

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

REGD OFFICE : 185, Chennimalai Road, Erode - 638 001

BOARD OF DIRECTORS	:	Shri. SKM. MAEILANANDHAN
	:	Shri. SKM SHREE SHIVKUMAR
	:	Smt. S. KUMUTAAVALLI
		Dr.L.M.RAMAKRISHNAN
		Shri.C.DEVARAJAN
	:	Shri.S.M.VENKATACHALAPATHY
	:	Shri.M.CHINNAYAN
	:	Shri.P.KUMARASAMY
	:	Shri.B.RAMAKRISHNAN (TIDCO Nominee)
EXECUTIVE CHAIRMAN	:	Shri.SKM MAEILANANDHAN
MANAGING DIRECTOR	:	Shri.SKM SHREE SHIVKUMAR
STATUTORY AUDITORS	:	N.C.RAJAGOPAL & CO., Chartered Accountants, 199, Agraharam Street, ERODE – 638 001.
BANKERS	:	STATE BANK OF INDIA, Commercial Branch, 78/79, Park Road, ERODE - 638 003.
REGISTERED OFFICE	:	185, Chennimalai Road, Erode - 638 001. ERODE DISTRICT.
FACTORY	:	Erode to Karur Main Road, Cholangalayam, Punjai Kilambadi Village, ERODE DISTRICT - 638 154.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

REGD OFFICE : 185, Chennimalai Road, Erode - 638 001

NOTICE TO MEMBERS

Notice is hereby given that the Eighteenth **Annual General Meeting** of the Members of the Company will be held on Monday the 30th September, 2013 at 4.00 p.m at NSA Mahal, Club Melaange, 314,315, Perundurai Road, Erode – 638 011 to transact the following business:

AGENDA

ORDINARY BUSINESS:

1. To receive, consider and adopt :
 - a. The audited Profit and Loss Account for the year ended 31st March 2013.
 - b. The audited Balance Sheet as at 31st March 2013.
 - c. The Directors' and Auditors' Report thereon.
2. To appoint a Director in the place of Shri.P.Kumarasamy who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Shri.S.M.Venkatachalapathy who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Shri.M.Chinnayan who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring Auditors M/s.N.C.Rajagopal & Co., Chartered Accountants, Erode are eligible for re-appointment and confirmed their willingness to accept the office, if re-appointed.

Place : Erode

Date : 09.08.2013

By Order of the Board

SKM SHREE SHIVKUMAR
MANAGING DIRECTOR

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

Notes :

1. A Member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on his/ her behalf. A proxy need not be a member of the Company. The instrument appointing the proxy duly completed shall be deposited at the Registered Office at 185 – Chennimalai Road, Erode – 638 001 not later than 48 hours before the scheduled time of the meeting.
2. The Register of Members, Share Transfer Books will remain closed from **24.09.2013 to 30.09.2013** (both days inclusive).
3. Consequent upon introduction of Sec 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them. Shareholders desirous of making nominations are requested to send their request in FORM 2B to the Registrar and Transfer Agents, M/s.S.K.D.C. Consultant Ltd., Ganapathy towers, IIIrd floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641 006.
4. Members holding shares in DEMAT form are requested to incorporate Client ID Number and DP ID Number in the attendance slip/proxy form for easy identification.
5. All documents referred to in the accompanying Notice and Explanatory Statement are available for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 2.00 p.m up to the date of the Annual General Meeting.
6. Pursuant to the provisions of Section 205A read with Section 205C of the Companies Act, 1956, as amended, any dividend which remains unpaid /unclaimed for a period 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Shareholders who have not encashed dividend warrant(s) so far for the financial year ended 31st March 2005, 31st March 2006, 31st March 2007, and 31st March, 2008, 31st March, 2009 are requested to approach the company for obtaining payments thereof.
7. Members are requested to notify any change in their address, mandate etc to:
 - i. The Company's Registrar and Transfer Agents, M/s.S.K.D.C. Consultants Ltd., Ganapathy towers, IIIrd floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641 006 , in respect of shares held in physical form.
 - ii. Their depository Participants (DPs) in respect of shares held in dematerialized form.
8. Brief particulars of Directors proposed for re-appointment of Directors are given in Report on Corporate Governance.

Place : Erode Date : 09.08.2013	By order of the Board
	SKM Shree Shivkumar Managing Director

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

SHAREHOLDERS' INFORMATION

Date and Venue of Annual General Meeting

On Monday the 30th September, 2013 at 4.00 p.m.

Tentative Financial Calender :

Fourth quarter and unaudited results 2012-2013	:	15.05.2013
First quarter results for 2013-14	:	09.08.2013
Audited Results for 2012-13	:	09.08.2013.
18 th Annual General Meeting	:	30.09.2013
Second quarter results for 2013-14	:	On or before 30.11.2013
Third quarter results for 2013-14	:	On or before 28.02.2014
Date of book closure	:	24.09.2013 to 30.09.2013

Listing on Company's Equity Shares

National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor
Bandra – Kurla Complex
Bandra (E)
Mumbai – 400 051.

In the 11th Annual General Meeting of the company, special resolution was passed for delisting the shares of the company from Madras and Coimbatore Stock Exchanges. The company informed the decision of the shareholders to the above two stock exchanges and the stock exchanges are yet to inform the company about their formalities for delisting.

In the 17th Annual General Meeting of the company, special resolution was passed for delisting the shares of the company from The Stock Exchange, Mumbai. The company informed the decision of the shareholders to the stock exchange and the stock exchange is yet to inform the company about the formalities for delisting.

Annual listing fees has been paid to National Stock Exchange for the financial year ending on 31st March 2014. It may please be noted that as it has been decided to delist the securities of the company from other stock exchanges namely Coimbatore Stock Exchange, Madras Stock Exchange and Bombay Stock exchange limited, Mumbai, payment of such listing does not arise.'

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

Share Price Movements

The high and low prices of the Company's share on the Bombay Stock Exchange Limited and the National Stock Exchange of India Ltd., between **April, 2012 and March, 2013** are as under:

Bombay Stock Exchange Limited				National Stock Exchange Limited			
Month	High	Low	Quantity	Month	High	Low	Quantity
Apr-12	7.65	6.25	58371	Apr-12	7.45	5.75	95874
May-12	6.51	6.05	13641	May-12	6.75	5.75	113612
Jun-12	NIL	NIL	NIL	Jun-12	6.45	5.8	88499
Jul-12	NIL	NIL	NIL	Jul-12	7.15	5.3	99255
Aug-12	NIL	NIL	NIL	Aug-12	6.4	5.3	91310
Sep-12	NIL	NIL	NIL	Sep-12	7.45	5.65	93970
Oct-12	NIL	NIL	NIL	Oct-12	7.85	6.1	88807
Nov-12	NIL	NIL	NIL	Nov-12	7.5	5.65	135585
Dec-12	NIL	NIL	NIL	Dec-12	7.5	6.3	137705
Jan-13	NIL	NIL	NIL	Jan-13	7.5	6.1	107045
Feb-13	NIL	NIL	NIL	Feb-13	6.7	5.35	113124
Mar-13	NIL	NIL	NIL	Mar-13	6.15	5.15	64642

Stock Code :

National Stock Exchange of India Ltd. (NSE)	SKMEGGPROD
NSDL & CSDL	INE 411 D 1015

Share Transfer System:

The Board delegated its authority to transfer shares to Committee of Directors called as Share Transfer Committee. The details of share transferred are being placed before the Board of Directors and duly ratified. The Committee oversees transfers, transmissions, dematerialization, and rematerialisation of shares and issue of duplicate share certificates.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

Distribution of shareholding as on :

No. of Equity Shares held	31.03.2013				31.03.2012			
	No. of Share holders	%	No. of Shares held	% of Share holding	No. of Share Holders	%	No. of Shares held	% of Share holding
1 - 500	7,125	66.78	2,132,181	8.10	7,404	66.58	2,199,095	8.35
501 - 1000	1,714	16.06	1,473,557	5.60	1,817	16.34	1,563,466	5.94
1001 - 2000	587	5.50	911,873	3.46	620	5.58	960,078	3.65
2001 - 3000	734	6.88	1,832,696	6.96	745	6.70	1,858,842	7.06
3001 - 4000	82	0.77	291,524	1.11	89	0.80	318,222	1.21
4001 - 5000	166	1.56	805,485	3.06	176	1.58	852,434	3.24
5001 - 10000	146	1.36	1,110,647	4.21	153	1.38	1,175,140	4.46
10001 and above	116	1.09	17,772,037	67.50	117	1.05	17,402,723	66.09
Total	10,670	100.00	26,330,000	100.00	11,121	100.00	26,330,000	100.00

Registrar and Transfer Agent

M/s.S.K.D.C.Consultants Limited, Ganapathy towers, IIIrd floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641 006, Phone: 0422-6549995, 2539835 2539836, Fax:0422-2539837 is the Share Transfer Agent for Physical and Electronic transfer of Company's Shares.

Categories of shareholding as on 31.03.2013 :

Category	No. of Share Holders	% of Share Holding	No. of Shares Held	% of Share Holding
Promoters	6	0.07	13,785,675	52.36
Bodies Corporate	160	1.50	610,467	2.32
Resident Individuals	10,289	96.43	10,265,826	38.99
NRI's	37	0.35	227,618	0.86
OCB's	1	0.01	1,092,100	4.15
Trusts	1	0.01	28,784	0.11
Directors & Relatives	8	0.07	42,510	0.16
Clearing Members	41	0.38	53,176	0.20
HUF's	125	1.18	223,844	0.85
Total	10,668	100.00	26,330,000	100.00

Compliance Officer:

SKM. Shree Shivkumar,
Managing Director,
M/s.SKM Egg Products Export (India) Limited,
185, Chennimalai Road, Erode – 638 001.

By order of the Board

Place : Erode
Date : 09.08.2013

SKM Shree Shivkumar
Managing Director

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Dematerialisation of shares:

As per SEBI's instruction the Company's Equity Shares can be sold through Stock Exchanges only in Dematerialised form.

Extent of Dematerialisation as on 31.03.2013

Name of the Depository	No.of Shares	%
National Securities Depository Ltd	1,51,65,840	57.60
Central Depository Services (India) Ltd	60,36,498	22.93
Physical	51,27,662	19.47
Total	2,63,30,000	100.00

Plant location:

Cholangapalayam
Erode – Karur Main Road
Pasur Post
Erode District
Pin: 638 154

Registered Office and Address for Correspondence:

185, Chennimalai Road,
Erode - 638 001.
Phone : (0424) 2262963
Fax: (0424) 2258419
e-mail : finance@skmegg.com

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

DIRECTORS' REPORT AND MANAGEMENT ANALYSIS

Your directors are pleased to present the **18th ANNUAL REPORT** with audited accounts for the year ended **31st, March 2013**. The summarized financial results of the Company are given hereunder.

FINANCIAL HIGHLIGHTS

Rs. in lacs

DESCRIPTION	2012-2013	2011-2012
Total Income	20,038.49	12,434.13
Profit Before Interest, Depreciation and Tax	3,157.51	338.77
Less : Financial Cost	1,175.97	1,152.77
Depreciation & Amortization	1,845.00	900.73
Profit Before Tax	136.54	(1,714.73)
Less: Provision for Tax		
-Current	0.00	0.00
-MAT Credit entitlement	0.00	(13.31)
-Deferred Tax	33.09	(539.81)
Profit After Tax and available for appropriation	103.45	(1,161.61)
APPROPRIATIONS		
Proposed dividend	-	-
Dividend Distribution Tax	-	-
Surplus carried to Balance Sheet	103.45	-

DIVIDEND:

Your directors have not recommended any dividend for the financial year in view of the meager profit of Rs.103.45 lacs for the year ended 31st March 2013.

CORPORATE GOVERNANCE

- A detailed report on corporate governance together with a certificate from the Statutory Auditors, in compliance with Clause 49 of the Listing Agreement, is attached as part of this report.
- Compliance reports in respect of all laws applicable to the Company have been reviewed by the Board of Directors.

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Management discussion and analysis review of performance:

- 1) The Company recorded revenue of Rs.20,038.49 lacs (including other income of Rs.700.37 lacs) for the year ended 31st March,2013 as against Rs.12434.13 lacs (including other income of (Rs.218.40 lacs)) in the previous year ended 31st March,2012.
- 2) The Profit before tax was at Rs.136.54 lacs for the year ended 31st March,2013 as compared to (Rs.1,714.73 lacs) during the corresponding period in the last year.
- 3) The Net Profit was at Rs.103.45 lacs as on 31.03.2013 as against (Rs.1,161.61 lacs) in the Previous financial year.
- 4) The quantity sold during the year 2012-13 stood at 6215.269 MTs, when compared to 4218.625 MT during the previous year ended 31st March, 2012

Key factors which affect the performance of the company :

- a. Adverse movement in Egg Powder rates.
- b. Volatility in prices of raw materials like egg etc.

Capital expenditure and funding:

- i. The Capital Expenditure incurred and funded for the year is Rs.57.80 lacs of which Rs.17.95 lacs pertain to plant and machinery.
- ii. During the year under review, your company has sold /deleted /adjusted assets worth Rs.11.78 lacs.

OUTLOOK OF THE INDUSTRY :

- The revenue from operation for the current year would be more than the last financial year 2012-13.
- Performance of the previous year was reported to be good and it is a high record of achieving the turnover of Rs.193.38 crores, predominantly in view of the fact that higher selling price and addition of egg yolk liquid resulting in more separation of Egg albumen powder. Most importantly, increased volume of business in the local market too with the introduction of pasteurized whole egg liquid.
- The industry being Egg processing, which is predominantly raw material intensive sector and hence fluctuation in egg price widely influence cash position and operating margin of this sector.
- The unprecedented increase after the "prices of eggs" nearly most part of the financial year had a substantial adverse for effect on the bottom line of the company for the current year.
- Egg processing industries in India do not have any domestic market for processed eggs and therefore the performance of the company is having a direct correlation to the performance of the global economy. Dollar/Euro Vs Indian rupee is comparatively better than the past and has given the company some marginal increase in price realization.
- Overall for the financial year ended 31st March 2013, the company has evolved strategies in such a way to increase the selling price levels and volume with the existing buyers. Egg albumen price has increased by US

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\$ 2.0/kg is a good sign. Developed new products with additives in the egg liquid enhancing the shelf life , thereby we can export these egg liquids to other Asian countries. We have captured long term contract with two countries for the enhanced shelf life product of egg liquid with additives. Also, in the process of developing new products using egg powders. Ready to use egg blends [bakery mix] for both the export and domestic market for bakery applications. Egg blends like Scrambled eggs and Omelette mix planned for the noon meal scheme in the State Government.

Other related reasons for the performance of the company and industry:

- It is focused that demand for the egg powder in the export market expected to improve substantially in the ensuing years.
- The major growth stimulant is the recovery of global demand for end product.
- A major challenge to be faced by the players in the poultry sector during the current year is high input costs including cost of raw material.
- The most important strategic focus of the company during the current year would be penetrating the Russian market .
- Regular and periodical interaction with the officials of the Government department of both Russia and India to complete the veterinary certification and approval process for export to Russia.
- The sector in which the company is now focusing has being encountering setbacks due to export dependence, with the advent of the global economic crisis.
- At this backdrop, it is believed to tap other export markets to be the most important or an important strategic focus during the current year 2013-2014.
- The company is looking at numerous strategies to improve its performance.
- Indian government subsidy helps us a lot to export more sales volume.
- Egg albumen powder is now eligible for additional subsidy and subsidy entitlement for egg liquid is an encouraging symptom.
- A major shift in the export market segment might be required to improve price realization and a marked improvement in operational efficiencies.

FUTURE PROSPECTS

1. Product quality, cost and timely delivery are the key factors in the growth of this industry. Factors like increased public spending, favorable interest rates and general improvement in per capital income point towards higher demand for processing industry in the future.
2. Reckoning with the customers' awareness and constantly striving to improve the quality parameters on the one hand and pricing the products in the supply side on the other , the future prospects of the company is ensured.
3. Though operating in a competitive environment, the uniqueness of the model ensures a comfortable level of net margin availability to your organization.

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SALES AND MARKETING:

The efficiency of the marketing and sales network is a critical success factor for our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period.

The success of our organization lies with the rapport we maintain with our customers to whom we are supplying for the past 15 years. Long term contract and repeat orders given by company's customers shows our strength by delivering the quality product, and the services the company caters to them. Marketing team regularly participate in food exhibitions and also visit the customers place at various countries to interact & to find the needs and requirements based on their end application. Success factor of this can be attributed to the newly developed egg based blended product for a particular application in a particular market sector. Recent boon to our growth came due to the fact of a niche market which the management of the company tapped based on the efforts put in by developing an extended shelf life product on egg liquid .

