

YKM INDUSTRIES LIMITED

YKM INDUSTRIES LIMITED

BOARD OF DIRECTORS

Sri. YERABHAGHA MEERA REDDY
MANAGING DIRECTOR
Smt. Y. M. R. PRASOONA
Sri. N. G. ANBUMANI
Sri. D. LOGANATHAN

BANKERS

BANK OF INDIA
Chennai.

AUDITORS

GANESH VENKAT & CO.
Chartered Accountants
New No. 2, (Old No. 25), Chengalvaryan Street,
1st Floor, Shenoy Nagar,
Chennai – 600 030.

SHARES LISTED AT

The Stock Exchange Mumbai
Madras Stock Exchange Limited
Bangalore Stock Exchange Limited

REGISTERED OFFICE

No. 4, Jayalakshmipuram
1st Street, Nungambakkam
Chennai – 600 034.

YKM INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the members of the Company will be held on **Friday, the 27.09.2013** at the registered office of the company situated at No.4, Jayalakshmpuram, 1st Street, Nungambakkam, Chennai 600034 at **10.00 A.M.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance sheet as at **31st March 2013** and Profit and Loss Account for the year ended **31st March 2013**, and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of, **Ms. YERABHAGHA MEERAREDDY PRASOONA**, who retires by rotation and being eligible, offers herself for re-appointment.
3. To re-appoint M/s. Ganesh Venkat & Co, Chartered Accountants (Registration No. 005293S), Chennai as Auditors of the Company, who retire at the conclusion of this Annual General Meeting, to hold office till the conclusion of the next Annual General Meeting, with authority to the Board of Directors of the Company to fix their remuneration.

/By Order of the Board/

For YKM INDUSTRIES LIMITED

Place : Chennai.

Date : **May 28, 2013**

DIRECTOR

Note:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy or proxies so appointed need not be a member or members as the case may be of the company. The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the company not later than 48 hours before the time fixed for holding the meeting.

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2. The Register of members and share transfer books of the company will be closed from **26.09.2013** to **27.09.2013** (both days Inclusive).
3. The Equity shares of the company are mandated for trading in compulsory demat mode. The ISIN No. Allotted for the Company's shares are INE332F01018.
4. Members are requested to notify the Company/Depository Participant (DP) immediately change of address, if any, and also write to Company/Depository Participant (DP) immediately about corrections, if any, in name, address and pin code.
5. As a measure of economy, copies of the annual report will not be distributed at the annual general meeting. Members are therefore requested to bring their copies of the annual report to the meeting.
6. Members are requested to affix their signature at the space provided on the attendance sheet annexed to the proxy form and hand over the slip at the entrance of the meeting hall.
7. No gifts/refreshments will be provided at the venue of the meeting.
8. Statement pursuant to Clause 49 of the Listing Agreement in respect of particulars of Directors retiring by rotation and offering for reappointment is detailed in corporate governance report.
9. The Profile as required under clause 49 of the listing agreement, of Ms. Yerabhagha Meera Reddy Prasoona is given in corporate governance report.

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DIRECTORS REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

The Directors present the 19th Annual Report of the Company together with the Audited accounts for the year-ended **31.03.2013**.

Financial Highlights

The highlights of the financial performance of the company are as follows :

Particulars	31.03.2013 (Rs. In lakhs)	31.03.2012 (Rs. In lakhs)
Total Income	0.57	-
Total Expenditure	2.26	10.50
Profit / (Loss) before Tax	(1.69)	(10.50)
Deferred Tax Revenue / (Expenses)	2.00	0.82
Profit / (Loss) after Tax	0.31	(9.67)
Balance in P & L A/c. brought forward	(2.37)	7.29
Surplus Carried forward to Balance Sheet	(2.06)	(2.38)

Dividend

Due to non availability of profits during the financial year, your Directors do not recommend any dividend for the financial year 2012 - 2013.

Management Discussion and Analysis:

A. Industry Structure and Developments

The real estate sector in India is being recognized as an infrastructure Service that is driving the economic growth of the country. Foreign Direct Investment (FDI) in the sector is expected to increase to US\$ 25 billion in the next 10 years, from present US\$ 4 billion, according to a latest industry body report. The market for building activities is growing steadily while competition also increases by many folds.

B. Performance

Your company has made income of ` 0.57 Lakhs during the financial year and reported no income in the previous year. Your company had incurred a net profit of ` 0.31 Lakhs as against a net loss of ` 9.67 Lakhs incurred during the previous year.

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C. Segment Wise Performance

Your company operates in a single segment, i.e. development of infrastructure and as such segmental reporting is deemed to be not applicable.

D. Concerns

The Construction sector, however, continues to face challenges from land acquisition issues, adverse political and structural changes. Moreover, Profitability and liquidity could be adversely impacted during cyclical downturns.

E. Outlook

Your company is focusing on the domestic markets for increasing the Turnover and profitability. The company is trying to tie up with strategic partners to venture into allied activities.

F. Internal Control Systems

Your company had a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition.

G. Human Resources and Industrial Relations

Your company is operating with skeletal human resources. However there is adequate manpower to cater to its business requirements.

Operations

The Operations of the Company during the year under review was not quite satisfactory. Though it is proposed to restructure the activities carried on by the Company keeping in view the current market trends and demand by entering into diversified business opportunities, the Company has not ventured into such diversified business yet.

Your Company is hopeful of better performance and reasonable profits in future.

