



SKM EGG PRODUCTS

THINKING OUT OF THE SHELL

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

NINETEENTH ANNUAL REPORT 2013 - 2014

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

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Contents

Corporate Overview & Management Reports

Notice to Members02

Share Holders Information10

Directors' Report and Management Analysis14

Financial Highlights/ Company Overview/ Corporate Information

Report on Corporate Governance.....27

Financial Statements

Standalone Financial Statements.....44

Consolidated Financial Statements.....66

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

CIN: L01222TZ1995PLC006025

REGD. OFFICE :185, CHENNIMALAI ROAD, ERODE-638 001

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| BOARD OF DIRECTORS | : | Shri. SKM MAELANANDHAN | (DIN: 00002380) |
| | : | Shri. SKM SHREE SHIVKUMAR | (DIN: 00002384) |
| | : | Smt. S. KUMUTAAVALLI | (DIN: 00002390) |
| | : | Dr. L.M. RAMAKRISHNAN | (DIN: 00001978) |
| | : | Shri. C. DEVARAJAN | (DIN: 00109836) |
| | : | Shri. S.M. VENKATACHALAPATHY | (DIN: 00043288) |
| | : | Shri. M. CHINNAYAN | (DIN: 01497482) |
| | : | Shri. P. KUMARASAMY | (DIN: 00046090) |
| | : | Shri. B. RAMAKRISHNAN (TIDCO Nominee) | (DIN: 00182214) |

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| EXECUTIVE CHAIRMAN | : | Shri. SKM MAELANANDHAN | (DIN: 00002380) |
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|--------------------------|---|----------------------------------|-----------------|
| MANAGING DIRECTOR | : | Shri. SKM SHREE SHIVKUMAR | (DIN: 00002384) |
|--------------------------|---|----------------------------------|-----------------|

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|---------------------------|---|--|
| STATUTORY AUDITORS | : | N.C. RAJAGOPAL & CO., Chartered Accountants, 199, Agraharam Street, ERODE - 638 001. |
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|----------------|---|--|
| BANKERS | : | STATE BANK OF INDIA Commercial Branch, New No. 45, Old No. 20, VCTV Road, Sathy Main Road, ERODE - 638 003. |
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| REGISTERED OFFICE | : | 185, Chennimalai Road, Erode - 638 001, |
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| FACTORY | : | Erode to Karur Main Road, Cholangapalayam, Punjai Kilambadi Village, ERODE - 638 154. |
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NOTICE TO MEMBERS

Notice is hereby given that the 19th Annual General Meeting of the Members of the Company will be held on Wednesday, the 10th September, 2014 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 the Balance Sheet as at March 31, 2014 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Shivkumar Kumutaavalli, Non-executive Director (DIN 00002390), who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Shri. P Kumarasamy, Non-executive Director (DIN 00046090), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To re-appoint Statutory Auditors of the Company and in that connection to consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder, M/s. N.C.Rajagopal & Co., Chartered Accountants, Erode be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration and on such terms and conditions as may be fixed by the Board of Directors based on the recommendations of the Audit Committee."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

RESOLVED THAT Dr.L.Muthusamy Ramakrishnan (DIN: 00001978) who is already an Independent Director in the company and who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director not liable to retire by rotation in terms of Sections 149 and 152 of the Companies Act, 2013 and rules made thereunder to hold office initially for a term of 5 consecutive years w.e.f. Conclusion of this Annual General Meeting.

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

RESOLVED THAT Shri. Chinnusamy Devarajan (DIN: 00109836) who is already an Independent Director in the company and who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director not liable to retire by rotation in terms of Sections 149 and 152 of the Companies Act, 2013 and rules made thereunder to hold office initially for a term of 5 consecutive years w.e.f. Conclusion of this Annual General Meeting.

7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

RESOLVED THAT Shri. Marutha Gounder Chinnayan (DIN: 01497482) who is already an Independent Director in the

company and who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director not liable to retire by rotation in terms of Sections 149 and 152 of the Companies Act, 2013 and rules made thereunder to hold office initially for a term of 5 consecutive years w.e.f. Conclusion of this Annual General Meeting.

8. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Special Resolution:

"RESOLVED that pursuant to the Provisions of section 188 and all other applicable provisions if any of the Companies Act, 2013 (the "Act") and subject to such approvals, consents ,sanctions and permission as may be necessary ,consent of the members of the company be accorded to the Board of Directors of the company to enter in to contracts and /or agreements with the related party as defined under the Act with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of or buying, leasing of property of any kind availing or rendering of any services or any other transaction of whatever nature with related parties".

Name of the Related Parties

1. M/s.SKM Animal Feeds And Foods (India) Limited
2. M/s.SKM Universal Marketing Company India Limited
3. Shri. SKM Shree Shivkumar (Din: 00002384)

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding".

9. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Special Resolution:

"RESOLVED that pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and other applicable rules, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force) and in supersession of the resolution limiting the borrowing authority of the Board of Directors of the Company passed by the Company previously, the Board be and is hereby authorized to borrow moneys from time to time such that the amount of such moneys borrowed and remaining to be repaid shall in the aggregate not exceed Rs.125 Crores (Rupees one twenty five crores only)over and above the Paid up Capital and Free Reserves of the Company, notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Company may exceed the aggregate of the Company's Paid up Capital and Free Reserves, that is to say, reserves not set apart for any specific purposes."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

RESOLVED that pursuant to the provisions of Section 190, 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V thereto and subject to such approvals, if any as may be necessary, consent of the Company be and is hereby accorded to the revision of remuneration payable to Shri SKM Maeilanandhan, Executive Chairman with effect from financial year 2013-2014, by means of payment of additional remuneration in the form of

commission as a percentage on the net profit of the company at the rate recommended by Remuneration Committee and approved by the Board of Directors of the Company from time to time, calculated in accordance with the provisions of the Companies Act .

