



SKM EGG PRODUCTS

THINKING OUT OF THE SHELL

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

TWENTY FOURTH ANNUAL REPORT 2018 - 2019

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

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SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

CIN : L01222TZ1995PLC006025

REGD. OFFICE : 133, 133/1, GANDHIJI ROAD, ERODE - 638 001.

BOARD OF DIRECTORS	:	SHRI. SKM MAEILANANDHAN (DIN:00002380) SHRI. SKM SHREE SHIVKUMAR (DIN:00002384) SMT. SHIVKUMAR KUMUTAAVALLI (DIN:00002390) DR. L.M. RAMAKRISHNAN (DIN:00001978) SHRI.C.DEVARAJAN (DIN:00109836) SHRI. S.M.VENKATACHALAPATHY (DIN:00043288) SHRI. P.KUMARASAMY (DIN:00046090) SHRI. M. CHINNAN (DIN:01497482) SHRI. B. RAMAKRISHNAN (DIN:00182214) SHRI. D. VENKATESWARAN (DIN:05170759) SHRI. T.N. THIRUKUMAR (w.e.f. 31.07.2019) (DIN:00124793) SHRI. G.N. JAYARAM (w.e.f. 31.07.2019) (DIN:08521023)
EXECUTIVE CHAIRMAN	:	SHRI. SKM MAEILANANDHAN (DIN:00002380)
MANAGING DIRECTOR	:	SHRI. SKM SHREE SHIVKUMAR (DIN:00002384)
CHIEF FINANCIAL OFFICER	:	SHRI. K.S.VENKATACHALAPATHY
COMPANY SECRETARY	:	SHRI. P. SEKAR
STATUTORY AUDITOR	:	SHRI. PRASANNA VENKATESAN B.Com., ACA., 302(D) INDIAN NAGAR 9TH STREET, 46 PUDUR POST, ERODE - 638 001.
SECRETARIAL AUDITOR	:	SHRI.V.RAMKUMAR, M.A., CAIIB, FCS, COMPANY SECRETARY IN PRACTICE, 160/18-A, SRINIVASA TRADE CENTRE (1st Floor) RAMALINGAM ROAD (East), R.S.PURAM, COIMBATORE - 2.
BANKERS	:	STATE BANK OF INDIA COMMERCIAL BRANCH SATHY MAIN ROAD ERODE - 638 003.
REGISTERED OFFICE	:	133,133/1, GANDHIJI ROAD, ERODE - 638 001.
FACTORY	:	ERODE TO KARUR MAIN ROAD, CHOLANGAPALAYAM, PUNJAI KILAMBADI VILLAGE, ERODE - 638 154.

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NOTICE OF 24th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 24th Annual General Meeting of the **SKM EGG PRODUCTS EXPORT (INDIA) LIMITED** will be held on Wednesday, the 25th September, 2019 at 4.00 p.m. at Registered Office : 133, 133/1, Gandhiji Road, Erode - 638 001 to transact the following business :

ORDINARY BUSINESS:

1. Adoption of Financial Statements and Reports of the Directors and Auditors

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

“RESOLVED THAT the Financial Statements of the Company for the year ended 31st March, 2019 including Audited Balance Sheet as at 31st March, 2019, Statement of Profit and Loss, Cash Flow Statement and Consolidated Financial Statements for the year ended on that date, together with the Directors' Report and the Auditors' Report thereon as presented to the meeting, be and are hereby, approved and adopted.”

2. Declaration of Dividend

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Dividend for the year 2018-19 at the rate of 0.50/- per share of 10/- each fully paid up (5%), be declared and paid for the financial year ended 31st March, 2019 on the equity shares of Rs 10/- each to the shareholders whose name appear on the Register of Members of the Company as on 18th September, 2019 for those holding shares in physical form and as per the details furnished by the Depositories for this purpose as at the end of business hours on 18th September, 2019 in respect of the shares held in demat form.

3. Re-Appointment of Statutory Auditor

To consider and if deemed fit, to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr N Prasanna Venkatesan, Chartered Accountants (Membership No. 235530), who was appointed as Statutory Auditors of the company at 23rd Annual General Meeting to hold office up to the conclusion of 24th Annual General Meeting and have confirmed his eligibility to be appointed as Auditors in terms of the provisions of Section 141 of the Act and the relevant Rules and have offered themselves for re-appointment, be and is hereby re-appointed as the Statutory Auditor of the company to hold office from the conclusion of this 24th Annual General Meeting till the conclusion of the 27th Annual General Meeting of the company at such remuneration as may be determined and recommended by the Audit Committee in consultation with the Statutory Auditors and duly approved by the Board of Directors, be and are hereby approved.”

“RESOLVED FURTHER THAT the Board of Directors of the company (including a Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.”

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SPECIAL BUSINESS:

4. Re-appointment of Managing Director Shri SKM Shree Shivkumar (DIN:00002384)

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 and subject to approvals of the shareholders in the Annual General Meeting of the Company, Shri SKM. Shree Shivkumar be and is hereby reappointed as the Managing Director of the company for a period of three years from 25th June 2019 to 24th June 2022 with no change in the existing terms and conditions of appointment.”

“RESOLVED FURTHER THAT pursuant to Section 197 read with Part I and II of Schedule V and other applicable provisions, if any, of the Companies Act 2013 and subject to approvals of the shareholders in the Annual General Meeting of the Company, consent of the Board be and is hereby accorded to the payment of remuneration, perquisites and benefits, as determined by the Remuneration Committee and to Shri. SKM Shree Shivkumar, Managing Director with effect from 25th June 2019.

5. Re-appointment of DR LM Ramakrishnan (DIN:00001978) as an Independent Director

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

RESOLVED THAT pursuant to provisions of the section 149, 152 read with schedule IV and all other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the “Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force Dr LM Ramakrishnan (DIN:00001978) who was appointed as an Independent Director of the Company to hold office up to the date of 09th September 2019 and who has submitted a declaration that he meets the criteria of independence as provided in the sub-section 6 of section 149 of the Act and regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for re-appointment for second term of 5 (five) consecutive years, be and is hereby appointed as an Independent Director of the Company for a second term to hold the office for 5 (five) consecutive years w.e.f. 10th September 2019.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to perform all acts, deeds, matters or things and take such decisions / steps as may be necessary, expedient or desirable to give effect to aforesaid resolution.”

6. Re-appointment of Mr C Devarajan (DIN: 00109836) as an Independent Director

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

RESOLVED THAT pursuant to provisions of the section 149, 152 read with schedule IV and all other applicable provisions of the Companies Act, 2013 (herein after referred to as the “Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force Mr. C Devarajan (DIN:00109836) who was appointed as an Independent Director of the Company to

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hold office up to the date of 09th September 2019 and who has submitted a declaration that he meets the criteria of independence as provided in the sub-section 6 of section 149 of the Act and regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for re-appointment for second term of 5 (five) consecutive years, be and is hereby appointed as an Independent Director of the Company for a second term to hold the office for 5 (five) consecutive years w.e.f. 10th September 2019.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to perform all acts, deeds, matters or things and take such decisions / steps as may be necessary, expedient or desirable to give effect to aforesaid resolution.”

7.Re-appointment of Mr D Venkateswaran (DIN:05170759) as an Independent Director

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

“RESOLVED THAT pursuant to provisions of the section 149, 152 read with schedule IV and all other applicable provisions of the Companies Act, 2013 (herein after referred to as the “Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force Mr D Venkateswaran (DIN:05170759) who was appointed as an Independent Director of the Company to hold office up to the date of 26th January 2020 and who has submitted a declaration that he meets the criteria of independence as provided in the sub-section 6 of section 149 of the Act and regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for re-appointment for second term of 5 (five) consecutive years, be and is hereby appointed as an Independent Director of the Company for a second term to hold the office for 5 (five) consecutive years w.e.f. 27th January 2020.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to perform all acts, deeds, matters or things and take such decisions / steps as may be necessary, expedient or desirable to give effect to aforesaid resolution.”

8.Appointment of Mr. T.N. Thirukumar (DIN:00124793) as an Independent Director

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 sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. T N Thirukumar (DIN: 00124793), Additional Non-Executive Independent Director of the Company appointed by the Board of Directors on 31st July 2019, as an Additional Independent Director of the Company and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five consecutive years from 31st July 2019 to 30th July 2024.”

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“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to perform all acts, deeds, matters or things and take such decisions / steps as may be necessary, expedient or desirable to give effect to aforesaid resolution.”

9.Appointment of Mr G N Jayaram (DIN: 08521023) as an Independent Director

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 sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time Mr G N Jayaram (DIN:08521023) Additional Non-Executive Independent Director of the Company appointed by the Board of Directors on 31st July 2019, as an Additional Independent Director of the Company and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five consecutive years from 31st July 2019 to 30th July 2024.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to perform all acts, deeds, matters or things and take such decisions / steps as may be necessary, expedient or desirable to give effect to aforesaid resolution.”

10. Approval of Material Related Party Transactions

To consider and if thought fit, to pass the following resolution with or without modification as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of section 188 of the Companies Act, 2013, and pursuant to Regulation 23 of SEBI (Listing Obligations and disclosures requirements) Regulations 2015 (including any amendments, modifications, or re-enactments thereof), and on the recommendation by the Audit Committee, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company for transfer or receipt of products, goods, materials, services or other resources and obligations for the Financial Year 2018-19 and subsequent Financial Years exceeding ten percent of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company relevant for the respective Financial Years on such terms and conditions as may be mutually agreed between the Company and Related Parties in the ordinary course of business other than transaction which are not on arm's length basis or otherwise.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to decide upon the nature and value of the products, goods, materials, services or other resources and obligations to be transacted with Related Party and to do and perform all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this Resolution.”

Place : Erode

Date : 31/07/2019

By Order of the Board

Sd/-

SKM Shree Shivkumar

Managing Director

(DIN : 00002384)

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NOTES :

1. The explanatory statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the Meeting is annexed.
2. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and, on a poll, to vote instead of himself and the Proxy need not be a Member of the company.
3. Proxies, in order to be effective, must be received in the enclosed Proxy Form at the Registered Office of the company not less than forty-eight hours before the time fixed for the Meeting.
4. A person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A Member holding more than ten percent of total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. Corporate Member intending to send its authorised representatives to attend the Meeting in terms of Section 113 of the Companies Act, 2013 is requested to send to the company a certified copy of the Board Resolution authorizing such representative to attend and vote on its behalf at the Meeting.
6. Members/Proxies/Authorised Representatives are requested to bring the attendance slips duly filled in for attending the Meeting. Members who hold shares in dematerialised form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
7. During the period beginning 24 hours before the time fixed for the commencement of Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the company. All documents referred to in the Notice and accompanying explanatory statement are open for inspection at the Registered Office of the company on all working days of the company between 11:00 a.m. and 1:00 p.m. up to the date of the Annual General Meeting and at the venue of the Meeting for the duration of the Meeting.
8. Route-map to the venue of the Meeting is provided elsewhere in the Annual Report.
9. The Register of Members and the Share Transfer Books of the company will remain closed from 19.09.2019 to 25.09.2019 (both days inclusive).
10. The dividend on shares as recommended by the Board, if approved at the Annual General Meeting, will be paid within thirty days from the date of declaration to those Members or their mandates whose names appear:
 - (a) as Members in the Register of Members of the company on 18th September, 2019, and
 - (b) as beneficial owners on that date as per the lists to be furnished by 18th September, 2019 (Depository Participant) in respect of shares held in electronic form.
11. Unclaimed / Unpaid Dividend:

Pursuant to Section 124 of the Companies Act, 2013, dividend for the financial year ended 31st March, 2007-08 and 2008-09 which remain unpaid or unclaimed for a period of seven years, transferred to IEPF.

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12. The company has yet to transfer all shares (in respect of which dividend has not been paid or claimed for seven consecutive years or more) for the financial year ended 31st March, 2007-08 and earlier periods to the Investor Education and Protection Fund. Members who have so far not claimed or collected their dividends for the said period may claim their dividend and shares from the Investor Education and Protection Fund, by submitting an application in the prescribed form.
13. 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 the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the company.
14. Electronic copy of the Annual Report is being sent to all the Members whose email IDs are registered with the company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copy of the Annual Report is being sent in the permitted mode. In case you wish to get a physical copy of the Annual Report, you may send your request to shares@skmegg.com mentioning your folio/DP ID and Client ID. Annual Report is also available in the Investor section on the website of the company at www.skmegg.com.
15. Members holding shares in physical mode are requested to register their email IDs with the Registrar & Share Transfer Agents of the company and Members holding shares in demat mode are requested to register their email ID's with their respective DP in case the same is still not registered. Members are also requested to notify any change in their email ID or bank mandates or address to the company and always quote their Folio Number or DP ID and Client ID Numbers in all correspondence with the company. In respect of holding in electronic form, Members are requested to notify any change of email ID or bank mandates or address to their Depository Participants.
16. Members holding shares in electronic form may please note that their bank details as furnished to the respective Depositories will be printed on their dividend warrants as per the applicable regulations. The company will not entertain any direct request from such Members for deletion or change of such bank details. Instructions, if any, already given by Members in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares in electronic form.
17. Any query relating to financial statements must be sent to the company's Registered Office at least seven days before the date of the Meeting.
18. With a view to serving the Members better and for administrative convenience, an attempt would be made to consolidate multiple folios. Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the company to consolidate their holdings in one folio.
19. Members who still hold share certificates in physical form are advised to dematerialise their shareholding to avail the benefits of dematerialisation, which include easy liquidity, since trading is permitted in dematerialised form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
20. Members can avail of the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, with the company. Blank forms will be supplied on request.

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21. As per SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the transfer of shares in physical mode is not allowed from 1st April, 2019. Hence, members are requested to dematerialize their shares. However, transmission/transposition of shareholders name are allowed by following due process and documentation.

22. Instructions on e-voting is annexed to this notice

STATEMENT OF MATERIAL FACTS CONCERNING ITEMS OF SPECIAL BUSINESS

(Annexed to notice pursuant to Section 102 of the Companies Act, 2013)

Item No. 4

The Board of Directors at its meeting held on July 30, 2018 revised the terms and conditions of the appointment of Managing Director Shri. SKM Shree Shivkumar (DIN 00002384) and his appointment term reduced to three years from five years i.e from 25.06.2016 to 24.06.2019, with the approval of shareholder of 23rd AGM, held on 26th September 2018, taking into account the outstanding performance and dedication of Shri. SKM Shree Shivkumar the nomination and remuneration committee reviewed the terms of re-appointment and the Board of Directors at its meeting held on 29.05.2019, has recommended his re-appointment and the term of office would commence from 25th June, 2019 to 24th June 2022.

Except Mr. SKM Shree Shivkumar, Mr. SKM Maeilanandhan, Mrs. Kumutaavalli and Mr. S.M. Venkatachalapathy are deemed to be concerned or interested in the resolution. None of the other Directors or Key Managerial Personnel of the Company and / or their relatives is concerned or interested in the said resolution.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013 and Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Board recommends the resolution set out at Item No.4 of the Notice for your approval.

Item No.5

Dr LM Ramakrishnan (DIN:00001978) was appointed as the Independent Director by the members at 19th Annual General Meeting held on 10th September, 2014 for a period of 5 (five) consecutive years for a term upto 09.09.2019

As per sub-section (10) of section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of up to 5 (five) consecutive years on the Board of the Company. An explanation to sub-section (11) of section 149 of the Companies Act, 2013 provides that for the purposes of subsection (10) and (11), any tenure of an independent director on the date of commencement of this Act shall not be counted as a term under said sub-sections. Further, regulation 25(2) of SEBI Regulations provides that the maximum tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard from time to time. The nomination and remuneration committee reviewed the terms of re-appointment and recommended to the Board of Directors for their consideration, on the basis of his performance evaluation recommends reappointment of Dr LM Ramakrishnan to the Board of Directors for their consideration as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company.

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Accordingly, Dr LM Ramakrishnan, being eligible for reappointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of 5 (five) consecutive years. The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub- section (6) of section 149 of the Companies Act, 2013 and regulation 16 (1) (b) of the SEBI Regulations. Dr LM Ramakrishnan has also given his consent to continue to act as a Director of the Company, if so appointed by the members. Dr LM Ramakrishnan is not related to any Director of the Company.

Dr LM Ramakrishnan who is Secretary & Correspondent of Bharathi Vidya Bhavan Mat. Hr.Sec. School, Thindal, Erode and CS Academy, Vallipurathanpalayam, Erode, CS Academy, Coimbatore. Moreover, Chairman, Erode Arima Society and Vice Chairman, Ponni Sugars Erode Ltd., Pallipalayam, Managing Director, Erode Medical Suppliers Pvt. Ltd. and having morethan 35 years of experience in Administration.

Except Mr. Dr LM Ramakrishnan, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice of the Annual General Meeting. This Explanatory Statement may also be regarded as a disclosure under Regulation 26(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No.6

Mr C Devarajan (DIN:00109836) was appointed as the Independent Director by the members at 19th Annual General Meeting held on 10th September, 2014 for a period of 5 (five) consecutive years for a term upto 09.09.2019.

As per sub-section (10) of section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of up to 5 (five) consecutive years on the Board of the Company. An explanation to sub-section (11) of section 149 of the Companies Act, 2013 provides that for the purposes of subsection (10) and (11), any tenure of an independent director on the date of commencement of this Act shall not be counted as a term under said sub-sections. Further, regulation 25(2) of SEBI Regulations provides that the maximum tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard from time to time. The nomination and remuneration committee reviewed the terms of re-appointment and recommended to the Board of Directors for their consideration , on the basis of his performance evaluation recommends reappointment of Mr.C.Devarajan to the Board of Directors for their consideration as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company.

Accordingly, Mr C Devarajan, being eligible for reappointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of 5 (five) consecutive years. The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub- section (6) of section 149 of the Companies Act, 2013 and regulation 16 (1) (b) of the SEBI Regulations. Mr C Devarajan has also given his consent to continue to act as a Director of the Company, if so appointed by the members. Mr C Devarajan is not related to any Director of the Company.

Mr C Devarajan has over 35 years of experience in the field of construction and infrastructure development. He was responsible for steering URC and his vision for the company helped him to diversify the business in Housing,

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Software and Project management. The 63 year old URC now caters to about 10000 families through direct and indirect employment. Mr. C. Devarajan remains a down-to-earth person, committed to creating socially beneficial projects and continues to share his dream with all those who would like to walk on the path of progress.

Except Mr C Devarajan, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice of the Annual General Meeting This Explanatory Statement may also be regarded as a disclosure under Regulation 26(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board recommends the resolution set out at Item No.6 of the Notice for your approval.

Item No.7

Mr D Venkateswaran (DIN:05170759) was appointed as an Independent Director of the company by the members at the Annual General Meeting held on 23rd September 2015 for a period of 5 (five) consecutive years for a term upto the date of 26th January 2020.

As per sub-section (10) of section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of up to 5 (five) consecutive years on the Board of the Company. An explanation to sub-section (11) of section 149 of the Companies Act, 2013 provides that for the purposes of subsection (10) and (11), any tenure of an independent director on the date of commencement of this Act shall not be counted as a term under said sub-sections. Further, regulation 25(2) of SEBI Regulations provides that the maximum tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard from time to time. The nomination and remuneration committee reviewed the terms of re-appointment and recommended to the Board of Directors for their consideration, on the basis of his performance evaluation recommends reappointment of Mr D Venkateswaran to the Board of Directors for their consideration as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company

Accordingly, Mr D Venkateswaran being eligible for reappointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of 5 (five) consecutive years. The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub- section (6) of section 149 of the Companies Act, 2013 and regulation 16 (1) (b) of the SEBI Regulations. Mr D Venkateswaran has also given his consent to continue to act as a Director of the Company, if so appointed by the members. Mr D Venkateswaran is not related to any Director of the Company.

Mr D Venkateswaran who is basically engineering graduate in Mechanical and Production. He is Vice Chairman Ulavan Producer Company Erode and is having morethan 25 years experience in this field and also administration.

Except Mr D Venkateswaran, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the accompanying Notice of the Annual General Meeting This Explanatory Statement may also be regarded as a disclosure under Regulation 26(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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The Board recommends the resolution set out at Item No.7 of the Notice for your approval.

Item No.8

The Board of Directors had appointed Mr T N Thirukumar (DIN:00124793) as an Additional Independent Director at its Board meeting held on 31st July 2019 under Section 161 of the Companies Act, 2013. In terms of the said Section, Mr T N Thirukumar vacates office at this meeting. Mr T N Thirukumar being Additional Director holds office up to the date of this Annual General Meeting. The Company has received a Notice in writing under Section 160 of the Act proposing his candidature for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Companies Act, 2013

In terms of Sections 149, 152, 160 read with Schedule IV of the Act, the Board of Directors of the company, on the basis the recommendation of the Nomination and Remuneration Committee (NRC), have reviewed the profile of Mr T N Thirukumar and the declarations that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Board is of opinion that he fulfills the criteria of independence and is independent of the management. In the opinion of the Board, Mr T N Thirukumar meets the fit and proper criteria and has the necessary knowledge and experience for being appointed as an Independent Director. Considering his vast expertise and knowledge, it would be in the interest of the company that Mr T N Thirukumar is appointed as an Independent Director on the Board for a period of five (5) years from 31st July 2019 to 30th July 2024 has been put up for the approval of shareholders.

Mr T N Thirukumar he is Science Graduate from University of Madras and is actively engaged / associated with his family in business and instrumental in bringing out innovative consumer textiles under Jansons Brand since 1989.

Except Mr T N Thirukumar is interested in the Resolution to the extent as it concerns appointment. No other Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Ordinary Resolution.

The Board recommends the resolution set out at Item No.8 of the Notice for your approval.

