

## BOARD OF DIRECTORS



### BOARD OF DIRECTORS

Mr. Kailash Chandra Shahra  
Mr. Suresh Chandra Shahra  
Mr. Manish Shahra  
Mr. Ashok Trivedi  
Mr. Deepakk Goyal  
Mr. P.D. Nagar  
Mr. Ashok Mehta  
Mr. Praveen Sethia

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

### COMPANY SECRETARY

Mr. Shailesh Kumath

### BANKERS

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

### AUDITORS

Ashok Khasgiwala & Co.  
Chartered Accountants

### REGISTRAR & SHARE TRANSFER AGENT

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

### WORKS:

#### DAIRY UNITS

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

#### WIND POWER UNIT

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

### REGISTERED OFFICE

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

### ADMINISTRATIVE & CORPORATE OFFICE:

2/1, South Tukoganj,  
Behind High Court,  
Indore- 452 001

**34th Annual General Meeting will be held at Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai- 400 018 on Thursday the 30th September, 2010 at 1.30 p.m.**

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**NOTICE**

NOTICE is hereby given that the Thirty Fourth 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 Thursday, the 30th September, 2010 at 1.30 p.m. to transact the following businesses :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended 31st March, 2010 together with the Report of the Directors and Auditors thereon.
2. To declare dividend on Equity shares of the Company for the year ended 31st March, 2010.
3. To appoint a Director in place of Mr. Kailash Chandra Shahra who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. P.D. Nagar who retires by rotation and being eligible offers himself for re-appointment.
5. 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**

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:-  
"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any other statutory modification(s) or re-enactment thereof, Mr. Praveen Sethia, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 148 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

By order of the Board of Directors

(SURESH CHANDRA SHAHRA)  
Managing Director

Place : Indore  
Dated: 3rd September, 2010

**NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. Register of Members and Share Transfer Books of the Company will remain closed from 28th September, 2010 to 30th September, 2010 (both days inclusive).
3. The Company has already notified closure of Register of Members and Transfer Books thereof from, 28th September, 2010 to 30th September, 2010 (both days inclusive) for determining the name of members eligible for dividend, if approved, on Equity shares. In respect of shares held in electronic dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the depositories for this purpose.
4. 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 (M.P.) 452 001 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.
5. Members are requested to :
  - a. Complete the attendance slip and deliver the same at the entrance of the meeting hall.
  - b. Bring their copies of the Annual Report at the time of attending the Annual General Meeting.
  - c. Send their questions 10 days in advance before the Annual General Meeting about any further information on accounts so as to enable the Company to answer their question satisfactorily.
6. All documents referred to in the accompanying Notice and Explanatory Statements are open for inspection at the Registered Office of the Company on all working days except Saturday between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting.
7. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Nos. for easy identification of attendance at the meeting.

By order of the Board of Directors

(SURESH CHANDRA SHAHRA)  
Managing Director

Place : Indore  
Dated : 3rd September, 2010

## NOTICE



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

#### **ITEM No. 6**

Mr. Praveen Sethia was appointed as an Additional Director by the Board of the Company with effect from 1st July, 2010. Pursuant to the provisions of Section 260 of the Companies Act, 1956. Mr. Praveen Sethia holds office upto the date of this Annual General Meeting.

The Company has received a Notice in writing under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Praveen Sethia for the office of Director of the Company.

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

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

By order of the Board of Directors

Place : Indore

Dated : 3rd September, 2010

(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. 3:**

Mr. Kailash Chandra Shahra, aged 72 years, is B.Com. and LL.B. He possesses more than 48 years of rich experience in the industry. Apart from Chairmanship of the Company, Mr. Kailash Chandra Shahra also leads the Ruchi Group of Companies. Mr. Kailash Chandra Shahra has been awarded 'Udyog Ratna' award by the Chief Minister of Madhya Pradesh for his contribution to the economic development of the state. He is on the Board of the following Public Companies:

1. Ruchi Soya Industries Limited.
2. National Steel & Agro Industries Ltd.
3. Ruchi Strips & Alloys Ltd.
4. Indian Steel Corporation Ltd.
5. National Board of Trade Ltd.

Mr. Kailash Chandra Shahra is the Chairman of the Investor Grievance Committee in the Ruchi Soya Industries Limited. Further, he is also a member of the Audit committee in the National Steel & Agro Industries Ltd. and the Remuneration Committee in the Ruchi Soya Industries Ltd..

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

##### **ITEM No. 4:**

Mr. P.D. Nagar, aged 65 years, a fellow member of the Institute of Chartered Accountants of India and possesses rich experience in Finance, Accounts and Taxation. He is on the Board of the following public companies:

1. MPSE Securities Ltd.
2. Rajratan Global Wire Ltd.
3. Rajratan Thai Wires Limited.

Mr. P.D. Nagar holds 100 Equity shares in the Company.

##### **ITEM No. 6:**

Mr. Praveen Sethia, aged 43 years, is a member of the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India. He is having exposure to various facades of infrastructure BOT Project Sectors like identifying opportunities, establish viability, fund raising, implementation and monitoring the project.

He is on the Board of the Intec Capital Ltd.

Mr. Praveen Sethia does not hold any Equity shares in the Company.

By order of the Board of Directors

Place : Indore

Dated : 3rd September, 2010

(SURESH CHANDRA SHAHRA)  
Managing Director

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting Thirty Fourth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2010.

**Financial Results**

The Performance of the Company for the Financial Year ended on 31st March, 2010 is summarized below:

<b>Particulars</b>	<b>(Rs.in Lacs)</b>	
	<b>2009-10</b>	<b>2008-09</b>
Sales and other Income	1,22,327.59	1,02,097.75
Gross Profit	1,908.18	1,799.76
Depreciation	387.83	354.49
Profit for the year	1,520.36	1,445.27
Profit before tax	1,520.36	1,445.27
Provision for Taxation for the year	(360.00)	(400.00)
Provision for Fringe Benefit Tax	-	(19.00)
Provision for Deferred Taxation for the year	(50.67)	(120.70)
Income Tax for earlier years (net)	(3.63)	173.23
Profit after Taxation	1,106.06	1,078.80
Balance brought forward from previous year	9,276.75	8,419.74
Amount Available for Appropriation	10,382.81	9,498.54
Transfer to General Reserve	500.00	26.97
Proposed Dividend on Equity Shares	166.52	166.52
Tax on Dividend	27.66	28.30
Surplus carried to Balance Sheet	9,688.63	9,276.75

**DIVIDEND**

Your Directors are pleased to recommend Dividend of 6% (Rs 0.60/- per equity share) for the year ended 31st March, 2010 on Equity Share Capital of Rs. 27.75 Cr. involving an outgo of Rs. 166.52 Lacs. Additionally, Dividend Distribution Tax will involve an outlay of Rs. 27.66 Lacs.

**OPERATIONS**

The overall performance of the Company showed significant improvement as compared to the previous year. The Company has achieved turnover of Rs. 1,223 Crores with around 20% growth as compared to previous year. Operating Profit & Net profit also increased by 6% at Rs. 1,908.18 Lacs by 2.5% at Rs. 1,106.06 Lacs respectively during the year under review.

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

**BUSINESS EXPANSION & DIVERSIFICATION****MINING BUSINESS**

On the front of recently diversified business of mining the year under review has remained very fruitful and two Mining Concessions have been allotted to your Company in which the First is as Mining Lease at Miragpur Dist. Balaghat (MP) and the Second as Prospecting License at Mahadula (Mahashtra). We expect to start functioning after various procedural formalities and permissions are granted. Based on sound financial background and captive usage of minerals in the industry being projected by the Company, we expect to get allotment of Manganese Ore mines at other places also.

## **DIRECTORS' REPORT**



Your Company is also very keen in setting up Mineral Based Industries and in a step forward it is already in the process of setting up Ferro-Alloys Plant through one of its subsidiaries M/s. Anik Ferro-Alloys Pvt. Ltd. at Meghanagar Dist. Jhabua (MP). Also to speed up this object your company has also purchased an existing Plant of Ferro-Alloys at the same location in Jhabua of M/s. Jalan Ispat Castings Ltd. (in Liquidation) through the Gujrat High Court, from where we expect to take commercial production from April-2011.

Better profitability and turNover is expected from this activity also in near future.

### **REAL ESTATE BUSINESS**

The integrated township project 'Active Acres' at Kolkata launched in 2008 by Mahakosh Property Developers a partnership wherein your company is a partner with major stake has received great response from all over in the form of booking even in the phase of recession period in the Real Estate Sector, which is a good sign of your Company's reputation and sustainability which will result in good profits in the years to come.

### **NEW DAIRY PLANT**

A new Milk Processing Plant with capacity to produce 30 Tons Milk Powder per day by processing 4 Lacs Litres per day has been commissioned successfully at Dewas (MP) with total investment of around Rs. 22 crores. The commercial production from the said Plant has already been started. This Plant will provide great opportunities of exports available in Milk Powder business to your Company resulting in good profits in the years to come.

### **FOREIGN EXCHANGE EARNINGS**

Your company remains committed to enlarge its Foreign Exchange Earnings. During the year under review, your company's earnings from export of goods on FOB basis was Rs. 9,339.55 lacs earned through export of Agri-Commodities.

Yours 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 the properties and Insurable Interests of the Company including Building and Plant & Machinery have been adequately insured..

### **PARTICULARS OF EMPLOYEES**

The Statement of Particulars of Employees as required by the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Directors Report is annexed herewith as Annexure 'A'.

### **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 'B' forming part of this Report.

### **HUMAN RESOURCE & INDUSTRIAL RELATIONS**

Industrial relations were harmonious throughout the year. The Board wishes to place on record their sincere appreciation to the co-operation extended by all employees in maintaining cordial relations.

### **CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a Management Discussion and Analysis, 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 have been followed.
- b. Appropriate Accounting Policies have been selected and applied consistently and made judgments and estimates that are



reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and of the profit or loss of the Company for that period;

- c. Proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities have been taken to the best of their knowledge and ability.
- d. The annual accounts have been prepared on a "Going Concern Basis".

**DIRECTORS**

Mr. Kailash Chandra Shahra and Mr. P.D. Nagar, Directors of the Company retire by rotation in accordance with the provisions of the Articles of Association of the Company and being eligible offer themselves for reappointment.

Mr. Shashi Kumar and Mr. Surpalsinh Jhala have been appointed as Additional Directors of the Company w.e.f 19.02.2010. Mr. Ashok Phadnis has resigned from the Directorship of the Company on 10.03.2010. Due to adverse health conditions Mr. Shashi Kumar and Mr. Supralsinh Jhala have resigned from the Directorship on 08.05.2010 and 10.07.2010 respectively. The Board appreciates the valuable services rendered by Mr. Shashi Kumar, Mr. Surpalsinh Jhala and Mr. Ashok Phadnis during their association with your Company.

Mr. Praveen Sethia was appointed as Additional Director of the Company w.e.f. 01.07.2010 and who holds office upto the ensuing Annual General Meeting. The Company has received a Notice u/s 257 of the Companies Act, 1956 together with the requisite deposit from a shareholder and proposes to appoint him as a Director of the Company liable to retire by rotation.

**AUDITORS & AUDITORS REPORT**

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

**SUBSIDIARY COMPANIES:**

The Company had following subsidiaries as on 31st March, 2010:

1. Anik Energy Pvt. Ltd.
2. Anik Ferro-Alloys Pvt. Ltd.

However due to no business activity in both the subsidiary companies during the Financial Year 2009-10 the financial results of both the companies have not been consolidated.

**ACKNOWLEDGEMENTS**

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

For and on behalf of the Board of Directors

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

For and on behalf of the Board of Directors

**(SURESH CHANDRA SHAHRA)**  
Managing Director

Dated : 3rd September, 2010  
Place : Indore

## DIRECTORS' REPORT



### ANNEXURE 'A' TO THE DIRECTORS' REPORT

Statement of particulars of employees as required by the provisions of section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended, and forming part of the Director's Report for the year 2009-10.

