



**SKM EGG PRODUCTS**

**THINKING OUT OF THE SHELL**

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

# **TWENTY FIRST ANNUAL REPORT 2015 - 2016**

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

Tel : +91 424 23 51 532 - 34  
Fax : +91 424 23 51 530 - 31  
E-mail : [finance@skmegg.com](mailto:finance@skmegg.com)

185, Chennimalai Road, Erode.  
Tamilnadu, India. Pin : 638 001  
Website : [www.skmegg.com](http://www.skmegg.com)



## Contents

### **Corporate Overview & Management Reports**

Notice to Share Holders .....	2
Share Holders Information .....	9
Directors' Report and Management Analysis .....	13
Financial Highlights / Company Overview / Corporate Information	
Report on Corporate Governance .....	28

### **Financial Statements**

Standalone Financial Statements .....	67
Consolidated Financial Statements .....	98



# SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

CIN: L01222TZ1995PLC006025

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

---

<b>BOARD OF DIRECTORS</b>	:	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)
<b>EXECUTIVE CHAIRMAN</b>	:	SHRI. SKM MAEILANANDHAN (DIN: 00002380)
<b>MANAGING DIRECTOR</b>	:	SHRI. SKM SHREE SHIVKUMAR (DIN: 00002384)
<b>CHIEF FINANCIAL OFFICER</b>	:	SHRI. K. S. VENKATACHALAPATHY, B.Com, FCA.
<b>COMPANY SECRETARY</b>	:	SHRI. P. SEKAR, M.Com, ACS.
<b>STATUTORY AUDITORS</b>	:	N.C. RAJAGOPAL & CO., Chartered Accountants, 199, Agraharam Street, ERODE - 638 001.
<b>SECRETARIAL AUDITOR</b>	:	SHRI.V.RAMKUMAR, MA, CAIIB, ACS Company Secretary In Practice, No.23, East Arokiasamy Street R.S.Puram, Coimbatore-641 002.
<b>BANKERS</b>	:	STATE BANK OF INDIA Commercial Branch, New No. 45, Old No. 20, VCTV Road, Sathy Main Road, ERODE - 638 003.
<b>REGISTERED OFFICE</b>	:	185, Chennimalai Road, Erode - 638 001,
<b>FACTORY</b>	:	Erode to Karur Main Road, Cholangalayam, Punjai Kilambadi Village, ERODE - 638 154.

**NOTICE TO SHAREHOLDERS**

Notice is hereby given that the 21<sup>st</sup> Annual General Meeting of the **SKM EGG PRODUCTS EXPORT (INDIA) LIMITED** will be held as shown below :

Date : 2<sup>nd</sup> September 2016

Day : Friday

Time : 4.00 P.M

Venue : Regd. Office : 185, Chennimalai Road, Erode - 638 001.

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 2016, 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 2016 and the Report of the Auditors thereon;
2. To appoint a Director in place of Smt. S Kumutaavalli, Non-executive Director (DIN: 00002390), who retires by rotation, and being eligible, offers herself for re-appointment.
3. To appoint Statutory Auditors to hold office from the conclusion of this meeting until the conclusion of the next AGM and to fix their remuneration.

"Resolved that pursuant to the provisions of section 139(2) and 142(1) of the Companies Act 2013, read with the Companies (Auditor and Auditors) Rules, 2014 M/s N.C. Rajagopal & Co., Chartered Accountants, Erode be and are hereby appointed as Statutory Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company, at such remuneration as may be determined by the Board of Directors of the Company."

**SPECIAL BUSINESS:**

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 and subject to approvals of the shareholders in the ensuing Annual General Meeting of the Company, Shri SKM. Shree Shivkumar be and is hereby reappointed as the Managing Director of the company for a period of five years from 25th June 2016 to 24th June 2021."

"RESOLVED FURTHER THAT pursuant to Section 197 read with Part I and II of Schedule V and other applicable provisions, if any, of the Companies Act 2013 and subject to approvals of the shareholders in the ensuing Annual General Meeting of the Company, consent of the Board be and is hereby accorded to the payment of remuneration, perquisites and benefits, as determined by the Remuneration Committee and as detailed below to Shri. SKM Shree Shivkumar, Managing Director with effect from 25th June 2016.

- I. Basic Pay Rs 2,67,250/- per month

- II. House Rent Allowance at 20% of the Basic pay.
- III. Reimbursement of Medical Expenses for self and family.
- IV. Reimbursement of expenditure incurred towards, not exceeding 10% of the Basic Pay, gas, electricity, water and furnishing.
- V. Payment of club fees, other than admission and life membership fees, subject to a maximum of two clubs.
- VI. Personal Accident Insurance Premium up to Rs 10,000/- per annum.
- VII. Leave Travel Concession for self and family members according to the rules of the Company.
- VIII. Shri SKM Shree Shivkumar shall be eligible to the following perquisites, which shall not be included in the computation of remuneration specified above.
  - a. Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act 1961.
  - b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
  - c. Encashment of Leave at the end of the tenure.
- IX. The Company shall provide a car for official use on Company's business and telephone at the residence of Shri. SKM Shree Shivkumar.

**"RESOLVED FURTHER THAT**, subject to approval by the shareholders in the ensuing Annual General Meeting of the Company, in the event of absence or inadequacy of profits in any year, the above remuneration, perquisites and benefits be paid to Shri. SKM Shree Shivkumar as minimum remuneration subject to the provisions of Section II of Part II of Schedule V to the Companies Act, 2013."

- 5. **Re-appointment of Shri SKM Maeilanandhan (DIN 0002380), as Executive Chairman of the Company. Consider and if thought fit, to pass with or without modification, the following resolution as SPECIAL RESOLUTION:**

**"RESOLVED THAT** pursuant to recommendation of the Board Governance, Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Article 119 of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Shri SKM Maeilanandhan, as Executive Chairman (designated as "Executive Chairman") of the Company with effect from June 25, 2016 to June 24, 2021, as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Shri SKM Maeilanandhan."

**"RESOLVED FURTHER THAT** the remuneration payable to Shri SKM Maeilanandhan, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time."

**"RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any year, as per the below mentioned in item No.5 Explanatory statement, remuneration, perquisites and benefits be paid to Shri SKM Maeilanandhan as minimum remuneration subject to the provisions of Section II of Part II of Schedule V to the Companies Act, 2013."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

6. **To approve reclassification of promoters as public holdings and in this regard to consider and, if thought fit, to pass the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of the Companies Act 2013, and Clause 31 A of SEBI (Listing Obligations and Disclosure Requirements) Regulations 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. Chandrasaker and Mrs. C. Shyamala Sharmili as public holdings."

7. **To approve related party transactions and in this regard to consider and, if thought fit, to pass the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of section 188 of the Companies Act, 2013, and SEBI (Listing Obligations and disclosures requirements) Regulations 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 enter into contracts, and or arrangements, with the related party as defined under the Act with respect to sale, purchase, or supply of any goods or materials, selling or otherwise disposing of or buying, leasing of property of any kind availing or rendering of any services or any other transactions of whatever nature with related parties.' The particulars of transactions are appended below:

**A. Name of the Related Parties:**

1. SKM Siddha and Ayurvedha Company (India) Private Limited
2. SKM Animal Feeds and Foods (India) Private Limited
3. SKM Universal Marketing Company India Private Limited
4. Shri. SKM Shree Shivkumar (Managing Director)-KMP
5. Shri. SKM Maeilanandhan (Executive Chairman)-KMP
6. SKM Europe BV, Utrecht, The Netherlands.

**B. Description of Relationship between the parties:**

Presumption of significant influence



**C. Transaction Details**

S. No.	Particulars of the party	Relationship	Nature of Transactions	Amount (Rs. In Lacs)	
				2015-2016	2014-2015
1.	SKM Animal Feeds and Foods (India) Private Limited	Shri. SKM Maeilanandhan Whole-Time Director In SKM Egg Products Export India Limited is also a Whole-Time Director In S K M Animal Feeds And Foods India Private Limited	Sale of Egg Shell waste	14.30	17.12
2.	SKM Universal Marketing Company India Private Limited	Shri. SKM Shree Shivkumar (Managing Director) in SKM Egg Products Export (India) Limited Is also a Director in SKM Universal Marketing Company India Private Limited.	A. Details of Loans borrowed repayments and Interest Payments.	- -	475.00 29.98
			B. Sale and Purchase of Eggs, and Purchase of Electricity with SKM Universal Marketing Company (India) Private Limited other than borrowings.	14764.87	16,130
			C. Lease Rent Received From SKM Universal Marketing Company (India) Private Limited	--	1.27
3.	Shri. SKM Shree Shivkumar	Managing Director	Rent Paid to Managing Director	0.64	0.77
			Remuneration paid to Managing Director	163.10	173.94
			Details of Loans borrowed	-	-
			Repayments	700.00	595.00
			Interest payments	13.45	133.88
4.	Shri. SKM Maeilanandhan	Executive Chairman	Remuneration paid to Executive Chairman	163.06	173.94
			Details of Loans borrowed	-	-
			Repayments	-	-
			Interest payments	-	-
5.	SKM Europe Bv, Netherlands.	SKM Europe Bv, Utrecht, The Netherlands-Foreign Subsidiary Of SKM Egg Products Export (India) Limited	Sale Made (CIF Value)	2982.31	2044.00
6.	SKM Siddha and Ayurvedha Company (India) Private Limited	Shri. SKM Shree Shivkumar (Managing Director) in SKM Egg Products Export India Limited Is also Managing Director in SKM Siddha and Ayurvedha Company India Private Limited.	Purchase of feed supplementary	4.57	6.51

For and on behalf of the Board of Directors

Date : 01.08.2016

Place : Erode.

Sd/-  
SKM Shree Shivkumar  
Managing Director

**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 26.08.2016 to 02.09.2016 (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.
13. Details under regulation 36 of SEBI (Listing Obligations and disclosures requirements) Regulations 2015 and Secretarial Standards Issued by ICSI in respect of the director seeking reappointment at the AGM is furnished and Form a part of the notice.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“THE ACT”):**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

**Item No: 4 to 7**

**Re-Appointment of Managing Directors:**

The tenure of Shri.SKM.Shree Shivkumar, Managing Director ended on 24.06.2016 The board of directors at their meeting held on 25.05.2016 have re-appointed Shri.SKM.Shree Shivkumar, as Managing Director for a further period of 5 years commencing from 25.06.2016 ending 24.06.2021.

In view of the substantial and significant contribution made by Shri. SKM Shree Shivkumar and keeping in mind the multifarious operations involving constant directions for efficient handling of operations of the company the board felt that his re-appointment would be just and fair with the remuneration and perquisites as provided in the resolution.

The re-appointment of Shri.SKM.Shree Shivkumar as Managing Director and the payment of remuneration are in conformity with Schedule V of the Companies Act, 2013, and the same has been recommended by the Remuneration Committee and approved by the Board of Directors.

Yours directors recommend the resolution as set out in Item No.4 of the notice for the approval of the members.

**Re-Appointment of Executive Chairman:**

Shri SKM Maeilanandhan, who was appointed Executive Chairman by the members to hold office up to June 24, 2016 crossed/attained the age of 70 years and hence continuation of his employment as Executive Chairman requires the approval of members by way of a special resolution.

Section 196(3) of the Companies Act, 2013, inter alia, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Whole time director or Manager unless it is approved by the members by passing a special resolution. Part 1 of Schedule V to the Act contains a similar relaxation.

Keeping in view that Shri SKM Maeilanandhan has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time, it would be in the interest of the Company to continue the employment of Shri SKM Maeilanandhan as Executive Chairman designated as Executive Chairman.

In terms of the Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Board Governance, Nomination and Remuneration Committee, the Board of Directors of the Company passed a resolution on May 25, 2016 approving re-appointment of Shri SKM Maeilanandhan, as Executive Chairman (designated as "Executive Chairman") of the Company for a further period of five years with effect from June 25, 2016 to June 24, 2021. This is subject to the approval of the shareholders at this Annual General Meeting.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The details of remuneration payable to Shri. SKM Maeilanandhan are given below:

- I. Basic Pay Rs 1,90,000/- per month
- II. House Rent Allowance at 20% of the Basic pay.
- III. Reimbursement of Medical Expenses for self and family.
- IV. Reimbursement of expenditure incurred towards, not exceeding 10% of the Basic Pay, gas, electricity, water and furnishing.
- V. Payment of club fees, other than admission and life membership fees, subject to a maximum of two clubs.
- VI. Personal Accident Insurance Premium up to Rs 10,000/- per annum.
- VII. Leave Travel Concession for self and family members according to the rules of the Company.
- VIII. Shri SKM Maeilanandhan shall be eligible to the following perquisites, which shall not be included in the computation of remuneration specified above.
  - a. Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act 1961.
  - b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
  - c. Encashment of Leave at the end of the tenure.
- IX. The Company shall provide a car for official use on Company's business and telephone at the residence of Shri. SKM Maeilanandhan.

Yours directors recommend the resolution as set out in Item No.5 of the notice for the approval of the members.

**Item No. 6**

**Reclassification of Promoters /Promoters Group**

**1) Mr. M.Chandrasekar and 2) Mrs. C.Shyamala Sharmili holdings:**

Dr. M. Chandrasekar and Mrs.C. Shyamala Sharmili being promoters group of the company want 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

**Item No. 7**

**Related Party Transactions:**

As per provision of sub-section (1) of Section 188 read with rule 15 of Companies (Meeting of Board and its Powers) Rules 2014, a company (whether private, public or listed) needs to obtain prior approval of the Board of Directors and in case the related party transaction value of a company exceeds 10% of the annual turnover or rupees one hundred Crores whichever is lower as per the last audited financial statements the prior approval of shareholders by way of a Special Resolution is required for the following related party transactions:

- a) sale, purchase or supply of any goods or materials;
- b) selling or otherwise disposing of, or buying, property of any kind;
- c) leasing of property of any kind;
- d) availing or rendering of any services;
- e) appointment of any agent for purchase or sale of goods, materials, services or property;
- f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- g) under writing the subscription of any securities or derivatives thereof, of the company.

None of the

(i) Directors or the Manager;

(ii) Other Key Managerial Personnel; and

(iii) Relatives of the persons mentioned in (i) and (ii) above is deemed to be concerned or interested in the above said resolution, except Shri. SKM Shree Shivkumar (Managing Director), Shri. SKM Maeilanandhan (Executive Chairman), Smt. Shivkumar Kumutaavalli (Non-executive Director) and as a member of the Company.

For and on behalf of the Board of Directors

Place : Erode.

Date : 01.08.2016

Sd/  
SKM Shree Shivkumar  
Managing Director

**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 20.08.2016 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**

1. 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 Regulations 44 of SEBI (Listing Obligation & 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 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).

2. The facility for voting through polling 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 polling paper.
3. 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.
4. The remote e-voting period commences on 30.08.2016 (9.00 am) and ends on 01.09.2016 (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 26.08.2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.
5. Once the vote on a resolution is cast by the members, the member shall not be allowed to change it subsequently.
  - A. In case a member receives an email from NSDL (for members whose email IDs are registered with the Company/Depository Participants):
    - 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.
    - II. Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
    - III. Click on Shareholder- Login
    - IV. Put user ID and password as initial password/PIN noted in step (I) above. Click login.
    - V. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combinations 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.
  - 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 or requesting physical copy):
    - I. Initial password is provided as below/at the bottom of the Attendance slip for the AGM For remote e-voting Event Number, USER ID, PASSWORD/PIN
    - II. Please follow all steps from S. No. (II) to S. No (XI) above, to cast vote.
6. In case 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.
7. You can also update your mobile number and Mail ID in the user profile details of the folio which may be used for sending future communications.

8. 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 26.08.2016 (i.e, seven days before the date of AGM for determining eligibility to vote by electronic means or in general meeting)

However, 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. If you forgot your password, you can reset your password by using “Forgot User Details / Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com). or contact NSDL at the following toll free no.: 1800-222-990.

9. 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.
10. 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 polling paper.

11. Mr. V. Ramkumar,  
Company Secretary in Practice,  
Old No: 8, New No: 23, East Arokiasamy Street,  
R.S. Puram, Coimbatore-641 002,

has been appointed 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.

12. 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 “Poling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting.
13. 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 atleast two witnesses not in the employment of the Company and shall make, not later than 3 days of the conclusion of 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 counter sign the same and declare the result of the voting forthwith.
14. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.skmeegg.com](http://www.skmeegg.com) and on the website 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 and NSE Limited, Mumbai.

**For and on behalf of the Board of Directors**

Date : 01.08.2016

Place : Erode

Sd/-

SKM Shree Shivkumar  
Managing Director

**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.**

<b>Name</b>	<b>Smt. S. Kumutaavalli</b>
DIN	00002390
Date of Birth	30.03.1973
Nationality	Indian
DOA on the Board	29.10.2010
Relationship with other Director	Shri SKM Shree Shivkumar - Husband
Qualification	B.A. (CS), M.Sc. (Psychotherapy and Counseling)
	Diploma in Export Import Management
	Diploma in Advanced Information Management
Expertise in area	More than 10 years of Experience
No. of Shares held	10005
Terms of appointment or reappointment	Liable to Retire rotation
Remuneration sought to be paid	Sitting Fees only
Remuneration last drawn	Rupees 5,000 paid as sitting fees
No. of Board meetings attended	5
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 Developers India Private Limited SKM Shree Herbals India Private Limited SKM Shrees Properties India Private Limited
Chairman / Member of the Committees of the Board of other Companies in which she is Director	Nil



## BOARD OF DIRECTORS' REPORT

Dear Shareholders,

Your Board of Directors has immense pleasure in presenting the 21st Annual Report of SKM EGG PRODUCTS EXPORT (INDIA) LIMITED along with the Audited Financial Statement of Accounts for the year ended 31st March, 2016.

### 1. SUMMARISED FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Financial Parameters For the Year ended	31st March 2016	31st March 2015
Total Income	28,268.56	28,714.86
Profit/ (Loss) before Interest and Depreciation and Tax	4,775.99	5,317.06
Less: Financial Cost	253.58	503.62
Depreciation & Amortization	1,207.51	1,330.87
Profit Before tax	3,314.90	3,482.58
Less: Provision for Tax		
Current	1223.38	467.34
MAT Credit entitlement	0.00	0.00
Deferred Tax	(173.45)	496.50
Profit After Tax and available for appropriation	2,264.97	2,518.74
Appropriations		
Proposed dividend	263.30	263.30
Dividend Distribution Tax	53.91	53.91
Surplus carried to Balance Sheet	1947.76	2,201.53

### 2. OPERATIONS:

The Company's total revenue is Rs.282.69 Crores during the current year as against Rs.287.15 Crores during the previous year. The export during the year has been Rs.254.83 Crores as compared to Rs.258.74 Crores during the previous year 2014-15.

**3. DIVIDEND:**

The Board of Directors meeting held on 16 th March, 2016 declared interim dividend at the rate of Rs. 1/- per equity share on face value of Rs. 10/- each for the financial year 2015-16. Hence, your directors have not recommended any final dividend for the financial year 2015-16.