SUBSIDIARY COMPANY:

The subsidiary helps the company in a big way in identifying new customers in Europe and improved the confidence level of customers through timely and qualitative services. The subsidiary is also taking initiatives to explore into markets which are untapped by the company till now.

LIQUIDATION OF FEED MILL DIVISION:

The feed mill division was started on 04.06.2009 at Ayyempalayam village at Aravakkurichi Taluk and the capacity of the plant was 200 MT/day as a back ward integration to have continuous flow of feeds to the chicks of the poultry farm of the company and to reduce cost of purchase of feeds.

Purpose of the setting up Feed Mill Division:

1. Feed cost constitutes a major component in the cost of producing eggs and the benefits out of the poultry farm can be improved.
2. The cost of feed ingredients fluctuate widely and the company is not able to take advantage of the price movements of feed ingredients which can be achieved by implementing efficient purchasing system and the company make considerable savings in the feed ingredients and processing cost.
3. The purpose of extending tracking system from present system upto feed ingredients state had been carried out so far.
4. Originally the feed mill was constructed based on 12 lacs birds. But, due to escalation in project cost by 35%, we had implemented poultry farm for 6 lacs birds only. Whereas our feed mill capacity was 200 MT/day to cater to the needs of 12 lacs birds. Capacity utilized details for the past years are given below:

Year	% of capacity utilized
2009-2010	34.76%
2010-2011	37.12%
2011-2012	50.27%
2012-2013	36.71%

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To reduce the huge interest burden of the company, it is necessary to reduce the huge term loan outstanding of the company. Since the poultry farm undertaking is continuously earning losses for the past 3 years, the Board of Directors has decided to dispose of poultry farm undertaking and feed mill undertaking in order to generate cash profit in the coming years by way of reduction of cost of finance on term loan availed from SBI, Erode.

Postal Ballot Compliance :

- i. For sale of the poultry farm and feed mill division, the shareholders of the company have given their approval through postal ballot of Section 293 (1) (a) of Companies Act, 1956.
- ii. The Executive Chairman of the company had announced Postal ballot result based on the report of Scrutinizer Mr.V.Raviganesh, M Com., B Ed., FCS, FCMA, Practicing Company Secretary on 29th June 2013 and that 99.31% voted in favour of the resolution to sell the Feed Mill and Poultry Farm Divisions.
- iii. Based on the approval of the shareholders and the recommendation of Assets Sale Committee, the Board of Directors finally decided to sell the feed mill division to M/s. Hatsun Agro Products Ltd. having its Registered Office at Domain, Door No.1/20A, Rajiv Gandhi Salai (OMR), Karapakkam, Chennai – 600 097 who have given highest bid of Rs.8 Crores (Rupees Eight Crores Only) exclusive of all tax , duty, charges and that the assets are to be sold “ **As is where is condition**”.

In view of the closure of term loan availed from State Bank of India, Commercial Branch, Erode for setting of Feed Mill division, charge Id # 90003142 has been modified accordingly by uploading requisite e form in MCA Portal pursuant to Section 135 of the Act . The overall credit limit of the charge holder stood at Rs.108.89 crs as on date of the report 09.08.2013.

HUMAN RESOURCES:

Your Company believes that its greatest assets are its people and training is an investment in long term people development, for organizational excellence. During the year under review, your Company has taken several new initiatives to ensure that the knowledge and wisdom gained over decades is handed down to the next generation of employees. A well balanced mix of domain knowledge and behavioral training was taken up towards talent transformation. These initiatives have paid good dividends in the form of a strong group of in-house facilitators of domain knowledge and an inspired team of employees geared up to serve the needs of your company's valued customer.

INTERNAL CONTROL SYSTEMS AND INTERNAL AUDIT:

The company maintains adequate internal control systems and the internal audit are handled by the qualified Internal Auditor of the company.

DIRECTORS:

The directors, Shri.P.Kumarasamy, Shri.S.M.Venkatachalapathy and Shri.M.Chinnayan retiring by rotation in the forthcoming Annual General Meeting. The retiring directors, being eligible, offer themselves for re-appointment in terms of Article Nos 87 and 96 of the Articles of Association of the company. Necessary resolutions are being moved to seek your approval at the ensuing Annual General Meeting of the company.

At the ensuing Annual General Meeting, Shri.P.Kumarasamy and Shri.S.M.Venkatachalapathy and Shri.M.Chinnayan, Directors of the company, retiring by rotation and being eligible to seeks re-appointment. Your Board recommends their Directors re-appointment.

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FIXED DEPOSITS:

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

CEO / CFO CERTIFICATION:

In compliance with the requirements of Clause 49 of the listing agreement entered into with the Stock Exchanges, the Managing Director has submitted to the Board a certificate relating to financial statements and other matters as envisaged in the said clause.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed:

- i) That in the preparation of the accounts for the financial year ended March 31, 2013, the applicable accounting standards have generally been followed except for small deviations as explained in the Notes on accounts.
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 of the Company for the year under review;
- iii) That the Directors have taken proper and sufficient care for the 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.
- iv) That the Directors have prepared the accounts for the financial year ended March 31, 2013 on a going concern' basis.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the listing agreement a report on corporate governance is given in the section titled "Report on Corporate Governance" forming part of this Annual Report.

The certificate from the Auditors of the Company regarding compliance of the conditions of corporate governance as stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges is attached to this report.

AUDITORS:

M/s.N.C.Rajagopal & Co., the present statutory auditors retire at the ensuing Annual General Meeting and are eligible for re-appointment u/s 224(1B) of the Companies Act, 1956. The Company proposes to re-appoint M/s.N.C.Rajagopal & Co., Chartered Accountants as Statutory Auditors of the company from the conclusion of the ensuing Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company. In respect of the observations made by the Auditors in their report, your Directors wish to state that the respective notes to the accounts read with relevant Accounting policies are self explanatory and therefore do not call for any further comments.

Cost audit :

M/s.S.Mahadevan & Co., Cost Auditors, have been appointed for conducting audit of the cost Accounting records for egg products for the financial year ended 31st March, 2013. The Cost Audit report relating to the above product will be filed within the stipulated period of 180 days from the close of the financial year.

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The Company has received a letter from them, stating that the appointment, if made, will be within the limit prescribed under Section 224(1B) of the Companies Act, 1956

SECRETARIAL AUDIT

A qualified Practicing Company Secretary carries out a secretarial audit on a yearly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services 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 form and the total number of dematerialised shares held with NSDL and CDSL.

SHAREHOLDER INITIATIVES

Your company adheres strictly to all the statutory and other legal compliances. Your Company has been one of the first to implement any initiatives for shareholder benefit directed from SEBI. On occurrence of any event, which has a bearing on the share price or otherwise, your company intimates the stock exchanges, within the stipulated period. Your company has in place regulations for preventing and regulating insider trading and has adhered to a code of conduct and business ethics by which the shareholder is treated at par with an employee on availability of information about the company.

Your company has been prompt and regular in its replies to your queries. Your company also replies within the stipulated time to all legal and statutory authorities. The total numbers of shares dematted as on 31st March 2013 are shares which represent of the shares of the Company.

DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Company strives to maintain healthy and harmonious relationships with all its employees. Efforts better ideas for a better plan are ongoing to build and renew the relationship with the workforce.

CONSERVATION OF ENERGY

The company continuously to puts its effort to adopt various energy saving measures for conservation of energy even though it is not a power intensive industry.

- 1) Started using wind energy to a tune of 50% by way of purchase.
- 2) Started changing over to CFL Lighting system.
- 3) Started introducing variable speed drive in different areas to save power.

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STATUTORY INFORMATION

Particulars of employee's remuneration u/s 217 (2A) of the Companies Act.1956.

NAME	AGE	DESIGNATION	GROSS REMUNE- RATION (Rs)	EXPERI- ENCE IN YEARS	DATE OF EMPLOY- MENT	PREVIOUS EMPLOYMENT
Shri.SKM. Maeilanandhan	69	Executive Chairman	30,39,988	30 years	26.06.96	Chairman & Managing Director in SKM Animal Feeds and Foods (India) Limited
Shri.SKM Shree Shivkumar	44	Managing Director	30,47,381	20 years	26.06.96	Executive Director in SKM Animal Feeds and Foods (India) Limited

CORPORATE SOCIAL RESPONSIBILITIES

The Company always places greater importance to manage its affairs with highest levels of transparency, accountability and integrity and maintain the high standards of corporate governance on sustained basis.

Your company is committed to the welfare of not only poor citizens but also to the society at large. The company has been regularly organizing various continuous social programmes, camps which provides, not only good care, but also promote awareness to the general public. During the year, the company conducted such social responsibility camps.

CONSOLIDATED FINANCIAL STATEMENTS

As required under Clause 32 of the listing agreement with the Stock Exchanges and in accordance with the requirements of Accounting Standard AS 21 issued by the Institute of Chartered Accountants of India, the Consolidated Financial Statements presented by your company includes the financial information of its subsidiary also.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the health care sector'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.

ACKNOWLEDGEMENT

The Directors wish to convey their appreciation to the Company's employees for the massive personal efforts as well as their collective contribution to the Company's record performance. The Directors would also like to thank the Customers, Shareholders, Bankers, and Suppliers for their continuous support given to the company and their confidence in the management.

Place : Erode

Date : 09.08.2013

By order of the Board

SKM Shree Shivkumar
Managing Director

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

ANNEXURE TO THE DIRECTOR'S REPORT

Information under Section 217(1) (e) of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

FORM - A

PARTICULARS	2012-2013	2011-2012
(I) POWER AND FUEL CONSUMPTION		
(1) Electricity		
a. Purchased units (Kwh)	3,818,560.00	4,514,800.00
Total Amount (Rs.)	26,601,089.00	23,863,944.00
Rate / Unit (Rs.)	6.97	5.29
b. Own Generation through Diesel Generator		
Units (Kwh)	2,877,452.00	1,557,995.00
Total Amount	37,441,953.56	16,736,613.05
Units per litre of Diesel Oil	3.14	3.26
Cost/Unit (Rs.)	13.01	10.74
(2) Furnace Oil		
Quantity (Litres)	45,076.00	90,661.00
Total Cost (Rs.)	1,982,320.97	3,340,496.06
Average Rate (Rs.)	43.98	36.85
(3) Fire Wood		
Quantity (Metric Tones)	11,182.30	9,299.60
Total Cost (Rs.)	34,622,765.91	29,824,496.53
Average Rate (Rs.)	3,096.21	3,207.07
(II) CONSUMPTION PER UNIT OF PRODUCTION		
Product - Egg Powder (Metric Tonnes)	5,027.76	4,194.06
Electricity (Rs. Per Metric Tonnes)	12,738	9,680
Fuels (Rs. Per Metric Tonne)	7,281	7,908
FOREIGN EXCHANGE EARNINGS AND OUTGO : (Rs. In lacs)		
Earnings :	17,311.57	11,066.62
Outgo :	287.23	224.34

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

CONSERVATION OF ENERGY :

Various energy saving measures are under consideration and the same would be implemented in the ensuing years. During this year under review the company has adopted energy saving techniques for improving power factors. The outcomes of the initiatives taken by the company is the improvement in power.

TECHNOLOGY ABSORPTION :

The company is using the technology acquired from BELOVO, Belgium. Over the years the company's personnel have acquired thorough knowledge and make required modification for producing various kind of new products to meet the market demands.

RESEARCH AND DEVELOPMENT :

Research and Development wing of the company developing an alternate enzyme for manufacturing Egg yolk powder - Heat stable yolk which involves process re-engineering and arriving new process parameters.

Also, in the process of changing the feed formulation to arrive the customers requirement of egg powders with a modified free fatty acid profile . The company is doing trials in its poultry farm to produce different quality of eggs by making changes in feed formulation to meet the above requirements.

Place : Erode

Date : 09.08.2013

By order of the Board

SKM Shree Shivkumar
Managing Director

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

CAUTIONARY STATEMENT

Management Discussion and Analysis forming part of this Report is in compliance with Corporate Governance Standards incorporated in the listing agreement with Stock Exchanges and such statements may be “forward-looking” within the meaning of applicable securities laws and regulations. Actual results could differ & laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

COMPANY PROFILE

India is one of the leading players in egg production and the cost of producing egg in India is also cheap. India ranks fifth in the world. India is exporting egg powder, frozen egg yolk and albumen powder to Europe, Japan and other countries. Table eggs are mostly exported to middle east. The company uses predominantly local inputs and exporting its final products, changes in economies both locally and at international level affect the growth and performance of the company. The abnormal increase in the cost of ingredients used in the manufacture of poultry feeds put a tremendous pressure on the cost of producing eggs which will in turn have a direct bearing on the profitability of the company.

INDUSTRY PERFORMANCE

As only few companies in India are engaged in processed eggs business, data relating to performance of this industry are not available. The company operated its plant and produced 5027.760 MTs of egg powder & 1169.890 MTs of liquid eggs as against the installed capacity of the plant 6300 Mts. During the current financial year the situation of INR v US dollar took a reverse trend and it is expected that the company’s operating margin would be improved to a significant level.

BUSINESS OUTLOOK

Pronouncements by several leading economists and Central Bankers across the world would suggest that the worst is over for the global economy, There are early, if feeble, signs of recovery in the US economy, which as a significant bearing on the other major economies including India. Even though headline inflation has been brought under control, the projected increase in government borrowing is likely to have an adverse impact on market liquidity and consequently, on interest rate. Your company, as in the past, will continue to pursue its objective of growth with quality; Your Company also continues to focus on new opportunities to improve profitability.

The year under review faced with the problem of unprecedented increase in egg prices. In this current financial year also the trend of increase in raw material price continued as there is a spurt in feed ingredients cost.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

As the increase in feed ingredients cost experienced through out the world there is a corresponding upward movement in the final product price which neutralized the threat posed due to raw material price movements. The outlook of this industry appears to be bright by considering the present trend in movements in the end product price and raw material cost.

STRENGTH OF THE COMPANY

The entire production process of the company is well documented which helps the company to track causes for product complaints up to raw material sources level. The company also made significant investment in process related and residue labs to be at par with international standards and now the company is resourced with facilities to make sample analysis in its lab and thereby obviating the need to get the sample analysis done in outside laboratories. The company's marketing subsidiary at Netherlands helps the company in servicing its customers and also provides required vital inputs for price negotiation and finalization of new contracts. The company's supply chain management is so effective which made the company to register itself as one of the preferred suppliers of renowned customers.

FUTURE PROSPECTS

The steadily increasing oil price remained the overriding concern of the company. In order to overcome this, the company is taking initiatives to shift to some other cheap fuels.

The future recovery in international prices will happen in tandem with the economic recovery in the US and the EU. The economic recovery will lead to higher demand for eggs pushing the price of eggs in these markets. Consequently the egg product prices will go up. On the other hand the egg producers are losing money which will affect the production capability, resulting in lower supply which will also lead to increase in egg prices. But the most important factor will be the economic recovery. Based on the past experience the industry will correct itself in the supply side in 6 months period to have better realization. Considering the economic situation, we expect normal price situation in one year.

OPPORTUNITIES

Indian economy has been, more or less, able to withstand tremors of global financial melt down. The Company has plans to penetrate into new markets which are untapped. Vast market for processed egg products is in existence in Russia and the company is taking efforts to enter in to such markets. The company is in the process of taking strategic action for tapping Russian markets.

The company's consistent quality in products and services was very much appreciated by our customers and we achieved good capacity utilization. We realized that we could get a better price from the customers directly. Our own subsidiary company, SKM Europe in the Netherlands to cater to the EU Market. As such, an exclusive distributor SKM Japan to cater to our Japanese customers. The rest of the market was serviced through several distributors and agents. With the efforts of our partners in Europe and Japan the company was able to realize better prices and service the customers more precisely.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

THREATS

The company recognizes that threats are inevitable in business and believe in identifying and reviving risks. Un-intercepted supply of raw materials at a competitive price is one of the threats that will pose risk on the profitability of the company. As the raw material cost is having direct correlation with feed cost, which predominantly uses agricultural commodities, climatic changes will affect the availability of feed ingredients. Supply of raw material will be affected during the period of monsoon failure and the company by making investment in its own farm resulted in de-risking the threat to a greater extent. It is forcing companies to plant operations effectively and produce quality products at lower costs.

EXCHANGE RISK

The change in exchange rate plays a major role in determining the realization in Rupee. The cross currency between Dollar and Euro also has an impact on the competitiveness of US offers in Europe and the exchange rate between Euro and Dollar to the Japanese Yen also plays an important role in deciding the competitiveness.

The impact of risks will be reduced through continuous monitoring, timely action and control measures by the company.