Item No.9

Mr G N Jayaram (DIN:0008521023) as an Additional Independent Director at its Board meeting held on 31st July 2019 under Section 161 of the Companies Act, 2013. In terms of the said Section, Mr G N Jayaram vacates office at this meeting. Mr G N Jayaram being Additional Director holds office up to the date of this Annual General Meeting. The Company has received a Notice in writing under Section 160 of the Act proposing his candidature for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

In terms of Sections 149, 152, 160 read with Schedule IV of the Act, the Board of Directors of the Company, on the basis the recommendation of the NRC, have reviewed the profile of Mr G N Jayaram and the declarations that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Board is of opinion that he fulfills the criteria of independence and is independent of the

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management. In the opinion of the Board, Mr G N Jayaram meets the fit and proper criteria and has the necessary knowledge and experience for being appointed as an Independent Director. Considering his vast expertise and knowledge, it would be in the interest of the company that Mr G N Jayaram is appointed as an Independent Director on the Board for a period of five (5) years from 31st July 2019 to 30th July 2024 has been put up for the approval of shareholders.

Mr G N Jayaram who is qualified Chartered Accountant and having 32 years experience in corporate audit and Taxation.

Except Mr G N Jayaram is interested in the Resolution to the extent as it concerns his appointment. No other Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Ordinary Resolution.

The Board recommends the resolution set out at Item No.9 of the Notice for your approval.

Item No.10

Approval of Material Related Party Transactions

In terms of the Listing Regulations, the contracts, arrangements and transactions relating to transfer or receipt of products, goods, materials, services, other resources and obligations with Related party are material in nature if the transactions entered into or to be entered into individually or taken together with previous transactions during the financial year exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. Accordingly, the contracts, arrangements and transactions with Related Party require the approval of Members of the Company through Ordinary Resolution and the related parties shall abstain from voting on such Resolutions.

The particulars of contracts, arrangements and transactions are as under:

(a) Name of the Related Party:

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

(b) Description of Relationship between the parties:

Entities in which Directors are interested and Presumption of significant influence

(c) Name of the Director or Key Managerial Personnel (KMP) who is related:

Shri. SKM Shree Shivkumar, Shri. SKM Maeilanandhan, Smt S. Kumutaavalli, Shri. SM Venkatachalapathy to the extent of being common Board members/ KMP

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(d) Nature, material terms of contracts:

Sale of egg shell waste	Sale and Purchase of Eggs
Sale of poultry feeds	Sale of egg white cube
Sale of Albumen Liquid	Sale of whole Egg liquid
Purchase of poultry feed supplement	Purchase of wind Power

(e) Monetary value:

The actual value of material transactions falling under Regulation 23(1) of the Listing Regulations for Financial Year 2018-19 is given in **item No.30** of the notes to the Standalone financial statement. The estimated value of material transactions for the Financial Year 2019-20 in case of related party transaction may exceed ten percent of the annual consolidated turnover of the Company as per the latest audited financial statements of the Company for the respective Financial Years based on the subsisting contracts, arrangements and transactions entered into or to be entered into;

(f) Any other information relevant or important for the Members to make a decision on a proposed transaction:

Transactions entered into on arm's length basis and in the ordinary course of business or not.

The Board, accordingly, recommends the passing of the proposed Ordinary Resolution as contained in the Notice by Members of the Company.

The Directors or Key Managerial Personnel or their relatives, except as stated in (c) Directors, do not have any concern or interest, financial or otherwise, in passing of the said Ordinary Resolution.

Date : 31.07.2019

Place : Erode

By Order of the Board of Directors

Sd/-

SKM Shree Shivkumar

Managing Director

(DIN:00002384)

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

Name	LM Ramakrishnan
DIN	00001978
Date of Birth	30/09/1942
Nationality	Indian
Date of First Appointment on the Board	28/02/1997
Relationship other director	Nil
Qualification	MBBS DLO
Experience	More than 35 years
No of shares held	5,000
Terms of Appointment or reappointment	Not Liable to retire by rotation
Remuneration sought to be paid	Sitting Fees only
Remuneration last drawn	Rs.8,000/-
No of board meetings attended	4(100%)
List of directorship in other companies	1. Ponni Sugars (Erode) Limited 2. Knitvel Needles Private Limited 3. Erode Medical Supplies Private Limited 4. Hawker & West Offshoring Consulting Services Private Limited
Chairman/Member of the Committees of the Board of other Companies in which share is director	Member- Audit Committee and Member- NRC of Ponni Sugars (Erode) Limited

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Name	C Devarajan
DIN	00109836
Date of Birth	12/05/1961
Nationality	Indian
Date of First Appointment on Board	06.08.2012
Relationship other director	Nil
Qualification	BE in Civil and Structural Engineering
Experience	Morethan 35 years
No of shares held	NIL
Terms of Appointment or reappointment	Not Liable to retire by rotation
Remuneration sought to be paid	Sitting Fees only
Remuneration last drawn	Rs.3,000/-
No of board meetings attended	One (25%)
List of directorship in other companies	1. Erode Smart City Limited 2. Oreops Framework Private Limited 3. Native Angels Network Association 4. Texvalley Market Limited 5. Texvalley Weekly Market Limited 6. URC Power Product Private Limited 7. FIVE P Venture India Private Limited 8. URC Creative Developers Private Limited 9. Erode Textile Mall Private Limited 10. Institute For Lean Construction Excellence 11. Tactive Software Systems Private Limited 12. URC Construction Private Limited
Chairman/Member of the Committees of the Board of other Companies in which share is director	NIL

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Name	D Venkateswaran
DIN	05170759
Date of Birth	28/08/1962
Nationality	Indian
Date of First Appointment on Board	27.01.2015
Relationship other director	Nil
Qualification	MS -Master of Science -USA B.E - Mechanical & Production Engineering
Experience	Morethan 30 years
No of shares held	NIL
Terms of Appointment or reappointment	Not Liable to retire by rotation
Remuneration sought to be paid	Sitting Fees only
Remuneration last drawn	Rs.5,000/-
No of board meetings attended	3 (75%)
List of directorship in other companies	1. Balkart Brothers (India) Private Limited 2. Ulavan Producer Company Limited 3. Native Angels Network Association 4. Mega Agri Business Consortium Producer Company Limited
Chairman/Member of the Committees of the Board of other Companies in which share is director	NIL

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Name	Thiruchengode Natarajan Thirukumar
DIN	00124793
Date of Birth	24.05.1963
Nationality	Indian
Date of Appointment	31.07.2019
Relationship other director	NIL
Qualification	Science Graduate from University of Madras
Experience	Morethan 15 years
No of shares held	NIL
Terms of Appointment or reappointment	Not Liable to retire by rotation
Remuneration sought to be paid	Sitting Fees only
Remuneration last drawn	NIL
No of board meetings attended	NIL
List of directorship in other companies	Heritage Granites Private Limited Jansons Industries Limited Jansons MRI Diagnostice Private Limited Jansons Medicare Services Private Limited
Chairman/Member of the Committees of the Board of other Companies in which share is director	NIL

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Name	G N Jayaram
DIN	08521023
Date of Birth	17/05/1964
Nationality	Indian
Date of Appointment	31.07.2019
Relationship other director	NIL
Qualification	B.Sc., FCA
Experience	Morethan 30 years
No of shares held	NIL
Terms of Appointment or reappointment	Not Liable to retire by rotation
Remuneration sought to be paid	Sitting Fees only
Remuneration last drawn	NIL
No of board meetings attended	NIL
List of directorship in other companies	NIL
Chairman/Member of the Committees of the Board of other Companies in which share is director	NIL

By order of the Board

Date : 31.07.2019

Place : Erode

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

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INSTRUCTIONS FOR ELECTRONIC VOTING(E-Voting)

Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015, the company is pleased to provide members the facility of exercising their right to vote electronically on the items mentioned in the Notice convening the 24th Annual General Meeting to be held on 25th September, 2019 at 4.00p.m..The Company has engaged the services of NSDL to provide the e-voting facility.

The process and manner for remote e-voting are as under:

Instructions :

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

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5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mail box. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2 –Cast your vote electronically on NSDL e-Voting system

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status
3. Select "EVEN" of company for which you wish to cast your vote
4. Now you are ready for e-Voting as the Voting page opens
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted
6. Upon confirmation, the message "Vote cast successfully" will be displayed
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

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General Instructions

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to acsramkumar@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. As a measure of austerity, copies of the Annual Report will not be distributed at the AGM. Members are, therefore, requested to bring their copies of the Annual Report to the AGM.
4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.
5. The remote e-voting period commences on 22nd Sep, 2019 (9:00 am) and ends on 24th Sep, 2019 (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 18th Sep, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
6. 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.
7. Mr. V Ramkumar (FCS No. 8304) Practicing Company Secretary has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
8. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
9. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cutoff date (18.09.2019) However, a person who is not a Member as on cut off date should treat this notice for information purpose only.
10. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than Forty Eight Hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
11. The Results declared along-with the report of the Scrutinizer shall be placed on the website of the Company www.skmeegg.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges.

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BOARD OF DIRECTORS' REPORT

To,

Members,

SKM Egg Products Export (India) Limited

Your directors are pleased to present their report on your Company's business operations along with the audited financial statements for the financial year ended on 31 March 2019.

1. Summarised Financial Highlights : (Standalone)

(Rs. in Lacs)

PARTICULAR	Year Ended 31.3.2019	Year Ended 31.3.2018
Total Income	29,497.11	30,183.93
Earnings before Interest, Taxes, Depreciation and Amortization	2,235.69	2,218.71
Less: Financial Cost	424.72	497.86
Depreciation & Amortization	1,087.70	1,295.32
Profit Before tax	723.27	425.53
Less: Tax Expenses		
Current	227.35	174.40
MAT Credit entitlement	0.00	0.00
Deferred Tax	(109.19)	155.05
Profit /(Loss) for the period	605.12	96.08
Other Comprehensive Income (net of Tax)	22.94	(19.08)
Profit after Tax and available for appropriation	628.05	77.00
APPROPRIATIONS		
Dividend Paid	131.65	-
Dividend Distribution Tax	26.95	-
Surplus carried to Balance Sheet	469.45	77.00

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19**CONSOLIDATED****(Rs. in Lacs)**

PARTICULAR	Year Ended 31.3.2019	Year Ended 31.3.2018
Total Income	34,341.90	33,740.90
Earnings before Interest, Taxes, Depreciation and Amortization	2,228.39	2,267.48
Less: Financial Cost	437.21	511.63
Depreciation & Amortization	1,088.37	1,296.01
Add: Share of Profit/(Loss) of Associates	(99.97)	0
Profit Before tax	602.84	459.85
Less: Tax Expenses		
Current	227.35	174.40
MAT Credit entitlement	0	0
Deferred Tax	(109.19)	155.05
Profit /(Loss) for the period	484.68	130.40
Less: Net Profit attributable to Non controlling Interest	(3.07)	5.15
Other Comprehensive Income (net of Tax)	53.65	(40.97)
Profit after Tax and available for appropriation	541.41	84.28
APPROPRIATIONS		
Dividend Paid	131.65	-
Dividend Distribution Tax	26.95	-
Surplus carried to Balance Sheet	382.80	84.28

2. OPERATIONS:

The Company's total revenue is Rs.294.97 Crores during the current year as against Rs.301.84 Crores during the previous year. The Export during the year has been Rs.228.41 Crores as compared to Rs.194.17 Crores during the previous year 2017-18.

3. DIVIDEND:

The Director's recommends a dividend of 5% (ie Rs 0.50) per equity share for the financial year ended March 31st 2019. The dividend, if approved by shareholders would absorb Rs.1,58,60,490/- including taxes on 2,63,30,000 Equity Shares of Rs. 10/- each.

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4. AMOUNTS TRANSFERRED TO RESERVES:

The Board of Directors of the Company (hereinafter referred to as the “Board”) has not recommended transfer of any amount of profit to reserves during the year under review. Hence, the remaining amount of profit for the financial year under review has been carried forward to the Statement of Profit and Loss.

5. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2019 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:

Your company reaffirms its commitment to good corporate governance practices. A report on Corporate Governance, along-with a certificate from the Statutory Auditor on compliance with Corporate Governance norms forms part of this report, has been annexed herewith as **Annexure – A**.

7. BOARDS AND ITS COMMITTEE MEETINGS CONDUCTED DURING THE PERIOD UNDER REVIEW:

During the year under review, 4 (four) meetings of the board of directors, 4 (four) meetings of the audit committee, 1 (one) meeting of the nomination and remuneration committee, 1 (one) meetings of the corporate social responsibility committee, and 4 (four) meetings of the stake holder relationship committee were held. Further, details of the same have been enumerated in corporate governance report annexed herewith.

8. TRANSFER OF UNCLAIMED DIVIDEND AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to Section 124(6) of The Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, For the year 2009-10, the company did not declare any dividend, hence, Transfer of Equity Shares relating to dividend which has not been claimed by the members for seven consecutive years or more to the Investor Education and Protection Fund Authority (IEPF) did not arise during the year.

9. BUSINESS RISK MANAGEMENT:

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

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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.

The Risk Management policy has been placed on the website of the Company and the web link there to is www.skmegg.com

10. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company's internal control systems have been strengthened taking into account the nature of business and size of operations to provide for:

- i) Reliability and integrity of financial and operational information;
- ii) Effectiveness and efficiency of operations and assets;
- iii) Compliance with applicable statutes, policies, listing requirements and management policies and procedures.

The Company, through its own Corporate Internal Audit Department, carries out periodic audits at all locations and all functions and brings out any deviation to internal control procedures. The observations arising from audit are periodically reviewed and compliance ensured. The summary of the Internal Audit observations is submitted to the Audit Committee. The Audit Committee at its meetings regularly reviews the financial, operating, internal audit & compliance reports to improve performance. The heads of various monitoring / operating cells are present for the Audit Committee meetings to answer queries from the Audit Committee.

11. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The company has constituted a Corporate Social Responsibility (CSR) Committee. The CSR Committee meets once in a year. The details of CSR Committee and its meetings are given below. The CSR Committee has framed and formulated a CSR Policy indicating the activities to be undertaken by the Company, in accordance with Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 issued under the Act. The CSR policy is available on the website of the Company at the link www.skmegg.com.

NAME	CATEGORY	POSITION	NO.OF MEETINGS (1) 07.02.2019		SITTING FEES PAID (In Rs.)
			Held	Attended	
Dr.L.M.Ramakrishnan	ID*	Chairman	1	Yes	NIL
Shri.C.Devarajan	ID*	Member	1	Yes	NIL
Smt.S.Kumutaavalli	NED**	Member	1	Yes	NIL

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

The Annual report on CSR activities is annexed herewith as **Annexure-B**.

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12. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The company has a whistle blower policy to deal with unethical or improper practice or violation of company's code of business conduct or any complaints regarding accounting, auditing, internal controls or disclosure practices of the company. The policy gives a platform to the whistle blower to report the complaints on the above mentioned practices to the Managing Director. Although the complainant is not expected to prove the truth of an allegation, the complainant aims to demonstrate that there are sufficient grounds for concern and that it is not done as a malicious act against an individual. The audit committee of the Board reviews the complaints received, redressed, objected, withdrawn and dismissed for, every quarter in their meeting. During the year, there were no Complaints under this policy. The WB Policy is available on the website of the Company at www.skm.egg.com.

13. RELATED PARTY TRANSACTIONS:

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

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

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

Conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the "**Annexure-D**" to this report..

15. ANNUAL RETURN:

The details forming part of the extract of Annual Return in Form MGT-9 is provided in **Annexure-E** to this Report. A copy of the Annual Return of the Company in prescribed format is available at the website of the Company www.skmegg.com

16. BOARD EVALUATION

The Annual Performance Evaluation of the Directors including the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee has been carried out pursuant to the provisions of Section 134 (3) (p), 149(8) and Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and disclosures requirements) Regulations 2015.

The Performance Evaluation of the Independent Directors was carried out by the entire Board and the Performance Evaluation of the Chairman and Non- Independent Directors was carried out by the Independent Directors. The Independent Directors of the company have also convened a separate meeting for this purpose. The policy is available on the website of the company at www.skmegg.com.

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16.1 REMUNERATION POLICY

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

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

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

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

17. INDEPENDENT DIRECTORS MEETING:

During the year under review, the Independent Directors of the Company met on 06.02.2019, 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.

18. DECLARATION BY INDEPENDENT DIRECTOR:

The Independent Directors have affirmed that they satisfy the criteria laid down under section 149(6) of the Companies Act 2013 (Act) and Regulation 25 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), as amended from time to time. The Board of Directors at its first meeting of the FY 2018-19 has taken on record the declarations and confirmations submitted by the Independent Directors.

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

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

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

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which these financial statements relate and the date of this Report.

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

The company has foreign subsidiary. A report on the performance and financial position of the subsidiaries as per the Act, in the prescribed format **AOC-1 Annexure F** is annexed to the annual report and hence not

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repeated here for the sake of brevity. The Company has a policy on material subsidiaries pursuant to Regulation 16(1)(c) of the Listing Regulations, which has been uploaded on the company's website viz. www.skmegg.com

22. FIXED DEPOSITS

During the year under review, your Company has not accepted any deposits under Section 73 of the Act, and as such, no amount on account of principal or interest on public deposits was outstanding as of March 31, 2019.

23. PREVENTION OF SEXUAL HARASSMENT

The Company has zero tolerance for sexual harassment at the work place and has adopted a policy on prevention, prohibition and Redressal of sexual harassment in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

Internal Complaints Committee (ICC) is in place for all administrative units or offices of SKM EGG to redress complaints received regarding sexual harassment. All women associates (permanent, temporary, contractual and trainees) as well as any woman visiting the Company's office premises or women service providers, are covered under this policy.

During the year under review, the Company has not received any complaints in this regard.

24. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. SM Venkatachalapathy (DIN: 00043288), Director is retiring by rotation at the ensuing 24th AGM. Though eligible for re-appointment, he has opted to retire from the board and not to get reappointed

The Board whole heartedly placed on records its appreciation towards the excellent and valuable services rendered by Mr. SM Venkatachalapathy during his tenure as the Director of the company.

The Board appointed Mr. TN Thirukumar (DIN 00124793) and Mr. GN Jayaram (DIN 08521023) as Additional Directors (Non-Executive, Independent) on the Board of the Company w.e.f. 31st July 2019 and they hold office up to the date of forthcoming Annual General Meeting (AGM). The Board recommends appointment of Mr. TN Thirukumar and Mr. GN Jayaram Independent Directors for a term of five (5) consecutive years each, effective from 31st July 2019 for approval of members of the Company at the ensuing AGM. The Company has received the declarations from Mr. TN Thirukumar and Mr. GN Jayaram confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act. The subject appointments have been made in lieu of the independent directors viz. Mr. M. Chinnian and Mr. P. Kumarasamy who have opted to retire at the end of their respective tenure of appointment during the course of the year 2019-2020.

The details of appointment of the new independent directors are mentioned in the explanatory statement under section 102 of Companies Act, 2013, annexure to the notice of the 24th AGM.

KEY MANAGERIAL PERSONNEL

Shri. SKM. Maeilanandhan, Executive Chairman, Shri. SKM Shree Shivkumar, Managing Director, Shri. K.S. Venkatachalapathy, Chief Financial Officer and Shri. P. Sekar, Company Secretary, hold the office of Key Managerial Personnel, respectively within the meaning of Section 2(51) of the Companies Act, 2013.

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25. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis including the result of operations of the Company for the year, as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is appended to the Annual Report **Annexure-G**.

26. 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, 2019, 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, 2019 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.

27. 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. However pursuant to settlement order dated 28.02.2019 has made the payment of ordered amount Rs. 15,12,645/- for the violation of Regulation 7(3) of SEBI(SAST) Regulation, 1997, Regulation 13(6) of SEBI (PIT) Regulation, 1992 and Regulation 8(3) of SAST, 1997 for non disclosure in the financial year 2002,2008,2009,2010,2011 and the said payment has been made during the year under review 2018-2019.

28. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the financial year ended 31st March, 2019.

29. CHANGE OF REGISTERED OFFICE ADDRESS

During the year under review with the approval of the Board at their meeting held on 06th February 2019 the postal address of registered office of the company has been changed to No.133, 133/1, Gandhiji Road, Erode-638001 as prescribed by the corporation authorities with the change of the door number and the change in name of the road.

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30. AUDITORS:

30.1 STATUTORY AUDITORS

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

He will hold office as statutory auditor for the period of three year from the conclusion of the 24th Annual General Meeting till the conclusion of 27th Annual General Meeting.

30.2 SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of The Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed Mr. V. Ramkumar, Company Secretary in Practice, Coimbatore. (CP No.:3832, Membership No: F 8304), to undertake the secretarial audit of the company for the FY2018-19. The report of the secretarial audit of the company is annexed herewith as **Annexure H**

The Annual Secretarial Compliance Report, (hereinafter referred to as 'compliance report'), for FY 2018-19 issued from Mr. V. Ramkumar, Company Secretary in Practice, Coimbatore. (CP No.:3832, Membership No: F 8304), the Secretarial Auditors of the Company, have confirmed compliance with securities laws applicable to the Company and the same has been taken on record by the Board of Directors at its meeting held on May 29, 2019. The compliance report does not contain any qualification, reservation, adverse remark and the Board has approved filing of the same with the stock exchanges.

30.3 INTERNAL AUDITOR

The Company has appointed Mr. R. Muralidharan, B.Com, FCA., Chartered Accountant as the Internal Auditor of the Company and their report is reviewed by the audit committee and board from time to time.

30.4 COST AUDITOR

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

31. COMMENTS ON AUDITORS' REPORT:

There were no qualification, reservations or adverse remarks made by the Statutory Auditor and the Secretarial auditor in their respective reports. In respect of the observations made by the secretarial auditor, the same is self explanatory.

32. CONSOLIDATED FINANCIAL STATEMENTS:

Pursuant to Section 129 of the Companies Act, 2013, the Company has prepared a Consolidated Financial Statements of the Company and also of its Subsidiary, "**SKM Europe BV**", **Utrecht, the Netherlands**, and associate company **M/S SKM Universal Marketing Company India Private Limited** in same form and manner as that of the Company which shall be laid before the ensuing Annual General Meeting of the Company along

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with laying of the Company's Financial Statement under section 129 sub-section (2) i.e. Standalone Financial Statement of the Company.