Name	Designation	Qualification	Experience	Date of Joining	Remuneration (in Rs.)	Age (yrs.)	Last employment
Mr. Suresh Chandra Shahra	Managing Director	B.E	45 years	26.07.93	4109360	66	N.A.
Mr. Manish Shahra	Jt. Managing Director	B.E. & M.B.A.	16 years	26.04.93	3050067	39	N.A.
Mr. Deepakk Goyal	Executive Director	Sc. Graduate & M.B.A.	15 years	01.09.09	1838392	38	Shyam Group of Industries

#### Notes:

- Nature of employment is contractual. Other Terms & conditions are as per the Company's rules.
- Mr. Suresh Chandra Shahra is related to Mr. Kailash Chandra Shahra, Chairman and Mr. Manish Shahra, Jt. Managing Director of the Company.
- Mr. Manish Shahra is related to Mr. Suresh Chandra Shahra, Managing Director and Mr. Kailash Chandra Shahra, Chairman of the Company.
- Remuneration received includes Salary, contribution to Provident Fund, Gratuity Fund and other perquisites evaluated in accordance with the Income Tax Rules as applicable.

### ANNEXURE 'B' TO DIRECTORS' REPORT

Information as per section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2010.

Particulars	Current Year 2009-10	Previous Year 2008-09
<b>1. CONSERVATION OF ENERGY</b>		
<b>A Power &amp; Fuel Consumption</b>		
<b>1 Electricity</b>		
a) Units Purchased	63,66,036	64,23,957
Total Amount (Rs.)	3,01,70,080	2,76,46,634
Rate/Unit(Rs.)	4.74	4.30
b) Own Generation		
Units Produced	14,56,972	9,05,535
Total Amount (Rs.)	1,52,05,040	1,09,57,941
Rate/Unit(Rs.)	10.44	12.10
<b>2 Coal</b>		
Quantity (in MT)	5,311.752	4,576.274
Total Cost (Rs.)	1,97,64,526	1,91,73,468
Average Rate Per MT(Rs)	3,720.91	4,189.76
<b>3 Other (Husk, Saw Dust etc.)</b>		
Quantity (Tons)	5,927.56	6,145.045
Total Amount (Rs.)	1,58,56,193	1,69,35,057
Average Cost(Rs.)	2,674.99	2,755.89
<b>B Consumption per unit of production</b>		
Electricity (unit)	160.83	147.56
Coal (MT)	0.11	0.10
Other (Husk, Saw Dust, etc.)	0.12	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. 48,384.02 Lacs (Prev. Yr. Rs. 38,205.54 Lacs) and the foreign exchange earning on exports was Rs. 9,339.55 Lacs (Prev. Yr Rs. 2,656.31 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

Dated : 3rd September, 2010

Place : Indore



**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**A. INDUSTRY STRUCTURE AND DEVELOPMENTS**

India, one of the fastest growing consumers markets in the world with its huge population & powerful purchasing power, can be seen as Rising Star of the world economy. In 2009-10 the Indian Economy has Registered a Growth Rate of 7.4% driven on robust performance of the Manufacturing Sector on the back of government and consumer spending.

Your company is primarily engaged in the business of processing of Milk & Milk Products, trading of Agri-Commodities & coal and Wind Power Generation.

India, the largest milk producing country in the world is also the fastest growing market for milk and milk products. The market size in value terms for milk and milk products including the organized and un-organized sectors is estimated to be around USD 47.6 Billion and growing at nearly 7.5% annually. India where consumption of dairy products is rapidly increasing having great business opportunities in dairy sector.

The Indian Wind Energy Sector has an installed capacity of 11,807.00 MW (as on March 31, 2010). In terms of wind power installed capacity, India is ranked 5th in the World. Today India is a major player in the global wind energy market. However the potential is far from exhausted.

It is estimated that with the current level of technology, the 'on-shore' potential for utilization of wind energy for electricity generation is of the order of 65,000 MW. The unexploited resource availability has the potential to sustain the growth of wind energy sector in India in the years to come.

**B. OPPORTUNITIES & THREATS**

**(I) DAIRY BUSINESS:**

In India milk is treated as powerhouse of natural nutrients which are necessary to sustain a healthy mind and body. It offers great opportunities to entrepreneurs worldwide, who wish to capitalize on one of the world's largest and fastest growing markets for milk and milk products. The Indian dairy industry is rapidly growing, trying to keep pace with the global growth. Annual growth rate is of more than 7% in this sector. In India potential is there for expansion in smaller towns. Presently, about 1.15 lakh village level co-operative societies spread over the country form part of the National Milk Grid. The Govt. of India is planning to spend nearly US\$ 3700 Million (Rs.18,500 crores) for the Dairy Sector under the National Dairy Plan during the next few years.

Indian dairy industry is in unorganized form where quality of milk and animals are poor with yield per cow less than those of foreign producers who are on the verge of entering in Indian dairy market and will soon have access to India under WTO regime. Poor quality of milk prohibits Indian milk from being exported. Indian dairy industry will see tough competition from imports. Technological upgradation with the 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.

Company is at present exporting SMP to different countries while the prospects of exporting WMP, Soya Protein Isolate and Concentrate and Casein is very bright. Export prospects of these products will help company to get Noted in other countries.

**(II) WIND POWER**

In power generation India has become the new "Wind Superpower". Company's two wind power projects at Nagda Hills, Dewas (M.P.) and Jaisalmer (Raj.) are successfully generating energy and have shown the ability of the Company to diversify in Non-Conventional Energy Sector. In Financial Year 2009-10 both wind power units of the Company generated 30,63,404 Electricity Units.

**(III) OTHERS**

In current year monsoon remained favourable which has resulted in coming out of recessionary trend spread over India and global economy has also starting showing positive signal. The Company also got succeeds in keeping pace with the past performance of previous years. The company proposes to continue to recognize the full potential in coal and agro commodities in 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 and market of dairy products and other commodities on opportunity basis. We are hopeful that through the combination of market developments and expansion activity, there will be healthy growth over the next few years.



Your Company has already shown positive signals in the recently entered mining business and gradually started trading of major minerals, got success in getting mining concessions as well as efforts are continuing one to get major areas of manganese and iron ore under mining lease approved in its favour and to set up mineral based industries in mineral proven areas.

Real Estate business is being carried out under M/s. Mahakosh Property Developers wherein the company is a major partner under which an integrated township is being developed at Kolkata on total land of 17 acres with total construction area of approx. 20 lacs sq. ft. Success in the said project will lead the Company to enter in real estate business directly. Your company is also having keen interest in entering into venture with the other real estate company to take its major hold.

### **C. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

Your company has identified three business segments in line with the accounting standard on segment reporting. These are:

- Dairy Products - Milk, Ghee, Milk Powder and other Dairy products.
- Wind Power - Wind Power Generation
- Others - Trading of Coal, Agri commodities, edible oils etc.

The segment wise performance in detail is given in Schedule 19, Note 13 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 milk processing unit at Bhopal and in addition to that a milk powder Plant has also been successfully set up and commissioned at existing Dewas Plant, whereby total milk processing capacity reached to 10 lacs liter milk per day. During the year under review your company has successfully entered in states of Central and Western India and products of the Company are welcomed in these market. Endeavors are continuing to enter into remaining parts of Central & Western India and Southern parts of India also. The Company has started concentrating more on hygienic consumer packaged products instead of bulk and hopeful that this will further strengthen 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 State Electricity Board (RSEB) while in Madhya Pradesh we have captive consumption in our Plant and remaining electricity is sold to Madhya Pradesh Electricity Board (MPEB). We see ecological power generation as the sunrise industry of tomorrow and have positioned ourselves to save the nature and to reap the reward for our stakeholders.

With our strong focus on core business activities and our competitive position, better performance is expected in the years to come.

### **E. RISK AND CONCERNS**

The major risk and concerns attributed to the performance of the company are:

- a. The company is exposed to risks from market fluctuation of foreign exchange. Hence the erratic movement in foreign exchange rates and international prices of dairy products may influence the performance of the company. Change in duty structure may affect adversely.
- b. Increase in input costs, change in tax structure, change in interest rates, changes in govt. policies/ laws of land, development and stability of Indian economy against the negative external and internal forces may also impact the overall performance of the company.
- c. Profitability may be affected on account of competition from existing and prospective manufacturers of the company's products.
- d. Dairy business basically based on monsoon. Unfavourable monsoon may affect the milk availability and Company may Not get milk upto installed capacity and demand.

### **F. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Your company has 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.



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### G. FINANCIALS

(Rs.in Lacs)

<b>Balance Sheet</b>	<b>As at 31.03.10</b>	<b>As at 31.03.09</b>
1. Share Capital	2,775.35	2,775.35
2. Reserves and Surplus	17,798.33	16,886.46
3. Loans (Secured & Unsecured)	35,793.01	13,816.51
4. Deferred Taxation(Net)	791.33	740.66
5. Net Fixed Assets	11,923.47	9,979.48
6. Net Current Assets	43,575.73	21,860.80

(Rs.in Lacs)

<b>Profit &amp; Loss Account</b>	<b>As at 31.03.10</b>	<b>As at 31.03.09</b>
1. Sales	1,21,681.35	1,01,049.63
2. Other Income	646.24	1,048.12
3. Profit Before Depreciation & Tax	1,908.18	1,799.77
4. Net Profit After Tax	1,106.06	1078.80
5. Earning Per Share (Rs.)	3.99	3.89

### H. 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 309.

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

### I. CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis 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 in attaining the highest level of transparency, accountability, fairness and professionalism towards its stakeholders including shareholders, employees, customers, the government, lenders and the society at large and to maximize returns to shareholders through creation of wealth on sustainable basis.

In order to ensure objectives of good corporate governance, your Company complies with the stipulations laid down in the guidelines on the Corporate Governance as specified in Clause 49 of the Listing Agreement executed with the Stock Exchange.

### 1. BOARD COMPOSITION:

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

The company has a Non-Executive Chairman and the number of Independent Directors is one-third of the total number of Directors and the number of Non-Executive Directors are 50% of the total number of Directors.

None of the Directors on the Board is a member on 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. at on 31.03.10
		Board	Last AGM	Directorship	Committee Chairmanship	Committee Membership	
Mr. Kailash Chandra Shakra	PD & NED	3	Yes	5	1	2	20,100
Mr. Suresh Chandra Shakra	PD & ED	6	Yes	2	---	---	N.A.
Mr. Manish Shakra	PD & ED	7	Yes	3	---	---	N.A.
Mr. Ashok Trivedi	ED	7	Yes	---	---	---	N.A.
Mr. Deepakk Goyal	ED	5	No	---	---	---	N.A.
Mr. P. D. Nagar	ID & NED	3	No	3	1	2	100
Mr. Ashok Mehta	ID & NED	3	No	2	---	3	Nil
Mr. Ashok Phadnis*	ED	6	No	---	---	---	N.A.
Mr. Shashi Kumar**	ID & NED	--	No	4	---	---	Nil
Mr. Surpalsinh Jhala***	ID & NED	--	No	---	---	---	Nil

#PD - Promoter Director  
ED - Executive Director

NED - Non- Executive Director  
ID - Independent Director

\* Mr. Ashok Phadnis has resigned on 10.03.2010.

\*\* Mr. Shashi Kumar has been appointed on 19.02.2010 and has resigned on 08.05.2010.

\*\*\* Mr. Surpalsinh Jhala has been appointed on 19.02.2010 and has resigned on 10.07.2010

#### B) BOARD PROCEDURE

During the Financial Year 2009-10, the Board of Directors met on the following dates: 2nd May, 2009; 1st August 2009; 3rd September, 2009; 16th October 2009; 31st October, 2009; 30th January, 2010; 19th February 2010; 20th March 2010. 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, 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 principal of transparent governance, a qualified and independent Audit Committee has been constituted.

## a) Members of Committee:

Mr. P.D. Nagar	Chairman
Mr. Ashok Phadnis	Member (Resigned on 10th March, 2010)
Mr. Deepakk Goyal	Member (Appointed from 10th March, 2010)
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:

2nd May, 2009; 1st August, 2009; 3rd September, 2009; 31st October, 2009 and 30th January, 2010. Mr. P.D. Nagar has attended Five meetings, Mr. Ashok Phadnis has attended Five meetings and Mr. Ashok Mehta has attended Five meetings.

## e) Brief Terms of reference:

- I. Oversight of Company's financial reporting process.
- II. Recommendation of appointment of External Auditors and their Remuneration.
- III. Review of Quarterly, Half Yearly and Annual Financial Statements.
- IV. Review of Internal Control System and Internal Audit Function.
- V. Management Discussion and Analysis of financial condition and results of operation.
- VI. Significant Related Party Transactions.

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

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

## a) Members of Committee:

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

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

## c) Status of share transfers as on 31.03.2010: All valid share transfers received during the year 2009-10 have been acted upon by the Registrar of the Company. As on 31st March, 2010 there were 800 shares pending for transfers.