RISK MANAGEMENT

Risk is an integral part of the business process. To enhance the risk management process, the company has mapped the risks. A system has been formulated based on Balanced Score Card with various appropriate measures and accountabilities to identify, assess, priorities and mitigate the risks. Reports generated from the system are monitored regularly to ensure that appropriate corrective actions are taken.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The company has proper and adequate systems of internal control to ensure protection of assets, proper financial & operating functions and compliance with the policies, procedures, applicable Acts and Rules. The company's internal controls are supplemented by sound internal audit practices. The Audit Committee at their meetings regularly reviews the financial, operating, internal audit & compliance reports to improve performance. The various monitoring / operating heads are present for the Audit Committee meetings to answer queries raised by the Audit Committee.

INDUSTRIAL RELATION:

The relationship between the management and employees continued to be cordial. The company is in the process of developing system for identification of contribution made by individual employees for rewarding them commensurate with their performance.

Place : Erode

Date : 09.08.2013

By order of the Board

SKM Shree Shivkumar
Managing Director

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

REPORT ON CORPORATE GOVERNANCE

1. COMPANIES PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company is committed to high standard of Corporate Governance in all its activities and processes. Through its Corporate Governance measures, the company aims to maintain transparency in its financial reporting and keep all its shareholders informed about its policies performance and developments. The key elements of Corporate Governance viz transparency, internal controls, risk management and communications are being scrupulously followed and being practiced.

The company formed various committees to oversee the functions of the management. The committees meet regularly and transact the business assigned to it.

2. BOARD OF DIRECTORS

The details of composition of the Board, attendance of each Director at the Board meeting held during the year under review as well as last Annual General Meeting and the number of other Directorship / Committee Membership held by them are as follows.

S.No.	Board of Directors	Chairman/ Director	Promoter/ Independent/ Nominee Director	No. of other Companies in which he is a Director	Committee in which he is a member / Chairman
1.	Shri.SKM Maeilanandhan	Executive Chairman	Promoter	3	Nil
2.	Shri.SKM Shree Shivkumar	Managing Director	Promoter	2	Nil
3.	Smt.S.Kumutaavalli	Director	Promoter	2	Nil
4.	Dr.L.M.Ramakrishnan	Director	Independent	3	Nil
5.	Shri.C.Devarajan	Director	Independent	3	Nil
6.	Shri.M.Chinnayan	Director	Independent	Nil	Nil
7.	Shri.P.Kumarasamy	Director	Independent	Nil	Nil
8.	Shri.S.M.Venkatachalapathy	Director	Promoter	Nil	Nil
9.	Shri.B.Ramakrishnan	Director	TIDCO-Nominee	9	5

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

BOARD MEETINGS AND ANNUAL GENERAL MEETING - DIRECTORS' ATTENDANCE

S.No.	Name of Directors	Board Meeting		Last Annual General Meeting	
		Held	Attended	Attended	Not Attended
1	Shri.SKM.Maeilanandhan	4	4	Yes	—
2	Shri.SKM.Shree Shivkumar	4	4	Yes	—
3	Smt.S.Kumutaavalli	4	4	Yes	—
4	Dr.L.M.Ramakrishnan	4	4	—	Yes
5	Shri.C.Devarajan	4	2	Yes	—
6	Shri.M.Chinnayan	4	3	Yes	—
7	Shri.P.Kumarasamy	4	4	Yes	—
8	Shri.S.M.Venkatachalapathy	4	4	Yes	—
9	Shri.B.Ramakrishnan	4	3	Yes	—

DIRECTOR RETIRING BY ROTATION BEING RE –APPOINTED:

Shri.P.Kumarasamy aged 78 years is a non executive and independent director and is associated with this company from 28.02.1997 as a Director. Shri.P.Kumarasamy served over 34 years in the central excise department and retired as Superintendent in the year 1993. He is the Chairman of the shareholders and investor's Grievances Committee of the company and also is a member of Audit Committee and Remuneration Committee of the company. He retires by rotation in this Annual General Meeting and is seeking reappointment.

Shri.S.M.Venkatachalapathy, aged 74 years is a Senior Advocate. He belongs to promoters group and he is associated with this company as a director from 28.02.1997. His legal knowledge and experience helps the company in solving legal issues. He is a member in the Remuneration Committee of the Board of Directors of the company. Shri.S.M.Venkatachalapathy retires by rotation in the Annual General Meeting and is seeking reappointment.

Shri.M.Chinnayan, B.Com., FCA aged 73 years is a practicing Chartered Accountant and he is associated with this company since 28.02.1997 and also 'co-opted' as Chairman of Audit Committee. Shri.M.Chinnayan's tax knowledge and audit experience helps the company in solving many issues.

AUDIT COMMITTEE

All the three members of the Audit committee are Non-Executive and Independent Directors. The Chairman of the Committee is a Chartered Accountant. The Committee met four times during this year. The name and the attendance of members are given below.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

Name of Members	Category	Audit Committee Meetings	
		Held	Attended
Shri.M.Chinnayan	Chairman	4	3
Shri.B.Ramakrishnan	Member	4	3
Shri.P.Kumarasamy	Member	4	4

TERMS OF REFERENCE:

The Audit Committee periodically reviews the adequacy of the internal control system of the company and reviews the reports of the Statutory Auditors and discussed their findings. The terms of reference made by the Board to the Audit Committee are in accordance with the items listed in clause 49(II)(D) of the Listing Agreement, inter alia, including

- Review of financial statement before submission to the Board of Directors.
- To initiate steps for implementing effective internal control systems to safeguard the assets of the company.
- To investigate in to any matter, either in relation to the terms specified in section 292A of the Companies Act, 1956 or referred to it by the Board.
- Review the company's financial and risk management policies.

The Statutory Auditors of the company were invited to attend the meeting.

REMUNERATION COMMITTEE :

The Board of directors constituted this committee on 29.04.2002, which comprises of 3, Non-Executive Directors and the composition of the Board is given below:

Name of Members	Chairman / Member
Dr. L.M. Ramakrishnan	Chairman
Shri. S.M. Venkatachalapathy	Member
Shri. P. Kumarasamy	Member

OBJECTIVES

The Committee reviews and determines the company's policy on remuneration of Executive Chairman and Managing Director so as to ensure that they are fairly rewarded for their individual contribution to the company's overall performance and their remuneration is in line with industry standards.

BRIEF DESCRIPTION OF TERMS OF REFERENCE

The broad terms of reference to the Remuneration Committee are to recommend to the Board regarding salary (including annual increments), Perquisites and commission/incentives to be paid to the company's Executive Chairman, Managing Director.

Details of remuneration paid to Executive and Non-Executive Director for the year 2012-13 are given below:

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

(Amount in Rs.)

Name of Directors	Salary	Perquisites and allowances	Sitting Fees	Total
Shri.SKM Maeilanandhan	29,26,000	1,13,988	0	30,39,988
Shri.SKM Shree Shivkumar	27,72,000	2,75,381	0	30,47,381
Smt.S.Kumutaavalli	Nil	Nil	4,000	4,000
Dr.L.M.Ramakrishnan	Nil	Nil	4,000	4,000
Shri.C.Devarajan	Nil	Nil	2,000	2,000
Shri.S.M.Venkatachalapathy	Nil	Nil	4,000	4,000
Shri.M.Chinnayan	Nil	Nil	3,000	3,000
Shri.P.Kumarasamy	Nil	Nil	4,000	4,000
Shri.B.Ramakrishnan	Nil	Nil	3,000	3,000

SHAREHOLDERS' AND INVESTOR'S GRIEVANCE COMMITTEE

The shareholder and investor Grievances committee specifically looks into redressing of shareholders and investors complaints such as transfer of shares, non-receipt of share certificates, non-receipt of dividends and to ensure expeditious share transfer process. The committee endeavors to settle all shareholders complaints in the minimum possible time.

The committee consists of the following independent directors:

S.No.	Name of Members	Chairman / Member
1.	Shri. P . Kumarasamy	Chairman
2.	Shri. S.M. Venkatachalapathy	Member
3.	Dr. L.M. Ramakrishnan	Member

GENERAL BODY MEETING

a. Location and time, where last three Annual General Meeting were held:

AGM	Location	Date	Time	Details of Special Resolution, if any, passed
2010 - 15 th AGM	Kongu Kalaiaragam E.V.K. Sampath Nagar Erode - 638 011	30.09.2010	4.00 p.m.	No Special Resolution was passed
2011 - 16 th AGM	Kongu Kalaiaragam E.V.K. Sampath Nagar Erode - 638 011	30.09.2011	4.00 p.m.	No Special Resolution was passed
2012 - 17 th AGM	N.S.A. Mahal, Club Melaange, 314, 315, Perundurai Road, Erode - 638 011	29.09.2012	4.00 p.m.	Special Resolution was passed

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

- b. Whether special resolutions were put through postal ballot last year? : No
- i. If Yes, details of voting pattern : Not applicable
- ii. Persons who conducted the postal ballot exercise : Not applicable
- iii. Procedure for postal ballot : Not applicable

Details of non-compliance by the company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any authority on any matter related to capital markets, during last 3 years : Nil

MEANS OF COMMUNICATIONS :

1.	Half yearly report sent to each household of Shareholders	No
2.	In which newspaper quarterly results normally published in	Makkal Kural (Tamil) Trinity Mirror (English)
3.	Any website where displayed	Electronic Data information filing and retrieval (EDIFAR)
4.	Whether it also displays official news releases	Nil
5.	Presentation made to institutional investors or to the analysts	Nil
6.	Whether Management Discussions and Analysis is part of annual report or not	Yes, it is part of the annual report

Place : Erode
Date : 09.08.2013

By order of the Board

SKM Shree Shivkumar
Managing Director

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

CERTIFICATE OF THE AUDITORS TO THE SHAREHOLDERS OF
M/S. SKM EGG PRODUCTS EXPORT (INDIA) LIMITED ON
CORPORATE GOVERNANCE

To the members of SKM Egg Products Export (India) Limited,

We have examined the compliance of conditions of Corporate Governance of SKM Egg Products Export (India) Limited, for the year ended 31st March 2013, as stipulated in Clause 49 of the listing Agreement of the said company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the 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, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We state that no investor grievance is pending for period exceeding one month against the Company as per the records maintained by the Shareholders / Investors Grievance Committee.

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

For **N.C.RAJAGOPAL & CO.,**
Chartered Accountants

N.C. VIJAY KUMAR
(PARTNER)
Membership No.208276
FRN - 003398S

Place : Erode
Date : 09.08.2013

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

We have audited the accompanying financial statements of M/s. SKM EGG PRODUCTS EXPORT (INDIA) LIMITED, (Registered Office at 185, Chennimalai Road, Erode – 638 001), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

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

Auditor's Responsibility:

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

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

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013; and
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date;
 - c) in the case of Cash Flow Statement, of the Cash flows for the year ended on that date
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

2. As required by section 227(3) of the Act, we report that:
- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet and Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Other Matter:

We did not audit the Financial Statements/ Financial Information of the Foreign Branch, which have been only compiled and not audited by other Auditors whose Financial Statements/Financial Information reports have been furnished to us and our opinion is based on the Compiled Financial Statement received from the Branch Office.

For N.C. RAJAGOPAL & CO.,
CHARTERED ACCOUNTANTS,

N.C. VIJAY KUMAR
PARTNER
Membership No.208276
FRN : 003398S

Place : Erode

Date : 09.08.2013

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

ANNEXURE

As required by the Companies (Auditors' report) Order, 2003, made by the Central Government under section 227 (4 A) of the Companies Act, 1956, we state that:

1. a. The Company has maintained proper records showing full particulars including quantities details and situation of fixed assets.
- b. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verifications
- c. Fixed assets of a substantial part, affecting the going concern, have not been disposed off during the year.
2. a. The Management has carried out physical verification of inventory at reasonable intervals.
- b. The procedure of verification of inventory followed by the Management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. a. The Company during the year has not granted any secured or unsecured loans to Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies act, 1956.
- b. The Company during the year has taken Unsecured loan during the year and the details are as below.

Rs.

S.No.	Name of the lenders	Opening Balance as on 01.04.2012	Amount Borrowed during the year	Repayment made during the year	Closing Balance as on 31.03.2013	Interest Payments
1	SKM. Maeilanandhan	NIL	6,70,00,000	70,00,000	6,00,00,000	28,99,068
2	SKM Universal Marketing Company India Limited	4,39,00,000	20,00,000	20,00,000	4,39,00,000	56,62,175
3	SKM Shree Shivkumar	5,00,00,000	30,00,000	35,00,000	4,95,00,000	65,33,207

- c. The rate of Interest and other terms and conditions of the above loan taken by the company are prima-facie not prejudicial to the interest of the company.
4. In our opinion and according to the Explanation and Information given to us there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services and there is no continuing failure to correct major weaknesses in internal control system.
5. a. The particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, have been entered in the register maintained under that section.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

- b. Transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable, having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion the company has an internal audit system commensurate with its size and nature of its business.
8. The Central Government has prescribed maintenance of Cost Records under section 209(1)(d) of the Companies Act and such accounts and records have been made and maintained.
9. a. According to the records of the company, Undisputed Statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues, to the extent applicable, have been generally regularly deposited with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2013 for a period of more than six months from the date they became payable.
- b. According to the information and explanation given to us, there are no undisputed amounts payable, in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs duty and Cess, were in arrears as at March 2013, for a period of more than six months from the date they become payable except the following payments, the details for which are given below:

Particulars	Period to which it Relates	Amount Due to be paid	Forum where the appeal is preferred
Excise Duty	1.8.2002 to 30.04.2003	Duty Rs. 23,156/- Interest Rs. 2,605/-	CESTAT, Chennai against the order of the Commissioner of Central Excise, Salem.
Excise Duty	April 2003 to April 2004	Rs. 64,288/-	CESTAT, Chennai against the order of the Commissioner of Central Excise, Salem
Excise Duty	May 2004 to March 2005	Rs.49,650/-	Commissioner of Central Excise Appeals, Salem.
Excise Duty	June 2005 to May 2006	Rs.29,230/-	Commissioner of Central Excise Appeals, Salem.
Excise Duty	June 2006 to Feb 2007	Rs.54,245/-	Commissioner of Central Excise Appeals, Salem.
Excise Duty	March 2007 to Dec 2007	Rs.73,874/-	Commissioner of Central Excise Appeals, Salem.
Excise Duty	January 2008 to June 2008	Rs.45,034/-	Commissioner of Central Excise Appeals, Salem
Excise Duty	July 2008 to March 2009	Rs.58,364/-	Commissioner of Central Excise Appeals, Salem
Excise Duty	April 2009 to Nov 2009	Rs.83,904/-	Commissioner of Central Excise Appeals, Salem
Excise Duty	Dec 2009 to July 2010	Rs.1,46,423/-	Commissioner of Central Excise Appeals, Salem

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

Particulars	Period to which it Relates	Amount Due to be paid	Forum where the appeal is preferred
Excise Duty	Aug 2010 to Jan 2011	Rs.1,19,853/-	Commissioner of Central Excise Appeals, Salem
Excise Duty	Feb 2011 to Oct 2011	Rs.2,07,324/-	Commissioner of Central Excise Appeals, Salem
Excise Duty	Nov 2011 to May 2012	Rs.2,09,114/-	Commissioner of Central Excise Appeals, Salem
Excise Duty	April 2011 to March 2012	Rs.37,883/-	Commissioner of Central Excise Appeals, Salem
Excise Duty	April 2008 To March 2013	Rs.2,51,006/-	Commissioner of Central Excise Appeals, Salem
Service Tax	Jan 2005 to June 2005	Rs.98,400/-	CESTAT, Madras
Service Tax	July 2005 to Dec 2005	Rs.3,10,489/-	High Court of Madras
Service Tax	July 2005 to March 2006	Rs.1,01,786/-	High Court of Madras
Service Tax	Jan 2006 to March 2006	Rs.4,82,328/-	High Court of Madras
Service Tax	April 2006 to Sep 2006	Rs. 1,97,293/-	High Court of Madras
Service Tax	Oct 2006 to Dec 2006	Rs. 3,63,898/-	High Court of Madras
Service Tax	Jan 2007 to March 2007	Rs. 4,36,775/-	High Court of Madras
Service Tax	April 2007 to Sep 2007	Rs. 4,89,366/-	High Court of Madras
Service Tax	Oct 2007 to Jan 2008	Rs.4,33,443/-	High Court of Madras
Service Tax	Feb 2008 to March 2008	Rs.6,05,640/-	High Court of Madras
Service Tax	April 2006 to March 2011	Rs.3,63,489/-	CESTAT, Chennai against the order of the Commissioner of Central Excise, Salem
Service Tax	April 2011 to March 2012	Rs.79,390/-	Commissioner of Central Excise, Customs & Service Tax (Appeals), Salem
Income Tax	Asst. Year 2007-08	Rs.88,98,293/-	Income Tax Appellate Tribunal, Chennai Stay application is filed before the statutory authorities.
Income Tax	Asst. Year 2008-09	Rs.2,70,07,726/- (Net of Recovery)	Income Tax Appellate Tribunal, Chennai – Stay granted by the Madras High court for the Ay 2008-2009.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

10. Based on our Audit Procedures and on the basis of information and explanation given to us by the Management, we are of the opinion that the Company has not defaulted in repayment of dues to Financial Institution or banks.
11. In our opinion and on the basis of information and explanation given to us by the Management, no loans and advances have been granted on the basis of security by way of pledge of shares, debentures and other securities and hence maintenance of adequate documents and records for such cases does not arise.
12. The Company has no Accumulated losses as on March 31st 2013 and has not incurred cash losses during the financial year ended on that date but incurred cash loss of Rs. 8.14 Crores in the immediately preceding financial year.
13. According to the information and explanation given to us by the Management, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
14. The company is not a chit fund, Nidhi or Mutual benefit Society. Hence the requirement of item (xiii) of paragraph 4 of the Order is not applicable to the company.
15. In our opinion, the company is not dealing in or trading in shares, Securities, Debentures and other Investments. Accordingly the provisions of clause 4[xiv] of the companies [Auditor's Report] Order 2003 are not applicable to the company.
16. As per the information and explanations given to us, Term Loans borrowed by the company were applied for the purposes for which the loans were obtained.
17. As per the information and explanations given to us, funds raised on short Term basis have not been used for Long Term Investments.
18. On the basis of the information and explanations furnished by the company no fraud on or by the Company has been noticed or reported during the year.
19. According to the information and explanations given to us no preferential allotment of shares has been made by the company to companies, firms, or parties listed in the register maintained under section 301 of the Companies Act 1956.
20. The company has not issued any debentures. Hence the requirement of clause (xix) of paragraph 4 of the Order is not applicable to the company.
21. During the period covered by our audit report, the company has not raised any money by public issue.