RESOLVED FURTHER THAT other terms and conditions, as approved by the shareholders of the Company in Annual General Meeting held on 30th, September, 2011 remains unchanged, with liberty to the Board of Directors to revise the terms as to remuneration, from time to time within the limits provided for in the said Schedule V Part II Section II or any amendment thereof for the time being in force .

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any year, the above remuneration, perquisites and benefits be paid to Shri SKM Maeilanandhan as minimum remuneration subject to the provisions of the Companies Act, 2013, read with Schedule V thereto"

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

RESOLVED that pursuant to the provisions of Section 190, 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V thereto and subject to such approvals, if any as may be necessary, consent of the Company be and is hereby accorded to the revision of remuneration payable to Shri. SKM Shree Shivkumar, Managing Director with effect from financial year 2013-2014, by means of payment of additional remuneration in the form of commission as a percentage on the net profit of the company at the rate recommended by Remuneration Committee and approved by the Board of Directors of the Company from time to time, calculated in accordance with the provisions of the Companies Act .

RESOLVED FURTHER THAT other terms and conditions, as set out in the Explanatory Statement attached to this notice and hereby approved, with liberty to the Board of Directors to revise the terms as to remuneration, from time to time within the limits provided for in the said Schedule V Part II Section II or any amendment thereof for the time being in force .

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any year, the above remuneration, perquisites and benefits be paid to Shri. SKM Shree Shivkumar, as minimum remuneration subject to the provisions of the Companies Act 2013, read with Schedule V thereto"

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/ proxies to attend and vote instead of himself/ herself and such proxy need not be a member of the company.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Provided that a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

The Proxy Form, in order to be effective, should be lodged with the Company at the Registered Office at 185, Chennimalai Road, Erode 638 001 not less than 48 hours before the commencement of the meeting.

2. Members / Proxies should bring the Attendance Slip duly filled in for attending the AGM.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Businesses at Item Nos. 5 to 9 is annexed hereto.
4. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and Central Government Holidays between 11.00 a.m. and 1.00 p.m. up to the date of the AGM.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 03.09.2014 to 04.09.2014 (both days inclusive)
6. A brief profile of the Directors seeking appointment / re-appointment is furnished in the Report on Corporate Governance.
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 hold in dematerialized form.
8. 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 en-cashed dividend warrant(s) so far for the financial year ended 31st March 2005, 31st March 2006, 31st March 2007, 31st March, 2008 and 31st March, 2009 are requested to approach the company for obtaining payments thereof.
9. In terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, a company may give notice through electronic mode addressing to the person entitled to receive such e-mail as per the records of the company or as provided by the depository, provided that the company shall provide an advance opportunity atleast once in a financial year, to the

members to register his e-mail address and changes therein and such request may be made by only those members who have not got their email id record or to update a fresh email id and not from the members whose e-mail ids are already registered.

In view of the above, the company hereby request members who have not updated their email ids to update the same with their respective Depository Participants or with M/s. S.K.D.C. Consultant Ltd., Registrar and Transfer Agent (R&T) of the Company. Further, members holding shares in electronic mode are also requested to ensure to keep their email addresses updated with the Depository Participants/R&T of the Company. Members holding shares in physical mode are also requested to update their email addresses by writing to the R&T of the Company quoting their folio number(s).

10. In support of the Green Initiative announced by the Government of India and in terms of section 101 of the Companies Act, 2013 and Rule 18 of the Companies (Management and Administration) Rule 2014, electronic copy of the AGM Notice of the Company interaila indicating the process and manner of e-voting along with attendance slip and proxy form is being sent to all the members whose email ids are registered with the Company/Depository Participant(s) for communication purposes. For members who have not registered their email address, physical copies of the Notice of the Company along interaila the process and manner of e-voting with attendance slip and proxy form is being sent in the permitted mode.

In terms of section 107 and 108 of the Companies Act 2013, read with the Companies (Management and Administration) Rule, 2014, the Company providing the facility to its members holding shares in physical or dematerialized form, to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice. Details of the process and manner of e-voting is being sent to all the Members along with the Notice.

11. In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, e-voting upon poll being demanded, the Chairman of the Company may order a poll on his own motion or on demand at the Meeting in terms of Section 109 of the Companies Act, 2013 for all businesses specified in the accompanying Notice. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.
12. Members holding shares in DEMAT form are requested to incorporate Client ID Number and DPID Number in the attendance slip/proxy form for easy identification.
13. Pursuant to section 72 of the Companies Act, 2013, 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 Prescribed Form to the Registrar and Transfer Agents, M/s. S.K.D.C. Consultant Ltd., Ganapathy towers, Illrd floor, 1391/A-1, SathyRoad, Ganapathy, Coimbatore 641006.

By the Order of the Board

SKM Shree Shivkumar
Managing Director

Place : Erode
Date : 30.07.2014