Audit Committee

The Company has constituted an Audit Committee comprising of Mr. D. Loganathan, Ms. Y. M. R. Prasoona and Mr. N.G. Anbumani as its members. The chairman of the

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committee is Mr. N. G. Anbumani. The role, terms of reference, authority and powers of Audit Committee are in conformity with the provisions of the Companies Act, 1956 inserted by Companies Amendment Act, 2000. The Audit committee has had their meetings as per statutory requirements and has made no adverse comments.

Directors

Ms. YERABHAGHA MEERAREDDY PRASOONA, Director liable to retire by rotation and being eligible offers herself for re-appointment.

Auditors

The Auditors of the Company **M/s. Ganesh Venkat & Co**, Chartered Accountants, retire at the conclusion of this meeting and being eligible offer themselves for re-appointment to hold office till the conclusion of the next Annual General Meeting.

Particulars of Employees

There are no employees drawing remuneration in excess of the limits specified under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975.

None of the Directors of the company are disqualified U/s. 274(1)(g) of the Companies Act, 1956.

Directors Responsibility Statement U/s. 217(2AA) of the (Companies Amendment) Act, 2000, indicating therein;

- i. That in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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- iv. That the directors had prepared the annual accounts on a going concern basis.

Public Deposits

The Company has not accepted any Public Deposits during the year.

Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo

As required under Section 217(1)(e) of The Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the report of the Board of Directors) Rule 1988, the particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are furnished below:

A. Conservation of Energy	- The Company is making sustained efforts Continuously to minimize the consumption of Electricity and Fuel wherever used.
B. Technology Absorption	- Not Applicable
C. Foreign Exchange Earnings	- Nil
D. Foreign Exchange Outgo	- Nil

Depository System

Pursuant to the Directions of the Securities and Exchange Board of India, the Company's Securities has been dematerialized and also admitted into National Securities Depository Limited and has been allotted with ISIN - INE332F01018. The Company's Shares are listed with Madras Stock Exchange, The Stock Exchange Mumbai and The Bangalore Stock Exchange.

Corporate Governance

The Corporate Governance report as set out in Annexure hereto form an integral part of this report. A Certificate from a Practicing Company Secretary, certifying compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with stock exchanges is also annexed to the report on Corporate Governance.

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Compliance Certificate :

Your directors have appointed M/s. S. Dhanapal & Associates, Practicing Company Secretaries to issue a Compliance Certificate as required under section 383A of the Companies Act, 1956. The Compliance Certificate issued by them is annexed to this report.

BUY BACK OF SHARES:

The company has not bought back any shares during the year.

Acknowledgement

Your Directors place on record their appreciation for the valuable services rendered by the Company's Shareholders, Bankers and other agencies associated with the Company. The Board expects much more continuous support and co-operation in the future years to come.

For and on behalf of the Board of Directors

Place : Chennai

Date : May 28, 2013

Managing Director

Director

CAUTION

This Report is based on the current situation, past experience and information available to the Company about its various businesses and assumptions regarding economic and industrial scenario, Governmental and other regulatory policies. The Performance of the Company is, to a great extent, dependent on these factors. The future performance may be materially influenced by the changes in any of these factors, which are beyond the control of the Company and may affect the views expressed in or perceived from this Report. Therefore the investors are requested to make their own independent judgments by taking into account all relevant factors before any investment decision.

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CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of the conditions of corporate governance by YKM INDUSTRIES LIMITED, Chennai for the year ended on 31st March 2013, as stipulated in clause 49 of the Listing Agreement entered into by the company with the stock exchanges.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedure and implementation thereof, adopted by the company for ensuring the compliance with the conditions of corporate Governance. It is neither an audit nor an expression of opinion on the financial statement 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 generally complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement except

- non submission of certain documents to the Madras Stock Exchange & the Bangalore Stock Exchange.
- Non payment of listing fee to Madras Stock Exchange & the Bangalore Stock Exchange since 2008-09.

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

For **S DHANAPAL & ASSOCIATES**

Place : Chennai
Date : May 28, 2013

N. RAMANATHAN
(Partner)
MEMBERSHIP NO. FCS 6665

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ANNEXURE TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The main aim of the concept of Corporate Governance is to create a balance which would result in long term value additions to the Investments of Shareholders while catering to the interests of employees, customers, suppliers, Government and public at large, which covers in its ambit the concept of Social responsibility of Corporates also.

The Company's philosophy/objective on Corporate Governance is to comply with the laws of the land, enhance the earnings per share and ensure discipline, transparency and accountability. The Management of the Company believes that the corporate performance in the long run is co-related to Corporate Governance and that well governed Companies mitigate 'Non -business risks' better. The Company endeavors to adopt the best practices in Corporate Governance and thereby aims to increase the value for all its stakeholders.

2. BOARD OF DIRECTORS:

A. Composition of Board

The Present strength of the Board is 4. The Board comprises of 3 Non Executive Directors and an Executive Director. The composition of the Board of Directors of the Company is as follows :

Mr. Y. Meera Reddy	- Managing Director - Executive Director
Mr. D. Loganathan	- Non Executive Director
Mr. Y. M. R. Prasoona	- Non Executive Director
Mr. N. G. Anbumani	- Non Executive Director

The attendance particulars at the Board meetings and Annual General Meeting are as follows:

Name	Category	No. of Board Meetings Attended	Last AGM Attended	No of Directorships & Committee member in other Public Limited Companies	
				Directorships	Committee member
Y. Meera Reddy	Executive, Non Independent	6	Y	6	-
D. Loganathan	Non Executive, Independent	6	Y	1	-
Y. M. R. Prasoona	Non Executive, Non Independent	6	Y	5	-
N. G. Anbumani	Non Executive, Independent	6	Y	1	-

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(6) Six Board Meetings were held during the year **2012-2013** and the dates on which the Board meetings were held were as follows: **30.04.2012, 30.07.2012, 31.08.2012, 27.09.2012, 31.10.2012, 31.01.2013.**

The information as required under Annexure I to Clause 49 is being made available to the Board. None of the Non-executive Directors of the Company has any pecuniary relationship or transaction with the Company.

