








FORM A

1.	Name of the Company	SKM Egg Products Export (India) Limited
2.	Annual Financial Statements for the year ended	31 <sup>st</sup> March 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable

 Shree Shivkumar SKM Managing Director	 K.S.Venkatachalapathy Chief Financial Officer
Auditor of the Company:  Refer our Audit Report dated 20th May 2015 On the separate financial statements of the Company For M/s. N.C. Rajagopal & Co., Chartered Accountants Firm Regn No.003398S    N.C. Vijay Kumar Partner Membership No: 208276	 M.Chinnian Audit Committee Chairman

**SKM EGG PRODUCTS**

THINKING OUT OF THE SHELL

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED CIN : L01222TZ1995PLC006025






Registered Office: 185, Chennimalai Road, Erode - 638 001, Tamil Nadu, India. Tel: +91 424 2262963, Fax: +91 424 2258419

Factory: Erode - Karur Main Road, Cholangapalayam, Erode - 638 154, Tamil Nadu, India. Tel: +91 424 2351532 - 34, Fax: +91 424 2351531, Web: www.skmeegg.com



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 Shree Shivkumar SKM Managing Director	 K.S.Venkatachalapathy Chief Financial Officer
Auditor of the Company:  Refer our Audit Report dated 20th May 2015 On the consolidated financial statements of the Company For M/s. N.C. Rajagopal & Co., Chartered Accountants Firm Regn No.003398S	 M.Chinnian Audit Committee Chairman
 N.C. Vijay Kumar Partner Membership No: 208276	

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**SKM EGG PRODUCTS**

**THINKING OUT OF THE SHELL**

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

## **TWENTIETH ANNUAL REPORT 2014 - 2015**

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

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



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# SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

CIN: L01222TZ1995PLC006025

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

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<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, Cholangapalayam, Punjai Kilambadi Village, ERODE - 638 154.

**NOTICE TO SHAREHOLDERS**

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting of the **SKM EGG PRODUCTS EXPORT (INDIA) LIMITED** will be held as shown below:

Date: 23<sup>rd</sup> September 2015

Day: Wednesday

Time: 4.00 P.M

Venue: NSA Mahal, Club Melaange, 314, 315 Perundurai Road, Erode-638 011

To transact the following business:

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**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 2015, 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 2015 and the Report of the Auditors thereon;
2. To declare a Dividend..
3. To appoint a Director in place of Shri. S M Venkatachalapathy, Non-executive Director (DIN: 00043288), who retires by rotation, and being eligible, offers himself for re-appointment.
4. 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:**

5. **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 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. P. Kumarasamy (DIN: 00046090) Director, of the Company, who was appointed as a Director liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956 and who has given declaration that he meets with the criteria of independence and qualifies for being appointed as an Independent Director of the Company be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office with effective from 27th January, 2015 for five consecutive years for a term up to January 26, 2020.”



“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

6. **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 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Doraisamy Venkateswaran (DIN: 05170759) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 27th January 2015 and who has given declaration that he meets with the criteria of independence and qualifies for being appointed as an Independent Director of the Company be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for five consecutive years for a term up to 26th January, 2020.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

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 Clause 49 of the listing agreement of the stock exchanges (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) Limited
2. SKM Animal Feeds and Foods (India) Limited
3. SKM Universal Marketing Company India 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)	
				2014-2015	2013-2014
1.	SKM Animal Feeds and Foods (India) 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	17.12	20.88
2.	SKM Universal Marketing Company India Limited	Shri. SKM Shree Shivkumar (Managing Director) in SKM Egg Products Export (India) Limited Is also a Director in SKM Universal Marketing Company India Limited.	A.Details of Loans borrowed repayments and Interest Payments.	- 475.00 29.98	- - 53.00
			B. Sale and Purchase of Eggs, and Purchase of Electricity other than borrowings	16,130	12,260
			C. Lease Rent Received From	1.27	7.61
3.	Shri. SKM Shree Shivkumar	Managing Director	Rent Paid to Managing Director	0.77	0.77
			Remuneration paid to Managing Director	173.94	65.77
			Details of Loans borrowed	-	600.00
			Repayments	595.00	-
			Interest payments	133.88	69.00
4.	Shri. SKM Maeilanandhan	Executive Chairman	Remuneration paid to Executive Chairman	173.94	54.00
			Details of Loans borrowed	-	-
			Repayments	-	600.00
			Interest payments	-	63.00

5.	SKM Europe Bv, Netherlands.	SKM Europe Bv, Utrecht, The Netherlands- Foreign Subsidiary Of SKM Egg Products Export (India) Limited	Sale Made (CIF Value)	2,044.00	1,927 .00
6.	SKM Siddha and Ayurvedha Company (India) 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 Limited.	Purchase of feed supplementary	6.51	-

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

“RESOLVED that pursuant to Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/ bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or securities linked to equity shares and/or rupee/ foreign currency convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed Rs.68.31crs (Rupees Sixty eight crores and thirty one lakhs only).”

“RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board or any Committee thereof be and is hereby authorized to finalize, settle and execute such documents/deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage / charge as aforesaid.”

For and on behalf of the Board of Directors

Date:29.07.2015  
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 17.09.2015 to 23.09.2015 (both days inclusive).
9. Dividend on equity shares as recommended by the Board of Directors for the year ended 31st March 2015, if approved at the Meeting, will be payable to those eligible Members who hold shares:
  1. In dematerialized mode, based on the beneficial ownership details to be received from NSDL and CDSL as on 16.09.2015.
  2. In physical mode, if their names appear in the Company's Register of Members after giving effect to all valid transfer in physical form lodged with the Company and its Registrar and Transfer Agents before 16.09.2015.
10. 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.
11. 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.

12. 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.
13. The details of directors who are proposed to be reappointed/newly appointed are given in Corporate Governance Report.

**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: 5 to 6**

**Appointment of Independent Directors:**

The Company has received from Mr. P. Kumarasamy (DIN: 00046090) and Mr. Doraisamy Venkateswaran (DIN: 05170759) (i) consent in writing to act as a Independent Directors in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014 (ii)intimation in Form DIR- 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The Resolution seeks the approval of members for the appointment of Mr. P. Kumarasamy (DIN: 00046090) and Mr. Doraisamy Venkateswaran (DIN: 05170759) as Independent Directors of the Company for a term of 5 consecutive years pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made hereunder.

In the opinion of the Board of Directors, Mr. P. Kumarasamy (DIN: 00046090) and Mr. Doraisamy Venkateswaran (DIN: 05170759) proposed to be appointed, as Independent Directors, fulfills the conditions specified in the Companies Act, 2013 and the Rules made hereunder and also the provisions as laid down in listing agreement and they are independent.

No Director or Key Managerial Personnel of the Company and/ or their relatives, except Mr. P. Kumarasamy and Mr. Doraisamy Venkateswaran in their personal capacity for whom the Resolution relates, are interested or concerned in the Resolution.

The Board recommends this Resolution for Approval.

**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.

#### **Item No.8**

The borrowings of the Company are in general required to be secured by mortgage/charges hypothecation or encumbrances on all or any of the movable or immovable properties of the Company in such form, manner and ranking as may be stipulated by the lender(s) and accepted by the Board of Directors of the Company from time to time.

The mortgage and/or charges by the company of its movable and immovable properties and/or the whole or any part of the undertaking(s) of the company in favour of any Bank(s) or financial Institutions(s) body(ies) Corporate or Person(s) with a power to take over the management of the business and concern of the Company in certain events of default by the Company, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180(1)(a) of the Companies Act, 2013.

In view of the above, your Directors recommend to the members to pass a Special Resolution under provision of Section 180(1)(a) of the Companies Act, 2013. So as to enable the Board of Directors of the Company to create mortgage and/or charges for securing the borrowings of the Company, as and when necessary.

None of the Directors, Key Managerial Personnel or relatives thereof is in any way, concerned or interested in this resolution, except to the extent of their shareholding in the Company

For and on behalf of the Board of Directors

Date: 29.07.2015  
Place: Erode

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-638001.

So as to reach him latest by 13.09.2015 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.

**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 Clause 35B of the Listing Agreement, 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 Depositor y 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 17.09.2015 (9.00 am) and ends on 22.09.2015 (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 16.09.2015, , 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.nsdl.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. Incase 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 16.09.2015 (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.skmegg.com](http://www.skmegg.com) and on the website NSDL immediately after the declaration of result by the Chairman or a person authorized by him in witting. 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: 29.07.2015

Place: Erode

Sd/-

SKM Shree Shivkumar  
Managing Director

## BOARD OF DIRECTORS' REPORT

Dear Shareholders,

Your Board of Directors has immense pleasure in presenting the 20th Annual Report of SKM EGG PRODUCTS EXPORT (INDIA) LIMITED along with the Audited Financial Statement of Accounts for the year ended 31st March, 2015.

### 1. SUMMARISED FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Financial Parameters For the Year ended	31st March 2015	31st March 2014
Total Income	28,714.86	24,043.15
Profit/ (Loss) before Interest and Depreciation and Tax	5,317.06	3,072.16
Less: Financial Cost	503.62	835.86
Depreciation & Amortization	1,330.87	1,262.72
Profit Before tax	3,482.58	973.58
Less: Provision for Tax		
Current	467.34	0.00
MAT Credit entitlement	0.00	0.00
Deferred Tax	496.50	292.99
Profit After Tax and available for appropriation	2,518.74	680.59
Appropriations		
Proposed dividend	263.30	0.00
Dividend Distribution Tax	53.91	0.00
Surplus carried to Balance Sheet	2,201.53	680.59

### 2. OPERATIONS:

The Company's total revenue is Rs.287.15 Crores during the current year as against Rs.240.43 Crores during the previous year. The export during the year has been Rs.258.74 Crores as compared to Rs.216.53 Crores during the previous year 2013-14.

### 3. DIVIDEND:

The Board of Directors have recommended a dividend of 10%, i.e., Re. 1/- per equity share on face value of Rs.10/-each for the year 2014-2015, subject to the approval of the members in the Annual General Meeting. Enhancing the Shareholders value has always been a guiding philosophy of the Company.

### 4. AMOUNTS TRANSFERRED TO RESERVES:

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

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

### 5. SHARE CAPITAL:

The paid up Equity Share Capital as on March 31, 2015 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 and Brief resume of the directors seeking appointment / reappointment and other details as stipulated in Clause 49 & 49 (VIII) (E) of the Listing Agreement, 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:

85% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2015 and balance 15% 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 6 times during the financial year from 1st April, 2014 to 31st March, 2015. The dates on which the meetings were held are as follows: 21.04.2014, 14.05.2014, 30.05.2014, 30.07.2014, 31.10.2014 and 27.01.2015.

## 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. On 22.05.2014 the Company has transferred Rs. 3, 47,627/- to the above fund, being the unclaimed dividend for the year 2004-2005.

## 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 clause 49 of the listing agreement the Board members were informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the company. The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

## 11. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

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

In accordance with Section 135 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on 14.05.2014, have constituted the CSR Committee which comprises of 1.Dr.L.M.Ramakrishnan, 2.Shri.C.Devarajan, and Smt.S,Kumutaavalli. During the year 2014-2015, the Committee met once i.e. on 21.05.2014.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)

### 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:

Related party transactions that were entered 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 and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as Appendix-B. 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-C to this report.

### 16. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Appendix-D.

### 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 Listing Agreement. As at the end of corporate financial year 2014, the total Board strength comprises of the following:

Executive Director	2
Non-Independent Directors & Non-Executive Directors	2
Independent Directors	5
Total Strength	9

**B. Particulars of Directorships of other Companies:**

**OTHER DIRECTORSHIPS**

<b>Name of the Director and Designation</b>	<b>Name of the Company</b>	<b>Position</b>
Shri.SKM Maeilanandhan (Executive Chairman)	SKM Animal Feeds and Foods (India) Private Ltd SKM Siddha and Ayurvedha Company (India) Limited SKM Universal Marketing Company India Limited Agro Corpex India Limited	Whole-time Director Director Director Director
Shri.SKM Shree Shivkumar (Managing Director)	SKM Siddha and Ayurvedha Company (India) Limited SKM Universal Marketing Company India 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) Limited SKM Universal Marketing Company India 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) Limited SKM Shrees Farms India Private Limited SKM Shree Energy India Private Limited	Director Director Director
Shri.P. Kumarasamy (Independent Director)	NIL	NIL
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)	URC Construction (P) Ltd 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 Ltd Ulavar Kalangium Ltd Five P Venture India (P) Ltd Shree URC Ready Mix Texvally Weekly Market Ltd Texvally Market Limited Institute for Lean Construction Excellence	Managing Director Executive Director Chairman & Managing Director Chairman & Managing Director Director Vice Chairman Director Chairman & Managing Director Partner Vice Chairman Vice Chairman Director
Shri.M.Chinnian (Independent Director)	NIL	NIL

<b>Name of the Director and Designation</b>	<b>Name of the Company</b>	<b>Position</b>
Shri.B.Ramakrishnan (Nominee Director) TIDCO	Saptarishi Agro Industries Limited	Director
	Sattva Agro Expo Private Ltd	Nominee Director
	Devaraj Agro Industries Private Limited	Nominee Director
	Nilgiris Flower Company Limited	Nominee Director
	Intgen Agro Products Limited	Nominee Director
	Tamil nadu Telecommunication Limited	Nominee Director
Shri.D.Venkateswaran (Independent Director)	Balkart Brothers (India) Private Limited	Director
	Ulavan Producer Company Limited	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.P.Kumarasamy	-	Chairman	-	-
8.	Shri.D.Venkateswaran	-	-	-	-



## **17.1 PERFORMANCE EVALUATION**

Pursuant to the provisions of Section 134 (3) (p), 149(8) and Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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.

## **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 as per the Listing Agreement.

### **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 Six 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 Clause 49 of the Listing Agreement.

**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 6 Meetings i.e. 21.04.2014, 14.05.2014 ,30.05.2014, 30.07.2014, 31.10.2014 and 27.01.2015.

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

NAME	POSITION	NO.OF MEETINGS	
		HELD	ATTENDED
Shri.M.Chinnian	Chairman	6	5
Shri.L.M.Ramakrishnan	Member	6	5
Shri.B.Ramakrishnan	Member	6	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 two meetings on 27.01.2015 and 09.03.2015.

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

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

## 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 21.04.2014, 14.05.2014, 30.07.2014 and 31.10.2014.

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	3
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		2014-2015
	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
2012-2013	30.09.2013	N.S.A Mahal, Club Melaange, 314,315, Perundurai Road, Erode - 638 011	4.00 P.M	No Special Resolution was passed
2013-2014	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

## 18. INDEPENDENT DIRECTORS MEETING:

During the year under review, the Independent Directors of the Company met on 27.01.2015, inter alia, to discuss:

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

## 19. DECLARATION BY INDEPENDENT DIRECTOR:

The Company has received necessary declaration from each independent director under section 149(7) of the Companies Act, 2013 that he meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013, and clause 49 of the Listing Agreement. (Refer Appendix-E).

## 20. INTERNAL COMPLIANTS 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 2014: NIL
- b. No. of complaints disposed of during the year 2014: NIL
- c. Nature of action taken by the employer/district officer: NIL

## **21. MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the stock exchanges in India is presented in a separate section forming part of this Annual Report in Appendix-F.

## **22. 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, 2015 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.

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

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

## **24. AUDITORS:**

### **24.1 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.

## **24.2 SECRETARIAL AUDITOR**

The Board had in its meeting dated 30th July 2014, appointed Mr. V. Ramkumar, Company Secretary in Practice, Coimbatore. (CP No.:3832, Membership No: 11402), to undertake the secretarial audit of the company for the year ended 31st March 2015, in compliance with the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014,.

## **24.3 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.

## **25. AUDITORS' REPORT:**

The Auditors' Report to the members on the Accounts of the Company for the financial year ended 31st March 2015 does not contain any qualifications, reservations, or adverse remark..

## **26. 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.

## **27. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given below:

**DETAILS OF LOAN:**

<b>S.No</b>	<b>Date of making loan</b>	<b>Details of Borrower</b>	<b>Amount</b>	<b>Purpose for which the loan is to be utilized by the recipient</b>	<b>Time period for which it is given</b>	<b>Date of BR</b>	<b>Rate of Interest</b>	<b>Security</b>
NIL								

**DETAILS OF INVESTMENTS**

<b>S.No</b>	<b>Date of investment</b>	<b>Details of investee</b>	<b>Amount</b>	<b>Purpose for which the proceeds from investment is proposed to be utilized by the recipient</b>	<b>Date of BR</b>	<b>Date of SR</b>	<b>Expected rate of return</b>
NIL							

**DETAILS OF GUARANTEE / SECURITY PROVIDED**

<b>S.No</b>	<b>Date of Providing security/guarantee</b>	<b>Details of recipient</b>	<b>Amount</b>	<b>Purpose for which the proceeds from investment is proposed to be utilized by the recipient</b>	<b>Date of BR</b>	<b>Date of SR</b>	<b>Expected rate of return</b>
NIL							

## 28. PARTICULARS OF EMPLOYEES:

As required by the provisions of section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of the employees who were in the receipt of remuneration not less than Sixty Lakh Rupees for the financial year 2014-2015 are set out in the Appendix-G.