33. PARTICULARS OF LOANS, GUARANTEES MADE OR INVESTMENTS:

The Company has not granted any fresh loans or guarantees or provided any security in connection with any loan to any other body corporate or person covered under the provisions of Section 186 of Companies Act 2013, particulars of investments forms part of the notes to the financial statements provided in the Annual Report.

34. PARTICULARS OF EMPLOYEES

Details pursuant to Section 197(12) of The Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this report as **Annexure-I**

35. 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.

36. INSIDER TRADING CODE:

The Company has formulated a code for prevention of Insider Trading pursuant to Securities and Exchange Board of India (Insider Trading) (Amendment) Regulation 2002 to prevent the practices of Insider Trading. Mr. P. Sekar, Company Secretary has been designated as Compliance Officer for this purpose. Senior Management of the Company has affirmed compliance with the Code of Conduct applicable as on 31.03.2019. The Company has duly complied with all the mandatory listing agreement. Code of Conduct for Insider Trading Regulation available on the Company's Website www.skmegg.com.

37. INDUSTRIAL RELATIONS:

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

38. ACKNOWLEDGEMENTS:

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

39. CAUTIONARY STATEMENT:

Statements in this Annual report, particularly those which relate to management discussion and analysis, describing your Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may materially differ from those expressed or implied.

For and on behalf of the Board of Directors

Date : 31.07.2019
Place : Erode

Sd/-
Maeilanandhan SKM
Chairman of the Board
DIN: 00002380

CORPORATE GOVERNANCE

The directors present the company's report on corporate governance for the year ended March 31, 2019, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

SKM EGG PRODUCTS' PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that the fundamental objective of the Corporate Governance is to ensure 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 also believes that good corporate governance practices help to enhance performance and valuation of the company.

The Company is in full compliance with the requirements of Corporate Governance under the Listing regulations (SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) entered 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 OF DIRECTORS- COMPOSITION, CATEGORY AND ATTENDANCE

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 2018-2019, the total Board strength comprises of the following:

Executive Director	2
Non-Independent Directors & Non-Executive Directors (including woman Director)	2
Independent Directors	5
Nominee Director-TIDCO	1
Total Strength	10

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b) The composition and attendance of directors at the board meetings and the annual general meeting held during the year is as under :

Name of the Director	Category	Attendance Particulars		No. of other companies in which he is a Director		No. of shares held in the company as 31.03.2019
		Board Meeting	Last AGM	Director -ship	Committee Membership	
Shri. SKM. Maeilanandhan	Executive Chairman	4	Yes	4	NIL	NIL
Shri.SKM Shree Shivkumar	Managing Director	4	Yes	7	NIL	1,20,86,472
Smt.S.Kumutaavalli	Director	4	Yes	6	NIL	10,005
Dr.L.M. Ramakrishnan	Independent Director	4	Yes	4	2	5,000
Shri.C.Devarajan	Independent Director	1	No	12	NIL	NIL
Shri.M.Chinnayan	Independent Director	4	Yes	1	NIL	4,000
Shri.P. Kumarasamy	Independent Director	4	Yes	1	NIL	NIL
Shri.S.M.Venkata chalapathy	Director	4	Yes	3	NIL	66,005
Shri.B.Ramakrishnan	TIDCO Nominee	3	No	3	NIL	19,95,800
Shri.Doraisamy Venkateswaran	Indendent Director	3	No	4	NIL	NIL

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

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

As per the disclosures received from the directors, none of the directors serve as member of more than 10 committees nor they are the chairman / chairperson of more than 5 committees, as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- d) Shri. SKM Shree shivkumar, Managing Director, Shri SKM Maeilanandhan. Smt. Kumutaavalli, and Shri SM. Venkatachalapathy, Director are related to each other. None of the other directors are related to each other.

E. Particulars of Directorships of other Companies:

Name of the Director and Designation	Name of the Company	Position
Shri.SKM Maeilanandhan (Executive Chairman)	SKM Animal Feeds and Foods (India) Private Ltd	Director
	SKM Siddha and Ayurvedha Company (India) Private Limited	Director
	SKM Universal Marketing Company India Private Limited	Director
	Agro Corpex India Limited	Director

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Name of the Director and Designation	Name of the Company	Position
Shri.SKM Shree Shivkumar (Managing Director)	SKM Siddha and Ayurvedha Company (India) Private Limited	Director
	SKM Universal Marketing Company India Private Limited	Managing Director
	SKM Shrees Farms India Private Limited	Director
	SKM Shree Developers India Private Limited	Director
	SKM Shree Herbals India Private Limited	Director
	SKM Shree Energy India Private Limited	Director
	SKM Shrees Properties India Private Limited	Director
Smt.S.Kumutaavalli (Non-Executive Director)	SKM Siddha and Ayurvedha Company (India) Private Limited	Managing Director
	SKM Universal Marketing Company India Private Limited	Director
	SKM Shree Developers India Private Limited	Director
	SKM Shree Herbals India Private Limited	Director
	SKM Shrees Properties India Private Limited	Director
	Erode Smart City Limited	Additional Director
Shri.S.M.Venkatachalapathy (Non-Executive Director)	SKM Siddha and Ayurvedha Company (India) Private Limited	Director
	SKM Shrees Farms India Private Limited	Director
	SKM Shree Energy India Private Limited	Director
Shri.P. Kumarasamy (Independent Director)	SKM Universal Marketing Company India Private Limited	Director
Dr.L.M.Ramakrishnan (Independent Director)	Ponni Sugars (Erode) Ltd	Director
	Knitvel Needles (PVT) Ltd	Director
	Erode Medical Suppliers(P) Ltd	Managing Director
	Hawker & West off Shoring Consulting Services (P) Ltd	Director

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Name of the Director and Designation	Name of the Company	Position
Shri.C.Devarajan (Independent Director)	URC Power Product (P) Ltd	Director
	Institute for Lean Construction Excellence	Director
	URC Construction (P) Ltd	Director
	URC Creative Developers (P) Ltd	Director
	Tactive Software systems Private Limited	Managing Director
	OREOPS Framework Private Limited	Director
	Texvalley weekly market Limited	Director
	Texvalley market Limited	Director
	Erode Smart City Limited	Additional Director
	Native angels network association	Director
	Erode textile mall private Limited	Director
	Five P Venture India (P) Ltd	Director
Shri.M.Chinnian (Independent Director)	SKM Universal Marketing Company India Private Limited	Director
Shri.B.Ramakrishnan (Nominee Director - TIDCO)	Saptarishi Agro Industries Limited	Director
	Tamilnadu Telecommunication Limited	Nominee Director
	Sattva Agro Expo Private Ltd	Nominee Director
Shri.D.Venkateswaran (Independent Director)	Balkart Brothers (India) Private Limited	Director
	Ulvann Producer Company Limited	Director
	Mega Agri Business Consortium Producer Company Limited	Director
	Native Angels Network Association	Director

None of the directors holds directorship in more than 20 companies (including limit of maximum directorships in 10 public companies) pursuant to the provisions of the Companies Act, 2013. Further, none of the directors including independent directors hold directorships in more than the maximum number of directorships prescribed under Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

INDEPENDENT DIRECTORS

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.

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Familiarization program for independent directors

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 familiarization program for independent directors has been posted on the company's website at www.skmegg.com

Key Board Qualifications, expertise and attributes:

The nomination and remuneration committee of the board and the board of directors took cognizance of this new provision as introduced by SEBI (Listing Obligation and Disclosure Requirements) Amendment, Regulations, 2018. The board is evaluating the skills required for the board and against which that available with the directors and this mapping will be done shortly and published from the next annual report.

Confirmation on the fulfillment of the conditions of independence:

Based on the declarations received from the independent directors, the board of directors are of the opinion that the independent directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and are independent of the management.

Resignation of Independent Directors before expiry of tenure:

None of the independent directors has resigned before the expiry of the tenure during the year under review.

Separate Meeting of the Independent Directors:

During the year under review, the Independent Directors met on February 06, 2019, inter alia to discuss:

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- 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 and attendances are as under:

Name	Status	Category	No. of Meeting during the year 2018-19	
			Attended	Held
Dr.L.M.Ramakrishnan	Director	Independent Director	1	1
Shri.M. Chinnayan	Director	Independent Director	1	1
Shri.P. Kumarasamy	Director	Independent Director	1	1
Shri.C. Devarajan	Director	Independent Director	1	1
Shri.D.Venkateswaran	Director	Independent Director	1	1

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COMMITTEES OF THE BOARD

The Board at present has four Committees:

1) Audit Committee, 2) Nomination and Remuneration Committee, 3) Stakeholders Relationship Committee 4) Corporate Social Responsibility Committee.

The board constitutes the committees and defines their terms of reference. The members of the committees are co-opted by the board. 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

i) Terms of reference:

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

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

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.

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- 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.

During the year under review, the committee met four times on 28.05.2018, 30.07.2018, 12.11.2018 and 06.02.2019. The composition of the audit committee and the attendance of each member of the committee are given below

Name	Status	Category	No. of Meeting during the year 2018-19	
			Attended	Held
Shri.M. Chinnayan	Chairman	Independent Director Non Executive	4	4
Dr.L.M.Ramakrishnan	Member	Independent Director Non Executive	4	4
Shri.B. Ramakrishnan	Member	Nominee Director	3	4

The chairman of the audit committee attended the annual general meeting held on 26th September, 2018.

The company secretary acts as the secretary to the committee. The managing director, statutory auditors and internal auditor and chief financial officer of the company have also attended the committee meetings. The minutes of the audit committee meetings were circulated to the board, and the board discussed and took note of the same

NOMINATION AND REMUNERATION COMMITTEE

The nomination and remuneration committee is constituted in compliance with the requirements of Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 178 of the Companies Act 2013.

Terms of reference

The terms of reference of this committee has been mandated with the same as specified in Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also with the requirement of Section 178 of the Companies Act, 2013

1. This committee would look into and determine the company's policy on remuneration packages of the executive directors and senior management
2. 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;

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3. Formulation of criteria for evaluation of Independent Directors and the Board;
4. Devising a policy on Board diversity;
5. 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.

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.

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 remuneration policy of the company is annexed to the board's report and can also be accessed on the company's website www.skmegg.com

Performance Evaluation of non-executive and Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 37(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its audit, nomination and remuneration committee, CSR committee and stakeholder relationship committee.

The composition of the committee and the attendance of each member of the committee are given below, during the year under review, the committee had met one time on 07.02.2019.

Name	Status	Category	No. of Meeting during the year 2018-19	
			Attended	Held
Dr.L.M.Ramakrishnan	Chairman	Independent Director	1	1
Shri.S.M.Venkatachalapathy	Member	Non Executive Director	1	1
Shri.M. Chinnayan	Member	Independent Director	1	1

Details of Remuneration Paid

Name of the Directors	Salary, Allowance and Perquisites	Service Contract
SKM. Maeilanandhan, Chairman	30,45,962	5 Years
SKM. Shree Shivkumar, MD	1,60,07,105	3 Years

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The company does not pay remuneration to any of its non-executive directors except sitting fees for attending the board/committee meeting(s).

STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of reference:

The stakeholders relationship committee was constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 and Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

The committee comprises of the following directors as its members, during the year under review, the committee had met four times on 28.05.2018, 30.07.2018, 12.11.2018, 06.02.2019.

Name	Position	No. of Meetings	
		Attended	Held
Shri.P.Kumarasamy	Chairman	4	4
Dr.L.M.Ramakrishnan	Member	4	4
Shri.M. Chinnayan	Member	4	4

The stakeholder's relationship committee of the board is empowered to oversee

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

In addition, the committee looks into other issues including status of dematerialization / re-dematerialization of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time

Name and Designation of Compliance Officer:

Mr. Sekar. P Company Secretary and Compliance Officer.

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Shareholder's Services:

S.No.	Nature of Complaints		2018-2019
	Received	Answered	
1st Quarter	0	0	0
2nd Quarter	0	0	0
3rd Quarter	0	0	0
4th Quarter	0	0	0

Pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the company from a practicing company secretary has been submitted to the stock exchanges within stipulated time.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the company has constituted the corporate social responsibility committee.

The terms of reference of this committee, assigned by their board encompasses the following:

- To formulate and recommend to the board, a CSR policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII:
- To recommend the amount of expenditure to be incurred on the activities referred to in Clause A:
- To monitor the CSR policy of the company from time to time :
- Any other matter that may be referred by the board from time to time or as may be necessary for compliance with the companies Act, 2013 or Rules made thereunder or any other statutory laws of India:

The committee comprises of following members, during the year under review, the committee had met once on 07.02.2019.

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

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

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MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and analysis forms part of this annual report.

GENERAL BODY MEETINGS:

Location and time for the last three AGMs held and the special resolutions, if any, passed thereat, are as given below :

Year	Date	Venue	Time	Special Resolution
2015-16	02.09.2016	Registered Office at 185, Chennimalai Road, Erode - 638 001	4.00 P.M	Special Resolutions have been passed
2016-17	27.09.2017	Registered Office at 185, Chennimalai Road, Erode - 638 001	4.00 P.M	Special Resolutions have been passed
2017-18	26.09.2018	Registered Office at 185, Chennimalai Road, Erode - 638 001	4.00 P.M	Special Resolutions have been passed

EGM AND POSTAL BALLOT:

During the year no EGM was held. No resolutions were put through postal ballot last year. No special resolution requiring postal ballot is being proposed.

MEANS OF COMMUNICATION:

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

GENERAL INFORMATION FOR SHAREHOLDERS

24th Annual General Meeting

Date	: 25.09.2019
Time	: 4.00 P.M
Venue	: Registered Office at 133, 133/1, Gandhiji Road, Erode
Financial Year	: 1st April 2018 to 31st March 2019
Date of Book Closure	: 19.09.2019 to 25.09.2019
Dividend Payment Date	: within 30 days from the date of approval of shareholders.

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FINANCIAL CALENDER:

Approval of quarterly results for the period ending:

1. 30th June 2018 : 30th July 2018
2. 30th September 2018 : 12th November 2018
3. 31st December 2018 : 6th February 2019
4. 31st March 2019 : 29th May 2019

Listing of Shares on Stock Exchanges

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 and Bombay stock exchanges.

NSE			
MONTH	HIGH (Rs)	LOW (Rs)	QUANTITY (Nos)
Apr-18	138.80	85.30	1,22,42,482
May-18	120.70	93.60	47,11,860
Jun-18	94.40	78.00	25,80,102
Jul-18	82.25	67.55	11,74,275
Aug-18	82.85	72.10	7,97,177
Sep-18	86.90	60.65	8,95,049
Oct-18	73.35	51.10	11,05,303
Nov-18	77.25	65.50	8,72,040
Dec-18	71.45	62.20	5,14,909
Jan-19	72.45	57.35	7,35,205
Feb-19	65.55	43.55	6,84,237
Mar-19	62.95	49.40	6,44,584

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BSE			
MONTH	HIGH (Rs)	LOW (Rs)	QUANTITY (Nos)
Apr-18	137.90	84.20	18,67,218
May-18	120.75	90.00	9,21,971
Jun-18	93.30	77.80	3,51,767
Jul-18	82.80	66.60	96,275
Aug-18	82.85	69.25	57,370
Sep-18	86.85	61.20	92,191
Oct-18	71.85	51.40	95,022
Nov-18	76.90	65.10	99,187
Dec-18	72.00	62.90	41,750
Jan-19	77.35	59.00	87,806
Feb-19	67.00	44.00	81,344
Mar-19	60.00	49.15	53,736

REGISTRAR AND SHARE TRANSFER AGENT:

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

Reconciliation of Share Capital Audit

A qualified company secretary in practice carried out reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The reconciliation of share capital audit report confirms that the total issued/ paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL & CDSL

Share Transfer System

The company's shares being in compulsory dematerialized (demat) list are transferable through the depository system. Shares in physical form are processed by the registrar and share transfer agents, S.K.D.C. Consultants Limited and approved by the stakeholders relationship committee of the company. The share transfers are processed within a period of 15 days from the date of receipt of the transfer documents by S.K.D.C. Consultants Limited, if the documents are complete in all respects. All requests for dematerialization of shares are processed and confirmed to

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the depositories, NSDL and CDSL, within 15 days. The stakeholder's relationship committee generally meets as and when required to effect the shares received for transfer in physical form.

Distribution Of Shares As On 31st March 2019

No. of Shares	No. of holders	% of holders	No. of shares	% of total shares
1 - 500	13028	80.315	2335877	8.872
501 - 1000	1645	10.141	1332580	5.061
1001 - 2000	649	4.001	977986	3.714
2001 - 3000	460	2.836	1151323	4.373
3001 - 4000	89	0.549	322251	1.224
4001 - 5000	114	0.703	533647	2.027
5001 - 10000	133	0.820	981451	3.728
10001 AND ABOVE	103	0.635	18694885	71.001
Total	16221	100.00	26330000	100.00

Dematerialization of Shares and liquidity

As on March 31, 2019, almost 90.11 % of the company's paid up Equity Share Capital is in dematerialized form and balance 9.89% 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.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments and their likely impact on equity

There are no outstanding warrants or any convertible instruments. The company has not issued GDR/ADR.

Plant Locations

Factory

Cholangapalayam Pasur Post,
Erode Taluk

Address for Correspondence

Mr. P. Sekar
Company Secretary
SKM EGG PRODUCTS EXPORT INDIA LIMITED
NO 133, 133/1, Gandhiji Road
Erode - 638 001

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DISCLOSURES:

- a) Disclosures on materially significant related party transactions that may have potential conflict with the interest of the company at large. All the related party transactions are entered into on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of The Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions made by the company with promoters, directors or key managerial personnel or otherwise which may have potential conflict with the interest of the company at large.

The details of the transactions with related parties are provided in the company's financial statements in accordance with the accounting standards. All related party transactions are presented to the audit committee and the board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature.

A statement of all related party transactions is presented before the audit committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

- b) Details of non-compliance by the company, penalties, strictures imposed on the company by stock exchanges or SEBI or any statutory authorities, on any matter relating to capital markets, during the last three years.

No penalties and/or strictures were imposed on the company by stock exchanges or SEBI or any statutory authorities, on any matter relating to capital markets, during the last three years. However pursuant to settlement order dated 28.02.2019 has made the payment of ordered amount Rs. 15,12,645/- for the violation of Regulation 7(3) of SEBI(SAST) Regulation, 1997, Regulation 13(6) of SEBI (PIT) Regulation, 1992 and Regulation 8(3) of SAST, 1997 for non disclosure in the financial year 2002,2008,2009,2010,2011.

- c) Whistle Blower policy and affirmation that no personnel have been denied access to the audit committee.

The company conducts regular 'Employee Meets' bimonthly where all the employees have a chance to interact directly with the managing director of the company. Besides this, the managing director is reachable via e-mail and landline. Any issue brought to the attention of the management, whether resolved or not, is placed before the audit committee for its perusal and comments.

- d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.

The company has complied with all the mandatory requirements of corporate governance norms as enumerated in The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The company has adopted the following non mandatory requirements.

Reporting of internal auditors to audit committee as recommended in terms of Regulation 27(1) read with part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015,

- e) Web link where policy for determining "material" subsidiaries is disclosed

The company has framed a Material Subsidiaries Policy and the same is placed on the company's website www.skmegg.com

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- f) Web link where policy on dealing with related party transactions.

The company has framed Related Party Transaction Policy and the same is placed on the company's website www.skmegg.com

- g) Disclosure of commodity price risks and commodity hedging activities.

During the financial year ended 31/03/2019, the company did not engage in commodity hedging activities

- h) Disclosure on accounting treatment.

In the preparation of the financial statements, the company has followed the Indian Accounting Standards (IND AS) referred to in Section 133 of The Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the notes to the financial statements

- i) Disclosure on risk management

Business risk evaluation and management is an ongoing process within the company. The assessment is periodically examined by the board.

- j) Credit Rating:

The company does not have any debt instruments or fixed deposit programme or any scheme or proposal involving mobilization of funds either in India or abroad that requires credit rating.

There has been no instance of non-compliance of any requirement of corporate governance report as stated above.

The company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI(Listing Obligation and Disclosures Requirements) Regulations, 2015. The company has not provided the disclosure pertaining to the list of core skills / expertise / competency required by the board of directors in the corporate governance report as required under Regulation 34 (3) read with Schedule V (C)(2)(h)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as the board of directors are yet to identify the same.

Other disclosures:

The company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A certificate from a company secretary in practice that gives the details of the directors on the board of the company who have been debarred or disqualified from being appointed or continuing as directors of companies by the Security Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority has been obtained and is annexed to this report.

During the year under review, the recommendations made by the different committees have been accepted and there were no instances where the board of directors had not accepted any recommendation of the committees.

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The company has paid a sum of Rs. 3,00,000/- plus out of pocket expenses and applicable taxes as fees on consolidated basis to the statutory auditor and all entities in the network firm / entity of which the statutory auditor is a part for the services rendered by them.

Certificate from CEO / CFO.

The CEO and CFO certification of the financial statements for the year has been submitted to the board of directors in its meeting held on 29th May 2019 as required under the SEBI Regulations. All board members and senior management personnel have affirmed their compliance with the code of conduct for the year under review.

Code Of Conduct

The board of directors has laid down a code of conduct for all board members and senior management personnel of the company. All board members and senior management personnel have affirmed their compliance with the code of conduct for the year under review.

Code For Prevention Of Insider Trading

The company has framed a code of conduct for monitoring the trading done by Insiders based on The SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all directors / officers and such designated persons who are expected to have access to unpublished price sensitive information relating to the company.. The company has also formulated "The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)" in compliance with The SEBI (Prohibition of Insider Trading) Regulations, 2015

Declaration For Code Of Conduct

I hereby affirm and state that all board members and senior management personnel of the company have given declaration in accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and I hereby affirm compliance with the said code of conduct for the financial year 2018-19.