For **N.C. RAJAGOPAL & CO.,**
Chartered Accountants,

Place : Erode
Date : 09.08.2013

N.C. VIJAY KUMAR
PARTNER
Membership No.208276
FRN : 003398S

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

1. SIGNIFICANT ACCOUNTING POLICIES

a) **General**

The accompanying financial statements have been prepared on historical cost basis except or otherwise stated and in accordance with the generally accepted accounting principles and complying with the applicable Accounting Standards.

b) **Inventories**

Inventories are valued in line with the mandatory Accounting Standards - 2 (Revised) issued by the Institute of Chartered Accountants of India by adopting cost of net realisable value whichever is lower and the formula used for arriving at the cost are as follows :

i. Raw materials	:	At Cost following FIFO Method
ii. Packing Materials	:	At Weighted Average Cost
iii. Additives	:	At Weighted Average Cost
iv. Stores & Spares	:	
Imported		At Weighted Average Cost
Indigenous		At Weighted Average Cost
v. Semi-finished goods	:	Cost following FIFO Method
vi. Finished goods	:	Cost following FIFO Method

Poultry Farm Division:

i. Eggs	:	At Cost following FIFO Method.
ii. Feeds	:	At Weighted Average Cost
iii. Drugs	:	At Weighted Average Cost

c) **Revenue Recognition**

Revenue is recognised and expenditure is accounted for on their accrual.

Egg Products Division:

Sales are recognised on accrual basis and are accounted for in the books of accounts on the dates on which the goods are actually despatched from the factory.

Poultry Farm Division:

Sales of Eggs and Birds are recognised on accrual basis and are accounted for in the books of accounts on the dates on which the goods/Birds are actually despatched from the farms or Sold respectively.

d) **Depreciation**

Depreciation is provided on straight line method as per the rates provided in schedule XIV of the Companies Act 1956, except for imported plant & machinery for which the rate has been taken as 3.80%, based upon the

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

technical evaluation by the expert committee on the useful life of the assets. In respect of assets added/adjusted during the year, depreciation is provided on pro-rata basis.

e) Provisions

Provision is recognised in respect of present obligation requiring settlement by outflow of resources and of which a reliable estimate on the account of obligation could be made.

f) Taxes on Income

Current Income tax expenses comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in india is determined in accordance with the provisions of the income tax act,1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in india, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will fructify.

Deferred tax expense or benefit is recognised on timing differences being the difference between the taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off setting advance taxes paid and income tax provisions arising in the same tax jurisdiction for relevant tax paying units and where the company is able to and intends to settle the asset and liability on a net basis.

The company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

g) Accounting Convention:

The Financial statements have been prepared under historical cost convention. The Financial Statements materially comply with the Accounting Standards issued by the Institute of Chartered Accountants of India.

h) Estimates and Assumptions:

Preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the Balance sheet and the reported amounts of income and expenses during the reporting period. Examples include bad debts written off, useful life of the assets, etc. Actual results may differ from these estimates.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

i) Cash Flow Statements

Cash Flow Statement has been prepared under "Indirect Method", Cash and Cash Equivalents Comprise Cash in Hand, Current and Other accounts (Including Fixed Deposit) held with bank.

j) Events Occurring after the Balance Sheet Date

- i. Assets and Liabilities are adjusted for events occurring after the balance sheet date that provide additional evidence to assist the estimation of amounts relating to conditions existing at the balance sheet date.
- ii. Dividends, Which are proposed / declared by the company after the balance sheet date but before the approval of the financial statements are adjusted.

k) Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Polices:

- i. Net Profit for the Period:

All the items of income and expenses in the period are included in the determination of net profit for the period, unless specifically mentioned elsewhere in the financial statements or is required by the Accounting Standard.

- ii. Prior Period Items:

Income / Expenditure are disclosed in Prior period adjustments, only when considered by the management to be material to impact the financial statement significantly.

- iii. Extra - ordinary items:

Extra - ordinary items are accounted in accordance with the Accounting Standard – 5

- iv. Wherever there is a change in the method of accounting followed by the company, the same is dealt with and disclosed in accordance with the accounting standard - 5

l) Accounting for Fixed Assets:

Fixed Assets:

Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related preoperational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs.

Capital Work-in-progress:

Advances paid towards the acquisition of fixed assets and the cost of assets under installation / construction / not put to use before the year end are disclosed under capital Work-in-Progress.

m) Foreign Currency Transactions and Forward Contracts in Foreign Currencies:

Transaction in Foreign Exchange are accounted at the rates prevailing on the dates of transactions.

Foreign currency Liabilities / Assets at the close of the year are restated, adopting the contracted/ year and rates, as applicable. The resultant difference, if any, is suitably dealt with in the accounts.

Exchange Difference arising on forward Contracts is recognised in the statement of Profit and Loss in the reporting period in which the exchange rates change

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

Premium/Discounts arising on forward contracts are amorised as expense or income over the life of the Contract.

Any Profit or Loss arising on cancellation or renewal of the forward exchange contract is recognised as income or as expense for the period

n) Forward Exchange Contracts covered under AS 11, “The Effects of Changes in Foreign Exchange Rates”:

The Company uses foreign exchange contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange contracts reduces the risk or cost to the company. Wherever the company uses the forwards to mitigate the business loss on account of foreign currency fluctuations, the company records the gain or loss on effective hedges in foreign currency fluctuation reserve until the transactions are complete. On Completion, the gain or loss is transferred to the profit and loss account of that period. To designate a forward contract as an effective hedge the management objectively evaluate and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. In the absence of a designation as effective hedge, the gain or loss is recognized in the profit and loss account.

o) Accounting for Government Grants:

Grants and Subsidies in the nature of revenue are treated as revenue income and credited to the respective expenses accounts and subsidies in the nature of capital are adjusted to the value of assets.

p) Accounting for Investments:

- i. Long Term investments are valued at cost. Provisions, if any, is made to recognize a decline other than a temporary decline, in the value of long-term investments.
- ii. Current Investments are stated at lower of cost and fair market value.

q) Accounting for Retirement Benefits:

i. Defined Contribution Plans:

The company makes Provident Fund to defined contribution retirement benefit plans for qualifying employees. Under the Schemes, the company is required to contribute a specific percentage of the payroll costs to fund the benefits.

The company recognized Rs.44.41 Lacs (Previous Year Rs. 28.24 lacs) for provident fund Contribution in the Profit and Loss Account. The Contributions payable to these plans by the company are at rates specified in the rules of the Schemes.

ii. Defined benefit plans:

The present value of the obligation is determined based on actuarial valuation using the Projected Unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

iii. Accounting for Employment Benefits:

Short term employee benefit are charged off at the undiscounted amount in the year in which the related service is rendered.

Post employment and other long term employee benefits are charges off in the year in which the employee has rendered services. The amount charges off is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account.

r) **Borrowing Cost:**

Borrowing costs attributable to acquisition and construction of assets are capitalised as part of the cost of such asset up to the date when such asset is ready for its intended use. Other Borrowing Costs are treated as revenue expenditure.

s) **Provisions, Contingent Liabilities and Contingent Assets:**

- i A present obligation, which could be reliably estimated, is provided for in the accounts, if it is probable that an outflow of resources embodying economic benefits will be required for its settlement.
- ii All the liabilities have been provided for in the accounts except liabilities of a contingent nature, which have been disclosed at their estimated value by way of notes in the Balance Sheet.
- iii. Contingent Assets are neither recognised nor disclosed.

t) **Sundry Debtors / Loans and Advances:**

Sundry Debtors and Loans and Advances are stated after making adequate provisions for doubtful balances.

u) **Expenditure:**

Expenses are accounted on accrual basis and provision is made for all known losses and liabilities.

v) **Segment Reporting:**

The Egg Powder Manufacturing activity is the only Reportable segment of Operation of the Company.

w) **Impairment of Assets:**

Impairment Loss, if any, is generally provided to the extent the carrying amount of the assets exceeds their recoverable amount.

x) **Lease:**

Lease Income/Payments of the Assets Given/Taken under the Operating Lease is recognised in the year in which it accrues.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

(STANDALONE) BALANCE SHEET AS AT 31st MARCH, 2013

(Amount in Rs.)

Particulars	Note No.	31.03.2013	31.03.2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	263,300,000	263,300,000
(b) Reserves and Surplus	4	119,145,604	108,935,491
(2) Share Application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	5(a)	511,151,390	499,773,552
(b) Deferred Tax Liabilities (Net)	5(b)	18,051,759	15,673,172
(c) Other Longterm Liabilities	5(c)	500,00,000	---
(d) Long Term Provisions	5(d)	4,810,495	3,243,160
(4) Current Liabilities			
(a) Short-Term Borrowings	6(a)	278,751,511	376,865,901
(b) Trade Payables	6(b)	89,818,460	148,773,893
(c) Other Current Liabilities	6(c)	76,785,106	38,423,629
(d) Short-Term Provisions	6(d)	4,723,716	4,044,714
Total Equity & Liabilities		1,416,538,040	1,459,033,512
II.ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
1) Tangible Assets (Not Under Lease)	7(a)	860,081,006	923,064,875
2) Tangible Assets (Under Lease)	7(b)	23,442,897	24,802,994
3) Capital work in Progress	7(c)	1,235,205	---
4) Live Birds Stock	7(d)	3,538,103	13,334,443
		888,297,211	961,202,312
(b) Non-current investments	7(e)	832,779	832,779
(c) Long term loans and advances	7(f)	23,163,669	81,742,097
(d) Other non-current assets	7(g)	11,845,572	11,845,572
(2) Current Assets			
(a) Inventories	8(a)	308,753,560	185,569,948
(b) Trade receivables	8(b)	23,381,007	58,278,320
(c) Cash and cash equivalents	8(c)	43,835,268	48,865,651
(d) Short-term loans and advances	8(d)	3,104,357	2,813,322
(e) Other current assets	8(e)	113,306,634	107,883,511
Translation Reserve		17,983	---
Total Assets		1,416,538,040	1,459,033,512

See accompanying Notes to Financial Statements

For **N.C.RAJAGOPAL & CO.**,
Chartered Accountants

N.C. VIJAY KUMAR B.Com., F.C.A.,
Partner
Membership No. 208276
Firm Reg No. 003398S

Place : Erode
Date : 09.08.2013

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

SKM.MAEILANANDHAN
Executive Chairman

SKM. SHREE SHIVKUMAR
Managing Director

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

(STANDALONE) PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2013

(Amount in Rs.)

Sr. No.	Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
I	Revenue from operations	9	1,933,812,778	1,265,252,830
II	Other Income	10	70,036,543	(21,840,132)
III	Total Revenue (I +II)		2,003,849,321	1,243,412,698
IV	Expenses:			
	Cost of materials consumed	11	1,498,517,029	1,038,546,002
	Purchase of Stock-in-Trade	12	46,024,670	-
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	13	(101,103,550)	16,618,278
	Employee Benefit Expense	14	72,105,752	59,919,137
	Financial Costs	15	117,597,492	115,277,009
	Depreciation and Amortization Expense	16	184,499,543	90,073,490
	Other Expenses	17	172,554,146	94,451,987
	Total Expenses (IV)		1,990,195,083	1,414,885,903
V	Profit before exceptional and extraordinary items and tax	(III - IV)	13,654,239	(171,473,205)
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax	(V - VI)	13,654,239	(171,473,205)
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		13,654,239	(171,473,205)
X	Tax expense:			
	(1) Current tax	18	0	(1,330,916)
	(2) Deferred tax	19	3,308,833	(53,981,468)
XI	Profit(Loss) from the period from continuing operations	(IX-X)	10,345,406	(116,160,821)
XII	Profit/(Loss) for the period		10,345,406	(116,160,821)
	Earning per equity share of face value Rs.10 each			
XIII	Earning per equity share:	20		
	(1) Basic		0.39	(4.41)
	(2) Diluted		0.39	(4.41)

See accompanying Notes to Financial Statements

For **N.C.RAJAGOPAL & CO.,**
Chartered Accountants

N.C. VIJAY KUMAR B.Com., F.C.A.,
Partner
Membership No. 208276
Firm Reg No. 003398S

Place : Erode
Date : 09.08.2013

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

SKM.MAEILANANDHAN
Executive Chairman

SKM. SHREE SHIVKUMAR
Managing Director

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

SCHEDULES (STANDALONE) FORMING PART OF THE BALANCE SHEET 2012-13

(Amount in Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
Note No. : 3 Share Capital		
Authorised Capital:		
3,00,00,000 Equity Shares of Rs. 10/- Each	300,000,000	300,000,000
Issued, Subscribed & Paid-up:		
263,30,000 Equity Shares of Rs.10/- each fully paid-up	263,300,000	263,300,000
Total	263,300,000	263,300,000
Reconciliation of the shares outstanding at the beginning and at the end of the year :		
Equity Shares :		
At the beginning and at the end of the year		
No of Shares	26,330,000	26,330,000
Value of Shares	263,300,000	263,300,000
Details of Shareholders holding more than 5% shares of the company		
Name of the Share Holders		
SKM SHREE SHIVKUMAR	112,891,450	112,891,450
No of Equity Shares Held as on Balance sheet dt.	11,289,145	11,289,145
% of Holdings	42.9%	42.9%
TAMILNADU INDUSTRIAL DEVELOPMENTCORP.LTD	19,958,000	19,958,000
No of Equity Shares Held as on Balance sheet dt.	1,995,800	1,995,800
% of Holdings	7.6%	7.6%
Total No of Equity Shares	26330000	26330000
Face value of Equity shares	10	10
Note No. : 4 Reserve & Surplus		
Share Premium Account :		
Opening Balance	400,692	400,692
Add : Current year transfer		
less: Written back		
Closing Balance (a)	400,692	400,692
General Reserve:		
Opening Balance (Revenue Reserve)	432,812	432,812
Add : Current year transfer		
less: Written back		
Closing Balance (b)	432,812	432,812

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

SCHEDULES (STANDALONE) FORMING PART OF THE BALANCE SHEET 2012-13

(Amount in Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
Profit & Loss Account:		
Opening Balance	108,101,987	224,262,808
Add: Previous year Adjustments	3,585,924	-
Add: Current Year Balance after appropriation	6,624,189	(116,160,821)
Closing Balance (c)	118,312,100	108,101,987
Total (a+b+c)	119,145,604	108,935,491
NON CURRENT LIABILITIES		
Note No.:5 (a) Long Term Borrowings Secured		
(I) From Banks		
i) SBI FCNRB (C&I) USD, Term Loan	-	359,008,787
ii) SBI Bank, Term Loan	317,700,944	2,020,653
iii) SBI Bank (FITL) - Term Loan	38,838,571	43,585,735
iv) Corporation Bank (Vehicle Loan)	-	202,522
(II) From Others		
i) Kotak Mahindra (Vehicle Loan)	1,211,875	1,055,855
UnSecured		
Loans and Advances from Related Parties		
i) Loan from Executive Chairman	60,000,000	-
ii) Loan from Managing Director	49,500,000	50,000,000
iii) SKM Universal Marketing Company India Limited	43,900,000	43,900,000
Total	511,151,390	499,773,552