**4. AMOUNTS TRANSFERRED TO RESERVES:**

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

<b>Reserve</b>	<b>Amount (Rs)</b>
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, 2016 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:**

The Company has obtained a Certificate from its Statutory Auditors regarding compliance of the conditions of Corporate governance, as stipulated in Regulations 27 of SEBI (Listing Obligation & Disclosure requirements) Regulations, 2015, which together with this Report on Corporate Governance is annexed to the Directors' Report and shall be sent to all the members of the Company and the Stock Exchanges along with the Annual Report of the Company. (Refer Appendix - A).

**7. DEMATERIALISATION OF SHARES:**

88% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2016 and balance 12% 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 HELD :**

The Board of Directors duly met 5 times during the financial year from 1st April, 2015 to 31st March, 2016. The dates on which the meetings were held are as follows: 20.05.2015, 29.07.2015, 30.10.2015, 27.01.2016, and 16.03.2016.

**9. INVESTOR EDUCATION AND PROTECTION FUND:**

As per the Companies Act 2013, dividend unclaimed for more than seven years from the date of declaration is to be transferred to investor education and protection fund. During the financial year 2015-16 the Company has not transferred any fund.

**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 (Listing Obligation & Disclosure requirements) Regulations, 2015, 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.

The Directors confirm that the Internal Financial Controls (IFC) are adequate with respect to the operations of the Company. A report of Auditors pursuant to Section 143(3) (I) of the Companies Act, 2013 certifying the adequacy of Internal Financial controls is annexed with the Auditors Report.

**12. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

The Board of Directors had formed a CSR comprising of 1.Dr.L.M.Ramakrishnan, 2.Shri.C.Devarajan, and Smt.S.Kumutaavalli. During the year 2015-2016, the Committee met once i.e. on 16.03.2016.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)

The report on CSR activities form a part of financial statement.

**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.

**14. RELATED PARTY TRANSACTIONS:**

All the transaction entered into with 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 for its omnibus approval. 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 thereunder and the Listing Agreement. This Policy was considered and approved by the Board has been uploaded on the website of the Company at [www.skmeegg.com](http://www.skmeegg.com).

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

Considering the nature of activities of the Company, the provisions of Section 134(3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Appendix-B to this report.

**16. EXTRACT OF ANNUAL RETURN:**

The extract of the Annual Return pursuant to the provisions of section 92, of the Company Act, 2013 read with rule 12 of the companies management and administrative rule, 2014 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 Obligation & Disclosure requirements) Regulations, 2015, as at the end of corporate financial year 2016, the total Board strength comprises of the following:

Executive Director	<b>2</b>
Non-Independent Directors & Non-Executive Directors	<b>2</b>
Independent Directors	<b>5</b>
Nominee Director - TIDCO	<b>1</b>
Total Strength	<b>10</b>

**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 SKM Siddha and Ayurvedha Company (India) Private Limited SKM Universal Marketing Company India Private Limited Agro Corpex India Limited	Whole-time Director Director Director Director
Shri.SKM Shree Shivkumar (Managing Director)	SKM Siddha and Ayurvedha Company (India) Private Limited SKM Universal Marketing Company India Private Limited SKM Shrees Farms India Private Limited SKM Shree Developers India Private Limited SKM Shree Herbals India Private Limited SKM Shree Energy India Private Limited SKM Shrees Properties India Private Limited	Managing Director Director Director Director Director Director Director
Smt.S.Kumutaavalli (Non-Executive Director)	SKM Siddha and Ayurvedha Company (India) Private Limited SKM Universal Marketing Company India Private Limited SKM Shree Developers India Private Limited SKM Shree Herbals India Private Limited SKM Shrees Properties India Private Limited	Whole-Time Director Director Director Director Director
Shri.S.M.Venkatachalapathy (Non-Executive Director)	SKM Siddha and Ayurvedha Company (India) Private Limited SKM Shrees Farms India Private Limited SKM Shree Energy India Private Limited	Director Director Director
Shri.P. Kumarasamy (Independent Director)	SKM Universal Marketing Company India Private Limited	Director
Dr.L.M.Ramakrishnan (Independent Director)	Ponni Sugars(Erode) Ltd Knitvel Needles (PVT) Ltd (India) Limited Erode Medical Suppliers(P) Ltd Hawker & West off Shoring Consulting Services (P)Ltd	Director Director Managing Director Director
Shri.C.Devarajan (Independent Director)	Bharathiya School of Management OREOPS Framework Private Limited Madras Institute of Project Management Consultancy (P) Ltd URC Creative Developers (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 Managing Director Director Director Managing Director Managing Director Director Director Director Director
Shri.M.Chinnian (Independent Director)	SKM Universal Marketing Company India Private Limited	Director

<b>Name of the Director and Designation</b>	<b>Name of the Company</b>	<b>Position</b>
Shri.B.Ramakrishnan (Nominee Director) TIDCO	Vishnu Fabrics Private Limited Occimum Pharma Private Limited Saptarishi Agro Industries Limited Sattva Agro Expo Private Ltd Devaraj Agro Industries Private Limited Nilgiris Flower Company Limited Intgen Agro Products Limited Tamil nadu Telecommunication Limited	Director Director Director Director Director Director Director Director
Shri.D.Venkateswaran (Independent Director)	Balkart Brothers (India) Private Limited Ulavan Producer Company Limited Mega Agri Business Consortium Producer Company Ltd.	Director Director Director

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

<b>S.No.</b>	<b>Name of Directors</b>	<b>Audit Committee</b>	<b>Stakeholders Relationship Committee</b>	<b>Nomination and Remuneration Committee</b>	<b>Corporate Social Responsibility Committee</b>
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.PKumarasamy	-	Chairman	-	-
8.	Shri.D.Venkateswaran	-	-	-	-

**17.1 ANNUAL EVALUATION OF THE BOARD 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.

**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 disclosures requirements) Regulations 2015.

**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.

**17.3 MEETINGS**

During the year Five Board Meetings and One independent directors' meeting were held. The Details of which are given in Corporate Governance Report.

**17.4 AUDIT COMMITTEE:****i) Terms of reference:**

The Audit Committee reviews the audit report 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 SEBI (Listing Obligations and disclosures requirements) 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 to companies act, 2013 with respect to rejection of any recommendations 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. 20.05.2015, 29.07.2015, 30.10.2015, and 27.01.2016.

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

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

**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 the Committee had 3 meetings on 20.05.2015, 29.07.2015 and 27.01.2016.

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

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

**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 one Non-Executive and two 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 20.05.2015, 29.07.2015, 30.10.2015 and 27.01.2016.

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

NAME	POSITION	NO.OF MEETINGS	
		HELD	ATTENDED
Shri. P. Kumarasamy	Chairman	4	4
Shri. LM. Ramakrishnan	Member	4	4
Shri. M. Chinnian	Member	4	3

**iv) Name and Designation of Compliance Officer:**

**Mr. Sekar. P Company Secretary and Compliance Officer.**

**Shareholder's Services:**

S.No.	Nature of Complaints		2015-2016
	Received	Answered	
1st Quarter	-	-	-
2nd Quarter	-	-	-
3rd Quarter	-	-	-
4th Quarter	-	-	-

**17.7 GENERAL BODY MEETINGS:**
**Location and time for the last two AGMs:**

Year	Date	Venue	Time	Special Resolution
<b>2013-2014</b>	10.09.2014	N.S.A Mahal, Club Melaange, 314,315, Perundurai Road, Erode - 638 011	4.00 P.M	Special Resolutions have been passed
<b>2014-2015</b>	23.09.2015	N.S.A Mahal, Club Melaange, 314,315, Perundurai Road, Erode - 638 011	4.00 P.M	Special Resolutions have been passed

**18. INDEPENDENT DIRECTORS MEETING:**

During the year under review, the Independent Directors of the Company met on 16.03.2016, 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 time lines 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 necessary declaration from each independent director under section 149(7) of the Companies Act, 2013 that they meet the criteria of independence laid down in section 149(6) of the Companies Act, 2013, and SEBI (Listing Obligations and disclosures requirements) Regulations 2015.

**20. 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.

**21. 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.

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

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.

The board has approved a policy for determining material subsidiary which has been uploaded on the company's website viz. [www.skmegg.com](http://www.skmegg.com)

**23. FIXED DEPOSITS**

During the year the company did not accept or renew any fixed deposits and no fixed deposits remained unclaimed with the company as on 31st March 2016.

**24. 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 2015 - 2016 : NIL
- b. No. of complaints disposed of during the year 2015 - 2016 : NIL
- c. Nature of action taken by the employer/district officer : NIL

**25. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mrs. S. Kumutaavalli, Director of the company retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. Your Directors recommend her re-appointment.

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.

**26. MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis Report for the year under review as stipulated under SEBI (Listing Obligations and disclosures requirements) Regulations 2015 with the stock exchanges in India is presented in a separate section forming part of this Annual Report in Appendix-D.

**27. 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, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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 as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 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.

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

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

**29. 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, 2016.

**30. AUDITORS:**

**30.1 STATUTORY AUDITORS**

M/s. N.C. Rajagopal & Co., Chartered Accountants, Erode (Firm Registration No.003398S), the present statutory auditors of the company retires at the ensuing Annual General Meeting and are eligible for reappointment, and the Company proposes to reappoint M/s. N.C. Rajagopal & Co., Chartered Accountants as statutory auditors of the company from the conclusion of the ensuing Annual General Meeting up to the conclusion of next Annual General Meeting of the Company.

**30.2 SECRETARIAL AUDITOR**

The Board had in its meeting dated 29th July 2015, appointed Mr. V. Ramkumar, Company Secretary in Practice, Coimbatore. (CP No.:3832, Membership No: FCS 8304), to undertake the secretarial audit of the company for the year ended 31st March 2016, in compliance with the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014,.

**30.3 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.

**31. 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.

**32. 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.

**33. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

No Loans given, investment made, guarantees given and securities provided pursuant to the provisions of section 186 of the Companies Act, 2013 during the year 2015 - 16.

**34. PARTICULARS OF EMPLOYEES:**

Details pursuant to section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of managerial personnel) Rules 2014 form part of this report as Appendix - E.

**35. 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

<b>NSE</b>			
<b>Month</b>	<b>High (Rs)</b>	<b>Low (Rs)</b>	<b>Quantity (Nos)</b>
<b>Apr-15</b>	<b>193.95</b>	<b>141.30</b>	<b>5,47,642</b>
<b>May-15</b>	<b>176.70</b>	<b>125.00</b>	<b>2,84,017</b>
<b>Jun-15</b>	<b>140.00</b>	<b>110.10</b>	<b>1,93,434</b>
<b>Jul-15</b>	<b>154.00</b>	<b>121.25</b>	<b>17,93,358</b>
<b>Aug-15</b>	<b>147.00</b>	<b>111.00</b>	<b>11,32,141</b>
<b>Sep-15</b>	<b>158.00</b>	<b>123.60</b>	<b>13,20,367</b>
<b>Oct-15</b>	<b>225.00</b>	<b>157.80</b>	<b>6,74,526</b>
<b>Nov-15</b>	<b>194.90</b>	<b>145.00</b>	<b>2,04,555</b>
<b>Dec-15</b>	<b>185.90</b>	<b>160.10</b>	<b>1,57,736</b>
<b>Jan-16</b>	<b>194.90</b>	<b>121.00</b>	<b>23,92,632</b>
<b>Feb-16</b>	<b>130.00</b>	<b>78.60</b>	<b>29,98,775</b>
<b>Mar-16</b>	<b>119.00</b>	<b>83.00</b>	<b>32,60,947</b>

**36. SECRETARIAL AUDIT REPORT:**

Secretarial Audit Report in prescribed format MR 3 given by the Company Secretary In Practice is annexed to the Board Report. (Refer Appendix-F).

**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. The Company has duly complied with all the mandatory listing agreement.

**39. INDUSTRIAL RELATIONS:**

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

**40. CEO/CFO CERTIFICATION:**

Under Regulation 33 (2) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Chief Executive Officer and Chief Financial Officer of the Company have certified regarding the Certification of the Financial Statements for the year has been submitted to the board of Directors in its meeting held on 25th May 2016. which is annexed to this Report in Appendix-I.

**41. MEANS OF COMMUNICATION:**

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

**42. GENERAL INFORMATION FOR SHAREHOLDERS****ANNUAL GENERAL MEETING**

Date : 02.09.2016  
Time : 4.00 P.M  
Venue : Regd. Office : 185, Chennimalai Road, Erode - 638 001.  
Financial Year : 1st April 2015 to 31st March 2016  
Period of Book Closure : 26.08.2016 to 02.09.2016

**FINANCIAL CALENDER:**

Approval of quarterly results for the period ending:

1. 30<sup>th</sup> June 2015 : 29<sup>th</sup> July 2015  
2. 30<sup>th</sup> September 2015 : 30<sup>th</sup> October 2015  
3. 31<sup>st</sup> December 2015 : 27<sup>th</sup> January 2016  
4. 31<sup>st</sup> March 2016 : 25<sup>th</sup> May 2016

**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 company has been very well supported from all quarters and therefore your directors wish to place on record their sincere appreciation for the support and co-operation received from Employees, Dealers, Suppliers, Central and State Governments, Bankers and others associated with the Company. Your Directors wish to thank the banks, financial institutions, shareholders and business associates for their continued support and cooperation. We look forward to receiving the continued patronage from all quarters to become a better and stronger company.

**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 : 25.05.2016

Place : Erode

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 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 on 31.03.2016
		Board Meeting	Last AGM	Directorship	Committee Membership	
Shri. SKM Maeilanandhan	Executive Chairman	5	Yes	4	NIL	10000
Shri. SKM Shree Shivkumar	Managing Director	4	Yes	7	NIL	11981672
Smt. S. Kumutaavalli	Director	5	Yes	5	NIL	10005
Dr. L.M. Ramakrishnan	Independent Director	5	Yes	4	NIL	NIL
Shri. C. Devarajan	Independent Director	3	No	13	NIL	5,000
Shri. M. Chinnian	Independent Director	4	Yes	1	NIL	4000
Shri. P. Kumarasamy	Independent Director	5	Yes	1	NIL	NIL
Shri. S. M. Venkatachalapathy	Director	4	Yes	3	NIL	15005
Shri. B. Ramakrishnan	TIDCO Nominee	4	Yes	8	2	1995800
Shri. Doraisamy Venkateswaran	Independent Director	5	Yes	3	NIL	NIL



Five Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows: 20.05.2015, 29.07.2015, 30.10.2015, 27.01.2016, and 16.03.2016.

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 :

Shri.SKM Maeilanandhan (DIN: 00002380) 72 years of age, the Executive Chairman of the. He holds 10,000 shares in the Company.

He is also Director in SKM Siddha And Ayurvedha Company (India) Private Limited, SKM Animal Feeds and Foods India Private Limited, Agro corpex India Limited And SKM Universal Marketing Company Indi Private Limited including SKM Egg Products Export India Limited. Shri. SKM Maeilanandhan is a father of Shri. SKM Shree Shivkumar who is the Managing Director of the Company.

Shri SKM Shree Shivkumar (DIN: 00002384) 48 years of age, Managing Director of the Company. He holds 1,19,81,672 shares.

He is also Managing Director in SKM Siddha And Ayurvedha Company (India) Private Limited, director in SKM Universal Marketing Company India Private Limited, SKM Shree Herbals India Private Limited, SKM Shrees Properties India Private Limited, SKM Shree Farms India Private Limited, SKM Shree Developers India Private Limited and SKM Shree Farms India Private Limited including SKM Egg Products Export India Limited. Shri. SKM Shree Shivkumar is a son of Shri. SKM Maeilanandhan who is the Executive Chairman of the Company

**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.

**BOARD COMMITTEES**

The terms of reference of Board Committees are determined by the Board from time to time. Presently the Company has four committees i.e Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and CSR 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**

All the members of the audit committee comprising of two Independent Directors and a Nominee Director. The Quorum for audit committee is two. 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 2015-16 are given below:

Name	Status	Category	No. of Meeting Attended during the year 2015-2016	
			Held	Attended
Shri. M. Chinnian	Chairman	Independent Director	4	3
Dr. L.M. Ramakrishnan	Member	Independent Director	4	4
Shri. B. Ramakrishnan	Member	Nominee Director	4	4

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

The company secretary acts as the secretary to the committee.

#### **NOMINATION AND REMUNERATION COMMITTEE**

The remuneration committee was renamed and reconstituted as Nomination and Remuneration Committee at a board meeting held on 30.07.2014.

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 2014-2015.	
			Held	Attended
Dr.L.M.Ramakrishnan	Chairman	Independent Director	3	3
Shri.S.M.Venkatachalapathy	Member	Non-Executive Director	3	2
Shri.M.Chinnian	Member	Independent Director	3	3

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Shareholders / Investors Grievance Committee was renamed and reconstituted as Stakeholders Relationship Committee at a board meeting held on 30.07.2014.

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 2015-2016	
			Held	Attended
Shri.P.Kumarasamy	Chairman	Independent Director	4	4
Dr.L.M.Ramakrishnan	Member	Independent Director	4	4
Shri.M.Chinnian	Member	Independent Director	3	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 16.03.2016, 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:

<b>Name</b>	<b>Status</b>	<b>Category</b>	<b>No. of Meeting during the year 2015-2016</b>	
			<b>Held</b>	<b>Attended</b>
Dr. L.M. Ramakrishnan	Director	Independent Director	1	1
Shri. M. Chinnian	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

**AUDITOR'S CERTIFICATE ON 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 31<sup>st</sup> March 2016, 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.

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

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

Place : Erode  
Date : 25.05.2016

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

PARTICULARS	2015 - 2016	2014 - 2015
<b>(I) POWER AND FUEL CONSUMPTION</b>		
<b>(1) Electricity</b>		
a. Purchased units (Kwh)	78,18,600.00	71,96,000.00
Total Amount (Rs.)	5,98,87,281.00	4,90,37,246.00
Rate / Unit (Rs.)	7.66	6.81
b. Own Generation through Diesel Generator		
Units (Kwh)	6,33,747.00	14,25,610.00
Total Amount	81,40,506.00	2,01,77,295.00
Units per litre of Diesel Oil	3.24	3.44
Cost/Unit (Rs.)	12.85	14.15
<b>(2) Furnace Oil</b>		
Quantity (Liters)	4,33,600.00	1,01,700.00
Total Cost (Rs.)	88,29,408.00	41,82,468.00
Average Rate (Rs.)	20.36	41.13
<b>(3) Fire Wood</b>		
Quantity (Metric Tons)	10,004.00	13,243.00
Total Cost (Rs.)	5,43,36,950.00	5,45,94,996.00
Average Rate (Rs.)	5,432.00	4,123.00
<b>(II) CONSUMPTION PER UNIT OF PRODUCTION</b>		
Product - Egg Powder (Metric Tons)	6,141.00	7,599.00
Electricity (Rs. Per Metric Tons)	11,078.00	9,108.00
Fuel (Rs. Per Metric Ton)	10,287.00	7,735.00
<b>FOREIGN EXCHANGE EARNINGS AND OUTGO : (Rs. In lacs)</b>		
Earnings :	25,625.00	25,876.00
Outgo :	890.00	855.00

**CONSERVATION OF ENERGY:**

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

1. Started using wind energy to a tune of 55% by way of purchasing from third party
2. Implemented to changing over to CFL and LED lighting system
3. Electrical Energy saving Audit done through Kongu Engg college- Erode
4. Steam Energy saving Audit done through Forbess marshell – Pune

**TECHNOLOGY ABSORPTION :**

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

**RESEARCH AND DEVELOPMENT:**

Research and Development wing of the company developing an alternate enzyme for manufacturing Egg yolk powder - Heat stable yolk which involves process re-engineering and arriving new process parameters. Also, in the process of changing the feed formulation to arrive the customers requirement of egg powders with a modified free fatty acid profile. The company is doing trials in its poultry farm to produce different quality of eggs by making changes in feed formulation to meet the above requirements.