## d) Details of investors grievances for the year 2009-10:

Nature of Complaint	2009-10		2008-09	
	Received	Pending	Received	Pending
Non-receipt of Share Certificate	02	---	08	---
Non-receipt of Annual Report	09	---	11	---
SEBI / Stock Exchange	00	---	00	---
Dematerialization Complaint	02	---	03	---
Non-receipt of Dividend	16	---	19	---
Miscellaneous / Others	00	---	01	---
<b>Total</b>	<b>29</b>	<b>---</b>	<b>42</b>	<b>---</b>

### 3. DETAILS OF REMUNERATION TO DIRECTORS

#### A. REMUNERATION TO EXECUTIVE DIRECTOR

The Terms of remuneration of Executive Directors has been fixed by Board of Directors and approved by the shareholders. The particulars of remuneration of Executive Directors during the Financial Year 2009- 10 are as under:

(in Rs.)

Particulars	Suresh Chandra Shahra (Managing Director)	Manish Shahra (Jt. Managing Director)	Ashok Trivedi (Whole Time Director)	Ashok Phadnis (Whole Time Director)	Deepakk Goyal (Executive Director)
Salary, Bonus & Allowances	34,50,000	26,12,059	6,02,681	11,45,366	18,00,000
Gratuity, PF & Others	6,59,360	4,38,008	96,504	89,516	38,392
<b>Total</b>	<b>41,09,360</b>	<b>30,50,067</b>	<b>6,99,185</b>	<b>12,34,882</b>	<b>18,38,392</b>

#### 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 2009-10.

The sitting fees paid to all the Non-Executive Directors for attending each meeting of Board and / or committee thereof for the year ended 31.03.2010 is as follows:- Mr. Kailash Chandra Shahra - Rs. 1,500/-, Mr. P.D. Nagar - Rs. 4,000/- and Mr. Ashok Mehta - Rs. 6,000/-.

### 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
29.09.2007	Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai	11.00 a.m.	No Special Resolution passed
30.09.2008	Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai	2.00 p.m.	No Special Resolution passed
30.09.2009	Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai	4.00 p.m.	Special Resolution passed for alteration in the Articles of Association of Company under Section 31 of the Company Act, 1956. Special Resolution was put to vote by show of hands and was passed with the requisite majority.

#### B. EXTRA-ORDINARY GENERAL MEETING

During the Financial Year 2009-10, an Extra Ordinary General Meeting of the Company was held on 13th November 2009 at Indian Textile Accessories & Machinery Manufactures Association, 2nd Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai- 400 001 on at 12.30 pm. The following special resolutions were passed thereat:

- Amendment in the Object Clause of the Memorandum of Association of the Company.
- Reorganization of Object Clause of the Memorandum of Association of the Company.
- Issue of Warrants on preferential basis

### 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.
- 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 2009-10 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. CERTIFICATE BY MANAGING DIRECTOR AND SVP-FINANCE**

The Board of Directors has received Certificate issued by the Managing Director and SVP-Finance as envisaged in Clause 49(V) of the Listing Agreement.

**10. GENERAL SHAREHOLDERS INFORMATION**

A. Date, time and venue of the annual general meeting	30th September, 2010 at 1.30 p.m at Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai-400 018
B. Financial Calendar 2010-11	Financial Reporting for Quarter ending June 30, 2010 - July 2010 September 30, 2010 - October, 2010 December 31, 2010 - January, 2011 March 31, 2011 - April 2011
C. Date of Book Closure	28th September to 30th September (both days inclusive)
D. Dividend Payment Date	Within 30 days from the date of AGM
E. Listing on Stock Exchange	1) The Stock Exchange, Mumbai Phiroze Jee Jee Bhoy Towers, Dalal Street, Mumbai - 400 001 2) The National Stock Exchange of India Ltd. "Exchange Plaza" Bandra Kurla Complex, Bandra ( E ), Mumbai-400 051
F. Listing Fees	Paid to Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) for the Financial Year 2009-10.
G. Electronic connectivity	National Security Depository Ltd. & Central Depository Services (India) Ltd.
H. ISIN No. at NSDL / CDSL	INE 087 B01017
I. Registered Office	610, Tulsiani Chambers, Nariman Point, Mumbai - 400 021 INDIA Tel. No.: +91 22 22824851, 53, 57, 59, 63 Fax No.: +91 22 22042865 Email: <a href="mailto:anik@anikgroup.com">anik@anikgroup.com</a> URL: <a href="http://www.anikgroup.com">www.anikgroup.com</a>
J. Corporate Office	2/1, South Tukoganj, Behind High Court, Indore (M.P.) - 452001 INDIA Tel. No.: +91 0731 4018009,10 Fax No.: +91 0731 2513285



## K. Plant Location

**Dairy Unit :**

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.)

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

The Stock Exchange, Mumbai : 519383  
National Stock Exchange of India Ltd. : ANIKINDS

## M. Market Price Data

The monthly high & low share prices of the company traded at The Stock Exchange, Mumbai from 1st April 2009 to 31st March 2010 are given below:

Month	The Bombay Stock Exchange Ltd.		National Stock Exchange	
	Monthly High Price (Rs.)	Monthly Low Price (Rs.)	Monthly High Price (Rs.)	Monthly Low Price (Rs.)
Apr-09	25.70	18.50	26.45	17.50
May-09	36.00	20.50	38.20	23.65
Jun-09	36.00	25.30	37.80	24.70
Jul-09	35.85	23.25	34.80	22.75
Aug-09	49.70	28.15	50.80	28.20
Sep-09	47.00	39.65	47.00	38.15
Oct-09	64.10	40.85	64.70	40.10
Nov-09	67.50	52.05	67.60	51.05
Dec-09	87.75	61.05	87.65	61.50
Jan-10	88.45	60.70	90.70	61.80
Feb-10	72.80	54.55	72.40	51.00
Mar -10	61.45	52.30	65.50	50.30

## N. 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 : investors@anikgroup.com

## O. 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 : seemak@sarthakglobal.com

## P. Dematerialization of shares and liquidity

The Company's shares are traded compulsorily in demat mode under ISIN code INE087B01017. 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 31st March, 2010 out of 2,77,53,486 equity shares of Rs.10/- each, 1,59,56,053 equity shares which is 57.49% of total equity are Now held in electronic form.



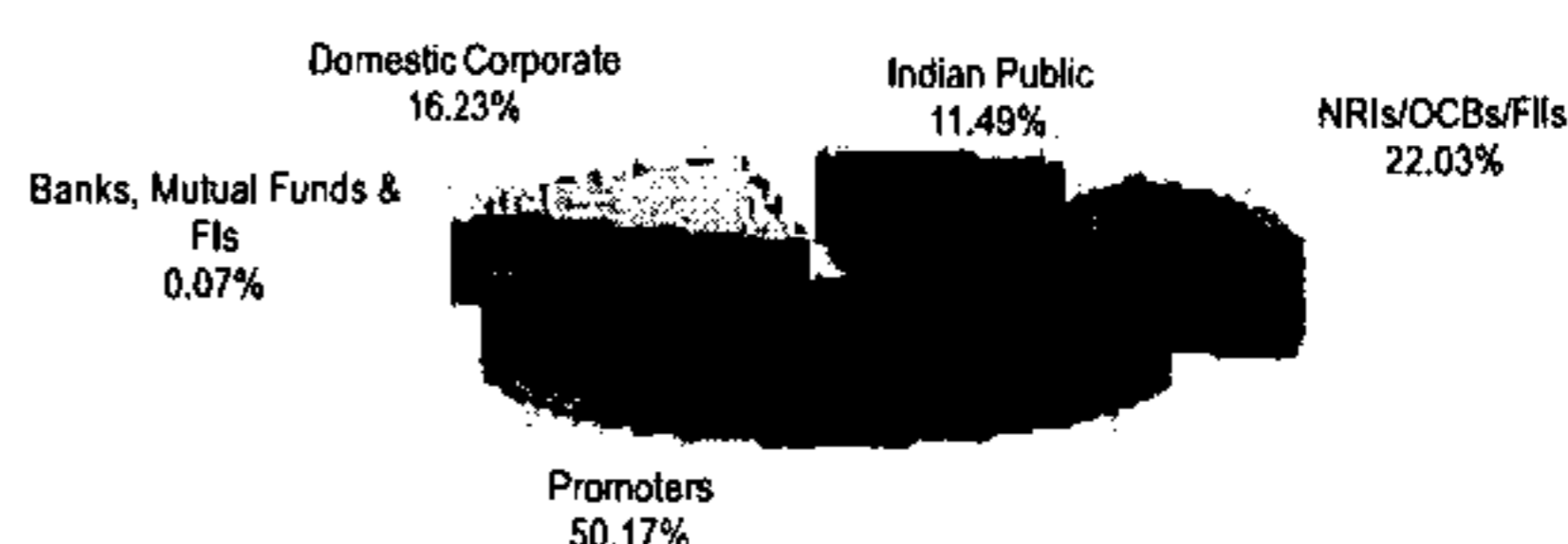
## Q. Share Transfer System

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.

## R. Distribution of Equity shareholding and its pattern as on 31st March, 2010

Distribution of Equity Shareholding as on 31.03.2010			
Share Class	No. of Holders	No. of shares held	Shareholding %
Up to 500	14693	1795582	6.47
501-1000	354	300751	1.08
1001-2000	168	262128	0.94
2001-3000	76	192543	0.69
3001-4000	24	87552	0.32
4001-5000	22	103962	0.38
5001-10000	48	339131	1.22
Above 10001	89	24671837	88.90
<b>Total</b>	<b>15474</b>	<b>27753486</b>	<b>100.00</b>

## SHAREHOLDING PATTERN



## Declaration

The Board Members & Senior Management Personnel have affirmed compliance with the Code of Conduct for the Directors & Senior Management for the year ended 31st March, 2010.

Indore,  
3rd September, 2010

**Suresh Chandra Shabra**  
Managing Director

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 31st March, 2010 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.

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

Place : Indore  
Date : 3rd September, 2010

**For ASHOK KHASGIWALA & CO.,**  
Chartered Accountant

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



**AUDITORS' REPORT**

To the members of  
**Anik Industries Limited**

1. We have audited the attached Balance Sheet of Anik Industries Limited, as at 31st March, 2010, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the Accounting Principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 (as amended) issued by the Central Government of India in Terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper Books of Accounts 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Accounts;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report 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 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in Terms of Clause (g) of sub-section (1) Section 274 of the Companies Act, 1956;
  - f) Interest Expenditure of Rs. 24,34,10,739/- (Previous year Rs. 21,48,68,354/-) has been netted off against the interest income, instead of including the same under financial expenses. The said disclosure however has no impact on the profit for the year.
  - g) In our opinion and to the best of our information and according to the explanations given to us, said accounts read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with Accounting Principles generally accepted in India ;
    - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 ;
    - ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
    - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

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

**CA Avinash Baxi**  
Partner  
(Membership No: 79722)

Place : Indore  
Dated : 3rd September, 2010



**ANNEXURE TO AUDITORS' REPORT**

Referred to in Paragraph 3 of our report of even date

- D)** In respect of its Fixed Assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
  - The Fixed Assets have been physically verified by the management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its Fixed Assets. As informed, no material discrepancies were noticed on such verification.
  - 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:
- The management has conducted physical verification of inventory at reasonable intervals during the year.
  - The procedures of physical verification of Inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - The Company is maintaining proper records of Inventory. As explained to us there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- III)**
- According to the information and explanations given to us, the company has not granted any Loan 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.
  - According to the information and explanations given to us, the company has not taken any Loan 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 for purchases of inventory and Fixed Assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in internal control system in respect of these areas.
- V)**
- According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the Register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and aggregating the value of the rupees five lakhs in respect of each party during the year, have been made at prices which are reasonable having regard to prevailing market prices as available with the company or prices at which transactions, if any, for similar goods have been made with other parties at the relevant time.
- VI)** In our opinion and 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 Act 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 account and records in respect of manufacture of milk products maintained by the company pursuant to the rules made by the Central Government of India for the maintenance of cost records under section 209(1)(d) of the Companies Act 1956. We are of the opinion that prima facie the prescribed accounts and records have been maintained. However, we have not, made a detailed examination of such accounts and records with a view to determine whether they are accurate or complete.
- IX)**
- According to the information and explanations given to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cesses and other material statutory dues as applicable to it. There were no statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date it became payable.

