	<b>---</b>	<b>1,08,39,408</b>	3,42,75,745	<b>---</b>	3,42,75,745

**39 Related Party Disclosure**
**(A) Relationships (Related parties with whom transactions have taken place during the year)**
**(a) Associate/ Joint Venture**

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

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

1. Shri Suresh Chandra Shahra : Managing Director
2. Shri Manish Shahra : Jt. Managing Director
3. Shri Ashok Trivedi : Whole Time Director

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

- (i) Mahadeo Shahra Sukrat Trust
- (ii) Mahakosh Family Trust
- (iii) Suman Agritech Limited
- (iv) Shahra Securities Pvt. Ltd.

**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	39(A)(a)	39(A)(b)	39(A)(c )
<b>INCOME</b>			
<b>Interest received:</b>			
Mahakosh Property Developers	<b>2,69,45,473</b>	--	--
	2,38,88,138	--	--
<b>Sale of Goods:</b>			
Suman Agritech Limited	--	--	32,68,79,067
	--	--	--
<b>EXPENDITURE</b>			
<b>*Remuneration:</b>			
Mr. Suresh Chandra Shahra	--	<b>42,09,360</b>	--
	--	42,09,360	--
Mr. Manish Shahra	--	<b>8,61,812</b>	--
	--	36,11,812	--
Mr. Ashok Trivedi	--	<b>8,35,001</b>	--
	--	7,75,001	--
<b>Director Sitting Fees:</b>			
Mr. Kailash Chandra Shahra	--	<b>7,500</b>	--
	--	7,500	--
<b>Donation:</b>			
Mahdeo Shahra Sukrat Trust	--	--	<b>2,86,000</b>
	--	--	1,77,000
<b>Rent:</b>			
Mahakosh Family Trust	--	--	<b>3,78,370</b>
	--	--	3,22,572
	--	--	--
<b>Investment with Partnership firm</b>			
<b>In capital/current account:</b>			
Mahakosh Property Developers	<b>12,73,73,505</b>	--	--
	24,46,23,692	--	--
<b>Balance at the end of the year:</b>			
<b>Receivable:</b>			
Shahra Securities Pvt. Ltd.	--	--	--
	--	--	5,24,32,637
Suman Agritech Limited	--	--	<b>88,19,067</b>
	--	--	--

\*Remuneration do not include contribution to gratuity fund.

**40** The Company has provided Rs.1,10,663/- (previous year Rs. 1,01,500/-) towards wealth tax liability, which is included in Rates & Taxes .**41 Leases (Where company is lessee)**

The Company has taken office premises and residential premises under operating lease agreement these are renewable on periodic basis at the option of both lessor and lessee. The aggregate amount of operating lease payments recognised in the statement of profit and loss is Rs.113.95 lacs (P.Y.Rs.80.70 lacs). The company has not recognised any contingent rent as expense in the statement of profit and loss. The total future minimum lease rentals payable at the balance sheet date is as under-

(Figures in ₹)

<b>PARTICULARS</b>	<b>For the Year 2012-13</b>	<b>For the Year 2011-12</b>
For a period not later than one year	-	-
For a period later than one year and not later than five years	-	-
For a period later than five year	<b>5,42,028</b>	5,42,028

<b>PARTICULARS</b>	<b>For the Year 2012-13</b>	<b>For the Year 2011-12</b>
<b>42 i) Expenditure in Foreign Currency</b>		
Foreign Travels	<b>19,05,105</b>	8,74,613
Interest	<b>4,98,09,943</b>	6,18,59,180
Legal Expenses	<b>48,72,912</b>	-
Others	-	22,38,139
<b>ii) Value of Imports (On CIF basis)</b>		
Purchase of Raw Materials & Finished Goods	<b>2,37,39,02,685</b>	4,38,71,25,911
Merchandise Trade	<b>81,07,45,826</b>	82,05,26,895
<b>43 Earnings in Foreign Currency</b>		
Export of Goods on FOB basis	<b>6,31,84,980</b>	5,49,93,632
Merchandise trade on FOB basis	<b>82,95,41,317</b>	83,72,63,258

#### 44 Imported and Indigenous Stores and Spares consumed

<b>PARTICULARS</b>	<b>For the year 2012-13</b>	<b>%</b>	<b>For the year 2011-12</b>	<b>%</b>
Imported	-	-	-	-
Indigenous	<b>3,69,46,629</b>	<b>100.00</b>	1,86,87,246	100.00

**45** 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 2013. Accordingly, assets and liabilities are classified between current and non-current considering 12 month period as operating cycle.

