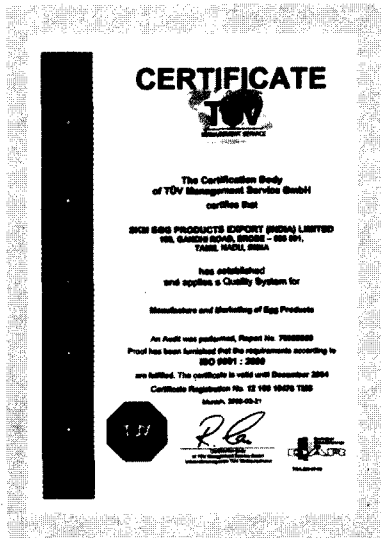
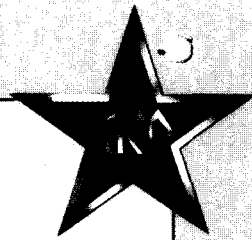


Eggs for your convenience

**SKM EGG PRODUCTS
EXPORT (INDIA) LIMITED**

Regd. Office: 180, Gandhiji Road, Erode - 638 001.

- ☐ **Excellence - Our Goal**
- ☐ **Service - Our Motto**
- ☐ **Quality - Our Obsession**



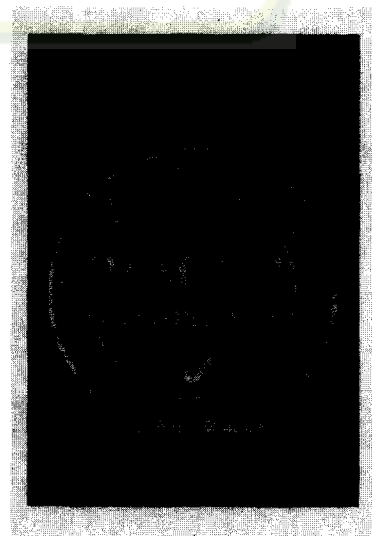
ISO 9001: 2000 Certificate



Certificate of merit from **APEDA** for the year 1999 - 2000 for quality and export promotion.



Silver Trophy Award from **APEDA** for the year 2000 - 2001 for quality and export promotion.



HACCP Certificate

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

180, Gandhiji Road, Erode - 638 001

BOARD OF DIRECTORS	:	Shri. SKM. MAEILANANDHAN Chairman and Managing Director
	:	Shri. S.K.M. SHREE SHIVKUMAR Executive Director
	:	Dr. M. CHANDRASEKAR
	:	Shri. P. SHANMUGASUNDARAM (TIDCO Nominee)
	:	Smt. SARADA N. MENON (IFCI Nominee)
	:	Shri. S.M. VENKATACHALAPATHY
	:	Dr. L.M. RAMAKRISHNAN
	:	Shri. M. CHINNAYAN
	:	Shri. P. KUMARASAMY

MANAGEMENT EXECUTIVES

GENERAL MANAGER - FINANCE	:	Shri. R. MURALIDHARAN B.Com., F.C.A.,
GENERAL MANAGER - OPERATIONS	:	Shri. S. HARIHARAN B.Sc., B.Tech., (Food Tech.,)

AUDITORS	:	N.C. RAJAGOPAL & CO., Chartered Accountants, 199, Agraharam Street, ERODE - 638 001.
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BANKERS	:	STATE BANK OF INDIA Commercial Branch, ERODE - 638 003.
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REGISTERED OFFICE	:	180, Gandhiji Road, Erode - 638 001. ERODE DISTRICT.
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FACTORY	:	Erode to Karur Main Road, Solangapalayam, Punjai Kilambadi Village, ERODE DISTRICT - 638 154.
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CERTIFIED TO BE A TRUE COPY

P. No 1 to 31

**FOR SKM EGG PRODUCTS EXPORT
(INDIA) LIMITED**
AUTHORISED SIGNATORY

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED**SKM EGG PRODUCTS EXPORT (INDIA) LIMITED**

