



SKM EGG PRODUCTS

THINKING OUT OF THE SHELL

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

TWENTY SECOND ANNUAL REPORT 2016 - 2017

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

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SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

CIN : L01222TZ1995PLC006025

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

BOARD OF DIRECTORS	:	SHRI. SKM MAEILANANDHAN (DIN:00002380) SHRI. SKM SHREE SHIVKUMAR (DIN:00002384) SMT. SHIVKUMAR KUMUTAAVALLI (DIN:00002390) DR. L.M. RAMAKRISHNAN (DIN:00001978) SHRI.C.DEVARAJAN (DIN:00109836) SHRI. S.M.VENKATACHALAPATHY (DIN:00043288) SHRI. P.KUMARASAMY (DIN:00046090) SHRI. M. CHINNIAN (DIN:01497482) SHRI. B. RAMAKRISHNAN (DIN:00182214) SHRI. D. VENKATESWARAN (DIN:05170759)
EXECUTIVE CHAIRMAN	:	SHRI. SKM MAEILANANDHAN (DIN:00002380)
MANAGING DIRECTOR	:	SHRI. SKM SHREE SHIVKUMAR (DIN:00002384)
CHIEF FINANCIAL OFFICER	:	SHRI. K.S.VENKATACHALAPATHY., B.Com, FCA.,
COMPANY SECRETARY	:	SHRI. P.SEKAR., M.Com., ACS.,
STATUTORY AUDITOR	:	M/s. N.C.RAJAGOPAL & CO CHARTERED ACCOUNTANTS, 199, AGRAHARAM STREET, ERODE – 638 001.
SECRETARIAL AUDITOR	:	SHRI.V.RAMKUMAR, M.A., CAIIB, FCS, COMPANY SECRETARY IN PRACTICE, NO.23, EAST AROKIASAMY STREET, R.S.PURAM, COIMBATORE - 641 002.
BANKERS	:	STATE BANK OF INDIA COMMERCIAL BRANCH SATHY MAIN ROAD ERODE - 638 003.
REGISTERED OFFICE	:	185, CHENNIMALAI ROAD, ERODE - 638 001.
FACTORY	:	ERODE TO KARUR MAIN ROAD, CHOLANGAPALAYAM, PUNJAI KILAMBADI VILLAGE, ERODE - 638 154.

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NOTICE TO SHAREHOLDERS

Notice is hereby given that the 22nd Annual General Meeting of the **SKM EGG PRODUCTS EXPORT (INDIA) LIMITED** will be held as shown below:

Date : **27th September 2017**
Day : **Wednesday**
Time : **4.00 PM**
Venue : Regd Office : 185, Chennimalai Road, Erode-638001
To transact the following business:

AGENDA

ORDINARY BUSINESS :

1. To receive, consider and adopt
 - a. the audited financial statements including audited Balance Sheet and Profit and Loss account of the Company for the financial year ended 31st March 2017, and the Reports of the Board of Directors and the Auditors thereon; and
 - b. the audited consolidated financial statements including audited consolidated Balance sheet and Profit and Loss account of the Company for the financial year ended 31st March 2017 and the Report of the Auditors thereon;
2. To appoint a Director in place of Shri S.M.Venkatachalapathy, Non-executive Director (DIN: 000043288), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint the Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, (including any re-enactment or modification thereto), and such other applicable provisions, if any, Mr. Prasanna Venkatesan N, Chartered Accountant, Erode, (Membership number 235530) be and is hereby appointed as the Statutory Auditor of the Company in place of N.C.Rajagopal & Co., Chartered Accountants, Erode to hold Office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company.”

SPECIAL BUSINESS:

4. RECLASSIFICATION OF PROMOTERS / PROMOTERS GROUP

To consider and if though fit, to pass with or without modification the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of the Companies Act, 2013, and Clause 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 (including any amendments, modifications, or re-enactments thereof), consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to reclassify the entire shareholdings of erstwhile promoters Dr.M.Chandrasekar and Mrs.C.Shyamala Sharmili as public holdings.”

For and on behalf of the Board of Directors
Sd/-

SKM Shree Shivkumar
Managing Director
(DIN : 00002384)

Date : 09.08.2017
Place : Erode

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NOTES :

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll, instead of himself/ herself and the proxy need not be a member of the company.
2. The instrument appointing proxy should, however, be deposited at the registered office of the Company not later than 48 hours before the commencement of the Meeting. A person can act as proxy on behalf of Members up to and not exceeding fifty.
3. An Explanatory statement pursuant to section 102(1) of the Companies Act 2013, relating to the special business to be transacted at the meeting is annexed hereto.
4. Members/Proxies should bring their attendance slip duly filled in for attending the meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members who hold shares in dematerialized form are requested to bring their Depository ID Number and Client ID Number and those who holds shares in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate Identification of members at the Meeting.
7. Members are requested to bring their copy of the Annual Report with them at the Annual General Meeting, as the copies of the report will not be circulated at the meeting.
8. The Register of Members and Share transfer registers of the company would remain closed from 21.09.2017 to 27.09.2017 (both days inclusive).
9. A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his request to the Company at least 10 days prior to the Meeting so that the required information can be made available at the Meeting.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company.
11. Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
12. The details of directors who are proposed to be reappointed/newly appointed are given in Corporate Governance Report.

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 SETTING OUT ALL MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS:

Item No : 4

Dr.M.Chandrasekar and Mrs.C.Shyamala Sharmili erstwhile promoters group of the company requested the company to reclassify them as public category. Hence, the Board has given consent to do the same since their holdings totally less than 2% of total paid up share capital of the company and also they don't hold any position in the company (Last Year, due to suspension of trading of shares of our company by the Bombay Stock Exchange Limited, approval for reclassification was not given. Hence, again the erstwhile promoters requested the company to reclassify them as public shareholding since our company shares are trading in Bombay Stock Exchange limited now.)

The directors are relatives and interested to the extend they being relatives of the erstwhile promoters.

For and on behalf of the Board of Directors

Date : 09.08.2017

Place : Erode

Sd/-
SKM Shree Shivkumar
Managing Director
(DIN:00002384)

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FOR THE ATTENTION OF SHAREHOLDERS

Proxy Form and Attendance Slip

A blank proxy form with an attendance slip is sent along with the Notice, Shareholders are requested to detach the attendance slip and produce it for verification at the venue of the meeting.

Queries at the AGM

Shareholders wishing to make queries at the AGM on the published accounts, Directors' Report or any aspect of the working of the Bank may write to:

THE COMPANY SECRETARY

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

185-Chennimalai Road,
Opposite to Railway Station,
Erode - 638 001.

So as to reach him latest by 10.09.2017 specifying the point's requiring clarification.

CORRESPONDENCE

All correspondence relating to shares and dividend should be addressed to the Company's Registrars and Share Transfer Agent, Viz:

S.K.D.C. Consultants Limited
Kanapathy Towers, 3rd Floor,
1391/A1, Sathy Road,
Ganapathy, Coimbatore-641 006.
Tamilnadu, India

CHANGE OF ADDRESS AND INFORMATION ON COMPANY MANDATE

Where shares are held in the Physical mode, change in the shareholder's address (along with proof of address) may be notified to the Registrars and Share Transfer Agents, at the address noted above, by a separate communication showing share folio number. Holders of share in the demat mode may send such requests to their depositories concerned including changes, if any, in the mandate for issue of dividend.

Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

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- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 24th Sep, 2017 (9:00 am) and ends on 26th Sep, 2017 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th Sep, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)] :
- (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf".
- (ii) Launch internet browser by typing the following URL: <http://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put your user ID and password. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "**SKM Egg Products Export (India) Limited**".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :
- | EVEN (Remote e-voting Event Number) | USER ID | PASSWORD/PIN |
|--|---|---------------------|
| (ii) | Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote. | |
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

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NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20th Sep, 2017.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 20th Sep, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or info@skdc-consultants.com.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. V Ramkumar (FCS No. 8304) Practicing Company Secretary has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.skmeegg.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

For and on behalf of the Board of Directors

Sd/-

SKM Shree Shivkumar
Managing Director
(DIN:00002384)

Date : 09.08.2017

Place : Erode

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Additional information on Directors recommended for appointment / re-appointment as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2013 and Secretarial Standard issued by ICSI.

Name	S.M. Venkatachalapathy
DIN	00043288
Date of Birth	21.03.1939
Nationality	Indian
DOA on the Board	28.02.1997
Relationship with other Director	Shri SKM Shree Shivkumar - Son in Law
Qualification	B.Com., B.L.,
Expertise in area	More than 50 years of Experience
No. of Shares held	15000
Terms of appointment or reappointment	Liable to Retire by rotation
Remuneration sought to be paid	Sitting Fees only
Remuneration last drawn	Rupees 4,000 paid as sitting fees
No. of Board meetings attended	4
List of Director-ships held in other Companies	SKM Siddha and Ayurvedha Company (India) Private Limited SKM Universal Marketing Company India Private Limited SKM Shree Energy India Private Limited SKM Shrees Farms India Private Limited
Chairman / Member of the Committees of the Board of other Companies in which he is director	Nil

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BOARD OF DIRECTORS' REPORT

To,

The Members,

On behalf of the Board of Directors (the "Board"), it gives me great pleasure to present the 22nd Annual Report of **SKM EGG PRODUCTS EXPORT (INDIA) LIMITED** along with the Audited Financial Statement of Accounts for the year ended 31st March, 2017.

1. SUMMARISED FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Financial Parameters For the Year ended	31 st March 2017	31 st March 2016
Total Income	21,791.87	28,220.17
Profit/(Loss) before Interest and Depreciation and Tax	1,843.39	4,776.59
Less: Financial Cost	489.26	254.18
Depreciation & Amortization	1,203.55	1,207.51
Profit Before tax	150.59	3,314.90
Less : Provision for Tax		
Current	84.68	1,223.38
Deferred Tax	(184.65)	(173.45)
Profit After Tax and available for appropriation	250.56	2,264.97
APPROPRIATIONS		
Proposed dividend	-	263.30
Dividend Distribution Tax	-	53.91
Surplus carried to Balance Sheet	250.56	1,947.76

2. OPERATIONS:

The Company's total revenue is Rs.217.92 Crores during the current year as against Rs.282.20 Crores during the previous year. The Export during the year has been Rs.165.82 Crores as compared to Rs.254.83 Crores during the previous year 2015-16.

3. DIVIDEND:

Since the profit earned is not sufficient, the Directors have not recommended any dividend for the year under review.

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4. AMOUNTS TRANSFERRED TO RESERVES:

The Board of the company has decided/proposed to carry Rs. Nil to its reserves.

Reserve	Amount (Rs)
Transfer to Statutory Reserve	NIL
Transfer to Capital Reserve	NIL
Transfer to General Reserve	NIL
Transfer to Investment Reserve	NIL
Transfer to Special Reserve	NIL

5. SHARE CAPITAL :

The paid up Equity Share Capital as on March 31, 2017 was Rs. 26, 33, 00,000. During the year under review the company has not issued any shares or any convertible instruments.

6. CORPORATE GOVERNANCE:

Pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, a Management Discussion and Analysis Report and a Corporate Governance Report are made part of this Annual Report.

A Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this Report. **(Appendix-A)**.

7. DEMATERIALISATION OF SHARES:

88.34 % of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2017 and balance **11.66**% is in physical form. The Company's Registrar is M/s S.K.D.C. Consultants Ltd., having their registered office at Kanapathy Towers, 3rd Floor, 1391/A1, Sathy Road, Ganapathy, Coimbatore - 641 006.

8. NUMBER OF BOARD MEETINGS :

The Board of Directors duly met 4 times during the financial year from 1st April, 2016 to 31st March, 2017. The dates on which the meetings were held are as follows: 25.05.2016, 01.08.2016, 26.10.2016 and 30.01.2017. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

9. INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. The Amount to be transferred to IEPF under the provisions of the Act read with IEPF authority (Accounting, Audit, Transfer and Refund) Rules, 2016 would be transferred subject to the pending litigation with the Income Tax Department.

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10. BUSINESS RISK MANAGEMENT:

Although the company has long been following the principle of risk minimization as is the norm in every industry, it has now become a compulsion. Therefore, in accordance with SEBI (LODR) Regulations 2015 of the listing Regulations the Board members were informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the company. The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, Competition, Business risk, Technology obsolescence, Investments, Retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

11. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company.

12. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES :

The brief outline of the Corporate Social Responsibility (CSR) Policy as recommended by the CSR Committee and approved by the Board of Directors of the Company and the initiatives undertaken by the Company on CSR Activities during the year are set out in the Appendix of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy is available on the website of the Company www.skmeegg.com. CSR Committee meeting held on 24th March, 2017 and attended by all three members. The Minutes of the CSR Committee are noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings along with sitting fees paid, are given in Table.

NAME	CATEGORY	POSITION	NO.OF MEETINGS		SITTING FEES PAID (In Rs.)
			Held	Attended	
Dr.L.M.Ramakrishnan	ID*	Chairman	1	Yes	NIL
Shri.C.Devarajan	ID*	Member	1	Yes	NIL
Smt.S.Kumutaavalli	NED**	Member	1	Yes	NIL

(*ID-Independent Director ** Non-executive Director)

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13. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour the company has adopted a vigil mechanism policy. This policy is explained in corporate governance report and also posted on the website of company. The policy is available on the Company's Website www.skm.egg.com.

14. RELATED PARTY TRANSACTIONS:

All the transactions entered with the related parties during the financial year were on an arm's length basis and were in the ordinary course of business. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee /Board for its omnibus approval and since there are no transactions which are not on arm's length basis and material in nature Form AOC-2 is not being annexed.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Policy was considered and approved by the Board has been uploaded on the website of the Company at www.skmegg.com.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars, as prescribed under sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are given in the **Appendix-B** to this report.

16. EXTRACT OF ANNUAL RETURN:

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in Form MGT-9 is annexed herewith as **Appendix-C**.

17. DETAILS OF DIRECTORS & COMMITTEES:

A. Composition:

The Company has a very balanced and diverse Board of Directors, which primarily takes care of the business needs and stakeholders' interest. The Non-executive Directors including Independent Directors on the Board are experienced, competent and highly renowned persons from the fields of manufacturing, finance & taxation, economics, law, governance etc. They take active part at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance etc. and play critical role on strategic issues, which enhances the transparency and add value in the decision making process of the Board of Directors. The composition of the Board also complies with the provisions of the Companies Act, 2013 and the SEBI (Listing obligations and disclosure requirements) Regulations, 2015. As at the end of corporate financial year 2017, the total Board strength comprises of the following:

Executive Director	2
Non-Independent Directors & Non-Executive Directors	2
Independent Directors	5
Nominee Director-TIDCO	1
Total Strength	10

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17**B. Particulars of Directorships of other Companies:****OTHER DIRECTORSHIPS**

Name of the Director and Designation	Name of the Company	Position
Shri.SKM Maeilanandhan (Executive Chairman)	SKM Animal Feeds and Foods (India) Private Ltd	Whole Time Director
	SKM Siddha and Ayurvedha Company (India) Private Limited	Director
	SKM Universal Marketing Company India Private Limited	Director
	Agro Corpex India Limited	Director
Shri.SKM Shree Shivkumar (Managing Director)	SKM Siddha and Ayurvedha Company (India) Private Limited	Director
	SKM Universal Marketing Company India Private Limited	Managing Director
	SKM Shrees Farms India Private Limited	Director
	SKM Shree Developers India Private Limited	Director
	SKM Shree Herbals India Private Limited	Director
	SKM Shree Energy India Private Limited	Director
	SKM Shrees Properties India Private Limited	Director
Smt.S.Kumutaavalli (Non-Executive Director)	SKM Siddha and Ayurvedha Company (India) Private Limited	Managing Director
	SKM Universal Marketing Company India Private Limited	Director
	SKM Shree Developers India Private Limited	Director
	SKM Shree Herbals India Private Limited	Director
	SKM Shrees Properties India Private Limited	Director
Shri.S.M.Venkatachalapathy (Non-Executive Director)	SKM Siddha and Ayurvedha Company (India) Private Limited	Director
	SKM Shrees Farms India Private Limited	Director
	SKM Shree Energy India Private Limited	Director
Shri.P.Kumarasamy (Independent Director)	SKM Universal Marketing Company India Private Limited	Director

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Name of the Director and Designation	Name of the Company	Position
Dr.L.M.Ramakrishnan (Independent Director)	Ponni Sugars (Erode) Ltd Knitvel Needles (PVT) Ltd Erode Medical Suppliers(P) Ltd Hawker & West off Shoring Consulting Services (P) Ltd	Director Director Managing Director Director
Shri.C.Devarajan (Independent Director)	OREOPS Framework Private Limited Madras Institute of Project Management Consultancy (P) Ltd URC Creative Developers (P) Ltd URC Construction (P) Ltd URC Infotec (P) Ltd URC Power Product (P) Ltd Erode Textile Mall Private Ltd Ulavar Kalangium Ltd Five P Venture India (P) Ltd URC Salmoc J V Infrastructure Private Limited Texvally Weekly Market Ltd Texvally Market Limited Institute for Lean Construction Excellence	Director Director Director Director Director Director Director Director Director Director Director Director Director
Shri.M.Chinnian (Independent Director)	SKM Universal Marketing Company India Private Limited	Director
Shri.B.Ramakrishnan (Nominee Director)TIDCO	Saptarishi Agro Industries Limited Sattva Agro Expo Private Ltd Devaraj Agro Industries Private Limited Nilgiris Flower Company Limited Intgen Agro Products Limited Tamilnadu Telecommunication Limited TICEL Bio Park Limited	Director Director Director Director Director Director Managing Director
Shri.D.Venkateswaran (Independent Director)	Balkart Brothers (India) Private Limited Ulavan Producer Company Limited Mega Agri Business Consortium Producer Company Limited	Director Director Director

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C. No. of other Board Committees they are Members / Chairman:

S. No.	Name of Directors	Audit Committee	Stakeholders Relationship Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee
1.	Smt.S.Kumutaavalli	-	-	-	Member
2.	S.M.Venkatachalapathy	-	-	Member	-
3.	Dr.L.M.Ramakrishnan	Member	Member	Chairman	Chairman
4.	Shri.C.Devarajan	-	-	-	Member
5.	Shri.M.Chinnian	Chairman	Member	Member	-
6.	Shri.B.Ramakrishnan	Member	-	-	-
7.	Shri.P.Kumarasamy	-	Chairman	-	-
8.	Shri.D.Venkateswaran	-	-	-	-

17.1 ANNUAL EVALUATION OF THE BOARD AND ON ITS OWN PERFORMANCE AND OF THE INDIVIDUAL DIRECTORS

Pursuant to the provisions of Section 134 (3) (p), 149(8) and Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and disclosures requirements) Regulations 2015, annual Performance Evaluation of the Directors as well as of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee has been carried out. The Performance Evaluation of the Independent Directors was carried out by the entire Board and the Performance Evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors. The Independent Directors of the company have also convened a separate meeting for this purpose. The policy is available on the website of the company at www.skmeegg.com.

17.2 REMUNERATION POLICY

A. Policy on remuneration to Non-Executive Directors/Independent Directors

The policy of the Company, based on the recommendation of the Nomination & Remuneration Committee for the payment of remuneration to Non-executive Directors/Independent Directors of the company is that the Non-Executive Directors will be paid only sitting fees for attending Board and Committees of the Board which is fixed within the limits of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy is available on the website of the company at www.skmeegg.com.

B. Policy on remuneration to MD & Executive Director, Key Managerial Personnel and other employees

The Compensation/Remuneration policy of the Company as approved by the Board contains the policy for payment of remuneration to Executive Directors including MD & Key managerial personnel and for the employees of the Company. The policy is available on the website of the company at www.skmeegg.com.

17.3 MEETINGS

During the year four board meetings and one independent directors' meeting were held. The Details of which are given in Corporate Governance Report.

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17.4 AUDIT COMMITTEE:

i) Terms of reference:

The Audit Committee reviews the audit reports submitted by the Internal Auditors and Statutory Auditors, financial results, effectiveness of internal audit processes and the Company's risk management strategy. It reviews the Company's established Systems and the Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

The board has accepted the audit committee recommendations during the year whenever required and hence no disclosure is required under section 177 (8) of the company's act 2013 with respect to rejection of any recommendation of audit committee by the board.

ii) Composition :

The Audit Committee of the Company consists of three Independent Directors. The Chairman of the Audit Committee is financially literate and majority of them having accounting or related financial management experience. Representative of Statutory Auditor is permanent invitee. Company Secretary acts as Secretary to the Committee.

iii) No. of Meetings held during the year :

During the year the Committee had 4 Meetings i.e. 25.05.2016, 01.08.2016 , 26.10.2016 and 30.01.2017.

iv) Composition, name of Members and attendance during the year :

NAME	POSITION	NO.OF MEETINGS	
		HELD	ATTENDED
Shri.M.Chinnian	Chairman	4	4
Shri.L.M.Ramakrishnan	Member	4	3
Shri.B.Ramakrishnan	Member	4	2

17.5 NOMINATION AND REMUNERATION COMMITTEE:

i) Terms of reference:

This Committee shall identify the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, Independent of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

ii) Composition:

The Nomination and Remuneration Committee of the Company consists of one Non-Executive and two Independent Directors including Chairman.

iii) No. of Meetings held during the year:

During the year One Committee meetings held on 25th May 2016 and all members were present.