**For and on behalf of the Board**

**Date : 25.05.2016**

**Place : Erode**

**Managing Director**

**DIN: 00002384**



## EXTRACT OF ANNUAL RETURN

## Form MGT-9

**EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2016 of SKM EGG PRODUCTS EXPORT INDIA LIMITED [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:	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.
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	219.90	32.01%
2.	Egg Albumine Powder	219.90	40.82%
3.	Whole Egg Powder	219.90	22.56%

## 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 Netherlands	Subsidiary	85% (15300 Shares)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

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. 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	1,42,88,202	54.27	NIL

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. (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
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	1,42,88,202	NIL	1,42,88,202	54.27	NIL

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	
B. Public Shareholding									
1. Institutions									
a) Mutual Fund	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Fund	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FII	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
l) Others	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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	
2. Non Institution									
a) Bodies Corp									
i) Indian	485171	10000	495171	1.881	725548	10000	735548	2.794	0.913
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4501920	2650152	71520702	27.164	5165727	1978462	7144189	27.33	-0.031
ii) Individual shareholders holding nominal share capital in excess Rs. 1 lakh	1699774	158200	1857574	7.056	1521812	97800	1619612	6.151	-0.905
c) Others (specify)									
(d-i) Trusts	14784	NIL	14784	0056	14,784	NIL	14784	0.06	0
(d-ii) Directors & their relatives	15005	12505	27510	0.104	19005	12505	31510	0.120	-0.06
(d-iii) Non Resident Indians	1041393	21100	1362493	4.035	1137330	0	1137330	4.320	0.285
(d-iv) Overseas corporate bodies	0	1092100	1092100	4.035	0	1092100	1092100	4.148	0

(d-v) Cleaning Members	200049	NIL	200049	0.760	112291	NIL	112291	0.426	-0.334
(d-vi) Hindu undivided Families	139645	NIL	139645	0.530	137804	NIL	137804	0.523	-0.007
Sub-total (B) (2)	8097741	3944057	12041798	45.73	8850931	3190867	12041798	45.73	0
Total Public Share holding of Promoter (B) = (B1) + (B2)	8097741	3944057	12041798	45.73	8850931	3190867	12041798	45.73	0
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	
C. Shares held by Custodian GDR & ADRs									
	0	0	0	0	0	0	0	0	0
Grand Total	22385943	3944057	26330000	100	23139133	3190867	26330000	100	0

**(ii) Shareholding of Promoters**

S.No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of 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	% change in share holding during the year
1.	SKM Maeilanandhan	200000	0.76	0	10000	0.038	0	-0.722
2.	SKM Shree Shivkumar	11791672	44.78	28.603	11981672	45.506	28.149	0.722
3.	S.Kumutaavalli	10005	0.04	0	10005	0.04	0	0
4.	TIDCO	1995800	7.58	0	1995800	7.58	0	0
5.	S.M. Venkatachalapathy	15005	0.057	0	15005	0.057	0	0

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	SKM Shree Shivkumar				
	At the beginning of the year	11791672	44.789	-	-
	01.04.2015 Inter Se Transfer	0	0	190000	0.722
	At the end of the year			11981672	45.505

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	SKM Maeilanandhan				
	At the beginning of the year	200000	0.760	-	-
	01.04.2015 Inter Se Transfer	0	0	190000	0.722
	At the end of the year			10000	0.038

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Belovo Engineering S.C.	10,92,100	4,148	10,92,100	4,148
2	Shaaji Palliyath	4,59,019	1,744	0	0
3	Subodh N Purohit	3,00,000	1,139	3,00,000	1,139
4	Anu Narayan	2,61,921	0,995	2,53,190	0,962
5	Mable Rajesh	1,95,025	0,741	0	0
6	Rajesh Joseph	1,05,610	0,401	0	0
7	Sigi Jose	1,00,000	0,380	0	0
8	Anu Narayan	99,728	0,379	99,728	0,379
9	Azim Khan Pathan	80,000	0,304	8,000	0,030
10	Karvy Stock Broking Ltd	59,912	0,227	68,832	0,260
11	Globe Capital Market Ltd	7,407	0,028	1,10,272	0,419
12	Nitin Pachare	0	0	1,09,000	0,414
13	Saurabh Aggarwal	0	0	1,00,000	0,380
14	Malathy V	7,500	0,028	81,500	0,309
15	Thayumanavan Bhaskaranar	35,500	0,135	63,125	0,240



**(v) Shareholding of Directors and Key Managerial Personnel:**

S.No.	Shareholding beginning of the year			Cumulative Shareholding during the year the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri. SKM Maeilanandhan - Executive Chairman				
	At the beginning of the year	200000	0.76	Nil	Nil
	Datewise decrease	Nil	Nil	190000	0.72
	At the End of the year			10000	0.04
2	Shri. SKM Shree Shivkumar - Managing Director				
	At the beginning of the year	11791672	44.78	Nil	Nil
	Datewise Increase	Nil	Nil	190000	0.72
	At the End of the year			11981672	45.51
3	Smt. S. Kumutaavalli - Non-Executive Director				
	At the beginning of the year	10005	0.04	Nil	Nil
	Datewise Increase/decrease	Nil	Nil	Nil	Nil
	At the End of the year			10005	0.04
4	Shri. B. Ramakrishnan - Nominee Director TIDCO				
	At the beginning of the year	1995800	7.58	Nil	Nil
	Datewise Increase/decrease	Nil	Nil	Nil	Nil
	At the End of the year			1995800	7.58

**(v) Shareholding of Directors and Key Managerial Personnel:**

S.No.	Shareholding beginning of the year			Cumulative Shareholding during the year the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	Dr. L.M. Ramakrishnan - Independent 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
6	Shri. S.M. Venkatachalapathy - Non-Executive Director				
	At the beginning of the year	15005	0.057	15005	0.057
	Datewise Increase/decrease	Nil	1.749	Nil	Nil
	At the End of the year			15005	0.057
7	Shri.C. Devarajan - Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Datewise Increase/decrease	Nil	Nil	Nil	Nil
	At the End of the year			Nil	Nil
8	Shri.M. Chinnian - Independent Director				
	At the beginning of the year	24000	0.091	Nil	Nil
	Datewise Increase/decrease	Nil	Nil	20000	0.076
	At the End of the year			4000	0.015

**(v) Shareholding of Directors and Key Managerial Personnel:**

S.No.	Shareholding beginning of the year			Cumulative Shareholding during the year the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	Shri. P. Kumarasamy- Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Datewise Increase/decrease	Nil	Nil	Nil	Nil
	At the End of the year			Nil	Nil
10	Shri. D. Venkateswaran- Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Datewise Increase/decrease	Nil	Nil	Nil	Nil
	At the End of the year			Nil	Nil
11	Shri. K.S. Venkatachalapathy, Chief Financial Officer				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Datewise Increase/decrease	Nil	Nil	Nil	Nil
	At the End of the year			Nil	Nil
12	Shri. P. Sekar, Company Secretary				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Datewise Increase/decrease	Nil	Nil	Nil	Nil
	At the End of the year			Nil	Nil

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits`	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	36,45,06,778	5,00,00,000	Nil	41,45,06,778
ii) Interest due but not paid	-	-	Nil	-
iii) Interest accrued but not due	-	-	Nil	-
<b>TOTAL (i+ii+iii)</b>	<b>36,45,06,778</b>	<b>50,000,000</b>	<b>Nil</b>	<b>41,45,06,778</b>
<b>Changes in Indebtedness during the Financial Year</b>				
Addition	1,15,00,000	21,344,658	-	3,28,44,658
Reduction	1,68,05,061	71,344,658	-	8,81,49,719
<b>Net Change</b>	<b>(53,05,061)</b>	<b>(5,00,00,000)</b>	<b>Nil</b>	<b>(5,53,05,061)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	35,92,01,717	-	Nil	35,92,01,717
ii) Interest due but not paid	-	-	Nil	-
iii) Interest accrued but not due	-	-	Nil	-
<b>TOTAL (i+ii+iii)</b>	<b>35,92,01,717</b>	<b>-</b>	<b>Nil</b>	<b>35,92,01,717</b>

**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.SKMShree Shivkumar Managing Director	Shri.SKM Maeilanandhan Executive Director	Total
	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27,72,000	29,26,000	56,98,000
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	2,87,707	1,29,616	4,17,323
	Commission as % on Profits	1,32,50,000	1,32,50,000	2,65,00,000
		Total (A)		3,26,15,323
	Over all ceiling as per the Act	10% of the Net Profit		

**B. REMUNERATION TO OTHER DIRECTORS:**

Sl.No.	Particulars of Remuneration Independent Directors	Names of Directors (Independent Directors)					Total Amount
		Dr.L.M. Ramakrishnan	Mr.C. Devarajan	Mr.M.Chinn ian	Mr.PKumar asamy	Mr.D.Venka teswaran	
	Fee for attending board committee meetings	5,000	3,000	4,000	5,000	5,000	22,000
	Commission	-	-	-	-	-	-
	Others, please specify						
	Total(1)	5,000	3,000	4,000	5,000	5,000	22,000
	4. Other Non Executive Directors	Names of Non Executive Directors					
		Mr.S.M.Venkatac halapathy	Smt.S.Kumut aavalli	Mr. B. Rama krishnanan			
	Fee for attending board committee meetings	4,000	5,000	4,000			
	Commission	-	-	-			
	Others, please specify	-	-	-			
	Total (2)	4,000	5,000	4,000			13,000
	Total (B)=(1+2)						35,000
	Total Managerial Remuneration overall Ceiling as per the Act	(A+B)					3,26,50,323

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Shri.K.S.Venkatachalapathy Chief Financial Officer A	Shri.P.Sekar, Company Secretary B	Total
	Gross salary (A) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,97,500	3,71,016	22,68,516
	(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 (A+B)	18,97,500	3,71,016	22,68,516

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

S.No	Sec of Companies Act	Brief Description	Details of penalty /punishment /Compounding offences	Authority(RD/N CLT/Court	Appeals made(if any)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

**MANAGEMENT DISCUSSION AND ANALYSIS**

Key factors which affect the performance of the Company:

1. The Company recorded revenue of Rs.28,269 lacs (including other income of Rs.1,311 lacs) for the year ended 31st March, 2016 as against Rs.28,715 lacs (including other income of Rs.1,581 lacs) in the previous year ended 31st March, 2015
2. The Profit before tax was at Rs.3,315 lacs for the year ended 31st March,2016 as compared to Rs.3,483 lacs) during the corresponding in the last year.
3. The Net Profit was at Rs.2,265 Lacs as on 31.03.2016 as against Rs.2,519 lacs) in the previous year ended 31.03.2015
4. The quantity sold during the year 2015-16 stood at 6,603 MT, when compared to 7375 MT during the previous year ended 31st March,2015.

**Capital expenditure and funding:**

- I. The Capital Expenditure incurred and funded for the year is Rs.789 lacs of which Rs.138 lacs pertaining to plant and machinery.
- II. During the year under review, your company has sold /deleted /adjusted assets worth Rs.287 lacs.

**CORPORATE GOVERNANCE**

A detailed report on corporate governance together with a certificate from the Statutory Auditors, in compliance with Listing Regulation, 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 for more than half of the Rs.500 crore exports out of 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 - in Nissin and Tate & 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 out affairs. The company is eyeing the domestic B2C segment by traducing tetra packs in various sizes.

## **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 Europe, Far East and South East Asian countries. Since we are able to maintain good relationship with customers and getting repeat orders for the past 19 years, particularly from the major markets of Japan and Europe.

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.

Our recent new product of Egg Liquid is highly acceptable in Europe and Middle East countries, and successfully penetrating in these markets.

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.

Recently we have entered Nigeria and South Africa markets where we expect the requirement of egg product is good and hope, we will have long and more business in these regions. We have successfully delivered trial shipment to Russia. There is good scope for Egg Albumen and Egg Yolk products. We have submitted our samples with our Russian customers and they are mutually accepted/approved by them. We have scheduled first shipment by sea during this week 18 - 22nd May.

## **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.



**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 2015-16 and Ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2015-16:-

Name of the Director / Key Managerial Personnel	% increase in remuneration in the Financial Year 2015-2016	Ratio of the remuneration to the median remuneration of the employees
Shri SKM Maeilanandhan	Nil	17.77 : 1
Shri SKM Shree Shivkumar	Nil	16.84 : 1
Smt.S.Kumutaavalli	Nil	—
Shri SM Venkatachalathy	Nil	—
Dr.LM.Ramakrishnan (Independent Director)	Nil	—
Shri.C.Devarajan (Independent Director)	Nil	—
Shri.P.Kumarasamy (Independent Director)	Nil	—
Shri.M.Chinnian	Nil	—
Dr.LM.Ramakrishnan (Independent Director)	Nil	—
Dr.LM.Ramakrishnan (Independent Director)	Nil	—
Dr.LM.Ramakrishnan (Independent Director)	Nil	—
Dr.LM.Ramakrishnan (Independent Director)	Nil	—

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: 21%
- b. The number of permanent employees on the rolls of company: 267

**b. The explanation on the relationship between average increase in remuneration and company performance:**

The average increase in the employee remuneration effected during the year 2015-16 is based on the individual performance and Company's performance during the previous financial year 2014-15. The other factors considered for revision in remuneration is based on market survey, functional expertise, industry standards etc.

**c. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:**

Aggregate remuneration of Key Managerial Personnel (KMP)	<b>3,48,83,839</b>
Revenue	<b>282,68,56,000</b>
Remuneration of KMP as a % of revenue	<b>1.23%</b>
Profit Before Tax (PBT)	<b>33,15,00,000</b>
Remuneration of KMP as a % of PBT	<b>10.52%</b>

**d. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies**

Particulars	31.03.2016	31.03.2015	Variations
<b>Market Capitalisation (Rs. in lakhs) - NSE Limited</b>	<b>235,52,18,500</b>	<b>391,92,20,500</b>	<b>60%</b>
<b>Price Earnings Ratio</b>	<b>89.45</b>	<b>148.85</b>	<b>60%</b>
<b>BSE Limited</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Market Price ( ` ) BSE Limited</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

The Company had come out with the initial public offer (IPO) in the year 1995 at face value of ` 10 each.

- a. 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 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 2015-16 was NIL  
The Percentage increase in the managerial remuneration for the same financial year was NIL.

- b. Comparison of each remuneration of the Key Managerial Personnel against the performance of the company:

Name	Remuneration	Revenue	% of Revenue	PBT	% of PBT
Shri SKM Maeilanandhan Executive Chairman	1,63,05,616	282,68,56,000	0.58	33,15,00,000	4.92
Shri SKM Shree Shivkumar Managing Director	1,63,09,707	282,68,56,000	0.58	33,15,00,000	4.92
Shri K.S.Venkatachalapathy Chief Financial Officer	18,97,500	282,68,56,000	0.07	33,15,00,000	0.57
Shri P.Sekar Company Secretary	3,71,016	282,68,56,000	0.01	33,15,00,000	0.11

- a. The key parameters for any variable component of remuneration availed by the directors:

The total remuneration paid to Shri. SKM Maeilanandhan, Executive Chairman and Shri SKM Shree Shivkumar, Managing Director is restricted to 10% of the net profits of the Company per annum.

- b. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Not Applicable as no employee is receiving remuneration in excess of the highest paid Director.

- c. 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

Sd/-

Date : 01.08.2016

SKM Maeilanandhan,  
Chairman.

**Form No. MR - 3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31st March, 2016**

[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- 638001.

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 2016, 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, 2016 according to the provisions of

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- 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 thereunder 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;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- 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

- 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 under other applicable Acts, Laws and Regulation 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 Obligation and Disclosure Requirements) Regulation, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above excepting with BSE Limited wherein the Company has already obtained an in principle approval for getting the suspension revoked and trading of the equity shares of the company is likely to commence soon.

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 are carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were 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.

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

Date : 25th May, 2016  
Place : Coimbatore.

To

The Members,  
SKM Egg Products Export (India) Limited,  
185, Chennimalai Road, Erode- 638001.

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

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

Date : 25th May, 2016  
Place : Coimbatore.

**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, 2016, 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.

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 31<sup>st</sup> March, 2016; 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. 2,49,96,705 as at 31st March, 2016 and total revenues of Rs.94,41,476 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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:
    - 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.

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

N.C. VIJAY KUMAR  
PARTNER  
Membership No.208276  
FRN : 003398S  
Date : 25.05.2016  
Place: Erode.

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

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 31<sup>st</sup> March, 2016 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 31<sup>st</sup> March, 2016 are given below:

**SKM EGG PRODUCTS EXPORT (INDIA) LIMITED | ANNUAL REPORT 2015-16**

Particulars	Period to which it Relates	Amount Due to be paid	Forum where the appeal is preferred
Excise Duty	Jan 2008 to March 2013	Rs. 12,71,172/-	CESTAT, Chennai against the order of the Commissioner of Central Excise, Salem.
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	Nov - 2011 to March 2014	Rs. 8,52,621/-	CESTAT, Chennai against the order of the Commissioner of Central Excise, Salem
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
Service Tax	January- 2005 to March 2006	Rs. 2,00,863/-	High Court of Madras.
Income Tax	Asst.Year 2008-09	Rs. 2,44,15,573/- (Net of Recovery adjustment)	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 Additional commissioner of Income Tax till 31.3.2017

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.
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 : 25.05.2016

**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 2016 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.

**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 2016, 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 : 25.05.2016

**STANDALONE BALANCE SHEET AS AT 31st MARCH, 2016**

(in Rs.)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	26,33,00,000	26,33,00,000
(b) Reserves and Surplus	4	60,21,33,506	40,73,57,539
<b>(2) Share Application money pending allotment</b>			
		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5(a)	51,84,122	5,00,52,038
(b) Deferred Tax Liabilities (Net)	5(b)	7,96,56,612	9,70,01,209
(c) Long Term Provisions	5(c)	34,69,000	27,84,428
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	6(a)	35,01,75,995	36,38,77,240
(b) Trade Payables	6(b)	10,65,55,407	10,51,71,419
(c) Other Current Liabilities	6(c)	4,97,89,515	2,65,27,419
(d) Short-Term Provisions	6(d)	2,38,52,626	5,66,76,322
Translation Reserve		2,50,12,133	1,29,88,897
<b>Total Equity &amp; Liabilities</b>		<b>150,91,28,916</b>	<b>138,57,36,511</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
1) Tangible Assets ( Not Under Lease)	7(a)	66,26,86,006	67,32,53,760
2) Capital work in Progress	7(b)	1,40,05,234	34,36,370
		67,66,91,240	67,66,90,130
(b) Non-current investments	7(c)	1,26,78,351	1,26,78,351
(c) Long term loans and advances	7(d)	2,28,54,641	2,35,90,173
<b>(2) Current Assets</b>			
(a) Inventories	8(a)	42,84,37,967	42,55,12,951
(b) Trade receivables	8(b)	12,00,02,222	11,04,14,391
(c) Cash and cash equivalents	8(c)	16,79,13,442	5,91,69,954
(d) Short-term loans and advances	8(d)	55,97,388	60,11,522
(e) Other current assets	8(e)	7,49,53,665	7,16,69,039
Translation Reserve			-
<b>Total Assets</b>		<b>150,91,28,916</b>	<b>138,57,36,511</b>

See accompanying Notes to Financial Statements

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

 For N.C.Rajagopal & Co.,  
Chartered Accountants

 N.C. Vijay Kumar  
Partner  
Membership No. 208276  
Firm Reg. No.: 003398S

 Place : Erode  
Date : 25.05.2016

**SKM Maeilanandhan**  
Executive Chairman

**SKM Shree Shivkumar**  
Managing Director

**K.S. Venkatachalapathy**  
Chief Financial Officer

**P. Sekar**  
Company Secretary

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016**

CIN : L01222TZ1995PLC006025

(in Rs.)