180, Gandhiji Road, Erode - 638 001

NOTICE TO MEMBERS

Notice is hereby given that the Seventh Annual General Meeting of the Members of the Company will be held on Wednesday, the 18th day of September 2002 at 4.00 p.m at Kongu Kalaiararam, E.V.K. Sampath Nagar, Erode - 638 011 to transact the following business:

ORDINARY BUSINESS :**1. To receive, consider and adopt the following :**

- a) The audited Profit and Loss Account for the year ended 31st March, 2002.
 - b) The audited Balance Sheet as at 31st March, 2002 and
 - c) The reports of the Directors and Auditors
2. To appoint a Director in the place of Dr. L.M. Ramakrishnan who retires by rotation and being eligible, offered himself for re-appointment.
 3. To appoint a Director in the place of Shri. M. Chinnayan who retires by rotation and being eligible, offered himself for re-appointment.

SPECIAL BUSINESS :**4. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution :**

"RESOLVED THAT pursuant to Section 224-A of the Companies Act 1956, M/s. N.C. Rajagopal & Co., Erode, the retiring auditors be and are hereby appointed as auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration to be fixed by the Board of Directors of the Company, plus reimbursement of out-of-pocket expenses".

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution :

"RESOLVED that the consent of the Company be and is hereby accorded to the Board of Directors pursuant to provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, to issue further Equity Shares of Rs.10/- each of the Company, not exceeding 5,00,000 in number to such persons other than and including existing shareholders of the Company.

FURTHER RESOLVED that the equity shares of Rs.10/- each to be issued by the Company as above shall be issued as fully paid-up shares and allotted at Rs.10/- per share or at the price to be determined as per SEBI guidelines for preferential allotment, whichever is higher.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

FURTHER RESOLVED that the equity shares as above shall be allotted by the directors in one or more tranches subjected to however that the allotment of these shares shall be completed within a period of 3 months from the date of this Annual General Meeting.

FURTHER RESOLVED that the shares to be issued as above shall rank pari-passu with the existing equity shares of the Company in all respect."

By Order of the Board

Place : Erode

Date : 29-07-2002

S.K.M. SHREE SHIVKUMAR
EXECUTIVE DIRECTOR

NOTES :

1. A member entitled to attend and vote, is entitled to appoint one or more proxies to attend and vote instead of himself, and the proxy need not be a member.
2. Proxies, in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.
3. The Register of Members and Share Transfer Registers will remain closed from 16th September 2002 to 18th September 2002 (both days inclusive).
4. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956, in respect of Special Business is annexed.
5. The amended provisions of the Companies Act, 1956, provide for Nomination facility to Members. Members are requested to write to the Registered Office of the Company, for more information, if any, needed on Nomination facility and/or to get a copy of Nomination Form.
6. For Dematerialisation of Equity Shares, the Company has entered into a tripartite agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's Equity Shares have been included in the list in which trading is compulsory for all the investors in dematerialised form, along with other scrips, from January, 29, 2001. So far, more than 25% of total number of Shares, in the Equity Capital of the Company, have been dematerialised. In view of the advantages of the Depository System and for easy trading of the shares, Members are requested to opt for Dematerialisation of the shares of the Company, through any of the Depository Participants of their choice.
7. Members holding shares in DEMAT form are requested to incorporate the DP ID Number in the Attendance Slip/Proxy Form, for easy identification of attendance at the meeting.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED**EXPLANATORY STATEMENT UNDER SEC. 173(2)
OF THE COMPANIES ACT, 1956****Item No.4 :**

In terms of Sec.224A of the Companies Act, 1956 Auditors' appointment requires a special resolution if holding of shares by public Financial Institutions are in excess of 25% of the subscribed share capital of the Company. As the company's shares have been dematerialised, the company will not have information before-hand regarding combined shareholding of the public financial institutions as on the date of AGM. Therefore, as a matter of caution, a special resolution is proposed for appointment of auditors.

Board therefore recommends the resolution for approval of the shareholders.

None of the Directors are interested or concerned in this resolution.