## AUDITORS' REPORT

ANIK

- b. According to the information and explanations given to us, particulars of dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cesses which have not been deposited with appropriate authorities on account of any dispute are given below:

Name of the Statute	Nature of the Disputed Dues	Amount Involved (Rs.)	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	Central Excise & Service Tax Appellate Tribunal
The Sales Tax Act	Sales Tax	5,71,73,950	2001-02	Dy. Commissioner of Sales Tax (Appeals)
The Central Sales Tax Act, 1956	Central Sales Tax	13,47,641	2004-05	Additional Commissioner Commercial Tax

- X) The company has no Accumulated Losses as at 31st March, 2010 and it has not incurred any cash losses during the Financial Year covered by our audit and the immediately preceding Financial Year.
- XI) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution and bank.
- 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) The Company has no dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of Clause 4 (xiv) of the Companies (Auditor's 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 conditions of the guarantee given to banks for and on behalf of Loan taken by others are not prejudicial to the interest of the company.
- XVI) In our opinion and as per information and explanation given to us the term loans raised during the year have been applied for the purpose it was raised.
- XVII) According to the information and explanations given to us and on an overall examination of the balance sheet of the company and after placing reliance on the reasonable assumptions made by the Company for classification of long term and short term usage of funds we are of the opinion that, prima-facie, no funds raised on short term basis have been utilized for long Term investment.
- XVIII) During the year the company has not made any Preferential Allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
- XIX) According to the information and explanations given to us, the company has not issued any debentures during the year.
- XX) The company has not raised any 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 : 3rd September, 2010

CA Avinash Baxi  
Partner  
(Membership No: 79722)

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2010**

PARTICULARS	Schedule	(Rs.)	As At	As At
			31.03.2010 (Rs.)	31.03.2009 (Rs.)
<b>I. SOURCES OF FUNDS :</b>				
<b>1. Shareholders' Funds</b>				
a) Share Capital	1	27,75,34,860		27,75,34,860
b) Reserves and Surplus	2	<u>1,77,98,33,421</u>	2,05,73,68,281	<u>1,68,86,45,533</u> 1,96,61,80,393
<b>2 Loan Funds</b>				
a) Secured Loans	3	1,62,59,45,596		1,14,07,88,181
b) Unsecured Loans	4	<u>1,95,33,55,770</u>	3,57,93,01,366	<u>24,08,63,318</u> 1,38,16,51,499
<b>3 Deferred Tax Liability-Net</b>			7,91,33,471	7,40,66,357
	<b>Total</b>		<u>5,71,58,03,118</u>	<u>3,42,18,98,249</u>
<b>II. APPLICATION OF FUNDS :</b>				
<b>1 Fixed Assets</b>	5			
a) Gross Block		1,17,61,47,472		1,12,97,66,072
b) Less : Depreciation		<u>21,02,97,006</u>		<u>17,15,14,005</u>
c) Net Block		96,58,50,466		95,82,52,067
d) Capital Work in progress		<u>22,64,96,567</u>	1,19,23,47,033	<u>3,96,95,765</u> 99,79,47,832
<b>2 Investments</b>	6		16,58,83,349	23,78,70,887
<b>3 Current Assets, Loans and Advances</b>				
a) Inventories	7	1,31,10,43,356		1,10,95,80,497
b) Sundry Debtors	8	2,96,79,94,943		2,21,94,96,903
c) Cash and Bank Balance	9	2,28,48,77,126		64,14,22,135
d) Loans & Advances	10	83,71,95,057		76,91,28,382
e) Other Current Assets	11	<u>17,92,19,737</u>		<u>8,87,01,418</u>
		7,58,03,30,219		4,82,83,29,335
<b>4 Less : Current Liabilities and Provisions</b>				
a) Current Liabilities	12	3,19,28,99,084		2,61,54,54,189
b) Provisions	13	<u>2,98,58,399</u>		<u>2,67,95,616</u>
		3,22,27,57,483		2,64,22,49,805
<b>Net Current Assets (3-4)</b>			4,35,75,72,736	2,18,60,79,530
	<b>Total</b>		<u>5,71,58,03,118</u>	<u>3,42,18,98,249</u>
<b>Significant Accounting Policies</b>	18		--	--
<b>Notes to the Accounts</b>	19			

For and on behalf of the Board of Directors

As per our report of even date attached  
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 : 3rd September 2010

**MANISH SHAHRA**  
Jt. Managing Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010**

PARTICULARS	Schedule	2009-10 (Rs.)	2008-09 (Rs.)
<b>1. INCOME :</b>			
Sales, Services and other income	14	12,23,27,58,630	10,20,97,74,967
Increase /(Decrease) in Stocks	15	19,92,68,332	(13,16,87,062)
	<b>Total</b>	<u>12,43,20,26,962</u>	<u>10,07,80,87,905</u>
<b>2 EXPENDITURE :</b>			
Materials	16	11,50,07,39,674	9,42,96,54,890
Expenses	17	74,04,68,871	46,84,56,397
Depreciation		3,87,83,001	3,54,49,080
	<b>Total</b>	<u>12,27,99,91,546</u>	<u>9,93,35,60,367</u>
Profit Before Taxation		15,20,35,416	14,45,27,538
Provision for Taxation			
Current Tax		(3,60,00,000)	(4,00,00,000)
Deferred Tax		(50,67,114)	(1,20,70,316)
Fringe Benefit Tax		--	(19,00,000)
Profit After Tax for the Current Year		11,09,68,302	9,05,57,222
Tax in respect of Earlier Year (Net)		(3,62,618)	1,73,23,502
Profit After Taxation		11,06,05,684	10,78,80,724
Balance brought forward from Previous Year		92,76,74,926	84,19,73,335
Profit Available For Appropriation		<u>1,03,82,80,610</u>	<u>94,98,54,059</u>
<b>APPROPRIATIONS :</b>			
General Reserve		5,00,00,000	26,97,018
Proposed Dividend		1,66,52,092	1,66,52,092
Corporate Tax on proposed Dividend		27,65,704	28,30,023
Balance carried to Balance Sheet		96,88,62,814	92,76,74,926
	<b>Total</b>	<u>1,03,82,80,610</u>	<u>94,98,54,059</u>
Earning Per Share (Basic and Diluted)		3.99	3.89
Face Value/ Share		10	10
<b>Significant Accounting Policies</b>	18		
<b>Notes to the Accounts</b>	19		

For and on behalf of the Board of Directors

As per our report of even date attached  
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 : 3rd September 2010

**MANISH SHAHRA**  
Jt. Managing Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010**

PARTICULARS	2009-10 (Rs.)	2008-09 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
a) Net Profit Before Tax & Extraordinary Item	15,20,35,416	14,45,27,538
Adjustments For :		
Depreciation	3,87,83,001	3,54,49,080
Interest Paid	24,37,10,739	21,48,68,354
Interest Received	(24,75,05,121)	(24,01,49,221)
Dividend Income	(59,384)	(55,113)
(Profit) \ Loss on Sale of Fixed Assets	--	(65,347)
(Profit) \ Loss on Sale of Investment	--	(19,541)
	<u>18,69,64,651</u>	<u>15,45,55,750</u>
b) Operating profit before working capital changes	18,69,64,651	15,45,55,750
Adjustment For :		
Trade and other receivables	(91,30,94,911)	(71,83,42,937)
Inventories	(20,14,62,859)	13,12,91,492
Trade and Other Payables	<u>58,05,71,997</u>	<u>14,48,42,395</u>
	(34,70,21,122)	(28,76,53,300)
c) Cash Generated from Operations	(34,70,21,122)	(28,76,53,300)
Direct Taxes Paid	<u>(3,03,50,741)</u>	<u>(11,18,58,090)</u>
Net cash from operating activities	<u>(37,73,71,863)</u>	<u>(39,95,11,390)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(23,31,82,202)	(10,56,25,434)
(Payment) / Receipt from partnership firm	7,21,07,538	3,94,68,554
Sale of Fixed Assets	--	3,58,967
Purchase of New Investment	(1,20,000)	--
Sale of Investment	--	2,86,135
Interest Received	24,75,05,121	24,01,49,221
Dividend Received	<u>59,384</u>	<u>55,113</u>
Net cash used in investing activities	<u>8,63,69,841</u>	<u>17,46,92,556</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed from Borrowing	4,07,72,24,389	51,41,95,203
Repayment of Borrowing	(1,87,95,74,522)	(98,56,82,763)
Interest Paid	(24,37,10,739)	(21,48,68,354)
Dividend and Dividend Tax Paid	<u>(1,94,82,115)</u>	<u>(3,89,64,229)</u>
Net cash from financing activities	<u>1,93,44,57,013</u>	<u>(72,53,20,143)</u>
<b>D. NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
Cash and Cash Equivalents at Beginning of the Year	1,64,34,54,991	(95,01,38,977)
Cash and Cash Equivalents at End of the Year	<u>64,14,22,135</u>	<u>1,59,15,61,112</u>
	<u>2,28,48,77,126</u>	<u>64,14,22,135</u>

For and on behalf of the Board of Directors

As per our report of even date attached  
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 : 3rd September 2010

**MANISH SHAHRA**  
Jt. Managing Director

**SCHEDULE "1" TO "19" ATTACHED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2010 AND  
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010**

PARTICULARS	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
<b>Schedule 1: SHARE CAPITAL</b>		
<b>Authorised</b>		
3,50,00,000 (Prev. Yr. 3,50,00,000) Equity Shares of Rs. 10/ each	35,00,00,000	35,00,00,000
15,00,000 (Prev. Yr. 15,00,000) Redeemable Non-Cumulative Preference Shares of Rs. 100/- each	15,00,00,000	15,00,00,000
	<u>50,00,00,000</u>	<u>50,00,00,000</u>
<b>Issued, Subscribed and Paid Up</b>		
2,77,53,486*(Prev. Yr 2,77,53,486*) Equity shares of Rs.10 each fully paid up	27,75,34,860	27,75,34,860
	<u>27,75,34,860</u>	<u>27,75,34,860</u>
* (Of the above Equity Shares 4,30,008 Equity Shares are allotted as Fully Paid Up Bonus Shares by Capitalisation of Profits)		

**Schedule 2: RESERVES & SURPLUS**

Particulars	As at 01.04.2009 (Rs.)	Addition during the Year (Rs.)	Adjustments/ Transfer	As at 31.03.2010 (Rs.)
a) Capital Reserve	32,25,000	--	--	32,25,000
b) Securities Premium	16,25,32,030	--	--	16,25,32,030
c) General Reserve	59,52,13,577	5,00,00,000	--	64,52,13,577
d) Profit and Loss Account Balance	92,76,74,926	4,11,87,888	--	96,88,62,814
<b>Total</b>	<b>1,68,86,45,533</b>	<b>9,11,87,888</b>	--	<b>1,77,98,33,421</b>
<b>Previous Year</b>	<b>1,60,02,46,924</b>	<b>8,83,98,609</b>	--	<b>1,68,86,45,533</b>

**Schedule 3: SECURED LOANS**

PARTICULARS	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
<b>I) Term Loans from Bank</b>	<b>56,55,607</b>	<b>1,69,79,391</b>
a) AXIS bank Ltd.	10,29,73,390	13,00,00,000
b) Dena Bank	37,07,920	53,54,484
c) HDFC Bank Ltd.	11,08,68,807	--
d) Punjab National Bank Ltd.	22,50,00,000	--
e) IDBI Bank Ltd.	--	--
<b>II) Short Term Corporate Loan from Bank</b>	<b>--</b>	<b>15,15,91,102</b>
a) Allahabad Bank	25,24,19,081	15,02,46,575
b) Punjab National Bank Ltd.	--	10,00,00,000
c) ICICI Bank Ltd.	--	--
<b>III) Working Capital Loans from Consortium Banks</b>	<b>91,72,17,699</b>	<b>57,79,06,513</b>
	81,03,092	87,10,116
<b>IV) Other Loans (vehicles)</b>	<b>1,62,59,45,596</b>	<b>1,14,07,88,181</b>