CORPORATE TERM LOANS ARE SECURED BY ;

- First charge on the entire fixed assets of the company.
- Personal guarantees of Executive Chairman and Managing director.
- Terms loans with SBI are repayable over a period of six years in accordance with reschedulement arrangement entered into with the bank three years ago.
- Funded Interest Term Loan (FITL) represents accumulation of interest on the term loan availed from the SBI as per the terms of the reschedulement entered into with the bank three years ago repayment of which loan commenced from October-2012 repayable over a period of next three years.
- Vehicle Loans are Secured by the Hypothecation of Vehicle and are repayable over a period of three to five years from the date of borrowing.
- Term Loan Installments of 2013-14 are considered under other current liabilities.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

SCHEDULES (STANDALONE) FORMING PART OF THE BALANCE SHEET 2012-13

(Amount in Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
Note No. :5 (b) Deferred Tax Liability(Net)		
Deferred Tax Liability		
Balance b/f of last financial year	15,673,172	69,654,640
Deferred Tax Assets		
-On account of allowances for tax purpose In :		
Depreciation	976,447	3,491,563
C/F and Business Losses (DTA)/DTL	4,335,388	(46,076,559)
Income Tax Disallowance (DTA)/DTL	4,254,277	(11,227,314)
Gratuity (DTA)/DTL	(11,458)	-
Earned Leave (DTA)/DTL	(472,849)	(169,158)
Others (DTA)/DTL	(6,703,218)	-
Total	18,051,759	15,673,172
Note No.:5 (c) Other Long Term Liability		
Long term trade creditors	500,00,000	--
Total	500,00,000	--
Note No.:5 (d) Long Term Provisions		
Provision for Employee Benefits		
a) Earned Leave Encashment Payable	3,945,550	2,415,295
b) Net Gratuity obligation	864,945	827,865
Total	4,810,495	3,243,160
CURRENT LIABILITIES		
Note No.:6 (a) Short Term Borrowings		
Loan Repayable on demand		
Secured		
From Bank		
i) Working Capital Finance From		
a. State Bank of India Commercial Branch, Erode	278,751,511	306,088,680
b. ICICI bank Ltd.	-	50,000,000
ii) Forward Contract Payable	-	20,777,221
Total	278,751,511	376,865,901

WORKING CAPITAL FINANCE FROM SBI ARE SECURED BY ;

- Hypothecation of stocks consisting of Rawmaterials, semi finished goods, finished goods and stores and spares and other current assets of the company.
- Personal guarantees of Executive Chairman and Managing director.
- Second charge on the entire fixed assets of the company.
- SBI - Pledge of shares of the company held by the Managing Director

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

SCHEDULES (STANDALONE) FORMING PART OF THE BALANCE SHEET 2012-13

(Amount in Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
Note No.:6 (b) Trade Payables		
i) Trade Creditors *	60,828,094	80,144,002
ii) Creditors For Expenses & Others	27,798,884	68,372,880
iii) Advance from debtors	1,191,482	257,011
Total	89,818,460	148,773,893
*(The Disclosure requirement under Micro, Small and Medium Enterprises Development Act 2006 has not been made since the company has requested for the details from the parties and which are yet to be received on the date of signing of this Financial Report.)		
Note No.:6 (c) Other Current Liabilities		
a) Current Maturities of Long Term Debt		
(I) From Banks		
i) SBI Term Loan	42,000,000	20,875,721
ii) SBI Bank (FITL) - Term Loan	26,400,000	13,200,000
iii) Corporation Bank (Vehicle Loan)	273,086	462,000
(II) From Others		
i) Kotak Mahindra (Vehicle Loan)	577,500	366,020
ii) Reliance (Vehicle Loan)	-	8,341
b) Unpaid Dividend	2,526,649	2,526,649
c) Other Payables		
Rent Deposits	18,000	18,000
Statutory Dues	4,322,374	966,898
d) Russia Branch Current Liabilities	667,497	-
Total	76,785,106	38,423,629
Note No.:6 (d) Short Term Provisions		
Bonus Payable	3,215,000	3,330,000
Provision for Brokerage	161,053	149,855
Provision for Expenses	1,347,663	564,859
Total	4,723,716	4,044,714

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

Note Forming Integral Part of the (Standalone) Balance Sheet as at 31st March, 2013

Note No. : 7 NON CURRENT ASSETS

	As at 31.03.2013	As at 31.03.2012
Fixed Assets		
(a) Tangible Assets (Not Under Lease)	860,081,006	923,064,875
(b) Tangible Assets (Under Lease)	23,442,897	24,802,994
(c) Capital work in Progress	1,235,205	-
(d) Live Birds Stock	3,538,103	13,334,443
	<u>888,297,211</u>	<u>961,202,312</u>

(In Rs.)

Details :

S. No	Particulars	Gross Block			Depreciation			Net Block	
		01.04.2012	Addition during the year	Deduction during the year	01.04.2012	Depreciation during the year	Deduction during the year	WDV as on 31.03.2013	WDV as on 31.03.2012
(a)	Tangible Assets (Not under lease)								
	Land	39,410,810	-	-	-	-	-	39,410,810	39,410,810
	Building	460,726,271	-	-	77,111,277	10,890,082	-	372,724,911	383,614,994
	Plant & Machinery	773,847,641	1,795,172	-	320,730,436	50,744,450	-	404,167,927	453,117,205
	Office & Other Equipment	51,406,056	1,704,550	-	19,524,366	3,074,754	-	30,511,486	31,881,690
	Computers	9,392,654	447,225	-	7,648,270	1,197,574	-	994,035	1,744,384
	Furniture & Fixtures	5,467,756	-	-	5,467,756	326,188	-	4,191,785	1,602,159
	Motor Vehicles	20,147,012	1,833,193	1,178,000	8,453,379	1,834,633	481,673	9,806,340	11,693,633
	SUB TOTAL (a)	1,360,398,200	5,780,140	1,178,000	437,333,325	68,067,682	481,673	860,081,006	923,064,875
(b)	Tangible Assets (Under lease)								
	Plant & Machinery	28,633,623	-	-	3,830,629	1,360,097	-	23,442,897	24,802,994
	SUB TOTAL (b)	28,633,623	-	-	3,830,629	1,360,097	-	23,442,897	24,802,994
(c)	Capital Work-in-progress Plant & Machinery	-	3,497,925	2,262,720	-	-	-	1,235,205	-
	SUB TOTAL (c)	-	3,497,925	2,262,720	-	-	-	1,235,205	-
	Total (a+b+c) (Current Year)	1,389,031,823	9,278,065	3,440,720	441,163,954	69,427,779	481,673	884,759,108	947,867,869
	(Previous Year)	1,408,760,477	5,288,519	25,017,173	374,209,693	71,526,302	4,572,042	947,867,869	1,034,550,784

Description	Value of Live Stock as on 01.04.2012		Accretions to the cost		Cost Amortised		Cost Unamortised		Value of Live Stock as on 31.03.2013	
(d) Live Stock	13,33,443	16,51,23,039	11,50,71,764	4,78,46,615	3,538,103	13,334,443	3,538,103			
PREVIOUS YEAR	89,58,860	33,06,95,111	29,46,07,039	3,17,12,489	13,334,443					

General Description of Lease terms:

a) Lease rentals are charged on the basis of agreed terms.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

SCHEDULES (STANDALONE) FORMING PART OF THE BALANCE SHEET 2012-13

(Amount in Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
Note No.:7 (e) Non-current investments		
Trade Investments		
Investments In Equity Instruments (Unquoted)		
SKM Europe BV , The Netharlands	832,779	832,779
- Subsidiary Company (Holdings 85%)		
18,000 Shares of Euro 1/- each fully paid-up		
Total	832,779	832,779
Note No.:7 (f) Long Term Loans & Advances		
i. Advances Recoverable in Cash or in kind for value to be received - unsecured and Considered Good	2,502,622	54,642,676
ii. Deposits - Considered Good	5,344,248	4,542,638
iii. Advance to Suppliers (Trade)	15,316,799	22,556,783
Total	23,163,669	81,742,097
Note No.:7 (g) Other Non Current Assets		
Non Trade Investments		
Investments In Equity Instruments (Unquoted)		
SKM Universal Marketing Company India Limited	11,845,572	11,845,572
(Equity Shares of 7,89,700 @ 15/-)		
Total	11,845,572	11,845,572
Note No.:8 (a) Inventories		
(As Valued & Certified By the Management)		
Raw Material	35,710,440	13,910,072
Additives, Stores, Spares and Consumables	25,285,586	25,072,090
Finished Goods	245,607,821	144,504,271
Feed & Medicines	2,149,713	2,083,515
Total	308,753,560	185,569,948
Note No.:8 (b) Trade Receivables		
Unsecured & Considered Good		
Sundry Debtors	23,381,007	58,278,320
Total	23,381,007	58,278,320

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

SCHEDULES (STANDALONE) FORMING PART OF THE BALANCE SHEET 2012-13

(Amount in Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
Note No.:8 (c) Cash and Cash Equivalents		
i. Cash on hand	970,435	400,574
ii. In Current Account with Scheduled Banks	31,594,636	36,032,031
iii. Fixed Deposit with SBI, Commercial Branch Erode.	11,270,197	12,433,046
Balance with Banks includes Unpaid Dividend of Rs.9.39 Lakhs (Previous year Rs.9.39 Lakhs)		
Total	43,835,268	48,865,651
Note No.:8 (d) Short term Loans & Advances		
i. Advance to Staffs	20,000	52,625
ii. Prepaid Expenses	3,084,357	2,760,697
Total	3,104,357	2,813,322
Note No.:8 (e) Other Current Assets		
i. Unamortised Value of Chicks	47,846,615	31,712,489
ii. Deferred Forward Cover Cost (FCNRB)	-	4,532,600
iii. Income Accrued on Deposits & Subsidies Receivables	28,562,425	38,668,743
iv. MAT Credit Entitlement & Tax Refund Receivables	35,874,965	32,969,679
v. Others	500,000	-
vi. Russia Branch Current Assets	522,629	-
Total	113,306,634	107,883,511

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

SCHEDULES (STANDALONE) FORMING PART OF THE BALANCE SHEET 2012-13

(Amount in Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
Note No. : 9 Revenue from Operations		
Export Sales	1,73,11,56,624	1,10,66,62,050
Domestic Sales	18,07,08,992	12,99,77,876
Sale of Egg Shell (Waste)	29,91,998	14,28,904
Sale of Culling Birds & Litter waste	1,55,94,157	1,91,26,082
Sale of Declared Goods (Scrap)	16,77,736	12,07,435
Feed Processing Charges Received	16,83,271	68,50,483
Total	1,93,38,12,778	1,26,52,52,830
Note No. : 10 Other Income		
Interest Receipts	13,86,712	10,64,786
Lease Rent Received - Egg Grader Machine	6,00,000	6,00,000
Receipts - Subsidies	7,99,93,080	4,88,54,185
Exchange Flucutation - Net	(1,25,71,039)	(7,62,99,833)
Profit on sale of Assets	(1,327)	33,15,844
Miscellaneous Income	6,29,117	6,24,886
Total	7,00,36,543	(2,18,40,132)
Note No. : 11 Cost of Material Consumed		
a) PURCHASES OF RAW MATERIALS AND STORES		
Raw Material- Eggs / Feed Ingrediants	1,31,70,36,630	88,91,51,977
Vaccine & Medicine Consumption	8,59,917	2,65,878
Additives & Consumables	4,08,00,153	4,33,50,891
Sub-total (a)	1,35,86,96,700	93,27,68,746
b) DIRECT/PRODUCTION EXPENSES		
Packing Material - Consumed	2,77,34,174	1,72,57,553
Power & Fuel	10,81,53,913	8,40,38,378
Procurement & Other Production expenses	39,32,243	44,81,325
Sub-total (b)	13,98,20,330	10,57,77,256
Total (a+b)	1,49,85,17,029	1,03,85,46,002

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

SCHEDULES (STANDALONE) FORMING PART OF THE BALANCE SHEET 2012-13

(Amount in Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
Note No. : 12 Purchase of Stock in Trade		
Egg Powder Purchase	4,60,24,670	-
Total	4,60,24,670	-
Note No. : 13 Change in Inventories		
Opening Stock - Finished goods	14,45,04,271	16,11,22,549
Closing Stock - Finished goods	24,56,07,821	14,45,04,271
Increase / (Decrease) in Stock	10,11,03,550	(1,66,18,278)
Note No. : 14 Employment Benefit Expenses		
Salaries & Wages	6,25,20,523	5,50,44,868
PF Contribution	44,41,624	28,24,013
Grauity Expenses	6,45,947	4,97,688
Welfare Expenses	44,97,658	15,52,568
Total	7,21,05,752	5,99,19,137
Note No. : 15 Financial Cost		
Working Capital Loan Interest	2,29,44,252	2,39,83,040
Bank Charges	59,89,788	49,67,937
Export Bills Discount & Overdue Interest	26,91,119	58,77,527
Interest Paid - Others	56,76,295	52,66,043
Interest on Vehicle Loan	2,55,620	1,68,486
Bill Discount & Collection Charges	32,30,929	18,32,614
SBI- Term Loan Interest	5,18,62,199	3,31,98,241
SBI- FITL Interest	72,76,132	38,44,285
Interest paid on ICICI Bank	37,06,283	1,15,75,297
Interest paid to Chairman & Managing Director	94,32,275	73,81,039
SBI FCNRB Forward cover cost	45,32,600	1,71,82,500
Total	11,75,97,492	11,52,77,009
Note No. : 16 Depreciation & Amortised Cost		
Depreciation	6,94,27,779	7,15,26,302
Amortised Value of Birds	11,50,71,764	1,85,47,188
Total	18,44,99,543	9,00,73,490

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

SCHEDULES (STANDALONE) FORMING PART OF PROFIT AND LOSS ACCOUNT 2012-13

(Amount in Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
Note No. : 17 Other Expenses		
Repairs & Maintenance		
a) Building	23,03,954	8,24,087
b) Plant & Machinery	76,38,434	66,45,329
c) Fly Control Expenses	7,20,030	13,73,076
d) Others	49,84,535	45,34,537
e) Vehicle - Fuel & Maintenance	1,11,81,548	92,47,875
Stores & Spares Consumption	2,86,94,022	1,18,92,645
Analysing Charges	8,43,466	10,88,292
Rent Expenses	1,66,500	9,68,589
Rates and Taxes,Registration and Renewal	51,82,904	29,75,901
Postage, Courier & Telephone Charges	18,81,728	18,81,404
Printing & Stationery	9,80,251	7,06,077
Insurance Premium	8,88,037	11,92,137
Advertisement and Publicity	1,88,310	2,33,965
Travelling Expenses	33,29,442	29,35,748
MD & Staff foregin Trip expenses	15,55,394	49,97,085
Brokerage Expenses	93,660	1,25,075
Professional Charges	40,27,415	25,46,696
ISO / HACCP-Expenses	2,13,427	51,406
Stock Exchange Listing Fee	2,56,780	2,68,217
Miscellaneous Expenses	11,14,844	9,27,526
Audit Fees	7,42,705	8,08,105
Donation	1,66,067	2,55,360
Annual General Meeting Expenses	75,782	1,36,720
Directors' Sitting Fee	24,000	21,000
Subscription	98,006	59,332
Sales Commission	19,60,633	30,71,299
Sales Promotional Expenses	6,35,512	29,070
Compensation to Foreign Customer	3,74,741	4,31,693
Russia Branch Office Expenses Written Off	3,40,02,145	-
Russia Branch Net Loss	61,42,084	-
Sub-total (a)	12,04,66,356	6,02,28,246
Freight and Forwarding Charges	4,43,43,862	2,54,68,306
ECGC Insurance Premium paid	62,19,031	66,03,508
Product Liability Insurance Paid	9,44,922	17,41,321
Marine Insurance Premium paid	5,79,975	4,10,606
Sub-total (b)	5,20,87,790	3,42,23,741
Total (a+b)	17,25,54,146	9,44,51,987

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

SCHEDULES (STANDALONE) FORMING PART OF PROFIT AND LOSS ACCOUNT 2012-13

(Amount in Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
Note No. : 18 Current Tax		
Earlier year Excess Provision for Income Tax write off	-	(13,30,916)
Total	-	(13,30,916)
Note No. : 19 Deferred Tax		
On account of variation of allowances for tax purpose in :	-	
Depreciation	9,76,447	34,91,563
C/F and Business Losses (DTA)/DTL	52,65,634	(4,60,76,559)
Income Tax Disallowance (DTA)/DTL	42,54,277	(1,12,27,314)
Gratuity (DTA)/DTL	(11,458)	-
Earned Leave (DTA)/DTL	(4,72,849)	(1,69,158)
Others (DTA)/DTL	(67,03,218)	
Total	33,08,833	(5,39,81,468)
Note No. : 20 Earnings Per Share :		
Net Profit for the year	1,03,45,406	(11,61,60,821)
Less : Preference Share Dividend (including tax thereon)	0	0
Amount available for Equity Shareholders	1,03,45,406	(11,61,60,821)
Weighted No. of Equity shares	26330000	26330000
Basic EPS	0.39	(4.41)
Diluted EPS	0.39	(4.41)
Face Value per Equity Share	10	10