Managing Director

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AUDITORS' CERTIFICATE OF CORPORATE GOVERNANCE

To

The Members,

SKM Egg Products Export (India) Limited

We have examined the compliance of conditions of Corporate Governance by SKM Egg Products Export (India) Limited, for the year ended on 31st March 2019, as stipulated under Schedule V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

Place : Erode

Date : 31.07.2019

Sd/-

N Prasanna Venkatesan
Chartered Accountant
Membership No: 235530

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CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i)

of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members,

SKM Egg Products Export (India) Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the directors of **M/s. SKM Egg Products Export (India) Limited** having CIN: **L01222TZ1995PLC006025** and **No 133, 133/1, Gandhiji Road, Erode - 638 001** (hereinafter referred to as 'the company'), produced before me by the company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the company & its officers, I hereby certify that excepting one of the directors on the board of the company viz. Mr. B. Ramakrishnan, Nominee Director who was disqualified pursuant to section 164(2) (a) and who has obtained an injunction from Hon'ble High Court, Madras for the disqualification for the financial year ending on **31st March 2019** have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority

Ensuring the eligibility for the appointment / continuity of every director on the board is the responsibility of the management of the company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : Erode
Date : 31.07.2019

V Ramkumar
Company Secretary in Practice
FCS No: 8304
CP3832

REPORT ON CSR ACTIVITIES

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

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
The Company formed a CSR Committee of the Board. It has formulated a CSR Policy that has been approved by the Board, laying stress on CSR activities to be undertaken in its neighbourhood. The Company's focussed programmes are in the field of community development, water, sanitation, education, health, rural infrastructure and technical training. Its ongoing CSR activities would get aligned to the CSR policy. The CSR policy has been posted on the website of the company - www.skmegg.com.
2. The Composition of the CSR Committee.
Shri.L.M.Ramakrishnan Independent Director
Smt.S.Kumutaavalli Non Executive Director
Shri.C.Devarajan Independent Director
3. Average net profit of the company for last three financial years Rs. 12,61,35,206
4. Prescribed CSR Expenditure (2% of the amount as in item 3 above) Rs. 25,22,704
5. Details of CSR spent during the financial year.
(a) Total amount to be spent for the financial year; Rs. 25,22,704
(b) Amount unspent, if any; Nil
(c) Manner in which the amount spent during the financial year is detailed below.

1	2	3	4	5	6	7	8
S No	CSR Project or activity identified	Sector in which the Project is covered	Project or programs (1) Local area or other (2) Specify the State & district where projects or programs was undertaken	Amount outlay (budget) project or program wise (Rs)	Amount spent on projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Providing health and mind relief and welfare to people	* Item number (i) and (ii) of Schedule VII of the Companies Act, 2013	1) Local Area - Saminathapuram Erode District TamilNadu	25,65,096	Direct expenditure on projects or programs Adoption of 2 Villages Rajeev Nagar and Gandhi Nagar and providing them medical relief and providing education.	1,55,81,464	Implementing Agency - SKM Health and Mind Welfare Charitable Trust

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6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. Not Applicable.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company Certified that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

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

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

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR Policy) OF THE COMPANY

CONCEPT

The Company's philosophy on Corporate Social Responsibility (CSR) is that "as the organization grows, the society and community around it should also grow".

VISION

The Company's vision is to contribute to the social and economic development of the communities in which it operates, resulting in building a better and sustainable way of life for the society at large.

LEGAL REQUIREMENT

Pursuant to Section 135 of the Companies Act, 2013 (hereinafter referred to as "the said act") read with Companies (Corporate Social Responsibility) Rules, 2014, the company is required to formulate a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the said act and the expenditure to be incurred thereon, excluding activities undertaken in pursuance of normal course of business of a company. The company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities. CSR activities do not include the activities undertaken in pursuance of normal course of business of the company. The surplus arising out of the CSR projects or programs or activities, if any, shall not form part of the business profit of a company

APPLICABILITY

This Corporate Social Responsibility policy (CSR Policy) shall apply to all CSR initiatives and activities taken up at various factories and other locations of SKM Egg Products Export (India) Limited for the benefit of different segments of society.

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OBJECTIVES

The objective of the CSR Policy is to -

- a). Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its stakeholders.
- b). To directly or indirectly take up programmes that benefit the communities in & around its factory locations and results, over a period of time, in enhancing the quality of life & economic well-being of the local populace.
- c). To generate, through its CSR initiatives, a community goodwill for the company and help reinforce a positive & socially responsible image of the company as a corporate entity.

AREAS OF INITIATIVES

Over the years the Company or Group has been involved in a number of community-focused activities, in the areas of health, education and preservation of the country's rich culture and heritage. Continuing the tradition, it is recommended that the Company may focus primarily on the following activities to be referred to as "CSR activities":

- a) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- c) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups
- d) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;
- e) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- f) Measures for the benefit of armed forces veterans, war widows and their dependents;
- g) Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports;
- h) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- i) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- j) Rural development projects;
- k) Slum area development; and
- l) Such other activities and projects covered in Schedule VII to the Companies Act 2013 from time to time.

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EXPENDITURE

It shall be the endeavour of the Company to spend in every financial year at least 2% of the average net profits of the Company made during the three immediately preceding financial years for its CSR activities.

IMPLEMENTATION PROCESS

The CSR activities may be undertaken either directly by the Company or through a registered trust or a registered society or a company established by the Company or its subsidiary or associate company or through any other trust, society or company which shall have an established track record of 3 years in undertaking similar programmes or projects.

The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes.

The projects or programmes undertaken under the CSR Policy shall be monitored by the CSR Committee on a periodical basis.

The surplus arising out of CSR projects or programmes or activities shall not form part of the business profits of the Company.

The CSR expenditure shall include all expenditure including contribution to corpus, for projects or programmes relating to CSR activities.

CSR REPORTING

The CSR Policy and the annual report on CSR activities shall be reported as statutorily required and as warranted, such as Annual Reports and Company's website, if any.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19**ANNEXURE-C****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

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.

S No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	SKM Universal Marketing Company India Private Ltd Common Directors SKM Siddha and Ayurvedha Company (India) Pvt Ltd
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	Rs.100.53 Crores
e)	Date of approval by the Board	Every Quarter
f)	Amount paid as advances, if any	NIL

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19
ANNEXURE - D
DETAILS OF POWER & FUEL CONSUMPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

PARTICULARS	2018-2019	2017-2018
(I) POWER AND FUEL CONSUMPTION		
(1) Electricity		
a. Purchased units (Kwh)	81,37,880	82,51,040
Total Amount (Rs.)	6,15,10,341	5,91,02,544
Rate / Unit (Rs.)	7.56	7.16
b. Own Generation through Diesel Generator		
Units (Kwh)	3,86,678	2,25,200
Total Amount	65,92,289	32,59,834
Units per litre of Diesel Oil	3.35	3.23
Cost/Unit (Rs.)	17.05	14.48
(2) Furnace Oil		
Quantity (Litres)	1,96,000	2,34,000
Total Cost (Rs.)	64,53,174	61,41,041
Average Rate (Rs.)	32.92	26.24
(3) Coal		
Quantity (Metric Tons)	8,563	8,770
Total Cost (Rs.)	4,80,59,565	4,75,40,096
Average Rate (Rs.)	5,613	5,421
(II) CONSUMPTION PER UNIT OF PRODUCTION		
Product - Egg Powder (Metric Tons)	5,407	4,976
Electricity (Rs. Per Metric Tons)	12,595	12,533
Fuel (Rs. Per Metric Ton)	10,082	10,788
FOREIGN EXCHANGE EARNINGS AND OUTGO : (Rs. In lacs)		
Earnings :	21,944	17,905
Outgo :	857	532

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

CONSERVATION OF ENERGY:

The following Power saving Technique implemented during the year

1. Variable frequency drives are introduced to save the power and maintenance cost in Yolk dryer Area
 - a) Inlet Fan motor
 - b) Exhaust Fan motor
 - c) Cyclon Exhaust Fan Motors
2. Temperature based Auto cut-off control system implemented in Ac plant and Ice water plant Cooling Tower fan motors
3. All process area LED lights implemented instead of fluorescent lamp, HPMV and CFL.

RESEARCH AND DEVELOPMENT:

Frozen egg liquid:

Products with extended shelf life of 9-12 months stored @ -18°C. Frozen Egg albumen are being exported to Thailand.

Developing frozen whole egg and egg yolk with additives for different markets.

Protein drink mix :

Developed various health drinks with the egg albumen powder for Health and fitness sector.

Flavoured egg liquid:

In the process of developing flavoured egg liquid for the domestic market

Stabilized egg yolk:

Developed salted egg yolk with an enzyme for mayonnaise industry . This product can withstand higher temperature.

For and on behalf of the Board

Date : 31.07.2019

Place : Erode

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

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19**ANNEXURE-E****FORM MGT - 9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019**

[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	M/s SKM Egg Products Export (India) Limited
Category / Sub Category of the Company	Company Limited by shares / India-non Government Company
Address of the Registered Office and Contact Details	No. 133,133/1, Gandhiji Road, Erode - 638 001, Tamilnadu shares@skmegg.com Ph:0424-2351532 Fax:0424-2351531
Whether Listed Company : Yes/No	Yes The National stock Exchange of India Limited BSE Limited
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, 641 006.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

S.No	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1.	Egg Yolk Powder	10799	22.77%
2.	Egg Albumin Powder	10799	36.99%
3.	Whole Egg Powder	10799	16.46%
4.	Poultry Feed Ingredients	10802	11.71%

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.No	Name and Address of the Company	Holding / Subsidiary / Associate	% Of Shares Held	Applicable sections of Companies Act, 2013
1.	SKM Europe BV, Utrecht, The Netherlands	Subsidiary	85% (15300 Shares)	2(87)
2.	SKM Universal Marketing Company India Private Limited, Erode.	Associate	26%	2(6)

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

i) Category-wise Share Holding

Category of Share-holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total share	Demat	Physical	Total	% of total share	
A. Promoters									
(1) Indian									
Individual/HUF	1,20,01,677	NIL	1,20,01,677	45.58	1,20,96,477	NIL	1,20,96,477	45.94	0.36
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	1,39,97,477	NIL	1,39,97,477	53.16	1,40,92,277	NIL	1,40,92,277	53.52	0.36
A. (1)									
(2) Foreign									
a) NRIs-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

Category of Share-holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total share	Demat	Physical	Total	% of total share	
e) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub Total A(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Share holding of Promoter(A) = (A1) + (A2)	1,39,97,477	NIL	1,39,97,477	53.16	1,40,92,277	NIL	1,40,92,277	53.52	0.36
B. Public Shareholding									
1. Institutions									
a) Mutual Fund									
b) Banks/FI	7166	0	7166	0.02	13955	0	13955	0.05	0.03
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIS	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	7166	0	7166	0.02	13955	0	13955	0.05	0.03
B2)CGovt/S Govt/President of India	0	0	0	0	0	0	0	0	0

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

Category of Share-holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total share	Demat	Physical	Total	% of total share	
B 3. Non Institution									
a) Bodies Corp									
i. Indian/Oversea	635150	10000	645150	2.45	510467	2500	512967	1.948	-0.502
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	5548165	1596562	7144727	27.134	5611197	1405562	7016759	26.649	-0.485
ii) Individual shareholders holding nominal share capital in excess Rs. 1 lakh	1863654	97,800	1961454	7.450	2052904	98200	2151104	8.170	0.720
c) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
d) Others (specify)									
(d-i) Trusts	0	0	0	0	0	0	0	0	0
(d-ii) Directors & their relatives	9000	7505	16505	0.063	11500	5005	16505	0.063	0
(d-iii) Non Resident Indians	1099481	0	1099481	4.176	1017698	0	1017698	3.865	-0.311
(d-iv) Overseas corporate bodies	0	1092100	1092100	4.148	0	1092100	1092100	4.148	0
(d-v) Clearing Members	172080	0	172080	0.654	203100	0	203100	0.771	0.117
(d-vi) Hindu undivided Families	193680	0	193680	0.736	213535	0	213535	0.811	0.075
Sub-total (B) (3)	9521390	2803967	12325357	46.811	9620401	2603367	12223768	46.425	-0.386

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

Category of Share-holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Phy-sical	Total	% of total share	Demat	Phy-sical	Total	% of total share	
Total Public Share holding of Promoter (B)=(B1)+(B2) (B3)	9528556	2803967	12335357	46.838	9634356	2603367	12337723	46.478	-0.360
C. Shares held by Custodian GDR & ADRs	0	0	0	0	0	0	0	0	0
Grand Total	23526033	2803967	26330000	100	23726633	2603367	26330000	100	0

(ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding-during the year
		No. of Share	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Share	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	SKM Shree Shivkumar	11991672	45.54	0	12086472	45.90	0	0.360
2.	S.Kumutaavalli	10005	0.04	0	10005	0.04	0	0
3.	TIDCO	1995800	7.58	0	1995800	7.58	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	
1.	SKM Shree Shivkumar	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	11991672	45.54		
				94,800	0.36
		At the End of the year		1,20,86,472	45.90

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No	For each of top 10 shareholders	Shareholding at the beginning of the year 01.04.2018		Shareholding at the end of the year 31.03.2019	
		No.of Shares	%	No.of Shares	%
1.	BELOVO ENGINEERING S.C.	10,92,100	4.15	10,92,100	4.15
2.	MALATHY V	3,52,353	1.34	4,51,753	1.72
3.	SUBODH N PUROHIT	2,13,007	0.81	2,03,500	0.77
4.	SARATH CHANDRA REDDY. K	1,28,206	0.49	1,94,781	0.74
5.	SUNITA AGGARWAL	1,44,746	0.55	1,44,746	0.55
6.	PACE STOCK BROKING SERVICES PVT LTD.	6,650	0.03	1,25,502	0.48
7.	NITIN PACHARE	1,09,000	0.41	1,09,000	0.41
8.	UNIFI FINANCIAL PVT LTD.	0	0.00	77,866	0.30
9.	HIRJI EDDIE NAGARWALLA	78,500	0.30	76,985	0.29
10.	S RAVINDRA KAMATH	75,000	0.28	75,000	0.28
11.	THAYUMANAVAN BHASKARANAR	63,125	0.24	63,125	0.24
12.	SINGULARITY VENTURES PRIVATE LIMITED	1,24,999	0.47	0	0.00

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19
(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 Chairman				
	At the beginning of the year	-	-	-	-
	Datewise Decrease	-	-	-	-
	At the End of the year			NIL	NIL
2.	Shri.SKM Shree Shivkumar Managing Director				
	At the beginning of the year	1,19,81,672	45.54	-	-
	12.10.2018	-	-	54,231	0.21
	19.10.2018	-	-	14,569	0.06
	26.10.2018	-	-	17,000	0.06
	02.11.2018	-	-	9,000	0.03
	At the End of the year			1,20,86,472	45.90
3.	Smt .S Kumutaavalli Director				
	At the beginning of the year	10,005	0.03	-	-
	Datewise Increase	-	-	0	0
	At the End of the year			10005	0.03
4.	Shri SM Venkatachalapathy Director				
	At the beginning of the year	15,005	0.06	-	-
	Bought during the year	-	-	51,000	0.19
	At the End of the year			66,005	0.25
5.	Dr.L.M.Ramakrishnan- Non Executive Independent Director				
	At the beginning of the year	5,000	0.019	Nil	Nil
	Datewise Increase/decrease	Nil	NIL	NIL	NIL
	At the End of the year			5000	0.019

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

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
6.	Shri.C.Devarajan- Non Executive Independent Director				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Datewise Increase/Decrease	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL		
7.	Shri.M.Chinnian- Non Executive Independent Director				
	At the beginning of the year	4000	0.02		
	Decrease	-	-	-	-
	At the End of the year	-	-	4000	0.02
8.	Shri.P.Kumarasamy- Non Executive Independent Director				
	At the beginning of the year	-	-	-	-
	Datewise Increase/Decrease	-	-	-	-
	At the End of the year	-	-		
9.	Shri.D.Venkateswaran- Non Executive Independent Director				
	At the beginning of the year	-	-	-	-
	Datewise Increase/Decrease	-	-	-	-
	At the End of the year	-	-		
10.	Tamilnadu Industrial Development Corporation Limited (TIDCO)				
	At the beginning of the year	19,95,800	7.58	-	-
	Datewise Increase/Decrease	-	-	-	-
	At the End of the year			19,95,800	7.58
11.	Other Key Managerial Persons:- 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	-	-		

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	43,83,29,134	-	-	43,83,29,134
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
TOTAL (i + ii + iii)	43,83,29,134	-	-	43,83,29,134
Changes in Indebtedness during the Financial Year				
Addition	4,35,02,581			4,35,02,581
Reduction	4,65,38,701			4,65,38,701
Net Change	(30,36,120)			(30,36,120)
Indebtedness at the end of the financial year				
i) Principal Amount	43,52,93,014			43,52,93,014
ii) Interest due but not paid				
iii) Interest accrued but not due				
TOTAL (i + ii + iii)	43,52,93,014			43,52,93,014

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Shri. SKM. Shree Shivkumar Managing Director	Shri.SKM. Maeilanandhan Executive Director	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	1,57,95,900.00	29,26,000.00	1,87,21,900.00
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	2,11,205.00	1,19,962.00	3,31,167.00
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
	Total	1,60,07,105	30,45,962	1,90,53,067.00
	Based on effective Capital			

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19
B. REMUNERATION TO OTHER DIRECTORS

Sl. No.	Particulars of Remuneration Independent Directors	Names of Directors (Independent Directors)					Total Amount
		Dr.L.M. Rama krishnan	Mr.C. Devarajan	Mr.M. Chinnian	Mr.P. Kumara samy	Mr.D.Ven- kates- waran	
	Fee for attending board committee meetings	8,000	3,000	8,000	8,000	5000	32,000
	Commission	-	-	-	-	-	
	Total(1)	8,000	3,000	8,000	8,000	5000	32,000
	4. Other Non Executive Directors	Names of Non Executive Directors					
		Mr.S.M. Venkata chala pathy	Smt.S. Kumutaa valli	Mr B. Rama- krishnan			
	Fee for attending board committee meetings	8,000	8,000	7,000			23,000
	Commission	—	—	—			
	Others, please specify	—	—	—			
	Total (2)	8,000	8,000	7,000			23,000
	Total (B) = (1 + 2)						55,000

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL**

in Rs.

Sl. No.	Particulars of Remuneration	Shri.K.S.Venkatachalapathy Chief Financial Officer	Shri.P.Sekar, Company Secretary	Total Amount
	Gross Salary			
	(A) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25,29,282.00	5,83,785.00	31,13,067.00
	(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	25,29,282.00	5,83,785.00	31,13,067.00

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

No penalties and/or strictures were imposed on the company by stock exchanges or SEBI or any statutory authorities, on any matter relating to capital markets, during the last three years. However pursuant to settlement order dated 28.02.2019 has made the payment of ordered amount Rs.15,12,645/- for the violation of Regulation 7(3) of SEBI(SAST) Regulation, 1997, Regulation 13(6) of SEBI (PIT) Regulation, 1992 and Regulation 8(3) of SAST, 1997 for non disclosure in the financial year 2002, 2008, 2009, 2010, 2011.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19**ANNEXURE-F****FORM AOC-1**

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

**Statement containing salient features of the financial statement of subsidiaries/associate companies/
joint ventures****Part "A": Subsidiaries**

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

S No	Particulars	Information	
1	Name of the subsidiary company	SKM Europe BV	
2	The date since which subsidiary was acquired	22.09.2005	
3	Currency of subsidiary company	Euro	
4	Reporting Currency	Indian Rupee (INR)	
5	% of Shareholding	85%	
	Particulars	INR (Rs)	EURO
6	Equity Share Capital	9,79,740	18,000
7	Other Equity	3,01,09,857	4,20,783
8	Total Assets	19,37,68,966	25,33,547
9	Total Liabilities	16,26,79,368	20,94,764
10	Investments	-	-
11	Revenue from Operations	75,77,33,909	93,78,895
12	Profit Before Taxation	(20,46,524)	(20,346)
13	Provision for Taxation	-	-
14	Profit After Taxation	(20,46,524)	(20,346)
15	Other Comprehensive Income	36,13,550	-
16	Total Comprehensive Income	15,67,026	(20,346)
17	Proposed dividend	-	-

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

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

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19**Part "B": Associates****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

S No	Particulars	Information
1	Name of Associates	SKM Universal Marketing Company India Private Limited
2	Latest audited Balance Sheet Date	31/3/2018
3	Date on which the Associate was associated or acquired	1/4/2010
4	Shares of Associate or Joint Ventures held by the company on the year end	
	(i) Number of shares	789,700
	(ii) Amount of Investment in Associates	Rs.1,18,45,572
	(iii) Extent of Holding (in percentage)	26%
5	Description of how there is significant influence	Company holds not less than 20% of equity shares & voting power in the investee company
6	Reason why the associate/joint venture is not consolidated	Not Applicable
7	Networth attributable to shareholding as per latest audited Balance Sheet (as on 31.03.2018)	Rs. 6,54,22,281
8	Profit / (Loss) for the year 2018-19 (Unaudited) of the company	(Rs. 3,84,48,752)
	(i) Considered in Consolidation (26%)	(Rs. 99,96,676)
	(ii) Not Considered in Consolidation	-

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

For SKM Egg Products Export (India) Limited

N. PRASANNA VENKATESAN
Chartered Accountant
Membership No. : 235530

SKM MAEILANANDHAN
Executive Chairman

SKM SHREE SHIVKUMAR
Managing Director

K.S.VENKATACHALAPATHY
Chief Financial Officer

P. SEKAR
Company Secretary

MANAGEMENT DISCUSSION AND ANALYSIS

KEY FACTORS WHICH AFFECT THE PERFORMANCE OF THE COMPANY:

1. The Company recorded revenue of Rs.29,497 lakhs (including other income of Rs.859 lakhs) for the year ended 31st March,2019 as against Rs.30,184 lakhs (including other income of Rs.1,977 lakhs) in the previous year ended 31st March,2018.
2. The Profit before tax was at Rs.723 lakhs for the year ended 31st March,2019 as compared to Rs.426 lakhs during the corresponding in the last year.
3. The Net Profit was at Rs.628 lakhs as on 31st March,2019 as against Rs.77 lakhs in the previous year.
4. The quantity sold during the year 2018-19 stood at 6,420 tons, when compared to 6295 Tons during the previous year ended 31st March, 2018.