Ms. YERABHAGHA MEERAREDDY PRASOONA 42 years aged has a bachelor's degree in management and has good experience in business. Has been the promoter director of M/s. Sri Kausalya Constructions Ltd since inception and has contributed immensely for the growth of the company. She has been spearhead of marketing the properties to various IT Companies. She is also a Director in M/s. Sri Ayyan Constructions Limited, M/s. Bay Life Exports Limited, M/s. SKCL Property Management Services Private Limited, and M/s. IndoSpace SKCL Industrial Park Private Limited. She is retiring by rotation in the current year and being eligible offer herself for reappointment. The directors recommend her appointment. She is holding 3,31,610 Equity shares of ` 10/- in the YKM Industries Limited.

B. BOARD PROCEDURE

The Company has convened **(SIX) 6** Board Meetings during the Financial Year **2012-2013**. The Notices of the Board meeting were sent a week in advance to all the Directors to enable them to make themselves convenient to attend the Meeting. The detailed Agenda for the meeting along with notes if any were sent to the Directors about one week to ten days before the Meeting. The Managing Director would give an overview of the performance of the Industry, in general and the Company, in particular.

The Board of Directors generally reviewed the following:

- Annual operating plans
- Compliance with statutory and legal requirements.
- Adoption of quarterly un-audited financial results.
- Funding requirements and patterns of the Company.
- Transaction of Capital nature.
- Proceedings of the Committee Meetings.

C. REMUNERATION TO DIRECTORS

The Company is not paying Remuneration to Managerial Personnel due to insufficient profits.

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3. AUDIT COMMITTEE

The Company had constituted an Audit Committee to conform to the requirements of Companies Act, 1956 and Clause 49 of the Listing Agreement. The Committee had held five Meetings during the financial year **2012 - 2013** on **30.04.2012, 30.07.2012, 31.08.2012, 31.10.2012, 31.01.2013** and the details of Compositions of the Audit Committee and the meetings attended by the Directors are given below:

Name of Members	No of Meetings attended during the year 2012 - 2013
Mr. D. Loganathan	5
Mr. Y. Meera Reddy	5
Mr. N. G. Anbumani	5

The necessary quorum was present at the meeting. **Mr. N. G. ANBUMANI** is Chairman of Audit Committee. The Audit Committee acts in accordance with the terms of reference specified by the Board. The representatives of the Statutory Auditors attended the audit committee meetings.

The Terms of reference of the Audit committee, broadly, are as under:

- To review the quarterly, half yearly and Annual financial results of the Company before submission to the Board
- To make recommendations to the Board on any matter relating to the financial management of the Company including the Audit Report.
- To review the accounting and financial policies and practices.
- To review the internal control mechanism and monitor risk management policies adopted by the Company and ensure compliance with regulatory guidelines.
- To review reports furnished by the Internal and Statutory Auditors and ensure that suitable follow - up action is taken.
- To examine the accountancy, taxation and disclosure aspects of all the significant transactions.

4. REMUNERATION COMMITTEE

Remuneration committee as contemplated under the listing agreement is presently non - mandatory and hence not constituted.

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5. SHAREHOLDERS COMMITTEE

The Company is already having a Share Transfer Committee consisting of two directors Viz. N.G. Anbumani and Sri Y. Meera Reddy, as its members N.G. Anbumani, Director is the Chairman of the Committee.

This Committee is also performing the functions of catering to the Shareholder grievances. The Company has not received any Complaints during the financial year **2012-2013**.

Name, Designation and Address of Compliance Officer:

Ms .Y. Meera Reddy, Managing Director

No - 4, Jayalakshmipuram, 1st Street, Nungambakkam, Chennai - 600 034

No of Complaints received from Shareholders from 01.04.2012 - 31.03.2013 - Nil

No. Not solved to the satisfaction of shareholders as on 31.03.2013 - Nil

No of Pending Share Transfers as on 31.03.2013 - Nil

6. GENERAL BODY MEETINGS

The Date, location and time of the General Meetings of the Company held during last three years is given below:

Year	Date & Time	Place
2010	30.09.2010 10.00 A.M	No. 4, Jayalakshmipuram 1st Street, Nungambakkam, Chennai - 600 034.
2011	09.09.2011 10.00 A.M	No. 4, Jayalakshmipuram 1st Street, Nungambakkam, Chennai - 600 034.
2012	27.09.2012 10.00 AM	No. 4, Jayalakshmipuram 1st Street, Nungambakkam, Chennai - 600 034.

No special resolution was passed in the last three AGMs.

No special resolution was passed through postal ballot in the last year and neither there is any proposal to do so in the coming year.

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7. DISCLOSURES

- a) There are no transactions of material nature with the Promoters, Directors or the management or their subsidiaries or relatives, etc., potentially conflicting with Company's interest at large, during the year. Transactions with related parties during the year are disclosed in Note No - 2.11 of the Notes forming part of the Accounts attached to this Annual Report.
- b) There are instances of notices received by the company for non submission of documents under various clauses of Listing Agreement by Bombay Stock Exchange & the Bangalore Stock Exchange and the Company has not paid the Listing fees to the Madras Stock Exchange & Bangalore Stock Exchange since 2008-09.
- c) Company has in place an effective whistle blower mechanism and no personnel has been denied access to the audit committee.
- d) The company has taken all steps to implement the mandatory requirements of this clause and has incorporated certain non-mandatory requirements as well.