## 29. 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

NSE			
Month	High(Rs)	Low(Rs)	Quantity(Nos)
Apr-14	12.25	7.00	5,03,760
May-14	14.95	9.50	5,95,906
Jun-14	14.00	11.45	2,69,236
Jul-14	15.80	10.50	6,52,807
Aug-14	25.10	15.35	26,90,650
Sep-14	31.85	23.00	23,80,876
Oct-14	81.25	31.10	44,20,905
Nov-14	131.90	85.20	31,56,677
Dec-14	118.40	90.15	26,12,078
Jan-15	174.90	99.95	56,97,365
Feb-15	170.45	140.55	18,52,738
Mar-15	159.40	130.50	15,52,012

## 30. 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-H).**



### **31. 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.

### **32. 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.

### **33. INDUSTRIAL RELATIONS:**

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

### **34. CEO/CFO CERTIFICATION:**

In terms of Clause 49 (IX) of the Listing Agreement, with the Stock Exchanges, the Chairman & Managing Director and Chief Financial Officer of the Company have certified regarding the Financial Statements for the year ended March 31, 2015 which is annexed to this Report in **Appendix-I**.

### **35. 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 Dhinamalar. The results were also displayed on the Company's website – [www.skmeegg.com](http://www.skmeegg.com).

### **36. GENERAL INFORMATION FOR SHAREHOLDERS**

#### **ANNUAL GENERAL MEETING**

Date: 23.09.2015

Time: 4.00 P.M

Venue: NSA Mahal, Club Melaange, 314, 315, Perundurai Road, Erode-638 011

Financial Year: 1st April 2014 to 31st March 2015

Period of Book Closure: 17.09.2015 to 23.09.2015

Dividend Payment Date: 24.09.2015

#### **FINANCIAL CALENDER:**

Approval of quarterly results for the period ending:

1. 30<sup>th</sup> June 2014: 30<sup>th</sup> July 2014

2. 30<sup>th</sup> September 2014: 31<sup>st</sup> October 2014

3. 31<sup>st</sup> December 2014: 27<sup>th</sup> January 2015

4. 31<sup>st</sup> March 2015: 20<sup>th</sup> May 2015

### **37.REGISTRAR AND SHARE TRANSFER AGENT:**

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

### **38.COMPLIANCE OFFICER:**

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

### **39. 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.

### **40. 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: 20.05.2015**

**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 Clause 49 of the Listing Agreement 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. 2015
		Board Meeting	Last AGM	Directorship	Committee Membership	
Shri. SKM Maeilanandhan	Executive Chairman	6	Yes	4	NIL	200000
Shri.SKM Shree Shivkumar	Managing Director	6	Yes	7	NIL	11791672
Smt.S.Kumutaavalli	Director	6	Yes	5	NIL	10005
Dr.L. M.Ramakrishnan	Independent Director	5	Yes	4	NIL	NIL
Shri.C.Devarajan	Independent Director	4	No	12	NIL	5,000
Shri.M.Chinnian	Independent Director	5	Yes	NIL	NIL	24000
Shri.P.Kumarasamy	Independent Director	6	Yes	NIL	NIL	NIL
Shri.S.M.Venkatachalapathy	Director	5	Yes	3	NIL	15005
Shri. B.Ramakrishnan	TIDCO Nominee	4	yes	6	NIL	1995800
Shri. Doraisamy Venkateswaran	Independent Director	NIL	NIL	2	NIL	NIL

Six 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: 21.04.2014, 14.05.2014, 30.05.2014, 30.07.2014, 31.10.2014 and 27.01.2015

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 Clause 49 (VIII) (E) of Listing Agreement:

Shri.S M Venkatachalapathy (DIN: 00043288) Bcom., B.L., 76 years of age, the Non-executive Director of the Company is a Commerce Graduate with a Bachelor of Law from the university of Law University, Chennai. He holds 15,005 shares in the Company.

He is also Director in SKM Siddha And Ayurvedha Company (India) Limited, SKM Shrees Farms India Private Limited, And SKM Shree Energy India Private Limited including SKM Egg Products Export India Limited. He is also a member of Nomination and Remuneration Committee of the Company. Mr. S M Venkatachalapathy is a father of Mrs. Kumutaavalli who is a Director of the Company.

Mr. P Kumarasamy (DIN: 00046090) 80 years of age, the Independent Director of the Company is a intermediate. He is not a shareholder of the Company.

He is not a Director in any other Company. He is a Chairman of Stakeholders relationship Committee. He is not related to any of the Directors on the Board of the Company as per section 2(77) of the Companies Act, 2013.

Mr. Doraisamy Venkateswaran (DIN: 05170759) B.E.M.S., 53 years of age, the Independent Director of the Company is an Engineering graduate in Mechanic. He is also a Director in Balkart Brothers (India) Private Limited and Ulavan Producer Company Limited.

He is not a shareholder of the Company and he is not related to any of the Directors on the Board of the Company as per section 2(77) of the Companies Act, 2013.

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

### **AUDIT COMMITTEE**

The audit committee was reconstituted in accordance with the provisions of Companies Act, 2013 and clause 49 of listing agreement at a board meeting held on 30.07.2014. 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 2014-15 are given below:

<b>Name</b>	<b>Status</b>	<b>Category</b>	<b>No. of Meeting Attended during the year 2014-2015.</b>
Shri.M.Chinnian	Chairman	Independent Director	Five
Dr.L.M.Ramakrishnan	Member	Independent Director	Five
Shri.B.Ramakrishnan	Member	Nominee Director	Four

Six 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	2	2
Shri.S.M.Venkatachalapathy	Member	Non-Executive Director	2	2
Shri.M.Chinnian	Member	Independent Director	2	2

#### 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 2014-2015.	
			Held	Attended
Shri.P.Kumarasamy	Chairman	Independent Director	4	4
Dr.L.M.Ramakrishnan	Member	Independent Director	4	3
Shri.M.Chinnian	Member	Independent Director	4	3

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 27.01.2015, 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 2014-2015.</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



**AUDITORS' CERTIFICATE OF CORPORATE GOVERNANCE UNDER REVISED CLAUSE 49  
OF THE LISTING AGREEMENT:**

To,

The Members,

SKM Egg Products Export (India) Limited,

185, Chennimalai Road,

Erode- 638001.

We have examined the compliance of conditions of Corporate Governance by SKM EGG PRODUCTS EXPORT(INDIA) LIMITED (“the Company”) for the year ended March 31, 2015, as stipulated in revised Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the revised Clause 49 of the abovementioned Listing Agreement.

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

Sd/-

N.C. Rajagopal & Co.,

Chartered Accountants

(Firm Registration No: 003398S)

Sd/-

N.C. Vijay Kumar

Partner

Membership No: 208276

## FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

**1. Details of contracts or arrangements or transactions not at arm's length basis**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	NIL
f)	Date of approval by the Board	NIL
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	SKM Universal Marketing Company India Ltd Common Directors SKM Siddha and Ayurvedha Company (India) Limited
b)	Nature of contracts/arrangements/transactions	Egg Purchase, Egg sales, Wind Power Purchase, Feed Sales & Purchase of feed supplementary
c)	Duration of the contracts/arrangements/transaction	Whole year
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Date of approval by the Board	Every Quarter
f)	Amount paid as advances, if any	NIL

For and on behalf of the Board

Date: 20.05.2015

Place: Erode

Managing Director

DIN: 00002384

**APPENDIX-C**

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

PARTICULARS	2014-2015	2013-2014
<b>(I) POWER AND FUEL CONSUMPTION</b>		
(1) Electricity		
a. Purchased units (Kwh)	71,96,000	60,09,760
Total Amount (Rs.)	4,90,37,246.00	3,95,05,976.00
Rate / Unit (Rs.)	6.81	6.57
<b>b. Own Generation through Diesel Generator</b>		
Units (Kwh)	14,25,610	1,468,910
Total Amount	2,01,77,295.00	2,35,25,870.00
Units per litre of Diesel Oil	3.44	3.28
Cost/Unit (Rs.)	14.15	16.02
<b>(2) Furnace Oil</b>		
Quantity (Liters)	1,01,700	68,551
Total Cost (Rs.)	41,82,468.00	28,93,195.00
Average Rate (Rs.)	41.13	42.21
<b>(3) Fire Wood</b>		
Quantity (Metric Tons)	13,243	11,072
Total Cost (Rs.)	5,45,94,996.00	3,49,83,332.00
Average Rate (Rs.)	4,123.00	3,159.67
<b>(II) CONSUMPTION PER UNIT OF PRODUCTION</b>		
Product - Egg Powder (Metric Tons)	7,599	6,657
Electricity (Rs. Per Metric Tons)	9,108	9,469
Fuel (Rs. Per Metric Ton)	7,735	5,690
<b>FOREIGN EXCHANGE EARNINGS AND OUTGO : (Rs. In lacs)</b>		
Earnings :	25876.00	21,726.00
Outgo :	855.00	458.10

### **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 n behalf of the Board**

**Date: 20.05.2015**

**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, 2015 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:	06/04/1995
Name Of The Company:	SKM EGG PRODUCTS EXPORT(INDIA) LIMITED
Category/Sub Category Of The Company:	Listed Public 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	45.83%
2.	Egg Albumine Powder	219.90	33.16%
3.	Whole Egg Powder	219.90	15.44%

## III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.No	Name And Address Of The Company	CIN/GIN	Holding/ Subsidiary / Associate	% Of Shares Held
1.	SKM Europe BV,Utrecht,The Netherlands	NIL	Subsidiary	85% (18000 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	1,18,31,967	NIL	1,18,31,967	44.94	1,22,92,402		1,22,92,402	46.69	1.75
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	1,38,27,767	NIL	1,38,27,767	52.52	1,42,88,202	NIL	1,42,88,202	54.27	1.75

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)	1,38,27,767	NIL	1,38,27,767	52.52	1,42,88,202	NIL	1,42,88,202	54.27	1.75

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) FIIS	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
I) Others	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL



(d-v) Cleaning Members	73,425	NIL	73,425	0.28	2,00,049	NIL	2,00,049	0.76	+0.48
(d-vi) Hindu undivided Families	2,54,289	NIL	2,54,289	0.97	1,39,645	NIL	1,39,645	0.53	-0.44
Sub-total (B) (2)	74,44,071	50,58,162	1,25,02,233	47.49	80,97,741	39,44,057	1,20,41,798	45.73	1.76
Total Public Share holding of Promoter (B)=(B1)+ (B2)	74,44,071	50,58,162	1,25,02,233	47.49	80,97,741	39,44,057	1,20,41,798	45.73	1.76
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	21,271,838	50,58,162	2,63,30,000	100	2,23,85,943	39,44,057	2,63,30,000	100	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	
2. Non Institution									
a) Bodies Corp	5,65,771	10000	5,75,771	2.19	4,85,171	10,000	4,95,171	1.88	-0.31
b) Individuals									
l) Individual shareholders holding nominal share capital upto Rs. 1 lakh	40,90,423	36,80,852	77,71,275	29.51	45,01,920	26,50,152	71,52,072	27.16	-2.35
ii) Individual shareholders holding nominal share capital in excess Rs. 1 lakh	22,23,637	2,16,600	24,40,237	9.27	16,99,774	1,58,200	18,57,974	7.06.	-2.21
c) Others (specify)									
(d-l) Trusts	28,784	NIL	28,784	0.11	14,784	NIL	14784	0.06	-0.05
(d-ii) Directors & their relatives	5,000	37,510	42,510	0.16	15,005	12,505	27,510	0.10	-0.06
(d-iii) Non Resident Indians	2,02,742	21,100	2,23,842	0.85	10,41,393	21,100	10,62,493	4.04	3.19
(d-iv) Overseas corporate bodies	0	10,92,100	10,92,100	4.15	0	10,92,100	10,92,100	4.15	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	200000	0.76	0	0
2.	SKM Shree Shivkumar	11331237	43.04	12.81	11791672	44.78	12.81	1.74
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	0.06	0	15005	0.06	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	11331237	43.04	11331237	43.04
	01.04.2014 Purchase	700	0.003	11331937	43.043
	03.04.2014 Purchase	33518	0.127	11365455	43.170
	04.04.2014 Purchase	200	0.001	11365655	43.171
	17.04.2014 Purchase	15140	0.058	11380795	43.228
	21.04.2014 Purchase	60000	0.228	11440795	43.456
	23.04.2014 Purchase	13000	0.049	11453795	43.505
	24.04.2014 Purchase	3000	0.011	11456795	43.517
	28.04.2014 Purchase	5000	0.019	11461795	43.536
	05.05.2014 Purchase	5995	0.023	11467790	43.559

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					
	05.05.2014	Purchase	5995	0.023	11467790	43.559
	06.05.2014	Purchase	5420	0.021	11473210	43.579
	07.05.2014	Purchase	8870	0.034	11482080	43.613
	08.05.2014	Purchase	27652	0.105	11509732	43.718
	09.05.2014	Purchase	17000	0.065	11526732	43.782
	12.05.2014	Purchase	25000	0.095	11551732	43.877
	13.05.2014	Purchase	15000	0.057	11566732	43.934
	14.05.2014	Purchase	10000	0.038	11576732	43.972
	15.05.2014	Purchase	11064	0.042	11587796	44.014
	20.05.2014	Transfer	-239	(0.001)	11587557	44.013
	22.05.2014	Purchase	15000	0.057	11602557	44.070
	09.06.2014	Purchase	2000	0.008	11604557	44.078
	12.06.2014	Purchase	1000	0.004	11605557	44.082
	17.06.2014	Purchase	2000	0.008	11607557	44.089
	19.06.2014	Purchase	2000	0.008	11609557	44.097
	09.07.2014	Purchase	5000	0.019	11614557	44.116
	11.07.2014	Purchase	7000	0.027	11621557	44.143
	15.07.2014	Purchase	3000	0.011	11624557	44.154
	16.07.2014	Purchase	3000	0.011	11627557	44.165
	17.07.2014	Purchase	3000	0.011	11630557	44.177
	18.07.2014	Purchase	5000	0.019	11635557	44.196
	21.07.2014	Purchase	2600	0.010	11638157	44.206
	22.07.2014	Purchase	9000	0.034	11647157	44.240
	23.07.2014	Purchase	2940	0.011	11650097	44.251
	23.07.2014	Purchase	10000	0.038	11660097	44.289
	30.07.2014	Purchase	15000	0.057	11675097	44.346

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				
31.07.2014	Purchase	16000	0.061	11691097	44.407
01.08.2014	Purchase	3075	0.012	11694172	44.418
04.08.2014	Purchase	10000	0.038	11704172	44.456
05.08.2014	Purchase	10000	0.038	11704172	44.494
20.08.2014	Purchase	5000	0.019	11719172	44.513
22.08.2014	Purchase	3000	0.011	11722172	44.525
26.08.2014	Purchase	5000	0.019	11727172	44.544
27.08.2014	Purchase	2000	0.008	11729172	44.551
10.10.2014	Purchase	5000	0.019	11734172	44.570
16.10.2014	Purchase	2000	0.008	11736172	44.578
17.10.2014	Purchase	2000	0.008	11738172	44.586
11.11.2014	Purchase	5000	0.019	11743172	44.605
25.11.2014	Purchase	1000	0.004	11744172	44.608
27.11.2014	Purchase	5000	0.019	11749172	44.627
01.12.2014	Purchase	1000	0.004	11750172	44.631
02.12.2014	Purchase	10000	0.038	11760172	44.669
09.12.2014	Purchase	5000	0.019	11765172	44.688
16.12.2014	Purchase	13000	0.049	11778172	44.737
17.12.2014	Purchase	10000	0.038	11788172	44.775
27.02.2015	Purchase	3500	0.013	11791672	44.789
At the End of the year				1,17,91,672	44.789

(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	1092100	4.148	1092100	4.148
2	Senthilkumar.G.K	247522	0.940	0	0
3	Anu Narayan	195009	0.741	261921	0.995
4	Chakradhara Rao Potluri	130483	0.496	0	0
5	Rameshwar Nath Pandey	94570	0.359	0	0
6	Pawan Kumar Kedia	85104	0.323	0	0
7	Khusbu Bipin Narodia	79891	0.303	0	0
8	Anu Narayan	75763	0.288	99728	0.379
9	Swarupa Pachare	70000	0.266	0	0
10	G.K.Senthilkumar HUF	69867	0.265	0	0

**(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	200000	0.76
	Datewise Increase/decrease	Nil	Nil	Nil	Nil
	At the End of the year			200000	0.76
2	Shri.SKM Shree Shivkumar-Managing Director				
	At the beginning of the year	11331237	43.04	11331237	43.04
	Increase	460435	1.749	460435	1.749
	At the End of the year			11791672	44.789
3	Smt.S.Kumutaavalli- Non- Executive Director				
	At the beginning of the year	10005	0.04	10005	0.04
	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	1995800	7.58
	Datewise Increase/decrease	Nil	Nil	Nil	Nil
	At the End of the year			1995800	7.58

S.No.	For Each of the Directors and KMP	Shareholding beginning of the year		Cumulative Shareholding during the year the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5.	Dr.L.M.Ramakrishnan- Non Executive Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Datewise Increase/decrease	Nil	Nil	Nil	Nil
	At the End of the year				
6.	Shri.S.M.Venkatachalapathy- Non Executive Director				
	At the beginning of the year	15005	0.057	15005	0.057
	Datewise Increase/decrease	Nil	Nil	Nil	Nil
	At the End of the year			15005	0.057
7.	Shri.C.Devarajan- Non Executive Director				
	At the beginning of the year	5000	Nil	5000	0.019
	Datewise Increase/decrease	Nil	Nil	Nil	Nil
	At the End of the year			5000	0.019
8.	Shri.M.Chinnian- Non Executive Director				
	At the beginning of the year	24000	-	24000	0.091
	Datewise Increase/decrease	-	-	-	-
	At the End of the year			24000	0.019
9.	Shri.P.Kumarasamy- Non Executive Director				
	At the beginning of the year	-	-	-	-
	Datewise Increase/decrease	-	-	-	-
	At the End of the year			-	-
10.	Shri.D.Venkateswaran- Non Executive Director				
	At the beginning of the year	-	-	-	-
	Datewise Increase/decrease	-	-	-	-
	At the End of the year			-	-
Other Key Managerial Persons:-					
11.	Shri.K.S.Venkatachalapathy, Chief Financial Officer				
	At the beginning of the year	-	-	-	-
	Datewise Increase/decrease	-	-	-	-
	At the End of the year			-	-
12.	Shri.P.Sekar, Company Secretary				
	At the beginning of the year	-	-	-	-
	Datewise Increase/decrease	-	-	-	-
	At the End of the year			-	-