**46** Previous year's figures have been regrouped or rearranged wherever considered necessary to make them comparable with current year's figures.

**47** Company Information, Significant Accounting policies and practices adopted by the Company are disclosed as under :

#### 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.

In the year 2006, Company sold its Soya processing, Vegetable oils & fats and Food businesses (other than dairy) to its group Company M/s. Ruchi Soya Industries Ltd. and merged Dairy business situated at Etah (U.P.).

Now, the main business activities in which company is dealing are processing of milk and its products, Wind Power Generation, Housing & Property Developments, Trading activities by Import and Export of edible oil & other commodities.

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 as a going concern under the historical cost convention on an accrual basis of accounting and 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 and presentation 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 recognizes income and expenditure on accrual basis except those with significant uncertainties.

Sales revenue is recognised on transfer of the significant risks and rewards of ownership of the goods to the buyer and stated net of sales tax, VAT, trade discounts and rebates but includes excise duty.

Interest income is recognised on time proportion basis.

Dividend income on investments is accounted for as and when the right to receive the payment is established.

The benefits on export of goods is being accounted for on accrual basis, taking into account certainty of realization and its subsequent utilization.

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

Fixed assets (Tangible and Intangible) 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 or amortisation (except freehold land).

**ii) Capital Expenditure**

Assets under erection/installation 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 on straight line basis. The cost of software acquired for internal use is amortized on straight line basis over useful life of the software or a period of 3 years, whichever is shorter.

**g) Borrowing cost**

Borrowing cost attributable to the acquisition or construction of qualifying 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 Statement of Profit and Loss as expense in the year in which they are incurred.

## **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 inventories of Finished Goods and Work in Progress 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) Investment**

Investments that are readily realisable and are intended to be held for not more than one year, are classified as Current Investments. All other investments are classified as non current investments. Current Investments are carried at lower of cost or market/fair value.

Non current investments are carried at cost of acquisition. However, no provision is made for diminution in the value of investments, where, in the opinion of the Board of Directors such diminution is temporary.

## **j) 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 and 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 and 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.

## **k) 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 Statement of Profit and Loss 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 Statement of Profit and Loss. The Company also carried out actuarial valuation of gratuity using Projected Unit Credit Method for Company as a whole 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 Statement of Profit and Loss.

### **(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.

## **l) 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/ virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

**m) 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.

**n) Lease Accounting****As a Lessee**

Leases, where risk and reward of ownership, are significantly retained by the lessor are classified as operating leases and lease rentals thereon are charged to the statement of profit and loss over the period of lease.

**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**

Provisions 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 is segregated based on the available information.

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 : 06<sup>th</sup> June, 2013

**GAUTAM JAIN**  
SVP- Finance

**MANISH SHAHRA**  
Jt. Managing Director

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

\*DP id.....

\*Client id.....

\*Applicable for investor holding shares in electronic form

**PROXY FORM**

Folio No.....

No. of Shares.....

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 Friday, the 27<sup>th</sup> September, 2013 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....., 2013

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 - 400 021**  
**37<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 37<sup>th</sup> Annual General Meeting of the Company being held on Friday, the 27<sup>th</sup> September, 2013 at 11.30 a.m. at Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai - 400018.