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NAME	POSITION	NO.OF MEETINGS	
		HELD	ATTENDED
Shri.L.M.Ramakrishnan	Chairman	1	1
Shri.S.M.Venkatachalapathy	Member	1	1
Shri.M.Chinnian	Member	1	1

17.6 STAKEHOLDERS RELATIONSHIP COMMITTEE:

i) Terms of reference:

The Committee focuses primarily on monitoring expeditious Redressal of investors / stakeholders grievances and also functions in an efficient manner that all issues / concerns stakeholders are addressed / resolved promptly.

ii) Composition of the Committee:

The Committee consists of three Independent Directors.

iii) No. of meetings held and attended during the year:

During the year the 4 Stakeholders Relationship Committee Meetings were held i.e. on 25.05.2016, 01.08.2016, 26.10.2016 and 30.01.2017.

The attendance of the Members at the meeting was as under :

NAME	POSITION	NO.OF MEETINGS	
		HELD	ATTENDED
Shri.PKumarasamy	Chairman	4	4
Shri.L.M.Ramakrishnan	Member	4	3
Shri.M.Chinnian	Member	4	2

iv) Name and Designation of Compliance Officer :

Mr. Sekar. P Company Secretary and Compliance Officer. Shareholder's Services:

S.No.	Nature of Complaints		2016-2017
	Received	Answered	
1st Quarter	1	1	1
2nd Quarter	0	0	0
3rd Quarter	0	0	0
4th Quarter	0	0	0

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17.7 GENERAL BODY MEETINGS:

Location and time for the last two AGMs:

Year	Date	Venue	Time	Special Resolution
2014-15	23.09.2015	N.S.A Mahal, Club Melaange, 314, 315, Perundurai Road, Erode - 638 011	4.00 P.M	Special Resolutions were passed in this meeting
2015-16	02.09.2016	Registered Office at 185, Chennimalai Road, Erode - 638 001	4.00 P.M	Special Resolutions were passed in this meeting

18. INDEPENDENT DIRECTORS MEETING:

During the year under review, the Independent Directors of the Company met on 24.03.2017, inter alia, to discuss:

- i) Evaluation of performance of Non- Independent Directors and the Board of Directors of the Company as a whole.
- ii) Evaluation of performance of the Chairman of the Company, taking into views of Executive and Non-Executive Directors.
- iii) Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

19. DECLARATION BY INDEPENDENT DIRECTOR:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI (LODR) Regulations, 2015.

20. FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS:

In Compliance with the requirements of SEBI Listing Regulations, the Company has put in place a familiarization programme for Independent Directors to familiarize them with their role, rights and responsibility as Directors, business overviews etc.

The details familiarization programmes are available on the website of the Company www.skmeegg.com.

21. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143 (12) OF THE COMPANIES ACT, 2013 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There were no instances of frauds identified or reported by the Statutory Auditor during the course of their audit.

22. MATERIAL CHANGES AND COMMITMENT'S AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes or commitments affecting the financial position of the company during the year.

23. REPORT ON THE PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARY INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS.

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The company has foreign subsidiary. The statement pursuant to section 129 (3) Companies Act, 2013 containing the salient features of the financial statement of subsidiary company forms part of this Annual Report in **Appendix - D**.

The board has approved a policy for determining material subsidiary which has been uploaded on the company's website viz. www.skmegg.com

24. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Companies Act, 2013 for the year ended 31st March, 2017.

25. INTERNAL COMPLAINTS COMMITTEE:

Your company has upheld the letter and spirit contained in "The Sexual Harassment of Women at Workplace (Prevention, prohibition and Redressal) Act, 2013". (the act). Board of Directors had resolved to constitute Internal Complaints Committees to function as per the provisions laid down in the Act and also to support the women employees by way of counseling.

- | | |
|---|-----|
| a. No. of complaints received in the year 2016-17: | NIL |
| b. No. of complaints disposed of during the year 2016-17: | NIL |
| c. Nature of action taken by the employer/district officer: | NIL |

26. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. SM Venkatachalapathy (DIN: 00043288), Director of the company retires by rotation at the ensuing Annual General Meeting of the Company under section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment. The brief resume of Mr. SM Venkatachalapathy and other relevant information have been furnished in the Notice of Annual General Meeting (AGM). Appropriate resolutions for his appointment are being placed for approval of the shareholders at the AGM.

Key Managerial personnel of the company as required pursuant to section 2(51) and 203 of the Companies Act, 2013 are Shri. SKM. Maeilanandhan, Executive Chairman, Shri. SKM Shree Shivkumar, Managing Director, Shri. K.S. Venkatachalapathy, Chief Financial Officer and Shri. P. Sekar, Company Secretary.

27. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report for the year under review as stipulated under the Listing Regulations with the stock exchanges in India is presented in a separate section forming part of this Annual Report in **Appendix-E**.

28. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

a) that in the preparation of the annual financial statements for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

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b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made 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 of the Company for that period.

c) that proper and sufficient care has been taken 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;

d) that the annual financial statements have been prepared on a going concern basis;

e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

29. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

30. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the financial year ended 31st March, 2017.

31. AUDITORS:

31.1 STATUTORY AUDITORS

As per the provisions of Section 139 of the Companies Act 2013, the transitional period of office of M/s. N.C. Rajagopal & Co Chartered Accountants, Erode as the Statutory Auditors of the Company will conclude from the close of this Annual General Meeting of the Company.

The Board of Directors place on record their appreciation and gratitude for the services rendered by M/s. N.C. Rajagopal & Co Chartered Accountants, Erode, during their tenure as the Statutory Auditors of the Company.

The Audit Committee and the Board of Directors of the Company have recommended the appointment of Mr. Prasanna Venkatesan N. Chartered Accountant, Erode (MN 235530) as the Statutory Auditor of the Company, subject to the approval of the shareholders. Mr. Prasanna Venkatesan N. has consented to the said appointment and confirmed that his appointment, if made would be within the limit mentioned under the provision of the Companies Act, 2013 and the Companies (Audit and Auditor) Rules, 2014 .

He will hold office as Statutory Auditor for the period of one year from the conclusion of the 22nd Annual General Meeting till the conclusion of 23rd Annual General Meeting.

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31.2 SECRETARIAL AUDITOR

The Board of Directors in its meeting dated 1st August, 2016, appointed Mr. V. Ramkumar, Company Secretary in Practice, Coimbatore. (CP No.: 3832, Membership No: F 8304), to undertake the secretarial audit of the company for the year ended 31st March 2017, in compliance with the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, The Secretarial Audit Report for the financial year 31st March, 2017 is enclosed as **Appendix-F**.

31.3 INTERNAL AUDITOR

Mr. R.Muralidharan, B.Com, FCA., Chartered Accountant performs the duties of internal auditor of the company and their report is reviewed by the audit committee from time to time.

32. COMMENTS ON AUDITORS' REPORT:

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. N.C. Rajagopal & Co., Statutory Auditors and Mr. V. Ramkumar, Secretarial auditor in their reports.

33. CONSOLIDATED FINANCIAL STATEMENTS:

Pursuant to Section 129 of the Companies Act, 2013, the Company has prepared a Consolidated Financial Statements of the Company and also of its Subsidiary, "**SKM Europe BV**", **Utrecht, the Netherlands**, in same form and manner as that of the Company which shall be laid before the ensuing Annual General Meeting of the Company along with laying of the Company's Financial Statement under section 129 sub-section (2) i.e. Standalone Financial Statement of the Company.

34. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not granted any fresh loans or guarantees or provided any security in connection with any loan to any other body corporate or person covered under the provisions of Section 186 of Companies Act 2013.

35. PARTICULARS OF EMPLOYEES

Details pursuant to section 197 (12) of the company's act 2013 read with companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 has been appended as **(Appendix-G)**

36. STOCK EXCHANGE INFORMATION:

The Company's Equity Shares are listed on:

1. BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 and
2. NSE Limited, "Exchange Plaza", Bandra-Kurla Complex Bandra East, Mumbai - 400 051.

The annual listing fees have been paid to all the Stock Exchanges as mentioned above.

Movement in the Market Price of the Company's Shares on the National Stock Exchange

Movement in the Market Price of the Company's Shares on the Bombay Stock Exchange is Nil since relisting happened on 30th March 2017.

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NSE			
MONTH	HIGH (Rs)	LOW (Rs)	QUANTITY (Nos)
Apr-16	101.90	88.05	13,32,010
May-16	94.90	65.20	33,69,212
Jun-16	74.50	60.10	17,94,511
Jul-16	78.70	65.70	17,90,216
Aug-16	75.75	56.40	14,06,862
Sep-16	78.30	62.55	17,43,220
Oct-16	73.90	59.05	11,54,197
Nov-16	60.95	50.25	8,62,923
Dec-16	55.00	50.00	5,25,502
Jan-17	74.70	50.35	34,30,346
Feb-17	86.90	64.10	34,85,661
Mar-17	85.60	78.00	13,68,189

37. INTERNAL CONTROLS:

The Company has a system of internal control which examines both the financial effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory/ regulatory compliances.

38. INSIDER TRADING CODE:

The Company has formulated a code for prevention of Insider Trading pursuant to Securities and Exchange Board of India (Insider Trading) (Amendment) Regulation 2002 to prevent the practices of Insider Trading. Mr. P. Sekar, Company Secretary has been designated as Compliance Officer for this purpose. Senior Management of the Company has affirmed compliance with the Code of Conduct applicable as on 31.03.2017. The Company has duly complied with all the mandatory SEBI (LODR) Regulations 2015. Code of Conduct for Insider Trading Regulation available on the Company's Website www.skmeegg.com.

39. INDUSTRIAL RELATIONS:

The industrial relations continued to be generally peaceful and cordial during the year.

40. CEO/CFO CERTIFICATION :

Regulation 33 (2) (a) OF SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Managing Director and Chief Financial Officer of the Company have certified regarding the Financial Statements for the year ended March 31, 2017 which is annexed to this Report in **Appendix-H**.

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41. MEANS OF COMMUNICATION:

The quarterly, unaudited and annual audited financial results were published in nationally circulated newspapers in English, such as, Business Line, Trinity Mirror and in regionally circulated in Daily Thanthi, Makkal Kural. The results were also displayed on the Company's website – www.skmegg.com.

42. GENERAL INFORMATION FOR SHAREHOLDERS

ANNUAL GENERAL MEETING

Date	:	27.09.2017
Time	:	4.00 P.M
Venue	:	Registered Office situated at 185, Chennimalai Road, Erode-638 001
Financial Year	:	1 st April 2016 to 31 st March 2017
Period of Book Closure	:	21.09.2017 to 27.09.2017

FINANCIAL CALENDER:

Approval of quarterly results for the period ending:

1. 30th June 2016	:	1 st August 2016
2. 30th September 2016	:	26th October 2016
3. 31st December 2016	:	30th January 2017
4. 31st March 2017	:	30th May 2017

43. REGISTRAR AND SHARE TRANSFER AGENT:

S.K.D.C. Consultants Limited
Kanapathy Towers,
3rd Floor, 1391/A1, Sathy Road,
Ganapathy, Coimbatore - 641 006.

44. COMPLIANCE OFFICER:

Mr. Sekar. P
Company Secretary
Address : 185, Chennimalai Road, Erode
Email : shares@skmegg.com
Mob No : 9585558325

45. ACKNOWLEDGEMENTS:

The Directors express their sincere appreciation to the valued shareholders, suppliers, bankers, business partners/associates, financial institutions for their support and encouragement to the Company. We look forward to receiving the continued patronage from all quarters to become a better and stronger company.

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46. CAUTIONARY STATEMENT:

The statements contained in the Board's Report and Management Discussion and Analysis contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations.

Various factors such as economic conditions, changes in government regulations, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

For and on behalf of the Board of Directors

Date : 09.08.2017

Place : Erode

Sd/-
Chairman of the Board
(DIN:00002380)

CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company

The Company believes that Corporate Governance is a set of processes, customs, policies, rules, regulation and laws for ensuring transparency, professionalism and accountability in its dealings with its customers, principal, employees, shareholders and with every individual who comes in contact with the Company. The Company's philosophy on Corporate Governance is bounded upon a rich legacy of fair ethical governance practices which has been in practice since the beginning. In fact the company has long been a staunch supporter of this code even before it became mandatory. Integrity, transparency, accountability and compliance with laws which are columns of good governance have always been the hallmark of company. The Company is in full compliance with the requirements of Corporate Governance under the Listing regulations (SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) entered into with the Stock Exchanges and in this regard, submits a report on the matters mentioned in the said clause and also the practices followed by the Company as stated below:

BOARD COMPOSITION

a) Category of Directors, Attendance, other directorship and committee membership:

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

Name of the Director	Category	Attendance Particulars		No. of other companies in which he is a Director		No. of shares held in the company as 31.03.2017
		Board Meeting	Last AGM	Director -ship	Committee Membership	
Shri. SKM Maeilanandhan	Executive Chairman	4	Yes	4	NIL	10,000
Shri.SKM Shree Shivkumar	Managing Director	4	Yes	7	NIL	1,19,81,672
Smt.S.Kumutaavalli	Director	4	Yes	5	NIL	10,005
Dr.L.M. Ramakrishnan	Independent Director	3	Yes	4	NIL	NIL
Shri.C.Devarajan	Independent Director	3	No	13	NIL	5,000
Shri.M.Chinnayan	Independent Director	4	Yes	1	NIL	4,000

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Name of the Director	Category	Attendance Particulars		No. of other companies in which he is a Director		No. of shares held in the company as 31.03.2017
		Board Meeting	Last AGM	Director -ship	Committee Membership	
Shri. PKumarasamy	Independent Director	4	Yes	1	NIL	NIL
Shri.S.M. Venkatachalapathy	Director	4	Yes	3	NIL	15,005
Shri.B. Ramakrishnan	TIDCO Nominee	2	No	7	NIL	19,95,800
Shri. Doraisamy Venkateswaran	Independent Director	4	Yes	3	NIL	NIL

Four Board Meetings were held during the year and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings were held are as follows: 25.05.2016, 01.08.2016, 26.10.2016 and 30.01.2017

The company issued formal letters of appointment to independent directors in the manner as provided in the Companies Act, 2013. The terms and conditions of appointment are disclosed on the website of the company.

The company has formulated a policy to familiarize the independent directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes. The details of such familiarization programmes are disclosed in the website of the company.

b) Brief note on Directors seeking appointment / re-appointment at the ensuing AGM under Listing Regulations:

Mr. SM Venkatachalapathy, Director of the company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

The Board of Directors has laid down the code of conduct for all the Board members and members of the Senior Management of the Company. Additionally all independent directors of the company shall be bound by duties of independent directors as set out in the Companies Act, 2013 read with the Schedules and Rules thereunder. All the Board members and Senior Management personnel have affirmed compliance with the code of conduct. The Code of Conduct is available on the website of the company.

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BOARD COMMITTEES

The terms of reference of Board Committees are determined by the Board from time to time. Presently the Company has three committees i.e Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. All the decisions pertaining to the constitution of the Committees, appointment of members, and fixing of terms of reference for committee members are taken by the Board of Directors. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

AUDIT COMMITTEE

The major tasks performed by the audit committee may be grouped under the following heads:

Statutory audit, internal audit, reporting and other aspects

- i. The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The Committee acts as a link between the Management, Auditors and the Board of Directors of the Company and has full access to the financial Information.
- ii. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible and ensuring timely submission to statutory authorities.
- iii. Reviewing the Management Discussion & Analysis of financial and operational performance.
- iv. Reviewing with the management, the quarterly financial statements and annual financial statements and auditor's report thereon before submission to the board for approval.
- v. Review the adequacy and effectiveness of the company's system and internal control.
- vi. Evaluation of internal financial controls and risk management systems.
- vii. To review the functioning of the Whistle Blower mechanism.

AUDIT & OTHER DUTIES

- i. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- ii. Discussion with internal auditors of any significant findings and follow up there on.
- iii. Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and internal Auditors considering their independence and effectiveness and their replacement and removal.
- iv. To recommend to the Board the remuneration of the Statutory Auditors and internal auditors.
- v. To grant approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board.

Composition of Audit Committee and attendance of each Director during the meetings held in financial year 2016-17 are given below:

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Name	Status	Category	No. of Meeting during the year 2016-17	
			Attended	Held
Shri.M.Chinnayan	Chairman	Independent Director	4	4
Dr.L.M.Ramakrishnan	Member	Independent Director	3	4
Shri.B.Ramakrishnan	Member	Nominee Director	2	4

Four Audit Committee meetings were held during the year and the gap between two meetings never exceeded 120 days. The dates on which such meetings were held are as follows:

25.05.2016, 01.08.2016, 26.10.2016, 30.01.2017

The company secretary acts as the secretary to the committee.

NOMINATION AND REMUNERATION COMMITTEE

The terms of reference of the committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The remuneration policy as adopted by the company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The workers at the factory as well as those rendering clerical, administrative and professional services are suitably remunerated according to the industry norms. Although no remuneration is paid to any director at present the company retains the option to do so in future. As and when it is done it shall be revealed in the report.

The details of the composition of the Remuneration Committee are as under:

Name	Status	Category	No. of Meeting during the year 2016-17	
			Attended	Held
Dr.L.M.Ramakrishnan	Chairman	Independent Director	1	1
Shri. S.M. Venkatachalapathy	Member	Non-Executive Director	1	1
Shri.M.Chinnayan	Member	Independent Director	1	1

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee performs following functions:

- ❖ Transfer/Transmission of shares
- ❖ Issue of Duplicate Share Certificates.
- ❖ Review of Share dematerialization and Rematerialization.
- ❖ Monitoring the expeditious Redressal of Investor Grievances.
- ❖ Monitoring the performance of company's Registrar & Transfer Agent.
- ❖ All other matters related to the shares.

The details of composition of the Committee are as under:

Name	Status	Category	No. of Meeting during the year 2016-17	
			Attended	Held
Shri.P.Kumarasamy	Chairman	Independent Director	4	4
Dr.L.M.Ramakrishnan	Member	Independent Director	3	4
Shri.M. Chinnayan	Member	Independent Director	4	4

Mr. P. Sekar, the company Secretary is the Compliance Officer during the year under review. He performed the functions of monitoring the complaints received vis-à-vis share transfer and other related processes and reported them to the Board. He also carried out his responsibility as liaison officer with the investors and regulatory authorities, such as SEBI, Stock Exchanges, Registrar of Companies, R.B.I. in respect of implementing laws, rules and regulations, and directives of such authorities concerning investor service and complaints.

No complaints were received from the shareholders during the year.

INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on March 24, 2017, inter alia to discuss:

- i. review the performance of non-independent directors and the Board as a whole;
- ii. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- iii. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The details of the composition of the Committee are as under:

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

Name	Status	Category	No. of Meeting during the year 2016-17	
			Attended	Held
Dr.L.M.Ramakrishnan	Director	Independent Director	1	1
Shri.M. Chinnayan	Director	Independent Director	1	1
Shri.P.Kumarasamy	Director	Independent Director	1	1
Shri.C.Devarajan	Director	Independent Director	1	1
Shri.D.Venkateswaran	Director	Independent Director	1	1

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

AUDITORS' CERTIFICATE OF CORPORATE GOVERNANCE

To the members,

SKM Egg Products Export (India) Limited

We have examined the compliance of conditions of Corporate Governance by SKM Egg Products Export (India) Limited, for the year ended on 31st March 2017, as stipulated under Schedule V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015..

We state that no investor grievance is pending for period exceeding one month against the company, as per the records maintained by the stakeholders relationship committee.

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

Sd/-

N.C. Rajagopal & Co.,
Chartered Accountants
(Firm Registration No: 003398S)

Sd/-

N.C. Vijay Kumar
Partner
Membership No: 208276

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APPENDIX - B

DETAILS OF POWER & FUEL CONSUMPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

PARTICULARS	2016-2017	2015-2016
(I) POWER AND FUEL CONSUMPTION		
(1) Electricity		
a. Purchased units (Kwh)	77,30,400.00	78,18,600.00
Total Amount (Rs.)	5,93,29,411.00	5,98,87,281.00
Rate / Unit (Rs.)	7.67	7.66
b. Own Generation through Diesel Generator		
Units (Kwh)	2,08,462.00	6,33,747.00
Total Amount	27,79,896.00	81,40,506.00
Units per litre of Diesel Oil	3.17	3.24
Cost/Unit (Rs.)	13.34	12.85
(2) Furnace Oil		
Quantity (Litres)	4,24,100.00	4,33,600.00
Total Cost (Rs.)	1,03,67,303.00	88,29,408.00
Average Rate (Rs.)	24.45	20.36
(3) Coal / Firewood		
Quantity (Metric Tons)	8,301.00	10,004.00
Total Cost (Rs.)	3,30,48,078.00	5,43,36,950.00
Average Rate (Rs.)	3,981.00	5,432.00
(II) CONSUMPTION PER UNIT OF PRODUCTION		
Product - Egg Powder (Metric Tons)	4,982.00	6,141.00
Electricity (Rs. Per Metric Tons)	12,466.00	11,078.00
Fuel (Rs. Per Metric Ton)	8,714.00	10,287.00
FOREIGN EXCHANGE EARNINGS AND OUTGO : (Rs. In lacs)		
Earnings :	17,395.00	25,625.00
Outgo :	334.00	890.00

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CONSERVATION OF ENERGY:

During this year, the company has adopted energy saving techniques for improving power / fuel savings. The outcome of the initiatives taken by the company is as follows:-

1. In Low Pressure 5 Kgs / CM2 - Steam required areas, we converted to 3 Kgs / CM2 as per Energy Audit.
2. In Water Treatment Area Reverse Osmosis system introduced to save Power / Chemical Cost
3. Implemented LED lighting system instead of CFL.
4. Started using wind energy to a tune of 65%.
5. Water usage has been reduced by 30% [130 M3 / Day]. This will also reduce water treatment and effluent treatment cost.