## 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	54,78,80,071	15,34,00,000	Nil	70,12,80,071
ii) Interest due but not paid	-	-	Nil	-
iii) Interest accrued but not due	-	1,30,86,447	Nil	1,30,86,447
<b>TOTAL (i+ii+iii)</b>	<b>54,78,80,071</b>	<b>16,64,86,447</b>	<b>Nil</b>	<b>71,43,66,518</b>
<b>Changes in Indebtedness during the Financial Year</b>				
Addition	-	1,63,86,300	Nil	1,63,86,300
Reduction	(18,33,73,293)	(13,28,72,747)		(13,28,72,747)
<b>Net Change</b>	<b>(18,33,73,293)</b>	<b>(11,64,86,447)</b>	<b>Nil</b>	<b>(29,98,59,740)</b>
<b>Indebtedness at the end 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>5,00,00,000</b>	<b>Nil</b>	<b>41,45,06,778</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.SKMSShree 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	2,42,618	1,22,283	3,64,901
	Profits in lieu of salary under section 17(3)	1,43,46,180	1,43,79,845	2,87,26,025
		Total (A)		3,47,88,926
	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.Chinnian	Mr.P.Kumarasamy	Mr.D.Venkaateswaran	
	Fee for attending board committee meetings	5,000	4,000	5,000	6,000	-	20,000
	Commission	-	-	-	-	-	-
	Others, please specify						
	Total(1)	5,000	4,000	5,000	6,000	-	20,000
4. Other Non Executive Directors		Names of Non Executive Directors					
		Mr.S.M.Venkatachalapathy	Smt.S.Kumutavalli	Mr.B.Ramakrishnan			
	Fee for attending board committee meetings	5,000	6,000	4,000			
	Commission	-	-	-			
	Others, please specify	-	-	-			
	Total (2)	5,000	6,000	4,000			15,000
	Total (B)=(1+2)						35,000
	Total Managerial Remuneration overall Ceiling as per the Act	(A+B)					3,48,23,926

**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	1,50,503	77,202	2,27,705
	(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)			2,27,705

**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					

**DECLARATION BY INDEPENDENT DIRECTOR**

To

The Board of Directors  
SKM Egg Products Export (India) Limited,  
185, Chennimalai Road,  
Erode- 638001

Sub. : Declaration under Section 149(6) of the Companies Act, 2013

With reference to my directorship in the Company/ appointment as an Independent Director of the Company with effect from 27.01.2015. I, Mr.P.Kumarasamy, son of K Palanisamy Gounder residing at Old No: 36, New No: 24, Kumarasamy Street, Erode, 638001, Tamil Nadu, India, do hereby declare that

- (a) (i) I am or was not a promoter of the company or its holding, subsidiary or associate company;  
(ii) I am not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (b) I have or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (c) none of my relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty Lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year
- (d) I, neither myself nor any of my relatives—
- (i) hold or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
- (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
- (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(iii) hold together with my relatives two per cent or more of the total voting Vpower of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company;

and I meet the criteria of independence as per the provisions of the Companies Act, 2013.

Date : 29.07.2015

Place : Erode

Sd/-

Signature

Name: P. Kumarasamy

DIN: 00046090

## DECLARATION BY INDEPENDENT DIRECTOR

To

The Board of Directors  
SKM Egg Products Export (India) Limited,  
185, Chennimalai Road,  
Erode- 638001

Sub. : Declaration under Section 149(6) of the Companies Act, 2013

With reference to my directorship in the Company/ appointment as an Independent Director of the Company with effect from 27.01.2015. I, D.Venkateswaran, son of Doraisamy residing at No 304 Bhavani Main Road, Erode, 638004, Tamil Nadu, India, do hereby declare that

- (a) (i) I am or was not a promoter of the company or its holding, subsidiary or associate company;  
(ii) I am not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (b) I have or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (c) none of my relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty Lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year
- (d) I, neither myself nor any of my relatives—
  - (i) hold or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(iii) hold together with my relatives two per cent or more of the total voting Vpower of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company;

and I meet the criteria of independence as per the provisions of the Companies Act, 2013.

Date : 29.07.2015

Place : Erode

Sd/-  
Signature  
Name: D.Venkateswaran  
DIN: 05170759

## DECLARATION BY INDEPENDENT DIRECTOR

To

The Board of Directors  
SKM Egg Products Export (India) Limited,  
185, Chennimalai Road,  
Erode- 638001

Sub. : Declaration under Section 149(6) of the Companies Act, 2013

With reference to my directorship in the Company/ appointment as an Independent Director of the Company with effect from 10.9.2014. I, Dr.L.M.Ramakrishnan, son of Muthusamy residing at 294, EVN Road, Erode, 638009, Tamil Nadu, India, do hereby declare that

- (a) (i) I am or was not a promoter of the company or its holding, subsidiary or associate company;
- (ii) I am not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (b) I have or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (c) none of my relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty Lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year
- (d) I, neither myself nor any of my relatives—
  - (i) hold or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or



(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(iii) hold together with my relatives two per cent or more of the total voting Vpower of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company;

and I meet the criteria of independence as per the provisions of the Companies Act, 2013.

Date : 29.07.2015

Place : Erode

Sd/-  
Signature  
Dr.L.M.Ramakrishnan  
DIN: 00001978

## DECLARATION BY INDEPENDENT DIRECTOR

To

The Board of Directors  
SKM Egg Products Export (India) Limited,  
185, Chennimalai Road,  
Erode- 638001

Sub. : Declaration under Section 149(6) of the Companies Act, 2013

With reference to my directorship in the Company/ appointment as an Independent Director of the Company with effect from 10.09.2014. I, C.Devarajan, son of Chinnusamy residing at 63 (Old NO.73), Periyanna Street, Erode, 638001, Tamil Nadu, India, do hereby declare that

- (a) (i) I am or was not a promoter of the company or its holding, subsidiary or associate company;  
(ii) I am not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (b) I have or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (c) none of my relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty Lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year
- (d) I, neither myself nor any of my relatives—
  - (i) hold or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(iii) hold together with my relatives two per cent or more of the total voting Vpower of the company; or  
(iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company;  
and I meet the criteria of independence as per the provisions of the Companies Act, 2013.

Date : 29.07.2015

Place : Erode

Sd/-  
Signature  
Name: C.Devarajan  
DIN: 00109836

## DECLARATION BY INDEPENDENT DIRECTOR

To

The Board of Directors  
SKM Egg Products Export (India) Limited,  
185, Chennimalai Road,  
Erode- 638001

Sub. : Declaration under Section 149(6) of the Companies Act, 2013

With reference to my directorship in the Company/ appointment as an Independent Director of the Company with effect from 10.09.2014. I, M.Chinnian, son of Marutha Gounder residing at S.3. Periyar Nagar, Erode,- 638001, Tamil Nadu, India, do hereby declare that

- (a) (i) I am or was not a promoter of the company or its holding, subsidiary or associate company;  
(ii) I am not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (b) I have or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- © none of my relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty Lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year
- (d) I, neither myself nor any of my relatives—
  - (i) hold or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(iii) hold together with my relatives two per cent or more of the total voting Vpower of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company;

and I meet the criteria of independence as per the provisions of the Companies Act, 2013.

Date : 29.07.2015

Place : Erode

Sd/-  
Signature  
Name: M.Chinnian,  
DIN: 01497482

## MANAGEMENT DISCUSSION AND ANALYSIS

### REVIEW OF PERFORMANCE

1. The Company recorded revenue of Rs.28,714.86 lacs (including other income of Rs.1,580.67 lacs) for the year ended 31st March,2015 as against Rs. 24,043.15 lacs (including other income of Rs.105.56 lacs) in the previous year ended 31st March,2014
2. The Profit before tax was at Rs. 3,482.58 lacs for the year ended 31st March,2015 as compared to Rs. 973.58 lacs during the corresponding in the last year.
3. The Net Profit was at Rs. 2,518.74 Lacs as on 31.03.2015 as against Rs. 680.59 lacs in the previous year.
4. The quantity sold during the year 2014-15 stood at 7375 MTs, when compared to 6674 MT during the previous year ended 31st March,2014.

### KEY FACTORS WHICH BOOST THE PROFITABILITY OF THE COMPANY:

- a. Low volatility in prices of raw materials - Egg.
- b. Positive trend in Foreign Exchange Rate Fluctuation in our favor.
- c. Upward trend in international selling price , especially egg white powder in Japan.
- d. Low finance cost on account of early repayment of Term Loans.

### CAPITAL EXPENDITURE AND FUNDING:

- I. The Capital Expenditure incurred and funded for the year is Rs. 199.03 lacs of which Rs. 138.87 lacs pertain to plant and machinery.
- II. During the year under review, your company has sold /deleted /adjusted assets worth Rs. 0.46 lacs.

### CORPORATE GOVERNANCE

- A detailed report on corporate governance together with a certificate from the Statutory Auditors, in compliance with Clause 49 of the Listing Agreement, 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:

- Demand for the Egg products including price has considerably gone up on account of the outbreak of avian influenza in USA. Many countries including Japan restrict import of egg products from US which has yielded advantage in export for Indian products.
- Though upward trend for this Industry is expected to be continued during current year, there may be a threat in such a way to replace egg products by alternate ingredients as well as reduction in egg powder percentage in the recipe of the final product in many countries.

## **FUTURE PROSPECTS**

Improvement in awareness of the Customers on quality parameters which supports the export price of egg products globally, the future prospects of the company seems to be bright.

## **SALES AND MARKETING:**

In this highly competitive international markets for egg products, We have established a very wide network in Europe, Far East and South East Asian countries. Since we are able to maintain good relationship with customers, we are able to maintain our success by getting repeat orders for the past 18 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.

All legal formalities in setting our Russian office are over and marketing of our products in Russia shall be successfully made during this year.

## **FIRST CONSIGNMENT TO RUSSIA**

SKM Egg Products Export (India) Limited has exported first ever consignment to Russia and touched a new milestone in the export sales in addition to the exports already with Japan, Europe and middle east countries. This success was achieved due to the continuous efforts taken by the Managing Director & CEO and employees of the company for the past many years. We hope that we will achieve significant growth in the Russian market in the coming years ahead and the expected potential is very high.

## **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.

## **CREDIT RATING**

We are glad to inform that the credit rating of our company has been upgraded by CRISIL as detailed below.

- 1) Long -Term Rating - CRISIL BBB-/Stable (Upgraded from CRISIL BB/Stable)
- 2) Short-Term Rating - CRISIL A3 (Upgraded from CRISIL A4+)

## **TOP TAX PAYER AWARD AND CERTIFICATION**

Further, with a great sense of pride, we have to inform that the company has been awarded TOP Tax payer award and certification by the Central Excise Department on 24th Feb,2015 (Central Excise day) at Salem by the Joint Commissioner of Central Excise for the period 2013-14.



**PARTICULARS OF EMPLOYEES**

Name, Qualification and Age	Designation	Remuneration In (Rs.)		Experience	Date of commencement of employment	Last employment
		Gross	Net			
<b>The Company being a Listed Company the provisions are exempted pursuant to section 136 of the Companies Act 2013</b>						

**Form No. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March, 2015**

[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 2015, 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, 2015 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, 1992;

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities And Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 ( Effective 28th October 2014);
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. 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

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review and

- h. 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 also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India. (not applicable as not notified during the period under review).

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited;

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 it was under suspension and the Company has already obtained an in principle approval for getting the suspension revoked..

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 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 of at least nine days is given to all Directors to schedule the Board Meetings, agenda and detailed notes on

agenda is 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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Sd/-

V. Ramkumar

ACS No.11402

C P No.3832

Date: 19th May,2015

Place: Coimbatore/Erode

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.

- Management's Responsibility

It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

- Auditor's Responsibility

My responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on my audit.

Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

- Disclaimer

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

V. Ramkumar

ACS No.11402

C P No.3832

Date: 19th May,2015

Place: Coimbatore

**CERTIFICATION BY CEO/CFO UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

The Board of Directors,  
SKM Egg Products Export (India) Limited,  
185, Chennimalai Road,  
Erode- 638001

We have reviewed the financial statements and cash flow statements for the year ended 31st March 2015 and to the best of our knowledge and belief:

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

Sd/-  
K.S.Venkatachalapathy  
Chief Financial Officer

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

## **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, 2015, 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, 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 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, 2015; 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.15,42,080 as at 31st March, 2015 and total revenues of Rs.2,46,020 for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of this branch have been furnished to us and our opinion is based on those Financial Statements received from the 73

### **Report on Other Legal and Regulatory Requirements:**

- i. As required by the Companies (Auditor's Report) Order, 2015 ("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 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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) 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

Place : Erode

Date : 20.05.2015



## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

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

As required by the Companies (Auditor's Report) Order, 2015 ("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 quantities 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.
2.
  - a. The Management has conducted physical verification of inventory at reasonable intervals.
  - b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. The Company is maintaining proper records of inventory 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 or other parties covered in the Register maintained under Section 189 of the Companies act.
4. There is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services and there is no continuing failure to correct major weaknesses in internal control system.
5. The Company has not accepted any deposits from the public and hence this clause is inapplicable.
6. The Central Government has specified the maintenance of Cost Records under sub-section (1) of section 148 of the Companies Act, and such accounts and records have been made and maintained.
7.
  - a. According to the records of the company, the company is regular in depositing undisputed statutory dues including provident fund, employee state insurance, income-tax, sales-tax, wealth tax, service Tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, to the extent applicable, with the appropriate authorities. According to the Information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2015 for a period of more than six months from the date they became payable.
  - b. Disputed dues of income-tax, sales-tax, wealth tax, service Tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, if any, pending as at 31st March, 2015 are given below:

Particulars	Period to which it Relates	Amount Due to be paid	Forum where the appeal is preferred
Excise Duty	May 2004 to March 2013	Rs. 14,78,171/-	CESTAT, Chennai against the order of the Commissioner of Central Excise, Salem
Excise Duty	April-2013 to March-2014	Rs. 6,27,888/-	Commissioner of Central Excise, Customs & Service Tax (Appeals), 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	November 2011 to March 2013	Rs. 3,67,953/-	CESTAT, Chennai against the order of the Commissioner of Central Excise, Salem
Excise Duty	April-2013 to March 2014	Rs. 4,84,668/-	Commissioner of Central Excise, Customs & Service Tax (Appeals), Salem
Service Tax	January 2005 to April 2006	Rs. 2,00,863/-	High Court of Madras
Service Tax	July 2005 to March 2008	Rs. 33,19,232/-	High Court of Madras
Service Tax	April 2006 to March 2012	Rs. 4,42,879/-	CESTAT, Chennai against the order of the Commissioner of Central Excise, Salem
Service Tax	April- 2012 to March 2013	Rs. 1,62,264/-	Commissioner of Central Excise, Customs & Service Tax (Appeals) Salem
Income Tax	Asst. Year 2008-09	Rs.2,70,07,726/- (Net of Recovery)	Income Tax Appellate Tribunal, Chennai – Stay granted by the Madras High court for the Ay 2008-2009.
Income Tax	Asst. Year 2009-10	Rs.2,22,73,500/- (Net of Payments)	Income Tax Appellate Tribunal, Chennai – Stay granted by the AO.

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.

1. The company does not have any accumulated losses as at 31st March 2015 and had not incurred cash losses during the financial year ended on that date and also in the immediately preceding financial year.
2. The company has not defaulted in repayment of dues to Financial Institution or banks.
3. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
4. Based on our audit procedures, we are of opinion that, term loans borrowed by the company were applied for the purposes for which the loans were obtained.
5. According to the information and explanation given to us from the audit procedures adopted by us, we are of opinion that, no fraud on or by the company has been noticed or reported during the year.

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

Place: Erode  
Date: 20.05.2015

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

**STANDALONE BALANCE SHEET AS AT 31.03.2015,  
CIN : L01222TZ1995PLC006025**

(in Rs.)

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
<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	40,73,57,539	18,72,04,724
<b>(2) Share Application money pending allotment</b>	-	-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5(a)	5,00,52,038	33,68,87,937
(b) Deferred Tax Liabilities (Net)	5(b)	9,70,01,209	4,73,50,736
(C) Long Term Provisions	5(c)	27,84,428	40,37,188
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	6(a)	36,38,77,240	28,34,14,634
(b) Trade Payables	6(b)	12,38,97,444	11,00,99,598
(c) Other Current Liabilities	6(c)	2,65,27,419	10,62,30,830
(d) Short-Term Provisions	6(d)	3,79,50,297	4,61,49,653
Translation Reserve		1,29,88,897	20,40,613
<b>Total Equity &amp; Liabilities</b>		<b>1,38,57,36,511</b>	<b>1,38,67,15,914</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
1) Tangible Assets ( Not Under Lease)	7(a)	67,32,53,760	72,80,82,976
2) Capital work in Progress	7(b)	34,36,370	-
		67,66,90,130	72,80,82,976
(b) Non-current investments	7(c)	1,26,78,351	1,26,78,351
(c) Long term loans and advances	7(d)	2,35,90,173	1,95,68,576
<b>(2) Current Assets</b>			
(a) Inventories	8(a)	42,55,12,951	31,09,16,601
(b) Trade receivables	8(b)	11,04,14,391	10,47,85,549
(c) Cash and cash equivalents	8(c)	5,91,69,954	8,30,88,757
(d) Short-term loans and advances	8(d)	60,11,522	39,64,988
(e) Other current assets	8(e)	7,16,69,039	12,36,50,116
Translation Reserve		-	-
<b>Total Assets</b>		<b>1,38,57,36,511</b>	<b>1,38,67,15,914</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

Place : Erode  
Date : 20.05.2015

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015**

(in Rs.)