S.No.	Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
I	Revenue from operations	9	269,57,61,974	2,713,418,887
II	Other Income	10	13,10,94,213	158,066,920
III	<b>Total Revenue (I + II)</b>		<b>282,68,56,186</b>	<b>2,871,485,806</b>
IV	Expenses:			
	Cost of materials consumed	11	197,40,19,714	211,53,14,433
	Purchase of Stock-in-Trade	12	-	-
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	13	1,19,89,613	(10,65,62,518)
	Employee Benefit Expense	14	15,95,83,189	14,29,13,298
	Financial Costs	15	2,53,58,017	5,03,61,605
	Depreciation and Amortization Expense	16	12,07,51,159	13,30,86,538
	Other Expenses	17	20,36,64,471	18,81,14,149
	<b>Total Expenses (IV)</b>		<b>249,53,66,163</b>	<b>252,32,27,504</b>
V	Profit before exceptional and extraordinary items and tax	(III - IV)	<b>33,14,90,023</b>	<b>34,82,58,302</b>
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		<b>33,14,90,023</b>	<b>34,82,58,302</b>
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		<b>33,14,90,023</b>	<b>34,82,58,302</b>
X	Tax expense:			
	(1) Current tax	18	12,23,37,673	4,67,34,035
	(2) Deferred tax	19	(1,73,44,597)	4,96,50,472
XI	<b>Profit/(Loss) for the period</b>		<b>22,64,96,947</b>	<b>25,18,73,795</b>
XII	Earning per equity share of face value Rs.10 each			
	Earning per equity share:	20		
	(1) Basic		8.60	9.57
	(2) Diluted		8.60	9.57

See accompanying Notes to Financial Statements

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

For N.C.Rajagopal & Co.,  
Chartered Accountants

**SKM Maeilanandhan**  
Executive Chairman

**SKM Shree Shivkumar**  
Managing Director

N.C. Vijay Kumar  
Partner  
Membership No. 208276  
Firm Reg. No.: 003398S

**K.S. Venkatachalapathy**  
Chief Financial Officer

**P. Sekar**  
Company Secretary

Place : Erode  
Date : 25.05.2016



**SCHEDULES (STANDALONE) FORMING PART OF THE FINANCIAL STATEMENT 2015-16**

(in Rs.)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Note No. : 3 Share Capital</b>		
<b>Authorised Capital:</b>		
3,00,00,000 Equity Shares of Rs. 10/- Each	30,00,00,000	30,00,00,000
<b>Issued, Subscribed &amp; Paid-up:</b>		
263,30,000 Equity Shares of Rs.10/- each fully paid-up	26,33,00,000	26,33,00,000
	<b>26,33,00,000</b>	<b>26,33,00,000</b>
<b>Reconciliation of the shares outstanding at the beginning and at the end of the year :</b>		
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
<b>Details of Shareholders holding more than 5% shares of the company</b>		
Name of the Share Holders		
SKM SHREE SHIVKUMAR		
Face value of the Equity Shares	11,98,16,720	11,79,16,720
No of Equity Shares Held as on Balance sheet dt.	1,19,81,672	1,17,91,672
% of Holdings	45.51%	44.78%
TAMILNADU INDUSTRIAL DEVELOPMENT CORP. LTD		
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%
<b>Total No of Equity Shares</b>	<b>2,63,30,000</b>	<b>2,63,30,000</b>
Face value of Equity shares	10	10
<b>Note No. : 4 Reserve &amp; Surplus</b>		
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

**SCHEDULES (STANDALONE) FORMING PART OF THE FINANCIAL STATEMENT 2015-16**

(in Rs.)

Particulars	As at 31.03.2016	As at 31.03.2015
Profit & Loss Account:		
Opening Balance	40,65,24,035	18,63,71,220
Add: Current Year Balance before appropriation	22,64,96,947	25,18,73,795
Less: Interim Dividend	2,63,30,000	2,63,30,000
Less: Dividend Distribution Tax	53,90,981	53,90,981
Closing Balance	<b>60,13,00,002</b>	<b>40,65,24,035</b>
<b>Total</b>	<b>60,21,33,506</b>	<b>40,73,57,539</b>
<b>NON CURRENT LIABILITIES</b>		
<b>Note No.: 5 (a) Long Term Borrowings</b>		
Secured		
(i) From Others	-	-
i) Kotak Mahindra ( Vehicle Loan )	51,84,122	52,038
<b>Loans and Advances from Related Parties</b>		
i) Loan from Managing Director	-	5,00,00,000
<b>Total</b>	<b>51,84,122</b>	<b>5,00,52,038</b>
<b>Note No. :5 (b) Deferred Tax Liability(Net)</b>		
<b>Deferred Tax Liability</b>		
Balance b/f of last financial year	9,70,01,209	4,73,50,737
<b>Deferred Tax Assets</b>		
-On account of allowances for tax purpose In :		
Depreciation	(1,51,87,736)	(74,48,885)
C/F and Business Losses (DTA)/DTL	(21,56,861)	4,64,81,402
Income Tax Disallowance (DTA)/DTL	-	1,19,89,200
Earned Leave (DTA)/DTL	-	3,87,103
Sale of Assets (DTA)/DTL	-	(17,58,348)
<b>Total</b>	<b>7,96,56,612</b>	<b>9,70,01,209</b>
<b>Note No.:5 (c) Long Term Provisions</b>		
Provision for Employee Benefits		
a) Earned Leave Encashment Payable	34,69,000	27,84,428
<b>Total</b>	<b>34,69,000</b>	<b>27,84,428</b>

## SCHEDULES (STANDALONE) FORMING PART OF THE FINANCIAL STATEMENT 2015-16

(in Rs.)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>CURRENT LIABILITIES</b>		
<b>Note No.:6 (a) Short Term Borrowings</b>		
Loan Repayable on demand		
Secured		
From Bank		
i) Working Capital Finance From		
a. State Bank of India Commercial Branch, Erode	35,01,75,995	36,38,77,240
<b>Total</b>	<b>35,01,75,995</b>	<b>36,38,77,240</b>
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.		
d) SBI - Pledge of shares of the company held by the Managing Director		
<b>Note No.:6 (b) Trade Payables</b>		
i) Trade Creditors *	10,65,54,207	10,51,61,219
ii) Creditors For Expenses & Others	1,200	10,200
<b>Total</b>	<b>10,65,55,407</b>	<b>10,51,71,419</b>
*(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.)		
<b>Note No.:6 (c) Other Current Liabilities</b>		
a) Current Maturities of Long Term Debt		
(I) From Others		
i) Kotak Mahindra ( Vehicle Loan )	38,41,600	5,77,500
b) Unpaid Dividend	62,53,978	12,40,518
c) Other Payables		
Rent Deposit	18,000	18,000
Statutory Dues	3,70,19,311	1,94,33,340
d) Advance from debtors	21,42,796	46,26,844
e) Russia Branch Current Liabilities	5,13,830	6,31,217
<b>Total</b>	<b>4,97,89,515</b>	<b>2,65,27,419</b>
<b>Note No.: 6 (d) Short Term Provisions</b>		
Bonus Payable	60,35,000	50,70,000
Proposed Dividend	-	2,63,30,000
Provision for Dividend Distribution Tax	-	53,90,981
Provision for Expenses	1,78,17,626	1,98,85,341
<b>Total</b>	<b>2,38,52,626</b>	<b>5,66,76,322</b>

**SKM EGG PRODUCTS EXPORT (INDIA) LIMITED | ANNUAL REPORT 2015 - 16**

Note Forming Integral Part of the Standalone Balance Sheet as at 31st March, 2016

Note No. : 7 NON CURRENT ASSETS

	As at 31.03.2016	As at 31.03.2015
<b>Fixed Assets</b>		
(a) Tangible Assets (Not Under Lease)	66,26,86,006	67,32,53,760
(b) Capital work in Progress	1,40,05,234	34,36,370
	<b>67,66,91,240</b>	<b>67,66,90,130</b>

Details :

S. No.	Particulars	Gross Block		Depreciation			Net Block	
		Addition during the year	Deduction during the year	01.04.2015	Depreciation for the year	Deduction during the year	As on 31.03.2016	As on 31.03.2015
(a)	<b>Tangible Assets</b>							
	(Not under lease)							
	Land	3,58,09,230	-	-	-	-	3,58,09,230	3,58,09,230
	Building	40,27,73,711	35,08,933	11,19,90,372	1,38,39,683	12,58,30,056	28,04,52,588	29,07,83,339
	Plant & Machinery	73,08,75,196	1,30,95,613	40,85,54,372	3,34,23,127	43,30,52,282	28,22,84,183	32,23,20,823
	Electrical Installation & equip.	6,95,50,233	13,07,583	5,96,07,912	43,29,123	89,25,217	69,18,580	99,42,320
	Lab Equipment	1,76,07,988	2,04,68,426	1,53,42,639	7,74,730	6,39,37,036	2,19,59,025	22,65,329
	Office Equipment	98,76,280	32,30,511	65,50,497	14,55,557	80,06,054	51,00,737	33,25,783
	Computers	1,07,17,929	19,85,563	99,88,830	7,06,563	70,000	20,08,098	7,29,099
	Furniture & Fixtures	59,47,132	35,43,505	53,49,642	2,87,521	56,37,163	38,53,474	5,97,490
	Motor Vehicles	2,41,89,228	2,11,99,915	1,67,08,880	43,23,505	(17,504)	2,43,00,091	74,80,348
	<b>SUB TOTAL (a)</b>	<b>130,73,46,906</b>	<b>2,87,45,706</b>	<b>63,40,93,145</b>	<b>5,91,39,810</b>	<b>89,77,713</b>	<b>66,26,86,006</b>	<b>67,32,53,760</b>
(b)	<b>Capital Work-in-progress</b>	34,36,370	6,87,36,104	-	-	-	1,40,05,234	34,36,370
	<b>SUB TOTAL (b)</b>	<b>34,36,370</b>	<b>6,87,36,104</b>	-	-	-	<b>1,40,05,234</b>	<b>34,36,370</b>
	<b>Total (a+b) (Curr. Year)</b>	<b>131,07,83,276</b>	<b>13,70,76,153</b>	<b>63,40,93,145</b>	<b>5,91,39,810</b>	<b>89,77,713</b>	<b>67,66,91,240</b>	<b>67,66,90,130</b>
	<b>(Previous Year)</b>	<b>139,48,69,168</b>	<b>12,14,22,835</b>	<b>51,01,10,060</b>	<b>6,78,82,317</b>	<b>1,85,85,765</b>	<b>72,80,82,976</b>	<b>88,47,59,108</b>

**SCHEDULES (STANDALONE) FORMING PART OF THE FINANCIAL STATEMENT 2015-16**

(in Rs.)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Note No.:7 (c) Non-current investments</b>		
<b>Trade Investments</b>		
Investments In Equity Instruments (Unquoted)		
i. SKM Europe BV , The Netharlands	8,32,779	8,32,779
- Subsidiary Company (Holdings 85%) 18,000 Shares of Euro 1/- each fully paid-up		
ii. SKM Universal Marketing Company India Limited (Equity Shares of 789700 @ 15/-)	1,18,45,572	1,18,45,572
<b>Total</b>	<b>1,26,78,351</b>	<b>1,26,78,351</b>
<b>Note No.:7 (d) Long Term Loans &amp; Advances</b>		
i. Advances Recoverable in Cash or in kind for value to be received - unsecured and Considered Good	54,26,959	63,72,603
ii. Deposits - Considered Good	1,12,61,646	80,24,245
iii. Advance to Suppliers (Trade)	61,66,036	91,93,325
<b>Total</b>	<b>2,28,54,641</b>	<b>2,35,90,173</b>
<b>Note No.:8 (a) Inventories</b> (As Valued & Certified By the Management)		
Raw Material	4,04,23,810	3,19,54,049
Additives, Stores, Spares and Consumables	4,20,15,984	3,52,76,029
Finished Goods	28,88,03,611	30,07,93,224
Livestock - Chicks	92,32,927	88,45,346
Livestock - Unamortised Value of Chicks	4,44,86,541	4,64,17,338
Feed & Medicines	34,75,094	22,26,965
<b>Total</b>	<b>42,84,37,967</b>	<b>42,55,12,951</b>
<b>Note No.:8 (b) Trade Receivables</b>		
Unsecured & Considered Good		
Sundry Debtors	12,00,02,222	11,04,14,391
<b>Total</b>	<b>12,00,02,222</b>	<b>11,04,14,391</b>
<b>Note No.: 8 (c) Cash and Cash Equivalents</b>		
i. Cash on hand	7,36,657	9,32,560
ii. In Current Account with Scheduled Banks	2,56,82,007	4,63,79,391
III. Fixed Deposit with Banks	14,14,94,778	1,18,58,003
<b>Total</b>	<b>16,79,13,442</b>	<b>5,91,69,954</b>

Balance with Banks includes Unpaid Dividend of Rs.50.13 Lakhs ( Previous year Nil )

## SCHEDULES (STANDALONE) FORMING PART OF THE FINANCIAL STATEMENT 2015-16

(in Rs.)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Note No.:8 (d) Short term Loans &amp; Advances</b>		
i. Advance to Staffs	1,44,452	1,14,438
ii. Prepaid Expenses	54,52,936	58,97,084
<b>Total</b>	<b>55,97,388</b>	<b>60,11,522</b>
<b>Note No.:8 (e) Other Current Assets</b>		
i. Income Accrued on Deposits & Subsidies Receivables	3,64,184	7,92,998
ii. MAT Credit Entitlement & Tax Refund Receivables	6,70,41,806	6,89,49,129
iii. Others	2,50,000	4,97,902
iv. Russia Branch Current Assets	72,97,675	14,29,010
<b>Total</b>	<b>7,49,53,665</b>	<b>7,16,69,039</b>
<b>Note No. : 9 Revenue from Operations</b>		
Export Sales	254,83,24,352	258,74,44,074
Domestic Sales	12,26,94,409	10,45,53,504
Sale of Egg Shell (Waste)	35,94,776	42,31,271
Sale of Culling Birds & Litter waste	1,84,38,249	1,56,91,145
Sale of Declared Goods (Scrap)	27,10,188	14,98,893
<b>Total</b>	<b>269,57,61,974</b>	<b>271,34,18,887</b>
<b>Note No. : 10 Other Income</b>		
Interest Receipts	61,35,598	39,73,578
Lease Rent Received - Egg Grader M/c	-	1,00,000
Receipts - Subsidies	8,52,06,111	6,08,64,635
Exchange Fluctuation - Net	5,04,90,828	9,30,26,477
Profit on sale of Assets	(1,09,00,072)	19,048
Miscellaneous Income	1,61,748	83,182
<b>Total</b>	<b>13,10,94,213</b>	<b>15,80,66,920</b>
<b>Note No. : 11 Cost of Material Consumed</b>		
<b>a) PURCHASES OF RAW MATERIALS AND STORES</b>		
Raw Material- Eggs / Feed Ingredients	174,47,41,357	187,79,78,428
Vaccine & Medicine Consumption	25,70,496	22,59,681
Additives & Consumables	5,70,86,214	6,61,34,444
Sub-total (a)	180,43,98,067	194,63,72,553
<b>b) DIRECT/PRODUCTIONS EXPENSES</b>		
Packing Material - Consumed	2,73,75,780	3,07,70,159
Power & Fuel	13,76,17,768	13,35,59,092
Procurement & Other Production expenses	46,28,099	46,12,629
Sub-total (b)	16,96,21,647	16,89,41,880
<b>Total (a + b)</b>	<b>197,40,19,714</b>	<b>2,115,3,14,433</b>

## SCHEDULES (STANDALONE) FORMING PART OF THE FINANCIAL STATEMENT 2015-16

(in Rs.)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Note No. : 12 Purchase of Stock in Trade</b>		
Egg Powder Purchase	-	-
<b>Total</b>	-	-
<b>Note No. : 13 Change in Inventories</b>		
Opening Stock - Finished goods	30,07,93,224	19,42,30,706
Closing Stock - Finished goods	28,88,03,611	30,07,93,224
Increase / (Decrease) in Stock	(1,19,89,613)	10,65,62,518
<b>Note No. : 14 Employment Benefit Expenses</b>		
Salaries & Wages	14,25,03,348	12,58,98,102
PF Contribution	83,49,811	71,56,750
Gratuity Expenses	17,96,066	28,46,872
Welfare Expenses	69,33,964	70,11,574
<b>Total</b>	<b>15,95,83,189</b>	<b>14,29,13,298</b>
<b>Note No. : 15 Financial Cost</b>		
Working Capital Loan Interest	93,69,003	71,49,379
Bank Charges	49,54,485	45,87,609
Export Bills Discount	47,48,147	41,29,105
Interest Paid - Others	5,29,542	30,96,460
Interest on Vehicle Loan	7,63,275	1,10,402
Bill Discount & Collection Charges	36,48,907	41,74,375
SBI- Term Loan Interest	-	1,30,86,026
SBI- FITL Interest	-	6,40,041
Interest paid to Managing Director	13,44,658	1,33,88,208
<b>Total</b>	<b>2,53,58,017</b>	<b>5,03,61,605</b>
<b>Note No. : 16 Depreciation &amp; Amortised Cost</b>		
Depreciation	5,91,85,700	7,47,32,424
Amortised Value of Birds	6,15,65,459	5,83,54,114
<b>Total</b>	<b>12,07,51,159</b>	<b>13,30,86,538</b>