8. MEANS OF COMMUNICATION

- a) The un-audited Financial Results on quarterly basis subject to Limited Review by the Auditors of the company are taken on record by the Board of Directors at its meeting within forty five days of the close of every quarter respectively and the same are furnished to all the stock Exchanges where the company's shares are listed.

Quarterly results of the company for the financial year **2012-2013** were published in the following newspapers viz. **Trinity Mirror** in English and the Tamil Version of the financial results in a Tamil daily viz. **Makkal Kural**.

9. GENERAL SHAREHOLDER INFORMATION

a) Date, time and venue of the Annual General Meeting.	Date : 27.09.2013 Time : 10.00 A.M. Venue: No. 4, Jayalakshmipuram, 1st Street, Nungambakkam, Chennai – 600 034.
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b) Financial Calendar	<p>Financial year – 1st April to 31st March Unaudited Financial Results: Quarter ending 30th June' - Before 15.7.2013 Quarter ending 30th Sept' - Before 15.10.2013 Quarter ending 31st Dec' - Before 14.01.2014 *Quarter ending 31st Mar' - Before 15.05.2014 * Audited results for the Financial Year 2013-2014 shall be published before end September'14.</p>
c) Date of Book closure	26.09. 2013 to 27.09. 2013 (Both days inclusive)
d) Dividend payment date	No Dividend has been recommended.
e) Listing on Stock Exchange	Madras Stock Exchange Ltd., Chennai. Bombay Stock Exchange Ltd, Mumbai The Bangalore Stock Exchange
f) Stock Code	BSE Scrip Code - 531260, MSE Scrip Code - YKMINDUS
g) Market price Data	There has been no trading in the shares on any of the stock exchanges during the year under review and hence this data has not been provided.
h) Registrars and Transfer Agents.	GNSA INFOTECH LIMITED STA Department, Nelson Chambers, 4th Floor, F-block, No. 115, Nelson Manickam Road, Aminjikarai, Chennai - 600 029.
i) Share Transfer System	<p>The Company has constituted a Share Transfer Committee, which considers and approves the transfer and transmission etc., of shares in Physical mode.</p> <p>The Committee meets once in every 15 days, if required and approves all the pending share transfers, transmission etc., received during the intervening period which is in order.</p>

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j) Distribution of Share - holding as on 31.03.2012

i) On the basis of quantum of Shares held

Share of Nominal value of	Shareholders		Share Value	
	Number	% of total	Number Rs	%
Up to 5000	221	51.40	71,010	1.58
5001-10000	100	23.25	83,100	1.85
10001-20000	37	8.60	58,800	1.31
20001-30000	30	6.98	76,800	1.71
30001-40000	4	0.93	14,700	0.33
40001-50000	2	0.47	9,200	0.20
50001-100000	23	5.35	162,900	3.63
100001 & Above	13	3.02	4,013,390	89.39
Total	430	100.00	4,489,900	100.00

ii) On the basis of category of Shareholders

Category	No.of Shares	%
Promoters and Relatives	2876880	64.07
Financial Institutions	NIL	NIL
Foreign Holdings (FII/NRI/OCB)	NIL	NIL
Corporate Bodies	471400	10.50
Mutual funds	NIL	NIL
Indian Public	1141620	25.43
Total	4489900	100

k) Dematerialisation of shares and liquidity

The Shares of the Company are in compulsory demat system. The Company's securities are in Demat mode with ISIN INE332F01018.

No of shares which are in Physical mode - 575710

No of shares which are in Dematerialised Form in NSDL - 3914190

l) Outstanding GDR/ADR / Warrants or any convertible instruments, conversion date and likely impact on Equity.

The Company has not issued any GDR / ADR and the Company does not have any outstanding warrants or other convertible instruments

m) Address for correspondence

Secretarial Department
YKM Industries Limited
No. 4, Jayalakshmiapuram, 1st Street,
Nungambakkam Chennai – 600 034.
Phone : 044 - 42113810, Fax : 044 28212494

10. CODE OF CONDUCT

A code of Conduct, duly approved by the Board, is communicated to all Directors and senior Management of the Company and affirmed by them as to its compliance on an annual basis.

YKM INDUSTRIES LIMITED

CEO/CFO CERTIFICATION TO THE BOARD (Under Clause 49(V) of Listing Agreement)

I. Y. MEERA REDDY, CEO/Managing Director of YKM Industries limited, certify that -

- (a) I had reviewed financial statements and the cash flow statement for the year ended 31.03.2013 and that to the best of their knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and we I had evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I had disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit committee
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Chennai
Date : May 28, 2013

Y. MEERA REDDY
CEO / Managing Director

YKM INDUSTRIES LIMITED

MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT

As required by Clause 49 of the Listing Agreement the Managing Director's Declaration on compliance of the Code of Conduct is given below :

To,
The Members of
YKM INDUSTRIES LIMITED

I, **Y. MEERA REDDY**, Managing Director of the Company, hereby declare that all Board Members and Senior Managerial Personnel have affirmed their compliance with the Code of Conduct.