RESEARCH AND DEVELOPMENT:

Egg albumin:

The R&D wing has developed egg products to suit the Indian market. This will be launched shortly. Focus is more on the egg albumin based egg products like protein drink, protein solids etc.,

Egg yolk:

Also, on economizing the operational cost, the R & D wing has arrived the process parameters for the enzyme treated egg yolk as well.

For and on behalf of the Board

Date : 09.08.2017

Place : Erode

Sd/-
Managing Director
(DIN:00002384)

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

APPENDIX-C

Form MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2017

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	L01222TZ1995PLC006025
Registration Date	April 6, 1995
Name of The Company	M/s SKM Egg Products Export (India) Limited
Category / Sub Category of the Company	Company Limited by shares/ India-non Government Company
Address of the Registered Office and Contact Details	185, Chennimalai Road, Erode, Tamilnadu shares@skmegg.com Ph:0424-2351532 Fax:0424-2351531
Whether Listed Company : Yes/No	Yes
Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	S.K.D.C. Consultants Ltd, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy,Coimbatore, Tamil Nadu, 641006.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

S.No	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1.	Egg Yolk Powder	10799	34.54%
2.	Egg Albumin Powder	10799	31.25%
3.	Whole Egg Powder	10799	19.56%

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III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.No	Name and Address of the Company	Holding / Subsidiary / Associate	% Of Shares Held
1.	SKM Europe BV, Utrecht, The Netherladns	Subsidiary	85% (15300 Shares)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Share-holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Phy-sical	Total	% of total share	Demat	Phy-sical	Total	% of total share	
A. Promoters									
(1) Indian									
Individual/HUF	1,22,92,402	NIL	1,22,92,402	46.69	1,22,92,402	NIL	1,22,92,402	46.69	0
Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
State Govt	19,95,800	NIL	19,95,800	7.58	19,95,800	NIL	19,95,800	7.58	0
Bodies Corp	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub Total	1,42,88,202	NIL	1,42,88,202	54.27	1,42,88,202	NIL	54.27	NIL	NIL
A. (1) (2) Foreign									
a) NRIs-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

Category of Share-holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Phy-sical	Total	% of total share	Demat	Phy-sical	Total	% of total share	
e) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub Total A(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Share holding of Promoter(A) = (A1) + (A2)	1,42,88,202	NIL	1,42,88,202	54.27	14288202	NIL	1,42,88,202	54.27	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Fund	3,961	0	3,961	0.02	2,200	0	2,200	0.01	-0.01
b) Banks/FI	12,669	0	12,669	0.05	0	0	0	0	-0.05
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIS	0	0	0	0	0	0	0	0	0
h) Foreign Venture									
Capital Funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	16,630	0	16,630	0.07	2,200	0	2,200	0.01	-0.06
2. Non Institution									

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total share	Demat	Physical	Total	% of total share	
a) Bodies Corp									
i. Indian/Oversea	725548	10000	735548	2.79	457870	10000	467870	1.78	-1.01
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakh	57,92,036	19,78,462	77,70,498	29.51	60,61,792	18,59,162	79,20,954	30.08	+0.57
ii) Individual shareholders holding nominal share capital in excess Rs. 2 lakh	8,95,503	97,800	9,93,303	3.77	8,86,720	97,800	9,84,520	3.74	-0.03
c) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
d) Others (specify)									
(d-i) Trusts	14,784	0	14,784	0.06	0	0	0	0	-0.06
(d-ii) Directors & their relatives	19,005	12,505	31,510	0.12	4,000	12,505	16,505	0.06	-0.06
(d-iii) Non Resident Indians	11,37,330	0	11,37,330	4.32	12,17,014	0	12,17,014	4.62	+0.3
(d-iv) Overseas corporate bodies	0	10,92,100	10,92,100	4.15	0	10,92,100	10,92,100	4.15	0
(d-v) Clearing Members	1,12,291	0	1,12,291	0.43	1,72,490	0	1,72,490	0.66	+0.23
(d-vi) Hindu undivided Families	137804	0	1,37,804	0.52	1,68,145	0	1,68,145	0.64	+0.12
Sub-total (B) (2)	88,34,301	31,90,867	1,20,25,168	45.67	89,68,031	30,71,567	1,20,39,598	45.73	-0.06

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Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total share	Demat	Physical	Total	% of total share	
Total Public Share holding of Promoter (B)=(B1)+(B2)	88,50,931	31,90,867	1,20,41,798	45.73	89,70,231	30,71,567	1,20,41,798	45.73	0
C. Shares held by Custodian GDR & ADRs	0	0	0	0	0	0	0	0	0
Grand Total	2,31,39,133	31,90,867	2,63,30,000	100	2,32,58,433	30,71,567	2,63,30,000	100	0

(ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding-during the year
		No. of Share	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Share	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	SKM Maeilanandhan	10,000	0.038	0	10,000	0.038	0	0
2.	SKM Shree Shivkumar	1,19,81,672	45.51	0	1,19,81,672	45.51	0	0
3.	S.Kumutaavalli	10,005	0.04	0	10,005	0.04	0	0
4.	TIDCO	19,95,800	7.58	0	19,95,800	7.58	0	0
5.	M Chandrasekar	2,80,725	1.07	0	2,80,725	1.07	0	0
6.	C Shyamala sharmili	10,000	0.04	0	10,000	0.04	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

There are no changes in the promoters shareholding during the financial year 2016-2017

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(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	For each of top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No.of Shares	%	No.of Shares	%
1	BELOVO ENGINEERING S.C.	1092100	4.148	1092100	4.148
2	SUBODH N PUROHIT	300000	1.139	213007	0.809
3	ANU NARAYAN	253190	0.962	183163	0.696
4	GLOBE CAPITAL MARKET LTD	83870	0.319	151	0.001
4	GLOBE CAPITAL MARKET LIMITED	21100	0.080	7670	0.029
4	GLOBE CAPITAL MARKET LTD	5302	0.020	1743	0.007
5	NITIN PACHARE	109000	0.414	109000	0.414
6	SAURABH AGGARWAL	100000	0.380	0	0.000
7	ANU NARAYAN	99728	0.379	0	0.000
8	MALATHY V	74000	0.281	77000	0.292
8	V MALATHY	7500	0.028	0	0.000
8	V MALATHY	0	0.000	7500	0.028
9	KARVY STOCK BROKING LTD (BSE)	40000	0.152	62513	0.237
9	KARVY STOCK BROKING LTD	26353	0.100	7435	0.028
9	KARVY STOCK BROKING LTD	1667	0.006	0	0.000
9	KARVY STOCK BROKING LIMITED	650	0.002	650	0.002
9	KARVY STOCK BROKING LTD-F-O MARGIN	109	0.000	1837	0.007
9	KARVY STOCK BROKING LIMITED	53	0.000	53	0.000
9	KARVY STOCK BROKING LTD.	0	0.000	80	0.000
10	THAYUMANAVAN BHASKARANAR	63125	0.240	63125	0.240
11	SUNITA AGGARWAL	55000	0.209	144746	0.550
12	S RAVINDRA KAMATH	36000	0.137	75000	0.285
13	MANISHA SUBODH PUROHIT	56250	0.214	56250	0.214
13	MANISHA SUBODH PUROHIT	1000	0.004	1000	0.004

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(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and KMP	Shareholding beginning of the year		Cumulative Shareholding during the year the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Dr.L.M.Ramakrishnan-Non Executive Director				
	At the beginning of the year	5000	0.019	Nil	Nil
	Datewise Increase/decrease	Nil	NIL	NIL	NIL
	At the End of the year			5000	0.019
2.	Shri.S.M.Venkatachalapathy-Non Executive Director				
	At the beginning of the year	15005	0.057	Nil	Nil
	Datewise Increase/decrease	Nil	Nil	Nil	Nil
	At the end of the year			15,005	0.057
3.	Shri.C.Devarajan- Non Executive Director				
	At the beginning of the year	5000	0.019	NIL	NIL
	Datewise Increase/Decrease	Nil	NIL	NIL	NIL
	At the End of the year	NIL	NIL	5000	0.019
4.	Shri.M.Chinnian- Non Executive Director				
	At the beginning of the year	4000	0.015	NIL	NIL
	Decrease	-	-	-	
	At the End of the year	-	-	4000	0.015
5.	Shri.P.Kumarasamy- Non Executive Director				
	At the beginning of the year	-	-	-	-
	Datewise Increase/Decrease	-	-	-	-
	At the End of the year	-	-		

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

S. No.	For Each of the Directors and KMP	Shareholding beginning of the year		Cumulative Shareholding during the year the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	Shri.D.Venkateswaran- Non Executive Director				
	At the beginning of the year	-	-	-	-
	Datewise Increase/Decrease	-	-	-	-
	At the End of the year	-	-		
7.	Shri.K.S.Venkatachalapathy, Chief Financial Officer				
	At the beginning of the year	-	-	-	-
	Datewise Increase/Decrease	-	-	-	-
	At the End of the year	-	-		
8.	Shri.P.Sekar, Company Secretary				
	At the beginning of the year	-	-	-	-
	Datewise Increase/Decrease	-	-	-	-
	At the End of the year	-	-		

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	35,92,01,717	-	-	35,92,01,717
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
TOTAL (i+ii+iii)	35,92,01,717			35,92,01,717
Changes in Indebtedness during the Financial Year Addition Reduction	7,67,14,309	-	-	7,67,14,309
Net Change	7,67,14,309	-	-	7,67,14,309
Indebtedness at the end of the financial year				
i) Principal Amount	43,59,16,026	-	-	43,59,16,026
ii) Interest due but not paid				
iii) Interest accrued but not due				
TOTAL (i+ii+iii)	43,59,16,026			43,59,16,026

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

Sl. No.	Particulars of Remuneration	Shri. SKM. Shree Shivkumar Managing Director	Shri.SKM. Maeilanandhan Chairman	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	37,79,797.00	29,26,000.00	67,05,797.00
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	2,78,296.00	1,49,003.00	4,27,299.00
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
	Total (A)			71,33,096.00

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

B. REMUNERATION TO OTHER DIRECTORS

Sl. No.	Particulars of Remuneration Independent Directors	Names of Directors (Independent Directors)					Total Amount
		Dr.L.M. Rama krishnan	Mr.C. Devarajan	Mr.M. Chinnian	Mr.P. Kumara samy	Mr.D.Ven- kates- waran	
	Fee for attending board committee meetings	3,000	3,000	4,000	4,000	4000	
	Commission	-	-	-	-	-	
	Total(1)	3,000	3,000	4,000	4,000	4000	18,000
	4. Other Non Executive Directors	Names of Non Executive Directors					
		Mr.S.M. Venkata chala pathy	Smt.S. Kumutaa valli	Mr B. Rama- krishnan			
	Fee for attending board committee meetings	4,000	4,000	2,000			
	Commission	—	—	—			
	Others, please specify	—	—	—			
	Total (2)	4,000	4,000	2,000			10,000
	Total (B)=(1+2)						28,000
	Total Managerial Remuneration						71,61,096

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL

Sl. No.	Particulars of Remuneration	Shri.K.S.Venkatachalapathy Chief Financial Officer	Shri.P.Sekar, Company Secretary	Total Amount
	Gross Salary			
	(A) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22,26,710.00	4,78,943	27,05,653
	(B) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
	Stock Option	-	-	-
	Sweat Equity	-	-	-
	Commission as % Profit	-	-	-
	Others, please specify	-	-	-
	Total	22,26,710.00	4,78,943.00	27,05,653

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

S.No	Sec of Companies Act	Brief Description	Details of penalty/ punishment / Compounding offences	Authority (RD/ NCLT/Court)	Appeals made (if any)
A. Company					
Penalty			NIL		
Punishment					
Compounding					
B. Directors					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

Date : 09.08.2017
Place : Erode

For and on behalf of the Board
Sd/-
SKM Maeilanandhan
Chairman
(DIN:00002380)

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/
joint ventures**

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

S.No.	Particulars	Details
1.	Name of the subsidiary	SKM Europe BV The Netherlands
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Euro and Rs. 69.25 as on 31.03.2017
4.	Share capital	9,79,740
5.	Reserves & surplus	3,77,09,855
6.	Total assets	12,82,45,935
7.	Total Liabilities	12,82,45,935
8.	Investments	-
9.	Turnover	46,51,27,536
10.	Profit before taxation	(19,67,981)
11.	Provision for taxation	-
12.	Profit after taxation	(19,67,981)
13.	Proposed Dividend	-
14.	% of shareholding	15,300 Shares (85%)

Notes : The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

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Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates / Joint Ventures	-	-	-
1. Latest audited Balance Sheet Date			
2. Shares of Associate/Joint Ventures held by the company on the year end			
No.			
Amount of Investment in Associates/Joint Venture			
Extend of Holding%			
3. Description of how there is significant influence			
4. Reason why the associate/joint venture is not consolidated			
5. Net worth attributable to shareholding as per latest audited Balance Sheet			
6. Profit/Loss for the year			
i. Considered in Consolidation			
ii. Not Considered in Consolidation			

1. Names of associates or joint ventures which are yet to commence operations.

2. Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

**FOR N.C.Rajagopal & Co.,
CHARTERED ACCOUNTANTS**

**N.C.VIJAY KUMAR,
Partner**

Membership No. : 208276

Firm Reg. No.: 003398S

PLACE : Erode

DATE : 30.05.2017

SKM MAEILANANDHAN

Executive Chairman
(DIN : 00002380)

K.S.VENKATACHALAPATHY

Chief Financial Officer
Membership No. : 029064

SKM SHREE SHIVKUMAR

Managing Director
(DIN : 00002384)

PSEKAR

Company Secretary
Membership No.A36565

MANAGEMENT DISCUSSION AND ANALYSIS

Key factors which affect the performance of the Company:

1. The Company recorded revenue of Rs.21792 lakhs (including other income of Rs.2247 lakhs) for the year ended 31st March,2017 as against Rs.28220 lakhs (including other income of Rs.1263 lakhs) in the previous year ended 31st March,2016.
2. The Profit before tax was at Rs.151 lakhs for the year ended 31st March,2017 as compared to Rs.3315 lakhs during the corresponding in the last year.
3. The Net Profit was at Rs.251 lakhs as on 31st March,2017 as against Rs.2265 lakhs in the previous year.
4. The quantity sold during the year 2016-17 stood at 5341 Tons, when compared to 6603 Tons during the previous year ended 31st March,2016.

Capital expenditure and funding:

1. The Capital Expenditure incurred and funded for the year is Rs.194 lakhs of which Rs.60 lakhs pertain to plant and machinery.
2. During the year under review, your company has sold/deleted/adjusted assets worth Rs.18 lakhs.

CORPORATE GOVERNANCE

- * A detailed report on corporate governance together with a certificate from the Statutory Auditors, in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as part of this report.
- * Compliance reports in respect of all laws applicable to the Company have been reviewed by the Board of Directors.

OUTLOOK OF THE INDUSTRY:

- * Your company is One of the largest egg processing companies in Asia contributing more than 50% of total export from India. While its modern testing facility has kept it ahead on the quality front, constant focus on innovation and competitive prices have bagged it some of the biggest clients in key markets-Japan and Europe and Tate & Lyle besides food majors Mondelez and Heinz. With the company now making inroads into Russia and looking to venture into the USA-Another big consumer of egg powder, revenue of Rs.500 crore over the next four years is not looking out of bounds for the company

Our company expanding client list can largely be attributed to its quality checks.The company has always been proactive when it comes to improving quality standards, own analysis system for pesticide residue and antibiotics.

Russia is one of the biggest users of egg yolk.we have just entered the market and hope to cement our position in the next three to four years.The company is also exploring the option to entering US, which is a huge market for egg white powder but approval process is a long-drawn affairs.The company is eyeing the domestic B2C segment by introducing tetra packs in various sizes, Egg white paneer, Egg Protein Health drinks and etc.

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FUTURE PROSPECTS

- * Reckoning with the customers' awareness improving for the quality parameters on the one hand and the pricing of the products on taking place in the supply side on the other hand, the future prospects of the company is ensured.
- * Though operating in a competitive environment, the uniqueness of the model ensures a comfortable level of net margin availability to your organization.

SALES AND MARKETING:

In this highly competitive international markets for egg products, we, SKM Egg Products Export (India) Limited has established a very wide network in Russia, Europe, Far East and South East Asian countries. Since we are able to maintain good relationship with customers, we are able to maintain our success by getting repeat orders for the past 20 years, particularly from the major markets of Russia, Japan, Indonesia, Thailand, Vietnam, Nigeria, Taiwan etc.,

Normally it is very difficult to enter Japan and Europe markets where USA and European suppliers are delivering at competitive prices. But, with our management's high support our marketing and sales team has successfully established our market share in this high competition markets and sell our products at competitive prices where quality of our products is at par with Europe and USA suppliers.

Further we are the first Asian company in egg products sector to enter Russian market and now we are selling considerable volume in this market.

Our new product of Egg Liquid is highly acceptable in Europe and Middle East countries, and successfully penetrating in these markets. Now our liquid samples are accepted by Oman market also and we expect to start our exports in this market within next 3 months time. Like that now we have re-entered Korea market and we expect good volume of business in this market in next 3 months' time.

In order to increase our market share and understand customer requirements, we are participating in big international food shows and visiting customers at their place at regular intervals.

Now we are working to identify new customers in Iran, Egypt, Srilanka, etc., We hope, to start our exports to these destinations within next 6 months time.

SUBSIDIARY COMPANY:

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

HUMAN RESOURCES:

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

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

**The Members,
SKM Egg Products Export (India) Limited,
185, Chennimalai Road,
Erode - 638 001**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SKM Egg Products Export (India) Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
Amount to be transferred to IEPF under the provisions of the Act read with IEPF authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the Rules) would be transferred subject to the pending litigation with the Income Tax Department.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 /Securities And Exchange Board Of India (Share Based Employee Benefits) Regulations,2014 (Effective 28th October 2014);
- e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review and
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
Not applicable as the Company has not bought back any of its securities during the financial year under review.
- vi. The laws as are applicable specifically to the Company are as under:
 - 1. Food Safety and Standards Act, 2006
 - 2. The Export (Quality Control and Inspection) Act, 1963

I have relied on the representation made by the company and its officers for systems and mechanism formed by the company for compliances and other applicable acts, laws and regulations to the company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited; and Sebi (Listing obligations and Disclosure Requirements) regulations 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observations made during the course of the audit and here is enclosed.

I further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes, if any in the composition of the Board of Directors that took place during the period under review carried out in compliance with the provisions of the Act.

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Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda sent generally seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I am informed that there were no dissenting members' on any matters during the year, whose views, were required to be captured and recorded as part of the minutes.

In my opinion, adequate systems and processes and control mechanism exist in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Sd/-

V. Ramkumar
FCS No.8304
C P No.3832

Date : 30th May, 2017

Place : Coimbatore

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ANNEXURE TO THE SECRETARIAL AUDITORS REPORT

To

**The Members,
SKM Egg Products Export (India) Limited,
185, Chennimalai Road,
Erode - 638 001.**

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records, devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and ensuring that the systems are adequate and operate effectively, are the responsibilities of the management of the Company. My responsibility is to express an opinion on these secretarial records, systems, standards and procedures, based on audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management's representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Secretarial Audit Report is neither a assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

Sd/-

V. Ramkumar
FCS No.8304
C P No.3832
Date : 30th May, 2017
Place : Coimbatore

**Information pursuant to Section 197 of the Act read with Rule 5(1) of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- a. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary during the financial year 2016-17 and Ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2016-17:

Name of the Director / Key Managerial Personnel	% increase in remuneration in the Financial Year 2016-2017	Ratio of the remuneration to the median remuneration of the employees
Shri SKM Maeilanandhan	_____	1:20
Shri SKM Shree Shivkumar	_____	1:28
Smt.S.Kumutaavalli	_____	_____
Shri SM Venkatachalathy	_____	_____
Dr.LM.Ramakrishnan (Independent Director)	_____	_____
Shri.C.Devarajan (Independent Director)	_____	_____
Shri.P.Kumarasmy (Independent Director)	_____	_____
Shri.M.Chinnian (Independent Director)	_____	_____
Shri.B.Ramakrishnan (Nominee Director- TIDCO)	_____	_____
Shri.D.Venkateswaran (Independent Director)	_____	_____
Shri.K.S.Venkatachalapathy (Chief Financial Officer)	_____	1:14
Shri.P.Sekar (Company Secretary)	_____	1:3

During the year, the Non-Executive Directors received only the sitting fees as remuneration

- a. The percentage increase in the median remuneration of employees in the financial year: NIL
- b. The number of permanent employees on the rolls of company : 199
- c. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial**

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remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average decrease in the salaries of employees other than the managerial personnel in 2016-17 was NIL. The Percentage increase in the managerial remuneration for the same financial year was NIL.

d. Affirmation that the remuneration is as per the remuneration policy of the company.

It is hereby affirmed that the remuneration paid to the Directors and Key Managerial Personnel are as per the Nomination and Remuneration Policy of the Company.