## SCHEDULES (STANDALONE) FORMING PART OF THE FINANCIAL STATEMENT 2015-16

(in Rs.)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Note No. : 17 Other Expenses</b>		
Repairs & Maintenance		
a) Building	57,81,531	48,12,729
b) Plant & Machinery	1,01,63,427	53,94,155
c) Fly Control Expenses	6,03,515	3,29,244
d) Others	73,82,461	1,16,55,268
e) Vehicle - Fuel & Maintenance	1,47,05,105	1,42,50,960
Stores & Spares Consumption	3,78,96,300	3,46,98,000
Analysing Charges	1,43,21,377	1,27,13,921
Rent Expenses	35,68,512	13,70,238
Rates and Taxes, Registration and Renewal	54,34,096	43,09,474
Postage, Courier & Telephone Charges	17,74,045	18,66,930
Printing & Stationery	17,36,134	15,40,328
Insurance Premium	9,53,990	12,05,793
Advertisement and Publicity	10,36,821	10,20,220
Travelling Expenses	44,40,883	38,33,454
Foreign Travelling expenses	51,85,846	21,93,743
Brokerage Expenses	78,475	29,951
Professional Charges	62,50,517	42,84,095
ISO / HACCP-Expenses	5,34,428	7,87,653
Miscellaneous Expenses	11,07,797	10,44,601
Audit Fees	7,62,815	7,63,767
Donation	31,87,148	23,03,252
Annual General Meeting Expenses	6,04,753	7,02,473
Secretarial Expenses	4,79,389	4,06,712
Stock Exchange Listing Fee	12,30,252	5,22,750
Directors' Sitting Fee	35,000	35,000
Subscription	4,40,516	5,30,680
Sales Commission	64,34,582	67,32,989
Selling Expenses	74,81,594	(87,72,092)
Russia Branch Expenses	1,32,96,002	1,92,40,890
<b>Sub-total (a)</b>	<b>15,69,07,311</b>	<b>12,98,07,177</b>
Freight and Forwarding Charges	3,60,42,620	4,85,23,319
ECGC Insurance Premium paid	76,44,294	71,00,330
Product Liability Insurance Paid	23,41,088	17,97,760
Marine Insurance Premium paid	7,29,158	8,85,563
<b>Sub-total (b)</b>	<b>4,67,57,160</b>	<b>5,83,06,972</b>
<b>Total (a + b)</b>	<b>20,36,64,471</b>	<b>18,81,14,149</b>



**SCHEDULES (STANDALONE) FORMING PART OF THE FINANCIAL STATEMENT 2015-16**

(in Rs.)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Note No. : 18 Current Tax</b>		
Income Tax - Normal Provisions	12,23,37,673	-
Income Tax - MAT Provisions	-	4,67,34,035
<b>Total</b>	<b>12,23,37,673</b>	<b>4,67,34,035</b>
<b>Note No. : 19 Deferred Tax</b>		
On account of variation of allowances for tax purpose in :		
Depreciation	(1,51,87,736)	(74,48,885)
C/F and Business Losses (DTA)/DTL	(21,56,861)	4,64,81,402
Income Tax Disallowance (DTA)/DTL	-	1,19,89,200
Earned Leave (DTA)/DTL	-	3,87,103
Sale of Assets (DTA)/DTL	-	(17,58,348)
<b>Total</b>	<b>(1,73,44,597)</b>	<b>4,96,50,472</b>
<b>Note No. : 20 Earnings Per Share :</b>		
Net Profit for the year	22,64,96,947	25,18,73,795
Less : Preference Share Dividend (including tax thereon)	-	-
Amount available for Equity Shareholders	22,64,96,947	25,18,73,795
Weighted No. of Equity shares	2,63,30,000	2,63,30,000
Basic EPS	8.60	9.57
Diluted EPS	8.60	9.57
<b>Face Value Per Equity Share</b>	<b>10</b>	<b>10</b>

**STANDALONE CASH FLOW STATEMENT FOR THE PERIOD FROM 01.04.2015 TO 31.03.2016** (in Lacs)

	2015-16		2014-15	
<b>A. Cash Flow From Operating Activities:</b>				
<b>INDIRECT METHOD:</b>				
Net Profit Before Tax		3,314.90		3,482.58
<b>Adjustment for:</b>				
Depreciation	591.86		747.32	
(Profit)/Loss on Sale of Assets	109.00		(0.19)	
Financial Cost	253.58		503.62	
Interest and Lease Receipts	(61.36)	893.08	(40.74)	1,210.01
Operating profit / (Loss) before Working capital changes		4,207.98		4,692.60
<b>Adjustment for:</b>				
(Increase)/Decrease in Trade and Other Receivables	(117.23)		564.25	
(Increase)/Decrease in Inventories	(29.25)		(1,145.96)	
Increase/(Decrease) in Trade and Other Payables	(385.78)	(532.26)	173.06	(408.66)
Cash generated from operations		3,675.72		4,283.94
Direct taxes paid		936.15		628.95
Cash flow before extraordinary items		2,739.57		3,654.99
Extraordinary items	-	-	-	-
<b>Net Cash Flow from Operating Activities</b>		<b>2,739.57</b>		<b>3,654.99</b>
<b>B. Cash from Investing Activities:</b>				
Purchase /Increase in Fixed Assets		(789.55)		(233.40)
Sale of Fixed Assets		197.68		(0.00)
Profit/(Loss) on Sale of Assets		(109.00)		0.19
Interest and Lease Rent receipts		61.36		40.74
Net cash (used in) received from Investing Activities		(639.51)		(192.47)
<b>C. Cash flow from Financing Activities:</b>				
Financial Cost		(253.58)		(503.62)
Increase / (Decrease) in Bank & Other Borrowings		(441.83)		(2,880.89)
Dividend & Dividend distribution tax paid		(317.21)		(317.21)
<b>Net cash (used in) received from Financing Activities</b>		<b>(1,012.62)</b>		<b>(3,701.71)</b>
Net Increase / (Decrease) in Cash and Cash Equivalents		1,087.43		(239.19)
Opening Cash & Cash Equivalents		591.70		830.89
Closing Cash & Cash Equivalents		1,679.13		591.70
		1,087.43		(239.19)

For and on behalf of the Board

**SKM Maeilanandahan**  
 Executive Chairman

**SKM Shree Shivkumar**  
 Managing Director

**AUDITORS' CERTIFICATE**

We have examined the Cash Flow Statement of M/s. SKM Egg Products Export (India) Limited for the period ended 31st March 2016. The statement has been prepared by the company in accordance with the requirements of Regulations 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 25.05.2016 to the members of the Company.

**For N.C. Rajagopal & Co.,**  
 Chartered Accountants

**N.C. Vijay Kumar**  
 Partner  
 Membership No. 208276

 Place : Erode  
 Date : 25.05.2016

**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 (other than livestock) are valued in line with the mandatory Accounting Standards – 2 (Revised) issued by the Institute of Chartered Accountants of India 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 : At Cost following FIFO Method
- ii. Packing Materials : At Weighted Average Cost
- iii. Additives : At Weighted Average Cost
- iv. Stores & Spares
  - Imported : At Weighted Average Cost
  - Indigenous : At Weighted Average Cost
- v. Semi-finished goods : Cost following FIFO Method
- vi. Finished goods : Cost following FIFO Method

Livestock is valued at Net Realisable Value in accordance with the well established practices of the industry.

**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, Feed mill 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.

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 enforceable right and these relate to taxes on income levied by the same governing taxation laws

**g) Accounting Convention**

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

**h) Estimates and Assumptions**

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

**i) Cash Flow Statements**

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

**j) Events Occurring after the Balance Sheet Date**

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

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

**i. Net Profit for the Period:**

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

**ii. Prior Period Items:**

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

**iii. Extra - ordinary items:**

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

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

**l) Accounting for Fixed Assets:****Fixed Assets:**

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

**Capital Work-in-progress:**

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

**m) Foreign Currency Transactions and Forward Contracts in Foreign Currencies:****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 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.83.50 Lacs (Previous Year Rs.71.57 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.

**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.

**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. 2141.66 Lacs. (Previous year Rs. 2114.84 Lacs).
- (b) Income Tax Liability Rs.395.63 lacs (Net of recovery and Payments) (Previous year 492.81 lacs).
- (c) Service Tax Liability Rs.44.38 Lacs (Previous year Rs.41.25 Lacs).
- (d) Excise Duty Liability Rs.24.13 Lacs (Previous year Rs.32.48 Lacs).
- (e) The company is in dispute with its bank (State Bank of India) regarding the claim made as "Right of Recompense (ROR)". The amount involved could not be quantified as there is a dispute in quantification of liability itself between the bank (State Bank of India) and the company. There is also dispute concerning the admission of liability by the company and the company is making best efforts to rebut the Right of Recompense (ROR) claim made by the bank towards the company. Hence, no provision has been made in the books 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 - Key Managerial Personnel
v) Sri.SKM Maeilanandhan	Whole time Director - Key Managerial Personnel
vi) K.S.Venkatachalapathy	Chief Financial Officer - Key Managerial Personnel
vii) P.Sekar	Company Secretary - Key Managerial Personnel
viii) SKM Europe BV,Utrecht,The Netherlands	Subsidiary Company

**(c) Transaction details :**
**i. Transactions with SKM Animal Feeds and Foods (India) Private Limited:**

<b>a. Sale of Egg Shells (Net of Returns):</b>	
Quantity	660.61 tonnes
Value	Rs.14.30 Lacs
Balance as on 31.03.2016 (Dr)	Rs.0.30 Lacs

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

<b>a. Purchase of Medicines - Poultry feed supplement (Net of Returns):</b>	
Quantity	3,845 Litres
Value	Rs.4.57 Lacs
Balance as on 31.03.2016 (Cr)	Rs.1.33 Lacs

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

<b>a. Sale of Eggs (Net of Returns):</b>	
Quantity	1,57,15,100 Nos.
Value	Rs.519.68 Lacs
Balance as on 31.03.2016 (Dr)	Rs.22.55 Lacs
<b>b. Sale of Poultry Feeds (Net of Returns):</b>	
Quantity	6,85,950 kgs
Value	Rs.140.00 Lacs
Balance as on 31.03.2016 (Dr)	Nil
<b>c. Sale of Vehicle (Fixed Asset) (Net of Returns):</b>	
Motor Vehicle Sold	
Value	0.14 Lacs
<b>d. Purchase of Eggs (Net of Returns):</b>	
Quantity	44,67,01,290 nos.
Value	Rs.13,735.99 Lacs
Balance as on 31.03.2016 (Cr)	Rs.410.33 Lacs
<b>e. Purchase of Wind Power:</b>	
Quantity	27,06,948 units
Value	Rs.171.89 Lacs
Balance as on 31.03.2016 (Cr)	Nil



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

Quantity	1,31,945 Kgs & 3,980 Ltrs
Value	Rs.197.30 Lacs
Balance as on 31.03.2016 (Cr)	Rs.14.59 Lacs

**iv. Transactions with SKM Shree Shivkumar:**
**a. Payment of Rent :**

Rent paid for hiring Administrative Office for 10 months	0.64 lacs
--	-----------

**b. Payment of Salary & Commission:**

Salary, Allowances & Other perquisites	30.60 lacs
Commission on Profit	Rs.132.50 Lacs

**c Repayment of Loan & Interest :**

Loan payable as on 01.04.2015	Rs.500.00 Lacs
Loan received during the year	Rs.200.00 Lacs
Interest during the year	Rs.13.45 Lacs
Loan & Interest repaid during the year	Rs.713.45 Lacs
Loan payable as on 31.03.2016	Nil

**v. Transactions with Sri. SKM Maeilanandhan :**
**a. Payment of Salary & Commission:**

Salary, Allowances & Other perquisites	30.56 lacs
Commission on Profit	Rs.132.50 Lacs

**vi. Transactions with K.S. Venkatachalapathy:**
**a. Payment of Salary & Commission:**

Salary, Allowances & Other perquisites	18.98 Lacs
--	------------

**vii. Transactions with P. Sekar :**
**a. Payment of Salary & Commission:**

Salary, Allowances & Other perquisites	3.71 Lacs
--	-----------

**viii. Transactions with SKM Europe BV, Utrecht, The Netherlands:**
**a. Sale of Egg Yolk Powder (Net of Returns):**

Quantity	6,05,000 kgs
Value	Rs.1,617.76 Lacs

**b. Sale of Whole Egg Powder (Net of Returns):**

Quantity	4,38,000 kgs
Value	Rs.1,364.55 Lacs
Balance as on 31.03.2016 (Dr)	Rs.432.12 Lacs
(On account of sale of Egg Yolk Powder & Whole Egg Powder)	

**c. Re-imbusement of expenses:**

Value	33.39 Lacs
-------	------------

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

Particulars	2015 - 2016	2014 - 2015
	(Rs.)	
For Statutory Audit Fee	4,50,000	4,50,000
For Taxation Matter	1,50,000	1,50,000
For Certification Services	55,000	79,750
For Appeal Representation and Others	1,50,000	1,30,000
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 Provisions of MAT under section 115JB of the Income Tax Act, 1961 is higher than the book profits. Excess tax amount paid over the tax paid/payable under normal provisions of the Income Tax Act during the yester years, if any, constitutes MAT credit and the same has been taken credit and set off against the provision for taxation made during the year.

- vii. No provision has been made in respect of demand of Excise Duties Rs.24.13 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 totaling 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.2011-12 and A.Y. 12-13 by making some adjustments to the returned Loss. The Company has preferred appeals before the immediate superior authority which appeal is 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, but the adjustments have an impact on the availability of Future MAT credit to the extent of Rs.1.55 Crores which has been considered while making provision for Income Tax for the current year on conservative basis. The MAT Credits available in the Books of Accounts will be suitably dealt with on the outcome of the appellate decisions.

- 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 Lacs)

Particulars	2015-16		2014-2015	
	Amount	%	Amount	%
1. Raw Materials				
(a) Imported	-	-	-	-
(b) Indigenous	17,893.53	100.00%	19,296.35	100.00%
	17,893.53	100.00%	19,296.35	100.00%
2. Packing Materials				
(a) Imported	5.02	1.82%	6.63	2.10%
(b) Indigenous	271.12	98.18%	309.33	97.90%
	276.14	100.00%	315.96	100.00%
3. Consumables, Stores & spares				
(a) Imported	330.28	33.93%	358.14	36.17%
(b) Indigenous	642.99	66.07%	632.08	63.83%
	973.27	100.00%	990.22	100.00%
4. Fuel				
(a) Imported	-	-	-	-
(b) Indigenous	716.24	100.00%	797.31	100.00%
	716.24	100.00%	797.31	100.00%

**X. Expenditure in Foreign currency:**

(in Rs.)

Particulars	2015-2016	2014-2015
1. Professional & Consultation fee		
(a) Analysis Charges	1,33,34,200	1,13,70,923
(b) Sales Commission	74,88,344	1,15,15,375
(c) Professional Charges	15,40,924	7,50,791
(d) Subscription and Registration	4,46,126	4,04,370
(e) Selling, Insurance and Compensation expenses	75,00,367	2,68,12,448
2. Foreign Travel Expenditure	18,96,612	12,76,228
3. Packing Materials, Additives, Stores and Lab Consumables	5,67,77,376	3,33,68,034
<b>Total</b>	<b>8,89,83,949</b>	<b>8,54,98,169</b>

XI. FOB Value of goods exported Rs.25,200 Lacs (Previous Year Rs.25,396 Lacs)

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

(in Rs.)

Particulars	Group Gratuity Scheme (Funded) 2016	Group Gratuity Scheme (Funded) 2015
(a) <b>Reconciliation of Opening and Closing Balances of Defined Benefit Obligations</b>		
Present Value of obligation as at 1st April 2015	59,87,011	27,53,737
Current Service Cost	8,84,861	3,32,074
Interest Cost	4,78,961	2,20,299
Actuarial (gain) / loss	11,29,113	28,52,605
Benefits paid	(2,92,205)	(1,71,704)
Present Value of obligation as at 31st March 2016	81,87,741	59,87,011
(b) <b>Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets:</b>		
Fair Value of plan assets as at 1st April 2015	69,13,020	56,03,153
Expected return on plan assets	6,96,869	5,58,106
Contribution made	8,88,705	9,23,465
Benefits Paid	(2,92,205)	(1,71,704)
Actuarial gain / (loss) on the plan assets	----	---
Fair Value of plan assets as at 31st March 2016	82,06,390	69,13,020
(c) <b>Reconciliation of Fair Value of Assets and Obligations as at 31st March 2016:</b>		
Present value of the obligation	81,87,741	59,87,011
Fair Value of plan assets	82,06,390	69,13,020
Funded Status (Surplus / (Deficit))	18,649	9,26,009
Net asset / (liability) recognized in the balance sheet	18,649	9,26,009

(in Rs.)

Particulars	Group Gratuity Scheme (Funded) 2016	Group Gratuity Scheme (Funded) 2015
(d) <b>Expenses recognized during the year (Under the head “Employees Cost – Refer Schedule “O”)</b>		
Current Service Cost	8,84,861	3,32,074
Interest Cost	4,78,961	2,20,299
Expected return on plan assets	(6,96,869)	(5,58,106)
Actuarial (gain) / loss	11,29,113	28,52,605
<b>Net Cost</b>	<b>17,96,066</b>	<b>28,46,872</b>
(e) <b>Actual return on the plan assets:</b>		
Expected return on plan assets	6,96,869	5,58,106
Actuarial gain / loss on plan assets	-	-
(f) <b>Actuarial Assumptions:</b>		
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.30.67 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 difference of Rs.504.91 lacs 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. Details Of Loans Given, Investments Made And Guarantee Given Covered Under Section 186(4) of The Companies Act 2013**

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

**For N.C. Rajagopal & Co.,**  
Chartered Accountants

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

**N.C. Vijay Kumar**  
Partner  
Membership No.208276  
FRN: 003398S

**SKM Maeilanandhan**  
Executive Chairman

**SKM Shree Shivkumar**  
Managing Director

Place : Erode  
Date : 25.05.2016

**K.S. Venkatachalapathy**  
Chief Financial Officer

**P. Sekar**  
Company Secretary

**BALANCE SHEET OF SKM EUROPE BV AS AT 31.03.2016**

(in Rs.)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholder's Funds			
(a) Share Capital	3	9,79,740	9,79,740
(b) Reserves and Surplus	4	3,96,77,835	1,76,13,440
<b>(2) Share Application money pending allotment</b>			
		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Deferred Tax Liabilities (Net)	5(a)	-	(6,15,960)
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	6(a)	-	74,04,632
(b) Trade Payables	6(b)	16,14,17,186	9,72,41,857
(c) Other Current Liabilities	6(c)	1,90,73,513	68
(d) Short-Term Provisions	6(d)	1,09,46,350	75,43,256
Translation Reserve		(88,67,304)	38,36,322
<b>Total Equity &amp; Liabilities</b>		<b>22,32,27,321</b>	<b>13,40,03,354</b>
<b>II. ASSETS</b>			
<b>(1) Current Assets</b>			
(a) Inventories	7(a)	11,13,24,318	6,80,14,542
(b) Trade receivables	7(b)	8,95,68,415	6,31,92,487
(c) Cash and cash equivalents	7(c)	2,11,38,870	-
(d) Short-term loans and advances	7(d)	11,95,718	27,96,326
<b>Total Assets</b>		<b>22,32,27,321</b>	<b>13,40,03,354</b>

See accompanying Notes to Financial Statements

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

For N.C.Rajagopal & Co.,  
Chartered Accountants

N.C. Vijay Kumar  
Partner  
Membership No. 208276  
Firm Reg. No.: 003398S

**SKM Maeilanandhan**  
Executive Chairman

**SKM Shree Shivkumar**  
Managing Director

**K.S. Venkatachalapathy**  
Chief Financial Officer

**P. Sekar**  
Company Secretary

Place : Erode  
Date : 25.05.2016

**PROFIT AND LOSS ACCOUNT OF SKM EUROPE BV FOR THE YEAR ENDED 31.03.2016**

(in Rs.)