Place : Chennai
Date : May 28, 2013

Y. MEERA REDDY
CEO / Managing Director

YKM INDUSTRIES LIMITED

COMPLIANCE CERTIFICATE

CIN No. of the Company : **L05001TN1994PLC028263**

Paid up Capital : **4,74,49,500/-** (Including Forfeited shares)

FORM

[SEE RULE 3]

Compliance Certificate

To,

The Members,

M/s. YKM INDUSTRIES LIMITED

Chennai

We have examined the registers, records, books and papers produced to us for our verification pertaining to the financial year **2012-2013** of **M/s. YKM INDUSTRIES LIMITED** as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended **31.03.2013**. In our opinion and to the best of our information and according to the examinations carried out by us of the documents produced to us and explanations furnished to us by the Company, its officers and agents, we, on strength and reliance of the documents produced and information provided to us, pertaining to the financial year **2012-2013**, certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities under the Act and the rules made thereunder.
3. The Company being public limited Company has the minimum prescribed paid-up capital.

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4. The Board of Directors duly met 6 (Six) times on 30.04.2012, 30.07.2012, 31.08.2012, 27.09.2012, 31.10.2012 and 31.01.2013 in respect of which meetings proper notices were given and the proceedings were properly recorded in the Minutes Book maintained for the purpose.
5. The Company had closed its Register of Members from 26th September, 2012 to 27th September, 2012 (both days inclusive) during the financial year.
6. The Annual General Meeting for the financial year ended on 31.03.2012 was held on 27.09.2012, after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-Ordinary Meeting was held during the financial year.
8. As per information provided to us and explanation given to us, it appears that the Company has not advanced any amount as loan to companies/firms/persons referred in the Section 295 of the Act, during the financial year.
9. As per information provided to us, the Company represents that there was no transactions necessitating the Company to enter into any contract falling within the purview of Section 297 of the Act during the financial year.
10. The company has made necessary entries in the register maintained under Section 301 of the Act.
11. As explained to us, it seems that there were no instances falling within purview of Section 314 of the Act, owing to which Company has not obtained any approvals from the Board of Directors, members and previous approval of the Central Government, as the case may be.
12. As per records shown to us, the Company has not issued any duplicate share certificates during the financial year.
13. As per the documents produced to us, the Company :
 - (i) Has not delivered share certificates as there was no allotment/transfer/transmission of securities during the financial year.
 - (ii) Has not deposited amount in a separate bank account as no dividend was declared during the financial year.

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- (iii) Has not posted dividend warrants to any member of the Company as no dividend was declared during the financial year.
- (iv) Has not transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund as there was no such amount outstanding during the financial year under review
- (v) Has generally complied with the requirements of Section 217 of the Act.

14. Board of Directors of the Company is constituted and there was no appointment of Directors during the financial year.
15. The Company has not appointed any Managing Director/ Whole-time Director/ Manager during the financial year under scrutiny.
16. The Company has not appointed any sole-selling agent during the financial year.
17. As per information provided to us and observations made by us of the records produced to us, no approval was taken by the Company from the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act as the Company represents that no occasions have arisen during the financial year.
18. As per the documents produced to us, the directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. As per records of the Company, the Company has not issued any securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. As there was no preference shares/debentures issued, there was no redemption of preference shares/debentures during the year.
22. There was no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. As per information provided to us, the Company has not accepted deposit including any unsecured loans falling within the purview of Section 58A during the financial year.

YKM INDUSTRIES LIMITED

24. As per information provided to us and documents produced to us, the Company has not made any borrowings during the financial year.
25. As per the information provided to us and as available in the financial statements of the Company, it appears that the Company has not made investments in security in excess of the limits prescribed under Section 372A of the Act, during the financial year.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the financial year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company, during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has not altered its articles of association during the financial year.
31. As per explanations given to us, there was no prosecution initiated against or show cause notices received by the Company and fines/penalties or any other punishment imposed on the Company during the financial year for offences under the act.
32. The Company has not received any security deposit from its employees during the financial year under scrutiny.
33. The Company has not constituted any special fund under section 418 of the Act.

For **S DHANAPAL & ASSOCIATES**

Place : Chennai
Date : May 28, 2013

N.RAMANATHAN
(Partner)
C. P.No.11084

YKM INDUSTRIES LIMITED

ANNEXURE A

Registers as maintained by the Company

Sl. No.	Under Section	Name of the Register
1	150	Register of Members
2	193	Minutes of All meeting of Board of Directors
3	193(1)	Minutes of General Meeting
4	303	Register of Directors
5	307	Register of Directors' Share holding
6	301	Register of Contracts, Companies and firms in which he directors are interested.
7		Share Transfer register

YKM INDUSTRIES LIMITED

ANNEXURE B

**Returns / Documents / Forms as filed by the Company with the Registrar of Companies
from 01.04.2012 to 31.03.2013**

Sl. No.	Form No.	Under Section	Description	Date of filing	Whether filed within prescribed time	If delay in filing whether requisite additional fee paid
1	Form 66	383A	Compliance Certificate for the year ended 31.03.2012 .	28.12.2012	No	Yes
2	Form 20B	159	Annual Return for the Period ended 27.09.2012 .	30.12.2012	Yes	No
3	Form 23AC & ACA XBRL	220	Balance Sheet and Profit & Loss account for the year ended 31.03.2012 .	30.12.2012	Yes	No

Forms and Returns as filed by the Company with Regional Director during the financial year ending on **31st March 2013**.

Nil

Forms and Returns as filed by the Company with Central Government or other authorities during the financial year ending on **31st March 2013**.

Nil

YKM INDUSTRIES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF YKM INDUSTRIES LIMITED

Report on the Financial Statements

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

Managements' 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 principles generally accepted in India including Accounting Standards referred to in Section 211(3C) 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 misstatements, whether due to fraud or error.