On behalf of the Board

Place : Erode

Date : 09.08.2017

Sd/-
SKM. Maeilanandhan,
Chairman
(DIN : 00002380)

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To

The Board of Directors

SKM Egg Products Export (India) Limited

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of SKM Egg Products Export (India) Limited ('the Company'), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2017 and to the best of our knowledge and belief, we state that:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any 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 the existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- (d) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (e) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - (i) significant changes, if any, in the internal control over financial reporting during the year;
 - (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

K.S.Venkatachalapathy

Chief Financial Officer

Erode, 30th May, 2017

SKM Shree Shivkumar

Managing Director and

Chief Executive Officer

DIN : 00002384

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **M/s. SKM EGG PRODUCTS EXPORT (INDIA) LIMITED**, (Registered Office at 185, Chennimalai Road, Erode – 638 001), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2017; and its Profit and its Cash flows for the year ended on that date.

Other Matters:

We did not audit the financial statements / information of 1 branch (Foreign branch)(In Russia) included in the standalone financial statements of the Company whose financial statements / financial information reflect total assets of Rs. 18,34,83,983/- as at 31st March, 2017 and total revenues of Rs.35,74,86,811/- for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of this branch has been furnished to us and our opinion is based on those Financial Statements received from the Branch Office and certified by the Management. Our opinion is not qualified / modified in respect of this matter.

Report on Other Legal and Regulatory Requirements:

- i. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure - A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- ii. As required by section 143(3) of the Act, we report that:
 - a) We have sought and 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 it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Also Refer Note No.2(ii) and 2(vii) of Notes on Accounts to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in its financial statements (vide note no.2(xvii)) as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.

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

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

Date : 30.05.2017

Place : Erode.

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“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT

Referred to in Paragraph I under the Heading of “Report on Other Legal and Regulatory Requirements” of our report of even date

As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we report that,

1. a. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verifications.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The Management has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed on physical verification.
3. The Company during the year has not granted any secured or unsecured loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act.
4. The Company during the year has not granted any loans, or made any investments, or given any security or guarantees and hence Section 185 and 186 of the Companies Act, 2013 are inapplicable.
5. The Company has not accepted any deposits from the public and hence this clause is inapplicable.
6. The Central Government has specified the maintenance of Cost Records under sub-section (1) of section 148 of the Companies Act, and such accounts and records have been made and maintained.
7. a. According to the records of the company, the company is regular in depositing undisputed statutory dues including provident fund, employee state insurance, income-tax, sales-tax, wealth tax, service Tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, to the extent applicable, with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable.
 - b. Disputed dues of income-tax, sales-tax, wealth tax, service Tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, if any, pending as at 31st March, 2017 are given below:

Particulars	Period to which it Relates	Amount Due to be paid	Forum where the appeal is preferred
Excise Duty	April-2008 to March 2013	Rs. 2,88,889/-	CESTAT, Chennai against the order of the Commissioner of Central Excise, Salem.
Excise Duty	November 2011 to March 2014	Rs. 8,52,621/-	CESTAT, Chennai against the order of the Commissioner of Central Excise, Salem
Service Tax	January 2005 to April 2006	Rs. 2,00,863/-	High Court of Madras

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Particulars	Period to which it Relates	Amount Due to be paid	Forum where the appeal is preferred
Service Tax	January 2005 to April 2006	Rs. 2,00,863/-	High Court of Madras
Service Tax	July 2005 to March 2008	Rs. 33,19, 232/-	High Court of Madras
Service Tax	April 2006 to March 2014	Rs. 9,17,745/-	CESTAT, Chennai against the order of the Commissioner of Central Excise, Salem
Income Tax	Asst.Year 2008-09	Rs.2,44,15,573/- (Net of Recovery & adjustments)	Income Tax Appellate Tribunal, Chennai – Stay granted by the Madras High court.
Income Tax	Asst.Year 2009-10	Rs.1,51,47,747/- (Net of Payments)	Income Tax Appellate Tribunal, Chennai – Stay granted by the Madras High court.

The amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.

8. The company has not defaulted in repayment of loans or borrowings to Financial Institutions, banks or government.
9. The company during the year has not raised any money through Initial or Further Public Offer (including debt instruments) and hence this clause is inapplicable in as much as it deals with raising of money through public offer and its subsequent application. Based on our audit procedures, we are of opinion that, term loans borrowed by the company were applied for the purposes for which those are raised.
10. According to the information and explanation given to us and from the audit procedures adopted by us, we are of opinion that, no fraud by the company or no fraud on the company by its officers or employees has been noticed or reported during the year.
11. The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the companies Act,2013.
12. The Company is not a “Nidhi company” and hence the Nidhi Rules, 2014 are inapplicable and consequently this clause is inapplicable to the company.
13. According to the information and explanation given to us, all transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, wherever applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence this clause is inapplicable to the company.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

15. According to the information and explanation given to us and from our audit observation, we are of opinion that, the company has not entered into any non-cash transactions with its directors or persons connected with them and hence Section 192 of the Companies Act, 2013 and this clause are inapplicable to the company.
16. The company is not a Non-banking financial company and hence the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence the requirement to get registered under Reserve Bank of India Act, 1934 does not arise.

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

N.C.VIJAY KUMAR ,
(PARTNER)
Membership No.208276.
Firm Regn. No: 003398S
Place : Erode
Date : 30.05.2017

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/s. **SKM EGG PRODUCTS EXPORT (INDIA) LIMITED**, (Registered Office at 185, Chennimalai Road, Erode – 638 001) as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

Meaning of Internal Financial Controls over Financial Reporting:

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

N.C.VIJAY KUMAR ,
(PARTNER)
Membership No.208276.
Firm Regn. No: 003398S

Place : Erode
Date : 30.05.2017

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

STANDALONE BALANCE SHEET AS AT 31st MARCH, 2017

(in Rs.)

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	26,33,00,000	26,33,00,000
(b) Reserves and Surplus	4	62,71,89,619	60,21,33,506
(2) Share Application money pending allotment			
-			
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	5(a)	10,89,303	51,84,122
(b) Deferred Tax Liabilities (Net)	5(b)	6,11,91,410	7,96,56,612
(c) Long Term Provisions	5(c)	44,85,210	34,69,000
(4) Current Liabilities			
(a) Short-Term Borrowings	6(a)	43,07,31,238	35,01,75,995
(b) Trade Payables	6(b)	17,06,17,668	10,65,55,407
(c) Other Current Liabilities	6(c)	3,32,55,286	4,97,89,515
(d) Short-Term Provisions	6(d)	1,12,59,415	2,38,52,626
Translation Reserve		-	2,50,12,133
Total Equity & Liabilities		160,31,19,149	150,91,28,916
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
1) Tangible Assets (Not Under Lease)	7(a)	61,06,45,217	66,26,86,006
2) Capital work in Progress	7(b)	2,68,25,330	1,40,05,234
		63,74,70,547	67,66,91,240
(b) Non-current investments	7(c)	1,26,78,351	1,26,78,351
(c) Long term loans and advances	7(d)	2,76,72,720	2,28,54,641
(2) Current Assets			
(a) Inventories	8(a)	52,32,62,106	42,84,37,967
(b) Trade receivables	8(b)	11,91,70,279	12,00,02,222
(c) Cash and cash equivalents	8(c)	17,32,13,329	17,26,32,440
(d) Short-term loans and advances	8(d)	56,03,370	55,97,388
(e) Other current assets	8(e)	10,40,48,447	7,02,34,667
Translation Reserve		-	-
Total Assets		160,31,19,149	150,91,28,916

As per our report of even date

**FOR N.C.Rajagopal & Co.,
CHARTERED ACCOUNTANTS**

**N.C.VIJAY KUMAR,
Partner
Membership No. : 208276
Firm Reg. No.: 003398S**

**PLACE : Erode
DATE : 30.05.2017**

FOR AND ON BEHALF OF THE BOARD

SKM MAEILANANDHAN
Executive Chairman
(DIN : 00002380)

K.S.VENKATACHALAPATHY
Chief Financial Officer
Membership No. : 029064

SKM SHREE SHIVKUMAR
Managing Director
(DIN : 00002384)

P.SEKAR
Company Secretary
Membership No.A36565

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED ON 31.03.2017 (in Rs.)

S.No.	Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
I	Revenue from operations	9	1,95,44,90,228	2,69,57,61,974
II	Other Income	10	22,46,96,701	12,62,54,873
III	Total Revenue (I + II)		217,91,86,928	282,20,16,846
IV	Expenses:			
	Cost of materials consumed	11	1,76,13,04,357	1,97,40,19,714
	Purchase of Stock-in-Trade	12	3,91,94,857	6,52,878
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	13	(9,75,42,334)	1,19,89,613
	Employee Benefit Expense	14	12,26,40,312	16,48,43,691
	Financial Costs	15	4,89,25,695	2,54,17,814
	Depreciation and Amortization Expense	16	12,03,54,580	12,07,51,159
	Other Expenses	17	16,92,50,476	19,28,51,954
	Total Expenses (IV)		216,41,27,943	249,05,26,823
V	Profit before exceptional and extraordinary items and tax	(III - IV)	1,50,58,985	33,14,90,023
VI	Exceptional Items		-	
VII	Profit before extraordinary items and tax (V - VI)		1,50,58,985	33,14,90,023
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		1,50,58,985	33,14,90,023
X	Tax expense:			
	(1) Current tax	18	84,68,074	12,23,37,673
	(2) Deferred tax	19	(1,84,65,202)	(1,73,44,597)
XI	Profit/(Loss) for the period		2,50,56,113	22,64,96,947
XII	Earning per equity share of face value Rs.10 each			
	Earning per equity share:	20		
	(1) Basic		0.95	8.60
	(2) Diluted		0.95	8.60

As per our report of even date

FOR AND ON BEHALF OF THE BOARD

FOR N.C.Rajagopal & Co.,
CHARTERED ACCOUNTANTS

N.C.VIJAY KUMAR,
Partner
Membership No. : 208276
Firm Reg. No.: 003398S

PLACE : Erode
DATE : 30.05.2017

SKM MAEILANANDHAN
Executive Chairman
(DIN : 00002380)

K.S.VENKATACHALAPATHY
Chief Financial Officer
Membership No. : 029064

SKM SHREE SHIVKUMAR
Managing Director
(DIN : 00002384)

PSEKAR
Company Secretary
Membership No.A36565

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

SCHEDULES (STANDALONE) FORMING PART OF THE BALANCE SHEET 2016-17 (in Rs.)

Particulars	As at 31.03.2017	As at 31.03.2016
Note No. : 3 Share Capital		
Authorised Capital:		
3,00,00,000 Equity Shares of Rs. 10/- Each	30,00,00,000	30,00,00,000
Issued, Subscribed & Paid-up:		
263,30,000 Equity Shares of Rs.10/- each fully paid-up	26,33,00,000	26,33,00,000
	26,33,00,000	26,33,00,000
Reconciliation of the shares outstanding at the beginning and at the end of the year :		
Equity Shares :		
At the beginning and at the end of the year		
No of Shares	2,63,30,000	2,63,30,000
Value of Shares	26,33,00,000	26,33,00,000
Details of Shareholders holding more than 5% shares of the company		
Name of the Share Holders		
SKM SHREE SHIVKUMAR		
Face value of the Equity Shares	11,98,16,720	11,98,16,720
No of Equity Shares Held as on Balance sheet dt.	1,19,81,672	1,19,81,672
% of Holdings	45.51%	45.51%
TAMILNADU INDUSTRIAL DEVELOPMENTCORPLTD		
Face value of the Equity Shares	1,99,58,000	1,99,58,000
No of Equity Shares Held as on Balance sheet dt.	19,95,800	19,95,800
% of Holdings	7.58%	7.58%
Total No of Equity Shares	2,63,30,000	2,63,30,000
Face value of Equity shares	10	10
Note No. : 4 Reserve & Surplus		
Share Premium Account :		
Opening Balance	4,00,692	4,00,692
Add : Current year transfer		
less: Written back		
Closing Balance	4,00,692	4,00,692
General Reserve:		
Opening Balance (Revenue Reserve)	4,32,812	4,32,812
Add : Current year transfer		
less: Written back		
Closing Balance	4,32,812	4,32,812

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

SCHEDULES (STANDALONE) FORMING PART OF THE BALANCE SHEET 2016-17 (in Rs.)

Particulars	As at 31.03.2017	As at 31.03.2016
Profit & Loss Account:		
Opening Balance	60,13,00,002	40,65,24,036
Add: Current Year Balance before appropriation	2,50,56,113	22,64,96,947
Less: Interim Dividend	-	2,63,30,000
Less: Divident Distribution Tax	-	53,90,981
Closing Balance	62,63,56,115	60,13,00,002
Total	62,71,89,619	60,21,33,506
NON CURRENT LIABILITIES		
Note No.:5 (a) Long Term Borrowings		
Secured		
(I) From Others		
i) Kotak Mahindra (Vehicle Loan)	10,89,303	51,84,122
Total	10,89,303	51,84,122
Note No. : 5 (b) Deferred Tax Liability(Net)		
Deferred Tax Liability		
Balance b/f of last financial year	7,96,56,612	9,70,01,209
Deferred Tax Assets		
-On account of allowances for tax purpose In :		
Depreciation	(1,99,56,574)	(1,51,87,736)
C/F and Business Losses (DTA)/DTL	14,91,372	(21,56,861)
Total	6,11,91,410	7,96,56,612
Note No.:5 (c) Long Term Provisions		
Provision for Employee Benefits		
a) Earned Leave Encashment Payable	41,24,283	34,69,000
b) Net Gratuity obligation	3,60,927	--
Total	44,85,210	34,69,000
CURRENT LIABILITIES		
Note No.:6 (a) Short Term Borrowings		
Loan Repayable on demand		
Secured		
From Bank		
i) Working Capital Finance From		
a. State Bank of India Commercial Branch, Erode	43,07,31,238	35,01,75,995
Total	43,07,31,238	35,01,75,995

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

WORKING CAPITAL FINANCE FROM SBI ARE SECURED BY

- a) Hypothecation of stocks consisting of Rawmaterials, semi finished goods, finished goods and stores and spares and other current assets of the company.
- b) Personal guarantees of Executive Chairman and Managing director.
- c) Second charge on the entire fixed assets of the company.

Particulars	As at 31.03.2017	As at 31.03.2016
Note No.:6 (b) Trade Payables		
i)Trade Creditors *	16,92,22,765	10,65,54,207
ii) Creditors For Expenses & Others	13,94,903	1,200
Total	17,06,17,668	10,65,55,407

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

Note No.:6 (c) Other Current Liabilities		
a) Current Maturities of Long Term Debt		
(l) From Others		
i) Kotak Mahindra (Vehicle Loan)	40,95,485	38,41,600
b) Unpaid Dividend	33,48,115	62,53,978
c) Other Payables		
Rent Deposit	18,000	18,000
Statutory Dues	60,16,553	3,70,19,311
d) Advance from debtors	1,91,31,127	21,42,796
e) Russia Branch Current Liabilities	6,46,006	5,13,830
Total	3,32,55,286	4,97,89,515
Note No.:6 (d) Short Term Provisions		
Bonus Payable	62,44,000	60,35,000
Provision for Expenses	50,15,415	1,78,17,626
Total	1,12,59,415	2,38,52,626

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

NOTE FORMING INTEGRAL PART OF THE STANDALONE BALANCE SHEET AS AT 31.03.2017

Note No. : 7 NON CURRENT ASSETS

	As at 31.03.2017	As at 31.03.2016
Fixed Assets		
(a) Tangible Assets (Not Under Lease)	61,06,45,217	66,26,86,006
(b) Capital work in Progress	2,68,25,330	1,40,05,234
	<u>63,74,70,547</u>	<u>67,66,91,240</u>

Details : (in Rs.)

S. No.	Particulars	01.04.2016	Addition during the year	Deduction during the year	31.03.2017	01.04.2016	Depreciation during for the year	Deduction / Adjustment during the year	31.03.2017	as on 31.03.2017	as on 31.03.2016
(a)	Tangible Assets										
	(Not under lease)										
	Land	3,58,09,230	-	-	3,58,09,230	-	-	-	-	3,58,09,230	3,58,09,230
	Building	40,62,82,644	4,05,852	-	40,66,88,496	12,58,30,056	1,33,68,309	-	13,91,98,365	26,74,90,131	28,04,52,588
	Plant & Machinery	71,53,36,466	14,09,169	-	71,67,45,635	43,30,52,327	3,37,15,297	-	46,67,67,624	24,99,78,011	28,22,84,138
	Electrical Installation and equipments	7,08,55,616	21,14,771	-	7,29,70,387	6,39,37,004	20,59,469	-	6,59,96,473	69,73,914	69,18,612
	Lab Equipment	3,80,76,394	2,03,700	-	3,82,80,094	1,61,17,373	26,15,492	-	1,87,32,865	1,95,47,229	2,19,59,021
	Office Equipment	1,31,06,791	11,45,844	-	1,42,52,635	80,06,037	17,23,921	-	97,29,958	45,22,677	51,00,754
	Computers	1,26,33,492	2,52,150	-	1,28,85,642	1,06,25,394	11,37,463	-	1,17,62,857	11,22,785	20,08,098
	Furniture & Fixtures	94,90,637	1,06,691	-	95,97,328	56,37,163	4,50,596	-	60,87,759	35,09,569	38,53,474
	Motor Vehicles	4,53,49,980	9,61,080	17,89,185	4,45,21,875	2,10,49,889	35,69,499	17,89,185	2,28,30,203	2,16,91,672	2,43,00,091
	SUB TOTAL (a)	134,69,41,249	65,99,257	17,89,185	1,35,17,51,321	68,42,55,243	5,86,40,046	17,89,185	74,11,06,104	61,06,45,217	66,26,86,006
(b)	Capital Work-in-progress										
		1,40,05,234	1,43,79,413	15,59,317	2,68,25,330	-	-	-	-	2,68,25,330	1,40,05,234
	SUB TOTAL (b)	1,40,05,234	1,43,79,413	15,59,317	2,68,25,330	-	-	-	-	2,68,25,330	1,40,05,234
	Total (a+b)										
	(Current Year)	136,09,46,483	2,09,76,670	33,48,502	137,85,76,651	68,42,55,243	5,86,40,046	17,89,185	74,11,06,104	63,74,70,547	67,66,91,240
	(Previous Year)	131,07,83,276	13,70,76,153	8,69,12,946	136,09,46,483	63,40,93,145	5,91,39,810	89,77,713	68,42,55,243	67,66,91,240	67,66,91,130

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

SCHEDULES (STANDALONE) FORMING PART OF THE BALANCE SHEET 2016-17 (in Rs.)

Particulars	As at 31.03.2017	As at 31.03.2016
Note No. : 7 (c) Non-current investments		
Trade Investments		
Investments In Equity Instruments (Unquoted)		
i. SKM Europe BV, The Netharlands - Subsidiary Company (Holdings 85%) 18,000 Shares of Euro 1/- each fully paid-up	8,32,779	8,32,779
ii. SKM Universal Marketing Company India Limited (Equity Shares of 789700 @ 15/-)	1,18,45,572	1,18,45,572
Total	1,26,78,351	1,26,78,351
Note No.:7 (d) Long Term Loans & Advances		
i. Advances Recoverable in Cash or in kind for value to be received - unsecured and Considered Good	62,23,956	54,26,959
ii. Deposits - Considered Good	1,23,87,323	1,12,61,646
iii. Advance to Suppliers (Trade)	90,61,441	61,66,036
Total	2,76,72,720	2,28,54,641
Note No.:8 (a) Inventories (As Valued & Certified By the Management)		
Raw Material	3,64,00,672	4,04,23,810
Additives, Stores, Spares and Consumables	3,70,64,600	4,20,15,984
Finished Goods	38,63,45,945	28,88,03,611
Livestock - Chicks	1,15,52,705	92,32,927
Livestock - Unamortised Value of Chicks	4,87,03,769	4,44,86,541
Feed & Medicines	31,94,415	34,75,094
Total	52,32,62,106	42,84,37,967
Note No.:8 (b) Trade Receivables Unsecured & Considered Good		
Sundry Debtors	11,91,70,279	12,00,02,222
Total	11,91,70,279	12,00,02,222

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17**SCHEDULES (STANDALONE) FORMING PART OF THE BALANCE SHEET 2016-17**

(in Rs.)

Particulars	As at 31.03.2017	As at 31.03.2016
Note No.:8 (c) Cash and Cash Equivalents		
i. Cash on hand	9,79,412	7,36,657
ii. In Current Account with Scheduled Banks*	3,11,82,056	2,56,82,007
III. Fixed Deposit with Banks	13,01,71,908	14,14,94,778
iv. In Current Account with CBIL Moscow, Russia	1,08,79,953	47,18,998
Total	17,32,13,329	17,26,32,440
*Balance with Banks includes Unpaid Dividend of Rs.21.08 Lakhs (Previous year Rs.50.13 Lakhs)		
Note No.:8 (d) Short term Loans & Advances		
i. Advance to Staffs	54,475	1,44,452
ii. Prepaid Expenses	55,48,895	54,52,936
Total	56,03,370	55,97,388
Note No.:8 (e) Other Current Assets		
i. Income Accrued on Deposits & Subsidies Receivables	17,34,790	3,64,184
ii. MAT Credit Entitlement & Tax Refund Receivables	6,69,12,692	6,70,41,806
iii. Others	2,50,000	2,50,000
iv. Russia Branch Current Assets	3,51,50,965	25,78,677
Total	10,40,48,447	7,02,34,667

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

SCHEDULES (STANDALONE) FORMING PART OF PROFIT AND LOSS ACCOUNT 2016-17
(in Rs.)