CAPITAL EXPENDITURE AND FUNDING:

1. The Capital Expenditure incurred and funded for the year is Rs.836 lakhs of which Rs.682 lakhs pertain to plant and machinery.
2. During the year under review, your company has sold/deleted/adjusted assets worth Rs.27 lakhs.

CORPORATE GOVERNANCE

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

OUTLOOK OF THE INDUSTRY

The global egg powder market is expected to witness substantial growth during the next decade. Increasing egg consumptions based on its nutritional value in the developing economies is expected to be the primary factors for the rising growth of global egg powder market during next 5 years. Apart from that, increasing consumer inclination towards the bakery and confectionery goods is anticipated to fuel the sales of egg powder at a global level. High shelf-life of the product is considered to be one of the major drivers supporting the growth of egg powder market. Egg powder is convenient to store as compared to whole eggs which are fragile. Increasing application of egg powder in various sectors and its potential food based application of the product is estimated to boost the growth of this market. Innovations in processing technique to increase the production capacity of the product will foster its growing need across various industries.

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Whole egg powder holds a lion's share in the global egg powder market based on its high nutritional value and potential replacement of shell egg in various industries. Easy transport property and high shelf-life of the product makes its application potential in the global egg powder market. The segment is estimated to hold a major share in next 5 years, registering a CAGR of around 5% in the global market. Based on the growing demand for convenience food and boost in the fast-food sector, application of egg powder in noodles & pasta witnessing substantial growth.

However lack of product awareness among the consumers and hence some of the emerging markets remain untapped.

Few incidences of egg allergies hinder the growth of this market. High product cost is another barrier for continual growth of this sector.

FUTURE PROSPECTS

Your company planning to make valuable investments in research and development (R&D) to deliver wide range of products to the consumer and capture new consumer base. Based on the strong focus on R&D sector, Your company plans to deliver various types of stable variety of egg powder across the world. Product development and strong focus on offering the consumers with wide range of product portfolio is another strategy followed by your company to strengthen its position in the domestic market and to create a strong brand portfolio.

SALES AND MARKETING:

This egg products international market is highly competitive one. In this situation, we, SKM Egg Products Export (India) Limited has established a very wide network in Russia, Europe, Far East, South East and Middle East Asian countries successfully. Since we are able to maintain good relationship with customers, consistency in quality and timely delivery, we are able to maintain our success by getting repeat orders for the past 23 years, particularly from the major markets of Russia, Japan, Europe, Indonesia, Thailand, Vietnam, Nigeria, Taiwan, Dubai, etc.,

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

Further we are the first Asian company in egg products sector to enter Russian market. It is not so easy to enter this market as European suppliers are very strong in this region. Nearly after 4 years of hard work (fulfilling their Regulation is so difficult), successfully we entered in this market in 2015-16 and now Russia is our customer for our Egg Yolk variants. We are exporting around 60% of our egg yolk powder variants to Russia only.

Our new products of Chilled Egg Liquid & frozen egg liquid are highly acceptable in Europe, Middle East and South East Asian countries, and successfully penetrated in these markets. We are continuously exporting our egg liquid products in UAE and Middle East countries. And also two main customers in Oman have already approved our liquid products and started buying it @ 3 containers per month. A new customer in Thailand has already approved our

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Frozen Egg Albumen and interested place order for 2 containers per week until December '19. Like that now we have re-entered Korea market and we expect good volume of business in this market later this year. Re-entered Saudi Arabia market also and started supplying from July '19 onwards.

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

Now we are working to enter into the news markets of Iran, Lithuania, Singapore, etc., also working to identify more customers in Nigeria, Russia, Korea, Europe, etc., We hope, to expand our sales in these markets within end of this financial year.

Apart from the above, we have successfully entered domestic market with innovative egg products like, Egg Albumen cube, retail & whole sale pack of egg liquid variants, Egg protein health drinks, etc., There is good demand for these products in the domestic market and we propose to go for pan India basis in the coming years.

SUBSIDIARY COMPANY:

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

HUMAN RESOURCES:

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

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2019

**[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,
No 133, 133/1, Gandhiji Road,
Erode - 638 001.

I V. Ramkumar, Company Secretary in Practice (Membership No.:F8304, CP No: 3832) 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 2019**, 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. The members are requested to read this report along with our letter of even date annexed to this report as **Annexure A**.

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, 2019** 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;

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- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

Not applicable to the company during the period under review.

- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

Not applicable to the company during the period under review.

- e. The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) (Amendment) Regulations, 2018;
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

Not applicable to the company during the period under review.

- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

Not applicable during the period under review as the company is not acting as a Registrar and Share Transfer Agent

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

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

- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

Not applicable as the Company has not bought back any of its securities during the financial year under review.

- vi. The laws as are applicable specifically to the Company are as under:

1. Food Safety and Standards Act, 2006
2. The Export (Quality Control and Inspection) Act, 1963

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulation to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015

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

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

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

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

In my opinion, adequate systems and processes and control mechanism exist in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines subject to our specific observations in **Annexure B** to this report

V. Ramkumar

FCS No. 8304

C P No. 3832

Date : 31.07.2019

Place : Coimbatore

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Annexure –A to Secretarial Audit Report of even Date

To

The Members,
SKM Egg Products Export (India) Limited,
No 133, 133/1, Gandhiji Road,
Erode - 638 001.

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

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

V. Ramkumar

FCS No. 8304

C P No.3832

Date : 31.07.2019

Place : Coimbatore

Annexure –B

To Secretarial Audit Report of even Date- Observations

1. The nominee Director from TIDCO, has been disqualified pursuant to section 164(2)(a) of the Companies Act, 2013 and he continues to be Director, pursuant to the interim stay granted by the Hon'ble High Court of Madras order dated 06th March 2018
2. There was delay in transferring the unclaimed Dividend pertaining to the year 2007-08 and 2008-09 to the IEPF as the unclaimed dividend account was frozen by the Income Tax Department and money transferred after the ITAT verdict. Shares in respect of which dividend have not been paid or claimed for seven consecutive years or more has not been transferred and corresponding forms IEPF 3 & IEPF 7 not filed.
3. The Company, pursuant to settlement order dated 28.02.2019 has made the payment of ordered Rs.15,12,645/- for the violation of Regulation 7(3) of SEBI (SAST) Regulation, 1997 Regulation 13(6) of SEBI (PIT) Regulation, 1992 and Regulation 8(3) of SAST, 1997 for on disclosure in the financial year 2002, 2008,2009,2010,2011 and the said payment has been made during the year under review 2018-2019.
4. The company has not provided the disclosure pertaining to the list of core skills/ expertise / competencies required by the board of directors in the corporate governance report as required under Regulation 34(3) read with schedule V(C)(2)(h) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as the board of directors are yet to identify the same.
5. Pursuant to regulation 25(3) requires the Independent Directors to meet once year and discuss the items mentioned in regulation 25(4). However we were unable to verify matters transacted at the meeting as informed by the company secretary of the company that minutes of the meeting of the Independent Directors are confidential and only Board Members have an access to the minutes.
6. Draft and signed minutes of the Board and committee meetings were not circulated within 15 days of the conclusion of the respective meetings and signing of meetings respectively.
7. The minutes pertaining to the CSR committee meetings were not made available to the auditor and hence could not be verified.

V. Ramkumar

FCS No. 8304

C P No. 3832

Date : 31.07.2019

Place : Coimbatore

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

- a. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary during the financial year 2018-19 and Ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2018-19:

Name of the Director / Key Managerial Personnel	% increase in remuneration in the Financial Year 2018-2019	Ratio of the remuneration to the median remuneration of the employees
Shri SKM Maeilanandhan	_____	16.48
Shri SKM Shree Shivkumar	**	**
Smt.S.Kumutaavalli	_____	_____
Shri SM Venkatachalathy	_____	_____
Dr.LM.Ramakrishnan (Independent Director)	_____	_____
Shri.C.Devarajan (Independent Director)	_____	_____
Shri.PKumarasmy (Independent Director)	_____	_____
Shri.M.Chinnian (Independent Director)	_____	_____
Shri.B.Ramakrishnan (Nominee Director- TIDCO)	_____	_____
Shri.D.Venkateswaran (Independent Director)	_____	_____
Shri.K.S.Venkatachalapathy (Chief Financial Officer)	4.60	14.35
Shri.P.Sekar (Company Secretary)	10.8	3.31

** Remuneration has been revised with approval of shareholders of previous AGM held 26.09.2019.

- a. During the year, the Non-Executive Directors received only the sitting fees as remuneration
- b. The percentage increase in the median remuneration of employees in the financial year 2018-19 : 10%
- c. The number of permanent employees on the rolls of company : 200

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- d. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average decrease in the salaries of employees other than the managerial personnel in 2018-19 was NIL.

- e. **Affirmation that the remuneration is as per the remuneration policy of the company.**

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

For and on behalf of the Board

Place : Erode

Date : 31.07.2019

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Standalone Financial Statements

Opinion:

We have audited the accompanying standalone financial statements of **M/s. SKM EGG PRODUCTS EXPORT (INDIA) LIMITED, (“the Company”)** (Registered Office at 133, 133/1, Gandhiji Street, Erode – 638 001), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (Including Other Comprehensive Income), the Statement of changes in equity and Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “standalone financial statements”).

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 Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019; the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

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Key Audit Matters

S.No	Key Audit Matter	Auditor's Response
1	Recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard): The application of the Ind AS 115 involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Hence, under Ind AS 115 revenue should be recognized when an entity transfers control of goods or services to a customer. A customer obtains control when the customer has the ability to direct the use of and obtain the benefits from the goods or services. Accordingly, the Company has not recognized revenue for sales initiated in the current year for which physical delivery of goods has happened in the next financial year. Refer note no. 1 to the standalone financial statements	We assessed the company's process to identify the impact of adoption of Ind AS 115. Our audit approach consisted testing of the design and operative effectiveness of internal controls and substantive testing as follows: ❖ Evaluated the process relating to implementation of the new revenue accounting standard. ❖ Selected a sample of continuing and new contracts relating to identification of the distinct performance obligations and we carried out a combination of procedures involving observation and inspection of evidence in this regard. ❖ Verified all sales which have been concluded before the year end for which physical delivery of goods happened in the next financial year.
2	Recoverability of Direct tax receivables : The company has certain income tax refund receivables on account of the verdict by the appellate authorities. Refer note no.2 to the standalone financial statements	❖ Obtained the details of completed income tax assessments and demands/refunds as on 31.03.2019 from the management. ❖ We have also reviewed the company's correspondences and appellate orders. ❖ Ascertained the recoverability of the receivables and ensured appropriate disclosure under Notes on accounts.
3	Evaluation of Contingent liabilities: The company has an uncertain indirect tax position and other contingent liabilities which involve significant judgment to determine the possible outcome of these matters. Refer note no.2 to the standalone financial statements	❖ Obtained the details of completed indirect tax assessments and demands as on 31.03.2019 from the management. ❖ We have also reviewed the company's correspondences and appellate documents. ❖ Considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. ❖ Ascertained the chances of crystallization of liability are probable / possible / remote and ensured appropriate disclosure under Notes on accounts.

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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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 implementation and maintenance of 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process

Auditor's Responsibility for the Audit of Standalone financial statements:

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ❖ Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- ❖ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- ❖ Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.14,85,51,657/- as at 31st March, 2019 and total revenues of Rs.34,79,31,846/- for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of this branch has been furnished to us and our opinion is based on those Financial Statements received from the Branch Office and certified by the Management. Our opinion is not qualified / modified in respect of this matter.

Report on Other Legal and Regulatory Requirements:

- 1) 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.

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- 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 (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow 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 prescribed under Section 133 of the Act read with relevant rules issued thereunder.
- e) On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure A**”; and
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Also Refer Note number 2(ii) of Notes on Accounts to the Standalone Ind AS 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.
- 2) As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the “**Annexure - B**” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

N.PRASANNA VENKATESAN
CHARTERED ACCOUNTANT
Membership No.235530

Date : 29.05.2019

Place : Erode

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

ANNEXURE - A

TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

Referred to in paragraph 1(f) under Report on Other legal and Regulatory Requirements of our Report of even date

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

We have audited the internal financial controls over financial reporting of **M/s. SKM EGG PRODUCTS EXPORT (INDIA) LIMITED**, ("**the Company**") as of 31 March 2019 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

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

Auditors' Responsibility:

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

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

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

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

Meaning of Internal Financial Controls over Financial Reporting:

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

Inherent Limitations of Internal Financial Controls over Financial Reporting:

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

Opinion:

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

N.PRASANNA VENKATESAN
CHARTERED ACCOUNTANT
Membership No. 235530

Date : 29.05.2019

Place : Erode

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

ANNEXURE - B

TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE INDAS FINANCIAL STATEMENTS OF SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

Referred to in Paragraph 2 under the Heading of "Report on Other Legal and Regulatory Requirements" section of our report of even date

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

1. a. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
b. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verifications.
c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The Management has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed on physical verification.
3. The Company during the year has not granted any secured or unsecured loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act.
4. The Company during the year has not granted any loans, or made any investments, or given any security or guarantees and hence Section 185 and 186 of the Companies Act, 2013 are inapplicable.
5. The Company has not accepted any deposits from the public and hence this clause is inapplicable.
6. The Central Government has specified the maintenance of Cost Records under sub-section (1) of section 148 of the Companies Act, and such accounts and records have been made and maintained.
7. a. According to the records of the company, the company is regular in depositing undisputed statutory dues including provident fund, employee state insurance, income-tax, sales-tax, 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, 2019 for a period of more than six months from the date they became payable.
b. Disputed dues of income-tax, sales-tax, service Tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, if any, pending as at 31st March, 2019 are given below:

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

Nature of the Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount (Rs)
Central Excise Act, 1944	Excise Duty	CESTAT, Chennai	November, 2011 to March, 2014	5,58,575/-
Finance Act, 1994	Service Tax	High Court of Chennai	January, 2005 to April, 2006	2,00,863/-
		High Court of Chennai	July, 2005 to March, 2008	33,19,232/-
		CESTAT, Chennai	April, 2006 to March, 2015	12,89,582/-
		Deputy Commissioner of Central Excise, Salem	April, 2014 to September, 2014	7,36,203/-
		CESTAT, Chennai	August, 2012 to March, 2015	43,96,748/-
		Assistant Commissioner of Central Excise & GST, Erode	April, 2015 to March 2017	39,64,111/-
		Deputy Commissioner of Central Excise, Salem	April, 2015 to March, 2016	3,25,486/-

8. The company has not defaulted in repayment of loans or borrowings to Financial Institutions, banks or government.
9. The company during the year has not raised any money through Initial or Further Public Offer (including debt instruments) and hence this clause is inapplicable in as much as it deals with raising of money through public offer and its subsequent application. Based on our audit procedures, we are of opinion that, term loans borrowed by the company were applied for the purposes for which those are raised.
10. According to the information and explanation given to us and from the audit procedures adopted by us, we are of opinion that, no fraud by the company or no fraud on the company by its officers or employees has been noticed or reported during the year.
11. The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the companies Act, 2013.
12. The Company is not a "Nidhi company" and hence the Nidhi Rules, 2014 are inapplicable and consequently this clause is inapplicable to the company.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

13. According to the information and explanation given to us, all transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, wherever applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence this clause is inapplicable to the company.
15. According to the information and explanation given to us and from our audit observation, we are of opinion that, the company has not entered into any non-cash transactions with its directors or persons connected with them and hence Section 192 of the Companies Act, 2013 and this clause are inapplicable to the company.
16. The company is not a Non-banking financial company and hence the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence the requirement to get registered under Reserve Bank of India Act, 1934 does not arise.

N.PRASANNA VENKATESAN
CHARTERED ACCOUNTANT
Membership No. 235530

Date : 29.05.2019

Place : Erode

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

STANDALONE BALANCE SHEET AS AT 31st MARCH, 2019

CIN : L01222TZ1995PLC006025

(in Rs.)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
I. Assets			
(1) Non-current assets			
(a) Property, Plant and Equipment	3(a)	62,43,84,516	63,98,02,943
(b) Capital work-in-progress	3(b)	4,88,73,446	1,49,78,649
(c) Financial Assets			
(i) Investments	4(a)	1,26,78,351	1,26,78,351
(ii) Loans	4(b)	2,15,78,876	1,61,89,337
(2) Current assets			
(a) Inventories	5	42,86,56,723	39,47,59,283
(b) Financial Assets			
(i) Trade receivables	6(a)	12,65,49,802	16,14,89,395
(ii) Cash and cash equivalents	6(b)	23,20,54,117	19,99,02,893
(iii) Bank balances other than (ii) above	6(c)	31,36,558	20,66,104
(iv) Loans	6(d)	3,20,46,108	1,62,72,903
(v) Other Financial Assets	6(e)	2,50,00,000	3,91,61,287
(c) Other current assets	7	8,30,25,007	10,74,93,071
Total Assets		163,79,83,506	160,47,94,217
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	8(a)	26,33,00,000	26,33,00,000
(b) Other Equity	8(b)	68,18,34,735	63,48,89,834
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	9	3,56,21,984	34,635
(b) Provisions	10	54,87,449	78,18,073
(c) Deferred tax liabilities (Net)	11	6,57,76,658	7,66,95,931
(d) Other non-current liabilities			
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12(a)	39,06,66,495	43,72,05,196
(ii) Trade payables	12(b)		
(A) total outstanding dues of micro enterprises and small enterprises; and		49,15,273	24,99,647
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		15,40,57,847	16,18,67,520
(iii) Other financial liabilities	12(c)	1,21,41,092	43,95,325
(b) Other current liabilities	13	1,03,31,124	74,31,270
(c) Provisions	14	1,38,50,848	86,56,785
Total Equity and Liabilities		163,79,83,506	160,47,94,217

See accompanying Notes to the Financial Statements

FOR AND ON BEHALF OF THE BOARD

N.PRASANNA VENKATESAN
Chartered Accountant
Membership No. : 235530

SKM MAEILANANDHAN
Executive Chairman
& Whole Time Director
(DIN : 00002380)

SKM SHREE SHIVKUMAR
Managing Director
(DIN : 00002384)

PLACE : Erode
DATE : 29.05.2019

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

P.SEKAR
Company Secretary
Membership No.A36565

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31st MARCH 2019 (in Rs.)

CIN : L01222TZ1995PLC006025

Particulars	Note No.	2018 - 19	2017 - 18
Revenue from operations	17	286,37,88,040	282,06,67,018
Other Income	18	8,59,22,546	19,77,26,055
Total Income		294,97,10,586	301,83,93,073
EXPENSES			
Cost of materials consumed	19	183,53,51,639	162,79,06,278
Purchases of Stock-in-Trade	20	39,82,23,269	62,01,21,327
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	21	(1,43,02,691)	11,63,76,182
Employee benefits expense	22	14,18,17,031	12,12,57,121
Finance costs	23	4,24,71,841	4,97,85,877
Depreciation and amortization expense	24	10,87,70,101	12,95,31,972
Other expenses	25	36,50,51,918	31,08,60,912
Total expenses		287,73,83,108	297,58,39,670
Profit/(loss) before tax		7,23,27,478	4,25,53,403
Tax expense:			
(1) Current tax		2,27,35,052	1,74,40,464
(2) Deferred tax	26	(1,09,19,273)	1,55,04,521
Profit/(loss) for the period		6,05,11,699	96,08,417
Other Comprehensive Income			
(i) Items that will not be reclassified to Statement of Profit and loss		31,77,738	(28,50,744)
(ii) Income tax relating to items that will not be reclassified to Statement of Profit and loss		8,84,047	(9,42,541)
(iii) Items that will be reclassified to Statement of Profit and loss		-	-
(iv) Income tax relating to items that will be reclassified to Statement of Profit and loss		-	-
Total Comprehensive Income for the year		6,28,05,390	77,00,215
Earning per equity share of face value Rs.10 each	27		
Basic (in Rs)		2.30	0.36
Diluted (in Rs)		2.30	0.36

See accompanying Notes to the Financial Statements

FOR AND ON BEHALF OF THE BOARD

N.PRASANNA VENKATESAN
Chartered Accountant
Membership No. : 235530

SKM MAEILANANDHAN
Executive Chairman
& Whole Time Director
(DIN : 00002380)

SKM SHREE SHIVKUMAR
Managing Director
(DIN : 00002384)

PLACE : Erode
DATE : 29.05.2019

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

P.SEKAR
Company Secretary
Membership No.A36565

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED Statement Of Changes In Equity

A. Equity Share Capital

Balance at the beginning of the reporting period (i.e. 1st April, 2018)	Changes in equity share capital during the year 2018-19	Balance at the end of the reporting period (i.e. 31st March, 2019)
26,33,00,000	-	26,33,00,000
Balance at the beginning of the reporting period (i.e. 1st April, 2017)	Changes in equity share capital during the year 2017-18	Balance at the end of the reporting period (i.e. 31st March, 2018)
26,33,00,000	-	26,33,00,000

B. Other Equity

As on 31st March 2019

Particulars	Reserves & Surplus				
	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance at the beginning of the reporting period (i.e. 1st April, 2018)	4,00,692	4,32,812	62,88,04,419	52,51,910	63,48,89,834
Total Comprehensive Income for the year	-	-	6,05,11,699	22,93,691	6,28,05,390
Dividends	-	-	(1,31,65,000)	-	(1,31,65,000)
Tax on dividends	-	-	(26,95,490)	-	(26,95,490)
Balance at the end of the reporting period (i.e. 31st March, 2019)	4,00,692	4,32,812	67,34,55,628	75,45,602	68,18,34,734

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

As on 31st March 2018

Particulars	Reserves & Surplus				
	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance at the beginning of the reporting period (i.e. 1st April, 2017)	4,00,692	4,32,812	61,91,96,002	71,60,113	62,71,89,619
Total Comprehensive Income for the year	-	-	96,08,417	(19,08,203)	77,00,215
Dividends	-	-		-	-
Tax on dividends	-	-		-	-
Balance at the end of the reporting period (i.e. 31st March, 2018)	4,00,692	4,32,812	62,88,04,419	52,51,910	63,48,89,834

As per our report of even date

FOR AND ON BEHALF OF THE BOARD

N.PRASANNA VENKATESAN

Chartered Accountant
Membership No. : 235530

SKM MAEILANANDHAN

Executive Chairman
& Whole Time Director
(DIN : 00002380)

SKM SHREE SHIVKUMAR

Managing Director
(DIN : 00002384)

PLACE : Erode

DATE : 29.05.2019

K.S.VENKATACHALAPATHY

Chief Financial Officer
Membership No.029064

P.SEKAR

Company Secretary
Membership No.A36565

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

CASH FLOW STATEMENT FOR THE PERIOD FROM 1ST APRIL, 2018 TO 31ST MARCH, 2019 (in Rs.)