S. No	Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
I	Revenue from operations	8	63,17,60,897	39,17,29,432
II	Other Income	9	42,967	1,91,563
III	<b>Total Revenue (I + II)</b>		<b>63,18,03,865</b>	<b>391,920,995</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	10	56,52,38,809	37,91,16,967
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	11	(1,25,85,101)	(1,21,77,914)
	Financial Costs	12	9,68,922	6,99,990
	Other Expenses	13	5,61,16,840	2,12,10,113
	<b>Total Expenses (IV)</b>		<b>60,97,39,470</b>	<b>38,88,49,155</b>
V	Profit before exceptional and extraordinary items and tax (III - IV)		<b>2,20,64,395</b>	<b>30,71,840</b>
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		2,20,64,395	30,71,840
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		2,20,64,395	30,71,840
X	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
XI	Profit/(Loss) from the period from continuing operations (IX-X)		<b>2,20,64,395</b>	<b>30,71,840</b>
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV	Profit/(Loss) for the period (XI + XIV)		<b>2,20,64,395</b>	<b>30,71,840</b>
XVI	Earning per equity share:			
	(1) Basic		1,225.80	170.66
	(2) Diluted		1,225.80	170.66

See accompanying Notes to Financial Statements

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

 For N.C.Rajagopal & Co.,  
Chartered Accountants

 N.C. Vijay Kumar  
Partner  
Membership No. 208276  
Firm Reg. No.: 003398S

**SKM Maeilanandhan**  
Executive Chairman

**SKM Shree Shivkumar**  
Managing Director

 Place : Erode  
Date : 25.05.2016

**K.S. Venkatachalapathy**  
Chief Financial Officer

**P. Sekar**  
Company Secretary



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

(in Rs.)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>Note No. : 3 Share Capital</b>		
<b>Authorised Capital:</b>		
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
<b>Total</b>	<b>9,79,740</b>	<b>9,79,740</b>
<b>Note No. : 4 Reserve &amp; Surplus</b>		
<b>Profit &amp; Loss Account</b>		
Opening Balance	176,13,440	1,45,41,600
Add: Current Year Balance after Appropriation	2,20,64,395	30,71,840
Closing Balance	<b>Total</b>	<b>1,76,13,440</b>
<b>Note No. : 5 NON CURRENT LIABILITIES</b>		
<b>Note No. :5 (a) Deferred Tax Liability(Net)</b>		
Deferred Tax Assets		
-On account of allowances for tax purpose In :		
C/F and Business Losses (DTA)/DTL	-	(6,15,960)
<b>Total</b>	<b>-</b>	<b>(6,15,960)</b>
<b>Note No. : 6 CURRENT LIABILITIES</b>		
<b>Note No: 6(a) Short Term Borrowings</b>		
Loan Repayable on demand		
Secured		
From Bank		
Rabo Bank CC A/c.	-	74,04,632
<b>Total</b>	<b>-</b>	<b>74,04,632</b>
<b>Note No: 6(b) Trade Payables</b>		
i) Trade Creditors	16,59,29,674	9,45,98,202
ii) Creditors For Expenses & Others	(45,12,488)	26,43,654
<b>Total</b>	<b>16,14,17,186</b>	<b>9,72,41,857</b>
<b>Note No: 6(c) Other Current Liabilities</b>		
a) Other Payables		
VAT Payable	12,98,850	-
Commission Payable	1,77,74,662	68
<b>Total</b>	<b>1,90,73,513</b>	<b>68</b>
<b>Note No: 6(d) Short Term Provisions</b>		
Provisions for Expenses	7,33,841	2,55,970
Provision for Bad Debts	1,02,12,509	72,87,286
<b>Total</b>	<b>1,09,46,350</b>	<b>75,43,256</b>

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

(in Rs.)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>CURRENT ASSETS</b>		
<b>Note No: 7(a) Inventories</b> (As Valued & Certified By the Management)		
Egg Powder	5,32,65,694	4,06,80,593
Goods in Transit	5,80,58,624	2,73,33,949
<b>Total</b>	<b>11,13,24,318</b>	<b>6,80,14,542</b>
<b>Note No: 7(b) Trade Receivables</b> <b>Unsecured &amp; Considered Good</b>		
Sundry Debtors	8,95,68,415	6,31,92,487
<b>Total</b>	<b>8,95,68,415</b>	<b>6,31,92,487</b>
<b>Note No: 7(c) Cash and Cash Equivalents</b>		
In Current Account with Banks	2,11,38,870	-
<b>Total</b>	<b>2,11,38,870</b>	<b>-</b>
<b>Note No: 7(d) Short term Loans &amp; Advances</b>		
VAT to be received back	-	2,85,568
Prepaid Expenses	1,79,541	
Corporate Tax	10,16,177	25,10,758
<b>Total</b>	<b>11,95,718</b>	<b>27,96,326</b>
<b>Note No: 8 Revenue from Operations</b>		
Egg Powder Sales	63,17,60,897	39,17,29,432
<b>Total</b>	<b>63,17,60,897</b>	<b>39,17,29,432</b>
<b>Note No: 9 Other Income</b>		
Miscellaneous Income	-	2,36,485
Fluctuation Income	42,967	(44,922)
<b>Total</b>	<b>42,967</b>	<b>1,91,563</b>
<b>Note No: 10 Cost of Material Consumed</b>		
<b>a) PURCHASES OF RAW MATERIALS AND STORES</b>		
Purchase of Egg Powder	54,12,95,697	36,38,23,161
Import Duty	1,85,45,677	1,07,75,005
Custom Clearing Charges	22,21,864	4,55,576
<b>Sub Total (a)</b>	<b>56,20,63,237</b>	<b>37,50,53,742</b>
<b>b) DIRECT/PRODUCTIONS EXPENSES</b>		
Plastic Pallets GC Hahn	26,23,643	31,65,903
Wooden Pallets	2,68,788	1,98,301
Other Purchases/Production cost	2,83,141	6,99,020
<b>Sub Total (b)</b>	<b>31,75,572</b>	<b>40,63,225</b>
<b>Total (a+b)</b>	<b>56,52,38,809</b>	<b>37,91,16,967</b>

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

(in Rs.)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>Note No: 11 Change in Inventories</b>		
Opening Stock - Finished Goods	7,60,35,853	6,38,57,939
Closing Stock - Finished Goods	8,86,20,954	7,60,35,853
<b>Total</b>	<b>1,25,85,101</b>	<b>1,21,77,914</b>
<b>Note No. : 12 Financial Cost</b>		
Bank Charges	9,68,922	6,99,990
<b>Total</b>	<b>9,68,922</b>	<b>6,99,990</b>
<b>Note No. : 13 Other Expenses</b>		
Postage	4,21,769	4,65,035
Subscriptions	6,65,591	1,89,844
Travel and Accommodation	6,12,205	2,74,314
Auditors Fee	2,48,298	-
Lawyer and Advice Costs	3,04,312	1,20,546
Book keeping	4,73,020	3,23,220
Insurances	4,39,122	2,37,882
Other General Costs	1,60,781	3,09,833
Godown Rent	-	3,59,027
Prov. For Bad Debts	1,36,65,296	-
Other Selling Cost	19,427	2,038
Exhibition Costs	-	2,60,035
Advertising and Publicity	-	1,672
Sales Commission	2,42,17,221	69,50,789
<b>Sub Total (a)</b>	<b>4,12,27,041</b>	<b>94,94,235</b>
Transport Cost to Customer	1,47,69,948	1,17,45,089
Insurances-Product Liability	1,19,851	(29,211)
<b>Sub Total (b)</b>	<b>1,48,89,799</b>	<b>1,17,15,878</b>
<b>Total (a + b)</b>	<b>5,61,16,840</b>	<b>2,12,10,113</b>

## **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, 2016, 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 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, 2016; 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.17,91,82,510/- as at 31st March, 2016, total revenues of Rs.33,35,72,696/- and net cash inflows amounting to Rs.2,11,38,910/- 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 profit/loss of Rs. 1,87,54,736/- for the year ended 31st March, 2016, 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,

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

Date : 25.05.2016  
Place: Erode.

**CONSOLIDATED BALANCE SHEET AS AT 31.03.2016**

**CIN : L01222TZ1995PLC006025**

(in Rs.)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	26,33,00,000	26,33,00,000
(b) Reserves and Surplus	4	63,58,59,665	42,23,28,962
<b>(2) Share Application money pending allotment</b>		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5(a)	51,84,122	5,00,52,038
(b) Deferred Tax Liabilities (Net)	5(b)	7,96,56,612	9,63,85,249
(c) Long Term Provisions	5(c)	34,69,000	27,84,428
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	6(a)	35,01,75,995	37,12,81,872
(b) Trade Payables	6(b)	22,47,60,561	21,14,71,516
(c) Other Current Liabilities	6(c)	6,88,63,027	2,65,27,487
(d) Short-Term Provisions	6(d)	3,47,98,976	4,54,93,553
(e) Minority Interest	6(e)	60,98,637	27,88,978
Translation Reserve		1,61,44,830	1,68,25,220
<b>Total Equity &amp; Liabilities</b>		<b>168,83,11,426</b>	<b>150,92,39,302</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
1) Tangible Assets ( Not Under Lease)	7(a)	66,26,86,006	67,32,53,760
2) Capital work in Progress	7(b)	1,40,05,234	34,36,370
(b) Non-current investments	7(c)	67,66,91,240	67,66,90,130
(c) Long term loans and advances	7(d)	1,18,45,572	1,18,45,572
<b>(2) Current Assets</b>			
(a) Inventories	8(a)	53,97,62,285	49,35,27,493
(b) Trade receivables	8(b)	16,63,58,605	16,39,39,093
(c) Cash and cash equivalents	8(c)	18,90,52,312	5,91,69,954
(d) Short-term loans and advances	8(d)	57,76,929	62,97,090
(e) Other current assets	8(e)	7,59,69,842	7,41,79,797
Translation Reserve			
<b>Total Assets</b>		<b>168,83,11,426</b>	<b>150,92,39,302</b>

See accompanying Notes to Financial Statements

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

For N.C.Rajagopal & Co.,  
Chartered Accountants

N.C. Vijay Kumar  
Partner  
Membership No. 208276  
Firm Reg. No.: 003398S

Place : Erode  
Date : 25.05.2016

**SKM Maeilanandhan**  
Executive Chairman

**SKM Shree Shivkumar**  
Managing Director

**K.S. Venkatachalapathy**  
Chief Financial Officer

**P. Sekar**  
Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016**

CIN : L01222TZ1995PLC006025

(in Rs.)

S.No.	Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
I	Revenue from operations	9	302,92,91,702	290,07,91,931
II	Other Income	10	13,11,37,180	15,82,58,483
III	<b>Total Revenue (I + II)</b>		<b>316,04,28,882</b>	<b>305,90,50,414</b>
IV	Expenses:			
	Cost of materials consumed	11	197,71,95,286	211,93,77,658
	Purchase of Stock-in-Trade	12	26,38,32,068	17,06,97,355
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	13	(5,95,488)	(11,87,40,432)
	Employee Benefit Expense	14	15,95,83,189	14,29,13,298
	Financial Costs	15	2,63,26,939	5,10,61,595
	Depreciation and Amortization Expense	16	12,07,51,159	13,30,86,538
	Other Expenses	17	25,97,81,311	20,93,24,262
	<b>Total Expenses (IV)</b>		<b>2,80,68,74,463</b>	<b>270,77,20,271</b>
V	<b>Profit before exceptional and extraordinary items and tax</b>	<b>(III - IV)</b>	<b>35,35,54,419</b>	<b>35,13,30,143</b>
VI	Exceptional Items		-	-
VII	<b>Profit before extraordinary items and tax</b>	<b>(V - VI)</b>	<b>35,35,54,419</b>	<b>35,13,30,143</b>
VIII	Extraordinary Items		-	-
IX	<b>Profit before tax</b>	<b>(VII-VIII)</b>	<b>35,35,54,419</b>	<b>35,13,30,143</b>
X	Tax expense:			
	(1) Current tax	18	12,23,37,673	4,67,34,035
	(2) Deferred tax	19	(1,73,44,597)	4,96,50,472
XI	<b>Profit(Loss) for the year (before adjustment for Minority Interest)</b>	<b>(IX-X)</b>	<b>24,85,61,342</b>	<b>25,49,45,635</b>
	Add (+) / Less (-) Minority Interest	6(e)	33,09,659	4,60,776
XII	<b>Profit(Loss) for the year (after adjustment for Minority Interest)</b>		<b>24,52,51,683</b>	<b>25,44,84,859</b>
XIII	Earning per equity share of face value Rs.0 each			
	Earning per equity share:	20		
	(1) Basic		9.44	9.68
	(2) Diluted		9.31	9.67

See accompanying Notes to Financial Statements

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

For N.C.Rajagopal & Co.,  
Chartered Accountants

N.C. Vijay Kumar  
Partner  
Membership No. 208276  
Firm Reg. No.: 003398S

**SKM Maeilanandhan**  
Executive Chairman

**SKM Shree Shivkumar**  
Managing Director

**K.S. Venkatachalapathy**  
Chief Financial Officer

**P. Sekar**  
Company Secretary

Place : Erode  
Date : 25.05.2016

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET 2015-16**

(in Rs.)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Note No. : 3 Share Capital</b>		
<b>Authorised Capital:</b>		
3,00,00,000 Equity Shares of Rs. 10/- Each	30,00,00,000	30,00,00,000
<b>Issued, Subscribed &amp; Paid-up:</b>		
263,30,000 Equity Shares of Rs.10/- each fully paid-up	26,33,00,000	26,33,00,000
<b>Total</b>	<b>26,33,00,000</b>	<b>26,33,00,000</b>
<b>Note No. : 4 Reserve &amp; Surplus</b>		
<b>Share Premium Account :</b>		
Opening Balance	4,00,692	4,00,692
Add : Current year transfer		
less: Written back		
Closing Balance	4,00,692	4,00,692
<b>General Reserve:</b>		
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
<b>Profit &amp; Loss Account :</b>		
Opening Balance	42,14,95,459	19,87,31,579
Add: Current Year Balance after appropriation	24,52,51,683	25,44,84,859
Less: Interim Dividend	263,30,000	2,63,30,000
Less: Dividend Distribution Tax	53,90,981	53,90,981
Closing Balance	63,50,26,161	42,14,95,458
<b>Total</b>	<b>63,58,59,665</b>	<b>42,23,28,962</b>
<b>NON CURRENT LIABILITIES</b>		
<b>Note No.:5 (a) Long Term Borrowings</b>		
<b>Secured</b>		
<b>(I) From Others</b>		
i) Kotak Mahindra ( Vehicle Loan )	51,84,122	52,038
<b>UnSecured</b>		
<b>Loan and Advances from Related Parties</b>		
i) Loan from Managing Director	-	5,00,00,000
<b>Total</b>	<b>51,84,122</b>	<b>5,00,52,038</b>



**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET 2015-16**

(in Rs.)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Note No.:5 (b) Deferred Tax Liability(Net)</b>		
<b>Deferred Tax Liability</b>		
Balance b/f of last financial year	9,70,01,209	4,73,50,737
<b>Deferred Tax Assets</b>		
-On account of allowances for tax purpose In :		
Depreciation	(1,51,87,736)	(74,48,885)
C/F and Business Losses (DTA)/DTL	(21,56,861)	4,58,65,442
Income Tax Disallowance (DTA)	-	1,19,89,200
Earned Leave (DTA)/DTL	-	3,87,103
Sale of Assets (DTA)/DTL	-	(17,58,348)
<b>Total</b>	<b>7,96,56,612</b>	<b>9,63,85,249</b>
<b>Note No.:5 (c) Long Term Provisions</b>		
Provision for Employee Benefits		
a) Earned Leave Encashment Payable	34,69,000	27,84,428
b) Net Gratuity obligation	-	-
<b>Total</b>	<b>3,4,69,000</b>	<b>27,84,428</b>
<b>CURRENT LIABILITIES</b>		
<b>Note No.:6 (a) Short Term Borrowings</b>		
Loan Repayable on demand		
Secured		
From Bank		
i) Working Capital Finance From		
a. State Bank of India Commercial Branch, Erode	35,01,75,995	36,38,77,240
ii) Rabo Bank, Netherlands	-	74,04,632
<b>Total</b>	<b>35,01,75,995</b>	<b>37,12,81,872</b>

WORKING CAPITAL FINANCE FROM SBI ARE SECURED BY ;

- a) Hypothecation of stocks consisting of Raw materials, 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.
- d) SBI - Pledge of shares of the company held by the Managing Director
- e) Rabo Bank, Netherlands secured against Bills receivables.

<b>Note No.:6 (b) Trade Payables</b>		
i) Trade Creditors *	22,92,71,849	20,88,17,662
ii) Creditors For Expenses & Others	(45,11,288)	26,53,854
<b>Total</b>	<b>22,47,60,561</b>	<b>21,14,71,516</b>

\*(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.)