Particulars	As at 31.03.2017	As at 31.03.2016
Note No. : 9 Revenue from Operations		
Export Sales	165,81,70,911	254,83,24,352
Domestic Sales	26,81,12,915	12,26,94,409
Sale of Egg Shell (Waste)	29,22,401	35,94,776
Sale of Culling Birds & Litter waste	2,36,44,453	1,84,38,249
Sale of Declared Goods (Scrap)	16,39,548	27,10,188
Total	195,44,90,228	269,57,61,974
Note No. : 10 Other Income		
Interest Receipts	1,23,59,638	61,35,598
Receipts - Subsidies	9,04,12,697	8,52,06,111
Exchange Fluctuation - Net	12,13,58,369	4,56,51,488
Profit on sale of Assets	3,42,857	(1,09,00,072)
Miscellaneous Income	2,23,140	1,61,748
Total	22,46,96,701	12,62,54,873
Note No. : 11 Cost of Material Consumed		
a) PURCHASES OF RAW MATERIALS AND STORES		
Raw Material- Eggs / Feed Ingredients	156,10,55,232	174,47,41,357
Vaccine & Medicine Consumption	26,96,366	25,70,496
Additives & Consumables	5,16,07,942	5,70,86,214
Sub-total (a)	161,53,59,540	180,43,98,067
b) DIRECT/PRODUCTIONS EXPENSES		
Packing Material - Consumed	2,41,73,193	2,73,75,780
Power & Fuel	11,17,51,923	13,76,17,768
Procurement & Other Production expenses	1,00,19,701	46,28,099
Sub-total (b)	14,59,44,817	16,96,21,647
Total (a + b)	176,13,04,357	197,40,19,714
Note No. : 12 Purchase of Stock in Trade		
Egg Powder Purchase	-	-
Customs Duty, Clearing & Forwarding expenses (Russia Branch)	3,91,94,857	6,52,878
Total	3,91,94,857	6,52,878

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

SCHEDULES (STANDALONE) FORMING PART OF PROFIT AND LOSS ACCOUNT 2016-17

(in Rs.)

Particulars	As at 31.03.2017	As at 31.03.2016
Note No. : 13 Change in Inventories		
Opening Stock - Finished goods	28,88,03,611	30,07,93,224
Closing Stock - Finished goods	38,63,45,945	28,88,03,611
Increase / (Decrease) in Stock	9,75,42,334	(1,19,89,613)
Note No. : 14 Employment Benefit Expenses		
Salaries & Wages	10,90,98,808	14,77,63,850
PF Contribution	73,59,862	83,49,811
Gratuity Expenses	7,49,014	17,96,066
Welfare Expenses	54,32,628	69,33,964
Total	12,26,40,312	16,48,43,691
Note No. : 15 Financial Cost		
Working Capital Loan Interest	1,07,33,665	93,69,003
Bank Charges	41,56,193	50,14,282
Export Bills Discount	45,94,908	47,48,147
Interest Paid - Others	(4,11,070)	5,29,542
Interest on Vehicle Loan	7,30,270	7,63,275
Bill Discount & Collection Charges	22,21,729	36,48,907
SBI- Term Loan Interest	2,69,00,000	-
Interest paid to Managing Director	-	13,44,658
Total	4,89,25,695	2,54,17,814
Note No. : 16 Depreciation & Amortised Cost		
Depreciation	5,86,40,046	5,91,85,700
Amortised Value of Birds	6,17,14,534	6,15,65,459
Total	12,03,54,580	12,07,51,159

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

SCHEDULES (STANDALONE) FORMING PART OF PROFIT AND LOSS ACCOUNT 2016-17

(in Rs.)

Particulars	As at 31.03.2017	As at 31.03.2016
Note No. : 17 Other Expenses		
Repairs & Maintenance		
a) Building	31,03,350	57,81,531
b) Plant & Machinery	59,47,539	1,01,63,427
c) Fly Control Expenses	2,08,552	6,03,515
d) Others	1,34,40,387	73,82,461
e) Vehicle - Fuel & Maintenance	1,42,56,216	1,47,05,105
Stores & Spares Consumption	2,55,53,929	3,78,96,300
Analysing Charges	16,97,884	1,43,21,377
Rent Expenses	38,73,439	35,68,512
Rates and Taxes,Registration and Renewal	63,17,321	55,59,638
Postage, Courier & Telephone Charges	21,59,437	17,74,045
Printing & Stationery	8,58,206	17,36,134
Insurance Premium	9,47,351	9,53,990
Advertisement and Publicity	9,82,602	10,36,821
Travelling Expenses	42,95,045	44,40,883
Foregin Travelling expenses	60,58,588	51,85,846
Brokerage Expenses	114,834	78,475
Professional Charges	42,60,006	62,50,517
ISO / HACCP-Expenses	4,87,679	5,34,428
Miscellaneous Expenses	11,41,982	11,07,797
Audit Fees	7,71,775	7,62,815
Donation	53,39,870	31,87,148
Annual General Meeting Expenses	5,05,427	6,04,753
Secretarial Expenses	6,92,103	4,79,389
Stock Exchange Listing Fee	6,90,267	12,30,252
Directors' Sitting Fee	28,000	35,000
Subscription	11,13,986	4,40,516
Sales Commission	1,36,83,400	64,34,582
Selling Expenses	1,07,04,346	98,39,537
Sub-total (a)	12,92,33,521	14,60,94,794

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

SCHEDULES (STANDALONE) FORMING PART OF PROFIT AND LOSS ACCOUNT 2016-17

(in Rs.)

Particulars	As at 31.03.2017	As at 31.03.2016
Freight and Forwarding Charges	3,09,68,636	3,60,42,620
ECGC Insurance Premium	66,27,352	76,44,294
Product Liability Insurance	20,43,561	23,41,088
Marine Insurance Premium	3,77,406	7,29,158
Sub-total (b)	4,00,16,955	4,67,57,160
Total (a + b)	16,92,50,476	19,28,51,954
Note No. : 18 Current Tax		
Income Tax - Normal Provisions	84,68,074	12,23,37,673
Total	84,68,074	12,23,37,673
Note No. : 19 Deferred Tax		
On account of variation of allowances for tax purpose in :		
Depreciation	(1,99,56,574)	(1,51,87,736)
C/F and Business Losses (DTA)/DTL	14,91,372	(21,56,861)
Total	(1,84,65,202)	(1,73,44,597)
Note No. : 20 Earnings Per Share :		
Net Profit for the year	2,50,56,113	22,64,96,947
Amount available for Equity Shareholders	2,50,56,113	22,64,96,947
Weighted No. of Equity shares	2,63,30,000	2,63,30,000
Basic EPS	0.95	8.60
Diluted EPS	0.95	8.60
Face Value per Equity Share	10	10

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

STANDALONE CASH FLOW STATEMENT FOR THE PERIOD FROM 1.04.2016 TO 31.03.2017

(in Lacs.)

	2016-17		2015-16	
A. Cash Flow From Operating Activities:				
INDIRECT METHOD:				
Net Profit Before Tax		150.59		3,314.90
Adjustment for:				
Depreciation	586.40		591.86	
(Profit)/Loss on Sale of Assets	(3.43)		109.00	
Financial Cost	489.26		254.18	
Interest and Lease Receipts	(123.60)	948.63	(61.36)	893.68
Operating profit / (Loss) before Working capital changes		1,099.22		4,208.58
Adjustment for:				
(Increase)/Decrease in Trade and Other Receivables	(378.06)		(70.04)	
(Increase)/Decrease in Inventories	(948.24)		(29.25)	
Increase/(Decrease) in Trade and Other Paybles	867.35	(458.95)	(385.78)	(485.06)
Cash generated from operations		640.27		3,723.52
Direct taxes paid		47.25		936.15
Cash flow before extraordinary items		593.02		2,787.36
Extraordinary items		-		-
Net Cash Flow from Operating Activities		593.02		2,787.36
B. Cash from Investing Activities:				
Purchase /Increase in Fixed Assets		(194.19)		(789.55)
Sale of Fixed Assets		-		197.68
Profit/(Loss) on Sale of Assets		3.43		(109.00)
Interest and Lease Rent receipts		123.60		61.36
Net cash (used in) received from Investing Activities		(67.17)		(639.51)
C. Cash flow from Financing Activities:				
Financial Cost		(489.26)		(254.18)
Increase / (Decrease) in Bank & Other Borrowings		(30.79)		(441.83)
Dividend & Dividend distribution tax paid		-		(317.21)
Net cash (used in) received from Financing Activities		(520.04)		(1,013.22)
Net Increase / (Decrease) in Cash and Cash Equivalents		5.81		1,134.63
Opening Cash & Cash Equivalents		1,726.32		591.70
Closing Cash & Cash Equivalents		1,732.13		1,726.32
		5.81		1,134.62

PLACE : Erode
DATE : 30.05.2017

K.S.VENKATACHALAPATHY
Chief Financial Officer
Membership No. : 029064

PSEKAR
Company Secretary
Membership No. A36565

SKM MAELANANDHAN
Executive Chairman
(DIN : 00002380)

For and on behalf of the Board

SKM SHREE SHIVKUMAR
Managing Director
(DIN : 00002384)

AUDITORS' CERTIFICATE

We have examined the Cash Flow Statement of M/s. SKM Egg Products Export (India) Limited for the period ended 31st March 2017. The statement has been prepared by the company in accordance with the requirements of clause 32 of the Listing Agreement with the Stock Exchanges and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report dated 30.05.2017 to the members of the Company.

PLACE : Erode
DATE : 30.05.2017

FOR **N.C.Rajagopal & Co.,**
CHARTERED ACCOUNTANTS

N.C.VIJAY KUMAR,
Partner
Membership No. : 208276
Firm Reg. No. : 003398S

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

1. SIGNIFICANT ACCOUNTING POLICIES:

a) General

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

b) Inventories

Inventories are valued in line with the mandatory Accounting Standards – 2 (Revised) issued by the Central Government by adopting cost or net realisable value whichever is lower and the formula used for arriving at the cost are as follows:

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

c) Revenue Recognition

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

Sales of Finished goods, Eggs, Birds & Feeds are recognised on accrual basis and are accounted for in the books of accounts on the dates on which the goods are actually despatched from the factory, Farm, Feedmill respectively.

d) Depreciation

Depreciation is provided on straight line method as per the useful life specified in Schedule II of the Companies Act, 2013, except for imported plant & machinery for which the useful life has been taken based upon the technical evaluation by the expert committee on the useful life of the assets. In respect of assets added/adjusted during the year, depreciation is provided on pro-rata basis.

e) Provisions

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

f) Taxes on Income

Current Income tax expenses comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in india is determined in accordance with the provisions of the Income Tax Act,1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled and credit availed in accordance with the provisions of Double Taxation Avoidance Agreements & provisions of Indian Income Tax Act,1961 while paying tax on such incomes in India.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

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

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

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

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

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

g) Accounting Convention:

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

h) Estimates and Assumptions:

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

i) Cash Flow Statements

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

j) Events Occurring after the Balance Sheet Date

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

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

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

i. Net Profit for the Period:

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

ii. Prior Period Items:

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

iii. Extra - ordinary items:

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

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

l) Accounting for Property, Plant & Equipments:

Property, Plant & Equipments:

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

Capital Work-in-progress:

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

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

Foreign Currency Transactions:

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

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

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

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

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

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

The Company uses foreign exchange contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange contracts reduces the risk or cost to the company. Wherever the company uses the forwards to mitigate the business loss on account of foreign currency fluctuations, the company records the gain or loss on effective hedges in foreign currency fluctuation reserve until the transactions are

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

complete. On Completion, the gain or loss is transferred to the profit and loss account of that period. To designate a forward contract as an effective hedge the management objectively evaluate and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. In the absence of a designation as effective hedge, the gain or loss is recognized in the profit and loss account.

o) Accounting for Government Grants:

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

p) Accounting for Investments:

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

q) Accounting for Retirement Benefits:

- i. Defined Contribution Plans:

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

The company recognized Rs. 73.60 Lacs (Previous Year Rs. 83.50 lacs) for provident fund Contribution in the Profit and Loss Account. The Contributions payable to these plans by the company are at rates specified in the rules of the Schemes.

- ii. Defined benefit plans:

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

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

- iii. Accounting for Employment Benefits:

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

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

r) Borrowing Cost:

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

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

s) Provisions, Contingent Liabilities and Contingent Assets:

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

t) Sundry Debtors / Loans and Advances:

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

u) Expenditure:

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

v) Segment Reporting:

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

w) Impairment of Assets:

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

x) Lease:

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

FOR N.C.Rajagopal & Co.,
CHARTERED ACCOUNTANTS

SKM MAELANANDHAN
(Executive Chairman)
(DIN : 00002380)

SKM SHREE SHIVKUMAR
(Managing Director)
(DIN : 00002384)

N.C.VIJAY KUMAR,
Partner
Membership No. : 208276
Firm Reg. No.: 003398S
PLACE : Erode
DATE : 30.05.2017

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

NOTES ON ACCOUNTS:

- i. Previous year figures are regrouped, rearranged and reclassified wherever necessary to facilitate comparison with current year's figures and figures have been rounded off to nearest rupee.
- ii. Contingent Liability:
- (a) Export Bills discounted with the State Bank of India, Commercial Branch, Erode Rs. 1,453.30 Lacs. (Previous year Rs. 2141.66 Lacs).
 - (b) Income Tax Liability Rs.395.63 lacs (Net of recovery and Payments) (Previous year Rs.395.63 lacs).
 - (c) Service Tax Liability Rs. 44.38 Lacs (Previous year Rs.44.38 Lacs).
 - (d) Excise Duty Liability Rs. 11.42 Lacs (Previous year Rs.24.13 Lacs) for the items referred to in item no.(b) to (d) refer note no.2 (vii).
- iii. Balances of Sundry creditors and Sundry debtors are subject to confirmation. The company has not received any intimation from the suppliers regarding status under the Micro, Small and Medium enterprises development Act, 2006 (The Act) and hence disclosure regarding:
- i) Amount due and outstanding to suppliers as at the end of the accounting year.
 - ii) Interest paid during the year.
 - iii) Interest payable at the end of the accounting year.
 - iv) Interest accrued and unpaid at the end of the accounting year, have not been provided.
- The company is making efforts to get the confirmations from the suppliers as regards their status under the Act.
- iv. Disclosure of Related Party transactions, as required under Accounting Standard (AS) 18 of the Companies (Accounting Standards) Rules, 2006

(a) Name of the Related Parties

- i) SKM Animal Feeds and Foods (India) Private Limited
- ii) SKM Siddha and Ayurvedha Company (India) Private Limited
- iii) SKM Universal Marketing Company (India) Private Ltd
- iv) SKM Shree Shivkumar
- v) Sri.SKM Maeilanandhan
- vi) K.S.Venkatachalapathy
- vii) P.Sekar
- viii) SKM Europe BV,Utrecht,The Netherlands

(b) Description of relationship between the parties :

- i) SKM Animal Feeds and Foods India Private Limited - Common Directors
- ii) SKM Siddha and Ayurvedha Company India Private Ltd - Common Managing Director
- iii) SKM Universal Marketing Company India Private Ltd - Common Directors
- iv) SKM Shree Shivkumar - Managing Director - KMP

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

- | | |
|---|---------------------------------|
| v) Sri.SKM Maeilanandhan | - Whole time Director - KMP |
| vi) K.S.Venkatachalapathy | - Chief Financial Officer - KMP |
| vii) P.Sekar | - Company Secretary - KMP |
| viii) SKM Europe BV,Utrecht,The Netherlands | - Subsidiary Company |

(c) Transaction details :

i. Transactions with SKM Animal Feeds and Foods (India) Private Limited:

a. Sale of Egg Shells (Net of Returns):

Quantity	767.255 tonnes
Value	Rs.15.37 Lacs
Balance as on 31.03.2017 (Dr)	-

ii. Transactions with SKM Siddha and Ayurvedha Company India (Private) Limited:

a. Purchase of Medicines - Poultry feed supplement (Net of Returns):

Quantity	3,505 Litres
Value	Rs.4.94 Lacs
Balance as on 31.03.2017 (Cr)	Rs.1.23 Lacs

iii. Transactions with SKM Universal Marketing Company (India) Private Ltd:

a. Sale of Eggs (Net of Returns):

Quantity	1,74,23,670 Nos.
Value	Rs.624.09 Lacs
Balance as on 31.03.2017 (Dr)	Rs.24.91 Lacs

b. Sale of Poultry Feeds (Net of Returns):

Quantity	6,65,750 kgs
Value	Rs.140.09 Lacs

c. Rent Receipts :

Rent received for letting out portion of the building at Chennai for 5 months	0.50 Lacs
---	-----------

d. Purchase of Eggs (Net of Returns):

Quantity	32,07,07,440 Nos
Value	Rs.10,646.03 Lacs
Balance as on 31.03.2017 (Cr)	Rs.727.22 Lacs

e. Purchase of Wind Power:

Quantity	44,22,455 units
Value	Rs.280.83 Lacs

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

- f. Purchase of Medicines - Poultry feed supplement (Net of Returns):
- | | |
|-------------------------------|-----------------------------|
| Quantity | 1,42,696.5 Kgs & 5,780 Ltrs |
| Value | Rs.217.31 Lacs |
| Balance as on 31.03.2017 (Cr) | Rs.7.74 Lacs |
- iv. *Transactions with SKM Shree Shivkumar:*
- a. Payment of Rent:
- | | |
|---|-----------|
| Rent paid for hiring Administrative Office for 7.5 months | 1.87 lacs |
|---|-----------|
- b. Payment of Salary & Commission:
- | | |
|--|------------|
| Salary, Allowances & Other perquisites | 40.58 lacs |
|--|------------|
- v. *Transactions with Sri.SKM Maeilanandhan:*
- a. Payment of Salary & Commission:
- | | |
|--|------------|
| Salary, Allowances & Other perquisites | 30.75 lacs |
|--|------------|
- vi. *Transactions with K.S.Venkatachalapathy:*
- a. Payment of Salary & Commission:
- | | |
|--|------------|
| Salary, Allowances & Other perquisites | 22.27 Lacs |
|--|------------|
- vii. *Transactions with P.Sekar:*
- a. Payment of Salary & Commission:
- | | |
|--|-----------|
| Salary, Allowances & Other perquisites | 4.79 Lacs |
|--|-----------|
- viii. *Transactions with SKM Europe BV,Utrecht,The Netherlands:*
- a. Sale of Egg Yolk Powder (Net of Returns):
- | | |
|----------|----------------|
| Quantity | 3,36,100 kgs |
| Value | Rs.889.03 Lacs |
- b. Sale of Whole Egg Powder (Net of Returns):
- | | |
|--|---------------|
| Quantity | 36,000 kgs |
| Value | Rs.89.56 Lacs |
| Balance as on 31.03.2017 (Dr) | Rs.61.90 Lacs |
| (On account of sale of Egg Yolk Powder & Whole Egg Powder) | |
- v. Payments to the Statutory Auditors (exclusive of service Tax) - Included in Audit Fee in Note No.17:

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Particulars	2016 - 2017 (Rs.)	2015 - 2016 (Rs.)
For Statutory Audit Fee	4,50,000	4,50,000
For Taxation Matter	1,50,000	1,50,000
For Certification Services	68,500	55,000
For Appeal Representation and Others	3,75,000	1,50,000
For Sales Tax Matters	NIL	NIL

vi. Provision for Income Tax :

Provision had been made in respect of Income Tax liability arising under the Normal provisions of the Income Tax Act, 1961, since the tax liability when computed in accordance with the Normal Provisions of the Income Tax Act, 1961 is higher than the book profits u/s.115JB of the Income Tax Act, 1961.

- vii. No provision has been made in respect of demand of Excise Duties Rs.11.42 lacs and Service Tax of Rs.44.38 Lacs, for which the company has filed appeals with various Higher Appellate Forums, against the orders of the Lower Authorities since the company is confident of coming out successful in the Appeals as per the advice taken from the legal experts. Similarly there are Income Tax Demands totalling to the tune of of Rs.395.63 lacs i.e for the Assessment year 2008-2009 (Rs.244.15 Lacs - Net of Recovery) and 2009-2010 (Rs.151.48 Lacs) Net of Part Payment and payments in instalments). Based on the decisions of Appellate Authorities and the interpretations of other relevant provisions, the company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made for the balance amount net of payments.

The carried forward losses under the Income Tax Act, 1961 of the earlier assessment years has been reduced by the Assessing Officer while completing the assessment for the A.Y.2012-13 and A.Y.2013-14 by making some adjustments to the returned Loss. The Company has preferred appeals before the immediate superior authority which appeals are pending for disposal as on the date of the financial reports. Since the adjustments have resulted only in the reduction of carry forward losses, there is no immediate demand raised for the relevant assessment years.

- viii. There are no impairment of assets in terms of Accounting Standard No.28 issued by The Institute of Chartered Accountants of India. The Company had disposed some of the assets during the current financial year which has been suitably recognised / dealt with in the financial statements in accordance with the Accounting Standard No.10 issued by the Central Government and Institute of Chartered Accountants of India.