S.No.	Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
I	Revenue from operations	9	2,71,34,18,887	2,39,37,59,417
II	Other Income	10	15,80,66,920	1,05,56,021
III	<b>Total Revenue (I +II)</b>		<b>2,87,14,85,806</b>	<b>2,40,43,15,439</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	11	2,11,53,14,433	1,73,14,30,098
	Purchase of Stock-in-Trade	12	-	74,28,000
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	13	(10,65,62,518)	5,13,77,115
	Employee Benefit Expenses	14	14,29,13,298	8,93,12,288
	Financial Costs	15	5,03,61,605	8,35,85,617
	Depreciation and Amortization Expenses	16	13,30,86,538	12,62,72,399
	Other Expenses	17	18,81,14,149	21,75,51,823
	<b>Total Expenses (IV)</b>		<b>2,52,32,27,504</b>	<b>2,30,69,57,341</b>
V	<b>Profit before exceptional and extraordinary items and tax</b>	(III - IV)	<b>34,82,58,302</b>	<b>9,73,58,098</b>
VI	Exceptional Items		--	---
VII	<b>Profit before extraordinary items and tax</b>	(V - VI)	<b>34,82,58,302</b>	<b>9,73,58,098</b>
VIII	Extraordinary Items		---	---
IX	<b>Profit before tax</b>	(VII - VIII)	<b>34,82,58,302</b>	<b>9,73,58,098</b>
X	Tax expenses:			
	(1) Current tax	18	4,67,34,035	---
	(2) Deferred tax	19	4,96,50,472	2,92,98,978
XI	<b>Profit/(Loss) for the year</b>	(IX-X)	<b>25,18,73,795</b>	<b>6,80,59,120</b>
XII	Earning per equity share of face value Rs.10 each			
	Earning per equity share:	20		
	(1) Basic		9.57	2.58
	(2) Diluted		9.57	2.58

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 : 20.05.2015

**SKM Maeilanandhan**  
Executive Chairman

**SKM Shree Shivkumar**  
Managing Director

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

(in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
<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>		
2,63,30,000 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>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	11,79,16,720	11,33,12,370
No of Equity Shares Held as on Balance sheet dt.	1,17,91,672	1,13,31,237
% of Holdings	44.78%	43.04%
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%
Total No of Equity Shares	2,63,30,000	2,63,30,000
Face value of Equity shares	10	10
<b>Note No. : 4 Reserves &amp; Surplus</b>		
<u>Share Premium Account :</u>		
Opening Balance	4,00,692	4,00,692
Add : Current year transfer	-	-
Less: Written back	-	-
Closing Balance	4,00,692	4,00,692
<u>General Reserve:</u>		
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

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

(in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
<u>Profit &amp; Loss Account:</u>		
Opening Balance	18,63,71,220	11,83,12,100
Add: Current Year Balance after appropriation	25,18,73,795	6,80,59,120
Less: Proposed dividend	2,63,30,000	-
Less: Proposed dividend Distribution Tax	53,90,981	-
Closing Balance	40,65,24,035	18,63,71,220
<b>Total</b>	<b>40,73,57,539</b>	<b>18,72,04,724</b>
<b>NON CURRENT LIABILITIES</b>		
<b>Note No.:5 (a) Long Term Borrowings Secured</b>		
(I) From Banks		
i) SBI Bank, Term Loan	-	17,04,53,762
ii) SBI Bank (FITL) - Term Loan	-	1,24,00,000
(II) From Others		
i) Kotak Mahindra ( Vehicle Loan )	52,038	6,34,175
<b>UnSecured</b>		
<b>Loans and Advances from Related Parties</b>		
i) Loan from Managing Director	5,00,00,000	10,95,00,000
iii) SKM Universal Marketing Company India Limited	-	4,39,00,000
<b>Total</b>	<b>5,00,52,038</b>	<b>33,68,87,937</b>
<b>Note No. :5 (b) Deferred Tax Liability(Net)</b>		
<b>Deferred Tax Liability</b>		
Balance b/f of last financial year	4,73,50,737	1,80,51,759
<b>Deferred Tax Assets</b>		
-On account of allowances for tax purpose In :		
Depreciation	(74,48,885)	(37,50,935)
C/F and Business Losses (DTA)/DTL	4,64,81,402	3,00,44,021
Income Tax Disallowance (DTA)/DTL	1,19,89,200	81,69,518
Earned Leave (DTA)/DTL	3,87,103	(28,316)
Sale of Assets (DTA)/DTL	(17,58,348)	(51,35,311)
<b>Total</b>	<b>9,70,01,209</b>	<b>4,73,50,736</b>
<b>Note No.:5 (c) Long Term Provisions</b>		
Provision for Employee Benefits		
a) Earned Leave Encashment Payable	27,84,428	40,37,188
<b>Total</b>	<b>27,84,428</b>	<b>40,37,188</b>

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

(in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>CURRENT LIABILITIES</b>		
<b>Note No.:6 (a) Short Term Borrowing</b>		
Loan Repayable on demand		
Secured		
From Bank		
i) Working Capital Finance From		
a. State Bank of India Commercial Branch, Erode.	36,38,77,240	28,34,14,634
<b>Total</b>	<b>36,38,77,240</b>	<b>28,34,14,634</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 33,72,752 Nos of the company held by the Managing Director.

<b>Note No.:6 (b) Trade Payables</b>		
I) Trade Creditors *	12,38,87,245	11,00,81,256
ii) Creditors For Expenses & Others	10,200	18,342
<b>Total</b>	<b>12,38,97,444</b>	<b>11,00,99,598</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 Banks		
i) SBI Term Loan	-	5,40,00,000
ii) SBI Bank (FITL) - Term Loan	-	2,64,00,000
(II) From Others		
i) Kotak Mahindra ( Vehicle Loan )	5,77,500	5,77,500
b) Unpaid Dividend	12,40,518	15,96,309
c) Other Payables		
Rent Deposit	18,000	18,000
Statutory Dues	1,94,33,340	2,30,26,038
d) Advance from debtors	46,26,844	33,630
e) Russia Branch Current Liabilities	6,31,217	5,79,353
<b>Total</b>	<b>2,65,27,419</b>	<b>10,62,30,830</b>

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

(in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Note No.:6 (d) Short Term Provisions</b>		
Bonus Payable	50,70,000	35,32,000
Provision for Brokerage	-	73,478
Provision Dividend	2,63,30,000	-
Provision for Dividend Distribution Tax	53,90,981	-
Provision for Expenses	11,59,316	4,25,44,175
<b>Total</b>	<b>3,79,50,297</b>	<b>4,61,49,653</b>



**SKM EGG PRODUCTS EXPORT (INDIA) LIMITED | ANNUAL REPORT 2014 - 15**

Note Forming Integral Part of the Standalone Financial Statement

Note No. : 7 NON CURRENT ASSETS

	As at 31.03.2015	As at 31.03.2014
<b>Fixed Assets</b>		
(a) Tangible Assets (Not Under Lease)	67,32,53,760	72,80,82,976
(b) Capital work in Progress	34,36,370	-
	<b>67,66,90,130</b>	<b>72,80,82,976</b>

Details :

(in Rs.)

S. No.	Particulars	Gross Block				Depreciation				Net Block	
		01.04.2014	Addition during the year	Deduction during the year	31.03.2015	01.04.2014	Depreciation for the year	Deduction during the year	31.03.2015	As on 31.03.2015	As on 31.03.2014
(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	-	-	40,27,73,711	9,35,77,369	1,32,70,620	(51,42,383)	11,19,90,372	29,07,83,339	30,91,96,342
	Plant & Machinery	71,69,88,255	1,38,86,940	-	73,08,75,195	37,61,38,472	3,24,15,900	-	40,85,54,372	32,23,20,824	34,08,49,783
	Elect. Instillation & Equip.	6,94,52,733	97,500	-	6,95,50,233	5,09,86,671	79,54,846	(6,66,396)	5,96,07,912	99,42,320	1,84,66,062
	Lab Equipment	1,76,07,968	-	-	1,79,07,968	89,92,264	62,30,556	(1,19,819)	1,53,42,639	22,65,329	86,15,704
	Office Equipment	81,57,272	17,19,008	-	98,76,280	35,54,999	8,92,795	(21,02,703)	65,50,497	33,25,783	46,02,273
	Computers	1,00,40,379	6,77,550	-	1,07,17,929	96,91,493	1,15,859	(1,81,479)	99,88,831	7,29,098	3,48,886
	Furniture & Fixtures	56,41,942	3,05,190	-	59,47,132	46,44,304	6,64,963	(40,375)	53,49,642	5,97,490	9,97,638
	Motor Vehicles	2,10,18,099	32,17,020	45,891	2,41,89,228	1,18,21,040	40,59,926	(8,27,914)	1,67,08,880	74,80,348	91,97,059
	<b>SUB TOTAL (a)</b>	<b>1,28,74,89,589</b>	<b>1,99,03,208</b>	<b>45,891</b>	<b>1,30,73,46,906</b>	<b>55,94,06,612</b>	<b>6,56,05,464</b>	<b>(90,81,070)</b>	<b>63,40,93,145</b>	<b>67,32,53,760</b>	<b>72,80,82,976</b>
(b)	<b>Capital Work-in-progress</b>										
	Plant & Machinery	-	1,20,37,722	86,01,352	34,36,370	-	-	-	-	34,36,370	-
	<b>SUB TOTAL (b)</b>	<b>-</b>	<b>1,20,37,722</b>	<b>86,01,352</b>	<b>34,36,370</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,36,370</b>	<b>-</b>
	<b>Total(a+b)(Current Year)</b>	<b>1,28,74,89,589</b>	<b>3,19,40,930</b>	<b>86,47,243</b>	<b>1,31,07,83,276</b>	<b>55,94,06,612</b>	<b>6,56,05,464</b>	<b>(90,81,070)</b>	<b>63,40,93,145</b>	<b>67,66,90,130</b>	<b>72,80,82,976</b>
	(Previous Year)	1,39,48,69,168	1,40,43,256	12,14,22,835	1,28,74,89,589	51,01,10,060	6,78,82,317	1,85,85,765	55,94,06,613	72,80,82,976	88,47,59,108

Notes:

The net amount of Rs.(90,81,070) disclosed in Deduction / Adjustment during the year, represents an amount of Rs.(91,26,960) written off and charged to Statement of Profit & Loss, as the useful life of asset has been exhausted for such assets, while providing depreciation as per Schedule II of the Companies Act, 2013 based on the useful life of the assets prescribed in the said schedule and an amount of Rs.45,891 represents the withdrawal of amount of depreciation charged so far, pertaining to fixed assets sold during the year.

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

(in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Note No.:7 (c) Non-current investments</b>		
<b>Trade Investments</b>		
Investments In Equity Instruments (Unquoted)		
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		
SKM Universal Marketing Company India Limited	1,18,45,572	1,18,45,572
(Equity Shares of 7,89,700 @ 15/-)		
<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	63,72,803	60,72,058
ii. Deposits - Considered Good	80,24,245	32,73,318
iii. Advance to Suppliers (Trade)	91,93,325	1,02,23,200
<b>Total</b>	<b>2,35,90,173</b>	<b>1,95,68,576</b>
<b>Note No.:8 (a) Inventories</b>		
<b>(As Valued &amp; Certified By the Management)</b>		
Raw Material	3,19,54,049	3,40,85,480
Additives, Stores, Spares and Consumables	3,52,76,029	2,56,70,731
Finished Goods	30,07,93,224	19,42,30,706
Livestock - Chicks	88,45,346	1,02,20,138
Livestock - unamortised Value of Chicks	4,64,17,338	4,40,95,363
Feed & Medicines	22,26,965	26,14,183
<b>Total</b>	<b>42,55,12,951</b>	<b>31,09,16,601</b>
<b>Note No.:8 (b) Trade Receivables</b>		
<b>Unsecured &amp; Considered Good</b>		
Sundry Debtors	11,04,14,391	10,47,65,549
<b>Total</b>	<b>11,04,14,391</b>	<b>10,47,65,549</b>

NOTES FORMING PART OF THE (STANDALONE) FINANCIAL STATEMENT

(in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Note No.:8 (c) Cash and Cash Equivalents</b>		
I. Cash on hand	9,32,560	6,07,265
ii. In Current Account with Scheduled Banks	4,63,79,391	1,02,64,908
iii. Fixed Deposit with Banks	1,18,58,003	7,22,16,584
<b>Total</b>	<b>5,91,69,954</b>	<b>8,30,88,757</b>
Balance with Banks includes Unpaid Dividend of Rs.Nil (Previous year Rs.3.54 Lakhs)		
<b>Note No.:8 (d) Short term Loans &amp; Advances</b>		
I. Advance to Staffs	1,14,438	1,66,129
ii. Prepaid Expenses	58,97,084	37,98,859
<b>Total</b>	<b>60,11,522</b>	<b>39,64,988</b>
<b>Note No.:8 (e) Other Current Assets</b>		
i. Income Accrued on Deposits & Subsidies Receivables	7,92,998	5,91,13,161
ii. MAT Credit Entitlement & Tax Refund Receivables	6,89,49,129	6,35,10,758
iii. Others	4,97,902	4,97,902
iv. Russia Branch Current Assets	14,29,010	5,28,295
<b>Total</b>	<b>7,16,69,039</b>	<b>12,36,50,116</b>

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

(in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Note No. : 9 Revenue from Operations</b>		
Export Sales	2,58,74,44,074	2,16,52,53,855
Domestic Sales	10,45,53,504	20,57,73,434
Sale of Egg Shell (Waste)	42,31,271	33,92,622
Sale of Culling Birds & Litter waste	1,56,91,145	1,71,34,910
Sale of Declared Goods (Scrap)	14,98,893	20,03,716
Feed Processing Charges Received	-	2,00,880
<b>Total</b>	<b>2,71,34,18,887</b>	<b>2,39,37,59,417</b>
<b>Note No. : 10 Other Income</b>		
Interest Receipts	39,73,578	19,40,877
Lease Rent Received - Egg Grader M/c	1,00,000	6,00,000
Receipts - Subsidies	6,08,64,635	9,66,38,316
Exchange Flucutation - Net	9,30,26,477	(7,36,39,703)
Profit on sale of Assets	19,048	(1,61,16,002)
Miscellaneous Income	83,182	11,32,533
<b>Total</b>	<b>15,80,66,920</b>	<b>1,05,56,021</b>
<b>Note No. : 11 COST OF MATERIAL CONSUMED</b>		
<b>a) PURCHASES OF RAW MATERIALS AND STORES</b>		
Raw Material- Eggs / Feed Ingredients	1,87,79,78,428	1,53,57,47,111
Vaccine & Medicine Consumption	22,59,681	15,35,114
Additives & Consumables	6,61,34,444	5,19,05,774
<b>Sub-total (a)</b>	<b>1,94,63,72,553</b>	<b>1,58,91,87,999</b>
<b>b) DIRECT/PRODUCTION EXPENSES</b>		
Packing Material - Consumed	3,07,70,159	2,78,37,282
Power & Fuel	13,35,59,092	10,83,17,731
Procurement & Other Production expenses	46,12,629	60,87,086
<b>Sub-total (b)</b>	<b>16,89,41,880</b>	<b>14,22,42,099</b>
<b>Total (a+b)</b>	<b>2,11,53,14,433</b>	<b>1,73,14,30,098</b>

NOTES FORMING PART OF THE (STANDALONE) FINANCIAL STATEMENT

(in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Note No. : 12 Purchase of Stock in Trade</b>		
Egg Powder Purchase	-	74,28,000
<b>Total</b>	<b>-</b>	<b>74,28,000</b>
<b>Note No. : 13 Change in Inventories</b>		
Opening Stock - Finished goods	19,42,30,706	24,56,07,821
Closing Stock - Finished goods	30,07,93,224	19,42,30,706
<b>Increase / (Decrease) in Stock</b>	<b>10,65,62,518</b>	<b>(5,13,77,115)</b>
<b>Note No. : 14 Employment Benefit Expenses</b>		
Salaries & Wages	12,58,98,102	7,49,44,918
PF Contribution	71,56,750	53,01,622
Gratuity	28,46,872	(14,67,927)
Welfare Expenses	70,11,574	58,33,675
<b>Total</b>	<b>14,29,13,298</b>	<b>8,93,12,288</b>
<b>Note No. : 15 Financial Cost</b>		
Working Capital Loan Interest	71,49,379	1,13,00,458
Bank Charges	45,87,609	58,28,925
Export Bills Discount & Overdue Interest	41,29,105	45,17,186
Interest Paid - Others	30,96,460	53,84,678
Interest on Vehicle Loan	1,10,402	1,97,155
Bill Discount & Collection Charges	41,74,375	34,29,456
SBI- Term Loan Interest	1,30,86,026	3,44,90,892
SBI- FITL Interest	6,40,041	52,96,867
Interest paid to Chairman, Managing Director	1,33,88,208	1,31,40,000
<b>Total</b>	<b>5,03,61,605</b>	<b>8,35,85,617</b>
<b>Note No. : 16 Depreciation &amp; Amortised Cost</b>		
Depreciation	7,47,32,424	6,78,82,317
Amortised Value of Birds	5,83,54,114	5,83,90,082
<b>Total</b>	<b>13,30,86,538</b>	<b>12,62,72,399</b>