**Notes:-**
**(I) Term Loan:-**

- (A) 1) Term Loan from Axis Bank is secured by Hypothecation of Movable Plant & Machinery, Furniture, Fixtures, both Present & Future installed at the Wind Power Projects of the Company situated at Jaisalmer (Raj.) and Dewas (M.P.), Equitable Mortgage of Land and Structures therein situated at Nagda Hills, Dewas and Personal Guarantee of Two Directors.  
2) Installments of Term Loan Due within next One Year Rs 56,00,000/- (Prev. Year Rs. 1,12,00,000/-)
- (B) 1) Term Loan from Dena Bank is secured by Hypothecation of Specific Equipments / Machineries purchased after 31.03.06 at Dewas, Etah and entire Plant & Machinery at Bhopal unit of the company, Equitable Mortgage (yet to be created) over Land & Buildings situated at Govindpura Industrial area, Bhopal and Personal Guarantee of Two Directors of the Company.  
2) Installments of Term Loan Due within next One Year Rs. 3,75,00,000/- (Prev. Year Rs. 3,75,00,000/-)
- (C) 1) Term Loan from HDFC Bank Ltd. is secured by Exclusive Charge by way of Hypothecation of Specific Equipment and Personal Guarantee of One Director of the Company.  
2) Installments of Term Loan Due within next One Year Rs.18,20,606/- (Prev. Year Rs.21,35,124/-)
- (D) 1) Term Loan from Punjab National Bank is 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.  
2) Installments of Term Loan Due within next One Year Rs.2,20,00,000/- (Prev. Year Nil)
- (E) 1) Term Loan from IDBI Bank is secured / to be secured by Equitable Mortgage of Plot at Kolkata and Personal Guarantee of Two Directors of the Company.  
2) Installments of Term Loan due within next one Year Rs.5,26,31,580/- (Prev. Year Nil)

**(II) Short Term Corporate Loan:-**

- (A) a) Short Term Corporate Loan from Allahabad Bank is secured by Subservient Charge on the Current Assets of the Company and Personal Guarantee of Two Directors  
b) Entire Loan Repayable in Next 12 months Rs. NIL (Prev. Year Rs. 15,15,91,102/-)
- (B) a) Short Term Corporate Loan from Punjab National Bank is secured by First pari passu Charge with other Working Capital Consortium Members on all the Current Assets of the Company and Personal Guarantee of Two Directors of the Company.  
b) Entire Loan Repayable in Next 12 months Rs.25,24,19,081 (Prev. Year Rs. 15,02,46,575/-)
- (C) a) Short Term Corporate Loan by ICICI Bank Ltd. is secured by Second Charge by way hypothecation of Company's Entire Stocks of Raw Materials, Semi Finished Goods, Finished Goods, Consumable Stores and Spares and such other Movables situated at Dairy Units Dewas and Etah and Personal Guarantee of Two Directors of the Company  
b) Repayable in Next 12 months Nil (Prev. Year Rs. 10,00,00,000/-)

**(III) Working Capital Loans from Consortium Banks are secured by :**

- a) Hypothecation of stocks of Raw Materials, Finished goods, Stores and Spares, Stock in Process and Book Debts, and all other Movables, both Present and Future, lying or stored in factory premises, at Village Bilawali, Dist. Dewas and Kasganj Road, Etah(U.P.), Govindpura, Bhopal Units or where ever else, the same may be held or kept.  
b) Further secured by Equitable Mortgage created or to be modified over the Land situated at village Bilawali Dist.Dewas (M.P.) and Kasganj Road, Etah (U.P.) with all Buildings, Superstructures, Plant & Machinery created or installed thereon except Specific Equipment, Plant & Machinery charged to Dena Bank for securing Term Loan.  
c) Personal Guarantee by Two Directors

**(IV) Vehicle Loans :-**

- a) Others Loans (vehicles) are secured by charge on specific asset purchased.  
b) Instalments of Others Loans Due within Next 12 months Rs. 38,21,983/- (Prev. Year Rs. 48,14,856/-)

PARTICULARS	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
<b>Schedule 4 : UNSECURED LOANS</b>		
1- From Bank		
a) Buyers credit line (Refer Note No. 4 of Schedule 19)	1,82,82,42,756	24,08,63,318
b) Other short Term Loans	10,01,13,014	--
2- From Intercompany Deposits	2,50,00,000	--
	<u>1,95,33,55,770</u>	<u>24,08,63,318</u>



**Schedule 5 : FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2009	Additions/ during the Year	Adjustments/ Deductions during the Year	As at 31.03.2010	Up to 31.03.2009	For the year	Adjustments/ Transfers during the Year	Total Up to 31.03.2010	As at 31.03.2010	As at 31.03.2009
1. Land										
Freehold	25,15,60,323	4,31,150	--	25,19,91,473	--	--	--	--	25,19,91,473	25,15,60,323
Leasehold	11,46,78,430	18,930	--	11,46,97,360	83,854	39,166	--	1,23,020	11,45,74,340	11,45,94,576
2. Buildings	12,42,69,108	83,32,252	--	13,26,01,360	2,02,85,178	38,81,018	--	2,41,66,196	10,84,35,164	10,39,83,930
3. Plant and Machinery	55,28,49,937	2,38,18,935	--	57,66,68,872	12,62,17,427	2,65,20,953	--	15,27,38,380	42,39,30,492	42,66,32,510
4. Furniture and Fixtures	4,87,71,778	79,02,225	--	5,66,74,003	1,50,07,332	37,27,576	--	1,87,34,908	3,79,39,095	3,37,64,446
5. Laboratory Equipments	5,23,892	2,02,940	--	7,26,832	2,50,204	28,577	--	2,78,781	4,48,051	2,73,688
6. Vehicles	3,68,12,604	56,74,968	--	4,24,87,572	95,19,177	45,55,711	--	1,40,74,888	2,84,12,684	2,72,93,427
7. Intangible Assets(Trade Mark)	3,00,000	--	--	3,00,000	1,50,833	30,000	--	1,80,833	1,19,167	1,49,167
<b>Total</b>	<b>1,12,97,66,072</b>	<b>4,63,81,400</b>	--	<b>1,17,61,47,472</b>	<b>17,15,14,005</b>	<b>3,87,83,001</b>	--	<b>21,02,97,006</b>	<b>96,58,50,466</b>	<b>95,82,52,067</b>
Previous Year	1,03,70,51,391	9,39,42,460	12,27,779	1,12,97,66,072	13,69,99,084	3,54,49,080	9,34,159	17,15,14,005	22,64,96,567	3,96,95,765
Capital Work In Progress: (including Advances Rs. 1,44,15,745/- (Previous Year Rs.1,71,16,588/-)										
<b>Grand Total</b>									<b>1,19,23,47,033</b>	<b>99,79,47,832</b>


**FINANCIAL STATEMENTS**

PARTICULARS	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
<b>Schedule 6 : INVESTMENTS (at cost)</b> (Other than trade investment) <b>LONG TERM INVESTMENTS</b>		
<b>A) GOVERNMENT SECURITIES</b>		
National Saving Certificates (Deposited with Government authorities)	19,000	19,000
<b>Total A</b>	<u>19,000</u>	<u>19,000</u>
<b>B) EQUITY SHARES</b>		
<b>i. Quoted</b>		
30000 Equity Shares of Rs. 10/- each fully paid up in National Steel & Agro Industries Limited	9,00,000	9,00,000
7014 Equity Shares of Rs. 10/- each fully paid up in Dena Bank	1,89,378	1,89,378
7000 Equity Shares of Rs. 5/- each fully paid up in Nahar Polyfilms Ltd.	4,76,071	4,76,071
5500 Equity Shares of Rs. 5/- each fully paid up in Nahar Spinning Mills Ltd.	3,74,056	3,74,056
23000 Equity Shares of Rs. 5/- each fully paid up in Brahmanand Himghar Ltd.	1,15,000	1,15,000
5000 Equity Shares of Rs. 10/- each fully paid up in Atlanta Ltd.	61,00,567	61,00,567
53400 Equity Shares of Rs. 10/- each fully paid up in IFCI Ltd.	5,91,672	5,91,672
1524 Equity Shares of Rs. 10/- each fully Paid up in Central Bank of India Ltd.	2,14,010	2,14,010
	<u>89,60,754</u>	<u>89,60,754</u>
Less:- Prov. For Diminishing in value of Shares	50,38,300	50,38,300
<b>Total B (i)</b>	<u>39,22,454</u>	<u>39,22,454</u>
<b>ii. Unquoted (Trade)</b>		
<b>a) Investment in Subsidiary</b>		
6000 Equity Shares of Rs. 10/- each fully paid up in Anik Ferro & Alloys Pvt Ltd.	60,000	--
6000 Equity Shares of Rs. 10/- each fully paid up in Anik Energy Pvt. Ltd.	60,000	--
<b>b) Investment in Others</b>		
1900 Equity Shares of Rs. 10/- each fully paid up in Anik Infotech Pvt. Ltd.	19,000	19,000
5000 Equity Shares of Rs. 10/- each fully paid up in Nirbhay Buildcon Pvt. Ltd.	50,000	50,000
5000 Equity Shares of Rs. 10/- each fully paid up in Kymore Iron Ore Pvt. Ltd.	50,000	50,000
<b>Total B (ii)</b>	<u>2,39,000</u>	<u>1,19,000</u>
<b>C) INVESTMENT IN MUTUAL FUNDS (UNQUOTED)</b>		
5000 units of PNB Principal Junior Cap Fund	50,000	50,000
97799.51 units of Kotak Contra Mutual Fund	10,00,000	10,00,000
5000 units of SBI Infrastructure Fund (Aggregate NAV as at 31st March, 2010 Rs.24,98,027 /-. and Prev. Yr.- Rs.13,83,475/-)	5,00,000	5,00,000
<b>Total C</b>	<u>15,50,000</u>	<u>15,50,000</u>
<b>D) INVESTMENT IN PARTNERSHIP FIRM</b>		
Balance in Capital/Current Account with "Mahakosh Property Developers" (Refer Note 12 schedule 19)	16,01,52,895	23,22,60,433
<b>Total D</b>	<u>16,01,52,895</u>	<u>23,22,60,433</u>
<b>TOTAL (A+B+C+D)</b>	<u>16,58,83,349</u>	<u>23,78,70,887</u>

**Aggregate Cost or Book Value and Market Value of Company's Investments**

PARTICULARS	As at 31st March, 2010		As at 31st March, 2009	
	Aggregate Cost or Book Value	Market Value	Aggregate Cost or Book Value	Market Value
Quoted	89,60,754	60,11,756	89,60,754	21,14,882
Unquoted	18,08,000	---	16,88,000	---
Total Investment	1,07,68,754	---	1,06,48,754	---

**FINANCIAL STATEMENTS**


PARTICULARS	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
<b>Schedule 7: INVENTORIES</b> (Certified and valued by the management)		
a) Stores, Spares and Consumables	2,42,06,261	2,26,52,803
b) Raw material	25,69,354	19,28,285
c) Finished goods	1,12,21,00,134	95,63,57,086
d) Goods in progress	16,21,67,607	12,86,42,323
	<u>1,31,10,43,356</u>	<u>1,10,95,80,497</u>
<b>Schedule 8 : SUNDRY DEBTORS</b>		
Unsecured, Considered Good:		
Over six months	7,43,33,180	7,16,65,464
Other debts	<u>2,89,36,61,763</u>	<u>2,14,78,31,439</u>
	<u>2,96,79,94,943</u>	<u>2,21,94,96,903</u>
Unsecured, Considered Doubtful:		
Over six months	3,90,162	3,90,162
Other debts	----	----
Less: Provision for doubtful debts	<u>3,90,162</u>	<u>3,90,162</u>
	<u>2,96,79,94,943</u>	<u>2,21,94,96,903</u>
<b>Schedule 9 : CASH AND BANK BALANCES</b>		
a) Cash In hand	47,41,306	99,04,873
b) Balance with Scheduled Banks		
In current accounts	13,14,41,372	13,52,11,196
In deposit accounts (Refer Note No.04, Schedule-19)	<u>2,14,81,89,197</u>	<u>49,60,48,882</u>
c) Balances with Non Scheduled Banks (Refer Note No.15, Schedule-19)	<u>5,05,251</u>	<u>2,57,184</u>
	<u>2,28,48,77,126</u>	<u>64,14,22,135</u>
<b>Schedule 10 : LOANS &amp; ADVANCES</b> (Unsecured,considered good)		
a) Advances recoverable in cash Or in kind or for which value to be received	61,48,93,543	58,48,78,269
b) Deposits and balance with Government Authorities and other authorities	18,95,18,469	14,57,07,944
c) Advances to Subsidiary	2,52,753	--
d) Advance Taxes ( net of provision of Rs. 218365069 /- Prev.yr. Rs. 240575000 /- )	<u>3,25,30,292</u>	<u>3,85,42,169</u>
	<u>83,71,95,057</u>	<u>76,91,28,382</u>
<b>Schedule 11 : OTHER CURRENT ASSETS</b>		
a) Interest accrued	3,37,76,951	74,75,106
b) Other receivables	<u>14,54,42,786</u>	<u>8,12,26,312</u>
	<u>17,92,19,737</u>	<u>8,87,01,418</u>
<b>Schedule 12 : CURRENT LIABILITIES</b>		
a) Sundry Creditors		
Due to Micro Small and Medium Enterprises (Refer Note No. 5, Schedule 19)	--	--
Due to creditors other than Micro and Small Enterprises	<u>3,09,72,07,584</u>	<u>2,53,15,39,531</u>
	<u>3,09,72,07,584</u>	<u>2,53,15,39,531</u>
b) Advances from Customers	7,88,43,862	7,37,63,018
c) Unclaimed Dividend *	1,18,09,100	89,59,937
d) Overdrawn bank balances (as per books)	<u>50,38,538</u>	<u>11,91,703</u>
	<u>3,19,28,99,084</u>	<u>2,61,54,54,189</u>
(* There is no amount due and outstanding to be credited to the Investor Education and Protection fund)		