Particulars	31.03.2019	31.03.2018
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax as per Statement of Profit and Loss	7,23,27,478	4,25,53,403
Adjusted for:		
Depreciation	6,48,01,045	6,12,32,177
Financial Cost	4,24,71,841	4,97,85,877
(Profit) / Loss on Sale of Assets	(2,19,714)	(42,969)
Interest income	(2,28,36,140)	(47,78,123)
Operating profit before Working capital changes	15,65,44,510	14,87,50,365
Adjusted for:		
Trade & Other Receivables	5,24,06,200	(8,41,11,178)
Inventories	(3,38,97,440)	12,85,02,823
Trade & Other Payables	1,04,08,704	(2,88,57,161)
Cash Generated from Operations	18,54,61,973	16,42,84,850
Taxes Paid (Net)	(2,27,35,052)	(1,74,40,464)
Net Cash from / (used in) Operating Activities - A	16,27,26,921	14,68,44,386
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(13,35,53,638)	(7,85,43,215)
Capital Subsidy from Ministry of Food Processing	5,00,00,000	-
Sale of Fixed Assets	4,95,937	42,961
Interest income	2,28,36,140	47,78,123
Net Cash from / (used in) Investing Activities - B	(6,02,21,561)	(7,37,22,130)
CASH FLOW FROM FINANCING ACTIVITIES:		
Long Term Borrowings	3,55,87,349	(10,54,668)
Financial Cost (Net)	(4,24,71,841)	(4,97,85,877)
Dividend & Dividend distribution tax	(1,58,60,490)	-
Net Cash Flow from / (used in) Financing Activities - C	(2,27,44,982)	(5,08,40,545)
Net Increase / (Decrease) in Cash and Cash equivalents	7,97,60,378	2,22,81,710
Opening Cash & Cash Equivalents	(23,52,36,199)	(25,75,17,909)
Closing Cash & Cash Equivalents	(15,54,75,821)	(23,52,36,199)

As per our report of even date

FOR AND ON BEHALF OF THE BOARD

N.PRASANNA VENKATESAN
Chartered Accountant
Membership No. : 235530

SKM MAEILANANDHAN
Executive Chairman
& Whole Time Director
(DIN : 00002380)

SKM SHREE SHIVKUMAR
Managing Director
(DIN : 00002384)

PLACE : Erode
DATE : 29.05.2019

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

P.SEKAR
Company Secretary
Membership No.A36565

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

Notes to the Standalone Financial Statements for the year ended 31st March '2019

1. CORPORATE INFORMATION

SKM Egg Products Export India Limited ("the company") is an Export Oriented Undertaking and engaged in the manufacture and sale of Egg Products. The company is a listed entity incorporated and domiciled in India.

The address of its registered office is No.133, 133/1, Gandhiji Road, Erode - 638001 and the address of the principal place of business is Cholangapalayam, Erode which addresses are also disclosed in the introduction to the annual report. The Company has its primary listing with Bombay Stock Exchange and National Stock Exchange in India.

SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF PREPARATION AND PRESENTATION:

The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value amount :

- i) Certain financial assets and liabilities (including derivative instruments)
- ii) Defined benefit plans - plan assets

STATEMENT OF COMPLIANCE :

These financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS'), notified under Section 133 of the Companies Act, 2013 (the Act), read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Effective April 1, 2017, the Company has adopted all the applicable Ind AS Standards and the adoption was carried out in accordance with Ind AS 101, First Time adoption of Indian Accounting Standards, with April 1, 2016 as the transition date. The transition was carried out from Indian Accounting Principles Generally Accepted in India (Indian GAAP), as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP), which was the previous GAAP.

Accounting Policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto adopted.

FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the company.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Inventories

Inventories are valued in line with Ind AS 2 - Inventories. Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition. . The formula used for arriving at the cost for various items of inventories are as follows:

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

- i) Raw materials
- ii) Packing Materials
- iii) Additives
- iv) Stores & Spares
- v) Semi-finished goods
- vi) Finished goods
- vii) Livestock

Revenue Recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from sale of goods is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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

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

Interest Income :

Interest income from a financial asset is recognised using effective interest rate method.

Dividend Income :

Revenue on account of dividend income recognised when the Company's right to receive the payment has been established.

Government grants / assistance :

Revenue from grants, subsidies or government assistance in any form are recognised when the Company's right to receive the payment has been established.

Finance Cost

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Tax Expenses:

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on the tax rates that are enacted or substantively enacted at the Balance Sheet date.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

Cash Flow Statements

Cash Flow Statement has been prepared under "Indirect Method". For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the balance sheet, bank overdrafts are presented under borrowings within current liabilities.

Leases

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to the qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

Property, plant & equipment:

Property, plant & equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net changes on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use are considered as pre-operative expenses and disclosed under Capital Work-in-progress.

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

The residual values, useful lives and method of depreciation of property, plant & equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant & equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Foreign currencies transactions and translation:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the dates of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting rate.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-

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monetary items measured at fair value is treated in line with recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

Employee Benefits Expense:

Short Term Employment Benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits:

Defined Contribution Plans:

A defined contribution plan is a post-employment benefit plan under which the company pays specified contributions to the specific entity. The company makes specified monthly contributions towards Provident Fund and Pension Scheme. The company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plans:

The gratuity liability amount is contributed to the gratuity fund approved by the respective IT authorities. 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.

Impairment of non-financial assets - property, plant and equipment:

The company assesses at each reporting date as to whether there is any indication that any property, plant and equipment or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the company's financial statement requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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Depreciation / amortisation and useful lives of property, plant and equipment and Livestock:

Property, plant and equipment / Livestock are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for the future periods is revised if there are significant changes from previous estimates.

Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

Impairment of non-financial assets:

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

Impairment of financial assets:

Though there is no impairment of assets during the year, the Company generally follows the impairment provisions for financial assets which are based on assumptions about risk of default and expected cash loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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APPROVAL OF FINANCIAL STATEMENTS:

The Financial Statements were approved for issue by the board of directors at their meeting held on 29.05.2019.

The Accounting Standard "Ind AS - 115 notified by the Ministry of Corporate affairs on 28.3.2018, dealing with revenue from contract with customers, applicable to the company from this current financial year, has no significant impact on the Company's Financial Statements.

Also the amendments carried out by the MCA in the following accounting standards had no significant impact on the company's financial statements:

Ind AS - 21 -The effects of changes in Foreign Exchange Rates

Appendix B of Ind AS 21 deals with "Foreign Currency Transactions and Advance Consideration". When an entity pays or receives consideration in advance in a foreign currency, it generally recognises a non-monetary asset or non-monetary liability before the recognition of the related asset, expense or income.

The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

Accordingly, when advance is paid or advance is received in foreign currency, such date is considered the transaction date to determine the spot / exchange rate for such transactions.

Ind AS - 40 - Investment Property

The IND AS 40 dealing with "Investment Property" is presently inapplicable as the company does not have any investment property at present.

Ind AS - 12 - Income Taxes

The amendments carried with respect to this Ind AS had no significant impact on the company's financial statements.

Ind AS- 28 - Investments in Associates and Joint Ventures

The amendments carried with respect to this Ind AS is inapplicable to the entity because the company as well as the associate company are not investment entities (such as a venture capital organisation, or a mutual fund, unit trust or similar entities including investment-linked insurance funds) and the question of measuring investment at fair value of investment through profit or loss does not arise.

Ind AS - 112 - Disclosure of Interest in Other Entities

The amendments carried with respect to this Ind AS are inapplicable to the entity.

Accounting for Government Grants and Disclosure of Government Assistance:

The Government Grants are accounted in line with IND AS 20 - "Accounting for Government Grants and Disclosure of Government Assistance".

By virtue of undertaking the expansion & modernisation project in relation to the Property, plant & equipments for the year, the company has been entitled for subsidy of Rs.5,00,00,000/- from the the Ministry of Food Processing,

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governed and controlled by the Central Government. Out of the said subsidy entitlement of Rs.5,00,00,000/-, the company has received an amount of Rs.2,50,00,000/- during the year and the remaining amount of Rs.2,50,00,000/- is reasonably expected to be received in the subsequent year.

Hence the said Government Grant of Rs.5,00,00,000/- is accounted by way of deduction from the Property, plant & equipments during the year.

During the year, the company has received The Government Grants are accounted in line with IND AS 20 - "Accounting for Government Grants and Disclosure of Government Assistance".

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised - Nil

02. CONTINGENT LIABILITIES & COMMITMENTS :

Particulars	As at 31.03.2019	As at 31.03.2018
(a) Claims against the company /disputed liabilities not acknowledged as debts:		
i) Income Tax Liability	--	2,25,20,850
ii) Service Tax Liability	1,42,32,225	99,42,628
iii) Excise Duty Liability	5,58,575	6,23,458
(b) Other money for which the Company is contingently liable:		
i) Liability in respect of bills discounted with banks	13,61,31,458	21,36,29,525

No provision has been made in respect of the above demand of Excise Duties and Service Tax, 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.

The company was successful in the matter relating to the appeals filed for the Assessment year 2008-2009 & 2009-2010 with the Commissioner of Income Tax (Appeals) and had received a refund of Rs.3.32 crores in relation to the above. However, the income tax department had preferred appeal against this issue which matter is subjudice before the Honourable ITAT as on the date of approval & issue of this financial statements.

The company was successful in the matter relating to the appeals filed for the Assessment year 2014-2015 with the Commissioner of Income Tax (Appeals), which has the impact of cancelling the demand to the tune of Rs.2.72 Crores. As the said tax amount had already been adjusted by the Income tax department against the refunds of the other years, presently the consequent giving effect order for the said year and income tax refunds are being awaited.

The carried forward losses under the Income Tax Act, 1961 of the earlier assessment year A.Y.2013-14 amounting to Rs.3.59 crores have been reduced by the Assessing Officer while completing the assessment by making some adjustments to the returned Loss. The Company has preferred appeals before the immediate superior authority which appeals are pending for disposal as on the date of the financial reports. Since the adjustments have resulted only in the reduction of carry forward losses, there is no immediate demand raised. Hence, conservatively the said losses have not been considered while filing return of income for the to the for the relevant assessment years. The tax impact on account of the said issue would be approximately Rs.1.20 crores.

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03. PROPERTY, PLANT & EQUIPMENT

(in Rs.)

S. No.		Particulars	Gross Block				Depreciation			Net Block	
			01.04.2018	Addition during the year	Deduction during the year	31.03.2019	01.04.2018	Depreciation for the year	Deduction / Adjustment during the year	31.03.2019	01.04.2018
(a)	Tangible Assets										
	(Own assets)										
	Land	3,58,09,230	-	-	3,58,09,230	-	-	-	-	3,58,09,230	3,58,09,230
	Building	43,31,41,172	36,92,157	-	43,68,33,329	15,28,47,359	1,27,15,332	-	16,55,62,691	27,12,70,638	28,02,93,813
	Plant & Machinery	75,75,83,683	3,42,71,390	-	79,18,55,073	50,20,98,697	3,82,10,278	-	54,03,08,975	25,15,46,098	25,54,84,986
	Electrical Installation and equipments	7,36,41,696	5,22,789	-	7,41,64,485	6,76,76,172	16,31,528	-	6,93,07,700	48,56,784	59,65,524
	Lab Equipment	3,83,20,794	13,47,704	-	3,96,68,498	2,11,11,017	23,70,194	-	2,34,81,211	1,61,87,287	1,72,09,777
	Office Equipment	1,59,56,203	7,64,404	-	1,67,20,607	1,12,23,448	16,91,215	-	1,29,14,663	38,05,944	47,32,755
	Computers	3,02,29,385	13,44,007	-	3,15,73,392	1,44,02,713	33,14,807	-	1,77,17,520	1,38,55,872	1,58,26,672
	Furniture & Fixtures	1,00,19,529	15,77,698	-	1,15,97,227	64,98,511	4,79,091	-	69,77,602	46,19,625	35,21,018
(b)	Motor Vehicles	4,67,76,470	61,38,692	27,49,863	5,01,65,299	2,58,17,301	43,88,601	24,73,640	2,77,32,262	2,24,33,037	2,09,59,169
	SUB TOTAL (a)	144,14,78,163	4,96,58,841	27,49,863	148,83,87,140	80,16,75,219	6,48,01,045	24,73,640	86,40,02,624	62,43,84,516	63,98,02,943
	Capital Work-in-progress	1,49,78,649	7,23,13,465	3,84,18,667	4,88,73,446	-	-	-	-	4,88,73,446	1,49,78,649
	SUB TOTAL (b)	1,49,78,649	7,23,13,465	3,84,18,667	4,88,73,446	-	-	-	-	4,88,73,446	1,49,78,649
	Total (a + b)	145,64,56,812	12,19,72,305	4,11,68,530	153,72,60,587	80,16,75,219	6,48,01,045	24,73,640	86,40,02,624	67,32,57,963	65,47,81,592
	(Current Year)										
	(Previous Year)	137,85,76,651	16,21,78,938	8,42,98,778	145,64,56,812	74,11,06,104	6,12,32,185	6,63,070	80,16,75,219	65,47,81,593	63,74,70,547

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Depreciation :

Depreciation has been provided under Straight Line Method on the basis of useful lives prescribed under Schedule II of the Companies Act, 2013, except for the Imported Plant & Machinery, whose useful life is different from that prescribed in Schedule II of the Companies Act, 2013 and its useful life is adopted on the basis of engineering & other expert guidance and depreciated accordingly as follows:

Imported Plant & Machinery acquired upto 31.03.2007	Useful life - 25 years
Imported Plant & Machinery acquired from 01.04.2007 to 31.03.2015	Useful life - 20 years

Impairment of Assets :

The recoverable amount of the CGU is determined on the basis of Fair Value less Cost of Disposal (FVLCD). The FVLCD of the CGU is determined based on the market capitalization approach, using the turnover and earnings multiples derived from observable market data. The fair value measurement is categorized as a level 3 fair value based on the inputs in the valuation techniques used.

Based on the above, no impairment was identified as of March 31, 2019 and 2018 as the recoverable value of the CGUs exceeded the carrying value. Further, none of the CGU's tested for impairment as of March 31, 2019 and 2018 were at risk of impairment. An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth, operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the CGU's recoverable amount would fall below its carrying amount.

Government Subsidy / Grant:

The property, plant & equipments are shown net of the subsidy receivable / received of Rs.5,00,00,000/- from the Ministry of Food Processing, governed and controlled by the Central Government.

Mortgage / Charge on Property, plant & equipments:

Plant & Machinery to the extent of Rs.12.23 Cr are under the first charge on account of the Term Loan with banks.

The property, plant & equipments are under the second charge for short term borrowings with banks.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(in Rs.)

Particulars	As at 31.03.2019	As at 31.03.2018
04 (a) INVESTMENTS		
Investment measured at cost:		
In equity shares of subsidiary company:		
SKM Europe BV , The Netherlands of Euro 1 each		
Number of Units	15,300	15,300
Value (Rs)	8,32,779	8,32,779
In equity shares of associate company:		
SKM Universal Marketing Company India Private Limited of Rs.10 each		
Number of Units	7,89,700	7,89,700
Value (Rs)	1,18,45,572	1,18,45,572
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	1,26,78,351	1,26,78,351
Investment measured at cost	1,26,78,351	1,26,78,351
Investment measured at amortised cost	-	-
Total	1,26,78,351	1,26,78,351

The details of subsidiary & associate along with proportion of ownership interest held and country of incorporation are disclosed below:

Name of the subsidiary	Country of Incorporation	Proportion of ownership interest
SKM Europe BV	Netherlands	85%
SKM Universal Marketing Company India Private Limited	India	26%

04(b) LOANS (UNSECURED AND CONSIDERED GOOD)		
Deposits	1,86,84,084	1,38,24,501
Advances	28,94,792	23,64,836
Total	2,15,78,876	1,61,89,337
05. INVENTORIES		
Raw Material, additives & packing materials	6,78,75,125	5,18,47,882
Finished Goods	28,42,72,454	26,99,69,763
Stock in Trade	18,75,041	-
Stores and spares & consumables	3,25,26,436	3,02,95,852
Livestock - Birds	4,21,07,668	4,26,45,786
Total	42,86,56,723	39,47,59,283

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(in Rs.)

Particulars	As at 31.03.2019	As at 31.03.2018
06(a) TRADE RECEIVABLES		
(a) Trade Receivables considered good - Secured	-	-
(b) Trade Receivables considered good - Unsecured	12,65,49,802	16,14,89,395
(c) Trade Receivables which have significant increase in Credit Risk and	-	-
(d) Trade Receivables - credit impaired	-	-
Total	12,65,49,802	16,14,89,395

Trade receivables are netted with Bill discounting of Rs.13,61,31,458/- (Previous year Rs.21,36,29,525/-)

Particulars	As at 31.03.2019	As at 31.03.2018
06(b) CASH AND CASH EQUIVALENTS		
Balances with banks		
Current Accounts	8,66,83,339	3,18,55,237
Demand deposits	14,43,99,396	16,72,70,400
Cash on hand	9,71,382	7,77,257
Sub Total	23,20,54,117	19,99,02,893
06(c) BANK BALANCES OTHER THAN ABOVE		
Balances with banks - Unclaimed dividend		
Current Accounts	31,36,558	20,66,104
Sub Total	31,36,558	20,66,104
Total	23,51,90,675	20,19,68,997

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice and without penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks, demand deposits with banks and net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the balance sheet, bank overdrafts are presented under borrowings within current liabilities.

Cash and Cash equivalents consists of the following for the purpose of cash flow statement:

Cash and Cash equivalents	23,51,90,675	20,19,68,997
Bank Overdrafts	(39,06,66,495)	(43,72,05,196)
Total	(15,54,75,820)	(23,52,36,199)

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Particulars	As at 31.03.2019	As at 31.03.2018
06(d) LOANS (UNSECURED AND CONSIDERED GOOD) - CURRENT		
(a) Loan Receivables considered good - Secured	-	-
(b) Loan Receivables considered good - Unsecured		
(i) Staff Advances	5,81,199	1,62,008
(ii) Trade Advances	2,14,57,735	90,06,706
(iii) Prepaid Expenses	1,00,07,174	71,04,190
(c) Loan Receivables which have significant increase in Credit Risk and	-	-
(d) Loan Receivables - credit impaired	-	-
Total	3,20,46,108	1,62,72,903
06(e) OTHER FINANCIAL ASSETS - CURRENT		
Subsidies receivable & Income accrued on deposits	2,50,00,000	3,91,61,287
Total	2,50,00,000	3,91,61,287
07.OTHER CURRENT ASSETS		
MAT Credit Entitlement & Tax refund receivables	8,30,25,007	10,74,93,071
Total	8,30,25,007	10,74,93,071
08(a) EQUITY SHARE CAPITAL		
Authorised Capital:		
3,00,00,000 Equity Shares of Rs. 10/- Each	30,00,00,000	30,00,00,000
Issued, Subscribed & Paid-up:		
263,30,000 Equity Shares of Rs.10/- each fully paid-up	26,33,00,000	26,33,00,000
Total	26,33,00,000	26,33,00,000
Reconciliation of the number of shares outstanding is set out below:		
Equity Shares:		
At the beginning of the year	2,63,30,000	2,63,30,000
Changes during the year	-	-
At the end of the year	2,63,30,000	2,63,30,000
Details of shareholders holding more than 5% shares:		
Name of the Share Holders		
SKM Shree Shivkumar		
Face value of the Equity Shares	12,08,64,720	11,99,16,720
No of Equity Shares Held as on Balance sheet dt.	1,20,86,472	1,19,91,672
% of Holdings	45.90%	45.54%
Tamilnadu Industrial Development Corporation Limited		
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

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(in Rs.)

Particulars	As at 31.03.2019	As at 31.03.2018
08(b) OTHER EQUITY		
Securities Premium Account :		
Opening Balance	4,00,692	4,00,692
Add : Collected during the year	-	-
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
Retained Earnings:		
Opening Balance	62,88,04,420	61,91,96,002
Add : Current Year Balance before appropriation	6,05,11,699	96,08,418
Less : Dividend Paid	1,31,65,000	-
Less : Dividend Distribution Tax	26,95,490	-
Closing Balance	67,34,55,629	62,88,04,420
Other Comprehensive Income:		
Opening balance	52,51,910	71,60,113
Movement in OCI during the year	22,93,691	(19,08,203)
Closing balance	75,45,602	52,51,910
Total	68,18,34,735	63,48,89,834
09.BORROWINGS - NON CURRENT		
Secured - At amortised cost		
Term Loan		
From Banks	4,46,26,519	-
Nature of loan - Rupee Term Loan		
Maturity date - June 2023		
Terms of repayment - 20 equal quarterly instalments		
Securities offered - Refer note *		
Interest rate - 9.20% p.a.		
Less: Current maturities of long term debt - included in note 12(c)	(90,04,535)	
From Others		
Vehicle Loan	-	34,635
Total	3,56,21,984	34,635

Note : * Term loan is secured against the first charge against Plant & Machineries to the tune of Rs.12.73 crores and personal guarantee of the Managing Director.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(in Rs.)