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

NOTES ON ACCOUNTS

21. Previous year figures are regrouped, rearranged and reclassified wherever necessary to facilitate comparison with current year's figures and figures have been rounded off to nearest rupee.
22. Contingent Liability:
- i) Export Bills discounted with the State Bank of India, Commercial Branch, Erode Rs. 2464.11 Lacs. (Previous year Rs. 2092.58 Lacs).
 - ii) Income Tax Liability Rs. 359.06 lacs (net of recovery) (Previous year Rs.359.06 lacs).
 - iii) Service Tax Liability Rs.39.62 Lacs (Previous year Rs.35.19 Lacs).
 - iv) Excise Duty Liability Rs.14.53 Lacs (Previous year Rs.9.55 Lacs).
for the items referred to in item no. (ii) to (iv) refer note no.26.
23. Balances of Sundry creditors and Sundry debtors are subject to confirmation.
The company has not received any intimation from the suppliers regarding status under the Micro, Small and Medium enterprises development Act, 2006 (The Act) and hence disclosure regarding:
- i) Amount due and outstanding to suppliers as at the end of the accounting year.
 - ii) Interest paid during the year.
 - iii) Interest payable at the end of the accounting year.
 - iv) Interest accrued and unpaid at the end of the accounting year, have not been provided.
- The company is making efforts to get the confirmations from the suppliers as regards their status under the Act.
24. Disclosure of Related Party transactions, as required under Accounting Standard (AS) 18 of the Companies (Accounting Standards) Rules, 2006
- (a) **Name of the Related Parties**
- i) SKM Animal Feeds and Foods (India) Limited
 - ii) SKM Universal Marketing Company India Limited
 - iii) SKM Shree Shivkumar (Managing Director) - Key Managerial Person
 - iv) Sri.SKMeailanandhan (Excutive Chairman) - Key Managerial Person
- (b) **Description of relationship between the parties :**
Presumption of significance influence
- (c) **Transaction details :**
- i. Sale of Egg Shell waste to SKM Animal Feeds and Foods (India) Limited – Rs.25.05/- Lacs (Tonnage 1164.85 Tons)
 - ii. Details of Loans Borrowed, Repayments and Interest Payments (Amount in Rs.)

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

(Amount in Rs.)

Sl. No.	Name	Opening Balance as on 01.04.2012	Amount Borrowed during the year	Repayment Made during the year	Closing Balance as on 31.03.2013	Interest Payment
1	SKM Maeilanandhan	-	67,000,000	7,000,000	60,000,000	2,899,068
2	SKM Universal Marketing Company India Limited	43,900,000	2,000,000	2,000,000	43,900,000	5,662,175
3	SKM Shree Shivkumar	50,000,000	3,000,000	3,500,000	49,500,000	6,533,207

iii. Transaction with SKM Universal Marketing Company India Limited other than Loan Borrowings.

Particulars	Quantity (in Nos)	Amount in Rs.
Sale of Eggs	90,19,284	2,53,73,204
Purchase of Eggs	38,28,36,709	1,03,96,71,297
Purchase of Electricity	35,41,137 units	1,94,51,244

iv. Rent Paid to Managing Director, Rs. 76,500/-

v. Lease Rent received from SKM Universal Marketing Company India Limited Rs.6 lacs (Net of VAT and Service Tax).

(d) Remuneration Paid to Executive Chairman and Directors :

Particulars	2012-2013	2011-2012
	(Rs in lacs)	
Salary Paid to Executive Chairman	30.40	29.90
Salary Paid to Managing Director	30.47	28.92

The Executive Chairman and Managing Director's remuneration is covered under part II of Schedule XIII of the Companies Act, 1956.

25. Payments to the Statutory Auditors (exclusive of service Tax) - Included Audit fee in Note No. :17

Particulars	2012-2013	2011-2012
	(Rs.)	
For Statutory Audit Fee	4,00,000	4,00,000
For Taxation Matter	1,50,000	1,50,000
For Certification Services	50,500	62,500
For Appeal Representation and Others	NIL	1,75,000
For Sales Tax Matters	NIL	NIL

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

26. Provision for Income Tax :

Provision had been made in respect of Income Tax liability arising under the provisions of MAT under section 115 JB of the Income Tax Act 1961 and there is no tax liability when computed in accordance with the Normal Provisions of the Income Tax Act 1961 because of the availability of benefit of set off of brought forward losses of the earlier years. MAT thus paid/payable is recognised as an asset in the balance sheet since the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will fructify.

27. No provision has been made in respect of demand of Excise Duties Rs.14.53 lacs and Service Tax of Rs.39.62 Lacs, for which the company has filed appeals with various Higher Appellate Forums, against the orders of the Lower Authorities and the company is confident of coming out successful in the Appeals. Similarly there are Income Tax Demands of Rs.4.29/- crores for the Assessment years 2007-2008 (Rs.88.98 Lacs), 2008-2009 (Rs.270 Lacs - Net of Recovery) and 2009-2010 (Rs.302.74 Lacs - Demand raised after the end of the financial year). Based on the decisions of Appellate Authorities and the interpretations of other relevant provisions, the company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made. (For the demand for the Asst.year 2008-09 the Income Tax department has recovered taxes to the extent of Rs.70.07 lakhs through separate proceedings) (Separate stay proceedings in respect of the above demands are pending before various judicial authorities).

28. There are no impairment of assets in terms of Accounting Standard No.28 issued by The Institute of Chartered Accountants of India. The Company had disposed some of the assets in the subsequent financial year which will be suitably recognised/Deal with in the financial statements of the subsequent year in accordance with the Accounting Standard No.10 issued by the Institute of Chartered Accountants of India.

29. Importer & Indigineous items consumed :

(Rs. in Lakhs)

Particulars	2012-13		2011-12	
	Amount	%	Amount	%
1. Raw Materials				
(a) Imported	-	0.00%	-	0.00%
(b) Indigenious	13,640.65	100.00%	8,663.37	100.00%
	13,640.65	100.00%	8,663.37	100.00%
2. Packing Materials				
(a) Imported	16.03	5.85%	2.22	1.28%
(b) Indigenious	257.78	94.15%	170.67	98.72%
	273.81	100.00%	172.89	100.00%
3. Consumables,Stores & Spares				
(a) Imported	259.82	37.48%	226.11	40.90%
(b) Indigenious	433.41	62.52%	326.68	59.10%
	693.23	100.00%	552.79	100.00%
4. Fuel				
(a) Imported	-	0.00%	-	0.00%
(b) Indigenious	744.22	100.00%	502.18	100.00%
	744.22	100.00%	502.18	100.00%

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

30. Expenditure in Foreign currency:

(Amount in Rs.)

Particulars	2012-13	2011-12
1. Professional & Consultation fee		
(a) Analysis Charges	262,850	1,32,199
(b) Sales Commission	718,395	29,16,939
(c) Professional Charges	1,279,131	284,928
(d) Subscription and Registration	212,825	188,112
2. Foreign Travel Expenditure	511,141	34,43,458
3. Packing Materials, Additives, Stores and Lab Consumables	25,738,396	15,468,830
Total	28,722,738	22,434,466

31. FOB Value of goods exported Rs. 16,801 Lacs (Previous Year Rs. 10,695 Lacs)

32. During the year the company has recognized the following amount in the Profit & Loss Account

	Particulars	Group Gratuity Scheme (Funded) 2013	Group Gratuity Scheme (Funded) 2012
(a)	Reconciliation of Opening and Closing Balances of Defined Benefit Obligations		
	Present Value of obligation as at 1st April 2012	3,393,179	3,019,483
	Current Service Cost	486,271	241,559
	Interest Cost	271,454	463,372
	Actuarial (gain) / loss	167,300	(328,039)
	Benefits paid	(163,275)	(3,196)
	Present Value of obligation as at 31st March 2013	4,154,929	3,393,179
(b)	Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets:		
	Fair Value of plan assets as at 1st April 2012	2,565,314	2,131,964
	Expected return on plan assets	279,078	204,047
	Contribution made	608,867	557,342
	Benefits Paid	(163,275)	(328,039)
	Actuarial gain / (loss) on the plan assets	-	-
	Fair Value of plan assets as at 31st March 2013	3,289,984	2,565,314
(c)	Reconciliation of Fair Value of Assets and Obligations as at 31st March 2013:		
	Present value of the obligation	4,154,929	33,93,179
	Fair Value of plan assets	3,289,984	25,65,314
	Funded Status (Surplus / (Deficit)	(864,945)	(8,27,865)
	Net asset / (liability) recognized in the balance sheet	(864,945)	(8,27,865)

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

(Amount in Rs.)

	Particulars	Group Gratuity Scheme (Funded) 2013	Group Gratuity Scheme (Funded) 2012
(d)	Expenses recognized during the year (Under the head "Employees Cost – Refer Schedule "O")		
	Current Service Cost	486,271	463,372
	Interest Cost	271,454	241,559
	Expected return on plan assets	(279,078)	(204,047)
	Actuarial (gain) / loss	167,300	(3,196)
	Net Cost	645,947	497,688
(e)	Actual return on the plan assets:		
	Expected return on plan assets	167,300	204,047
	Actuarial gain / loss on plan assets	-	-
	Actual return on plan assets	167,300	204,047
(f)	Actuarial Assumptions:		
	Discount rate (Per annum)	8.00%	8.00%
	Rate of escalation in salary (Per annum)	6.50%	6.50%

The Company made annual Contributions to the LIC of an amount advised by the LIC. The Company was not informed by LIC of the investments made by the LIC or the Break-down of plan assets by investment type.

33. Poultry Division:

All the consumption of Feeds, Drugs, Vaccines and Medicines upto the grower stage are being added on the value of birds and shown as "Value of Livestock" under the fixed assets in the Balance Sheet.

The Cost of Birds thus arrived at is being amortised over remaining life time of the Birds and is recognized in the Profit and loss account.

The remaining unamortized value of the Birds is shown as "Unamortised Value of Live Stock" under the other Current Assets in the Balance Sheet.

For **N.C.RAJAGOPAL & CO.,**
Chartered Accountants

SKM. MAEILANANDHAN
Executive Chairman

SKM SHREE SHIVKUMAR
Managing Director

N.C. VIJAY KUMAR
PARTNER
Membership No.208276
FRN : 003398S

Place : Erode

Date : 09.08.2013

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

Additional Information as per part IV, Schedule VI to the Companies Act, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Rs.in Thousands)

I.	Registration Details	
	Registration No.	181-6025
	State Code No.	18
	Balance Sheet Date	31.03.2013
II.	Capital Raised during the year	
	Public Issue	Nil
	Rights Issue	Nil
	Bonus Issue	Nil
	Private Placement	Nil
III	Position of Mobilisation and Deployment of Funds	
	Total Liabilities	14,16,538
	Total Assets	14,16,538
	Source of Funds	
	Paid up Capital	2,63,300
	Reserves and Surplus	1,19,146
	Long Term Borrowings	5,11,151
	Deferred Tax Liability Net	18,052
	Other Long Term Liabilities	50,000
	Long Term Provision	4,810
	Short term Borrowings	2,78,752
	Trade Payables	89,818
	Other Current Liabilities	76,785
	Short Term Provision	4,724
	Application of Funds	
	Tangible Assets (Not under lease)	8,60,081
	Tangible Assets (under lease)	23,443
	Capital Work in progress	1,235
	Live birds Stock	3,538
	Non Current Investments	833
	Long Term Loans & Advances	23,164
	Other Non currents Assets	11,846
	Inventories	3,08,754
	Trade Receivables	23,381
	Cash and Cash Equivalents	43,835
	Short term Loans & Advances	3,104
	Other Current Assets	1,13,307
	Translation Reserve	18
IV	Performance of the Company	
	Turnover including Other Income	20,03,849
	Total Expenditure	19,90,195
	Profit Before Tax	(13,654)
	Profit After Tax	(10,345)
	Earning Per Share (in Rupees)	0.39
	Dividend Rate %	—
V	Generic names of three Principal Products of the Company	
	Item Code No.	4081100
	Product Description	Egg Powder

For and on behalf of the Board

Place : Erode

Date : 09.08.2013

SKM. MAELANANDHAN
Executive Chairman

SKM. SHREE SHIVKUMAR
Managing Director

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

CASH FLOW STATEMENT FOR THE PERIOD 01.04.2012 TO 31.03.2013

(Rs. in Lacs)

Particulars	2012-13		2011-12	
A. CASH FLOW FROM OPERATING ACTIVITIES (INDIRECT METHOD)				
Profit After Tax		103.45		(1,161.61)
Adjustments for :				
Depreciation	694.28		715.26	
(Profit) / Loss on Sale of Fixed Assets	0.01		(33.16)	
Deferred Tax Asset	22.44		(539.81)	
Amortisation of Expenses	1,150.72		185.47	
Interest Expenses	591.38		363.34	
Interest Income	(19.87)	2,438.96	(16.65)	674.46
Operating Profit/Loss before Working Capital Changes		2,542.42		(487.15)
Adjustments for :				
(Increase) / Decrease in Trade and other Receivable	877.44		282.44	
(Increase) / Decrease in Inventories	(1,231.84)		282.06	
Increase / (Decrease) in Trade and other payables	(1180.29)	(1,534.69)	436.95	1001.45
Cash generated from operations		1,007.72	--	514.30
Direct Taxes paid		--		--
Cash Flow before Extra-ordinary Items		1,007.72		514.30
Net Cash Flow from Operating Activities		1,007.72		514.30
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase / Increase in fixed assets		(70.15)		(44.27)
Amortisation of Birds		(1,052.75)		(229.23)
Sale of Fixed Assets		6.96		195.84
Profit on Sale of Assets		(0.01)		33.16
Interest and Dividend received		19.87		16.65
Net Cash (used in) received from Investing Activities		(1,096.09)		(27.86)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid for Term Loan		(591.38)		(363.34)
Increasing / (Decrease) Bank & other Borrowings		629.45		128.55
Net cash (used in) received from Financing Activities		38.07		(234.80)
Net increase / (Decrease) in cash and cash equivalents		(50.30)		251.64
Opening Cash and Cash equivalents		488.66		237.01
Closing Cash and Cash equivalents		438.35		488.66

For and on behalf of the Board

SKM.MAEILANANDHAN

Executive Chairman

SKM. SHREE SHIVKUMAR

Managing Director

AUDITORS' CERTIFICATE

We have examined the Cash Flow Statement of M/s. SKM Egg Products Export (India) Limited for the year ended 31st March 2013. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with the Stock Exchanges and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report dated 09.08.2013 to the Members of the Company.

Place : Erode

Date : 09.08.2013

For N.C.RAJAGOPAL & CO.,
Chartered Accountants

N.C. VIJAY KUMAR
PARTNER

Membership No.208276
FRN : 003398S

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

We have audited the accompanying Consolidated Financial Statements of SKM EGG PRODUCTS EXPORT (INDIA) LIMITED and its Subsidiary, which comprise the consolidated Balance Sheet as at 31st March 2013, the Consolidated Statements of Profit and Loss and the consolidated cash flow statement for the year ended and a summary of Significant Accounting Policies and Other explanatory Information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Company in accordance with the Accounting Principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

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

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated financial statements give the information required by the Companies Act 1956 ("The Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013; and
- b) in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date;
- c) in the case of Consolidated Cash Flow Statement, of the Cash flows for the year ended on that date.

Other Matter:

We did not audit the Financial Statements/ Financial Information of the Subsidiary, which have been only compiled and not audited by other Auditors. The attached Consolidated Financial Statements include no assets as at 31st March 2013 and revenues of Rs.21.90 Crores.

For N.C.RAJAGOPAL & CO.,
Chartered Accountants

N.C. VIJAY KUMAR
PARTNER
Membership No.208276
FRN : 003398S

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT RELATING TO SUBSIDIARY COMPANY

1. Name of the Subsidiary Company	SKM Europe BV
2. Statement of holding Company's Interest in subsidiary company As on March, 31, 2013	As on March,31,2013
15,300 shares of Euro 1 each	Rs. 8,32,779/-
Financial year of the Subsidiary company	Period ended March,31,2013
3. Net aggregate amount of Profit/ Loss of the subsidiary as far as it concerns the holding company	
Dealt with the accounts of SKM Egg Products Export (India) Limited by way of dividend on the shares held in the Subsidiary for the period ending March, 31, 2013	Nil
Not dealt within the accounts of SKM Egg Products Export (India) Limited	
For the period ended March 31, 2013	(3.8 Lakhs)
For the previous financial year	Profit of Rs. 59.83 lakhs

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2013

(in Rs.)