Auditors' 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on 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

YKM INDUSTRIES LIMITED

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 aforesaid 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 31st March 2013;
- b) In the case of Statement of Profit and Loss , of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order to the extent applicable.
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;

YKM INDUSTRIES LIMITED

- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in section 211(3C) of the Act;
- e) On the basis of written representations received from the directors, as on 31st March 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of section 274(1)(g) of the Act.

For **Ganesh Venkat & Co.,**
Chartered Accountants,
Firm Registration No.005293S

Place : Chennai.
Date : May 28, 2013

L. S. Venkataraman
Partner
Membership No.024965

YKM INDUSTRIES LIMITED

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, all the assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification. However as on the date of balance sheet the company does not have any fixed assets.
 - c) During the year, the Company has disposed off some of its old fixed assets. However this does not affect the going concern status of the Company.
2. The Company does not have any inventory, consequently the requirements of clause (ii) of paragraph 4 of the Order are not applicable.
3. The Company has neither granted nor taken any loans, secured or unsecured to/ from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Consequently the requirements of clause (iii) of paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal controls.
5. a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in

YKM INDUSTRIES LIMITED

the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs.5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.

6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the cost records maintained by the company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed cost records have been maintained. We have, however, not made detailed examination of the records.
9.
 - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues 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 aforesaid statutory dues were in outstanding as at 31st March 2013 for a period of more than six months from the date of becoming payable.
 - b) According to the information and explanation given to us, there are no disputed statutory dues which have not been deposited on account of any dispute.
10. The Company has accumulated losses at the end of the financial year. The Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedure and according to the information and explanations given to us, we are of the opinion that, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. According to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares,

YKM INDUSTRIES LIMITED

debentures and other securities.

13. In our opinion, the Company is not a chit fund or a nidhi, mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause (xiv) of paragraph 4 of the Order are not applicable to the Company.
15. According to the information and explanation given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
16. No term loans were raised during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
18. According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Act.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by way of public issues during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, nor we have been informed of such case by the management.

For **Ganesh Venkat & Co.,**
Chartered Accountants,
Firm Registration No. 005293S

Place : Chennai.
Date : May 28, 2013

L. S. Venkataraman
Partner
Membership No. 024965

YKM INDUSTRIES LIMITED

YKM INDUSTRIES LIMITED BALANCE SHEET AS AT 31ST MARCH 2013

I. EQUITY AND LIABILITIES:	Note	As at	
		2013	2012
		(Amount in Rs.)	
1. Shareholders' Funds			
(a) Share Capital	2.1	47,449,500	47,449,500
(b) Reserves & Surplus	2.2	206,810	237,891
2 Current Liabilities			
(a) Other Current Liabilities	2.3	24,972	25,558
	Total	47,267,662	47,237,167
II. ASSETS:			
1. Non-Current Assets			
(a) Fixed Assets	2.4	-	-
(i) Tangible Assets			
(b) Non-Current Investments	2.5	100,000	100,000
(c) Deferred Tax Asset (Net)	-	1,145,471	945,331
(d) Long Term Loans and Advances	2.6	46,006,472	46,006,472
2. Current Assets			
(a) Cash and Cash Equivalents	2.7	15,719	175,597
(b) Short Term Loans and Advances	2.8	-	9,767
	Total	47,267,662	47,237,167
Significant Accounting Policies and Notes on Financial Statements	1 & 2		
Notes referred to above form an integral part of the Balance Sheet			
As per our report of even date For Ganesh Venkat & Co. , Chartered Accountants Firm Registration No.005293S		For and on behalf of the Board of Directors	
L. S. Venkataraman Partner Membership No. 024965		Sd/- Y. Meera Reddy Managing Director	Sd/- Y. M. R. Prasoona Director
Place : Chennai. Date : May 28, 2013		Sd/- N. G. Anbuman Director	

YKM INDUSTRIES LIMITED

YKM INDUSTRIES LIMITED STATEMENT OF PROFIT AND LOSS

	Note	For the year ended 31st March	
		2013	2012
		(Amount in Rs.)	
I. INCOME:			
(a) Revenue from Operations		-	-
(b) Other Income		2.9 57,000 57,000	- - -
II. EXPENSES:			
(a) Depreciation Expense		2.4 - 187,796	
(b) Other Expenses		2.10 226,059 226,059	862,230 1,050,026
III. Profit / (Loss) Before Tax		- (169,059)	(1,050,026)
IV. Tax Expense			
- Current Tax		-	-
- Deferred Tax		- 200,140	82,708
V. Profit/(Loss) for the period		- 31,081	(967,318)
VI. Earning per Equity Share of Rs.10 each Basic and Diluted		(0.01)	(0.22)
VII Significant Accounting Policies and Notes on Financial Statements	1 & 2		
Notes referred to above form an integral part of the Statement of Profit and Loss			
As per our report of eved date For Ganesh Venkat & Co. , Chartered Accountants Firm Registration No.005293S		For and on behalf of the Board of Directors	
L. S. Venkataramanan Partner Membership No. 024965		Sd/- Y. Meera Reddy Managing Director	Sd/- Y. M. R. Prasoona Director
Place : Chennai. Date : May 28, 2013		Sd/- N. G. Anbumani Director	