Particulars	As at 31.03.2019	As at 31.03.2018
10.PROVISIONS - NON CURRENT		
Provision for Employee Benefits		
Earned Leave Encashment	37,46,475	35,55,239
Net Gratuity obligation	17,40,974	42,62,834
Total	54,87,449	78,18,073
11.Deferred Tax Liability(Net)		
At the start of the year	7,66,95,931	6,11,91,410
Charge / (credit) to Statement of Profit & Loss	(1,09,19,273)	1,55,04,521
At the end of the year	6,57,76,658	7,66,95,931
Deferred Tax (Assets) / Liabilities in relation to:		
Property, plant and equipment	6,73,03,266	8,21,37,944
Provisions	(15,26,608)	(11,75,469)
Carry Forward Losses	-	(42,66,544)
Total	6,57,76,658	7,66,95,931
12(a) BORROWINGS - CURRENT		
Secured - At amortised cost		
Working Capital Loans		
From Banks		
Foreign Currency Loans	39,06,66,495	43,72,05,196
Nature of loan - Packing Credit (Foreign Currency)		
Terms of repayment - On demand		
Interest rate - 3.50% p.a. (LIBOR 2.5% + Spread 1%)		
Total	39,06,66,495	43,72,05,196

Working Capital from banks are primarily secured by Hypothecation of stocks of Raw materials, Work-in-progress, finished goods and stores and spares, book debts, receivables, material in transit, etc. Borrowings are secured by second charge on the entire fixed assets of the company and personal guarantees of Executive Chairman and Managing director.

12(b) TRADE PAYABLES

Trade Creditors *		
Due to MSME	49,15,273	24,99,647
Due to others	15,34,16,547	16,11,52,486
Creditors For Expenses & Others		
Due to MSME	-	-
Due to others	6,41,300	7,15,034
Total	15,89,73,120	16,43,67,167

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(in Rs.)

Details relating to micro, small and medium enterprises:

(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	Nil	Nil
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

12(c) OTHER FINANCIAL LIABILITIES - CURRENT		
Current Maturities of Long Term Debt		
(I) From Banks		
Machinery Term Loan - HDFC	90,04,535	-
(II) From Others		
Vehicle Term Loan - Kotak Mahindra	-	10,89,303
Unclaimed Dividends	31,36,558	33,06,022
Total	1,21,41,092	43,95,325

The amount outstanding in respect of unclaimed dividend represents amounts due and outstanding to Investor Education and Protection Fund to the extent of Rs.Nil (Previous year 12.12 lakhs).

13. OTHER CURRENT LIABILITIES		
Advances from customers	1,50,153	93,831
Statutory Dues	1,01,62,971	73,19,439
Other payables	18,000	18,000
Total	1,03,31,124	74,31,270

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14. PROVISIONS		
Provisions for Employee Benefits		
Bonus Payable	71,34,000	58,86,000
Other Provisions	67,16,848	27,70,785
Total	1,38,50,848	86,56,785

15. CAPITAL MANAGEMENT - ADDITIONAL CAPITAL DISCLOSURES:

The Company adheres to the Capital Management framework which is underpinned by the following guiding principles:

- The key objective is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor and customer confidence and to ensure future development of its business.
- Leverage optimally in order to maximize shareholder returns while maintaining strength and flexibility of the Balance Sheet.
- The Company also focusses on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.
- Proactively manage exposure in forex, interest and commodities to mitigate risk to earnings.
- The Company's goal is to continue to be able to return excess liquidity to shareholders to distribute annual dividends in future years.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

The capital structure of the company is as follows:

Particulars	As at 31.03.2019	As at 31.03.2018
Total Equity (A)	94,51,34,735	89,81,89,834
% Change 2018 - 19	5.23%	
Current Loans and borrowings	39,96,71,030	39,17,55,798
Non-current loans and borrowings	3,56,21,984	34,635
Total loans and borrowings (B)	43,52,93,014	39,17,90,433
% Change 2018 - 19	11.10%	
Loans & borrowings as a percentage of total equity	46.06%	43.62%
Total Capital (A) + (B)	1,38,04,27,749	1,28,99,80,267
% Change 2018 - 19	7.01%	

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16.FINANCIAL INSTRUMENTS:

Valuation:

The financial instruments are initially recognized and subsequently re-measured at fair value as described below :

- (a) The fair value of Forward Foreign Exchange contracts is determined using forward exchange rates and yield curves at the balance sheet date.
- (b) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- (c) All foreign currency denominated assets and liabilities using exchange rate at the reporting date.

Fair Value measurement hierarchy:

The fair value of cash and cash equivalents, other bank balances, loans, trade receivables, trade payables and others approximates their carrying amount. The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques. The fair valuation of various financial assets are done by adopting Level 3 category valuation.

Level 1 :

Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 :

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (derived from prices)

Level 3 :

Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Particulars	As at 31.03.2019	As at 31.03.2018
Financial Assets		
At amortised cost		
(i) Trade receivables	12,65,49,802	16,14,89,395
(ii) Cash and cash equivalents	23,20,54,117	19,99,02,893
(iii) Bank balances other than (ii) above	31,36,558	20,66,104
(iv) Loans	5,36,24,984	3,24,62,240
(v) Other Financial Assets	2,50,00,000	3,91,61,287
Financial Liabilities		
At amortised cost		
(i) Borrowings	42,62,88,479	43,72,39,831
(ii) Trade Payables	15,40,57,847	16,18,67,520
(iii) Other Financial Liabilities	1,21,41,092	43,95,325

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	2018-19	2017-18
17. REVENUE FROM OPERATIONS		
Sale of Products :		
Sale of Egg Powder & Egg Liquid - Export	228,41,46,070	194,16,63,103
Sale of Egg Powder & Egg Liquid - Domestic	5,32,65,369	5,75,37,497
Sale of Eggs & Poultry Feed	17,41,42,659	19,96,91,433
Sale of Poultry Feed Ingredients	32,49,72,594	58,67,47,385
Sale of Culling Birds, Litter & Egg Shell (Waste)	2,53,49,232	3,24,66,108
Sale of Declared Goods	19,12,117	25,61,493
Total	286,37,88,040	282,06,67,018
18. OTHER INCOME		
Interest Income	2,28,36,140	47,78,123
Subsidies	11,05,65,401	9,35,81,723
Exchange Fluctuation gain / (loss) - Net	(4,77,77,890)	9,87,74,196
Profit on sale of Assets	2,19,714	42,969
Miscellaneous Income	79,180	5,49,044
Total	8,59,22,546	19,77,26,055
19. COST OF MATERIALS CONSUMED		
Raw materials, additives, vaccines & medicines consumed:		
Opening Stock	4,34,34,492	4,81,09,179
Add: Purchased during the year	181,70,82,799	159,45,56,449
Less: Closing Stock	(6,04,53,101)	(4,34,34,492)
Raw materials consumed: (a)	180,00,64,190	159,92,31,137
Packing materials consumed:		
Opening Stock	84,13,390	24,80,795
Add : Purchased during the year	3,42,96,083	3,46,07,737
Less: Closing Stock	(74,22,025)	(84,13,390)
Packing materials consumed (b)	3,52,87,448	2,86,75,142
Total (a + b)	183,53,51,639	162,79,06,278
20. PURCHASES OF STOCK-IN-TRADE		
Purchase of Egg, Egg Powder & Feed Ingredients	39,82,23,269	62,01,21,327
Total	39,82,23,269	62,01,21,327

The above amount of purchases is inclusive of duties & taxes for which credit is not admissible

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(in Rs.)

Particulars	2018-19	2017-18
21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock - Finished goods	26,99,69,763	38,63,45,945
Closing Stock - Finished goods	(28,42,72,454)	(26,99,69,763)
(Increase)/Decrease in Stock	(1,43,02,691)	11,63,76,182
22. EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	12,52,06,542	10,50,09,793
Contribution to Provident & Other funds	69,35,695	70,13,263
Provision for Gratuity	15,36,224	10,51,162
Provision for Earned Leave	19,23,372	13,59,663
Staff Welfare Expenses	62,15,197	68,23,240
Total	14,18,17,031	12,12,57,121

Defined Contribution Plan:

Employer's contribution to Provident Fund	31,96,561	27,27,918
Employer's contribution to Pension Scheme	35,26,387	36,92,300

The above Employer's contribution to defined contribution plans are net of government contribution of Rs.6,21,636/- under PMRPY & PMPRPY Scheme for the year 2018-19.

Defined Benefit Plan:

a. Reconciliation of Opening and Closing Balances of Defined Benefit Obligations:

Particulars	Gratuity (Funded)	
	31.03.2019	31.03.2018
Present Value of obligation at the beginning of the year	1,21,86,195	94,48,615
Current Service Cost	11,74,577	7,55,889
Interest Cost	9,74,896	9,41,704
Actuarial (gain) / loss	(31,77,738)	28,50,744
Benefits paid	(12,55,800)	(18,10,757)
Present Value of obligation at year end	99,02,130	1,21,86,195

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

b. Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets: (in Rs.)

Particulars	Gratuity (Funded)	
	31.03.2019	31.03.2018
Fair Value of plan assets as at beginning of the year	79,23,361	90,87,688
Expected return on plan assets	6,13,249	6,46,431
Contribution made	8,80,346	-
Benefits Paid	(12,55,800)	(18,10,757)
Actuarial gain / (loss) on the plan assets	-	-
Fair Value of plan assets as at year end	81,61,156	79,23,361

c. Reconciliation of Fair Value of Assets and Obligations

Present value of the obligation	99,02,130	1,21,86,195
Fair Value of plan assets	81,61,156	79,23,361
Funded Status (Surplus / (Deficit))	(17,40,974)	(42,62,834)
Net asset / (liability) recognized in the balance sheet	(17,40,974)	(42,62,834)

d. Expenses recognized during the year

Current Service Cost	11,74,577	7,55,889
Interest Cost	9,74,896	9,41,704
Expected return on plan assets	(6,13,249)	(6,46,431)
Actuarial (gain) / loss	(31,77,738)	28,50,744
Net Cost	(16,41,514)	39,01,906

e. Actual return on the plan assets:

Expected return on plan assets	6,13,249	6,46,431
Actuarial gain / loss on plan assets	-	-
Actual return on plan assets	6,13,249	6,46,431

f. Actuarial Assumptions:

Discount rate (Per annum)	7.50%	8.00%
Expected rate of return on Plan Assets (Per annum)	7.50%	8.00%
Rate of escalation in salary (Per annum)	6.50%	6.50%

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The data required for disclosing information with regard to sensitivity analysis is not made available by the Actuary despite the concerted attempts made by the company to gather the information in this regard and hence the information relating to sensitivity analysis in terms of the amount of responsiveness and the financial impact consequent to change in discount rate, change in rate of salary escalation and change in rate of employee turnover (while holding all the other factors constant), have not been provided for during the year.

These plans typically expose the company to actuarial risks such as:

Investment risk :

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk :

A decrease in the bond interest rate will increase the plan liability, however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk :

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk :

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

23. FINANCIAL COSTS

(in Rs.)

Particulars	2018-19	2017-18
Interest Expenses	2,01,81,288	1,35,78,523
Other borrowing costs - bank charges & bill discount	93,89,737	99,67,960
Exchange Fluctuation - Net	1,29,00,816	2,62,39,394
Total	4,24,71,841	4,97,85,877
24. DEPRECIATION & AMORTISATION		
Depreciation on Property, plant & equipment	6,48,01,045	6,12,32,177
Amortisation of livestock - Birds	4,39,69,056	6,82,99,795
Total	10,87,70,101	12,95,31,972
25. OTHER EXPENSES		
Power & Fuel	12,86,01,803	12,12,27,262
Stores & Spares Consumption	4,97,60,137	3,92,13,552
Repairs and Maintenance:		
a) Building	1,20,13,392	22,83,288
b) Plant & Machinery	1,32,91,896	91,91,776

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(in Rs.)

Particulars	2018-19	2017-18
c) Vehicle - Fuel & Maintenance	1,85,50,388	1,56,78,237
d) Others	1,26,80,965	1,67,02,735
Procurement expenses	73,34,234	68,07,045
Analysing Charges	8,57,452	12,26,371
Rates and Taxes, Registration and Renewal	61,84,918	28,70,258
Rent Expenses	25,29,133	27,75,007
Postage, Courier, Telephone & Internet Charges	16,48,399	18,55,892
Printing & Stationery	7,16,872	5,99,193
Insurance Premium	7,24,372	7,08,143
Advertisement and Publicity	1,99,86,254	30,19,518
Travelling Expenses	60,88,792	64,95,599
Foregin Travelling expenses	39,12,852	28,44,094
Professional Charges	50,59,034	77,80,914
Subscription	3,78,217	5,22,234
Miscellaneous Expenses	6,58,831	7,25,684
Bad Debts written off	16,45,834	-
Audit Fees	6,10,000	6,00,000
Corporate Social Responsibility (CSR) Expenses	25,65,096	46,32,500
Donation	2,62,488	1,100
Annual General Meeting Expenses	1,66,777	2,19,430
Secretarial Expenses	22,27,511	4,13,009
Stock Exchange Listing Fee	6,42,173	7,66,837
Directors' Sitting Fee	55,000	26,000
Sales Commission	52,12,285	7,11,221
Selling Expenses	1,28,36,479	1,24,22,100
Freight and Forwarding Charges	4,78,50,334	4,85,41,915
Total	36,50,51,918	31,08,60,912
25(i) Payment to Auditors as:		
(a) Auditor		
Statutory Audit Fees	3,00,000	3,00,000
Tax Audit Fees	4,00,000	3,00,000
(b) Certification Services - Included in Professional charges	61,000	-
(c) For Appeal Representation and Others - Included in Prof charges	2,10,840	75,000
(d) Reimbursement of expenses	5,004	21,340
Total	9,76,844	6,96,340

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(in Rs.)

25(ii) Corporate Social Responsibility (CSR):

(a) Gross amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is Rs.25.23 lakhs. (Previous year Rs.46.32 lakhs)

(b) Details of amount spent towards CSR is given below:

Particulars	31.03.2019	31.03.2018
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	25,65,096	46,32,500
Total	25,65,096	46,32,500

(c) Out of the above expenditure, Rs.7,30,000/- is spent through implementing agency - SKM Health and Mind Welfare Charitable Trust

26. DEFERRED TAX		
On account of variation of allowances for tax purpose in :		
Depreciation (DTA)/DTL	(1,48,34,677)	1,25,49,127
Business Losses (DTA)/DTL	42,66,544	41,30,863
Income Tax Disallowance (DTA)/DTL	-	-
Provision for gratuity & Earned Leave DTA/(DTL)	(3,51,140)	(11,75,469)
Sale of Assets (DTA)/DTL	-	-
Total	(1,09,19,273)	1,55,04,521
27. EARNINGS PER SHARE		
(i) Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs)	6,05,11,699	96,08,417
(ii) Weighted Average number of Equity Shares used as denominator for calculating Basic EPS (Nos)	2,63,30,000	2,63,30,000
(iii) Weighted Average number Potential Equity Shares (Nos)	-	-
(iv) Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS (Nos)	2,63,30,000	2,63,30,000
(v) Basic Earnings per Share (Rs) (i) / (ii)	2.30	0.36
(vi) Diluted Earnings per Share (Rs) (i) / (iv)	2.30	0.36
(vii) Face Value per Equity Share (Rs)	10	10

Since the company does not have any Potential Equity Shares, the denominator used for calculating Basic EPS and Diluted EPS are the same and consequently Basic EPS and Diluted EPS are the same.

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(in Rs.)

28. INCOME TAXES:

The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	31.03.2019	31.03.2018
Profit / (Loss) before tax	7,23,27,478	4,25,53,403
Applicable Tax Rate	27.82%	33.06%
Computed Tax expense	2,01,21,504	1,40,69,432
Income Tax effect of :		
Expenses related to exempt Income	41,029	-
Expenses disallowed for tax purposes	28,96,116	39,39,937
Allowances for tax purposes	(4,34,038)	(14,50,830)
Income exempt from tax	(1,05,485)	-
Income taxed at higher / (lower) rates	-	-
Others	2,15,925	(60,616)
Current tax provision (A)	2,27,35,052	1,64,97,923
Incremental / (Decremental) Deferred Tax Liability on account of Tangible Assets	(1,48,34,678)	1,11,85,515
Incremental / (Decremental) Deferred Tax Liability on account of Financial & Other Assets / Liabilities	42,66,544	41,30,863
(Incremental) / Decremental Deferred Tax Asset on account of Other Assets	(3,51,140)	1,88,143
Deferred tax provision (B)	(1,09,19,273)	1,55,04,521
Tax Expenses recognised in Statement of Profit & Loss	1,18,15,779	3,20,02,444
Effective Tax Rate	16.34%	75.21%

29. SEGMENT INFORMATION:

The Company's operating segments are established on the basis of those components that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Company has two principal operating and reporting segments as follows:

- 1) Manufacturing and selling of eggs, egg based products & other ancillary products and (shortly referred as Manufacturing)
- 2) Trading of feed ingredients.(shortly referred as Trading)

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The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

- a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

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II. Primary Segment Information

Particulars	(in Rupees)					
	Manufacturing		Trading		Unallocable	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1. Segment Revenue						
External Turnover	253,88,15,446	282,06,67,018	32,49,72,594	-	-	282,06,67,018
Inter Segment Turnover	-	-	-	-	-	-
Revenue from operations (net of GST)	253,88,15,446	282,06,67,018	32,49,72,594	-	-	282,06,67,018
2. Segment Result						
Segment Result before Interest & Taxes	9,19,63,179	8,75,61,157	-	-	-	8,75,61,157
Less: Finance costs					(4,24,71,841)	(4,97,85,877)
Add: Interest Income					2,28,36,140	47,78,123
Profit Before Tax	9,19,63,179	8,75,61,157	-	-	(1,96,35,701)	4,25,53,403
Less: Current Tax					(2,27,35,052)	(1,74,40,464)
Less: Deferred Tax (exp) / income					1,09,19,273	1,55,04,521
Profit After Tax	9,19,63,179	8,75,61,157	-	-	(3,14,51,480)	96,08,417
3. Other Information						
Segment Assets	128,06,60,418	128,26,53,797	2,64,29,055	-	33,08,94,033	160,47,94,217
Segment Liabilities	58,02,16,100	61,01,27,572	2,43,81,158	-	8,82,51,513	70,66,04,383
Capital Expenditure	13,35,53,638	7,85,43,215	-	-	-	7,85,43,215
Depreciation & Amortisation	10,87,70,101	12,95,31,972	-	-	-	12,95,31,972

II. Secondary Segment Information

The Company has five geographic segments : India, Japan, Russia, Europe and Rest of the world. Revenues from the geographic segments based on domicile of the customer are as follows :

Particulars	2018-19	2017-18
	2018-19	2017-18
1. Segment Revenue - External Turnover		
(a) Within India	57,96,41,970	87,90,03,916
(b) Outside India		
(i) Japan	102,86,58,363	65,61,59,884
(ii) Russia	34,79,31,846	44,22,56,360
(iii) Europe	27,63,79,402	21,42,43,381
(v) Rest of the World	63,11,76,459	62,90,03,478
Total	286,37,88,040	282,06,67,019
2. Non-Current Assets		
(a) Within India	70,66,82,411	68,28,16,501
(b) Outside India	8,32,779	8,32,779
Total	70,75,15,190	68,36,49,280

Revenues from one customer of the company amount to more than 10% of the Company's total revenues and represent approximately Rs. 103 crores (previous year Rs.66 crores) of the total revenue of the company.