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ix. Imported & Indigenous Items consumed :

Rs. (In lakhs)

Particulars	2016 - 17		2015 - 16	
	Amount	%	Amount	%
1. Raw Materials				
(a) Imported	-	-	-	-
(b) Indigenous	14,676.75	100.00%	17,893.53	100.00%
	14,676.75	100.00%	17,893.53	100.00%
2. Packing Materials				
(a) Imported	8.05	3.42%	5.02	1.82%
(b) Indigenous	227.11	96.58%	271.12	98.18%
	235.16	100.00%	276.14	100.00%
3. Consumables, Stores & spares				
(a) Imported	197.45	25.76%	330.28	33.94%
(b) Indigenous	568.99	74.24%	642.99	66.06%
	766.44	100.00%	973.27	100.00%
4. Fuel				
(a) Imported	-	-	-	-
(b) Indigenous	133.56	100.00%	716.24	100.00%
	133.56	100.00%	716.24	100.00%

x. Expenditure in Foreign currency:

Rs.

Particulars	2016-17	2015-16
1. Professional & Consultation fee		
(a) Analysis Charges	7,60,385	1,33,34,200
(b) Sales Commission	81,76,466	74,88,344
(c) Professional Charges	4,41,739	15,40,924
(d) Subscription and Registration	4,57,119	4,46,126
(e) Selling, Insurance and Compensation expenses	48,12,814	75,00,367
2. Foreign Travel Expenditure	28,33,533	18,96,612
3. Packing Materials, Additives, Stores and Lab Consumables	1,59,39,937	5,67,77,376
Total	3,34,21,993	8,89,83,949

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xi. FOB Value of goods exported Rs. 13,169 Lacs (Previous Year Rs.25,200 Lacs)

xii. During the year the company has recognized the following amounts in the Profit and Loss Account:

Particulars	Group Gratuity Scheme (Funded) 2017	Group Gratuity Scheme (Funded) 2016
(a) Reconciliation of Opening and Closing Balances of Defined Benefit Obligations		
Present Value of obligation as at 1st April 2016	81,87,741	59,87,011
Current Service Cost	1,14,93,696	8,84,861
Interest Cost	6,55,019	4,78,961
Actuarial (gain) / loss	(1,06,96,794)	11,29,113
Benefits paid	(1,91,047)	(2,92,205)
Present Value of obligation as at 31st March 2017	94,48,615	81,87,741
(b) Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets:		
Fair Value of plan assets as at 1st April 2016	82,06,390	69,13,020
Expected return on plan assets	7,02,907	6,96,869
Contribution made	3,69,438	8,88,705
Benefits Paid	(1,91,047)	(2,92,205)
Actuarial gain / (loss) on the plan assets	-	-
Fair Value of plan assets as at 31st March 2017	90,87,687	82,06,390
(c) Reconciliation of Fair Value of Assets and Obligations as at 31st March 2017:		
Present value of the obligation	94,48,615	81,87,741
Fair Value of plan assets	90,87,687	82,06,390
Funded Status (Surplus / (Deficit))	(3,60,928)	18,649
Net asset/(liability) recognized in the balance sheet	(3,60,928)	18,649
(d) Expenses recognized during the year (Under the head "Employees Cost – Refer Schedule "O")		
Current Service Cost	1,14,93,696	8,84,861
Interest Cost	6,55,019	4,78,961
Expected return on plan assets	(7,02,907)	(6,96,869)
Actuarial (gain) / loss	(1,06,96,794)	11,29,113
Net Cost	7,49,014	17,96,066

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Particulars	Group Gratuity Scheme (Funded) 2017	Group Gratuity Scheme (Funded) 2016
(e) Actual return on the plan assets:		
Expected return on plan assets	7,02,907	6,96,869
Actuarial gain / loss on plan assets	-	-
(f) Actuarial Assumptions:		
Discount rate (Per annum)	8.00%	8.00%
Rate of escalation in salary (Per annum)	6.50%	6.50%

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

xiii. *Poultry Division:*

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

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

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

xiv. *CSR Expenditure:*

The company during the year has incurred an expenditure to the extent of Rs.53.17 lacs towards CSR expenditure and has contributed towards the CSR Related Activities, details of which have been furnished separately. The company has complied with the CSR Provisions as envisaged under Section 135 of the Companies Act, 2013.

xv. *Foreign Exchange Fluctuation - Net:*

The Net Foreign Exchange Fluctuation includes a difference of Rs.327.50 lacs towards exchange fluctuation on working capital loan has been disclosed under the head "Other Income" instead of the head "Finance charges" as required by Schedule III of the Companies Act 2013 and hence the figures disclosed under both the heads are to be read taking into consideration of the above fact. However there is no impact on the profit or loss for the year.

xvi. *Right of recompense expense - Finance cost:*

During the year, an amount of Rs.2,69,00,000/- has been paid and accounted as "Right of Recompense (ROR)" expenses classified under the interest expense, as this expense partakes the nature of interest. This Compensation amount has been demanded by the bank during the year for the concessional interest rate

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offered by it to the company during yester years, when the company was in financial crunch the demand of the bank and acceptance by the company is as per the agreed terms on the basis of the agreement and sanction letter.

xvii. Disclosure on Specified Bank Notes:

During the year, the company had specified bank notes or other denomination note as defined in the MCA notification GSR 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the said notification is given below:

Particulars	SBNs	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	59,000	6,79,245	7,38,245
(+) Permitted receipts	-	21,40,708	21,40,708
(-) Permitted payments	-	24,01,241	24,01,241
(-) Amount deposited in banks	59,000	13,707	72,707
Closing Cash in hand as on 30.12.2016	-	4,05,005	4,05,005

xviii. DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED UNDER SECTION 186(4) OF THE COMPANIES ACT 2013

i) Loans Given	Nil
ii) Investements Made	Disclosed under Respective Heads
iii) Corporated Guarantees	Nil

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

SKM MAEILANANDHAN
Whole time Director
(DIN : 00002380)

SKM SHREE SHIVKUMAR
Managing Director
(DIN : 00002384)

N.C.VIJAY KUMAR,
Partner
Membership No. : 208276
Firm Reg. No. : 003398S
PLACE : Erode
DATE : 30.05.2017

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REPORT ON CSR ACTIVITIES

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Company formed a CSR Committee of the Board. It has formulated a CSR Policy that has been approved by the Board, laying stress on CSR activities to be undertaken in its neighbourhood. The Company's focussed programmes are in the field of community development, water, sanitation, education, health, rural infrastructure and technical training. Its ongoing CSR activities would get aligned to the CSR policy. The CSR policy has been posted on the website of the company - www.skmegg.com

2. The Composition of the CSR Committee.

Shri.L.M.Ramakrishnan	Independent Director
Smt.S.Kumutaavalli	Non Executive Director
Shri.C.Devarajan	Independent Director

3. Average net profit of the company for last three financial years

Rs. 25,90,35,474

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

Rs. 51,80,709

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year;

Rs. 51,80,709

(b) Amount unspent, if any;

Nil

(c) Manner in which the amount spent during the financial year is detailed below.

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1	2	3	4	5	6	7	8
S. No	CSR Project or activity identified	Sector in which the Project is covered	Project or programs (1) Local area or other (2) Specify the State & district where projects or programs was undertaken	Amount outlay (budget) project or program wise (Rs)	Amount spent on projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Providing health and mind relief and welfare to people	* Item number (i) and (ii) of Schedule VII of the Companies Act, 2013	1) Local Area - Saminathapuram Erode District Tamilnadu	53,17,270	Direct expenditure on projects or programs Adoption of 2 Villages Rajeev Nagar and Gandhi Nagar and providing them medical relief and providing education.	83,83,868	Implementing Agency - SKM Health and Mind Welfare Charitable Trust

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not Applicable.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company *Certified that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.*

***Schedule VII of the Companies Act, 2013:**

- (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

BALANCE SHEET OF SKM EUROPE BV AS AT 31.03.2017

(in Rs.)

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	9,79,740	9,79,740
(b) Reserves and Surplus	4	3,77,09,855	3,96,77,835
(2) Share Application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	5(a)	-	-
(4) Current Liabilities			
(a) Short-Term Borrowings	6(a)	55,04,931	-
(b) Trade Payables	6(b)	8,84,23,095	16,14,17,186
(c) Other Current Liabilities	6(c)	50,17,460	1,90,73,513
(d) Short-Term Provisions	6(d)	6,34,579	1,09,46,350
Translation Reserve		(1,00,23,723)	(88,67,304)
Total Equity & Liabilities		12,82,45,935	22,32,27,321
II. ASSETS			
(1) Non-Current Assets			
Fixed Assets			
a) Tangible Assets (Not Under Lease)	7(a)	2,45,131	-
		2,45,131	-
(2) Current Assets			
(a) Inventories	8(a)	5,74,75,854	11,13,24,318
(b) Trade receivables	8(b)	6,52,12,056	8,95,68,415
(c) Cash and cash equivalents	8(c)	19,62,487	2,11,38,870
(d) Short-term loans and advances	8(d)	33,50,407	11,95,718
Total Assets		12,82,45,935	22,32,27,321

As per our report of even date

FOR AND ON BEHALF OF THE BOARD

**FOR N.C.Rajagopal & Co.,
CHARTERED ACCOUNTANTS**

**N.C.VIJAY KUMAR,
Partner
Membership No. : 208276
Firm Reg. No.: 003398S**

**PLACE : Erode
DATE : 30.05.2017**

**SKM MAEILANANDHAN
Executive Chairman
(DIN : 00002380)**

**SKM SHREE SHIVKUMAR
Managing Director
(DIN : 00002384)**

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

STATEMENT OF PROFIT AND LOSS OF SKM EUROPE BV AS AT 31.03.2017

(in Rs.)

S.No.	Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
I	Revenue from operations	9	46,51,27,536	63,17,60,897
II	Other Income	10	(7,52,864)	42,967
III	Total Revenue (I + II)		46,43,74,672	63,18,03,865
IV	Expenses:			
	Cost of materials consumed	11	43,56,91,363	56,52,38,809
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	12	33,74,184	(1,25,85,101)
	Financial Costs	13	11,19,302	9,68,922
	Depreciation and Amortization Expense	14	50,799	-
	Other Expenses	15	2,61,07,006	5,61,16,840
	Total Expenses (IV)		46,63,42,653	60,97,39,470
V	Profit before exceptional and extraordinary items and tax (III-IV)		(19,67,981)	2,20,64,395
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		(19,67,981)	2,20,64,395
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		(19,67,981)	2,20,64,395
X	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
XI	Profit(Loss) from the period from continuing operations	(IX-X)	(19,67,981)	2,20,64,395
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(Loss) from Discontinuing operations	(XII-XIII)	-	-
XV	Profit/(Loss) for the period	(XI+XIV)	(19,67,981)	2,20,64,395
XVI	Earning per equity share:			
	(1) Basic		(109.33)	1,225.80
	(2) Diluted		(109.33)	1,225.80

As per our report of even date

FOR AND ON BEHALF OF THE BOARD

**FOR N.C.Rajagopal & Co.,
CHARTERED ACCOUNTANTS**

**N.C.VIJAY KUMAR,
Partner**

Membership No. : 208276

Firm Reg. No. : 003398S

PLACE : Erode

DATE : 30.05.2017

SKM MAEILANANDHAN

Executive Chairman
(DIN : 00002380)

SKM SHREE SHIVKUMAR

Managing Director
(DIN : 00002384)

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

NOTES FORMING PART OF THE (STANDALONE) FINANCIAL STATEMENT (EUROPE BV)

(in Rs.)

Particulars	As at 31.03.2017	As at 31.03.2016
Note No. : 3 Share Capital		
Authorised Capital:		
90,000 Shares of Euro 1 Each	48,98,700	48,98,700
Issued, Subscribed & Paid-up:		
18000 Shares of Euro 1 Each	9,79,740	9,79,740
Total	9,79,740	9,79,740
Note No. : 4 Reserve & Surplus		
Profit & Loss Account		
Opening Balance	3,96,77,835	1,76,13,440
Add: Current Year Balance after Appropriation	(19,67,981)	2,20,64,395
Closing Balance Total	3,77,09,855	3,96,77,835
Note No. : 5 NON CURRENT LIABILITIES		
Note No. :5 (a) Deferred Tax Liability (Net)		
Deferred Tax Assets		
-On account of allowances for tax purpose In : C/F and Business Losses (DTA)/DTL	-	-
Total	-	-
Note No. : 6 CURRENT LIABILITIES		
Note No: 6(a) Short Term Borrowings		
<i>Loan Repayable on demand</i>		
<i>Secured</i>		
<i>From Bank</i>		
Rabo Bank CC A/c.	55,04,931	-
Total	55,04,931	-
Note No: 6(b) Trade Payables		
i) Trade Creditors	7,24,80,376	16,59,29,674
ii) Creditors For Expenses & Others	1,59,42,718	(45,12,488)
Total	8,84,23,095	16,14,17,186
Note No: 6(c) Other Current Liabilities		
a) Other Payables		
Statutory Dues		
VAT Payable	-	12,98,850
Corporate Tax	-	-
Commission Payable	50,17,460	1,77,74,662
Total	50,17,460	1,90,73,513

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

NOTES FORMING PART OF THE (STANDALONE) FINANCIAL STATEMENT (EUROPE BV)

(in Rs.)

Particulars	As at 31.03.2017	As at 31.03.2016
Note No: 6(d) Short Term Provisions		
Provisions for Expenses	6,34,579	7,33,841
Provision for Bad Debts	-	1,02,12,509
Total	6,34,579	1,09,46,350
(1) Non-Current Assets		
Note No. : 7 NON CURRENT ASSETS		
Fixed Assets		
a) Tangible Assets (Not Under Lease)	2,95,930	-
Less : Accumulated Depreciation	50,799	-
Total	2,45,131	-
Note No. : 8 CURRENT ASSETS		
Note No: 8 (a) Inventories		
(As Valued & Certified By the Management)		
Egg Powder	4,98,91,511	5,32,65,694
Goods in Transit	75,84,343	5,80,58,624
Total	5,74,75,854	11,13,24,318
Note No: 8(b) Trade Receivables		
Unsecured & Considered Good		
Sundry Debtors	6,52,12,056	8,95,68,415
Total	6,52,12,056	8,95,68,415
Note No: 8(c) Cash and Cash Equivalents		
In Current Account with Banks	19,62,487	2,11,38,870
Total	19,62,487	2,11,38,870
Note No: 8(d) Short term Loans & Advances		
VAT to be received back	22,36,420	-
Prepaid Expenses	1,63,424	1,79,541
Corporate Tax	9,50,562	10,16,177
Total	33,50,407	11,95,718
Note No: 9 Revenue from Operations		
Egg Powder Sales	46,51,27,536	63,17,60,897
Total	46,51,27,536	63,17,60,897
Note No: 10 Other Income		
Miscellaneous Income	-	-
Fluctuation Income	(7,52,864)	42,967
Total	(7,52,864)	42,967

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

NOTES FORMING PART OF THE (STANDALONE) FINANCIAL STATEMENT (EUROPE BV)

(in Rs.)

Particulars	As at 31.03.2017	As at 31.03.2016
Note No: 11 Cost of Material Consumed		
a) PURCHASES OF RAW MATERIALS AND STORES		
Purchase of Egg Powder	41,39,80,772	54,12,95,697
Import Duty	1,31,36,404	1,85,45,677
Custom Clearing Charges	9,57,182	22,21,864
Sub Total (a)	42,80,74,358	56,20,63,237
b) DIRECT/PRODUCTIONS EXPENSES		
Plastic Pallets GC Hahn	73,471	26,23,643
Wooden Pallets	1,15,804	2,68,788
Other Purchases/Production cost	74,27,730	2,83,141
Sub Total (b)	76,17,005	31,75,572
Total (a+b)	43,56,91,363	56,52,38,809
Note No: 12 Change in Inventories		
Opening Stock - Finished Goods	8,86,20,954	7,60,35,853
Closing Stock - Finished Goods	8,52,46,771	8,86,20,954
Total	(33,74,184)	1,25,85,101
Note No. : 13 Financial Cost		
Bank Charges	11,19,302	9,68,922
Total	11,19,302	9,68,922
Note No. : 14 Depreciation & Amortised Cost		
Depreciation	50,799	-
Total	50,799	-
Note No. : 15 Other Expenses		
Postage	3,83,460	4,21,769
Subscriptions	3,20,053	6,65,591
Travel and Accommodation	5,23,257	6,12,205
Auditors Fee	2,47,610	2,48,298
Lawyer and Advice Costs	12,469	3,04,312
Book keeping	4,58,025	4,73,020
Insurance	5,68,476	4,39,122
Other General Costs	1,75,585	1,60,781
Prov. For Bad Debts	(95,31,175)	1,36,65,296
Other Selling Cost	-	19,427
Sales Commisoin	1,87,16,431	2,42,17,221
Sub Total (a)	1,18,74,192	4,12,27,041
Transport Cost to Customer	1,40,34,700	1,47,69,948
Insurances-Product Liability	1,98,114	1,19,851
Sub Total (b)	1,42,32,814	1,48,89,799
Total (a+b)	2,61,07,006	5,61,16,840

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

Report on the Consolidated Financial Statements:

We have audited the accompanying consolidated financial statements of M/s. **SKM EGG PRODUCTS EXPORT (INDIA) LIMITED** (Registered Office at 185, Chennimalai Road, Erode – 638 001) (hereinafter referred to as “the Holding Company” and its subsidiary SKM Europe BV, Utrecht, The Netherlands (the Holding Company and its subsidiaries together referred to as “the Group”), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended , and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as “the consolidated financial statements”).

Management's Responsibility for the Consolidated Financial Statements:

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility:

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at 31st March, 2017; and their consolidated Profit and their consolidated Cash flows for the year ended on that date.

Other Matter :

We did not audit the financial statements / financial information of 1 subsidiary whose financial statements / financial information reflect total assets of Rs.12,12,28,356/- as at 31st March, 2017, total revenues of Rs.36,65,15,636/- and net cash outflows amounting to Rs.1,91,76,382/- for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs.16,72,784/- for the year ended 31st March, 2017, as considered in the consolidated financial statements, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

As the subsidiary is a company incorporated outside India and has business operations outside India, the company is not a company under the Companies Act, 2013 and hence the reporting on Internal Financial Controls over Financial Reporting is not warranted.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements / financial information certified by the Management.

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

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

Date : 30.05.2017

Place : Erode.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2017

(in Rs.)

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	26,33,00,000	26,33,00,000
(b) Reserves and Surplus	4	65,92,42,994	63,58,59,665
(2) Share Application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	5(a)	10,89,303	51,84,122
(b) Deferred Tax Liabilities (Net)	5(b)	6,11,91,410	7,96,56,612
(c) Long Term Provisions	5(c)	44,85,210	34,69,000
(4) Current Liabilities			
(a) Short-Term Borrowings	6(a)	43,62,36,169	35,01,75,995
(b) Trade Payables	6(b)	25,28,55,963	22,47,60,561
(c) Other Current Liabilities	6(c)	3,82,72,745	6,88,63,027
(d) Short-Term Provisions	6(d)	1,18,93,994	3,47,98,976
(e) Minority Interest	6(e)	58,03,440	60,98,637
Translation Reserve		(1,00,23,723)	1,61,44,830
Total Equity & Liabilities		172,43,47,505	168,83,11,426
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
1) Tangible Assets (Not Under Lease)	7(a)	61,08,90,348	66,26,86,006
2) Capital work in Progress	7(b)	2,68,25,330	14,005,234
		63,77,15,678	67,66,91,240
(b) Non-current investments	7(c)	1,18,45,572	1,18,45,572
(c) Long term loans and advances	7(d)	2,76,72,720	2,28,54,641
(2) Current Assets			
(a) Inventories	8(a)	58,07,37,960	53,97,62,285
(b) Trade receivables	8(b)	17,81,97,535	16,63,58,605
(c) Cash and cash equivalents	8(c)	17,51,75,816	19,37,71,310
(d) Short-term loans and advances	8(d)	80,03,215	57,76,929
(e) Other current assets	8(e)	10,49,99,009	7,12,50,844
Translation Reserve			
Total Assets		172,43,47,505	168,83,11,426

As per our report of even date

**FOR N.C.Rajagopal & Co.,
CHARTERED ACCOUNTANTS**

**N.C.VIJAY KUMAR,
Partner**

Membership No. : 208276

Firm Reg. No.: 003398S

PLACE : Erode

DATE : 30.05.2017

FOR AND ON BEHALF OF THE BOARD

SKM MAEILANANDHAN

Executive Chairman
(DIN : 00002380)

SKM SHREE SHIVKUMAR

Managing Director
(DIN : 00002384)

K.S.VENKATACHALAPATHY

Chief Financial Officer
Membership No. : 029064

PSEKAR

Company Secretary
Membership No.A36565

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED ON 31.03.2017

(in Rs.)