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

(in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Note No. : 17 Other Expenses</b>		
Repairs & Maintenance		
a) Building	48,12,729	43,11,429
b) Plant & Machinery	53,94,155	92,05,799
c) Fly Control Expenses	3,29,244	2,71,261
d) Others	1,16,55,268	1,12,61,057
e) Vehicle - Fuel & Maintenance	1,42,50,960	1,51,61,534
Stores & Spares Consumption	3,46,98,000	2,65,55,107
Analysing Charges	1,27,13,921	1,20,23,666
Rent Expenses	13,70,238	7,89,468
Rates and Taxes, Registration and Renewal	43,09,474	51,52,439
Postage, Courier & Telephone Charges	18,66,930	14,62,245
Printing & Stationery	15,40,328	10,52,648
Insurance Premium	12,05,793	8,24,367
Advertisement and Publicity	10,20,220	2,96,554
Travelling Expenses	38,33,454	32,18,976
Foregin Travelling expenses	21,93,743	15,73,914
Brokerage Expenses	29,951	-
Professional Charges	46,90,807	26,94,918
ISO / HACCP-Expenses	7,87,653	36,737
Stock Exchange Listing Fee	5,22,750	2,13,484
Miscellaneous Expenses	10,44,601	32,65,969
Bad Debt written off	-	67,37,568
Audit Fees	7,63,767	8,21,356
Donation	23,03,252	13,29,200
Annual General Meeting Expenses	7,02,473	2,05,419
Directors' Sitting Fee	35,000	27,000
Subscription	5,30,680	2,90,010
Sales Commission	67,32,989	73,42,832
Selling Expenses	84,19,429	22,05,863
Compensation to Foreign Customer	(1,71,91,521)	4,15,53,384
Russia Branch Expenses	1,92,40,890	85,13,049
Sub-total (a)	12,98,07,177	16,83,97,253
Freight and Forwarding Charges	4,85,23,319	3,99,49,217
ECGC Insurance Premium paid	71,00,330	47,46,852
Product Liability Insurance Paid	17,97,760	36,80,876
Marine Insurance Premium paid	8,85,563	7,77,625
Sub-total (b)	5,83,06,972	4,91,54,570
<b>Total (a+b)</b>	<b>18,81,14,149</b>	<b>21,75,51,823</b>

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

(in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Note No. : 18 Current Tax</b>		
Income Tax - Normal Provisions	-	-
Income Tax - MAT Provisions	4,67,34,035	-
<b>Total</b>	<b>4,67,34,035</b>	<b>-</b>
<b>Note No. : 19 Deferred Tax</b>		
On account of variation of allowances for tax purpose in :		
Depreciation	(74,48,885)	(37,50,935)
C/F and Business Losses (DTA)/DTL	4,64,81,402	3,00,44,021
Income Tax Disallowance (DTA)/DTL	1,19,89,200	81,69,518
Earned Leave (DTA)/DTL	3,87,103	(28,316)
Sale of Assets (DTA)/DTL	(17,58,348)	(51,35,311)
<b>Total</b>	<b>4,96,50,472</b>	<b>2,92,98,978</b>
<b>Note No. : 20 Earnings Per Share</b>		
Net Profit for the year	25,18,73,795	6,80,59,120
Less : Preference Share Dividend (including tax thereon)	-	-
Amount available for Equity Shareholders	25,18,73,795	6,80,59,120
Weighted No. of Equity shares	2,63,30,000	2,63,30,000
Basic EPS	9.57	2.58
Diluted EPS	9.57	2.58
<b>Face Value per Equity Share</b>	<b>10</b>	<b>10</b>

**CASH FLOW STATEMENT FOR THE PERIOD FROM 01.04.2014 TO 31.03.2015**

(in Lacs)

	2014-15		2013-14	
<b>A. Cash Flow From Operating Activities:</b>				
<b>INDIRECT METHOD:</b>				
Profit Before Tax		3,482.58		973.58
Adjustment for:				
Depreciation	747.32		678.82	
(Profit)/Loss on Sale of Assets	(0.19)		161.16	
Financial Cost	503.62		835.86	
Interest and Lease Receipts	(40.74)	1,210.01	(25.41)	1,650.43
Operating profit / (Loss) before Working capital changes		4,692.60		2,624.01
<b>Adjustment for:</b>				
(Increase)/Decrease in Trade and Other Receivables	564.25		(1,368.22)	
(Increase)/Decrease in Inventories	(1,145.96)		492.22	
Increase/(Decrease) in Trade and Other Paybles	(144.15)	(725.87)	978.57	102.56
Cash generated from operations		3,966.73		2,726.57
Direct taxes paid		628.95		-
Cash flow before extraordinary items		3,337.78		2,726.57
Extraordinary items -		-		-
<b>Net Cash Flow from Operating Activities</b>		<b>3,337.78</b>		<b>2,726.57</b>
<b>B. Cash from Investing Activities:</b>				
Purchase /Increase in Fixed Assets		(233.40)		(90.78)
Sale of Fixed Assets		0.00		978.71
Profit/(Loss) on Sale of Assets		0.19		(161.16)
Interest and Lease Rent receipts		40.74		25.41
Net cash (used in) received from Investing Activities		<b>(192.47)</b>		<b>752.19</b>
<b>C. Cash flow from Financing Activities:</b>				
Financial Cost		(503.62)		(835.86)
Increase / (Decrease) in Bank & Other Borrowings		(2,880.89)		(2,250.37)
<b>Net cash (used in) received from Financing Activities</b>		<b>(3,384.50)</b>		<b>(3,086.22)</b>
Net Increase / (Decrease) in Cash and Cash Equivalents		(239.19)		392.53
Opening Cash & Cash Equivalents		830.89		438.35
Closing Cash & Cash Equivalents		591.70		830.89
		(239.19)		392.53

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 2015. The statement has been prepared by the company in accordance with the requirements of clause 32 of the Listing Agreement with the Stock Exchanges and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report dated 20.05.2015 to the members of the Company.

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

Chartered Accountants

**N.C. Vijay Kumar**

Partner

Place : Erode

Date : 20.05.2015

Membership No. 208276



## 1. **SIGNIFICANT ACCOUNTING POLICIES**

### a) **General**

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

### b) **Inventories**

Inventories are valued in line with the mandatory Accounting Standards – 2 (Revised) issued by the 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

### c) **Revenue Recognition**

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

#### **Egg Powder Division**

Sales 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 factor."

#### **Poultry Farm Division**

Sales of Eggs and Birds are recognised on accrual basis and are accounted for in the books of accounts on the dates on which the goods/Birds are actually despatched from the farms or sold respectively.

### d) **Depreciation**

Depreciation is provided on straight line method as per the rates provided in schedule XIV of the Companies Act 1956, except for imported plant & machinery for which the rate has been taken as 3.80%, 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 expenses relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

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 after the tax holiday period. Accordingly, MAT 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 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 e x p e n s e s f o r m 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 and 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 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 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 of the payroll costs to fund the benefits.

The company recognized Rs.71.57 Lacs (Previous Year Rs. 53.02 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:**

- i) Export Bills discounted with the State Bank of India, Commercial Branch, Erode Rs. 2114.84 Lacs. (Previous year Rs. 2085.65 Lacs).
- ii) Income Tax Liability Rs. 492.81 lacs (Net of recovery and Payments) (Previous year 552.81 lacs).
- iii) Service Tax Liability Rs.41.25 Lacs (Previous year Rs.39.62 Lacs).
- iv) Excise Duty Liability Rs.32.48 Lacs (Previous year Rs.27.17 Lacs).for the items referred to in item no.(b) to (d) refer note no.2 (vii).

III) **Balances of Sundry creditors and Sundry debtors are subject to confirmation.**

The company has not received any intimation from the suppliers regarding status under the Micro, Small and Medium enterprises development Act, 2006 (The Act) and hence disclosure regarding I)Amount due and outstanding to suppliers as at the end of the accounting year.

ii)Interest paid during the year.

iii)Interest payable at the end of the accounting year.

iv)Interest accrued and unpaid at the end of the accounting year, have not been provided.

The company is making efforts to get the confirmations from the suppliers as regards their status under the Act.

IV) **Disclosure of Related Party transactions, as required under Accounting Standard (AS) 18 of the Companies (Accounting Standards) Rules, 2006**

**(a)Name of the Related PartiesI)**

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

**(b) Description of relationship between the parties :**

- |   |                          |
|---|--------------------------|
| I)SKM Animal Feeds and Foods (India) Limited        | Common Directors         |
| ii)SKM Siddha and Ayurvedha Company (India) Limited | Common Managing Director |
| iii)SKM Universal Marketing Company India Ltd       | Common Directors         |
| iv)SKM Shree Shivkumar                              | Managing Director        |
| v)Sri.SKM Maeilanandhan                             | Whole time Director      |
| vi)SKM Europe BV,Utrecht,The Netherlands            | Subsidiary Company       |

**c) Transaction Details****i) Transaction details: SKM Animal Feeds and Foods (India)****Limited: a. Sale of Egg Shell Waste (Net of Returns):**

Quantity	781.10 tonnes
Value	Rs.17.12 Lacs
Balance as on 31.03.2015 (Dr)	Rs.2.03 Lacs

**ii. Transactions with SKM Siddha and Ayurvedha Company (India) Limited:****a. Purchase of Medicines - Poultry feed supplement (Net of Returns):**

Quantity	5,900 Litres
Value	Rs.6.51 Lacs
Balance as on 31.03.2015 (Cr)	Rs.1.23 Lacs

**iii. Transactions with SKM Universal Marketing****Company India Ltd: a. Sale of Eggs (Net of Returns):**

Quantity	1,51,21,680 Nos.
Value	Rs.470.31 Lacs
Balance as on 31.03.2015 (Dr)	18.47 Lacs

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

Quantity	5,81,750 Kgs
Value	Rs.110.33 Lacs
Balance as on 31.03.2015 (Dr)	Nil

**c. Purchase of Eggs (Net of Returns):**

Quantity	50,58,01,770 nos.
Value	Rs.15305.66 Lacs
Balance as on 31.03.2015 (Cr)	Rs.362.89 Lacs

**d. Purchase of Wind Power:**

Quantity	27,02,348 units
Value	Rs.148.94 Lacs

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

Quantity	68,374 Kgs & 525 Ltrs
Value	Rs.94.81 Lacs
Balance as on 31.03.2015 (Cr)	Rs.20.15 Lacs

**f. Lease Rent received :**

Lease Rent received for leasing egg grading machine for 2 months (Including VAT and Service Tax):	Rs.1.27 Lac
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**g. Repayment of Loan & Interest:**

Loan payable as on 01.04.2014	Rs.439.00 Lacs
Interest payable as on 01.04.2014	Rs.36.40 Lacs
Interest during the year	Rs.29.98 Lacs
Loan & Interest repaid during the year	Rs.505.38 Lacs
Loan payable as on 31.03.2015	Nil

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

Rent paid for hiring Administrative Office for 12 months Rs.0.77 lacs

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

Salary, Allowances & Other perquisites Rs.30.15 lacs

Commission on Profit Rs.143.80 lacs

**c. Repayment of Loan & Interest:**

Loan payable as on 01.04.2014 Rs.1095.00 Lacs

Interest payable as on 01.04.2014 Rs.94.46 Lacs

Interest during the year Rs.133.88 Lacs

Loan & Interest repaid during the year Rs.823.34 Lacs

Loan payable as on 31.03.2015 Rs.500.00 Lacs

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

Salary, Allowances & Other perquisites Rs.30.48 lacs

Commission on Profit Rs.143.46 lacs

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

Quantity 3,70,480 kgs

Value Rs.360.08 Lacs

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

Quantity 4,87,475 kgs

Value Rs.1085.00 Lacs

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

Quantity 2,09,425 kgs

Value Rs.598.48 Lacs

Balance as on 31.03.2015 (Dr) Rs.96.23 Lacs

( On account of sale of Egg Yolk Liquid, Egg Yolk Powder & Whole Egg Powder)

**d. Purchase of Bopp Tape Dispensor:**

Quantity 18 Nos

Value Rs 0.55 Lacs

Balance as on 31.03.2015 (Cr) Rs. 0.44 Lacs

**e. Re-imburement of expenses:**

Value 47.32 Lacs



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

Particulars	2014 - 2015	2013 - 2014
	(Rs.)	
For Statutory Audit Fee	4,50,000	4,50,000
For Taxation Matter	1,50,000	1,50,000
For Certification Services	79,750	56,000
For Appeal Representation and Others	130,000	75,000
For Sales Tax Matters	NIL	NIL

VI. **Provision for Income Tax**

Provision had been made in respect of Income Tax liability arising under the provisions of MAT under section 115JB of the Income Tax Act, 1961, since the tax liability when computed in accordance with the Normal Provisions of the Income Tax Act, 1961 is lesser than the book profits. Excess tax amount paid/payable over the tax paid/payable under normal provisions of the Income Tax Act constitutes MAT credit and is thus recognised as an asset in the balance sheet, since the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will fructify

VII. No provision has been made in respect of demand of Excise Duties Rs.32.48 lacs and Service Tax of Rs.41.25 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.492.81 lacs i.e for the Assessment year 2008-2009 (Rs.270.07 Lacs - Net of Recovery) and 2009-2010 (Rs.222.74 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 vide his order under section 143(3) of the Income Tax Act, 1961 dated 31.03.2015 by making some adjustments by way of disallowances of expenses against which the company has preferred an appeal before the immediate superior authority which appeal is pending for disposal as on the date of the financial reports. Since the adjustment has resulted only in the reduction of carry forward losses, there is no immediate demand raised for the relevant assessment year, but the adjustments have an impact on the availability of Future MAT credit of Rs.97.81 lacs

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 &amp; Indigenous Items consumed

(Rs. in Lacs)

Particulars	2014-15		2013-2014	
	Amount	%	Amount	%
1. Raw Materials				
(a) Imported	-	-	-	-
(b) Indigenous	19296.35	100.00%	15,922.33	100.00%
	19296.35	100.00%	15,922.33	100.00%
2. Packing Materials				
(a) Imported	6.63	2.10%	19.31	5.85%
(b) Indigenous	309.33	97.90%	256.07	94.15%
	315.96	100.00%	275.38	100.00%
3 Consumables,Stores & Spares				
(a) Imported	358.14	36.17%	294.43	37.48%
(b) Indigenous	632.08	63.83%	488.63	62.52%
	990.22	100.00%	783.06	100.00%
4. Fuel				
(a) Imported	-	-	-	-
(b) Indigenous	797.31	100.00%	618.58	100.00%
	797.31	100.00%	618.58	100.00%

**X. Expenditure in Foreign currency:**

(in Rs.)

Particulars	2014-15	2013-2014
1. Professional & Consultation fee		
(a) Analysis Charges	1,13,70,923	1,07,71,838
(b) Sales Commission	1,15,15,375	15,43,926
(c) Professional Charges	7,50,791	1,80,550
(d) Subscription and Registration	4,04,370	3,71,039
(e) Selling, Insurance and Compensation expenses	2,68,12,448	95,08,529
(f) Others	-	49,503
2. Foreign Travel Expenditure	12,76,228	7,14,088
3. Packing Materials, Additives, Stores and Lab Consumables	3,33,68,034	2,95,07,449
<b>Total</b>	<b>8,54,98,169</b>	<b>5,26,46,922</b>

XI. FOB Value of goods exported Rs.25,396 Lacs (Previous Year Rs.21,214 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) 2015	Group Gratuity Scheme (Funded) 2014
(a) <b>Reconciliation of Opening and Closing Balances of Defined Benefit Obligations</b>		
Present Value of obligation as at 1st April 2014	27,53,737	41,54,929
Current Service Cost	3,32,074	6,14,332
Interest Cost	2,20,229	3,32,394
Actuarial (gain) / loss	28,52,605	(20,85,141)
Benefits paid	(1,71,704)	(2,62,777)
Present Value of obligation as at 31st March 2015	<b>59,87,011</b>	<b>27,53,737</b>
(b) <b>“Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets:”</b>		
Fair Value of plan assets as at 1st April 2014	56,03,153	32,89,984
Expected return on plan assets	5,58,106	3,29,512
Contribution made	9,23,465	22,46,434
Benefits Paid	(1,71,704)	(2,62,777)
Actuarial gain / (loss) on the plan assets	---	---
Fair Value of plan assets as at 31st March 2015	<b>69,13,020</b>	<b>56,03,153</b>
(c) <b>Reconciliation of Fair Value of Assets and Obligations as at 31st March 2015:</b>		
Present value of the obligation	59,87,011	27,53,737
Fair Value of plan assets	69,13,020	56,03,153
Funded Status (Surplus / (Deficit))	9,26,009	28,49,416

(in Rs.)

Particulars	Group Gratuity Scheme (Funded) 2015	Group Gratuity Scheme (Funded) 2014
<b>(d) Expenses recognized during the year (Under the head “Employees Cost – Refer Schedule “O”)</b>		
Current Service Cost	3,32,074	6,14,332
Interest Cost	2,20,229	3,32,394
Expected return on plan assets	(5,58,106)	(3,29,512)
Actuarial (gain) / loss	28,52,605	20,85,141
Net Cost	<b>28,46,872</b>	<b>(14,67,927)</b>
<b>(e) Actual return on the plan assets:</b>		
Expected return on plan assets	28,52,605	20,85,141
Actuarial gain / loss on plan assets	-	-
Actual return on plan assets	28,52,605	(20,85,141)
<b>(f) Actuarial Assumptions:</b>		
Discount rate (Per annum)	8.00%	8.00%
Rate of escalation in salary (Per annum)	6.50%	6.00%

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 inventory 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 under inventory in the Balance Sheet.