YKM INDUSTRIES LIMITED

YKM INDUSTRIES LIMITED CASH FLOW STATEMENT

	For the year ended 31st March	
	2013	2012
	Rs.	Rs.
Cash Flow from Operating Activities:		
Net Profit/(Loss) Before Tax	(169,059)	(1,050,026)
<u>Adjustments for:</u>		
Depreciation	-	187,796
(Profit) / Loss on Sale of Assets	(57,000)	268,553
Operating Profit Before Working Capital Changes	(226,059)	(593,677)
<u>Adjustments for:</u>		
Trade and Other Receivables	9,767	487,959
Trade and Other Payables	586	11,111
Net Cash from Operating Activities	216,878	116,829
Cash Flow from Investing Activities :		
Sale of Fixed Assets	57,000	200,000
Other Income	-	-
Net Cash Flow from Investing Activities	57,000	200,000
Cash Flow from Financing Activities :		
Net Cash Used in Financing Activities	-	-
Net Increase/Decrease in Cash & Cash Equivalents :	159,878	83,171
Cash & Cash Equivalents at the beginning of the Year	175,597	92,426
Cash & Cash Equivalents at the End of the Year	15,719	175,597

As per our report of eved date
For **Ganesh Venkat & Co.**,
Chartered Accountants
Firm Registration No.005293S

For and on behalf of the Board of Directors

L. S. Venkataraman
Partner
Membership No. 024965

Sd/-
Y. Meera Reddy
Managing Director

Sd/-
Y. M. R. Prasoona
Director

Place : Chennai.
Date : May 28, 2012

Sd/-
N. G. Anbuman
Director

YKM INDUSTRIES LIMITED

YKM INDUSTRIES LIMITED

Note-1:- Significant Accounting Policies

1.1 Basis for preparation of Financial Statements :

The Company's Financial Statements are prepared under historical cost conventions on the accrual basis in compliance with the mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956. The accounting policies have been consistently applied.

1.2 Use of Estimates :

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

1.3 Fixed Assets :

Fixed Assets are stated at cost less depreciation, cost comprises of purchase price and any directly attributable cost of bringing the assets to working condition for its intended use.

1.4 Depreciation :

Depreciation on Fixed Assets is provided on straight line method as per the rates prescribed under schedule XIV to the Companies Act, 1956.

1.5 Employee Benefits :

The Company does not have any employee and hence liability towards retirement benefit does not arise.

1.6 Investments :

Long Term Investments are stated at cost unless there is a permanent fall in the value. Provision for diminution is made to recognise a decline other than temporary, in the value of Long Term Investments.

1.7 Deferred Tax :

Deferred tax resulting from timing difference between book profit and tax profit for the year is accounted based on the rates and laws that have been enacted or substantially enacted as on the Balance Sheet date. However deferred tax assets arising from timing difference are recognised to the extent of reasonable certainty about its realisability in future.

YKM INDUSTRIES LIMITED

YKM INDUSTRIES LIMITED

Note-2 Notes on Financial Statements for the year ended 31st March 2013

	As at 31st March	
	2013	2012
	(Amount in Rs.)	
Note - 2.1		
Share Capital		
Authorised		
7000000 (7000000) Equity Shares of Rs.10/- each	70,000,000	70,000,000
Issued, Subscribed and Paid up		
4489900 (4489900) Equity Shares of Rs.10/- each fully paid-up	44,899,000	44,899,000
Add : Shares Forfeiture A/c	2,550,500	2,550,500
	47,449,500	47,449,500
Note - 2.1.1		
The details of shareholders holding more than 5% shares		
Name of the Shareholder		
Y. Meera Reddy	2416460(53.82%)	2416460(53.82%)
Y. M. R. Prasoona	331610(7.39%)	331610(7.39%)
Baylife Exports Ltd	452500 (10.08%)	452500 (10.08%)
V. Rajani	288900 (6.438%)	288900 (6.438%)
C. M. Varadarajan	245300 (5.46%)	245300 (5.46%)
Note - 2.2		
Reserves and Surplus		
Surplus in Statement of Profit & Loss		
Opening Balance	(237,891)	729,427
Add : Profit / (Loss) for the year	31,081	(967,318)
Closing Balance	(206,810)	(237,891)
Note - 2.3		
Other Current Liabilities		
Expenses Payable	24,972	25,172
Other Payables	-	386
	24,972	25,558
Note - 2.4		
Non-Current Investments		
Trade (Quoted)		
Investment in Equity Instruments		
100000 fully paid equity shares of Rs.10 each in		
Wellness Noni Ltd	9,862,627	9,862,627
Less : Provision for diminution in value of investments	9,762,627	9,762,627
	100,000	100,000

YKM INDUSTRIES LIMITED
Notes on Financial Statements for the year ended 31st March 2013

Note - 2.6 Fixed Assets		Gross Block		Depreciation			Net Block		
		As at 01.04.12	Additions Disposals	As at 31.3.2013	As at 01.04.12	For the Year	Disposals	As at 31.03.13	As at 31.03.13
Tangible Assets:									
Vehicles		-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-
Previous Year	26,84,320	-	15,05,385	11,78,935	20,27,973	1,87,796	-	11,78,935	(0)
									6,56,349