Item No.5 :

With a view to augment long term working capital requirements, it has been proposed by the promoters to bring in additional funds by way of subscription to Equity Share Capital to the extend of Rs. 50 lacs. Pursuant to Section 81 (1A) of the Companies Act, 1956, such allotment of shares to persons other than existing shareholders, requires approval from members. Accordingly, the Board recommends the Special Resolution for the members' approval. Members are requested to accord approval to this resolution.

None of the Directors except Shri. SKM. Maeilanandhan, Chairman and Managing Director, Shri. S.K.M. Shree Shivkumar, Executive Director and Dr.M.Chandrasekar, Director are interested to the extent of the shares to be allotted to them and as relatives of Smt. M. Kuttalakshimi.

By Order of the Board

Place : Erode

Date : 29-07-2002

**S.K.M. SHREE SHIVKUMAR
EXECUTIVE DIRECTOR**

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED**DIRECTORS' REPORT AND MANAGEMENT ANALYSIS**

To the Members,

Your Directors wish to present the Seventh Annual Report together with Management Analysis of the Company's operations for the year ended 31st March 2002.

FINANCIAL RESULTS :

Financial results of the Company for the year ended 31st March 2002 are given below :-

(Rs. in lacs)

PARTICULARS	2001-2002	2000-2001
Income from Sales	4,329.62	2,732.00
Cost of Sales	3,406.89	2,198.92
Gross Profit	922.73	533.08
Interest	74.54	67.20
Depreciation	171.25	167.85
Selling and Administrative Expenses	314.88	270.98
Operating Profit	362.06	27.05
Add: Other Income	21.30	17.93
Net Profit	383.36	44.98
Excess Provision written back (Interest on Loans)	-	782.34
Profit	383.36	827.32
Accumulated Loss	144.58	527.94

BUSINESS OPERATIONS :

Revenue of SKM Egg Products Export (India) Limited ("the Company") are generated principally from sale of Whole Egg Powder, Egg Yolk Powder and Egg Albumen Powder.

Status of the Industry and Review of Operations :

During the year, the Company produced 2,495 Metric Tons and exported 2,505 Metric Tons of egg powder valued about Rs. 43.30 Crores, representing an increase of 36.14 % in volume and 58.49% in value, compared with previous year's turnover.

The Egg powder market has started picking-up and the international price for the product is increasing steadily. The future prospects for our product is expected to be good considering the difference in cost of production of eggs which is cheaper in India compared to that of our competing countries mainly European Union and USA. The competitiveness will further enhance as the subsidy/farm support will be phased out gradually in these countries under the WTO recommendations. As the Company has already established a

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

name as quality suppliers of egg products in the global market and as good opportunities are ahead, the sales for the year is expected to substantially increase. During the first quarter of the current year, the Company has achieved an export turnover of about 636 Metric Tons, value of Rs.11.50 crores.

DIVIDEND :

Your directors do not recommend dividend considering the conditions of OTS agreement entered into with the IFCI Ltd.

PERSONNEL :

Labour relations remained cordial through out the year under review.

CAPITAL INVESTMENT :

During the year, the Company has incurred capital expenditure to the tune of Rs. 22.06 lacs with a view to control and reduce cost of production.

FINANCE :

The Company has earned a Net Profit of Rs.383.36 lacs during the year 2001-2002. The Shareholders may note that Company has been paying OTS instalments regularly to IFCI Ltd. During year 2001-2002, Rs. 581.51 lacs and during the current year i.e upto 15th July, 2002, Rs. 387.66 lacs have been paid. Out of the OTS amount of Rs.2,584.50 lacs, Rs. 1,615.40 lacs (62.50%) have been repaid.

The Working Capital Limits sanctioned by the State Bank of India, Commercial Branch, Erode has been fully utilised.

DIRECTORS :

Dr. L. M. Ramakrishnan and Shri. M. Chinnayan Directors retire at the ensuing Annual General Meeting and have given their consent for re-appointment.