### XIV. CSR Expenditure:

Though the company’s net profit had exceeded Rs.5 crores and provisions of Corporate Social Responsibility are attracted, the average net profits of the company is in negative when computed for the three immediately preceding financial years and hence, for the current financial year, there is no obligation on the part of the company to incur Expenditures on account of CSR Related Activities for the year.

**XV. Foreign Exchange Fluctuation - Net:**

The net foreign exchange fluctuation difference of Rs.930.26 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)Investements Made	Disclosed under Respective Heads
iii)Corporated Guarantees	Nil

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

**SKM Maeilanandhan**  
Executive Chairman

**SKM Shree Shivkumar**  
Managing Director

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

Place : Erode  
Date : 20.05.2015

**BALANCE SHEET OF SKM EUROPE BV AS AT 31.03.2015**

(in Rs.)

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	9,79,740	9,79,740
(b) Reserves and Surplus	4	1,76,13,440	1,45,41,600
(c) Money received against share warrants		-	-
<b>(2) Share Application money pending allotment</b>		---	---
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings		-	-
(b) Deferred Tax Liabilities (Net)	5(a)	(615,960)	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	6(a)	74,04,632	2,41,34,681
(b) Trade Payables	6(b)	9,72,41,857	8,54,03,518
(c) Other Current Liabilities	6(c)	68	5,96,080
(d) Short-Term Provisions	6(d)	75,43,256	8,65,020
Translation Reserve		38,36,322	(22,23,978)
<b>Total Equity &amp; Liabilities</b>		<b>13,40,03,354</b>	<b>12,42,96,661</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
a) Tangible Assets ( Not Under Lease)		-	-
b) Tangible Assets ( Under Lease)		-	-
(b) Long term loans and advances		-	-
(c) Other non-current assets		-	-
<b>(2) Current Assets</b>			
(a) Inventories	7(a)	6,80,14,542	5,82,65,268
(b) Trade receivables	7(b)	6,31,92,487	6,44,90,359
(c) Cash and cash equivalents	7(c)	-	3,347
(d) Short-term loans and advances	7(d)	27,96,326	15,37,686
(e) Other current assets		-	-
<b>T otal Assets</b>		<b>13,40,03,354</b>	<b>12,42,96,661</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

 Place : Erode  
Date :20.05.2015

**SKM Shree Shivkumar**  
Managing Director

**PROFIT AND LOSS ACCOUNT OF SKM EUROPE BV FOR THE YEAR ENDED 31.03.2015**

(in Rs.)

S. No	Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
I	Revenue from operations	8	39,17,29,432	43,38,88,126
II	Other Income	9	1,91,563	15,05,058
III	<b>Total Revenue (I +II)</b>		<b>39,19,20,995</b>	<b>43,53,93,184</b>
IV	Expenses:			
	Cost of materials consumed	10	37,91,16,967	35,89,37,467
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	11	(1,21,77,914)	3,60,14,280
	Employee Benefit Expense		-	-
	Financial Costs	12	6,99,990	8,55,351
	Depreciation and Amortization Expense		-	-
	Other Expenses	13	2,12,10,113	3,50,48,104
	<b>Total Expenses (IV)</b>		<b>38,88,49,155</b>	<b>43,08,55,202</b>
V	<b>Profit before exceptional and extraordinary items and tax</b>	(III - IV)	<b>30,71,840</b>	<b>45,37,982</b>
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		30,71,840	45,37,982
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		30,71,840	4,37,982
X	Tax expenses:			
	(1) Current tax		0	0
	(2) Deferred tax			
XI	<b>Profit(Loss) from the period from continuing operations</b>	(IX-X)	<b>30,71,840</b>	<b>45,37,982</b>
XII	<b>Profit/(Loss) from discontinuing operations</b>		-	-
XIII	<b>Tax expense of discounting operations</b>		-	-
XIV	<b>Profit/(Loss) from Discontinuing operations (XII - XIII)</b>		-	-
XV	<b>Profit/(Loss) for the period (XI + XIV)</b>		<b>30,71,840</b>	<b>45,37,982</b>
XIII	Earning per equity share:			
	(1) Basic		170.66	252.11
	(2) Diluted		170.66	252.11

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

 Place : Erode  
Date :20.05.2015

**SKM Shree Shivkumar**  
Managing Director

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

(in Rs.)

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
<b>Note No. : 3 Share Capital</b>		
<b>Authorised Capital:</b>		
90,000 Shares of Euro 1 Each	48,98,700	48,98,700
<b>Issued, Subscribed &amp; Paid-up:</b>		
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 Reserves &amp; Surplus</b>		
<u>Share Premium Account :</u>		
Opening Balance	1,45,41,600	1,00,03,618
Add: Current Year Balance after Appropriation	30,71,840	45,37,982
<b>Closing Balance Total</b>	<b>1,76,13,440</b>	<b>1,45,41,600</b>
<b>Note No. : 5 NON CURRENT LIABILITIES</b>		
<b>(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>Note No. : 6 CURRENT LIABILITIES</b>		
<b>(a) Short Term Borrowings</b>		
Loan Repayable on demand Secured From Bank Rabo Bank CC A/c.	74,04,632	2,41,34,681
<b>Total</b>	<b>74,04,632</b>	<b>2,41,34,681</b>
<b>(b) Trade Payables</b>		
i) Trade Creditors	9,45,98,202	7,45,27,937
ii) Creditors For Expenses & Others	26,43,654	1,08,75,581
<b>Total</b>	<b>9,72,41,857</b>	<b>8,54,03,518</b>
<b>(c) Other Current Liabilities</b>		
a) Other Payables		
Statutory Dues VAT Payable	-	5,96,080
Corporate Tax Commission Payable	68	-
<b>Total</b>	<b>68</b>	<b>5,96,080</b>



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

(in Rs.)

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
<b>(d) Short Term Provisions</b>		
Provisions for Expenses	2,55,970	8,65,020
Provision for Bad Debts	72,87,286	-
<b>Total</b>	<b>75,43,256</b>	<b>,865,020</b>
<b>Note No. :7 CURRENT ASSETS</b>		
<b>(a) Inventories (As Valued &amp; Certified By the Management)</b>		
Egg Powder	4,06,80,593	2,85,02,679
Goods in Transit	2,73,33,949	2,97,62,589
<b>Total</b>	<b>6,80,14,542</b>	<b>5,82,65,268</b>
<b>(b) Trade Receivables</b>		
Unsecured & Considered Good Sundry Debtors	6,31,92,487	6,44,90,359
<b>Total</b>	<b>6,31,92,487</b>	<b>6,44,90,359</b>
<b>(c) Cash and Cash Equivalents</b>		
In Current Account with Banks	-	3,347
<b>Total</b>	<b>-</b>	<b>3,347</b>
<b>(d) Short term Loans &amp; Advances</b>		
VAT to be received back	2,85,568	-
Corporate Tax	25,10,758	15,37,686
<b>Total</b>	<b>27,96,326</b>	<b>15,37,686</b>
<b>Note No. : 8 Revenue from Operations</b>		
Egg Powder Sales	39,17,29,432	43,38,88,126
<b>Total</b>	<b>39,17,29,432</b>	<b>43,38,88,126</b>
<b>Note No. : 9 Other Income</b>		
Miscellaneous Income	2,36,485	14,56,622
Fluctuation Income	(44,922)	48,436
<b>Total</b>	<b>1,91,563</b>	<b>15,05,058</b>

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

(in Rs.)

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
<b>Note No. : 10 Cost of Material Consumed</b>		
<b><u>a) PURCHASES OF RAW MATERIALS AND STORES</u></b>		
Purchase of Egg Powder	36,38,23,161	33,77,84,685
Import Duty	1,07,75,005	1,76,86,635
Custom Clearing Charges	4,55,576	20,18,299
Other Purchases/Production cost	6,99,020	(48,761)
<b>Sub Total (a)</b>	<b>37,57,52,762</b>	<b>35,74,40,858</b>
<b>b) DIRECT/PRODUCTIONS EXPENSES</b>		
Plastic Pallets GC Hahn	31,65,903	10,34,964
Wooden Pallets	1,98,301	4,61,645
<b>Sub Total (b)</b>	<b>33,64,205</b>	<b>14,96,609</b>
<b>Sub Total (a+b)</b>	<b>37,91,16,967</b>	<b>35,89,37,467</b>
<b>Note No. : 11 Change in Inventories</b>		
Opening Stock - Finished Goods	6,38,57,939	9,98,72,219
Closing Stock - Finished Goods	760,35,853	6,38,57,939
<b>Total</b>	<b>1,21,77,914</b>	<b>(3,60,14,280)</b>
<b>Note No. : 12 Financial Cost</b>		
Bank Charges	6,99,990	8,55,351
<b>Total</b>	<b>6,99,990</b>	<b>8,55,351</b>

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

(in Rs.)

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
<b>Note No. : 13 Other Expenses</b>		
Postage	4,65,035	3,84,537
Subscriptions	1,89,844	1,32,457
Travel and Accommodation	2,74,314	4,24,207
Auditors Fee	-	2,98,901
Lawyer and Advice Costs	1,20,546	14,40,389
Book keeping	3,23,220	5,47,057
Insurances-Product Liability	(29,211)	3,45,514
Insurances	2,37,882	8,06,757
Other General Costs	3,09,833	3,77,019
Godown Rent	3,59,027	13,54,168
Other Selling Cost	2,038	5,948
Exhibition Costs	2,60,035	-
Advertising and Publicity	1,672	-
Sales Commissoin	69,50,789	1,75,18,245
Transport Cost to Customer	1,17,45,089	1,14,12,905
	<b>2,12,10,113</b>	<b>3,50,48,104</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, 2015, 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, 2015; and their consolidated Profit and their consolidated Cash flows for the year ended on that date.

**Other Matter**

We did not audit the financial statements / financial information of 1 subsidiary whose financial statements / financial information reflect total assets of Rs.12,35,02,790/- as at 31st March, 2015, total revenues of Rs.18,75,64,608/- and net cash outflows amounting to Rs.3347/- 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. 26,11,064/- for the year ended 31st March, 2015, 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.

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 : 20.05.2015  
Place: Erode.

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015**

(in Rs.)

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
<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	42,23,28,961	19,95,65,083
<b>(2) Share Application money pending allotment</b>		---	---
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5(a)	5,00,52,038	33,68,87,937
(b) Deferred Tax Liabilities (Net)	5(b)	9,63,85,249	4,73,50,736
(c) Long Term Provisions	5(c)	27,84,428	40,37,188
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	6(a)	37,12,81,872	30,75,49,315
(b) Trade Payables	6(b)	21,14,71,517	17,87,44,240
(c) Other Current Liabilities	6(c)	2,65,27,487	10,68,26,910
(d) Short-Term Provisions	6(d)	4,54,93,553	4,70,14,673
(e) Minority Interest	6(e)	27,88,978	23,28,202
Translation Reserve		1,68,25,220	-
<b>Total Equity &amp; Liabilities</b>		<b>1,50,92,39,302</b>	<b>1,49,36,04,284</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
a) Tangible Assets ( Not Under Lease)	7(a)	67,32,53,760	72,80,82,976
b) Capital work in Progress	7(b)	34,36,370	-
		67,66,90,130	72,80,82,976
(b) Non-current investments	7(c)	1,18,45,572	1,18,45,572
© Long term loans and advances	7(d)	2,35,90,173	1,95,68,576
<b>(2) Current Assets</b>			
(a) Inventories	8(a)	49,35,27,493	36,91,81,869
(b) Trade receivables	8(b)	16,39,39,093	15,24,97,032
(c) Cash and cash equivalents	8(c)	5,91,69,954	8,30,92,104
(d) Short-term loans and advances	8(d)	62,97,090	39,64,988
(e) Other current assets	8(e)	7,41,79,797	12,51,87,802
Translation Reserve		-	1,83,365
<b>Total Assets</b>		<b>1,50,92,39,302</b>	<b>1,49,36,04,285</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

 Place : Erode  
Date : 20.05.2015

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st, MARCH 2015**

(in Rs.)

S. No	Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
I	Revenue from operations	9	2,90,07,91,931	2,63,49,24,312
II	Other Income	10	15,82,58,483	1,20,61,080
III	<b>Total Revenue (I +II)</b>		<b>3,05,90,50,414</b>	<b>2,64,69,85,391</b>
IV	Expenses:			
	Cost of materials consumed	11	2,11,93,77,658	1,73,28,77,947
	Purchase of Stock-in-Trade	12	17,06,97,355	17,21,94,388
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	13	(11,87,40,432)	8,73,91,395
	Employee Benefit Expense	14	14,29,13,298	8,93,12,288
	Financial Costs	15	5,10,61,595	8,44,40,968
	Depreciation and Amortization Expense	16	13,30,86,538	12,62,72,399
	Other Expenses	17	20,93,24,262	25,25,99,927
	<b>Total Expenses (IV)</b>		<b>2,70,77,20,272</b>	<b>2,54,50,89,311</b>
V	<b>Profit before exceptional and extraordinary items and tax</b>	(III - IV)	<b>35,13,30,142</b>	<b>10,18,96,080</b>
VI	Exceptional Items		-	-
VII	<b>Profit before extraordinary items and tax</b>	(V - VI)	<b>35,13,30,142</b>	<b>10,18,96,080</b>
VIII	Extraordinary Items		-	-
IX	<b>Profit before tax (VII - VIII)</b>		<b>35,13,30,142</b>	<b>10,18,96,080</b>
X	Tax expenses:			
	(1) Current tax	18	4,67,34,035	-
	(2) Deferred tax	19	4,96,50,472	2,92,98,978
XI	<b>Profit(Loss) for the year (before adjustment for Minority Interest)</b>	(IX-X)	<b>25,49,45,635</b>	<b>7,25,97,102</b>
	Add (+) / Less (-) Minority Interest		4,60,776	6,80,697
XII	<b>Profit(Loss) for the year (after adjustment for Minority Interest)</b>		<b>25,44,84,859</b>	<b>7,19,16,405</b>
XIII	Earning per equity share of face value Rs.10 each			
	Earning per equity share:	20		
	(1) Basic		9.68	2.76
	(2) Diluted		9.67	2.73

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 : 20.05.2015

 SKM Maeilanandhan  
Executive Chairman

 SKM Shree Shivkumar  
Managing Director

**SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT 2014-15**

(in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
<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>		
2,63,30,000 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>		
Share Premium Account :		
Opening Balance	4,00,692	4,00,692
Add : Current year transfer	-	-
Less: Written back	-	-
Closing Balance	4,00,692	4,00,692
General Reserve:		
Opening Balance (Revenue Reserve)	4,32,812	4,32,812
Add : Current year transfer	-	-
Less: Written back	-	-
Closing Balance	4,32,812	4,32,812
Profit & Loss Account:		
Opening Balance	19,87,31,579	12,68,15,174
Add: Previous year Adjustments	-	-
Add: Current Year Balance before appropriation	25,44,84,859	7,19,16,405
Less: Proposed Dividend	2,63,30,000	-
Less: Proposed Dividend Distribution Tax	53,90,981	-
Closing Balance	42,14,95,457	19,87,31,579
<b>Total</b>	<b>42,23,28,961</b>	<b>19,95,65,083</b>
<b>NON CURRENT LIABILITIES</b>		
<b>Note No.:5 (a) Long Term Borrowings</b>		
<b>Secured</b>		
<b>(I) From Banks</b>		
i) SBI Bank, Term Loan	-	17,04,53,762
ii) SBI Bank (FITL) - Term Loan	-	1,24,00,000
<b>(II) From Others</b>		
i) Kotak Mahindra ( Vehicle Loan )	52,038	6,34,175
<b>Un Secured</b>		
Loan and Advances from Related Parties		
I) Loan from Managing Director	5,00,00,000	10,95,00,000
ii) SKM Universal Marketing Company India Limited	-	4,39,00,000
<b>Total</b>	<b>5,00,52,038</b>	<b>33,68,87,937</b>



**SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT 2014-15**

(in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Note No.:5 (b) Deferred Tax Liability(Net)</b>		
<b>Deferred Tax Liability</b>		
Balance b/f of last financial year	4,73,50,737	1,80,51,759
<b>Deferred Tax Assets</b>		
-On account of allowances for tax purpose In :		
Depreciation	(74,48,885)	(37,50,935)
C/F and Business Losses (DTA)/DTL	4,58,65,442	3,00,44,021
Income Tax Disallowance (DTA)	1,19,89,200	81,69,518
Gratuity (DTA)/DTL	-	-
Earned Leave (DTA)/DTL	3,87,103	(28,316)
Sale of Assets (DTA)/DTL	(17,58,348)	(51,35,311)
<b>Total</b>	<b>9,63,85,249</b>	<b>4,73,50,736</b>
<b>Note No.:5 (c) Long Term Provisions</b>		
Provision for Employee Benefits		
a) Earned Leave Encashment Payable	27,84,428	40,37,188
b) Net Gratuity obligation	-	-
<b>Total</b>	<b>27,84,428</b>	<b>40,37,188</b>
<b>CURRENT LIABILITIES</b>		
Note No.:6 (a) Short Term Borrowings		
Loan Repayable on demand		
Secured		
From Bank		
i) Working Capital Finance From		
a. State Bank of India Commercial Branch, Erode	36,38,77,240	28,34,14,634
ii) Rabo Bank, Netherlands	74,04,632	2,41,34,681
<b>Total</b>	<b>37,12,81,872</b>	<b>30,75,49,315</b>
<b>WORKING CAPITAL FINANCE FROM SBI ARE SECURED BY</b>		
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 33,72,752 Nos 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 *	20,88,17,663	16,78,50,317
ii) Creditors For Expenses & Others	26,53,854	1,08,93,923
<b>Total</b>	<b>21,14,71,517</b>	<b>17,87,44,240</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 FINANCIAL STATEMENT 2014-15**

(in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Note No.:6 (c) Other Current Liabilities</b>		
a) Current Maturities of Long Term Debt		
(I) From Banks		
i) SBI Term Loan	-	5,40,00,000
ii) SBI Bank (FITL) - Term Loan	-	2,64,00,000
(II) From Others		
i) Kotak Mahindra (Vehicle Loan)	5,77,500	5,77,500
b) Unpaid Dividend	12,40,518	15,96,309
c) Other Payables		
Rent Deposit	18,000	18,000
Statutory Dues	1,94,33,340	2,36,22,118
Sales Commission Payable	68	-
d) Advance from debtors	46,26,844	33,630
e) Russia Branch Current Liabilities	6,31,217	5,79,353
<b>Total</b>	<b>2,65,27,487</b>	<b>10,68,26,910</b>
<b>Note No.6 (d) Short Term Provisions</b>		
Bonus Payable	50,70,000	35,32,000
Provision for Brokerage	-	73,478
Proposed Dividend	2,63,30,000	-
Proposed Dividend Distribution Tax	53,90,981	-
Provision for Expenses	14,15,286	4,34,09,195
Provision for Bad Debts	72,87,286	-
<b>Total</b>	<b>4,54,93,553</b>	<b>4,70,14,673</b>
<b>Note No. :6 (e) Minority Interest</b>		
Share Capital	1,46,961	1,46,961
Profit & Loss Account		
Opening Balance	21,81,241	15,00,543
Current year Profit/Loss transfer	4,60,776	6,80,697
Closing Balance	26,42,017	21,81,241
<b>Total</b>	<b>27,88,978</b>	<b>23,28,202</b>

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Note Forming Integral Part of the Consolidated Financial Statement

Note No. : 7 NON CURRENT ASSETS

	As at 31.03.2015	As at 31.03.2014
<b>Fixed Assets</b>		
(a) Tangible Assets (Not Under Lease)	67,32,53,760	72,80,82,976
(b) Capital work in Progress	34,36,370	-
	<b>67,66,90,130</b>	<b>72,80,82,976</b>

Details :

(in Rs.)