YKM INDUSTRIES LIMITED

YKM INDUSTRIES LIMITED

Note-2 Notes on Financial Statements for the year ended 31st March 2013

	As at 31st March	
	2013	2012
	(Amount in Rs.)	
Note - 2.5		
<u>Long Term Loans and Advances</u>		
(Unsecured, considered good)		
Security Deposit	6,472	6,472
Advances to a Related Party	4,60,00,000	4,60,00,000
	4,60,06,472	4,60,06,472
 Note - 2.7		
<u>Cash and Cash Equivalents</u>		
Cash on Hand	5,267	1,72,104
Balance with Banks in current Account	10,452	3,493
	15,719	1,75,597
 Note - 2.8		
<u>Short Term Loans and Advances</u>		
(Unsecured, considered good)		
Pre-paid Expenses	-	9,767
	-	9,767
 Note - 2.9		
<u>Other Income</u>		
Profit on Sale of Fixed Assets	57,000	-
	57,000	-
 Note - 2.10		
<u>Other Expenses</u>		
<u>-Administrative Expenses</u>		
Professional Charges	97,579	246,405
Rates & Taxes	49,371	262,097
Payment to Auditors	25,281	25,230
Loss on Sale of Fixed Assets	-	268,553
Other Administrative Expense	53,828	59,945
	2,26,059	8,62,230

YKM INDUSTRIES LIMITED

YKM INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March 2013

2.11 Related Party Disclosures:

Name of the Related Party	Nature of Relationship
Sri Kausalya Constructions Limited	Associate Company

Transactions with the above related party are as follows:	Total 2012-13	Total 2011-12
<u>Transactions during the year</u>	-	4,00,000
Property advances received back		
<u>Outstanding Balances as at 31st March 2013</u>	4,60,00,000	4,60,00,000
Property advance paid		

2.12 Earning Per Share (EPS)

Profit/(Loss) as per Statement of Profit & Loss	31,081	(9,67,318)
Weighted No. of equity shares	44,89,900	44,89,900
EPS - Basic	0.01	(0.22)

2012-13	2011-12
22,472	22,472
2,809	2,758

2.14 Based on available information with the company, there are no dues to micro, small and medium enterprises as defined in the micro small and medium enterprise development act, 2006.

2.15 Previous year's figures have been recasted / reclassified, wherever necessary, to conform to the current year's classifications.

2.16 Figures are rounded off to the nearest rupee.

As per our report of eved date For and on behalf of the Board of Directors
 For **Ganesh Venkat & Co.**,
 Chartered Accountants
 Firm Registration No.005293S

L. S. Venkataramanan

Partner

Membership No. 024965

Sd/-
Y. Meera Reddy
 Managing Director

Sd/-
Y. M. R. Prasoona
 Director

Place : Chennai.
 Date : May 28, 2013

Sd/-
N. G. Anbumani
 Director

YKM INDUSTRIES LIMITED

AUDITORS' CERTIFICATE OF CORPORATE GOVERNANCE TO THE MEMBERS FOR YKM INDUSTRIES LIMITED

We have examined the compliance of the conditions of Corporate Governance by **YKM INDUSTRIES LIMITED** for the financial year ender on 31st March, 2013, as stipulated in clause 49 of Listing Agreement of the said company with stock exchanges in India.

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 compiled with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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 affaires of the company.

For **Ganesh Venkat & Co.,**
Chartered Accountants

Place : Chennai
Date : May 28, 2013

L. S. Venkataraman
Partner.
Membership No. 024965.

YKM INDUSTRIES LIMITED

YKM INDUSTRIES LIMITED

No.4, Jayalakshmipuram, 1st Street, Nungambakkam, Chennai – 600 034.

PROXY FORM ANNUAL GENERAL MEETING

I/We of of the
District of being a member/members of the above named
Company hereby appoint in the District of
..... of falling him as my/our proxy to attend and
vote for me/us on my/our behalf at the 19th Annual Meeting of the Company to be held on
and at any adjournment thereof

Signed this..... Day of 2013

Signature

Affix
Revenue
Stamp

Note : The proxy form duly completed must be deposited at the Registered Office of the
company not less than 48 hours before the time for holding the meeting.

A Proxy need not be a member

YKM INDUSTRIES LIMITED

No.4, Jayalakshmipuram, 1st Street, Nungambakkam, Chennai – 600 034.

ATTENDANCE SLIP

**I hereby record my presence at the 19th Annual General Meeting of the Company at
Regd. Office No. 4, Jayalakshmipuram, 1st Street, Nungambakkam, Chennai - 600 034
at 10.00 a.m. on Thursday of**

.....
**Full Name of the Shareholder
(In Block Letters)**

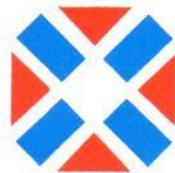
.....
(Signature)

.....
**Full Name of the Proxy
(In Block Letters)**

.....
(Signature)

Note : Share holders attending the Meeting in person or by proxy are requested to Complete the
attendance slip and hand it over at the entrance of the meeting hall.

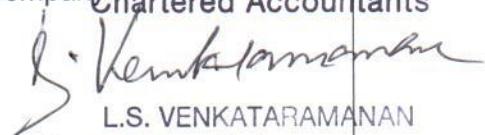
Members / proxies are requested to bring their copy of the Annual Report along with Them to the Annual
General Meeting as copies of the Report will not be distributed again at the meeting in view of the
increasing cost of Annual Report.



YKM

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	YKM INDUSTRIES LIMITED
2.	Annual financial statements for the year ended	31 st March 2013
3.	Type of Audit observation	Unqualified Audit Report
4.	Frequency of observation	Not Applicable
5.	To be signed by <ul style="list-style-type: none">• CEO / Managing Director• CFO• Auditor of the Company• Audit Committee Chairman	<p>For YKM INDUSTRIES LIMITED</p> <p>1. Managing Director</p> <p> Managing Director</p> <p>2. Auditor of the Company</p> <p> For GANESH VENKAT & CO., Chartered Accountants</p> <p>3. Chairman of Audit Committee</p> <p> L.S. VENKATARAMANAN Partner</p>

YKM INDUSTRIES LIMITED

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