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	263,300,000	263,300,000
(b) Reserves and Surplus	4	127,648,678	117,819,490
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	5(a)	511,151,390	499,773,552
(b) Deferred Tax Liabilities (Net)	5(b)	18,051,759	15,673,172
(c) Other Long Term Liabilities	5(c)	5,00,00,000	-
(d) Long Term Provisions	5(d)	4,810,495	3,243,160
(3) Current Liabilities			
(a) Short-Term Borrowings	6(a)	298,358,034	384,429,055
(b) Trade Payables	6(b)	218,788,580	332,262,568
(c) Other Current Liabilities	6(c)	84,279,011	41,475,371
(d) Short-Term Provisions	6(d)	13,516,715	12,363,164
(e) Minority Interest	6(e)	1,647,504	1,714,726
Translation Reserve		7,194,075	3,586,080
Total Equity & Liabilities		1,598,746,242	1,675,640,339
II.ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
a) Tangible Assets (Not Under Lease)	7(a)	860,081,006	923,089,865
b) Tangible Assets (Under Lease)	7(b)	23,442,897	24,802,994
c) Capital work in Progress	7(c)	1,235,205	-
d) Live Birds Stock	7(d)	3,538,103	13,334,443
		888,297,211	961,227,302
(b) Long term loans and advances	7(e)	23,163,669	93,198,263
(c) Other non-current assets	7(f)	11,845,572	11,845,572
(2) Current Assets			
(a) Inventories	8(a)	405,848,124	302,632,427
(b) Trade receivables	8(b)	101,080,686	144,356,736
(c) Cash and cash equivalents	8(c)	50,787,231	48,949,706
(d) Short-term loans and advances	8(d)	4,417,115	5,546,823
(e) Other current assets	8(e)	113,306,634	107,883,511
Total Assets		1,598,746,242	1,675,640,339

See accompanying Notes to Financial Statements

For **N.C.RAJAGOPAL & CO.**,
Chartered Accountants

N.C. VIJAY KUMAR B.Com., F.C.A.,
Partner
Membership No. 208276
Firm Reg No. 003398S

Place : Erode
Date : 09.08.2013

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

SKM.MAEILANANDHAN
Executive Chairman

SKM. SHREE SHIVKUMAR
Managing Director

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2013

(in Rs.)

Sr. No.	Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
I	Revenue from operations	9	2,151,477,151	1,424,979,987
II	Other Income	10	70,703,134	(21,780,169)
III	Total Revenue (I +II)		2,222,180,285	1,403,199,818
IV	Expenses:			
	Cost of materials consumed	11	1,502,002,978	1,039,819,015
	Purchase of Stock-in-Trade	12	222,698,526	115,984,180
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	13	(118,827,666)	8,912,664
	Employee Benefit Expense	14	72,105,752	59,919,137
	Financial Costs	15	118,460,846	116,728,347
	Depreciation and Amortization Expense	16	184,499,543	90,075,106
	Other Expenses	17	227,295,392	135,336,348
	Total Expenses (IV)		2,208,235,371	1,566,774,796
V	Profit before exceptional and extraordinary items and tax	(III - IV)	13,944,913	(163,574,978)
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		13,944,913	(163,574,978)
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		13,944,913	(163,574,978)
X	Tax expense:			
	(1) Current tax	18	738,821	(471,847)
	(2) Deferred tax	19	3,308,833	(53,981,468)
XI	Profit(Loss) for the year (before adjustment for Minority Interest)	(IX-X)	9,897,259	(109,121,664)
	Add (+) / Less (-) Minority Interest	6(e)	(67,222)	1,055,874
XII	Profit (Loss) for the year (after adjustment for Minority Interest)		9,964,481	(110,177,537)
XIII	Earning per equity share of face value Rs.10 each			
	Earning per equity share:	20		
	(1) Basic		0.38	(4.18)
	(2) Diluted		0.38	(4.18)

See accompanying Notes to Financial Statements

For **N.C.RAJAGOPAL & CO.,**
Chartered Accountants

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

SKM.MAEILANANDHAN
Executive Chairman

N.C. VIJAY KUMAR B.Com., F.C.A.,
Partner
Membership No. 208276
FRN No. 003398S

SKM. SHREE SHIVKUMAR
Managing Director

Place : Erode
Date : 09.08.2013

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET 2012- 2013

(Amount in Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
Note No. : 3 Share Capital		
Authorised Capital:		
3,00,00,000 Equity Shares of Rs. 10/- Each	300,000,000	300,000,000
Issued, Subscribed & Paid-up:		
263,30,000 Equity Shares of Rs.10/- each fully paid-up	263,300,000	263,300,000
Total	26,33,00,000	26,33,00,000
Note No. : 4 Reserve & Surplus		
Share Premium Account :		
Opening Balance	400,692	400,692
Add : Current year transfer		
less: Written back		
Closing Balance	400,692	400,692
General Reserve:		
Opening Balance (Revenue Reserve)	432,812	432,812
Add : Current year transfer		
less: Written back		
Closing Balance	432,812	432,812
Profit & Loss Account:		
Opening Balance	116,985,986	227,163,523
Add : Previous year Adjustments	3,585,924	-
Add: Current Year Balance after appropriation	6,243,264	(110,177,537)
Closing Balance	126,815,174	116,985,986
Total	127,648,678	117,819,490
NON CURRENT LIABILITIES		
Note No.:5 (a) Long Term Borrowings		
Secured		
(I) From Banks		
i) SBI FCNRB (C&I) USD, Term Loan	-	359,008,787
ii) SBI Bank, Term Loan	31,77,00,944	2,020,653
iii) SBI Bank (FITL) - Term Loan	38,838,571	43,585,735
iv) Corporation Bank (Vehicle Loan)	-	202,522
(II) From Others		
i) Kotak Mahindra (Vehicle Loan)	1,211,875	10,55,855

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

(Amount in Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
UnSecured		
Loans and Advances from Related Parties		
i) Loan from Executive Chairman	60,000,000	-
ii) Loan from Managing Director	49,500,000	50,000,000
iii) SKM Universal Marketing Company India Limited	43,900,000	43,900,000
Total	511,151,390	499,773,552

CORPORATE TERM LOANS ARE SECURED BY ;

- First charge on the entire fixed assets of the company.
- Personal guarantees of Executive Chairman and Managing director.
- Terms loans with SBI are repayable over a period of six years in accordance with reschedulement arrangement entered into with the bank three years ago.
- Funded Interest Term Loan (FITL) represents accumulation of interest on the term loan availed from the SBI as per the terms of the reschedulement entered into with the bank three years ago repayment of which loan commences from October-2012 repayable over a period of next three years.
- Vehicle Loans are Secured by the Hypothecation of Vehicle and are repayable over a period of three to five years from the date of borrowing.
- Term Loan Installments of 2013-14 are considered under other current liabilities.

(Amount in Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
Note No.:5 (b) Deferred Tax Liability (Net)		
Deferred Tax Liability		
Balance b/f of last financial year	15,673,172	69,654,640
Deferred Tax Assets		
-On account of allowances for tax purpose In :		
Depreciation	976,447	3,491,563
C/F and Business Losses (DTA)/DTL	4,335,388	(46,076,559)
Income Tax Disallowance (DTA)/DTL	4,254,277	(11,227,314)
Gratuity (DTA)/DTL	(11,458)	-
Earned Leave (DTA)/DTL	(4,72,849)	(1,69,158)
Others (DTA)/DTL	(67,03,218)	-
Total	18,051,759	15,673,172
Note No.:5 (c) Other Long Term Liabilities		
Long term Trade Creditors	5,00,00,000	-
Total	5,00,00,000	-
Note No.:5 (d) Long Term Provisions		
Provision for Employee Benefits		
a) Earned Leave Encashment Payable	3,945,550	2,415,295
b) Net Gratuity obligation	864,945	827,865
Total	4,810,495	3,243,160

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

(Amount in Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
CURRENT LIABILITIES		
Note No.:6 (a) Short Term Borrowings		
<i>Loan Repayable on demand</i>		
<i>Secured</i>		
<i>From Bank</i>		
i) Working Capital Finance From		
a. State Bank of India Commercial Branch, Erode	278,751,511	306,088,680
b. ICICI bank Ltd., *	-	50,000,000
ii) Forward Contract Payable	-	20,777,221
iii) Rabo Bank, Netherlands	19,606,523	7,563,154
Total	298,358,034	384,429,055

WORKING CAPITAL FINANCE FROM SBI ARE SECURED BY ;

- Hypothecation of stocks consisting of Rawmaterials, semi finished goods, finished goods and stores and spares and other current assets of the company.
- Personal guarantees of Executive Chairman and Managing director.
- Second charge on the entire fixed assets of the company.
- SBI - Pledge of shares of the company held by the Managing Director.
- Rabo Bank, Netherlands secured against Bills receivables.

Particulars	As at 31.03.2013	As at 31.03.2012
Note No.:6 (b) Trade Payables		
i) Trade Creditors *	18,97,98,214	260,577,627
ii) Creditors For Expenses & Others	27,798,884	71,427,930
iii) Advance from debtors	1,191,482	257,011
Total	218,788,580	332,262,568

*(The Disclosure requirement under Micro, Small and Medium Enterprises Development Act 2006 has not been made since the company has requested for the details from the parties and which are yet to be received on the date of signing of this Financial Report.)

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

(Amount in Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
Note No.:6 (c) Other Current Liabilities		
a) Current Maturities of Long Term Debt		
(I) From Banks		
i) SBI Term Loan	42,000,000	20,875,721
ii) SBI Bank (FITL) - Term Loan	26,400,000	13,200,000
iii) Corporation Bank (Vehicle Loan)	273,086	4,62,000
(II) From Others		
i) Kotak Mahindra (Vehicle Loan)	577,500	3,66,020
ii) Reliance (Vehicle Loan)	-	8,341
b) Unpaid Dividend	2,526,649	25,26,649
c) Other Payables		
Rent Deposit	18,000	18,000
Statutory Dues	4,197,321	22,15,599
Sales Commission Payable	7,618,959	1,803,042
d) Russia Branch Current Liabilities	667,497	-
Total	84,279,011	41,475,371
Note No.6 (d) Short Term Provisions		
Bonus Payable	3,215,000	3,330,000
Provision for Brokerage	161,053	149,855
Provision for Expenses	3,499,263	2,404,151
Provision for Bad Debts	6,641,400	6,479,158
Total	13,516,715	12,363,164
Note No. :6 (e) Minority Interest		
Share Capital	146,961	146,961
Profit & Loss Account	-	-
Opening Balance	1,567,765	511,892
Current year Profit/Loss transfer	(67,222)	1,055,874
Closing Balance	1,500,543	1,567,765
Total	1,647,504	1,714,726

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

Note Forming Integral Part of the Consolidated Balance Sheet as at 31st March, 2013

Note No. : 7 *NON CURRENT ASSETS*

	As at 31.03.2013	As at 31.03.2012
Fixed Assets		
(a) Tangible Assets (Not Under Lease)	860,081,006	923,089,865
(b) Tangible Assets (Under Lease)	23,442,897	24,802,994
(c) Capital work in Progress	1,235,205	-
(d) Live Birds Stock	3,538,103	13,334,443
	888,297,211	961,227,302

(In Rs.)

Details :

S. No	Particulars	Gross Block			Depreciation			Net Block	
		01.04.2012	Depreciation during the year	31.03.2013	01.04.2012	Depreciation during the year	31.03.2013	WDV as on 31.03.2013	WDV as on 31.03.2012
(a)	Tangible Assets								
	(Not under lease)								
	Land	39,410,810	-	39,410,810	-	-	-	39,410,810	39,410,810
	Building	460,726,271	-	460,726,271	10,890,082	-	88,001,360	372,724,911	383,614,994
	Plant & Machinery	773,847,641	1,795,172	775,642,813	50,744,450	-	371,474,886	404,167,927	453,117,205
	Office &								
	Other Equipment	51,440,068	1,704,550	53,110,606	3,074,754	9,022	22,599,120	30,511,486	31,906,680
	Computers	9,392,654	447,225	9,839,879	7,648,270	1,197,574	8,845,844	994,035	1,744,384
	Furniture & Fixtures	5,467,756	-	5,467,756	3,865,597	326,188	4,191,785	1,275,971	1,602,159
	Motor Vehicles	20,147,012	1,833,193	20,802,205	8,453,379	1,834,633	9,806,340	10,995,865	11,693,633
	SUB TOTAL (a)	1,360,432,212	57,80,140	1,212,012	437,342,347	68,067,682	504,919,334	860,081,006	923,089,865
(b)	Tangible Assets								
	(Under lease)								
	Plant & Machinery	28,633,623	-	28,633,623	1,360,097	-	5,190,726	23,442,897	24,802,994
	SUB TOTAL (b)	28,633,623	-	28,633,623	1,360,097	-	5,190,726	23,442,897	24,802,994
(c)	Capital Work-in-progress								
	Plant & Machinery	-	3,497,925	2,262,720	-	-	-	1,235,205	-
	SUB TOTAL (c)	-	3,497,925	2,262,720	-	-	-	1,235,205	-
	Total (a+b+c)	1,389,065,835	9,278,065	1,394,869,168	441,172,976	69,427,779	510,110,060	884,759,108	947,892,859
	(Previous Year)	1,408,794,489	5,288,519	1,389,065,835	374,217,099	71,527,918	441,172,976	947,892,859	1,034,577,390

Description	Value of Live Stock as on		Cost Amortised		Cost Unamortised		Value of Live Stock as on	
	01.04.2012	31.03.2013	01.04.2012	31.03.2013	01.04.2012	31.03.2013	01.04.2012	31.03.2013
(d) Live Stock	1333443	8958860	165123039	115071764	47846615	31712489	3,538,103	13,334,443
PREVIOUS YEAR			330695111	294607039	31712489			

General Description of Lease terms:

a) Lease rentals are charged on the basis of agreed terms.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

(Amount in Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
Note No.:7 (e) Long Term Loans & Advances		
i. Advances Recoverable in Cash or in kind for value to be received - unsecured and Considered Good	2,502,622	61,426,788
ii. Deposits - Considered Good	5,344,248	4,542,638
iii. Advance to Suppliers (Trade)	15,316,799	27,228,837
Total	23,163,669	93,198,263
Note No.:7 (f) Other Non Current Assets		
<i>Non Trade Investments</i>		
Investments In Equity Instruments (Unquoted) SKM Universal Marketing Company India Limited (Equity Shares of 789700 @ 15/-)	11,845,572	11,845,572
Total	11,845,572	11,845,572
CURRENT ASSETS		
Note No.:8 (a) Inventories (As Valued & Certified By the Management)		
Raw Material	35,710,440	13,910,072
Additives, Stores, Spares and Consumables	25,285,586	25,072,090
Finished Goods	245,607,821	144,504,271
Feed & Medicines	2,149,713	2,083,515
Egg Powder at Netherlands	64,516,959	46,792,843
Goods in Transit (Europe BV)	32,577,606	70,269,635
Total	405,848,124	302,632,427
Note No.:8 (b) Trade Receivables Unsecured & Considered Good		
Sundry Debtors	101,080,686	144,356,736
Total	101,080,686	144,356,736
Note No.:8 (c) Cash and Cash Equivalents		
i. Cash on hand	970,435	400,574
ii. In Current Account with Scheduled Banks	38,546,599	36,116,086
III.Fixed Deposit with SBI, Commercial Branch Erode.	11,270,197	12,433,046
Total	50,787,231	48,949,706

Balance with Banks includes Unpaid Dividend of Rs.9.39 Lakhs (Previous year Rs.9.39 Lakhs)

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

(Amount in Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
Note No.:8 (d) Short term Loans & Advances		
i. Advance to Staffs	20,000	52,625
ii. Prepaid Expenses	3,084,357	2,760,697
iii.VAT Recivables	1,312,758	2,733,501
Total	4,417,115	5,546,823
Note No.:8 (e) Other Current Assets		
i. Unamortised Value of Chicks	47,846,615	31,712,489
ii. Deferred Forward Cover Cost (FCNRB)	-	4,532,600
iii. Income accrued on Deposits & Subsidies Receivables	28,562,425	38,668,743
iv. MAT Credit Entitlement & Tax Refund Receivables	35,874,965	32,969,679
v. Others	500,000	-
vi. Russia Branch Current Assets	522,629	-
Total	113,306,634	107,883,511