S. No.	Particulars	Gross Block				Depreciation				Net Block	
		01.04.2014	Addition during the year	Deduction during the year	31.03.2015	01.04.2014	Depreciation for the year	Deduction during the year	31.03.2015	As on 31.03.2015	As on 31.03.2014
(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	-	-	40,27,73,711	9,35,77,369	1,32,70,620	(51,42,383)	11,19,90,372	29,07,83,339	30,91,96,342
	Plant & Machinery	71,69,88,255	1,38,86,940	-	73,08,75,195	37,61,38,472	3,24,15,900	-	40,85,54,372	32,23,20,824	34,08,49,783
	Elect. Instillation & Equip.	6,94,52,733	97,500	-	6,95,50,233	5,09,86,671	79,54,846	(6,66,396)	5,96,07,912	99,42,320	1,84,66,062
	Lab Equipment	1,76,07,968	-	-	1,79,07,968	89,92,264	62,30,556	(1,19,819)	1,53,42,639	22,65,329	86,15,704
	Office Equipment	81,57,272	17,19,008	-	98,76,280	35,54,999	8,92,795	(21,02,703)	65,50,497	33,25,783	46,02,273
	Computers	1,00,40,379	6,77,550	-	1,07,17,929	96,91,493	1,15,859	(1,81,479)	99,88,831	7,29,098	3,48,886
	Furniture & Fixtures	56,41,942	3,05,190	-	59,47,132	46,44,304	6,64,963	(40,375)	53,49,642	5,97,490	9,97,638
	Motor Vehicles	2,10,18,099	32,17,020	45,891	2,41,89,228	1,18,21,040	40,59,926	(8,27,914)	1,67,08,880	74,80,348	91,97,059
	<b>SUB TOTAL (a)</b>	<b>1,28,74,89,589</b>	<b>1,99,03,208</b>	<b>45,891</b>	<b>1,30,73,46,906</b>	<b>55,94,06,612</b>	<b>6,56,05,464</b>	<b>(90,81,070)</b>	<b>63,40,93,145</b>	<b>67,32,53,760</b>	<b>72,80,82,976</b>
(b)	<b>Capital Work-in-progress</b>										
	Plant & Machinery	-	1,20,37,722	86,01,352	34,36,370	-	-	-	-	34,36,370	-
	<b>SUB TOTAL (b)</b>	<b>-</b>	<b>1,20,37,722</b>	<b>86,01,352</b>	<b>34,36,370</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,36,370</b>	<b>-</b>
	<b>Total(a+b)(Current Year)</b>	<b>1,28,74,89,589</b>	<b>3,19,40,930</b>	<b>86,47,243</b>	<b>1,31,07,83,276</b>	<b>55,94,06,612</b>	<b>6,56,05,464</b>	<b>(90,81,070)</b>	<b>63,40,93,145</b>	<b>67,66,90,130</b>	<b>72,80,82,976</b>
	(Previous Year)	1,39,48,69,168	1,40,43,256	12,14,22,835	1,28,74,89,589	51,01,10,060	6,78,82,317	1,85,85,765	55,94,06,613	72,80,82,976	88,47,59,108

Notes:

The net amount of Rs.(90,81,070) disclosed in Deduction / Adjustment during the year, represents an amount of Rs.(91,26,960) written off and charged to Statement of Profit & Loss, as the useful life of asset has been exhausted for such assets, while providing depreciation as per Schedule II of the Companies Act, 2013 based on the useful life of the assets prescribed in the said schedule and an amount of Rs.45,891 represents the withdrawal of amount of depreciation charged so far, per taining to fixed assets sold during the year.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT**

(in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Note No.:7 (c) Non - Current Investments</b>		
Trade Investments		
Investments In Equity Instruments (Unquoted)		
SKM Universal Marketing Company India 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>
<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	63,72,603	60,72,058
ii. Deposits - Considered Good	80,24,245	32,73,318
iii. Advance to Suppliers (Trade)	91,93,325	1,02,23,200
<b>Total</b>	<b>2,35,90,173</b>	<b>1,95,68,576</b>
<b>CURRENT ASSETS</b>		
<b>Note No.:8 (a) Inventories (As Valued &amp; Certified By the Management)</b>		
Raw Material	3,19,54,049	3,40,85,480
Additives, Stores, Spares and Consumables	3,52,76,029	2,56,70,731
Finished Goods	30,07,93,224	19,42,30,706
Livestock - Chicks	88,45,346	1,02,20,138
Livestock - Unamortised Value of Chicks	4,64,17,338	4,40,95,363
Feed & Medicines	22,26,965	26,14,183
Egg Powder at Netherlands	4,06,80,593	2,85,02,679
Goods in Transit (Europe BV)	2,73,33,949	2,97,62,589
<b>Total</b>	<b>49,35,27,493</b>	<b>36,91,81,869</b>
<b>Note No.:8 (b) Trade Receivables Unsecured &amp; Considered Good</b>		
Sundry Debtors	16,39,39,093	15,24,97,032
<b>Total</b>	<b>16,39,39,093</b>	<b>15,24,97,032</b>
<b>Note No.:8 (c) Cash and Cash Equivalents</b>		
i. Cash on hand	9,32,560	6,07,265
ii. In Current Account with Scheduled Banks	4,63,79,391	1,02,68,255
III.Fixed Deposit with Banks	1,18,58,003	7,22,16,584
<b>Total</b>	<b>5,91,69,954</b>	<b>8,30,92,104</b>

Balance with Banks includes Unpaid Dividend of Rs. Nil (Previous year Rs.3.54 Lakhs)

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT**

(in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Note No.:8 (d) Short term Loans &amp; Advances</b>		
I. Advance to Staffs	1,14,438	166,129
ii. Prepaid Expenses	58,97,084	37,98,859
iii. VAT Recivables	2,85,568	-
<b>Total</b>	<b>62,97,090</b>	<b>39,64,988</b>
<b>Note No.:8 (e) Other Current Assets</b>		
ii . Income Accrued on Deposits & Subsidies Receivables	7,92,998	5,91,13,161
iii. MAT Credit Entitlement & Tax Refund Receivables	7,14,59,887	6,50,48,444
iv. Others	4,97,902	4,97,902
v. Russia Branch Current Assets	14,29,010	5,28,295
<b>Total</b>	<b>7,41,79,797</b>	<b>12,51,87,802</b>
<b>Note No. : 9 Revenue from Operations</b>		
Export Sales	2,77,48,17,119	2,40,64,18,750
Domestic Sales	10,45,53,504	20,57,73,434
Sale of Egg Shell (Waste)	42,31,271	33,92,622
Sale of Culling Birds & Litter waste	1,56,91,145	1,71,34,910
Sale of Declared Goods (Scrap)	14,98,893	20,03,716
Feed Processing Charges Received	-	2,00,880
<b>Total</b>	<b>2,90,07,91,931</b>	<b>2,63,49,24,312</b>
<b>Note No. : 10 Other Income</b>		
Interest Receipts	39,73,578	19,40,877
Lease Rent Received - Egg Grader Machine	1,00,000	6,00,000
Receipts - Subsidies	6,08,64,635	9,66,38,316
Exchange Flucutation - Net	9,29,81,555	(7,35,91,267)
Profit on sale of Assets	19,048	(1,61,16,002)
Miscellaneous Income	3,19,667	25,89,156
<b>Total</b>	<b>15,82,58,483</b>	<b>1,20,61,080</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT**

(in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Note No. : 11 Cost of Material Consumed</b>		
<b>a) PURCHASES OF RAW MATERIALS AND STORES</b>		
Raw Material- Eggs / Feed Ingredients	1,87,79,78,428	1,53,57,47,111
Other Purchases	6,99,020	(48,761)
Vaccine & Medicine Consumption	22,59,681	15,35,114
Additives & Consumables	6,61,34,444	5,19,05,774
Sub-total (a)	1,94,70,71,573	1,58,91,39,239
<b>b) DIRECT/PRODUCTIONS EXPENSES</b>		
Packing Material - Consumed	3,41,34,364	2,93,33,891
Power & Fuel	13,35,59,092	10,83,17,731
Procurement & Other Production expenses	46,12,629	60,87,086
Sub-total (b)	17,23,06,085	14,37,38,708
<b>Total (a+b)</b>	<b>2,11,93,77,658</b>	<b>1,73,28,77,947</b>
<b>Note No. : 12 Purchase of Stock in Trade</b>		
Egg Powder Purchase	15,94,66,774	15,24,89,454
Import Duty	1,07,75,005	1,76,86,635
Customs Clearance & Other Expenses	4,55,576	20,18,299
<b>Total</b>	<b>17,06,97,355</b>	<b>17,21,94,388</b>
<b>Note No. : 13 Change in Inventories</b>		
Opening Stock - Finished goods	25,80,88,645	34,54,80,040
Closing Stock - Finished goods	37,68,29,077	25,80,88,645
<b>Total</b>	<b>11,87,40,432</b>	<b>(8,73,91,395)</b>
<b>Note No. : 14 Employment Benefit Expenses</b>		
Salaries & Wages	12,58,98,102	7,96,44,918
PF Contribution	71,56,750	53,01,622
Gratuity	28,46,872	(14,67,927)
Welfare Expenses	70,11,574	58,33,675
<b>Total</b>	<b>14,29,13,298</b>	<b>8,93,12,288</b>
<b>Note No. : 15 Financial Cost</b>		
Working Capital Loan Interest	71,49,379	1,13,00,458
Bank Charges	52,87,599	66,84,276
Export Bills Discount & Overdue Interest	41,29,105	45,17,186
Interest Paid - Others	30,96,460	53,84,678
Interest on Vehicle Loan	1,10,402	1,97,155
Bill Discount & Collection Charges	41,74,375	34,29,456
SBI- Term Loan Interest	1,30,86,026	3,44,90,892
SBI- FITL Interest	6,40,041	52,96,867
Interest paid to Chairman, Managing Director	1,33,88,208	1,31,40,000
<b>Total</b>	<b>5,10,61,595</b>	<b>8,44,40,968</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT**

(in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Note No. : 16 Depreciation &amp; Amortised Cost</b>		
Depreciation	7,47,32,424	6,78,82,317
Amortised Value of Birds	5,83,54,114	5,83,90,082
<b>Total</b>	<b>13,30,86,538</b>	<b>12,62,72,399</b>
<b>Note No. : 17 Other Expenses</b>		
Repairs & Maintenance		
a) Building	48,12,729	43,11,429
b) Plant & Machinery	53,94,155	92,05,799
c) Fly Control Expenses	3,29,244	2,71,261
d) Others	1,16,55,268	1,12,61,057
e) Vehicle - Fuel & Maintenance	1,42,50,960	1,51,61,534
Stores & Spares Consumption	3,46,98,000	2,65,55,107
Analysing Charges	1,27,13,921	1,20,23,666
Rent Expenses	17,29,265	21,43,636
Rates and Taxes,Registration and Renewal	43,09,474	51,52,439
Postage, Courier & Telephone Charges	23,31,965	18,46,782
Printing & Stationery	15,40,328	10,52,648
Insurance Premium	14,43,675	16,31,124
Advertisement and Publicity	12,81,927	2,96,554
Travelling Expenses	41,07,768	36,43,183
Foregin Travelling expenses	21,93,743	15,73,914
Brokerage Expenses`	29,951	-
Professional Charges	51,34,573	46,82,364
ISO / HACCP-expenses.	7,87,653	36,737
Stock Exchange Listing Fee	5,22,750	2,13,484
Miscellaneous Expenses	13,54,436	36,42,989
Bad Debt written off	-	67,37,568
Audit Fees	7,63,767	11,20,257
Donation	23,03,251	13,29,200
Annual General Meeting Expenses	7,02,473	2,05,419
Directors' Sitting Fee	35,000	27,000
Subscription	7,20,524	4,22,467
Sales Commission	1,36,83,778	2,48,61,077
Selling Expenses	84,21,467	22,11,811
Compensation to Foreign Customer	(1,71,91,521)	4,15,53,384
Russia Branch Net Loss	1,92,40,890	85,13,049
Sub-total (a)	13,93,01,412	19,16,86,938
Freight and Forwarding Charges	6,02,68,408	5,13,62,122
ECGC Insurance Premium paid	71,00,330	47,46,852
Product Liability Insurance Paid	17,68,549	40,26,390
Marine Insurance Premium paid	8,85,563	7,77,625
Sub-total (b)	7,00,22,850	6,09,12,989
<b>Total (a+b)</b>	<b>20,93,24,262</b>	<b>25,25,99,927</b>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Note No. : 18 Current Tax</b>		
Income Tax - MAT Provisions	4,67,34,035	-
<b>Total</b>	<b>4,67,34,035</b>	<b>-</b>
<b>Note No. : 19 Deferred Tax</b>		
On account of variation of allowances for tax purpose in :		
Depreciation	(74,48,885)	(37,50,935)
C/F and Business Losses (DTA)/DTL	4,64,81,402	3,00,44,021
Income Tax Disallowance (DTA)/DTL	1,19,89,200	81,69,518
Earned Leave (DTA)/DTL	3,87,103	(28,316)
Sale of Assets (DTA)/DTL	(17,58,348)	(51,35,311)
<b>Total</b>	<b>4,96,50,472</b>	<b>2,92,98,978</b>
<b>Note No. : 20 Earnings Per Share :</b>		
Net Profit for the year	25,44,84,859	7,19,16,405
Less : Preference Share Dividend (including tax thereon)	-	-
Amount available for Equity Shareholders	25,44,84,859	7,19,16,405
Weighted No. of Equity shares	2,63,30,000	2,63,30,000
Basic EPS	9.67	2.73
Diluted EPS	9.67	2.73
<b>Face Value per Equity Share</b>	<b>10</b>	<b>10</b>



**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 01.04.2014 TO 31.03.2015**

(in Lacs.)

	2014-15		2013-14	
<b>A. Cash Flow From Operating Activities:</b>				
<b>INDIRECT METHOD:</b>				
Net Profit After Tax		3,507.14		1,018.96
Adjustment for:				
Depreciation	747.32		678.82	
(Profit)/Loss on Sale of Assets	(0.19)		161.16	
Financial Cost	510.62		844.41	
Interest and Lease Receipts	(40.74)	1,217.01	(25.41)	1,658.98
Operating profit / (Loss) before Working capital changes		4,724.16		2,677.94
<b>Adjustment for:</b>				
(Increase)/Decrease in Trade and Other Receivables	333.96		(1,072.80)	
(Increase)/Decrease in Inventories	(1,243.46)		880.51	
Increase/(Decrease) in Trade and Other Payables	(2.56)	(912.06)	179.99	(12.31)
Cash generated from operations		3,812.09		2,665.64
Direct taxes paid		467.34		-
Cash flow before extraordinary items		3,344.75		2,665.64
<b>Net Cash Flow from Operating Activities</b>		<b>3,344.75</b>		<b>2,665.64</b>
<b>B. Cash from Investing Activities:</b>				
Purchase /Increase in Fixed Assets		(233.40)		(90.78)
Sale of Fixed Assets		-		978.71
Profit/(Loss) on Sale of Assets		0.19		(161.16)
Interest and Lease Rent receipts		40.74		25.41
Net cash (used in) received from Investing Activities		<b>(192.47)</b>		<b>752.19</b>
<b>C. Cash flow from Financing Activities:</b>				
Financial Cost		(510.62)		(844.41)
Increase / (Decrease) in Bank & Other Borrowings		(2,880.89)		(2,250.37)
<b>Net cash (used in) received from Financing Activities</b>		<b>(3,391.50)</b>		<b>(3,094.78)</b>
Net Increase / (Decrease) in Cash and Cash Equivalents		(239.22)		323.05
Opening Cash & Cash Equivalents		830.92		507.87
Closing Cash & Cash Equivalents		591.70		830.92
		(239.22)		323.05

For and on behalf of the Board

**SKM Maeilanandhan**

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 2015. The statement has been prepared by the company in accordance with the requirements of clause 32 of the Listing Agreement with the Stock Exchanges and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report dated 30.05.2015 to the members of the Company.