INTERNAL CONTROL SYSTEM :

Planned periodic reviews are carried out resulting in identification of control deficiencies and formulation of time bound action plans to improve efficiency. The adequacy of the internal control systems are reviewed by the Audit Committee of the Board of Directors. This supplemented with the existing periodical management reviews as well as ISO 9002 Audit System, which will enable the Company to improve its monitoring systems at all levels.

OUT LOOK :

The Company is confident of increasing its sales volume and sales realisation in the years to come, which would result in increase in the capacity utilisation. Further, the Company has developed some new products for special applications, which is expected to fetch premium prices in the international market.

QUALITY CERTIFICATION :

a) ISO 9002

The company's system and procedures have been certified for compliance with ISO 9002 procedures by TUV Bayern of Germany in January, 1999. The system was updated up to the revised requirements of the 2000 version of the system. The system is certified by TUV Suddeutichland and is valid until January 2005.

b) SQF -2000

Also understanding the importance of food safety, the Company has established yet another quality system in the name of Safe Quality Foods (SQF) 2000, which incorporates, Hazard Analysis Critical Control Point (HACCP), Good Manufacturing Practice (GMP) and Sanitation Standard Operating Procedure (SSOP)

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

developed by AG West of Australia. The successful implementation of the process was audited and certified by SGS International Certification Services Pty Ltd.

c) Total Quality Management (TQM)

During the current year, the Company has started the implementation of the Total Quality Management System in all its activities.

AWARDS :

The Company was awarded a certificate of merit for its export performance during the year 1999-2000 by the Agricultural and Processed Food Products Export Development Authority (APEDA) and Silver Trophy was awarded for its 140% increase in Sales and Quality of its products during the year 2000-2001 by the APEDA.

AUDITORS :

M/s. N.C.Rajagopal & Co., Chartered Accountants, Erode retire at the ensuing Annual General Meeting and are eligible for re-appointment. Necessary certificate as required under section 224 of the Companies Act, 1956 and consent for their re-appointment have been received from them.

REPORT ON CORPORATE GOVERNANCE :

A detailed Report on Corporate Governance is annexed to this report. The Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the listing agreement. The certificate from the auditors of the Company confirming compliance of Corporate Governance requirements is annexed to this report.

STATUTORY INFORMATION :

Information required to be furnished under the Companies Act, 1956 and the listing agreements are given in the annexure to this report.

ACKNOWLEDGEMENT :

Your Directors would like to thank all the shareholders, customers, suppliers for their continued support and confidence reposed by them in the Company. The directors would like to also thank the Company's Bankers and Financial Institutions viz State Bank of India, the IFCI Ltd., for their continued financial support. The directors would like to appreciate the valuable contribution made by the employees of the Company at all levels towards the progress and development of the Company. The Directors also wish to express their thanks to the promoter Company M/s. SKM Animal Feeds and Foods (India) Limited for their supply of quality raw materials.

By Order of the Board

Place : Erode

Date : 29-07-2002

SKM. MAEILANANDHAN
CHAIRMAN AND MANAGING DIRECTOR

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED**ANNEXURES TO DIRECTORS' REPORT****ANNEXURE-I. STATUTORY INFORMATION :****FIXED DEPOSITS :**

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

LISTING :

The Equity Shares of the Company have been listed in Coimbatore, Madras, Mumbai and National Stock Exchanges. Listing fees payable till 31.03.2002, have been duly paid.

DIRECTORS RESPONSIBILITY STATEMENT :

The directors confirm that :

1. In the preparation of Annual Accounts, the applicable Accounting Standards have been followed and that there were no material departures.
2. The Accounting Policies selected by them have been applied consistently, judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2002 and of the profit of the Company for the year ended on that date.
3. They 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.
4. The accounts have been prepared on a going concern basis.

CONSERVATION OF ENERGY :

Conservation of Energy continues to receive increased emphasis in all areas of the Company. Energy audits are being carried out on a regular basis for taking steps for reduction of the energy consumption. Particulars relating to the energy conservation is annexed in Form A.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :**Research and Development :**

Research and Development activities are carried out on an ongoing basis for improving the efficiency and also for improving quality of Egg Powder. No separate expenditure was incurred for Research and Development.