**FINANCIAL STATEMENTS**

PARTICULARS	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
<b>Schedule 13 : PROVISIONS</b>		
a) Proposed Dividend	1,66,52,092	1,66,52,092
b) Corporate tax on Proposed Dividend	27,65,704	28,30,023
c) Employee Benefits -Gratuity & Leave Encashment	<u>1,04,40,603</u>	<u>73,13,501</u>
	<u>2,98,58,399</u>	<u>2,67,95,616</u>
<b>Schedule 14 : SALES, SERVICE AND OTHER INCOME</b>		
<b>A. Sales and Services</b>		
a) Sales	12,12,37,92,598	10,09,58,44,400
Less : Excise Duty	1,87,360	2,47,609
Net Sales	<u>12,12,36,05,238</u>	<u>10,09,55,96,791</u>
b) Export Incentive	3,41,75,260	6,11,478
c) Wind Power Generation Income	88,59,742	83,87,958
d) Processing Charges (Gross) [TDS Rs. 21,226/- Prev. Year Rs. Nil ]	<u>14,94,646</u>	<u>3,66,417</u>
	<u>12,16,81,34,886</u>	<u>10,10,49,62,644</u>
<b>B. Other Income</b>		
a. Profit on Sales of Derivatives	--	52,74,847
b. Insurance Claims	70,86,345	76,91,427
c. Dividend Income from Long Term Investment (Gross)	59,384	55,113
d. Agriculture Income (Net of Exp. Rs. 1,27,087/- Prev. Year Rs. 1,61,901/-)	2,88,188	2,56,254
e. Foreign Exchange Fluctuation (Net)	--	1,91,23,768
f. Profit on sales of Fixed Assets	--	65,347
g. Profit on Sales of Investments	--	19,541
h. Interest Received (Net of Interest Paid Rs. 24,37,10,739/- Prev. Year Rs. 21,48,68,354/-) (TDS Rs.2,97,71,138/- (Prev. Year Rs. 5,39,52,442/-)	<u>37,94,382</u>	<u>2,52,80,867</u>
i. Miscellaneous Income	<u>5,33,95,445</u>	<u>4,70,45,159</u>
	<u>6,46,23,744</u>	<u>10,48,12,323</u>
	<u>12,23,27,58,630</u>	<u>10,20,97,74,967</u>
<b>Schedule 15 : INCREASE /(DECREASE) IN STOCKS</b>		
<b>Finished Goods</b>		
<b>Closing Stock:-</b>		
a. Finished Goods	1,12,21,00,134	95,63,57,086
b. Work in Progress	16,21,67,607	12,86,42,323
<b>Less : Opening Stock:-</b>		
a. Finished Goods	95,63,57,086	1,16,37,31,343
b. Work in Progress	12,86,42,323	5,29,55,128
	<u>19,92,68,332</u>	<u>(13,16,87,062)</u>
<b>Schedule 16 : MATERIALS</b>		
a) Raw materials Consumed	19,28,285	31,60,694
Opening stock	2,41,57,51,636	1,99,92,68,145
Add:Purchases (net)	<u>2,41,76,79,921</u>	<u>2,00,24,28,839</u>
Less Sales	1,34,812	--
Less Closing stock	<u>25,69,354</u>	<u>19,28,285</u>
Raw Material Consumed	<u>2,41,49,75,755</u>	<u>2,00,05,00,554</u>
b) Finished Goods purchased	8,97,06,76,732	7,30,70,32,217
c) Packing Materials Consumed	11,50,87,187	12,21,22,119
	<u>11,50,07,39,674</u>	<u>9,42,96,54,890</u>

## FINANCIAL STATEMENTS



PARTICULARS	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
<b>Schedule 17 : EXPENSES</b>		
Stores, Spares & Chemical Consumed	22,56,406	2,02,88,113
Power & Fuel	8,09,95,839	7,47,13,100
Repairs & Maintenance of :		
Plant & Machinery	98,64,907	1,12,88,779
Building	11,37,566	15,02,018
Others	34,47,640	41,60,828
Salaries, Wages, Bonus & Allowances	6,90,51,039	5,48,04,389
Contribution to Provident & other fund	61,88,596	40,35,218
Workman & Staff Welfare	24,38,522	21,33,457
Rent	1,01,70,404	1,22,66,511
Rates & Taxes	1,60,30,408	1,42,09,086
Insurance	70,65,462	85,12,837
Selling & Distribution Expenses	16,71,19,783	3,85,89,702
Freight & Forwarding Charges	6,63,26,622	3,61,08,269
Donation	11,97,051	39,72,270
Travelling & Conveyance	2,85,01,921	2,33,45,255
[Including Rs.46,07,279/- (Prev. Yr.Rs. 45,08,246/-) to Directors]	6,82,39,180	4,73,48,556
Bank Charges & Commission	20,04,37,525	11,11,78,009
Other Expenses	74,04,68,871	46,84,56,397

**SCHEDULE ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE :**

### SCHEDULE 18 : - SIGNIFICANT ACCOUNTING POLICIES

#### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

- a) **Accounting Convention**  
The Accounts have been prepared in accordance with the historical cost convention.
- b) **Use of Estimates**  
The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Difference between the actual results and the estimates are recognized in the period in which the results are known/ materialized.
- c) **Fixed Assets**
  - i) **Fixed Assets**  
Fixed Assets are stated at cost of acquisition or construction, net of tax /duty credit availed if any, including any cost attributable for bringing the assets to its working condition for its intended use; less depreciation (except freehold land).
  - ii) **Capital Expenditure**  
Assets under erection/installation and advance given for Capital Expenditure are shown as "Capital work in progress", Expenditure during construction period are shown as "pre-operative expenses" to be capitalized on erection/installations of the assets.
  - iii) **Leasehold Land**  
Cost of Lease hold land is amortized over the period of lease.
- d) **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.
- e) **Intangible Assets**  
The cost of acquisition of trademark is amortized over a period of 10 years.
- f) **Borrowing cost**  
Borrowing cost attributable to the acquisition and constructions of assets are capitalised as part of the cost of such asset upto the date when such asset is ready for its intended use. Other borrowing costs are charged to Profit and Loss Account.
- g) **Valuation of inventories**  
Inventories are valued at lower of cost or net realisable value, except scrap is valued at net realisable value, on FIFO Basis. Cost of inventory is generally comprises of cost of purchases, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

- h) Revenue recognition**  
The Company follows mercantile system of the accounting and recognises income and expenditure on accrual basis except those with significant uncertainties.
- i) Export Incentive**  
The Export incentives are accounted for on accrual basis taking into account certainty of realisation and its subsequent utilisation.
- j) Sales**  
Sales are inclusive of income from services and exchange fluctuation on export receivables and net of claims, trade discount / rebate.
- k) Investment**  
Investment are valued at cost of acquisition. In case of long term investments, no provision is made for diminution in the value of investments, where, in the opinion of the Board of Directors such diminution is temporary.  
Current Investments are stated at lower of cost and market/fair value.
- l) Foreign currency transaction**
- Transaction in Foreign Currency are recorded at the rate of exchange prevailing on the date of transaction. Current assets and Current liabilities not covered by forward exchange contract are translated at year end exchange rates. Any gain/loss on account of fluctuation in the rate of exchange is recognised in the Profit and Loss Account. In case of sales and purchase the same is included under the respective heads.
  - Loans in foreign currency outstanding at the close of the year are expressed in Indian currency at the appropriate rates of exchange prevailing on the date of Balance sheet.
  - Premium /discount in respect of forward foreign exchange contract is recognized over the life of contract.
- m) Employee Benefits**
- Post-employment benefit plans
    - Defined Contribution Plan** - Contributions to Provident Fund and Family Pension fund are accrued in accordance with applicable statute and deposited with appropriate authorities.
    - Defined Benefit Plan**
      - The liability in respect of leave encashment is determined using actuarial valuation carried out as at Balance Sheet date. Actuarial gains and losses are recognized in full in Profit and Loss Account for the year in which they occur.
      - The Company has opted for scheme with Life Insurance Corporation of India to cover its liabilities towards employees gratuity at Etah Unit. The annual premium paid to Life Insurance Corporation of India is charged to Profit and Loss Account. The Company also carried out actuarial valuation of gratuity using Projected Unit Credit Method as required by Accounting Standard 15 "Employee Benefits" (Revised 2005) and difference between fair value of plan assets and liability as per actuarial valuation as at year end is recognized in Profit and Loss Account.
  - 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.
- n) Contingent Liabilities**  
Contingent Liabilities not provided for in the accounts are disclosed by way of Notes.
- o) Taxes on Income**  
Provision for Current Tax is the amount of tax payable on taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.  
Deferred tax is recognised on the timing difference, being the difference between taxable income and the accounting income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.  
Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.
- p) Segment Accounting**  
Segment Accounting Policies :-  
Following accounting policies have been followed by the company for segment reporting.
- 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:
 

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

 By products related to each segment have been included in respective segment.
  - 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.
- q) Impairment of Assets**  
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.

**Schedule 19 : NOTES TO THE ACCOUNTS**

PARTICULARS	2009-10 (Rs.)	2008-09 (Rs.)
<b>1 Contingent Liabilities Not provided for :</b>		
a) Outstanding Bank Guarantees	1,99,96,877	1,45,57,877
b) Estimated amount of contracts remaining to be executed on capital account (Net of advances)	49,34,092	9,21,77,730
c) Income Tax / Sales tax/ Excise Duty demand disputed in appeal [Net of amount paid Rs. 26510565(Previous year Rs. 26370565 ) against disputed demand]	3,76,11,580	5,80,99,726
d) Estimated liability of Customs Duty, which may arise if export obligation/ commitment is Not fulfilled	1,33,22,039	27,98,235
e) Letter of Credit opened on behalf of others	--	51,31,68,324
f) Guarantee issued by bank for and on behalf of third party against, lien on fixed deposit	1,61,95,100	1,80,80,100
g) Claims against the company Not acknowledged as debt	8,01,302	8,01,302
h) Bills Discounting with Banks	28,47,98,825	40,41,24,543

- 2 Sundry Creditors includes bills payable for purchases of material Rs. 1,02,45,00,931 (Prev. Year Rs. 63,29,16,530)
- 3 Sales and purchases includes Rs. 1,05,06,175 (Prev. Year Rs. 4,02,769 ) and Rs. 18,21,54,175 (Prev. Year Rs. 33,76,52,050) respectively towards difference arising on account of fluctuation in the rate of exchange, consequent to recording the transactions as per revised Accounting Standard No. 11 issued by the Institute of Chartered Accountants of India.
- 4 During the year company has availed Buyers Credit, the said facility is outstanding as on 31st March, 2010 was Rs. 18,282 Lacs (Prev. year Rs. 2,409 Lacs) is guaranteed by the bank against pledge of Fixed Deposit Receipts with them. In the Balance Sheet (schedule 4) the said amount is shown as unsecured Loans from Banks and the fixed deposit of Rs. 18,610 Lacs (Prev. year Rs. 2,415 Lacs) are included under bank balances with Scheduled Banks in "Deposit Accounts" (schedule 9).
- 5 There is no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 30 days as at 31st March, 2010. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 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.
- 6 **Managerial Remuneration :**  
The remuneration under section 198 of the Companies Act, 1956 paid or provided to the Managing Director, Executive Director and Whole Time Director:

PARTICULARS	2009-10 (Rs.)	2008-09 (Rs.)
a) Salary and Allowances	95,70,058	50,90,604
b) Provident Fund and Other benefits	13,21,780	1,72,556
c) Perquisite in cash or in kind	40,048	44,181

- 7 Balances of creditors, debtors, deposits and advances are partly confirmed.
- 8 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.
- 9 The lease deed in respect of the land at Jaisalmer on which the Wind Mill is installed, is yet to be executed.