S.No.	Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
I	Revenue from operations	9	232,17,58,728	302,92,91,702
II	Other Income	10	22,39,43,837	12,62,97,840
III	Total Revenue (I +II)		254,57,02,564	315,55,89,542
IV	<i>Expenses:</i>			
	Cost of materials consumed	11	176,89,21,362	197,71,95,286
	Purchase of Stock-in-Trade	12	36,94,10,179	26,44,84,946
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	13	(9,41,68,150)	(5,95,488)
	Employee Benefit Expense	14	12,26,40,312	16,48,43,691
	Financial Costs	15	5,00,44,997	2,63,86,736
	Depreciation and Amortization Expense	16	12,04,05,379	12,07,51,159
	Other Expenses	17	19,53,57,482	24,89,68,794
	Total Expenses (IV)		253,26,11,560	280,20,35,123
V	Profit before exceptional and extraordinary items and tax	(III-IV)	1,30,91,004	35,35,54,419
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		1,30,91,004	35,35,54,419
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		1,30,91,004	35,35,54,419
X	<i>Tax expense:</i>			
	(1) Current tax	18	84,68,074	12,23,37,673
	(2) Deferred tax	19	(1,84,65,202)	(1,73,44,597)
XI	Profit(Loss) for the year (before adjustment for Minority Interest)	(IX-X)	2,30,88,132	24,85,61,342
	Add (+) / Less (-) Minority Interest	6(e)	(2,95,197)	33,09,659
XII	Profit(Loss) for the year (after adjustment for Minority Interest)		2,33,83,329	24,52,51,683
XIII	Earning per equity share of face value Rs.10 each			
	Earning per equity share:	20		
	(1) Basic		0.88	9.44
	(2) Diluted		0.89	9.31

As per our report of even date

FOR AND ON BEHALF OF THE BOARD

**FOR N.C.Rajagopal & Co.,
CHARTERED ACCOUNTANTS**

**N.C.VIJAY KUMAR,
Partner
Membership No. : 208276
Firm Reg. No.: 003398S**

**PLACE : Erode
DATE : 30.05.2017**

SKM MAELANANDHAN
Executive Chairman
(DIN : 00002380)

SKM SHREE SHIVKUMAR
Managing Director
(DIN : 00002384)

K.S.VENKATACHALAPATHY
Chief Financial Officer
Membership No. : 029064

PSEKAR
Company Secretary
Membership No.A36565

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET 2016-17

(in Rs.)

Particulars	As at 31.03.2017	As at 31.03.2016
Note No. : 3 Share Capital		
Authorised Capital:		
3,00,00,000 Equity Shares of Rs. 10/- Each	30,00,00,000	30,00,00,000
Issued, Subscribed & Paid-up:		
263,30,000 Equity Shares of Rs.10/- each fully paid-up	26,33,00,000	26,33,00,000
Total	26,33,00,000	26,33,00,000
Note No. : 4 Reserve & Surplus		
Share Premium Account :		
Opening Balance	4,00,692	4,00,692
Add : Current year transfer		
less: Written back		
Closing Balance	4,00,692	4,00,692
General Reserve:		
Opening Balance (Revenue Reserve)	4,32,812	4,32,812
Add : Current year transfer		
less: Written back		
Closing Balance	4,32,812	4,32,812
Profit & Loss Account:		
Opening Balance	63,50,26,161	42,14,95,459
Add: Current Year Balance after appropriation	2,33,83,329	24,52,51,683
Less: Interim Dividend	-	2,63,30,000
Less: Divident Distribution Tax	-	53,90,981
Closing Balance	65,84,09,490	63,50,26,161
Total	65,92,42,994	63,58,59,665
NON CURRENT LIABILITIES		
Note No.:5 (a) Long Term Borrowings		
Secured		
(I) From Others		
i) Kotak Mahindra (Vehicle Loan)	10,89,303	51,84,122

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET 2016-17

(in Rs.)

Particulars	As at 31.03.2017	As at 31.03.2016
UnSecured		
Loan and Advances from Related Parties		
i) Loan from Managing Director	-	-
Total	10,89,303	51,84,122
Note No. : 5 (b) Deferred Tax Liability (Net)		
Deferred Tax Liability		
Balance b/f of last financial year	7,96,56,612	9,70,01,209
Deferred Tax Assets		
-On account of allowances for tax purpose In :		
Depreciation	(1,99,56,574)	(1,51,87,736)
C/F and Business Losses (DTA)/DTL	14,91,372	(21,56,861)
Total	6,11,91,410	7,96,56,612
Note No.: 5 (c) Long Term Provisions		
<i>Provision for Employee Benefits</i>		
a) Earned Leave Encashment Payable	41,24,283	34,69,000
b) Net Gratuity obligation	3,60,927	-
Total	44,85,210	34,69,000
CURRENT LIABILITIES		
Note No.: 6 (a) Short Term Borrowings		
<i>Loan Repayable on demand</i>		
<i>Secured</i>		
<i>From Bank</i>		
i) Working Capital Finance From		
a. State Bank of India Commercial Branch, Erode	43,07,31,238	35,01,75,995
ii) Rabo Bank, Netherlands	55,04,931	-
Total	43,62,36,169	35,01,75,995

WORKING CAPITAL FINANCE FROM SBI ARE SECURED BY ;

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

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET 2016-17

(in Rs.)

Particulars	As at 31.03.2017	As at 31.03.2016
Note No.: 6 (b) Trade Payables		
i) Trade Creditors *	23,55,18,342	22,92,71,849
ii) Creditors For Expenses & Others	1,73,37,621	(45,11,288)
Total	25,28,55,963	22,47,60,561
*(The Disclosure requirement under Micro, Small and Medium Enterprises Development Act 2006 has not been made since the company has requested for the details from the parties and which are yet to be received on the date of signing of this Financial Report.)		
Note No.:6 (c) Other Current Liabilities		
a) Current Maturities of Long Term Debt		
(l) From Others		
i) Kotak Mahindra (Vehicle Loan)	40,95,485	38,41,600
b) Unpaid Dividend	33,48,115	62,53,978
c) Other Payables		
Rent Deposit	18,000	18,000
Statutory Dues	60,16,553	3,83,18,161
Sales Commission Payable	50,17,460	1,77,74,662
d) Advance from debtors	1,91,31,127	21,42,796
e) Russia Branch Current Liabilities	6,46,006	5,13,830
Total	3,82,72,745	6,88,63,027
Note No.6 (d) Short Term Provisions		
Bonus Payable	62,44,000	60,35,000
Provision for Expenses	56,49,994	1,85,51,467
Provision for Bad Debts	-	1,02,12,509
Total	1,18,93,994	3,47,98,976
Note No. : 6 (e) Minority Interest		
Share Capital	1,46,961	1,46,961
Profit & Loss Account:		
Opening Balance	59,51,676	26,42,017
Current year Profit / Loss transfer	(2,95,197)	33,09,659
Closing Balance	56,56,479	59,51,676
Total	58,03,440	60,98,637

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

NOTE FORMING INTEGRAL PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31.03.2017

Note No. : 7 NON CURRENT ASSETS

	As at 31.03.2017	As at 31.03.2016
Fixed Assets		
(a) Tangible Assets (Not Under Lease)	61,08,90,348	66,26,86,006
(b) Capital work in Progress	2,68,25,330	1,40,05,234
	<u>63,77,15,678</u>	<u>67,66,91,240</u>

(in Rs.)

Details :

S. No.	Particulars	Gross Block			Depreciation			Net Block		
		01.04.2016	Addition during the year	Deduction during the year	31.03.2017	01.04.2016	Depreciation during the year	Deduction / during the year	WDV as on 31.03.2017	WDV as on 31.03.2016
(a)	Tangible Assets									
	(Not under lease)									
	Land	3,58,09,230	-	-	3,58,09,230	-	-	-	3,58,09,230	3,58,09,230
	Building	40,62,82,644	4,05,852	-	40,66,88,496	1,33,68,309	-	13,91,98,365	26,74,90,131	28,04,52,588
	Plant & Machinery	71,53,36,466	14,09,169	-	71,67,45,635	3,37,15,297	-	46,67,67,624	24,99,78,011	28,22,84,138
	Electrical Installation and equipments	7,08,55,616	21,14,771	-	7,29,70,387	20,59,469	-	6,59,96,473	69,73,914	69,18,612
	Lab Equipment	3,80,76,394	2,03,700	-	3,82,80,094	26,15,492	-	1,87,32,865	1,95,47,229	2,19,59,021
	Office Equipment	1,31,06,791	14,41,774	-	1,45,48,565	17,74,719	-	97,80,757	47,67,808	51,00,754
	Computers	1,26,33,492	2,52,150	-	1,28,85,642	11,37,463	-	1,17,62,857	11,22,785	20,08,098
	Furniture & Fixtures	94,90,637	1,06,691	-	95,97,328	4,50,596	-	60,87,759	35,09,569	38,53,474
	Motor Vehicles	4,53,49,980	9,61,080	17,89,185	4,45,21,875	35,69,499	17,89,185	2,28,30,203	2,16,91,672	2,43,00,091
	SUB TOTAL (a)	134,69,41,249	68,95,187	17,89,185	135,20,47,251	5,86,90,845	17,89,185	74,11,56,903	61,08,90,348	66,26,86,006
(b)	Capital Work-in-progress	1,40,05,234	14,379,413	15,59,317	2,68,25,330	-	-	-	2,68,25,330	1,40,05,234
	SUB TOTAL (b)	1,40,05,234	1,43,79,413	15,59,317	2,68,25,330	-	-	-	2,68,25,330	1,40,05,234
	Total (a + b)									
	(Current Year)	136,09,46,483	2,12,74,600	33,48,502	137,88,72,581	5,86,90,845	17,89,185	74,11,56,903	63,77,15,678	67,66,91,240
	(Previous Year)	131,07,83,276	13,70,76,153	8,69,12,946	135,09,46,483	5,91,39,810	89,77,713	68,42,55,243	67,66,91,240	67,66,91,240

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET 2016-17

(in Rs.)

Particulars	As at 31.03.2017	As at 31.03.2016
Note No.:7 (c) Non-current investments		
Trade Investments		
Investments In Equity Instruments (Unquoted)		
i. SKM Universal Marketing Company India Private Limited (Equity Shares of 789700 @ 15/-)	1,18,45,572	1,18,45,572
Total	1,18,45,572	1,18,45,572
Note No.:7 (d) Long Term Loans & Advances		
i. Advances Recoverable in Cash or in kind for value to be received - unsecured and Considered Good	62,23,956	54,26,959
ii. Deposits - Considered Good	1,23,87,323	1,12,61,646
iii. Advance to Suppliers (Trade)	90,61,441	61,66,036
Total	2,76,72,720	2,28,54,641
CURRENT ASSETS		
Note No.:8 (a) Inventories		
(As Valued & Certified By the Management)		
Raw Material	3,64,00,672	4,04,23,810
Additives, Stores, Spares and Consumables	3,70,64,600	4,20,15,984
Finished Goods	38,63,45,945	28,88,03,611
Livestock - Chicks	1,15,52,705	92,32,927
Livestock - Unamortised Value of Chicks	4,87,03,769	4,44,86,541
Feed & Medicines	31,94,415	34,75,094
Egg Powder at Netherlands	4,98,91,511	5,32,65,694
Goods in Transit (Europe BV)	75,84,343	5,80,58,624
Total	58,07,37,960	53,97,62,285
Note No.:8 (b) Trade Receivables		
Unsecured & Considered Good		
Sundry Debtors	17,81,97,535	16,63,58,605
Total	17,81,97,535	16,63,58,605

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET 2016-17

(in Rs.)

Particulars	As at 31.03.2017	As at 31.03.2016
Note No.:8 (c) Cash and Cash Equivalents		
i. Cash on hand	9,79,412	7,36,657
ii. In Current Account with Scheduled Banks**	3,31,44,543	4,68,20,877
III.Fixed Deposit with Banks	13,01,71,908	14,14,94,778
iv. In Current Account with CBIL Moscow	1,08,79,953	47,18,998
Total	17,51,75,816	19,37,71,310
**Balance with Banks includes Unpaid Dividend of Rs.21.08 Lakhs (Previous year Rs.50.13 Lakhs)		
Note No.: 8 (d) Short term Loans & Advances		
i. Advance to Staffs	54,475	1,44,452
ii. Prepaid Expenses	57,12,319	56,32,477
iii. VAT Receivables	22,36,420	-
Total	80,03,215	57,76,929
Note No.:8 (e) Other Current Assets		
i. Income Accrued on Deposits & Subsidies Receivables	17,34,790	3,64,184
ii. MAT Credit Entitlement & Tax Refund Receivables	6,78,63,254	6,80,57,983
iii. Others	2,50,000	2,50,000
iv. Russia Branch Current Assets	3,51,50,965	25,78,677
Total	10,49,99,009	7,12,50,844

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

CONSOLIDATED SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT - 2016-17

(in Rs.)

Particulars	As at 31.03.2017	As at 31.03.2016
Note No. : 9 Revenue from Operations		
Export Sales	202,54,39,411	288,18,54,080
Domestic Sales	26,81,12,915	12,26,94,409
Sale of Egg Shell (Waste)	29,22,401	35,94,776
Sale of Culling Birds & Litter waste	2,36,44,453	1,84,38,249
Sale of Declared Goods (Scrap)	16,39,548	27,10,188
Total	232,17,58,728	302,92,91,702
Note No. : 10 Other Income		
Interest Receipts	1,23,59,638	61,35,598
Receipts - Subsidies	9,04,12,697	8,52,06,111
Exchange Fluctuation - Net	12,06,05,505	4,56,94,455
Profit on sale of Assets	3,42,857	(1,09,00,072)
Miscellaneous Income	2,23,140	1,61,748
Total	22,39,43,837	12,62,97,840
Note No. : 11 Cost of Material Consumed		
a) PURCHASES OF RAW MATERIALS AND STORES		
Raw Material-Eggs / Feed Ingredients	156,10,55,232	174,47,41,357
Vaccine & Medicine Consumption	26,96,366	25,70,496
Additives & Consumables	5,16,07,942	5,70,86,214
Sub-total (a)	161,53,59,540	180,43,98,067
b) DIRECT/PRODUCTIONS EXPENSES		
Packing Material - Consumed	2,43,62,468	3,02,68,211
Power & Fuel	11,17,51,923	13,76,17,768
Procurement & Other Production expenses	1,74,47,431	49,11,240
Sub-total (b)	15,35,61,822	17,27,97,219
Total (a + b)	176,89,21,362	197,71,95,286

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

CONSOLIDATED SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT - 2016-17

(in Rs.)

Particulars	As at 31.03.2017	As at 31.03.2016
Note No. : 12 Purchase of Stock in Trade		
Egg Powder Purchase	31,61,21,736	24,30,64,528
Import Duty	1,31,36,404	1,85,45,677
Customs Clearance & Other Expenses	4,01,52,039	28,74,742
Total	36,94,10,179	26,44,84,946
Note No. : 13 Change in Inventories		
Opening Stock - Finished goods	37,74,24,565	37,68,29,077
Closing Stock - Finished goods	47,15,92,716	37,74,24,565
Total	9,41,68,150	5,95,488
Note No. : 14 Employment Benefit Expenses		
Salaries & Wages	10,90,98,808	14,77,63,850
PF Contribution	73,59,862	83,49,811
Gratuity Expenses	7,49,014	17,96,066
Welfare Expenses	54,32,628	69,33,964
Total	12,26,40,312	16,48,43,691
Note No. : 15 Financial Cost		
Working Capital Loan Interest	1,07,33,665	93,69,003
Bank Charges	52,75,495	59,83,204
Export Bills Discount	45,94,908	47,48,147
Interest Paid - Others	(4,11,070)	5,29,542
Interest on Vehicle Loan	7,30,270	7,63,275
Bill Discount & Collection Charges	22,21,729	36,48,907
SBI- Term Loan Interest	2,69,00,000	-
Interest paid to Chairman & Managing Director	-	13,44,658
Total	5,00,44,997	2,63,86,736
Note No. : 16 Depreciation & Amortised Cost		
Depreciation	5,86,90,845	5,91,85,700
Amortised Value of Birds	6,17,14,534	6,15,65,459
Total	12,04,05,379	12,07,51,159

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

CONSOLIDATED SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT - 2016-17

(in Rs.)

Particulars	As at 31.03.2017	As at 31.03.2016
Note No. : 17 Other Expenses		
Repairs & Maintenance		
a) Building	31,03,350	57,81,531
b) Plant & Machinery	59,47,539	1,01,63,427
c) Fly Control Expenses	2,08,552	6,03,515
d) Others	1,34,40,387	73,82,461
e) Vehicle - Fuel & Maintenance	1,42,56,216	1,47,05,105
Stores & Spares Consumption	2,55,53,929	3,78,96,300
Analysing Charges	16,97,884	1,43,21,377
Rent Expenses	38,73,439	35,68,512
Rates and Taxes,Registration and Renewal	63,17,321	55,59,638
Postage, Courier & Telephone Charges	25,42,897	21,95,814
Printing & Stationery	8,58,206	17,36,134
Insurance Premium	15,15,827	13,93,112
Advertisement and Publicity	9,82,602	10,36,821
Travelling Expenses	48,18,302	50,53,088
Foregin Travelling expenses	60,58,588	51,85,846
Brokerage Expenses	1,14,834	78,475
Professional Charges	47,30,500	70,27,849
ISO / HACCP-expenses.	4,87,679	5,34,428
Miscellaneous Expenses	13,17,567	12,68,578
Audit Fees	10,19,385	10,11,113
Donation	53,39,870	31,87,148
Annual General Meeting Expenses	5,05,427	6,04,753
Secretarial Expenses	6,92,103	4,79,389
Stock Exchange Listing Fee	6,90,267	12,30,252
Directors' Sitting Fee	28,000	35,000
Subscription	14,34,039	11,06,107
Sales Commission	3,23,99,831	3,06,51,803
Selling Expenses	1,07,04,346	98,58,964
Provision for Bad Debts	(95,31,175)	1,36,65,296
Sub-total (a)	14,11,07,714	18,73,21,835

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

CONSOLIDATED SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT - 2016-17

(in Rs.)

Particulars	As at 31.03.2017	As at 31.03.2016
Freight and Forwarding Charges	4,50,03,336	5,08,12,568
ECGC Insurance Premium	66,27,352	76,44,294
Product Liability Insurance	22,41,675	24,60,939
Marine Insurance Premium	3,77,406	7,29,158
Sub-total (b)	5,42,49,769	6,16,46,959
Total (a + b)	19,53,57,482	24,89,68,794
Note No. : 18 Current Tax		
Income Tax - Normal Provisions	84,68,074	12,23,37,673
Total	84,68,074	12,23,37,673
Note No. : 19 Deferred Tax		
On account of variation of allowances for tax purpose in :		
Depreciation	(1,99,56,574)	(1,51,87,736)
C/F and Business Losses (DTA)/DTL	14,91,372	(21,56,861)
Total	(1,84,65,202)	(1,73,44,597)
Note No. : 20 Earnings Per Share :		
Net Profit for the year	2,33,83,329	24,52,51,683
Amount available for Equity Shareholders	2,33,83,329	24,52,51,683
Weighted No. of Equity shares	2,63,30,000	2,63,30,000
Basic EPS	0.89	9.31
Diluted EPS	0.89	9.31
Face Value per Equity Share	10	10

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 1.04.2016 TO 31.03.2017

(in Lacs.)

	2016-17		2015-16	
A. Cash Flow From Operating Activities:				
INDIRECT METHOD:				
Net Profit Before Tax		130.91		3,535.54
Adjustment for:				
Depreciation	586.91		591.86	
(Profit)/Loss on Sale of Assets	(3.43)		109.00	
Financial Cost	500.45		263.87	
Interest and Lease Receipts	(123.60)	960.33	(61.36)	903.37
Operating profit / (Loss) before Working capital changes		1,091.24		4,438.91
Adjustment for:				
(Increase)/Decrease in Trade and Other Receivables	(526.31)		23.81	
(Increase)/Decrease in Inventories	(409.76)		(462.35)	
Increase/(Decrease) in Trade and Other Paybles	344.92	(591.15)	231.44	(207.10)
Cash generated from operations		500.09		4,231.81
Direct taxes paid		84.68		1,223.38
Cash flow before extraordinary items		415.41		3,008.44
Extraordinary items -		-		-
Net Cash Flow from Operating Activities		415.41		3,008.44
B. Cash from Investing Activities:				
Purchase /Increase in Fixed Assets		(197.15)		(789.55)
Sale of Fixed Assets		-		197.68
Profit/(Loss) on Sale of Assets		3.43		(109.00)
Interest and Lease Rent receipts		123.60		61.36
Net cash (used in) received from Investing Activities		(70.13)		(639.51)
C. Cash flow from Financing Activities:				
Financial Cost		(500.45)		(263.87)
Increase / (Decrease) in Bank & Other Borrowings		(30.79)		(441.83)
Dividend & Dividend distribution tax paid		-		(317.21)
Net cash (used in) received from Financing Activities		(531.24)		(1,022.91)
Net Increase / (Decrease) in Cash and Cash Equivalents		(185.95)		1,346.01
Opening Cash & Cash Equivalents		1,937.71		591.70
Closing Cash & Cash Equivalents		1,751.76		1,937.71
		(185.95)		1,346.01

PLACE : Erode
DATE : 30.05.2017

K.S.VENKATACHALAPATHY
Chief Financial Officer
Membership No. : 029064

PSEKAR
Company Secretary
Membership No. A36565

SKM MAELANANDHAN
Executive Chairman
(DIN : 00002380)

SKM SHREE SHIVKUMAR
Managing Director
(DIN : 00002384)

For and on behalf of the Board

AUDITORS' CERTIFICATE

We have examined the Cash Flow Statement of M/s. SKM Egg Products Export (India) Limited for the period ended 31st March 2017. The statement has been prepared by the company in accordance with the requirements of clause 32 of the Listing Agreement with the Stock Exchanges and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report dated 30.05.2017 to the members of the Company.