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET 2015-16**

(in Rs.)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Note No.:6 (c) Other Current Liabilities</b>		
a) Current Maturities of Long Term Debt		
(l) From Others		
i) Kotak Mahindra ( Vehicle Loan )	38,41,600	5,77,500
b) Unpaid Dividend	62,53,978	12,40,518
c) Other Payables		
Rent Deposit	18,000	18,000
Statutory Dues	3,83,18,161	1,94,33,340
Sales Commission Payable	1,77,74,662	68
d) Advance from debtors	21,42,796	46,26,844
e) Russia Branch Current Liabilities	5,13,830	6,31,217
<b>Total</b>	<b>6,88,63,027</b>	<b>2,65,27,487</b>
<b>Note No.6 (d) Short Term Provisions</b>		
Bonus Payable	60,35,000	50,70,000
Proposed Dividend	-	2,63,30,000
Provision for Dividend Distribution Tax	-	53,90,981
Provision for Expenses	1,85,51,467	14,15,286
Provision for Bad Debts	1,02,12,509	72,87,286
<b>Total</b>	<b>3,47,98,976</b>	<b>4,54,93,553</b>
<b>Note No. :6 (e) Minority Interest</b>		
Share Capital	1,46,961	1,46,961
<b>Profit &amp; Loss Account:</b>		
Opening Balance	26,42,017	21,81,241
Current year Profit/Loss transfer	33,09,659	4,60,776
Closing Balance	5,951,676	26,42,017
<b>Total</b>	<b>60,98,637</b>	<b>27,88,978</b>
<b>Note No.:7 (c) Non-current investments</b>		
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
<b>Total</b>	<b>1,18,45,572</b>	<b>1,18,45,572</b>

**SKM EGG PRODUCTS EXPORT (INDIA) LIMITED | ANNUAL REPORT 2015 - 16**

Note Forming Integral Part of the Consolidated Financial Statement

Note No. : 7 NON CURRENT ASSETS

	As at 31.03.2016	As at 31.03.2015
<b>Fixed Assets</b>		
(a) Tangible Assets (Not Under Lease)	66,26,86,006	67,32,53,760
(b) Capital work in Progress	1,40,05,234	34,36,370
	<b>67,66,91,240</b>	<b>67,66,90,130</b>

Details :

S. No.	Particulars	Gross Block			Depreciation			Net Block			
		01.04.2015	Addition during the year	Deduction during the year	31.03.2016	01.04.2015	Depreciation for the year	Deduction during the year	31.03.2016	As on 31.03.2016	As on 31.03.2015
(a)	<b>Tangible Assets</b>										
	(Not under lease)										
	Land	3,58,09,230	-	-	3,58,09,230	-	-	-	-	3,58,09,230	3,58,09,230
	Building	40,27,73,711	35,08,933	-	40,62,82,644	11,19,90,372	1,38,39,683	-	12,58,30,056	28,04,52,588	29,07,83,339
	Plant & Machinery	73,08,75,196	1,30,95,613	2,86,34,343	71,53,36,466	40,85,54,372	3,34,23,127	89,25,217	43,30,52,282	28,22,84,183	32,23,20,823
	Electrical Installation & equip.	6,95,50,233	13,07,583	2,200	7,08,55,616	5,96,07,912	43,29,123	-	6,39,37,036	69,18,580	99,42,320
	Lab Equipment	1,76,07,968	2,04,68,426	-	3,80,76,394	1,53,42,639	7,74,730	-	1,61,17,369	2,19,59,025	22,65,329
	Office Equipment	98,76,280	32,30,511	-	1,31,06,791	65,50,497	14,55,557	-	80,06,054	51,00,737	33,25,783
	Computers	1,07,17,929	19,85,563	70,000	1,26,33,492	99,88,830	7,06,563	70,000	1,06,25,394	20,08,098	7,29,099
	Furniture & Fixtures	59,47,132	35,43,505	-	94,90,637	53,49,642	2,87,521	-	56,37,163	38,53,474	5,97,490
	Motor Vehicles	2,41,89,228	2,11,99,915	39,163	4,53,49,980	1,67,08,880	43,23,505	(17,504)	2,10,49,889	2,43,00,091	74,80,348
	<b>SUB TOTAL (a)</b>	<b>1,30,73,46,906</b>	<b>6,83,40,049</b>	<b>2,87,45,706</b>	<b>1,34,69,41,249</b>	<b>63,40,93,145</b>	<b>5,91,39,810</b>	<b>89,77,713</b>	<b>68,42,55,243</b>	<b>66,26,86,006</b>	<b>67,32,53,760</b>
(b)	<b>Capital Work-in-progress</b>										
		34,36,370	6,87,36,104	5,81,67,240	1,40,05,234	-	-	-	-	1,40,05,234	34,36,370
	<b>SUB TOTAL (b)</b>	<b>34,36,370</b>	<b>6,87,36,104</b>	<b>5,81,67,240</b>	<b>1,40,05,234</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,40,05,234</b>	<b>34,36,370</b>
	<b>Total (a+b) (Curr. Year)</b>	<b>1,31,07,83,276</b>	<b>13,70,76,153</b>	<b>8,69,12,946</b>	<b>1,36,09,46,483</b>	<b>63,40,93,145</b>	<b>5,91,39,810</b>	<b>89,77,713</b>	<b>68,42,55,243</b>	<b>67,66,91,240</b>	<b>67,66,90,130</b>
	<b>(Previous Year)</b>	<b>1,39,48,69,168</b>	<b>1,40,43,256</b>	<b>12,14,22,835</b>	<b>1,28,74,89,589</b>	<b>51,01,10,060</b>	<b>6,78,82,317</b>	<b>1,85,85,765</b>	<b>55,94,06,613</b>	<b>72,80,82,976</b>	<b>88,47,59,108</b>

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET 2015-16**

(in Rs.)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Note No.:7 (d) Long Term Loans &amp; Advances</b>		
i. Advances Recoverable in Cash or in kind for value to be received - unsecured and Considered Good	54,26,959	63,72,603
ii. Deposits - Considered Good	1,12,61,646	80,24,245
iii. Advance to Suppliers (Trade)	61,66,036	91,93,325
<b>Total</b>	<b>2,28,54,641</b>	<b>2,35,90,173</b>
<b>CURRENT ASSETS</b>		
<b>Note No.:8 (a) Inventories (As Valued &amp; Certified By the Management)</b>		
Raw Material	4,04,23,810	3,19,54,049
Additives, Stores, Spares and Consumables	4,20,15,984	3,52,76,029
Finished Goods	28,88,03,611	30,07,93,224
Livestock - Chicks	92,32,927	88,45,346
Livestock - Unamortised Value of Chicks	4,44,86,541	4,64,17,338
Feed & Medicines	34,75,094	22,26,965
Egg Powder at Netherlands	5,32,65,694	4,06,80,593
Goods in Transit (Europe BV)	5,80,58,624	2,73,33,949
<b>Total</b>	<b>53,97,62,285</b>	<b>49,35,27,493</b>
<b>Note No.:8 (b) Trade Receivables Unsecured &amp; Considered Good</b>		
Sundry Debtors	16,63,58,605	16,39,39,093
<b>Total</b>	<b>16,63,58,605</b>	<b>16,39,39,093</b>
<b>Note No.:8 (c) Cash and Cash Equivalents</b>		
i. Cash on hand	7,36,657	9,32,560
ii. In Current Account with Scheduled Banks	4,68,20,877	4,63,79,391
iii. Fixed Deposit with Banks	14,14,94,778	1,18,58,003
<b>Total</b>	<b>18,90,52,312</b>	<b>5,91,69,954</b>
Balance with Banks includes Unpaid Dividend of Rs.50.13 Lakhs (Previous year Rs. Nil )		
<b>Note No.:8 (d) Short term Loans &amp; Advances</b>		
i. Advance to Staffs	1,44,452	1,14,438
ii. Prepaid Expenses	56,32,477	58,97,084
iii. VAT Receivables	-	2,85,568
<b>Total</b>	<b>57,76,929</b>	<b>62,97,090</b>
<b>Note No.:8 (e) Other Current Assets</b>		
i. Income Accrued on Deposits & Subsidies Receivables	3,64,184	7,92,998
ii. MAT Credit Entitlement & Tax Refund Receivables	6,80,57,983	7,14,59,886
iii. Others	2,50,000	4,97,902
iv. Russia Branch Current Assets	72,97,675	14,29,010
<b>Total</b>	<b>7,59,69,842</b>	<b>7,41,79,797</b>

## SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT 2015-16

(in Rs.)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Note No. : 9 Revenue from Operations</b>		
Export Sales	288,18,54,080	277,48,17,119
Domestic Sales	12,26,94,409	10,45,53,504
Sale of Egg Shell (Waste)	35,94,776	42,31,271
Sale of Culling Birds & Litter waste	1,84,38,249	1,56,91,145
Sale of Declared Goods (Scrap)	27,10,188	14,98,893
<b>Total</b>	<b>3,02,92,91,702</b>	<b>290,07,91,931</b>
<b>Note No. : 10 Other Income</b>		
Interest Receipts	61,35,598	39,73,578
Lease Rent Received - Egg Grader M/c	-	1,00,000
Receipts - Subsidies	8,52,06,111	6,08,64,635
Exchange Fluctuation - Net	5,05,33,795	9,29,81,555
Profit on sale of Assets	(1,09,00,072)	19,048
Miscellaneous Income	1,61,748	3,19,667
<b>Total</b>	<b>13,11,37,180</b>	<b>15,82,58,483</b>
<b>Note No. : 11 Cost of Material Consumed</b>		
<b>a) PURCHASES OF RAW MATERIALS AND STORES</b>		
Raw Material- Eggs / Feed Ingredients	174,47,41,357	187,79,78,428
Vaccine & Medicine Consumption	25,70,496	22,59,681
Additives & Consumables	5,70,86,214	6,61,34,444
<b>Sub-total (a)</b>	<b>180,43,98,067</b>	<b>194,63,72,553</b>
<b>b) DIRECT/PRODUCTIONS EXPENSES</b>		
Packing Material - Consumed	3,02,68,211	3,41,34,364
Power & Fuel	13,76,17,768	13,35,59,092
Procurement & Other Production expenses	49,11,240	53,11,649
<b>Sub-total (b)</b>	<b>17,27,97,219</b>	<b>17,30,05,105</b>
<b>Total (a+b)</b>	<b>197,71,95,286</b>	<b>211,93,77,658</b>
<b>Note No. : 12 Purchase of Stock in Trade</b>		
Egg Powder Purchase	24,30,64,528	15,94,66,774
Import Duty	1,85,45,677	1,07,75,005
Customs Clearance & Other Expenses	22,21,864	4,55,576
<b>Total</b>	<b>26,38,32,068</b>	<b>17,06,97,355</b>

## SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT 2015-16

(in Rs.)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Note No. : 13 Change in Inventories</b>		
Opening Stock - Finished goods	37,68,29,077	25,80,88,645
Closing Stock - Finished goods	37,74,24,565	37,68,29,077
<b>Total</b>	<b>5,95,488</b>	<b>11,87,40,432</b>
<b>Note No. : 14 Employment Benefit Expenses</b>		
Salaries & Wages	14,25,03,348	12,58,98,102
PF Contribution	83,49,811	71,56,750
Gratuity Expenses	17,96,066	28,46,872
Welfare Expenses	69,33,964	70,11,574
<b>Total</b>	<b>15,95,83,189</b>	<b>14,29,13,298</b>
<b>Note No. : 15 Financial Cost</b>		
Working Capital Loan Interest	93,69,003	71,49,379
Bank Charges	59,23,407	52,87,599
Export Bills Discount	47,48,147	41,29,105
Interest Paid - Others	5,29,542	30,96,460
Interest on Vehicle Loan	7,63,275	1,10,402
Bill Discount & Collection Charges	36,48,907	41,74,375
SBI- Term Loan Interest	-	1,30,86,026
SBI- FITL Interest	-	6,40,041
Interest paid to Chairman & Managing Director	13,44,658	1,33,88,208
<b>Total</b>	<b>2,63,26,939</b>	<b>5,10,61,595</b>
<b>Note No. : 16 Depreciation &amp; Amortised Cost</b>		
Depreciation	5,91,85,700	7,47,32,424
Amortised Value of Birds	6,15,65,459	5,83,54,114
<b>Total</b>	<b>12,07,51,159</b>	<b>13,30,86,538</b>

## CONSOLIDATED SCHEDULE FORMING PART OF PROFIT AND LOSS ACCOUNT 2015 - 16

(in Rs.)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Note No. : 17 Other Expenses</b>		
<b>Repairs &amp; Maintenance</b>		
a) Building	57,81,531	48,12,729
b) Plant & Machinery	1,01,63,427	53,94,155
c) Fly Control Expenses	6,03,515	3,29,244
d) Others	73,82,461	1,16,55,268
e) Vehicle - Fuel & Maintenance	1,47,05,105	1,42,50,960
Stores & Spares Consumption	3,78,96,300	3,46,98,000
Analysing Charges	1,43,21,377	1,27,13,921
Rent Expenses	35,68,512	17,29,265
Rates and Taxes,Registration and Renewal	54,34,096	43,09,474
Postage, Courier & Telephone Charges	21,95,814	23,31,965
Printing & Stationery	17,36,134	15,40,328
Insurance Premium	13,93,112	14,43,675
Advertisement and Publicity	10,36,821	12,81,927
Travelling Expenses	50,53,088	41,07,768
Foregin Travelling expenses	51,85,846	21,93,743
Brokerage Expenses	78,475	29,951
Professional Charges	70,27,849	47,27,861
ISO / HACCP-expenses.	5,34,428	7,87,653
Miscellaneous Expenses	12,68,578	13,54,435
Audit Fees	10,11,113	7,63,767
Donation	31,87,148	23,03,252
Annual General Meeting Expenses	6,04,753	7,02,473
Secretarial Expenses	4,79,389	4,06,712
Stock Exchange Listing Fee	12,30,252	5,22,750
Directors' Sitting Fee	35,000	35,000
Subscription	11,06,107	7,20,524
Sales Commission	3,06,51,803	1,36,83,778
Selling Expenses	75,01,021	(87,70,054)
Russia Branch Net Loss	1,32,96,002	1,92,40,890
Provision for Bad Debts	1,36,65,296	-
<b>Sub-total (a)</b>	<b>19,81,34,352</b>	<b>13,93,01,412</b>
Freight and Forwarding Charges	5,08,12,568	6,02,68,408
ECGC Insurance Premium paid	76,44,294	71,00,330
Product Liability Insurance Paid	24,60,939	17,68,549
Marine Insurance Premium paid	7,29,158	8,85,563
<b>Sub-total (b)</b>	<b>6,16,46,959</b>	<b>7,00,22,850</b>
<b>Total (a+b)</b>	<b>25,97,81,311</b>	<b>20,93,24,262</b>

**CONSOLIDATED SCHEDULE FORMING PART OF PROFIT AND LOSS ACCOUNT 2015 - 16**

(in Rs.)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Note No. : 18 Current Tax</b>		
Income Tax - Normal Provisions	12,23,37,673	-
Income Tax - MAT Provisions	-	4,67,34,035
<b>Total</b>	<b>12,23,37,673</b>	<b>4,67,34,035</b>
<b>Note No. : 19 Deferred Tax</b>		
<b>On account of variation of allowances for tax purpose in :</b>		
Depreciation	(1,51,87,736)	(74,48,885)
C/F and Business Losses (DTA)/DTL	(21,56,861)	4,64,81,402
Income Tax Disallowance (DTA)	-	1,19,89,200
Earned Leave (DTA)/DTL	-	3,87,103
Sale of Assets (DTA)/DTL	-	(17,58,348)
<b>Total</b>	<b>(1,73,44,597)</b>	<b>4,96,50,472</b>
<b>Note No. : 20 Earnings Per Share :</b>		
Net Profit for the year	24,52,51,683	25,44,84,859
Less : Preference Share Dividend (including tax thereon)	0	0
Amount available for Equity Shareholders	24,52,51,683	25,44,84,859
Weighted No. of Equity shares	2,63,30,000	2,63,30,000
Basic EPS	9.31	9.67
Diluted EPS	9.31	9.67
<b>Face Value per Equity Share</b>	<b>10</b>	<b>10</b>



**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 01.04.2015 TO 31.03.2016**

(in Lacs)

	2015-16		2014-15	
<b>A. Cash Flow From Operating Activities:</b>				
<b>INDIRECT METHOD:</b>				
Net Profit Before Tax		3,535.54		3,513.30
Adjustment for:				
Depreciation	591.86		747.32	
(Profit)/Loss on Sale of Assets	109.00		(0.19)	
Financial Cost	263.27		510.62	
Interest and Lease Receipts	(61.36)	902.77	(40.74)	1,217.01
Operating profit / (Loss) before Working capital changes		4,438.32		4,730.32
Adjustment for:				
(Increase)/Decrease in Trade and Other Receivables	(23.38)		327.80	
(Increase)/Decrease in Inventories	(462.35)		(1,243.46)	
Increase/(Decrease) in Trade and Other Paybles	231.44	(254.29)	314.65	(601.02)
Cash generated from operations		4,184.03		4,129.30
Direct taxes paid		1,223.38		467.34
Cash flow before extraordinary items		2,960.65		3,661.96
Extraordinary items		-		-
<b>Net Cash Flow from Operating Activities</b>		<b>2,960.65</b>		<b>3,661.96</b>
<b>B. Cash from Investing Activities:</b>				
Purchase /Increase in Fixed Assets		(789.55)		(233.40)
Sale of Fixed Assets		197.68		(0.00)
Profit/(Loss) on Sale of Assets		(109.00)		0.19
Interest and Lease Rent receipts		61.36		40.74
<b>Net cash (used in) received from Investing Activities</b>		<b>(639.51)</b>		<b>(192.47)</b>
<b>C. Cash flow from Financing Activities:</b>				
Financial Cost		(263.27)		(510.62)
Increase / (Decrease) in Bank & Other Borrowings		(441.83)		(2,880.89)
Dividend & Dividend distribution tax paid		(317.21)		(317.21)
<b>Net cash (used in) received from Financing Activities</b>		<b>(1,022.31)</b>		<b>(3,708.71)</b>
Net Increase / (Decrease) in Cash and Cash Equivalents		1,298.82		(239.22)
Opening Cash & Cash Equivalents		591.70		830.92
Closing Cash & Cash Equivalents		1,890.52		591.70
		1,298.82		(239.22)

For and on behalf of the Board

**SKM Maeilanandahan**  
 Executive Chairman

**SKM Shree Shivkumar**  
 Managing Director

**AUDITORS' CERTIFICATE**

We have examined the Cash Flow Statement of M/s. SKM Egg Products Export (India) Limited for the period ended 31st March 2016. The statement has been prepared by the company in accordance with the requirements of Regulations 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 25.05.2016 to the members of the Company.

**For N.C. Rajagopal & Co.,**  
 Chartered Accountants

**N.C.Vijay Kumar**  
 Partner  
 Membership No. 208276

 Place : Erode  
 Date : 25.05.2016

**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 "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. 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 polices 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 seperate financial statements.

For N.C. Rajagopal & Co.,  
Chartered Accountants

N.C. Vijay Kumar  
Partner

Membership No.208276  
FRN : 003398S

Place : Erode  
Date : 25.05.2016

**2. NOTES ON ACCOUNTS ON CONSOLIDATED FINANCIAL STATEMENTS:**

- 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.

The consolidated statement has been prepared to include the results of "SKM Europe BV", Utrecht, The Netherlands, the Subsidiary of the company in which the company holds 85% of the Share Capital of the Subsidiary Company.