**10 CAPITAL WORK IN PROGRESS**

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

PARTICULARS	2009-10 (Rs.)	2008-09 (Rs.)
Opening Balance	3,49,389	--
a) Salary, Labour & Wages	13,97,213	--
b) Consultancy Charges	15,000	3,35,116
c) Generator Expenses	62,528	--
d) Interest on Term Loan	34,62,404	--
e) Others	12,29,499	14,273
Balance pending allocation to be capitalised	65,16,033	3,49,389

B Borrowing Cost capitalised during the year on funds attributable to construction/ set-up of new project at Dewas Rs. 3462404/- included under capital work in progress, (Rs. NIL for previous year)

**11 REMUNERATION TO THE AUDITORS**

(including Service Tax, as applicable)

PARTICULARS	2009-10 (Rs.)	2008-09 (Rs.)
a) For Audit	2,75,000	1,75,000
b) For Tax Audit	25,000	25,000
c) For other services	38,602	42,000
d) Out of pocket expenses	23,503	35,791
e) Service Tax	34,876	26,130

**12 PARTICULARS OF INVESTMENT IN PARTNERSHIP FIRM - MAHAKOSH PROPERTY DEVELOPERS**

Name of Partners	2009-10			2008-09		
	Balance in Capital Account (Rs.)	Balance in Current Account (Rs.)	Share of Profit/Loss	Balance in capital account (Rs.)	Balance in current account (Rs.)	Share of Profit/Loss
M/s. Anik Industries Ltd.*	1,00,000	16,00,52,895	25%	1,00,000	23,21,60,433	30%
Suresh Chandra Shahra (HUF)	10,50,000	(1,51,00,000)	21%	10,50,000	--	20%
Mrs. Mriduladevi Shahra	10,50,000	(1,48,00,000)	11%	10,50,000	--	10%
Ms. Neha Shahra	--	--	--	1,00,000	--	10%
Mr. Manish Shahra	1,40,000	(1,40,00,000)	21%	1,40,000	--	10%
Mr. Nitesh Shahra	1,00,000	(1,00,00,000)	11%	1,00,000	--	10%
M/s. Osprey Trades & Agencies Pvt. Ltd.	50,000	(80,00,000)	11%	50,000	--	10%
<b>Total</b>	<b>24,90,000</b>	<b>9,81,52,895</b>	<b>100%</b>	<b>25,90,000</b>	<b>23,21,60,433</b>	<b>100%</b>

\* Other Income includes Rs. 400 Laacs for surrender of 5% Share of Profit from 30% to 25%.



13. SEGMENT REPORTINGS :

(a) Primary Segment - Business Segment

(In Rs.)

S.N.	Particulars	Dairy	Wind Power	Others	Unallocable	Total
1	Segment Revenue (Net Sales/Income)	3,29,47,77,748 2,75,55,52,828	88,59,742 1,39,88,389	8,84,85,56,908 7,26,28,12,788	7,67,69,850 15,21,40,095	12,22,89,64,248 10,18,44,94,100
2	Segment Results (Profit Before Interest & Tax)	15,83,22,239 8,46,63,396	37,19,444 90,20,968	17,89,85,495 60,54,477	(19,27,86,144) 1,95,07,830	14,82,41,034 11,92,46,671
	Less: Interest Paid	--	--	--	--	24,37,10,739
	Add: Interest Received	--	--	--	--	21,48,68,354
	Profit For The Year	--	--	--	--	24,75,05,121
	Add : Prior Period Adjustment	--	--	--	--	24,01,49,221
	Profit Before Taxation	--	--	--	--	15,20,35,416
	Less : Current Tax Provision	--	--	--	--	14,45,27,538
	Deferred Tax Provision	--	--	--	--	3,60,00,000
	Fringe Benefit Tax	--	--	--	--	4,00,00,000
	Income Tax For Earlier Year	--	--	--	--	50,67,114
	Add : Excess Income Tax for Earlier Year	--	--	--	--	1,20,70,316
	Profit After Tax	--	--	--	--	--
		--	--	--	--	15,20,35,416
		--	--	--	--	14,45,27,538
		--	--	--	--	3,60,00,000
		--	--	--	--	4,00,00,000
		--	--	--	--	50,67,114
		--	--	--	--	1,20,70,316
		--	--	--	--	--
		--	--	--	--	19,00,000
		--	--	--	--	3,62,618
		--	--	--	--	1,58,776
		--	--	--	--	--
		--	--	--	--	1,74,82,278
		--	--	--	--	11,06,05,684
		--	--	--	--	10,78,80,724
3	Segment Assets	2,12,86,30,355 1,67,36,28,845	6,59,70,613 6,90,58,397	3,28,12,58,516 2,53,11,10,985	3,26,42,87,476 1,51,39,36,771	8,74,01,46,960 5,78,77,34,998
4	Segment Liabilities	59,57,61,792 51,15,37,910	4,13,780 4,13,780	2,46,76,77,474 2,00,42,50,813	15,61,38,733 12,32,17,279	3,21,99,91,779 2,63,94,19,782
5	Cost incurred during the year to acquire segment of Fixed Assets	3,22,69,221 6,80,58,944	--	19,38,308 14,68,275	1,21,73,871 4,46,84,386	4,63,81,400 11,42,11,605
6	Segmental Depreciation	2,72,50,176 2,56,34,125	40,51,303 40,51,303	1,87,984 86,716	72,93,538 56,76,936	3,87,83,001 3,54,49,080
7	Non Cash Expenditure Other Than DEP.	--	--	--	--	--

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

PARTICULARS	2009-10 (Rs.)	2008-09 (Rs.)
Domestic Revenue	11,44,08,77,243	10,11,76,09,370
Export Revenue	78,80,87,005	6,68,84,730
	<u>12,22,89,64,248</u>	<u>10,18,44,94,100</u>
Note :		
(i) Unallocable Segment assets exclude the following :		
Investment	16,58,83,349	23,78,70,887
Advance Income Tax	25,08,95,361	27,91,17,169
(ii) Unallocable Segment liabilities exclude the following :		
Secured Loans	1,62,59,45,596	1,14,07,88,181
Unsecured Loans	1,95,33,55,770	24,08,63,318
Deffered Tax Liability	7,91,33,471	7,40,66,357
Provision For Tax	21,83,65,069	24,05,75,000
Corporate Dividend Tax	27,65,704	28,30,023
Proposed Dividend	1,66,52,092	1,66,52,092

**14 Disclosure as per AS-15 "Employee Benefits" (Revised 2005)**
**GRATUITY**

<b>PARTICULARS</b>	<b>2009-10 (Rs.)</b>	<b>2008-09 (Rs.)</b>
<b>I. Change in Benefit Obligation</b>		
Liability at the beginning of the year	48,56,435	37,73,591
Interest Cost	4,23,868	3,55,201
Current Service Cost	5,54,585	7,44,275
Past Service Cost (Non Vested Benefit)	--	--
Past Service Cost (Vested Benefit)	13,32,125	--
Settlement	--	--
Liability Transfer in	--	--
Liability transfer out	--	--
Benefit Paid	(2,25,346)	(1,55,717)
Actuarial (gain)/loss on obligations	548690	1,39,085
Liability at the end of the year	74,90,357	48,56,435
<b>II. Change in Fair value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	13,18,780	11,30,915
Expected Return on Plan Assets	1,04,089	86,377
Contributions	95,000	26,654
Transfer from other company	--	--
Transfer to other company	--	--
Benefit Paid	(2,25,346)	(1,55,717)
Actuarial gain/(loss) on Plan Assets	2,33,353	1,924
Fair Value of Plan Assets at the end of the year	15,25,876	10,90,153
Total Actuarial Gain/(Loss) To Be Recognised	(3,15,337)	(1,37,161)
<b>III. Amount Recognised in the Balance Sheet</b>		
Liability at the end of the year	74,90,358	48,56,435
Fair Value of Plan Assets at the end of the year	15,25,876	10,90,153
Difference	(59,64,482)	(37,66,282)
Unrecognised Past Service Cost	--	--
Un recognised Transition Liability	--	--
Amount Recognised in the Balance Sheet	(59,64,482)	(37,66,282)
<b>IV. Expenses Recognised in Profit and Loss Account</b>		
Current Service Cost	5,54,585	7,44,275
Interest Cost	4,23,868	3,55,201
Expected Return on Plan Assets	(1,04,089)	(86,377)
Past Service Cost (Non Vested Benefit) Recognised	--	--
Past Service Cost (Vested Benefit) Recognised	13,32,125	--
Recognition of Transition Liability	--	--
Actuarial Gain or Loss	3,15,337	1,37,161
Expense Recognised in P& L	25,21,826	11,50,260

<b>V Assets Information</b>	<b>2009-10 (Rs.)</b>	<b>2008-09 (Rs.)</b>
Government of India Assets	--	--
Corporate Bonds	--	--
Special Deposits Scheme	--	--
Equity Shares of Listed Companies	--	--
Property	--	--
Other	--	--
Insurer Managed Funds	<b>15,25,876</b>	10,90,153
<b>Total</b>	<b>15,25,876</b>	10,90,153
<b>VI. Balance Sheet Reconciliation</b>		
Opening Net Liability	<b>35,37,655</b>	26,42,676
Expense as above	<b>25,21,826</b>	11,50,260
Transfer from other company net	--	--
Transfer to other company net	--	--
Employers Contribution	<b>(95,000)</b>	(26,654)
Amount Recognised in Balance Sheet	<b>59,64,481</b>	37,66,282
<b>VII. Assumptions :</b>		
Discount Rate Prev.	<b>8.00%</b>	8.00%
Rate of Return on Plan Assets Prev	<b>8.00%</b>	8.00%
Salary Escalation Prev.	<b>5.00%</b>	5.00%
Attretion Rate Prev. Year	<b>2.00%</b>	2.00%
Discount Rate Current	<b>8.25%</b>	8.00%
Rate of Return on Plan Assets Current	<b>8.00%</b>	8.00%
Salary Escalation Current	<b>5.00%</b>	5.00%
Attretion Rate Current Year	<b>2.00%</b>	2.00%

**15 The Balance with Non-scheduled Banks in deposit accounts are as under:-**

(In. Rs.)

<b>PARTICULARS</b>	<b>As on 31.03.10</b>		<b>As on 31.03.09</b>	
	<b>Bank Balances</b>	<b>Maximum Balance During the year</b>	<b>Bank Balances</b>	<b>Maximum Balance During the year</b>
District Central Co-Operative Bank Limited, Agar (In Current Account)	5,05,251	11,80,245	2,57,184	11,38,390
<b>Total</b>	<b>5,05,251</b>	<b>11,80,245</b>	2,57,184	11,38,390

**16 During the year, the following expenditure relating to prior years has been debited to the Profit and Loss Account**

<b>PARTICULARS</b>	<b>2009-10 (Rs.)</b>	<b>2008-09 (Rs.)</b>
Travelling Expenses	<b>1,83,474</b>	10,51,600
Legal & Professional	--	20,100
Office Expenses	--	19,519
Postage	<b>50,000</b>	4,379
Clearing & forwarding	--	65,724
Brokerage & Commission	<b>69,643</b>	3,04,756
Salary	<b>3,111</b>	--
Medical Expenses	<b>7,500</b>	--
Mics. Exp.	<b>3,58,890</b>	2,19,479
<b>TOTAL</b>	<b>6,72,618</b>	16,85,557

**17 Earning Per Share (EPS)**

PARTICULARS	2009-10 (Rs.)	2008-09 (Rs.)
Nominal value per Equity Share (Rs.)	10	10
Profit After Tax (Rs.)	11,06,05,684	10,78,80,724
Weighted Avg. No. of Equity Shares	2,77,53,486	2,77,53,486
Basic and Diluted Earning per share (Rs.)	3.99	3.89