PLACE : Erode
DATE : 30.05.2017

N.C.VIJAY KUMAR,
Partner
Membership No. : 208276
Firm Reg. No. : 003398S

FOR N.C.Rajagopal & Co.,
CHARTERED ACCOUNTANTS

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENTS:

a) Basis of Preparation:

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

b) Principles of Consolidation:

The consolidated financial statements relate to SKM Egg Products Export (India) Limited and its subsidiary company SKM Europe BV. The Consolidated financial statement have been prepared on the following basis:

- i. The Financial Statements of the Company and its Subsidiary Company are combined on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standards(AS) 21-'Consolidated Financial Statements'
- ii. The foreign subsidiary being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Exchange Fluctuation Reserve.
- iii. Minority interest share of net profit of the consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.
- iv. Minority interest share of net assets of the consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and equity of the company's shareholders.
- v. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.

c) Use of Estimates:

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

d) Other Significant Accounting policies:

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

For N.C. RAJAGOPAL & CO
N.C. VIJAYKUMAR
(PARTNER)
Membership No. 208276
Firm Regn. No. 003398S
Place : Erode.
Date : 30.05.2017

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

iii) SKM Universal Marketing Company India Private Ltd	Common Directors
iv) SKM Shree Shivkumar	Managing Director - KMP
v) SKM Maeilanandhan	Whole time Director - KMP
vi) K.S.Venkatachalapathy	Chief Financial Officer - KMP
vii) P.Sekar	Company Secretary - KMP

(c) Transaction details :

i. Transactions with SKM Animal Feeds and Foods (India) Private Limited:

a. Sale of Egg Shells (Net of Returns):

Quantity	767.255 tonnes
Value	Rs.15.37 Lacs
Balance as on 31.03.2017 (Dr)	-

ii. Transactions with SKM Siddha and Ayurvedha Company India (Private) Limited:

a. Purchase of Medicines - Poultry feed supplement (Net of Returns):

Quantity	3,505 Litres
Value	Rs.4.94 Lacs
Balance as on 31.03.2017 (Cr)	Rs.1.23 Lacs

iii. Transactions with SKM Universal Marketing Company (India) Private Ltd:

a. Sale of Eggs (Net of Returns):

Quantity	1,74,23,670 Nos.
Value	Rs.624.09 Lacs
Balance as on 31.03.2017 (Dr)	Rs.24.91 Lacs

b. Sale of Poultry Feeds (Net of Returns):

Quantity	6,65,750 kgs
Value	Rs.140.09 Lacs

c. Rent Receipts :

Rent received for letting out portion of the building at Chennai for 5 months	0.50 Lacs
---	-----------

d. Purchase of Eggs (Net of Returns):

Quantity	32,07,07,440 Nos
Value	Rs.10,646.03 Lacs
Balance as on 31.03.2017 (Cr)	Rs.727.22 Lacs

e. Purchase of Wind Power:

Quantity	44,22,455 units
Value	Rs.280.83 Lacs

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

- f. Purchase of Medicines - Poultry feed supplement (Net of Returns):
- | | |
|-------------------------------|-----------------------------|
| Quantity | 1,42,696.5 Kgs & 5,780 Ltrs |
| Value | Rs.217.31 Lacs |
| Balance as on 31.03.2017 (Cr) | Rs.7.74 Lacs |
- iv. Transactions with SKM Shree Shivkumar:
- a. Payment of Rent:
- | | |
|---|-----------|
| Rent paid for hiring Administrative Office for 7.5 months | 1.87 lacs |
|---|-----------|
- b. Payment of Salary & Commission:
- | | |
|--|------------|
| Salary, Allowances & Other perquisites | 40.58 lacs |
|--|------------|
- v. Transactions with Sri.SKM Maeilanandhan:
- a. Payment of Salary & Commission:
- | | |
|--|------------|
| Salary, Allowances & Other perquisites | 30.75 lacs |
|--|------------|
- vi. Transactions with K.S.Venkatachalapathy:
- a. Payment of Salary & Commission:
- | | |
|--|------------|
| Salary, Allowances & Other perquisites | 22.27 Lacs |
|--|------------|
- vii. Transactions with P.Sekar:
- a. Payment of Salary & Commission:
- | | |
|--|-----------|
| Salary, Allowances & Other perquisites | 4.79 Lacs |
|--|-----------|
- v. Payments to the Statutory Auditors (exclusive of service Tax) - Included in Audit Fee in Note No.17:

Particulars	2016 - 2017 (Rs.)	2015 - 2016 (Rs.)
For Statutory Audit Fee	4,50,000	4,50,000
For Taxation Matter	1,50,000	1,50,000
For Certification Services	68,500	55,000
For Appeal Representation and Others	3,75,000	1,50,000
For Sales Tax Matters	NIL	NIL

vi. **Provision for Income Tax :**

Provision had been made in respect of Income Tax liability arising under the Normal provisions of the Income Tax Act, 1961, since the tax liability when computed in accordance with the Normal Provisions of the Income Tax Act, 1961 is higher than the book profits u/s.115JB of the Income Tax Act, 1961.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

- vii. No provision has been made in respect of demand of Excise Duties Rs.11.42 lacs and Service Tax of Rs.44.38 Lacs, for which the company has filed appeals with various Higher Appellate Forums, against the orders of the Lower Authorities since the company is confident of coming out successful in the Appeals as per the advice taken from the legal experts. Similarly there are Income Tax Demands totalling to the tune of of Rs.395.63 lacs i.e for the Assessment year 2008-2009 (Rs.244.15 Lacs - Net of Recovery) and 2009-2010 (Rs.151.48 Lacs) Net of Part Payment and payments in instalments). Based on the decisions of Appellate Authorities and the interpretations of other relevant provisions, the company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made for the balance amount net of payments. The carried forward losses under the Income Tax Act,1961 of the earlier assessment years has been reduced by the Assessing Officer while completing the assessment for the A.Y.2012-13 and A.Y.2013-14 by making some adjustments to the returned Loss. The Company has preferred appeals before the immediate superior authority which appeals are pending for disposal as on the date of the financial reports. Since the adjustments have resulted only in the reduction of carry forward losses, there is no immediate demand raised for the relevant assessment years.
- viii. There are no impairment of assets in terms of Accounting Standard No.28 issued by The Institute of Chartered Accountants of India. The Company had disposed some of the assets during the current financial year which has been suitably recognised / dealt with in the financial statements in accordance with the Accounting Standard No.10 issued by the Institute of Chartered Accountants of India.

ix. **Imported & Indigenous Items consumed :**

Rs. (In lakhs)

Particulars	2016 - 17		2015 - 16	
	Amount	%	Amount	%
1. Raw Materials				
(a) Imported	-	-	-	-
(b) Indigenous	14,676.75	100.00%	17,893.53	100.00%
	14,676.75	100.00%	17,893.53	100.00%
2. Packing Materials				
(a) Imported	8.05	3.42%	5.02	1.82%
(b) Indigenous	227.11	96.58%	271.12	98.18%
	235.16	100.00%	276.14	100.00%
3. Consumables, Stores & spares				
(a) Imported	197.45	25.76%	330.28	33.94%
(b) Indigenous	568.99	74.24%	642.99	66.06%
	766.44	100.00%	973.27	100.00%
4. Fuel				
(a) Imported	-	-	-	-
(b) Indigenous	133.56	100.00%	716.24	100.00%
	133.56	100.00%	716.24	100.00%

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

x. Expenditure in Foreign currency:

(in Rs.)

Particulars	2016-17	2015-16
1. Professional & Consultation fee		
(a) Analysis Charges	7,60,385	1,33,34,200
(b) Sales Commission	81,76,466	74,88,344
(c) Professional Charges	4,41,739	15,40,924
(d) Subscription and Registration	4,57,119	4,46,126
(e) Selling, Insurance and Compensation expenses	48,12,814	75,00,367
2. Foreign Travel Expenditure	28,33,533	18,96,612
3. Packing Materials, Additives, Stores and Lab Consumables	1,59,39,937	5,67,77,376
Total	3,34,21,993	8,89,83,949

xi. FOB Value of goods exported Rs. 12,216 Lacs (Previous Year Rs.22,423 Lacs)

xii. During the year the company has recognized the following amounts in the Profit and Loss Account:

Particulars	Group Gratuity Scheme (Funded) 2017	Group Gratuity Scheme (Funded) 2016
(a) Reconciliation of Opening and Closing Balances of Defined Benefit Obligations		
Present Value of obligation as at 1st April 2016	81,87,741	59,87,011
Current Service Cost	1,14,93,696	8,84,861
Interest Cost	6,55,019	4,78,961
Actuarial (gain) / loss	(1,06,96,794)	11,29,113
Benefits paid	(1,91,047)	(2,92,205)
Present Value of obligation as at 31st March 2017	94,48,615	81,87,741
(b) Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets:		
Fair Value of plan assets as at 1st April 2016	82,06,390	69,13,020
Expected return on plan assets	7,02,907	6,96,869
Contribution made	3,69,438	8,88,705
Benefits Paid	(1,91,047)	(2,92,205)
Actuarial gain / (loss) on the plan assets	-	-
Fair Value of plan assets as at 31st March 2017	90,87,687	82,06,390

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

Particulars	Group Gratuity Scheme (Funded) 2017	Group Gratuity Scheme (Funded) 2016
(c) Reconciliation of Fair Value of Assets and Obligations as at 31st March 2017:		
Present value of the obligation	94,48,615	81,87,741
Fair Value of plan assets	90,87,687	82,06,390
Funded Status (Surplus / (Deficit))	(3,60,928)	18,649
Net asset/(liability) recognized in the balance sheet	(3,60,928)	18,649
(d) Expenses recognized during the year (Under the head "Employees Cost – Refer Schedule "O")		
Current Service Cost	1,14,93,696	8,84,861
Interest Cost	6,55,019	4,78,961
Expected return on plan assets	(7,02,907)	(6,96,869)
Actuarial (gain) / loss	(1,06,96,794)	11,29,113
Net Cost	7,49,014	17,96,066
(e) Actual return on the plan assets:		
Expected return on plan assets	7,02,907	6,96,869
Actuarial gain / loss on plan assets	-	-
(f) Actuarial Assumptions:		
Discount rate (Per annum)	8.00%	8.00%
Rate of escalation in salary (Per annum)	6.50%	6.50%

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

xiii. Poultry Division:

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

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

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

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xiv. *CSR Expenditure:*

The company during the year has incurred an expenditure to the extent of Rs.53.17 lacs towards CSR expenditure and has contributed towards the CSR Related Activities, details of which have been furnished separately. The company has complied with the CSR Provisions as envisaged under Section 135 of the Companies Act, 2013.

xv. *Foreign Exchange Fluctuation - Net:*

The net Foreign exchange fluctuation includes a difference of Rs.327.50 lacs towards exchange fluctuation on working capital loan has been disclosed under the head "Other Income" instead of the head "Finance charges" as required by Schedule III of the Companies Act 2013 and hence the figures disclosed under both the heads are to be read taking into consideration of the above fact. However there is no impact on the profit or loss for the year.

xvi. *Right of recompense expense - Finance cost:*

During the year, an amount of Rs.2,69,00,000/- has been paid and accounted as "Right of Recompense (ROR)" expenses classified under the interest expense, as this expense partakes the nature of interest. This Compensation amount has been demanded by the bank during the year for the concessional interest rate offered by it to the company during yester years, when the company was in financial crunch the demand of the bank and acceptance by the company is as per the agreed terms on the basis of the agreement and sanction letter.

xvii. *Disclosure on Specified Bank Notes:*

During the year, the company had specified bank notes or other denomination note as defined in the MCA notification GSR 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the said notification is given below:

Particulars	SBNs	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	59,000	6,79,245	7,38,245
(+) Permitted receipts	-	21,40,708	21,40,708
(-) Permitted payments	-	24,01,241	24,01,241
(-) Amount deposited in banks	59,000	13,707	72,707
Closing Cash in hand as on 30.12.2016	-	4,05,005	4,05,005

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

xviii. Additional Information, as required under Schedule III to the Companies Act, 2013 of enterprise consolidated as subsidiary:

Name of the Enterprise	Net Assets i.e., total assets minus total liabilities		Share in profit or (loss)	
	As % of consolidated net assets	Amount (Rs)	As % of consolidated profit or loss	Amount (Rs)
SKM Europe BV, The Netharlands	3.47%	3,20,53,376	-7.15%	(16,72,784)

xix. DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED UNDER SECTION 186(4) OF THE COMPANIES ACT 2013

- | | |
|----------------------------|----------------------------------|
| i) Loans Given | Nil |
| ii) Investements Made | Disclosed under Respective Heads |
| iii) Corporated Guarantees | Nil |

FOR **N.C.RAJAGOPAL & CO.,**
CHARTERED ACCOUNTANTS

SKM MAEILANANDHAN
(Executive Chairman)
(DIN : 00002380)

SKM SHREE SHIVKUMAR
(Managing Director)
(DIN : 00002384)

N.C.VIJAY KUMAR,
Partner
Membership No. : 208276
Firm Reg. No. : 003398S

Place : Erode
Datd : 30.05.2017

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

PROXY FORM (Form No: MGT-11)

(Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member (s):

Registered address:

E-mail ID:

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

I/We , being the member(S) of _____ shares of the above named SKM EGG PRODUCTS EXPORT INDIA LIMITED, hereby appoint

1. Name_____

Address_____

E-mail Id_____

Signature_____

2. Name_____

Address_____

E-mail Id_____

Signature_____

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the **SKM EGG PRODUCTS EXPORT INDIA LIMITED**, to be held on the _____ at _____ A.M/P.M. at _____ and at any adjournment thereof in respect of such resolutions as are indicated below:

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

RESOLUTION NOS			
S.No.	ORINARY BUSINESS	FOR	AGIANST
1.	a) Adoption of audited financial statements of the Company including audited Balance sheet and Profit & Loss account for the year ended 31 st March 2017. b) the audited consolidated financial statements including audited consolidated Balance sheet and Profit and Loss account of the Company for the financial year ended 31 st March 2017		
2.	Re-appointment of Retiring Director Shri SM Venkatachalapathy		
3.	To appoint Statutory Auditor Mr.Prasanna Vekatesan N. Chartered Accountant, Erode to hold office from the conclusion of this meeting until the conclusion of the next AGM and to fix his remuneration.		
SPECIAL BUSINESS (SPECIAL RESOLUTION)			
4.	To approve for reclassification of promoters 1.DR.M. Chandrasekar and Mrs. C.Shyamala Sharmili holdings categorized as public holdings from Promoter/Promoter Group Category		

Signed this _____ day of _____ 2017.

Signature of Shareholder

Signature of Proxy holder(s)

Affix Rs.1/-
Revenue
STAMP
here

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the "For" or "Against" column blank any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

POLING PAPER

SKM Egg Products Export (India) Limited,
CIN: L01222TZ1995PLC006025
185, Chennimalai Road,
Erode - 638001
Website: www.skmegg.com

1. Name of the Member (s):
2. Registered address:
3. Registered Folio No/DP ID No/Client ID No:
4. Number of shares held:

I/we hereby exercise my/our vote in respect of the resolutions to be passed through e-voting/poling paper for the business stated in the AGM notice dated 09.08.2017 of the Company by conveying my/our assent or dissent to the said resolutions by placing the tick (3) mark at the appropriate box below:

RESOLUTION NOS			
	ORINARY BUSINESS	FOR	AGIANST
1.	a) Adoption of audited financial statements of the Company including audited Balance sheet and Profit & Loss account for the year ended 31 st March 2017. b) the audited consolidated financial statements including audited consolidated Balance sheet and Profit and Loss account of the Company for the financial year ended 31 st March 2017		
2.	Re-appointment of Retiring Director Shri SM Venkatachalapathy		
3.	To appoint Statutory Auditor Mr.Prasanna Vekatesan N. Chartered Accountant, Erode to hold office from the conclusion of this AGM until the conclusion of the next AGM and to fix his remuneration.		
SPECIAL BUSINESS (SPECIAL RESOLUTION)			
4.	To approve for reclassification of promoters 1.DR.M.Chandrasekar and Mrs.C.Shyamala Sharmili holdings categorized as public holdings from Promoter/Promoter Group Category		

Signed this _____ day of _____ 2017.

Signature of the Member

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2016-17

ATTENDANCE SLIP

22nd ANNUAL GENERAL MEETING, 2017

Env. No:

Name and Address of the Shareholder

Folio No:

Shares Held:

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the 22nd Annual General Meeting of the Company, at _____

on _____ at _____ AM / PM.

Name of the Member/Proxy (In Block Letters)

(Note: Please fill up this attendance slip and hand it over at the _____, Members are requested to bring their copies of the Annual Report to the AGM).

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic voting Event Number)	USER ID	PASSWORD

எஸ்கேஎம் எக் புராடக்ஸ் எக்ஸ்போர்ட் (இந்தியா) லிமிடெட்
185, சென்னிமலை ரோடு, ஈரோடு - 638 001.
வருகை பதிவுச் சீட்டு

Folio No./ Client ID / Dp ID No. :

பங்குதாரரின் பெயர், விலாசம் :

27.09.2017 புதன்கிழமை மாலை 4.00 மணிக்கு பதிவு அலுவலகம், 185, சென்னிமலை ரோடு, ஈரோடு - 638 001ல் நடைபெறும் கம்பெனியின் 22-வது ஆண்டு பொதுக் கூட்டத்திற்கு எனது வருகையை இதன் மூலம் பதிவு செய்கிறேன்.

மீ பங்குதாரர் / பதிலாளர்

கையொப்பம்

மீ பதிலாளர் / பங்குதாரர் என்பதை குறிப்பிடவும்

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

2. பங்குதாரர் அல்லாதோர் மற்றும் குழந்தைகளை உடன் அழைத்து வருவதைத் தவிர்க்குமாறு பங்குதாரர்கள் கேட்டுக் கொள்ளப்படுகிறார்கள்.



எஸ்கேஎம் எக் புராடக்ஸ் எக்ஸ்போர்ட் (இந்தியா) லிமிடெட்
185, சென்னிமலை ரோடு, ஈரோடு - 638 001.

பதிலி படிவம்

Folio No./ Client ID / Dp ID No. :

எஸ்கேஎம் எக் புராடக்ஸ் எக்ஸ்போர்ட் (இந்தியா) லிமிடெட்டின் பங்குதாரர்களாக இருக்கும்..... ஊரைச்

சேர்ந்த.....நான் / நாங்கள் இதன் மூலம் எனது / எங்களது

பதிலாளாக.....ஊரைச் சேர்ந்த.....என்பவரையும்

எனது/எங்களது சார்பில் 27.09.2017 புதன்கிழமை மாலை 4.00 மணிக்கு நடக்கவிருக்கும் 22-வது ஆண்டு பொதுக்கூட்டம்

அல்லது ஒத்திவைப்புக் கூட்டத்தில் கலந்து கொள்ளவும் வாக்குப்பதிவு செய்யவும் நியமிக்கிறேன். / நியமிக்கிறோம்.

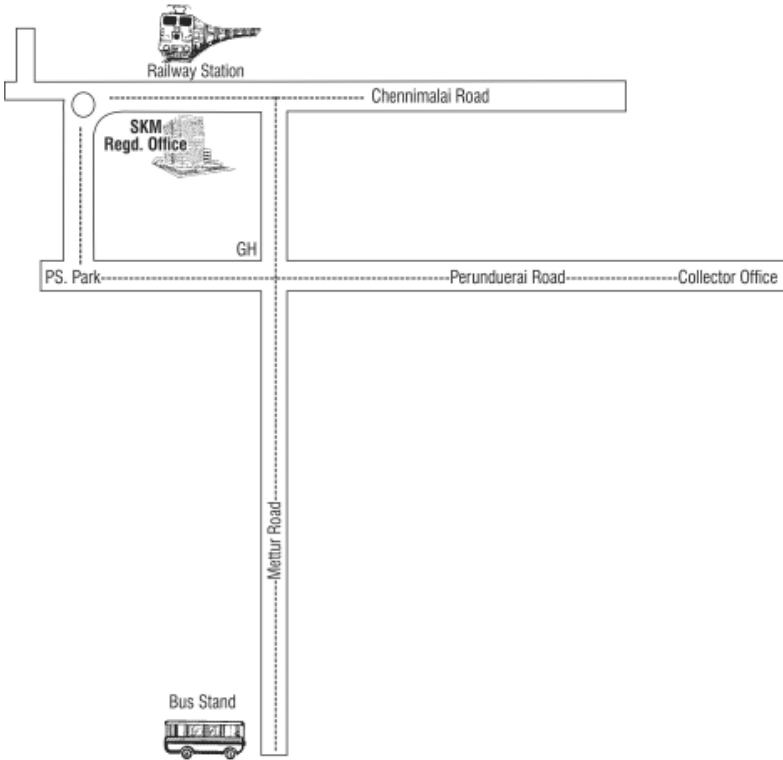
கையொப்பமிட்ட தேதி

ஒரு ரூபாய்
ரெவினியூ
ஸ்டாம்பு
ஒட்டவும்

குறிப்பு : இந்த பதிலி படிவத்தை (பதிலாளர் நியமிக்கும் பட்சத்தில் மட்டும்) கம்பெனியின் பதிவு அலுவலகமான

185, சென்னிமலை ரோடு, ஈரோடு - 638 001. என்ற விலாசத்திற்கு மேற்கண்ட கூட்டத்தின் 48 மணி நேரத்திற்கு முன்பாக வந்து சேருமாறு அனுப்ப வேண்டும்.

Route Map





SKM EGG PRODUCTS

THINKING OUT OF THE SHELL

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