**ii. Contingent Liability:**

(a) Export Bills discounted with the State Bank of India, Commercial Branch, Erode Rs.1292.63 Lacs.  
(Excluding the Bills of Subsidiary Company) (Previous year Rs.1600.08 Lacs)

(b) Income Tax Liability Rs. 395.63 lacs (Net of recovery and Payments) (Previous year 492.81 lacs)

(c) Service Tax Liability Rs. 44.38 Lacs (Previous year Rs.41.25 Lacs)

(d) Excise Duty Liability Rs. 24.13 Lacs (Previous year Rs.32.48 Lacs)

(e) The company is in dispute with its bank (State Bank of India) regarding the claim made as "Right of Recompense (ROR)". The amount involved could not be quantified as there is a dispute in quantification of liability itself between the bank (State Bank of India) and the company. There is also dispute concerning the admission of liability by the company and the company is making best efforts to rebut the Right of Recompense (ROR) claim made by the bank towards the company. Hence, no provision has been made in the books 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

## (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 - Key Managerial Personnel
- v) Sri.SKM Maeilanandhan      Whole time Director - Key Managerial Personnel
- vi) K.S.Venkatachalapathy      Chief Financial Officer - Key Managerial Personnel
- vii) P.Sekar      Company Secretary - Key Managerial Personnel

## (c) Transaction details :

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

- a. Sale of Egg Shells (Net of Returns):
  - Quantity      660.61 tonnes
  - Value      Rs.14.30 Lacs
  - Balance as on 31.03.2016 (Dr)      Rs.0.30 Lacs

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

- a. Purchase of Medicines - Poultry feed supplement (Net of Returns):
  - Quantity      3,845 Litres
  - Value      Rs.4.57 Lacs
  - Balance as on 31.03.2016 (Cr)      Rs.1.33 Lacs

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

- a. Sale of Eggs (Net of Returns):
  - Quantity      1,57,15,100 Nos.
  - Value      Rs.519.68 Lacs
  - Balance as on 31.03.2016 (Dr)      Rs.22.55 Lacs

b.	Sale of Poultry Feeds (Net of Returns):		
	Quantity	6,85,950 kgs	
	Value	Rs.140.00 Lacs	
	Balance as on 31.03.2016 (Dr)	-	-
c.	Purchase of Eggs (Net of Returns):		
	Quantity	44,67,01,290 nos.	
	Value	Rs.13,735.99 Lacs	
	Balance as on 31.03.2016 (Cr)	Rs.410.33 Lacs	
d.	Purchase of Wind Power:		
	Quantity	27,06,948 units	
	Value	Rs.171.89 Lacs	
	Balance as on 31.03.2016 (Cr)	-	
e.	Purchase of Medicines - Poultry feed supplement (Net of Returns) :		
	Quantity	1,31,945 Kgs & 3,980 Ltrs	
	Value	Rs.197.30 Lacs	
	Balance as on 31.03.2016 (Cr)	Rs.14.59 Lacs	
iv.	Transactions with SKM Shree Shivkumar:		
a.	Payment of Rent:		
	Rent paid for hiring Administrative Office for 10 months	0.64 lacs	
b.	Payment of Salary & Commission:		
	Salary, Allowances & Other perquisites	30.60 lacs	
	Commission on Profit	Rs.132.50 Lacs	
c.	Repayment of Loan & Interest:		
	Loan payable as on 01.04.2015	Rs.500.00 Lacs	
	Loan received during the year	Rs.200.00 Lacs	
	Interest during the year	Rs.13.45 Lacs	
	Loan & Interest repaid during the year	Rs.713.45 Lacs	
	Loan payable as on 31.03.2016	-	
v.	Transactions with Sri.SKM Maeilanandhan:		
a.	Payment of Salary & Commission:		
	Salary, Allowances & Other perquisites	30.56 lacs	
	Commission on Profit	Rs.132.50 Lacs	
vii.	Transactions with K.S.Venkatachalapathy:		
a.	Payment of Salary & Commission:		
	Salary, Allowances & Other perquisites	18.98 Lacs	
vii.	Transactions with P.Sekar:		
a.	Payment of Salary & Commission:		
	Salary, Allowances & Other perquisites	3.71 Lac	

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

Particulars	2015 - 2016	2014 - 2015
	(Rs.)	
For Statutory Audit Fee	4,50,000	4,50,000
For Taxation Matter	1,50,000	1,50,000
For Certification Services	55,000	79,750
For Appeal Representation and Others	1,50,000	1,30,000
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 Provisions of MAT under section 115JB of the Income Tax Act, 1961 is higher than the book profits. Excess tax amount paid over the tax paid/payable under normal provisions of the Income Tax Act during the yester years, if any, constitutes MAT credit and the same has been taken credit and set off against the provision for taxation made during the year.

**vii. No provision has been made in respect of demand of Excise Duties Rs.24.13 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.2011-12 and A.Y. 12-13 by making some adjustments to the returned Loss. The Company has preferred appeals before the immediate superior authority which appeal is 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, but the adjustments have an impact on the availability of Future MAT credit to the extent of Rs.1.55 Crores which has been considered while making provision for Income Tax for the current year on conservative basis. The MAT Credits available in the Books of Accounts will be suitably dealt with on the outcome of the appellate decisions.

**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 Lacs)

Particulars	2015-16		2014-2015	
	Amount	%	Amount	%
1. Raw Materials				
(a) Imported	-	-	-	-
(b) Indigenous	17,893.53	100.00%	19,296.35	100.00%
	17,893.53	100.00%	19,296.35	100.00%
2. Packing Materials				
(a) Imported	5.02	1.82%	6.63	2.10%
(b) Indigenous	271.12	98.18%	309.33	97.90%
	276.14	100.00%	315.96	100.00%
3. Consumables, Stores & spares				
(a) Imported	330.28	33.93%	358.14	36.17%
(b) Indigenous	642.99	66.07%	632.08	63.83%
	973.27	100.00%	990.22	100.00%
4. Fuel				
(a) Imported	-	-	-	-
(b) Indigenous	716.24	100.00%	797.31	100.00%
	716.24	100.00%	797.31	100.00%

**X). Expenditure in Foreign currency:**

(in Rs.)

Particulars	2015-16	2014-2015
1. Professional & Consultation fee		
(a) Analysis Charges	1,33,34,200	1,13,70,923
(b) Sales Commission	74,88,344	1,15,15,375
(c) Professional Charges	15,40,924	7,50,791
(d) Subscription and Registration	4,46,126	4,04,370
(e) Selling, Insurance and Compensation expenses	75,00,367	2,68,12,448
2. Foreign Travel Expenditure	18,96,612	12,76,228
3. Packing Materials, Additives, Stores and Lab Consumables	5,67,77,376	3,33,68,034
<b>Total</b>	<b>8,89,83,949</b>	<b>8,54,98,169</b>

XI). FOB Value of goods exported Rs.25,200 Lacs ( Previous Year Rs.25,396 Lacs)

XII) During the year the company has recognized the following amounts in the Profit and Loss Account:

(in Rs.)

Particulars	Group Gratuity Scheme (Funded) 2016	Group Gratuity Scheme (Funded) 2015
<b>(a) Reconciliation of Opening and Closing Balances of Defined Benefit Obligations</b>		
Present Value of obligation as at 1st April 2015	59,87,011	27,53,737
Current Service Cost	8,84,861	3,32,074
Interest Cost	4,78,961	2,20,299
Actuarial (gain) / loss	11,29,113	28,52,605
Benefits paid	(2,92,205)	(1,71,704)
Present Value of obligation as at 31st March 2016	81,87,741	59,87,011
<b>(b) Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets :</b>		
Fair Value of plan assets as at 1st April 2015	69,13,020	56,03,153
Expected return on plan assets	6,96,869	5,58,106
Contribution made	8,88,705	9,23,465
Benefits Paid	(2,92,205)	(1,71,704)
Actuarial gain / (loss) on the plan assets	-	-
Fair Value of plan assets as at 31st March 2016	82,06,390	69,13,020
<b>(c) Reconciliation of Fair Value of Assets and Obligations as at 31st March 2016 :</b>		
Present value of the obligation	81,87,741	5,9,87,011
Fair Value of plan assets	82,06,390	69,13,020
Funded Status (Surplus / (Deficit))	18,649	9,26,009
Net asset / (liability) recognized in the balance sheet	18,649	9,26,009



(in Rs.)

Particulars	Group Gratuity Scheme (Funded) 2016	Group Gratuity Scheme (Funded) 2015
(d) <b>Expenses recognized during the year (Under the head “Employees Cost – Refer Schedule “O”)</b>		
Current Service Cost	8,84,861	3,32,074
Interest Cost	4,78,961	2,20,299
Expected return on plan assets	(6,96,869)	(5,58,106)
Actuarial (gain) / loss	11,29,113	28,52,605
Net Cost	17,96,066	28,46,872
(e) <b>Actual return on the plan assets:</b>		
Expected return on plan assets	6,96,869	5,58,106
Actuarial gain / loss on plan assets	-	-
(f) <b>Actuarial Assumptions:</b>		
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.30.67 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 difference of Rs.505.34 lacs 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. 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	As % of consolidated profit or loss	Amount
SKM Europe BV, The Netharlands	4.52%	40,657,575	7.65%	18,754,736

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

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

**SKM Maeilanandhan**  
Executive Chairman

**SKM Shree Shivkumar**  
Managing Director

**K.S. Venkatachalapathy**  
Chief Financial Officer

**P. Sekar**  
Company Secretary

Place : Erode.

Date : 25.05.2016

**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](http://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

<i>Rs.</i>	153,090,213
------------	-------------

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

<i>Rs.</i>	3,061,804
------------	-----------

5. Details of CSR spent during the financial year.

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

<i>Rs.</i>	3,061,804
------------	-----------

- (b) Amount unspent, if any;

*Nil*

- © Manner in which the amount spent during the financial year is detailed below.

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)	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency	Amount spent on projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overheads:
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 2) TamilNadu Erode District	3,066,598	Adirect expenditure on projects or programs Adoption of 2 Villages Rajeev Nagar and Gandhi Nagarand providing them medical relief and providing education.y	3,066,598	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;

**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 mu/our behalf at the 21st Annual General Meeting of the SKM EGG PRODUCTS EXPORT (INDIA) LIMITED, to be held on the ----- at ----- A.M at ----- and at any adjournment thereof in respect of such resolutions as are indicated below:



**RESOLUTION Nos**

	<b>ORDINARY BUSINESS</b>	<b>FOR</b>	<b>AGIANST</b>
1.	a) Adoption of audited financial statements of the Company including audited Balance sheet and Profit & Loss account for the year ended 31st March 2016.	<input type="checkbox"/>	<input type="checkbox"/>
	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 2016	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-appointment of Retiring Director Smt. S Kumutaavalli	<input type="checkbox"/>	<input type="checkbox"/>
3	To appoint Statutory Auditors M/s N.C. Rajagopal & Co., Chartered Accountants, Erode to hold office from the conclusion of this meeting until the conclusion of the next AGM and to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

**SPECIAL BUSINESS (ORDINARY RESOLUTION)**



4	Re-appointment of Shri. SKM Shree Shivkumar (DIN: 00002384) as an Managing Director.	<input type="checkbox"/>	<input type="checkbox"/>
---	--	--------------------------	--------------------------

**SPECIAL BUSINESS (SPECIAL RESOLUTION)**

5	Re-appointment of Shri. SKM Maeilanandhan (DIN: 00002380) as an Executive Chairman.	<input type="checkbox"/>	<input type="checkbox"/>
6	Reclassification from promoter shareholder to public shareholder (Dr.C. Chandrasekar and Mrs. C. Shyamala Sharmili )	<input type="checkbox"/>	<input type="checkbox"/>
7.	Approve related party transaction pursuant to section 188 of the Companies Act, 2013.	<input type="checkbox"/>	<input type="checkbox"/>

**POLING PAPER**

SKM Egg Products Export (India) Limited,

CIN: L01222TZ1995PLC006025

185, Chennimalai Road,

Erode- 638001

Website: www.skmeegg.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 ----- of the Company by conveying my/our assent or dissent to the said resolutions by placing the tick () mark at the appropriate box below:



Signed this-----day of -----2016.

-----  
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.

**RESOLUTION Nos**

	<b>ORDINARY BUSINESS</b>	<b>FOR</b>	<b>AGIANST</b>
1.	a) Adoption of audited financial statements of the Company including audited Balance sheet and Profit & Loss account for the year ended 31st March 2016.	<input type="checkbox"/>	<input type="checkbox"/>
	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 2016	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-appointment of Retiring Director Smt. S Kumutaavalli	<input type="checkbox"/>	<input type="checkbox"/>
3	To appoint Statutory Auditors M/s N.C. Rajagopal & Co., Chartered Accountants, Erode to hold office from the conclusion of this meeting until the conclusion of the next AGM and to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

**SPECIAL BUSINESS (ORDINARY RESOLUTION)**

4	Re-appointment of Shri. SKM Shree Shivkumar (DIN: 00002384) as an Managing Director.	<input type="checkbox"/>	<input type="checkbox"/>
---	--	--------------------------	--------------------------

**SPECIAL BUSINESS (SPECIAL RESOLUTION)**

5	Re-appointment of Shri. SKM Maeilanandhan (DIN: 00002380) as an Executive Chairman.	<input type="checkbox"/>	<input type="checkbox"/>
6	Reclassification from promoter shareholder to public shareholder (Dr.C. Chandrasekar and Mrs. C. Shyamala Sharmili )	<input type="checkbox"/>	<input type="checkbox"/>
7.	Approve related party transaction pursuant to section 188 of the Companies Act, 2013.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this-----day of -----2016.

-----  
Signature of the Member



**ATTENDANCE SLIP**  
**21<sup>ST</sup> ANNUAL GENERAL MEETING- ....., 2016**

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 21st Annual General Meeting of the Company, at Regd. Office : 185, Chennimalai Road, Erode - 638 001. on 02/09/2016 at 4.00 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 புராடக்சஸ் எக்ஸ்போர்ட் ( இந்தியா ) லிமிடெட்

185, சென்னிமலை ரோடு, ஈரோடு - 638 001.

வருகை பதிவுச் சீட்டு

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

பங்குதாரரின் பெயர், விலாசம் :

02.09.2016 வெள்ளிக்கிழமை மாலை 4.00 மணிக்கு பதிவு அலுவலகம், 185, சென்னிமலை ரோடு, ஈரோடு - 638 001ல் நடைபெறும் கம்பெனியின் 21-வது ஆண்டு பொதுக் கூட்டத்திற்கு எனது வருகையை இதன் மூலம் பதிவு செய்கிறேன்.

மீ பங்குதாரர் / பதிலாள்

கையொப்பம்

மீ பதிலாள் / பங்குதாரர் என்பதை குறிப்பிடவும்

- குறிப்பு: 1. பங்குதாரர் / பதிலாள் இந்தப் பதிவுச் சீட்டை கையொப்பமிட்டு கூட்டம் நடக்கும் இடத்தின் நுழைவு வாயிலில் கொடுக்கவும்.
2. பங்குதாரர் அல்லாதோர் மற்றும் குழந்தைகளை உடன் அழைத்து வருவதைத் தவிர்க்குமாறு பங்குதாரர்கள் கேட்டுக் கொள்ளப்படுகிறார்கள்.



எஸ்கேஎம் எக் புராடக்சஸ் எக்ஸ்போர்ட் ( இந்தியா ) லிமிடெட்

185, சென்னிமலை ரோடு, ஈரோடு - 638 001.

பதிலி படிவம்

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

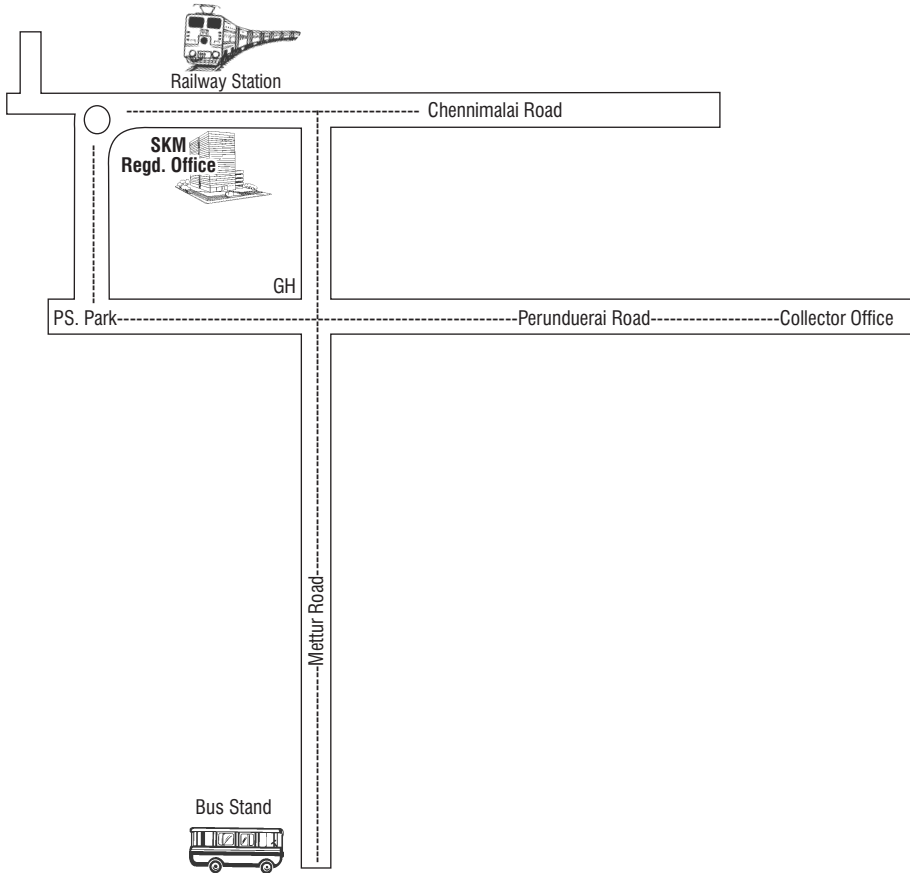
எஸ்கேஎம் எக் புராடக்சஸ் எக்ஸ்போர்ட் ( இந்தியா ) லிமிடெட்டின் பங்குதாரர்களாக இருக்கும்..... ஊரைச் சேர்ந்த.....நான் / நாங்கள் இதன் மூலம் எனது / எங்களது பதிலாளாக.....ஊரைச் சேர்ந்த.....என்பவரையும் எனது/எங்களது சார்பில் 02.09.2016 வெள்ளிக்கிழமை மாலை 4.00 மணிக்கு நடக்கவிருக்கும் 21-வது ஆண்டு பொதுக்கூட்டம் அல்லது ஒத்திவைப்புக் கூட்டத்தில் கலந்து கொள்ளவும் வாக்குப்பதிவு செய்யவும் நியமிக்கிறேன். / நியமிக்கிறோம்.

கையொப்பமிட்ட தேதி .....

ஒரு ரூபாய்  
ரெவின்யூ  
ஸ்டாம்ப்  
ஒட்டவும்

குறிப்பு : இந்த பதிலி படிவத்தை (பதிலாள் நியமிக்கும் படசத்தில் 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

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

Tel : +91 424 23 51 532 - 34 | 185, Chennimalai Road, Erode.  
Fax : +91 424 23 51 530 - 31 | Tamil Nadu, India. Pin : 638 001  
E-mail : [finance@skmegg.com](mailto:finance@skmegg.com) | Website : [www.skmegg.com](http://www.skmegg.com)