Place : Erode  
Date : 20.5.2015

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

Chartered Accountants

**N.C. Vijay Kumar**

 Partner  
Membership No. 208276

**1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENT**

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

**c) Use of Estimates**

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

**d) Other Significant Accounting policies:**

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

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

N.C. Vijay Kumar  
Partner

Membership No.208276  
FRN : 003398S

## NOTES ON ACCOUNTS

I) 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. 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:**

- i) Export Bills discounted with the State Bank of India, Commercial Branch, Erode Rs. 2114.84 Lacs. (Previous year Rs. 2085.65 Lacs).
- ii) Income Tax Liability Rs. 492.81 lacs (Net of recovery and Payments) (Previous year 552.81 lacs).
- iii) Service Tax Liability Rs.41.25 Lacs (Previous year Rs.39.62 Lacs).
- iv) Excise Duty Liability Rs.32.48 Lacs (Previous year Rs.27.17 Lacs).for the items referred to in item no.(b) to (d) refer note no.2 (vii).

III) **Balances of Sundry creditors and Sundry debtors are subject to confirmation.**

The company has not received any intimation from the suppliers regarding status under the Micro, Small and Medium enterprises development Act, 2006 (The Act) and hence disclosure regarding I)Amount due and outstanding to suppliers as at the end of the accounting year.

ii)Interest paid during the year.

iii)Interest payable at the end of the accounting year.

iv)Interest accrued and unpaid at the end of the accounting year, have not been provided.

The company is making efforts to get the confirmations from the suppliers as regards their status under the Act.

IV) **Disclosure of Related Party transactions, as required under Accounting Standard (AS) 18 of the Companies (Accounting Standards) Rules, 2006**

**(a)Name of the Related Parties)**

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

**(b) Description of relationship between the parties :**

- |   |                          |
|---|--------------------------|
| I)SKM Animal Feeds and Foods (India) Limited        | Common Directors         |
| ii)SKM Siddha and Ayurvedha Company (India) Limited | Common Managing Director |
| iii)SKM Universal Marketing Company.(India)Ltd      | Common Directors         |
| iv)SKM Shree Shivkumar                              | Managing Director        |
| v)Sri.SKM Maeilanandhan                             | Whole time Director      |
| vi)SKM Europe BV,Utrecht,The Netherlands            | Subsidiary Company       |

**i)Transaction details Transactions with SKM Animal Feeds and Foods**

**(India) Limited: a. Sale of Egg Shells (Net of Returns):**

Quantity	781.10 tonnes
Value	Rs.17.12 Lacs
Balance as on 31.03.2015 (Dr)	Rs.2.03 Lacs

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

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

Quantity	5,900 Litres
Value	Rs.6.51 Lacs
Balance as on 31.03.2015 (Cr)	Rs.1.23 Lacs

**iii. Transactions with SKM Universal Marketing**

**Company.(India) Ltd: a.Sale of Eggs (Net of Returns):**

Quantity	1,51,21,680 Nos.
Value	Rs.470.31 Lacs
Balance as on 31.03.2015 (Dr)	18.47 Lacs

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

Quantity	5,81,750 Kgs
Value	Rs.110.33 Lacs
Balance as on 31.03.2015 (Dr)	Nil

**c.Purchase of Eggs (Net of Returns):**

Quantity	50,58,01,770 nos.
Value	Rs.15305.66 Lacs
Balance as on 31.03.2015 (Cr)	Rs.362.89 Lacs

**d.Purchase of Wind Power:**

Quantity	27,02,348 units
Value	Rs.148.94 Lacs

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

Quantity	68,374 Kgs & 525 Ltrs
Value	Rs.94.81 Lacs
Balance as on 31.03.2015 (Cr)	Rs.20.15 Lacs

**f.Lease Rent received :**

Lease Rent received for leasing egg grading machine for 2 months (Including VAT and Service Tax):	Rs.1.27 Lac
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**g.Repayment of Loan & Interest:**

Loan payable as on 01.04.2014	Rs.439.00 Lacs
Interest payable as on 01.04.2014	Rs.36.40 Lacs
Interest during the year	Rs.29.98 Lacs
Loan & Interest repaid during the year	Rs.505.38 Lacs
Loan payable as on 31.03.2015	Nil

<b>v. Transactions with SKM Shree Shivkumar:</b>	
<b>a.Payment of Rent:</b>	
Rent paid for hiring Administrative Office for 12 months	Rs.0.77 lacs
<b>b.Payment of Salary &amp; Commission:</b>	
Salary, Allowances & Other perquisites	Rs.30.15 lacs
Commission on Profit	Rs.143.80 lacs
<b>c. Repayment of Loan &amp; Interest:</b>	
Loan payable as on 01.04.2014	Rs.1095.00 Lacs
Interest payable as on 01.04.2014	Rs.94.46 Lacs
Interest during the year	Rs.133.88 Lacs
Loan & Interest repaid during the year	Rs.823.34 Lacs
Loan payable as on 31.03.2015	Rs.500.00 Lacs
<b>v. Transactions with Sri.SKM Maeilanandhan:</b>	
<b>a.Payment of Salary &amp; Commission:</b>	
Salary, Allowances & Other perquisites	Rs.30.48 lacs
Commission on Profit	Rs.143.46 lacs
<b>vi. Transactions with SKM Europe BV,Utrecht,The Netherlands:</b>	
<b>a.Sale of Egg Yolk Liquid (Net of Returns):</b>	
Quantity	3,70,480 kgs
Value	Rs.360.08 Lacs
<b>b.Sale of Egg Yolk Powder (Net of Returns):</b>	
Quantity	4,87,475 kgs
Value	Rs.1085.00 Lacs
<b>c.Sale of Egg Yolk Powder (Net of Returns):</b>	
Quantity	2,09,425 kgs
Value	Rs.598.48 Lacs
Balance as on 31.03.2015 (Dr)	Rs.96.23 Lacs
( On account of sale of Egg Yolk Liquid, Egg Yolk Powder & Whole Egg Powder)	
<b>d.Purchase of Bopp Tape Dispensor:</b>	
Quantity	18 Nos
Value	Rs 0.55 Lacs
Balance as on 31.03.2015 (Cr)	Rs. 0.44 Lacs
<b>e.Re-imbursement of expenses:</b>	
Value	47.32 Lacs

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

Particulars	2014 - 2015	2013 - 2014
	(Rs.)	
For Statutory Audit Fee	4,50,000	4,50,000
For Taxation Matter	1,50,000	1,50,000
For Certification Services	79,750	56,000
For Appeal Representation and Others	130,000	75,000
For Sales Tax Matters	NIL	NIL

VI. **Provision for Income Tax**

Provision had been made in respect of Income Tax liability arising under the provisions of MAT under section 115JB of the Income Tax Act, 1961, since the tax liability when computed in accordance with the Normal Provisions of the Income Tax Act, 1961 is lesser than the book profits. Excess tax amount paid/payable over the tax paid/payable under normal provisions of the Income Tax Act constitutes MAT credit and is thus recognised as an asset in the balance sheet, since the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will fructify

- vii. No provision has been made in respect of demand of Excise Duties Rs.32.48 lacs and Service Tax of Rs.41.25 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.492.81 lacs i.e for the Assessment year 2008-2009 (Rs.270.07 Lacs - Net of Recovery) and 2009-2010 (Rs.222.74 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 vide his order under section 143(3) of the Income Tax Act, 1961 dated 31.03.2015 by making some adjustments by way of disallowances of expenses against which the company has preferred an appeal before the immediate superior authority which appeal is pending for disposal as on the date of the financial reports. Since the adjustment has resulted only in the reduction of carry forward losses, there is no immediate demand raised for the relevant assessment year, but the adjustments have an impact on the availability of Future MAT credit of Rs.97.81 lacs

- 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 &amp; Indigenous Items consumed

(Rs. in Lacs)

Particulars	2014-15		2013-2014	
	Amount	%	Amount	%
1. Raw Materials				
(a) Imported	-	-	-	-
(b) Indigenous	19296.35	100.00%	15,922.33	100.00%
	19296.35	100.00%	15,922.33	100.00%
2. Packing Materials				
(a) Imported	6.63	2.10%	19.31	5.85%
(b) Indigenous	309.33	97.90%	256.07	94.15%
	315.96	100.00%	275.38	100.00%
3 Consumables,Stores & Spares				
(a) Imported	358.14	36.17%	294.43	37.48%
(b) Indigenous	632.08	63.83%	488.63	62.52%
	990.22	100.00%	783.06	100.00%
4. Fuel				
(a) Imported	-	-	-	0.00%
(b) Indigenous	797.31	100.00%	618.58	100.00%
	797.31	100.00%	618.58	100.00%

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

(in Rs.)

Particulars	2014-15	2013-2014
1. Professional & Consultation fee		
(a) Analysis Charges	1,13,70,923	1,07,71,838
(b) Sales Commission	1,15,15,375	15,43,926
(c) Professional Charges	7,50,791	1,80,550
(d) Subscription and Registration	4,04,370	3,71,039
(e) Selling, Insurance and Compensation expenses	2,68,12,448	95,08,529
(f) Others	-	49,503
2. Foreign Travel Expenditure	12,76,228	7,14,088
3. Packing Materials, Additives, Stores and Lab Consumables	3,33,68,034	2,95,07,449
<b>Total</b>	<b>8,54,98,169</b>	<b>5,26,46,922</b>

XI). FOB Value of goods exported Rs.25,396 Lacs (Previous Year Rs.21,214 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) 2015	Group Gratuity Scheme (Funded) 2014
<b>(a) Reconciliation of Opening and Closing Balances of Defined Benefit Obligations</b>		
Present Value of obligation as at 1st April 2014	27,53,737	41,54,929
Current Service Cost	3,32,074	6,14,332
Interest Cost	2,20,229	3,32,394
Actuarial (gain) / loss	28,52,605	(20,85,141)
Benefits paid	(1,71,704)	(2,62,777)
Present Value of obligation as at 31st March 2015	<b>59,87,011</b>	<b>27,53,737</b>
<b>(b) "Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets:"</b>		
Fair Value of plan assets as at 1st April 2014	56,03,153	32,89,984
Expected return on plan assets	5,58,106	3,29,512
Contribution made	9,23,465	22,46,434
Benefits Paid	(1,71,704)	(2,62,777)
Actuarial gain / (loss) on the plan assets	---	---
Fair Value of plan assets as at 31st March 2015	<b>69,13,020</b>	<b>56,03,153</b>
<b>(c) Reconciliation of Fair Value of Assets and Obligations as at 31st March 2015:</b>		
Present value of the obligation	59,87,011	27,53,737
Fair Value of plan assets	69,13,020	56,03,153
Funded Status (Surplus / (Deficit))	9,26,009	28,49,416



(in Rs.)

Particulars	Group Gratuity Scheme (Funded) 2015	Group Gratuity Scheme (Funded) 2014
<b>d) Expenses recognized during the year (Under the head “Employees Cost – Refer Schedule “O”)</b>		
Current Service Cost	3,32,074	6,14,332
Interest Cost	2,20,229	3,32,394
Expected return on plan assets	(5,58,106)	(3,29,512)
Actuarial (gain) / loss	28,52,605	20,85,141
Net Cost	<b>28,46,872</b>	<b>(14,67,927)</b>
<b>(e) Actual return on the plan assets:</b>		
Expected return on plan assets	28,52,605	20,85,141
Actuarial gain / loss on plan assets	-	-
Actual return on plan assets	28,52,605	(20,85,141)
<b>(f) Actuarial Assumptions:</b>		
Discount rate (Per annum)	8.00%	8.00%
Rate of escalation in salary (Per annum)	6.50%	6.00%

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 inventory 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 inventory in the Balance Sheet.

### XIV. CSR Expenditure:

Though the company’s net profit had exceeded Rs.5 crores and provisions of Corporate Social Responsibility are attracted, the average net profits of the company is in negative when computed for the three immediately preceding financial years and hence, for the current financial year, there is no obligation on the part of the company to incur Expenditures on account of CSR Related Activities for the year.

**XV. Foreign Exchange Fluctuation - Net:**

The net Foreign exchange fluctuation difference of Rs.930.26 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 Netherlands	2.71%	1,85,93,180	1.03%	26,11,064

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

**SKM Maeilanandhan**  
Executive Chairman

**SKM Shree Shivkumar**  
Managing Director

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

Place : Erode  
Date : 20.05.2015

**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 20th 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:



<b>RESOLUTION Nos</b>			
	<b>ORDINARY BUSINESS</b>	<b>FOR</b>	<b>AGIANST</b>
1.	<p>a) Adoption of audited financial statements of the Company including audited Balance sheet and Profit &amp; Loss account for the year ended 31st March 2015.</p> <p>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 2015</p>		
2.	To Declare a Dividend.		
3.	Re-appointment of Retiring Director Shri. S M Venkatachalapathy To		
4.	<p>appoint Statutory Auditors M/s N.C. Rajagopal &amp; 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.</p>		
<b>SPECIAL BUSINESS (ORDINARY RESOLUTION)</b>			
5.	Appointment of Mr. P. Kumarasamy (DIN: 00046090) as an Independent Director.		
6.	Appointment of Mr. Doraisamy Venkateswaran (DIN: 05170759) as an Independent Director.		
<b>SPECIAL BUSINESS (SPECIAL RESOLUTION)</b>			
7.	Approve related party transaction pursuant to section 188 of the Companies Act, 2013.		
8.	Approve to mortgage or otherwise dispose of or to create or modify charge, hypothecate the whole of or substantially the whole of the undertaking pursuant to section 181(1)(a).		

**POLING PAPER**

SKM Egg Products Export (India) Limited,

CIN: L01222TZ1995PLC006025

185, Chennimalai Road,

Erode- 638001

Website: [www.skmeegg.com](http://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 ----- 2015.

-----  
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.

<b>RESOLUTION NOS</b>			
	<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 2015.  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 2015	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
2.	To Declare a Dividend.	<input type="checkbox"/>	<input type="checkbox"/>
3.	Re-appointment of Retiring Director Shri. S M Venkatachalapathy To		
4.	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"/>
<b>SPECIAL BUSINESS (ORDINARY RESOLUTION)</b>			
5.	Appointment of Mr. P. Kumarasamy (DIN: 00046090) as an Independent Director.	<input type="checkbox"/>	<input type="checkbox"/>
6.	Appointment of Mr. Doraisamy Venkateswaran (DIN: 05170759) as an Independent Director.	<input type="checkbox"/>	<input type="checkbox"/>
<b>SPECIAL BUSINESS (SPECIAL RESOLUTION)</b>			
7.	Approve related party transaction pursuant to section 188 of the Companies Act, 2013.	<input type="checkbox"/>	<input type="checkbox"/>
8.	Approve to mortgage or otherwise dispose of or to create or modify charge, hypothecate the whole of or substantially the whole of the undertaking pursuant to section 181(1)(a).	<input type="checkbox"/>	<input type="checkbox"/>

Signed this-----day of -----2015.

-----  
Signature of the Member

**ATTENDANCE SLIP**  
**20TH ANNUAL GENERAL MEETING- ....., 2015**

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 20th Annual General Meeting of the Company, at NSA Mahal, Club Melaange, 314, 315 Perundurai Road, Erode-638 011 on 23/09/2015 at 4.00 PM.

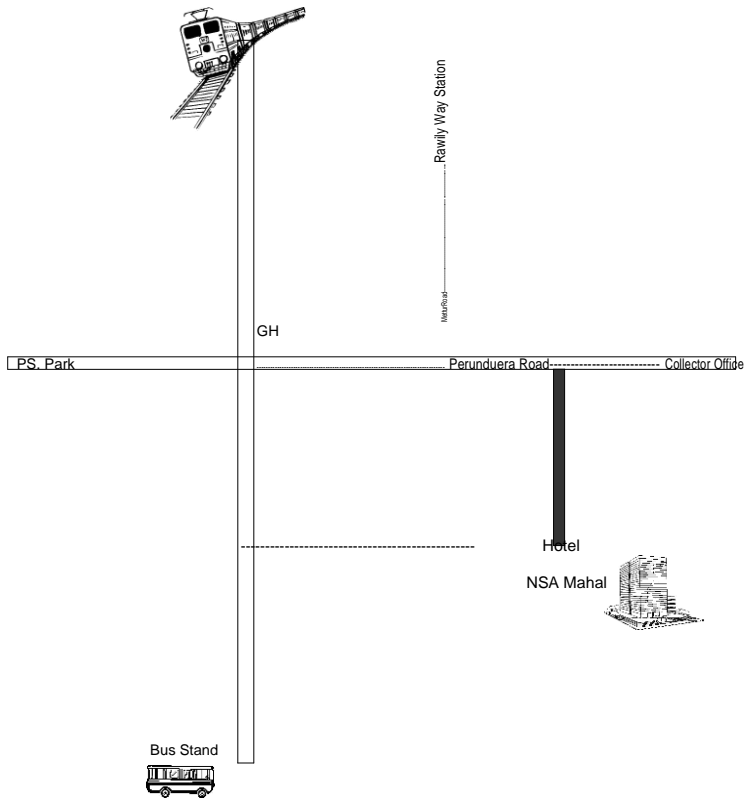
-----  
Name of the Member/Proxy (In Block Letters)

(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

# Route Map







## **SKM EGG PRODUCTS**

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)