**18 Deferred Tax Liability**

PARTICULARS	Deferred Tax (Asset)/ Liabilities as at 31.03.2010	Deferred Tax (Asset) Liabilities as at /31.03.2009
<b>Deferred Tax Liabilities</b> On account of Difference between book and Income Tax Depreciation	8,26,99,126	7,66,26,241
<b>Total</b>	<b>8,26,99,126</b>	<b>7,66,26,241</b>
<b>Deferred Tax Assets</b> On account of Timing Difference in-		
(a) Taxes, duties etc.	16,894	74,024
(b) Retirement benefits	35,48,761	24,85,860
<b>Total</b>	<b>35,65,655</b>	<b>25,59,884</b>
<b>Deferred Tax Liability (Net)</b>	<b>7,91,33,471</b>	<b>7,40,66,357</b>

**19 Financial and Derivatives Instruments:**

Derivative contract entered by the Company and outstanding as on 31st March, 2010

(i) Notional amounts of derivative contract entered into by the company and outstanding as on 31st March, 2010

Particulars	2009-10				2008-09		
	No. of Contracts	Currency	Amount in Foreign Currency	Equivalent Amount in INR	Amount in Foreign Currency	No. of Contracts	Equivalent Amount in INR
Buyers Credit (Purchase)	46	USD	39448791	1881943527	4800000	5	238145500
Forward Contracts (Purchase)	7	USD	7646500	355343410	53597055	70	2175675568
Forward Contracts (Purchase)	2	SGD	1000000	32495000	---	---	---
Forward Contracts (Purchase)	---	EURO	---	---	2000000	3	127994000
Forward Contracts (Sale)	2	USD	1500000	69880000	---	---	---

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

Currency	2009-10			2008-09		
	Payable	Receivable	Net	Payable	Receivable	Net
USD	22382119	711756	21670362	3437367	---	3437367
SGD	3546311	---	3546311	---	---	---

**20 Related Party Disclosure:**

**(A) Relationships** (Related parties with whom transactions have taken place during the year)

**(a) Subsidiary Companies:**

(i) Anik Energy Pvt. Ltd. (w.e.f. 31.03.2010) (ii) Anik Ferro-Alloys Pvt. Ltd. (w.e.f. 31.03.2010)

**(b) Associate/ Joint Venture**

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

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

1. Mr. Suresh Chandra Shahra : Managing Director  
 2. Mr. Manish Shahra : Jt. Managing Director  
 3. Mr. Deepakk Goyal : Whole Time Director  
 4. Mr. Ashok Trivedi : Whole Time Director  
 5. Mr. Ashok Phadnis : Whole Time Director  
 (Mr. Ashok Phadnis resigned on 10.03.10)

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

(i) Gloryshine Property Developers Pvt Ltd (ii) Anik Precious Metals Pvt. Ltd.  
 (iii) Mahadeo Shahra Sukrat Trust (iv) Shahra Securities Pvt Ltd  
 (v) Shahra Estate Pvt. Ltd. (vi) Shahra Brothers Pvt Ltd  
 (vii) Nestor Securities Pvt. Ltd. (viii) Ruchi Realty Holdings Ltd.  
 (ix) Nirvana Housing 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 :**

(In Rs.)

Particulars	20(a)	20(b)	20(c)	20 (d)
<b>Income</b>				
Interest received	----	2,46,22,513	----	----
	----	2,32,12,085	----	----
Rent Received	----	----	----	8,94,000
	----	----	----	----
<b>Expenditure</b>				
Remuneration	----	----	1,09,31,886	----
	----	----	53,07,341	----
Directors Sitting Fees	----	----	11,500	----
	----	----	8,500	----
Donation	----	----	----	6,86,000
	----	----	----	28,00,000
Repair & Maintenance (Reimbursement)	----	----	----	2,58,000
	----	----	----	2,58,000
Finance Given	1,97,320	----	----	20,32,583
	----	----	----	8,74,810
Investment with Partnership firm In capital/current account	----	16,01,52,895	----	----
	----	23,22,60,433	----	----
<b>Balance at the end of the year</b>				
Receivable	2,07,320	----	----	5,21,11,282
	----	----	----	5,15,38,942
Payable	----	----	----	12,000
	----	----	----	----

**21** The Company has provided Rs. 97,000/- (Previous Year Rs. 1,23,000/-) towards Wealth Tax liability.

**22** Leases (Where company is lessee)

Operating Leases : The Company has taken various commercial premises & residential premises under cancellable operating leases. These lease agreement are normally renewed on expiry.

**23** Sales of Power Generated by wind turbines includes 18,09,281 units of Rs. 47,00,188/- (Prev. Yr. units 18,89,419 of Rs.52,93,326/-) used for captive consumption.

**ADDITIONAL INFORMATION PURSUANT TO SCHEDULE-VI, PART-II, PARA'S 3 & 4**
**(As certified by the Management)**

PARTICULARS	Unit	2009-10		2008-09	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
<b>24 INSTALLED CAPACITY</b>					
As reviewed during the year and certified by the management and relied by the auditors, being technical matter.					
Milk Processing	KLs	195000	---	195000	---
Wind Power Generation	MWH	1.85	---	1.85	---
The licensed capacity is not given as licensing has been abolished.					
<b>25 ACTUAL PRODUCTION</b>					
Ghee	MTs	6219.02	---	6159.05	---
Pasteurized Milk	KLs	37532.41	---	34623.49	---
Soya Iso Prolet	MTs	30.32	---	25.77	---
Milk Powder	MTs	4858.47	---	4947.96	---
Wind Power Generation	(Units)KWH	3063404.00	---	2736799.00	---
(i)Milk powder excludes 20.746 MT (Prev. Yr. 18.697 MT) Production done on job work for others.					
<b>26 PURCHASE OF GOODS FOR RESALE</b>					
Ghee	MTs	700.93	124940042	116.14	18512944
Milk Powder	MTs	3319.00	416628888	3570.00	380212500
Imported Steam Coal	MTs	1280490.20	4490387881	772024.38	3342963791
Soya Seed	MTs	35250.24	822790840	6584.94	113629580
Crude Palm Oil	MTs	25329.28	869804197	54102.42	2143453858
Others	MTs	---	2246124884	---	1308259544
<b>27 PARTICULARS OF STOCK OF FINISHED GOODS</b>					
<b>Opening Stock:</b>					
a) Ghee	MTs	791.09	144901308	746.21	124626970
Milk Powder	MTs	989.65	111996859	1018.37	101297537
Soya Iso Prolet	MTs	1.13	133243	0.47	43936
Imported Steam Coal	MTs	121224.21	509721561	75949.19	308603472
Crude Palm Oil	MTs	187.00	6358000	2004.00	79774520
Yellow Peas	MTs	---	---	9000.00	195300000
Soya Seed	MTs	---	---	6414.17	115667839
Others	MTs	---	183255115	---	238417069
<b>Closing Stock:</b>					
b) Ghee	MTs	1102.52	253549493	791.09	144901308
Milk Powder	MTs	978.98	119282714	989.65	111996859
Soya Iso Prolet	MTs	0.55	70145	1.13	133243
Imported Steam Coal	MTs	75173.61	283831411	121224.21	509712561
Soya Seed	MTs	2320.63	54320633	---	---
Crude Palm Oil	MTs	---	---	187.00	6358000
Others	MTs	---	411045738	---	183255115
<b>28 SALES :</b>					
Ghee	MTs	6608.51	1543195059	6230.31	1159817848
Pasteurised Milk	KLs	37532.41	753280204	34623.49	651449284
Milk Powder	MTs	8188.14	967174243	8546.68	916800007
Soya Iso Prolet	MTs	30.90	4571351	25.11	3305836
Imported Steam Coal	MTs	1326540.80	4905515034	726749.36	3253587612
Yellow Peas	MTs	---	---	9000.00	202410000
Soya Seed	MTs	32929.62	802677602	12999.11	265354452
CrudePalm Oil	MTs	25516.28	907017762	55919.42	2070642115
Wind Power Generation	(Units) KWH	3063404.00	8859742	2736799.00	8387958
Others	MTs	---	2240361343	---	1572477246
(a) Quantity of sales and production includes 546.27 MT (Prev. year 374.08 MT) of Milk Powder used for captive consumption.					
(b) Sales of Power generation by Wind Power Turbines includes Rs.47,00,188/- Units 18,09,281 (Prev.Yr. Rs. 52,93,326/- 18,89,419 Units used for captive consumption).					
(c) Sales includes excess/shortage and transit loss.					

**FINANCIAL STATEMENTS**

**29 (a) DETAILS OF RAW MATERIAL CONSUMED**

PARTICULARS	Unit	2009-10		2008-09	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
Whole Milk	MTs	95,098.736	1,74,13,48,547	92,096.43	1,44,76,43,647
Butter Oil/ Cream	MTs	214.984	3,91,85,243	51.00	67,50,390
Skimmed Milk	MTs	---	---	6,201.49	3,87,11,041
Others	MTs	---	63,44,41,965	---	50,73,95,476

(a) Quantity of sales and production includes 546.27 MT (Prev. Yr. 374.08 MT) of Milk Powder used for captive consumption.

PARTICULARS	2009-10		2008-09	
	Value (Rs.)	% Total Consumed	Value (Rs.)	% Total Consumed
<b>(b) VALUE OF IMPORTED AND INDEGENEOUS RAW MATERIAL CONSUMED</b>				
Imported	---	---	---	---
IndigeNous	2,41,49,75,755	100	2,00,05,00,554	100
<b>30 DETAILS OF PACKING MATERIALS CONSUMED</b>				
Imported	---	---	---	---
IndigeNous	11,50,87,187	100	12,21,22,119	100
<b>31 DETAILS OF STORES &amp; SPARES CONSUMED</b>				
Imported	---	---	---	---
IndigeNous	22,56,406	100	2,02,88,113	100
<b>32 i) Expenditure in foreign currency</b>				
Foreign Travels	18,21,367	---	22,96,338	---
Other Expenses	---	---	9,56,138	---
<b>ii) Value of Imports (On CIF basis)</b>				
Capital Goods	---	---	---	---
Purchase of Raw Materials & Finished Goods	4,69,38,13,755	---	3,66,48,01,989	---
Merchandise Trade	14,27,66,731	---	15,24,99,737	---
<b>33 Earnings in Foreign Currency</b>				
Export of Goods on FOB basis	78,80,87,005	---	6,68,84,730	---
Merchandise trade on FOB basis	14,58,67,647	---	19,87,46,745	---

Previous year's figures have been re-grouped/rearranged or recast wherever necessary.  
Additional information required in Terms of part-IV of Schedule VI to the Companies Act, 1956 is attached herewith.

As per our report of even date attached  
**For ASHOK KHASGIWALA & CO.**  
Chartered Accountants

For and on behalf of the Board of Directors

**AVINASH BAXI**  
Partner  
Membership No. 79722

**CS SHAILESH KUMATH**  
Company Secretary

**SURESH CHANDRA SHAHRA**  
Managing Director

Place : Indore  
Dated : 3rd September, 2010

**MANISH SHAHRA**  
Jt. Managing Director

**ADDITIONAL INFORMATION UNDER PART IV OF THE SCHEDULE VI TO THE COMPANIES ACT, 1956  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSIENSS PROFILE**
**I. Registration Details**

Registration No.	L24118 MH1976 PTC136836 State Code	11
Balance Sheet Date	31.03.2010	

**II. Capital Raised during the year**

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

**III. Position of Mobilization and Deployment of Funds (Rupees)**

<b>TOTAL LIABILITIES</b>		<b>TOTAL ASSETS</b>	
<b>Sources of Funds</b>			
Paid-up Capital	Rs. 27,75,34,860	Reserves & Surplus	Rs. 1,77,98,33,421
Secured Loans	Rs. 1,62,59,45,596	Unsecured Loans	Rs. 1,95,33,55,770
Deferred Tax Liability	Rs. 7,91,33,471		
<b>Application of Funds</b>			
Net Fixed Assets	Rs. 1,19,23,47,033	Investments	Rs. 16,58,83,349
Net Current Assets	Rs. 4,35,75,72,736	Misc. Expenditure	---
Accumulated Losses	---		

**IV. Performance of Company**

TurNover & Other Income	Rs.12,23,27,58,630	Total Expenditure	Rs. 12,08,07,23,214
Profit Before Tax	Rs. 15,20,35,416	Profit After Tax	Rs. 11,06,05,684
Earning Per Share	3.99	Dividend Rate %	6

**V. Generic Names of Principal Products/ Services of Company (As per monetary Terms)**

Item Code No. (ITC Code)	:	401
Product Description	:	Milk
Item Code No. (ITC Code)	:	4059020
Product Description	:	Ghee
Item Code No. (ITC Code)	:	4021010/04022910
Product Description	:	Milk Powder