**Signature of Member / Proxy**



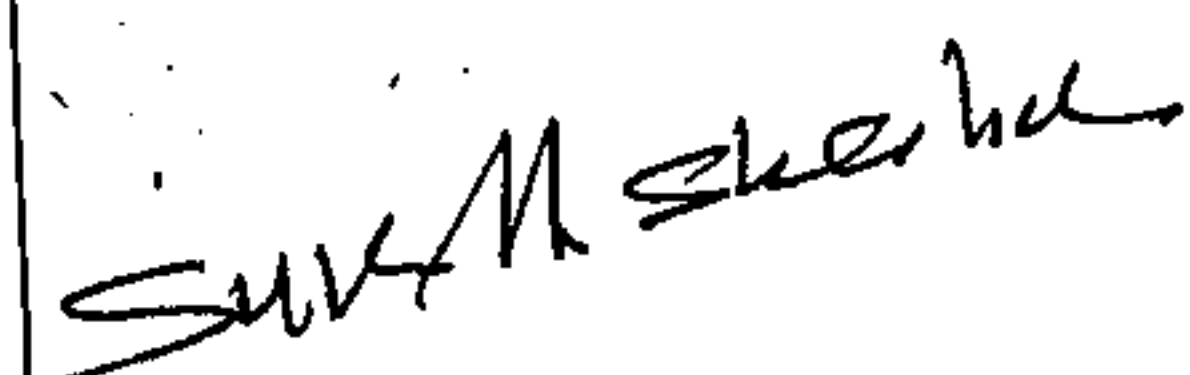
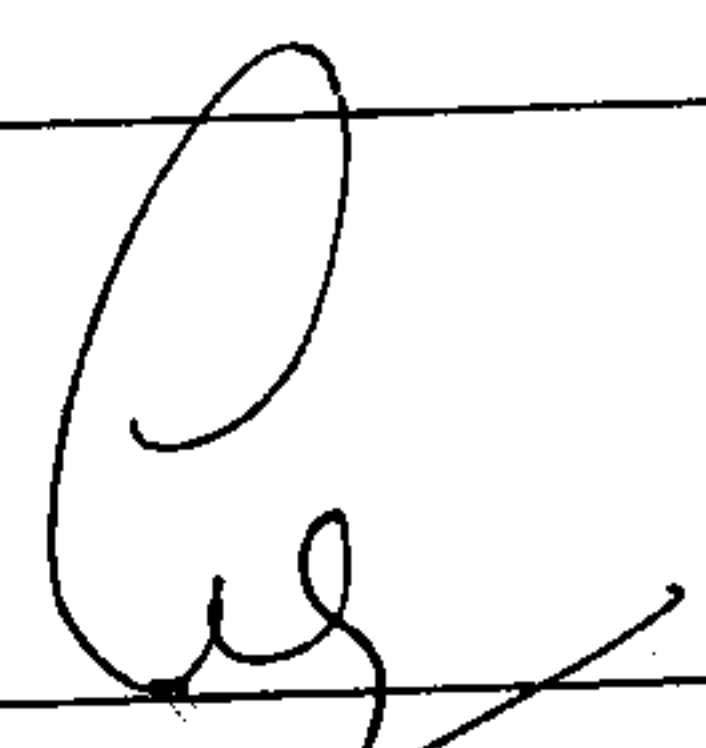
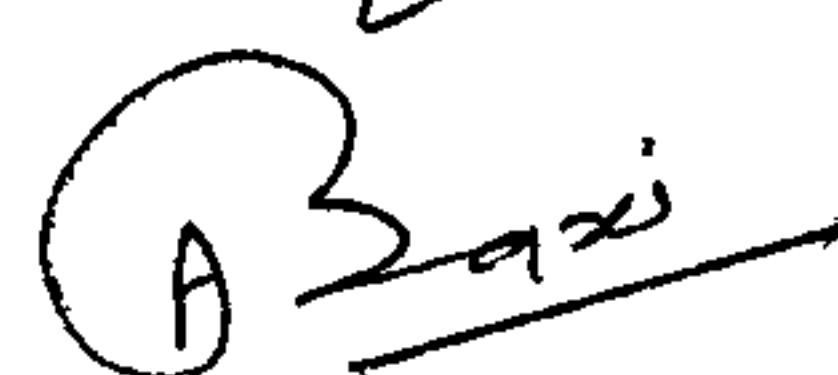




If undelivered please return to :  
**Sarthak Global Limited**  
Unit - Anik Industries Limited  
170/10, Film Colony, R.N.T. Marg, Indore - 452001



**FORM A**

1.	Name of the Company	<b>ANIK INDUSTRIES LIMITED</b>
2.	Annual financial statements for the year ended	<b>31<sup>st</sup> March, 2013</b>
3.	Type of Audit observation	<b>Un-qualified</b>
4.	Frequency of observation	<b>Not Applicable</b>
5.	signed by-	
	<b>Suresh Chandra Shahra</b> (Managing Director)	
	<b>Gautam Jain</b> (SVP Finance)	
	<b>M/s Ashok Khasgiwala &amp; Co.</b> (Auditors of the Company)	
	<b>Vijay Rathi</b> (Audit Committee Chairman)	