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT 2012-13

Note No. : 9 Revenue from Operations		
Export Sales	1,948,820,997	1,266,389,207
Domestic Sales	180,708,992	12,99,77,876
Sale of Egg Shell (Waste)	2,991,998	1,428,904
Sale of Culling Birds & Litter waste	15,594,157	19,126,082
Sale of Declared Goods (Scrap)	1,677,736	1,207,435
Feed Processing Charges Received	1,683,271	6,850,483
Total	2,151,477,151	1,424,979,987
Note No. : 10 Other Income		
Interest Receipts	1,386,712	1,064,786
Lease Rent Received - Egg Grader Machine	600,000	600,000
Receipts - Subsidies	79,993,080	48,854,185
Exchange Flucutation - Net	(11,904,448)	(76,239,870)
Profit on sale of Assets	(1,327)	3,315,844
Miscellaneous Income	629,117	624,886
Total	70,703,134	(21,780,169)

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

(Amount in Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
Note No. : 11 Cost of Material Consumed		
a) PURCHASES OF RAW MATERIALS AND STORES		
Raw Material- Eggs/Feed Ingredients	1,317,036,630	889,151,977
Other Purchases	999,378	142,993
Vaccine & Medicine Consumption	859,917	265,878
Additives & Consumables	40,800,153	43,350,891
Sub-total (a)	1,359,696,078	932,911,739
b) DIRECT/PRODUCTIONS EXPENSES		
Packing Material - Consumed	30,220,745	18,387,573
Power & Fuel	108,153,913	84,038,378
Procurement & Other Production expenses	3,932,243	4,481,325
Sub-total (b)	142,306,901	106,907,276
Total (a+b)	1,502,002,978	1,039,819,015
Note No. : 12 Purchase of Stock in Trade		
Egg Powder Purchase	191,436,411	99,943,095
Import Duty	30,725,037	15,929,979
Customs Clearance & Other Expenses	537,078	111,106
Total	222,698,526	115,984,180
Note No. : 13 Change in Inventories		
Opening Stock - Finished goods	226,652,374	235,565,038
Closing Stock - Finished goods	345,480,040	226,652,374
Total	118,827,666	(8,912,664)
Note No. : 14 Employment Benefit Expenses		
Salaries & Wages	62,520,523	55,044,868
PF Contribution	4,441,624	2,824,013
Gratuity Expenses	645,947	497,688
Staff Welfare Expenses	4,497,658	1,552,568
Total	72,105,752	59,919,137
Note No. : 15 Financial Cost		
Working Capital Loan Interest	22,944,252	23,983,040
Bank Charges	6,853,142	6,419,275
Export Bills Discount & Overdue Interest	2,691,119	5,877,527
Interest Paid - Others	5,676,295	5,266,043

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

(Amount in Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
Interest on Vehicle Loan	255,620	168,486
Bill Discount & Collection Charges	3,230,929	1,832,614
SBI- Term Loan Interest	51,862,199	33,198,241
SBI- FITL Interest	7,276,132	3,844,285
Interest paid on ICICI	3,706,283	11,575,297
Interest paid to Chairman & Managing Director	9,432,275	7,381,039
SBI FCNRB Forward cover cost	4,532,600	17,182,500
Total	118,460,846	116,728,347
Note No. : 16 Depreciation & Amortised Cost		
Depreciation	69,427,779	71,527,918
Amortised Value of Birds	115,071,764	18,547,188
Total	184,499,543	90,075,106
Note No. : 17 Other Expenses		
Repairs & Maintenance		
a) Building	2,303,954	824,087
b) Plant & Machinery	7,638,434	6,645,329
c) Fly Control Expenses	720,030	1,373,076
d) Others	4,984,535	4,534,537
e) Vehicle - Fuel & Maintenance	11,181,548	9,247,875
Stores & Spares Consumption	28,694,022	11,892,645
Analysing Charges	843,466	1,088,292
Rent Expenses	1,615,201	2,418,281
Rates and Taxes, Registration and Renewal	5,182,904	2,975,901
Postage, Courier & Telephone Charges	2,424,268	2,319,060
Printing & Stationery	980,251	706,077
Insurance Premium	1,743,702	21,43,291
Advertisement and Publicity	192,073	2,171,233
Travelling Expenses	3,655,491	3,342,144
MD & Staff foregin Trip expenses	1,555,394	4,997,085
Brokerage expenses	93,660	125,075
Professional Charges	5,225,827	3,169,501
ISO / HACCP-expenses.	213,427	51,406
Stock Exchange Listing Fee	,256,780	268,217
Miscellaneous Expenses	1,988,363	1,406,700
Audit Fees	1,046,027	1,071,678
Donation	166,067	255,360
Annual General Meeting Expenses	75,782	136,720
Directors' Sitting Fee	24,000	21,000

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

(Amount in Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
Subscription	192,559	100,578
Sales Commission	31,020,224	22,846,579
Sales Promotional Expenses	1,092,417	29,070
Compensation to Foreign Customer	374,741	431,693
Russia Branch Office Expenses Written Off	34,002,145	-
Russia Branch Net Loss	6,142,084	-
Provision for Bad Debts	-	(451,659)
Sub-total (a)	155,629,376	86,140,830
Freight and Forwarding Charges	61,924,042	40,440,083
ECGC Insurance Premium paid	6,219,031	6,603,508
Product Liability Insurance Paid	2,942,967	17,41,321
Marine Insurance Premium Paid	579,975	410,606
Sub-total (b)	71,666,016	49,195,518
Total (a+b)	227,295,392	135,336,348
Note No. : 18 Current Tax		
Income Tax - Normal Provisions	738,821	859,069
Income Tax - MAT Provisions	-	-
Earlier year Excess Provision for Income Tax write off	-	(1,330,916)
Total	738,821	(471,847)
Note No. : 19 Deferred Tax		
On account of variation of allowances for tax purpose in :	-	-
Depreciation	976,447	3,491,563
C/F and Business Losses (DTA)/DTL	5,265,634	(46,076,559)
Income Tax Disallowance (DTA)/DTL	4,254,277	(11,227,314)
Gratuity (DTA)/DTL	(11,458)	-
Earned Leave (DTA)/DTL	(472,849)	(169,158)
Others (DTA)/DTL	(6,703,218)	-
Total	3,308,833	(53,981,468)
Note No. : 20 Earnings Per Share :		
Net Profit for the year	9,964,481	(110,177,537)
Less : Preference Share Dividend (including tax thereon)	0	0
Amount available for Equity Shareholders	9,964,481	(110,177,537)
Weighted No. of Equity shares	26,330,000	26,330,000
Basic EPS	0.38	(4.18)
Diluted EPS	0.38	(4.18)
Face Value per Equity Share	10	10

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

1. Significant Accounting Policies:

a) Basis of Preparation:

The Consolidated Financial statements of SKM Egg Products Export (India) Limited and its Subsidiary are prepared under the historical cost convention and in accordance with the accounting standards issued by the "The Institute of Chartered Accountants of India".

b) Principles of Consolidation:

- i. The Financial Statements of the Subsidiary Company used in the Consolidation are drawn up to the same reporting date as on the company.
- ii. The Consolidated financial statement have been prepared on the following basis:
 - (a) The financial statement of the present company and its majority owned and controlled subsidiary company have been combined on the line basis by adding together the book value of all items of Assets, Liabilities, Income and Expenses after eliminating inter – company balances / transactions and unrealized gain / loss.
 - (b) Interest in a jointly control entity is reported using proportionate consolidation.
 - (c) The consolidated financial statements are prepared using uniform accounting polices for similar transactions and other events in similar circumstances.
 - (d) Minority interest in the net assets of the consolidated subsidiary, consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the company in the subsidiary company and further movements in their share in the equity, subsequent to the date of the investments.

c) Use of Estimates:

Preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosures of the Contingent assets and liabilities on the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

Other accounting policies applicable for the holding company are equally applicable for the consolidated financial statements wherever relevant.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

NOTES ON ACCOUNTS ON CONSOLIDATED FINANCIAL STATEMENT

- a) The consolidated statement has been prepared to include the results of "SKM Europe BV", Utrecht, The Netherlands, the Subsidiary of the company in which the company holds 85% of the Share Capital of the Subsidiary Company.
- b) Contingent Liabilities:**
- i. Export Bills discounted with the State Bank of India, Commercial Branch, Erode Rs. 1078.38 Lacs (Excluding bills of subsidiary Company) (Previous year Rs. 566.43 Lacs).
 - ii. Income Tax Liability Rs. 359.06 lacs net of recovery. (Previous year Rs.359.06 Lacs)
 - iii. Service Tax Liability Rs.39.62 Lacs (Previous year Rs.35.19 Lacs)
 - iv. Excise Duty Liability Rs.14.53 Lacs (Previous year Rs.9.55 Lacs)
for the items referred to in item no. (ii) to iv refer note no.26.

For N.C. RAJAGOPAL & CO

N.C.VIJAYKUMAR
(PARTNER)
Membership No. 208276
FRN : 003398S

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 01.04.2012 TO 31.03.2013

(Rs. in Lacs)

Particulars	2012-13		2011-12	
A. CASH FLOW FROM OPERATING ACTIVITIES (INDIRECT METHOD)				
Profit After Tax		98.97		(1,091.22)
Adjustments for :				--
Depreciation	694.28		715.26	
(Profit) / Loss on Sale of Fixed Assets	0.01		(33.16)	
Deferred Tax Asset	23.78		(539.81)	
Amortisation of Expenses	1,150.72		185.47	
Interest Expenses	591.38		363.34	
Interest and Lease Receipt	(19.87)	2,440.30	(16.65)	674.46
Operating Profit before Working Capital Changes		2,539.28		(416.76)
Adjustments for :				
(Increase) / Decrease in Trade and other Receivable	1,090.17		(370.68)	
(Increase) / Decrease in Inventories	(1032.16)		122.38	
Increase / (Decrease) in Trade and other payables	(1,521.14)	(1,463.13)	1247.55	999.25
Cash generated from operations		1,076.15	--	582.49
Direct Taxes paid		--	--	--
Cash flow before extra ordinary items		1,076.15		582.49
Net Cash Flow from Operating Activities		1,076.15		582.49
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase / Increase in fixed assets		(70.15)		(44.27)
Amortisation of Birds		(1,052.75)		(229.23)
Sale of Fixed Assets and Subsidies Received		7.21		195.84
Profit / Loss on Sale of Assets		(0.01)		33.16
Interest and Lease Rent Receipt		19.87		16.65
Net Cash (used in) received from Investing Activities		(1,095.84)		(27.86)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid for Term Loan		(591.38)		(363.34)
Increasing / (Decrease) Bank Borrowings / Other Borrowings		629.45		35.05
Net cash (used in) received from Financing Activities		38.07		(328.29)
Net Increase / (Decrease) in cash and cash equivalents		18.38		226.34
Opening Cash and Cash equivalents		489.50		263.16
Closing Cash and Cash equivalents		507.87		489.50

For and on behalf of the Board

SKM.MAEILANANDHAN

Executive Chairman

AUDITORS' CERTIFICATE

SKM. SHREE SHIVKUMAR

Managing Director

We have examined the Cash Flow Statement of M/s. SKM Egg Products Export (India) Limited for the year ended 31st March 2013. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with the Stock Exchanges and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report dated 09.08.2013 to the Members of the Company.

Place : Erode

Date : 09.08.2013

For N.C.RAJAGOPAL & CO.,
Chartered Accountants

N.C. VIJAY KUMAR
PARTNER

Membership No.208276
FRN : 003398S

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

Registered Office : 185, Chennimalai Road, Erode - 638 001

ATTENDANCE SLIP

Regd. Folio No./ Client ID / DP ID No.:

**Eighteenth Annual General Meeting on Monday, the 30th September, 2013 at 4.00 p.m.
at N.S.A. Mahal, Club Melaange, 314, 315 Perundurai Road, Erode - 638 011.**

I hereby record my presence at the 18th ANNUAL GENERAL MEETING of the Company held at N.S.A. Mahal, Club Melaange, 314, 315 Perundurai Road, Erode - 638 011, on Monday, the 30th September, 2013 at 4.00 p.m.

I am a shareholder of the Company*

I am a Proxy/Authorised Representative of the shareholder(s)*

My name is

* Please strike off any one which is not applicable

Signature

Request to Members :

1. Shareholders and proxies should bring the attendance slip duly filled-in for attending the Meeting and hand it over at the entrance of the Meeting Hall.
2. Members are requested to avoid being accompanied by non-members and/or children.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

Registered Office : 185, Chennimalai Road, Erode - 638 001.

PROXY

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

No. of Shares Held :

I/We of in the district of

..... being a member/members of SKM EGG PRODUCTS

EXPORT (INDIA) LIMITED, hereby appoint of

in the district of or failing him of

in the district of as my/our Proxy to vote for me/us on my/our behalf at the

18th Annual General Meeting of the Company to be held on Monday, 30th September,2013 at 4.00 p.m.

and at any adjournment thereof.

Signed this day of2013

Signature

Affix One Rupee Revenue Stamp
--

Note : The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

எஸ்கேஎம் எக் புராடக்ட்ஸ் எக்ஸ்போர்ட் (இந்தியா) லிமிடெட்

185, சென்னிமலை ரோடு, ஈரோடு - 638 001.

வருகை பதிவுச் சீட்டு

Folio No./ Client ID / DP ID No.:

பங்குதாரரின் பெயர், விலாசம் :

30.09.2013ஆம் தேதியன்று மாலை 4.00 மணிக்கு N.S.A.மஹால், கிளப் மெலாஞ்ச், 314, 315 பெருந்துறை ரோடு, ஈரோடு-638 011ல் நடைபெறும் கம்பெனியின் 18ஆவது ஆண்டு பொதுக் கூட்டத்திற்கு எனது வருகையை இதன் மூலம் பதிவு செய்கிறேன்.

* பங்குதாரர் / பதிலாள் கையொப்பம்

* பதிலாள் / பங்குதாரர் என்பதை குறிப்பிடவும்

குறிப்பு : 1. பங்குதாரர் / பதிலாள் இந்தப் பதிவுச் சீட்டை கையொப்பமிட்டு கூட்டம் நடக்கும் இடத்தின் நுழைவு வாயிலில் கொடுக்கவும்.

2. பங்குதாரல்லாதோர் மற்றும் குழந்தைகளை உடன் அழைத்து வருவதைத் தவிர்க்குமாறு பங்குதாரர்கள் கேட்டுக் கொள்ளப்படுகிறார்கள்.

எஸ்கேஎம் எக் புராடக்ட்ஸ் எக்ஸ்போர்ட் (இந்தியா) லிமிடெட்

185, சென்னிமலை ரோடு, ஈரோடு - 638 001.

பதிலி படிவம்

Folio No./ Client ID / DP ID No. :

எஸ்கேஎம் எக் புராடக்ட்ஸ் எக்ஸ்போர்ட் (இந்தியா) லிமிடெட்டின் பங்குதாரர்களாக இருக்கும்

ஊரைச் சேர்ந்த நான் / நாங்கள் இதன் மூலம் எனது / எங்களது

பதிலாளாக ஊரைச் சேர்ந்த என்பவரையும்

எனது / எங்களது சார்பில் 30.09.2013ஆம் தேதியில் நடக்கவிருக்கும் 18வது ஆண்டு பொதுக் கூட்டம் அல்லது

ஒத்திவைப்புக் கூட்டத்தில் கலந்து கொள்ளவும் வாக்குப்பதிவு செய்யவும் நியமிக்கிறேன். / நியமிக்கிறோம்.

கையொப்பமிட்ட தேதி

ஒரு ரூபாய்
ரெவினியூ
ஸ்டாம்பு
ஒட்டவும்

குறிப்பு : இந்தப் பதிலி படிவத்தை (பதிலாள் நியமிக்கும் பட்சத்தில் மட்டும்) கம்பெனியின் பதிவு அலுவலகமான 185, சென்னிமலை சாலை, ஈரோடு - 638 001 என்ற விலாசத்திற்கு மேற்கண்ட கூட்டத்தின் 48 மணி நேரத்திற்கு முன்பாக வந்து சேருமாறு அனுப்ப வேண்டும்.

ANNEXURE



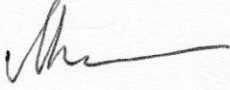

Amendments to Equity Listing Agreement

1. In Clause 31 of Equity Listing Agreement, in sub-clause (a), after the term ".....Directors' Annual Reports", the following shall be inserted, viz.,:-

"along with Form A or Form B, as applicable, the proforma for which shall be as under:-

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	SKM EGG PRODUCTS EXPORT INDIA LIMITED
2.	Annual Financial Statements For the Year Ended	31 st March 2013
3.	Type of Audit Observation	Un - Qualified
4.	Frequency of Observation	Not Applicable
5.	TO be Signed by <ul style="list-style-type: none">• CEO / Managing Director• CFO• Audit Committee Chairman• Auditor of the Company	   N.C.Rajagopal & CO., Chartered Accountants FRN 033985  N.C.Vija Kumar Partner Membership No. 208276