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30. RELATED PARTY DISCLOSURES:

As required under Indian Accounting Standard (Ind AS) 24 - Related Party disclosures, disclosure of transactions with related parties are given below:

(a) Classification and name of the Related Parties

(i) Subsidiary	SKM Europe BV, Utrecht, The Netherlands
(ii) Associate	SKM Universal Marketing Company India Private Ltd
(iii) Key Management Personnel	SKM Shree Shivkumar
	Sri.SKM Maeilanandhan
	K.S.Venkatachalapathy
	P.Sekar
(iv) Other Related Parties	SKM Animal Feeds and Foods India Private Limited
	SKM Siddha and Ayurvedha Company India Private Limited

(b) Description of relationship between the parties :

(i) Subsidiary	
(a) SKM Europe BV, Utrecht, The Netherlands	Foreign subsidiary company in which the company holds 85% voting power
(ii) Associate	
(a) SKM Universal Marketing Company India Private Limited	Domestic associate company in which the company holds 26% voting power
(iii) Key Management Personnel	
(a) SKM Shree Shivkumar	Managing Director
(b) Sri.SKM Maeilanandhan	Whole time Director
(c) K.S.Venkatachalapathy	Chief Financial Officer
(d) P.Sekar	Company Secretary
(iv) Other Related Parties	
(a) SKM Animal Feeds and Foods India Private Limited	Entity over which Key Management Personnel have significant influence
(b) SKM Siddha and Ayurvedha Company India Private Limited	Entity over which Key Management Personnel have significant influence

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(c) Transactions during the year and year end balances with related parties :

(c-i) The company has the following related party transactions for the years 2018-19 & 2017-18 :

Nature of relationship	Nature of Transactions	2018 - 19 (Rs)	2017 - 18 (Rs)
(i) Subsidiary	Sale of goods	27,63,79,402	21,42,43,411
(ii) Associate	Sale of goods	10,42,64,246	10,22,15,234
	Rent Income	30,680	1,53,225
	Purchase of goods	87,05,65,170	1,18,79,76,197
	Purchase of Electricity	2,71,59,083	2,24,71,730
(iii) Key Management Personnel	Remuneration paid	2,21,66,134	1,01,49,264
	Rent paid	3,50,580	3,16,210
(iv) Other Related Parties	Sale of goods	27,35,136	19,14,892
	Purchase of goods	2,10,056	4,45,891

(c-ii) The company has the following balances outstanding as of March 31, 2019 and March 31, 2018 :

Nature of relationship	Nature of Transactions	2018 - 19 (Rs)	2017 - 18 (Rs)
(i) Subsidiary	Investments	8,32,779	8,32,779
(ii) Associate	Investments	1,18,45,572	1,18,45,572
	Trade receivables	40,15,712	81,06,636
	Trade payables	44,94,000	9,45,68,040
(iii) Key Management Personnel	-	-	-
(iv) Other Related Parties	Trade receivables	2,00,833	-
	Trade payables	90,305	95,301

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(d) Disclosures in respect of major related party transactions during the year :

The following are the significant related party transactions during the year ended March 31, 2019 and March 31, 2018

Particulars	Relationship	2018-19 (Rs)	2017-18 (Rs)
1) Purchase of goods			
(a) SKM Siddha and Ayurvedha Company India Private Limited	Other Related Party	2,10,056	4,45,891
(b) SKM Universal Marketing Company India Private Limited	Associate	87,05,65,170	118,79,76,197
2) Purchase of Electricity			
(a) SKM Universal Marketing Company India Private Limited	Associate	2,71,59,083	2,24,71,730
3) Rent paid			
(a) SKM Shree Shivkumar	Key Management Personnel	3,50,580	3,16,210
4) Remuneration paid			
(a) SKM Shree Shivkumar	Key Management Personnel	1,60,07,105	43,60,634
(b) Sri.SKM Maeilanandhan	Key Management Personnel	30,45,962	30,54,928
(c) K.S.Venkatachalapathy	Key Management Personnel	25,29,282	22,58,639
(d) P.Sekar	Key Management Personnel	5,83,785	4,75,063
5) Sale of goods			
(a) SKM Europe BV,Utrecht,The Netherlands	Subsidiary	27,63,79,402	21,42,43,411
(b) SKM Animal Feeds and Foods India Private Limited	Other Related Party	27,35,136	19,14,892
(c) SKM Universal Marketing Company India Private Limited	Associate	10,42,64,246	10,22,15,234
6) Rent Income			
(a) SKM Universal Marketing Company India Private Limited	Associate	30,680	1,53,225

The following are the significant related party balances outstanding as of March 31, 2019 and March 31, 2018

Particulars	Relationship	As at 31.03.2019	As at 31.03.2018
1) Trade receivables			
(a) SKM Europe BV,Utrecht,The Netherlands	Subsidiary	-	-
(b) SKM Universal Marketing Company India Private Limited	Associate	40,15,712	81,06,636
(c) SKM Animal Feeds and Foods India Private Limited	Other Related Party	2,00,833	-

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Particulars	Relationship	As at 31.03.2019	As at 31.03.2018
2) Trade payables			
(a) SKM Universal Marketing Company India Private Limited	Associate	44,94,000	9,45,68,040
(b) SKM Siddha and Ayurvedha Company India Private Limited	Other Related Party	90,305	95,301
3) Investments			
(a) SKM Europe BV,Utrecht,The Netherlands	Subsidiary	8,32,779	8,32,779
(b) SKM Universal Marketing Company India Private Limited	Associate	1,18,45,572	1,18,45,572

(e) Compensation of Key Management Personnel

Particulars	2018-19	2017-18
(i) Short-term employee benefits	1,97,98,222	90,54,312
(ii) Post-employment benefits *	23,67,912	10,94,952
(iii) Other long-term benefits	-	-
(iv) Termination benefits	-	-
(v) Share-based payment	-	-
Total	2,21,66,134	1,01,49,264

* - Post-employment benefit comprising gratuity, and compensated absences are not disclosed as these are determined for the Company as a whole.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

31(i) Foreign currency risk:

The company is essentially an Export Oriented Undertaking and makes significant exports and has availed Working Capital Loan (Packing Credit) in Foreign currency and also imports goods, stores & spares occasionally. The Company is exposed to foreign currency risk on these transactions. The Company follows a conservative and sound policy by entering into simple Forward Exchange Contracts to hedge the foreign currency risk whose maturity is coterminous with the maturity period of the foreign currency liabilities and receivables.

The following table shows the foreign currency exposure in USD and EUR on financial statements at the end of the reporting period. The exposure to foreign currency for all other currencies are not material.

(in Rs.)

Particulars	As at 31.03.2019	As at 31.03.2018
(i) Borrowings:		
Euro	1,23,97,294	5,68,49,222
USD	37,82,69,201	38,03,55,974
(ii) Trade & other payables		
Euro	44,54,052	
USD		41,57,748
(iii) Trade & other receivables - USD	(4,57,08,170)	(10,52,05,974)
Net Exposure (i + ii - iii)	34,94,12,377	33,61,56,971

Sensitivity analysis of 1% change in exchange rate at the end of the reporting period net of hedges

Particulars	As at 31.03.2019		
	USD	Euro	Total
1% Depreciation in INR			
Impact on equity	-	-	-
Impact on P & L	(33,25,610)	(1,68,513)	(34,94,124)
Total	(33,25,610)	(1,68,513)	(34,94,124)
1% Appreciation in INR			
Impact on equity	-	-	-
Impact on P & L	33,25,610	1,68,513	34,94,124
Total	33,25,610	1,68,513	34,94,124
Particulars	As at 31.03.2018		
	USD	Euro	Total
1% Depreciation in INR			
Impact on equity	-	-	-
Impact on P & L	(27,93,077)	(5,68,492)	(33,61,570)
Total	(27,93,077)	(5,68,492)	(33,61,570)

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1% Appreciation in INR			
Impact on equity	-	-	-
Impact on P & L	27,93,077	5,68,492	33,61,570
Total	27,93,077	5,68,492	33,61,570

31(ii) Interest rate risk :

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has availed significant Foreign Currency Working Capital Loan (In USD as well as Euro) by way of Packing Credit at floating interest rates. The interest rate is at 1% (spread) plus LIBOR rate of respective Bank and the interest rate is reset based on the LIBOR rate, as per the loan facility agreement. The Company has not entered into any of the interest rate swaps and hence, the Company is exposed to interest rate risk.

The Company considering the economic environment in which it operates has determined the interest rate sensitivity analysis (interest exposure) at the end of the reporting period. The interest rate for the Company are floating rates and hence, the analysis is prepared assuming the amount of the borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point +/- fluctuation in the interest rate is used for disclosing the sensitivity analysis.

The exposure of the company's borrowings to interest rate changes at the end of the reporting period are as follows

(in Rs.)

Particulars	As at 31.03.2019	As at 31.03.2018
(i) Borrowings - Short term		
Borrowings in Euro	1,23,97,294	5,68,49,222
Borrowings in USD	37,82,69,201	38,03,55,974
Borrowings in INR - Current maturity of Long Term loan	90,04,535	10,89,303
(ii) Borrowings - Long term		
Borrowings in INR	3,56,21,984	34,635
Net Exposure	43,52,93,014	43,83,29,134

Impact on interest expenses for the year on 1% change in interest rates

(in Rs.)

Particulars	As at 31.03.2019	As at 31.03.2018
Up Move		
Impact on equity	-	-
Impact on P & L	(62,05,138)	(65,85,107)
Total	(62,05,138)	(65,85,107)
Down Move		
Impact on equity	-	-
Impact on P & L	62,05,138	65,85,107
Total	62,05,138	65,85,107

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The interest rate sensitivity analysis is done holding on the assumption that all other variables remaining constant. The increase / decrease in interest expense is mainly attributable to the Company's exposure to interest rates on its variable rate of borrowings.interest rates on its variable rate of borrowings.

31(iii) Commodity price risk :

Commodity price risk arises due to fluctuation in prices of eggs, feeds and other products. The company has a risk management framework aimed at prudently managing the risk by reducing the external dependability and enhancement of self reliance by manufacturing the commodities in house to the extent possible.

31(iv) Credit risk:

Credit risk is a risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due, causing financial loss to the company. Credit risk arises from Company's outstanding receivables from customers and other parties. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities.

31(v) Liquidity risk:

Liquidity risk arises from the company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and cash equivalents (Rs.23.21 crores as on 31st March 2019) & (Rs.19.99 crores as on 31st March 2018) and maintaining availability of standby funding through an adequate line up of committed credit facilities (Rs.39.07 crores as on 31st March 2019) & (Rs.43.72 crores as on 31st March 2018).

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SKM EGG PRODUCTS EXPORT (INDIA) LIMITED Balance Sheet of Subsidiary SKM Europe BV as at 31st March 2019

		(in Rs.)	
Particulars	31.03.2019	31.03.2018	
I.ASSETS			
(1) Non-Current Assets			
(a) Property, Plant & Equipments	1,09,378	1,76,567	
(2) Current Assets			
(a) Inventories	5,03,89,547	7,59,62,940	
(b) Financial Assets			
(i) Trade receivables	12,79,80,376	11,10,57,769	
(ii) Cash and cash equivalents	79,21,891	1,51,64,568	
(iii) Loans	60,93,374	27,42,928	
(c) Other current assets	12,74,401	18,33,994	
Total Assets	19,37,68,966	20,69,38,766	
I. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	9,79,740	9,79,740	
(b) Other Equity	3,01,09,857	2,85,42,831	
Liabilities			
(1) Non-Current Liabilities	-	-	
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	-	-	
(ii) Trade Payables	16,20,32,967	17,67,68,263	
(b) Other Current Liabilities	-	-	
(c) Provisions	6,46,401	6,47,932	
Total Equity & Liabilities	19,37,68,966	20,69,38,766	

As per our report of even date

FOR AND ON BEHALF OF THE BOARD

N.PRASANNA VENKATESAN
Chartered Accountant
Membership No. : 235530

SKM MAEILANANDHAN
Executive Chairman
& Whole Time Director
(DIN : 00002380)

SKM SHREE SHIVKUMAR
Managing Director
(DIN : 00002384)

PLACE : Erode
DATE : 29.05.2019

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

P.SEKAR
Company Secretary
Membership No.A36565

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19**SKM EGG PRODUCTS EXPORT (INDIA) LIMITED**

Statement of Profit and Loss Account of Subsidiary SKM Europe BV for the year ended 31st March 2019
(in Rs.)

Particulars	2018-19	2017-18
Revenue from operations	75,77,33,909	56,97,29,868
Other Income	31,24,882	2,10,412
Total Income	76,08,58,791	56,99,40,280
Expenses:		
Cost of materials consumed	-	-
Purchase of Stock-in-Trade	66,12,29,170	51,45,87,730
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2,76,89,053	(98,75,638)
Employee Benefit Expense	-	-
Financial Costs	12,48,811	13,76,841
Depreciation and Amortization Expense	67,189	68,564
Other Expenses	7,26,71,091	6,03,51,022
Total Expenses	76,29,05,314	56,65,08,518
Profit before tax	(20,46,524)	34,31,762
Tax expense:		
Current tax	-	-
Deferred tax	-	-
Profit/(Loss) for the Year	(20,46,524)	34,31,762
Other Comprehensive Income		
(i) Items that will not be reclassified to Statement of Profit and loss	36,13,550	(25,75,063)
(ii) Items that will be reclassified to Statement of Profit and loss	-	-
Total Comprehensive Income for the year	15,67,026	8,56,699
Earning per equity share of face value Rs.10 each		
Basic (in Rs)	(113.70)	190.65
Diluted (in Rs)	(113.70)	190.65

As per our report of even date

N.PRASANNA VENKATESAN
Chartered Accountant
Membership No. : 235530

SKM MAEILANANDHAN
Executive Chairman
& Whole Time Director
(DIN : 00002380)

SKM SHREE SHIVKUMAR
Managing Director
(DIN : 00002384)

PLACE : Erode
DATE : 29.05.2019

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

P.SEKAR
Company Secretary
Membership No.A36565

FOR AND ON BEHALF OF THE BOARD

INDEPENDENT AUDITOR'S REPORT

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

Report on the Consolidated Financial Statements

Opinion:

We have audited the accompanying consolidated financial statements of M/s. **SKM EGG PRODUCTS EXPORT (INDIA) LIMITED**, (*"the Company"*) and its subsidiary (the Companies and its subsidiaries together referred to as *"the Group"*), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (Including Other Comprehensive Income), the Consolidated Statement of changes in equity and the Consolidated Statement of Cash Flows for the year then ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as *"consolidated financial statements"*).

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 Companies Act, 2013 (*"the Act"*) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (*"Ind AS"*) and other accounting principles generally accepted in India, of the consolidated state of affairs of the group as at 31st March, 2019; the consolidated profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

Key Audit Matters

S No	Key Audit Matter	Auditor's Response
1	Recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard):The application of the Ind AS 115 involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Hence, under Ind AS 115 revenue should be recognized when an entity transfers control of goods or services to a customer. A customer obtains control when the customer has the ability to direct the use of and obtain the benefits from the goods or services. Accordingly, the Company has not recognized revenue for sales initiated in the current year for which physical delivery of goods has happened in the next financial year. Refer note no. 1 to the consolidated financial statements.	We assessed the company's process to identify the impact of adoption of Ind AS 115. Our audit approach consisted testing of the design and operative effectiveness of internal controls and substantive testing as follows: * Evaluated the process relating to implementation of the new revenue accounting standard. * Selected a sample of continuing and new contracts relating to identification of the distinct performance obligations and we carried out a combination of procedures involving observation and inspection of evidence in this regard. * Verified all sales which have been concluded before the year end for which physical delivery of goods happened in the next financial year.
2	Recoverability of Direct tax receivables:The company has certain income tax refund receivables on account of the verdict by the appellate authorities. Refer note no.2 to the consolidated financial statements.	* Obtained the details of completed income tax assessments and demands/refunds as on 31.03.2019 from the management. * We have also reviewed the company's correspondences and appellate orders. * Ascertained the recoverability of the receivables and ensured appropriate disclosure under Notes on accounts.
3	Evaluation of Contingent liabilities:The company has an uncertain indirect tax position and other contingent liabilities which involve significant judgment to determine the possible outcome of these matters. Refer note no.2 to the consolidated financial statements	* Obtained the details of completed indirect tax assessments and demands as on 31.03.2019 from the management. * We have also reviewed the company's correspondences and appellate documents. * Considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. * Ascertained the chances of crystallization of liability are probable / possible / remote and ensured appropriate disclosure under Notes on accounts.

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Management's Responsibility for the Consolidated 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those board of directors of the companies included in the group are also responsible for overseeing the financial reporting process of the group.

Auditor's Responsibility for the Audit of Consolidated financial statements:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ❖ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

expressing our opinion on whether the Company and its subsidiary incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ❖ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- ❖ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- 1) 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.14,85,51,657/- as at 31st March, 2019 and total revenues of Rs.34,79,31,846/- for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of this branch has been furnished to us and our opinion is based on those Financial Statements received from the Branch Office and certified by the Management. Our opinion is not modified in respect of this matter.

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- 2) The consolidated financial results includes the unaudited financial statements / financial information of 1 subsidiary whose financial statements / financial information reflect total assets of Rs.18,89,73,609/- as at 31st March, 2019, total revenue of Rs.48,44,79,389/-, total net loss after tax of Rs.17,39,545/-, total comprehensive income of Rs.13,31,972 and cash outflows (net) of Rs. 72,46,677/-for the year ended on that date, 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. Our opinion is not modified in respect of this matter.
- 3) The consolidated financial results also includes the Group's share of net loss after tax of Rs.99,96,676 and total comprehensive loss of Rs. 99,96,676 for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of 1 associate, 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 Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and associate, is based solely on such unaudited financial statements/ financial information. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements:

- i. 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 of the aforesaid consolidated financial statements.
 - b) In our opinion proper books of account as required by law relating to the preparation of aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
 - e) On the basis of written representations received from the directors of the company as on March 31, 2019 taken on record by the Board of Directors of the company, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, the company has only one foreign subsidiary (*SKM Europe BV, Utrecht, The Netherlands*) and one Indian associate (*SKM Universal Marketing Company India Private Limited*). As regards the foreign subsidiary, it is a company incorporated outside India and has business operations outside India and hence the company is not a company under the Companies Act, 2013 and reporting on the adequacy of the internal financial controls over financial reporting regarding subsidiary is not warranted

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

as the provisions are applicable only to Indian subsidiaries. As regards the Indian associate, as the financial statements of the associate have not been audited as on the date of furnishing the report, we are not in a position to report on the Internal Financial Controls over Financial Reporting on Consolidated Financial Statements.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group. – Also Refer Note No 2(ii) of Notes on Accounts to the Consolidated financial statements;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and hence provisions are not warranted in consolidated financial statements.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

N.PRASANNA VENKATESAN
CHARTERED ACCOUNTANT
Membership No.235530

Date : 29.05.2019

Place : Erode

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

Consolidated Balance Sheet as at 31st March 2019

CIN : L01222TZ1995PLC006025

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
I. Assets			
(1) Non-current assets			
(a) Property, Plant and Equipment	3(a)	62,44,93,894	63,99,79,511
(b) Capital work-in-progress	3(b)	4,88,73,446	1,49,78,649
(c) Financial Assets			
(i) Investments	4(a)	78,82,994	1,18,45,572
(ii) Loans	4(b)	2,15,78,876	1,61,89,337
(2) Current assets			
(a) Inventories	5	47,90,46,271	47,07,22,223
(b) Financial Assets			
(i) Trade receivables	6(a)	25,45,30,178	27,25,47,164
(ii) Cash and cash equivalents	6(b)	23,99,76,008	21,50,67,462
(iii) Bank balances other than (ii) above	6(c)	31,36,558	20,66,104
(iv) Loans	6(d)	3,81,39,482	1,64,82,351
(v) Other Financial Assets	6(e)	2,50,00,000	3,91,61,287
(c) Other current assets	7	8,42,99,408	11,18,60,546
Total Assets		182,69,57,115	181,09,00,204
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	8(a)	26,33,00,000	26,33,00,000
(b) Other Equity	8(b)	70,34,65,535	65,91,51,240
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	9	3,56,21,984	34,635
(b) Provisions	10	54,87,449	78,18,073
(c) Deferred tax liabilities (Net)	11	6,57,76,658	7,66,95,931
(d) Minority Interest	12	46,63,440	44,28,386
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13(a)	39,06,66,495	43,72,05,196
(ii) Trade payables	13(b)		
(A) total outstanding dues of micro enterprises and small enterprises; and		49,15,273	24,99,647
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		31,60,90,814	33,86,35,784
(iii) Other Financial Liabilities	13(c)	1,21,41,092	43,95,325
(b) Other current liabilities	14	1,03,31,124	74,31,270
(c) Provisions	15	1,44,97,250	93,04,717
Total Equity and Liabilities		182,69,57,115	181,09,00,204

As per our report of even date

FOR AND ON BEHALF OF THE BOARD

N.PRASANNA VENKATESAN
Chartered Accountant
Membership No. : 235530

SKM MAEILANANDHAN
Executive Chairman
& Whole Time Director
(DIN : 00002380)

SKM SHREE SHIVKUMAR
Managing Director
(DIN : 00002384)

PLACE : Erode
DATE : 29.05.2019

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

P.SEKAR
Company Secretary
Membership No.A36565

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

Consolidated Statement of Profit & Loss for the period ended 31st March 2019

CIN : L01222TZ1995PLC006025

(in Rs.)

Particulars	Note No.	2018-19	2017-18
Revenue from operations	18	334,51,42,547	317,61,53,475
Other Income	19	8,90,47,428	19,79,36,467
Total Income		343,41,89,975	337,40,89,941
EXPENSES			
Cost of materials consumed	20	183,53,51,639	162,79,06,278
Purchases of Stock-in-Trade	21	78,30,73,036	92,04,65,646
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	22	1,33,86,362	10,65,00,544
Employee benefits expense	23	14,18,17,031	12,12,57,121
Finance costs	24	4,37,20,652	5,11,62,717
Depreciation and amortization expense	25	10,88,37,291	12,96,00,536
Other expenses	26	43,77,23,009	37,12,11,934
Total Expenses		336,39,09,020	332,81,04,776
Profit before Share of Profit/(Loss) of Associates		7,02,80,955	4,59,85,165
Share of Profit/(Loss) of Associates		(99,96,676)	-
Profit/(loss) before tax		6,02,84,279	4,59,85,165
Tax expense:			
(1) Current tax		2,27,35,052	1,74,40,464
(2) Deferred tax	27	(109,19,273)	1,55,04,521
Profit/(Loss) for the Year		4,84,68,500	1,30,40,179
Other Comprehensive Income			
(i) Items that will not be reclassified to Statement of Profit and loss		67,91,288	(54,25,807)
(ii) Income tax relating to items that will not be reclassified to Statement of Profit and loss		8,84,047	(9,42,541)
(iii) Items that will be reclassified to Statement of Profit and loss		-	-
(iv) Income tax relating to items that will be reclassified to Statement of Profit and loss		-	-
Total Comprehensive Income for the year		5,43,75,741	85,56,914

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

Particulars	Note No.	2018-19	2017-18
Net Profit attributable to :			
(i) Owners of the Company		4,87,75,478	1,25,25,415
(ii) Non controlling Interest		(3,06,979)	5,14,764
Other Comprehensive Income attributable to :			
(i) Owners of the Company		53,65,209	(40,97,006)
(ii) Non controlling Interest		5,42,033	(3,86,259)
Total Comprehensive Income attributable to :			
(i) Owners of the Company		5,41,40,687	84,28,409
(ii) Non controlling Interest		2,35,054	1,28,505
Earning per equity share of face value Rs.10 each	28		
Basic (in Rs.)		1.85	0.48
Diluted (in Rs.)		1.85	0.48

See accompanying Notes to the Financial Statements

FOR AND ON BEHALF OF THE BOARD

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SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED Consolidated Statement Of Changes In Equity

A. Equity Share Capital

Balance at the beginning of the reporting period (i.e. 1st April, 2018)	Changes in equity share capital during the year 2018-19	Balance at the end of the reporting period (i.e. 31st March, 2019)
26,33,00,000	-	26,33,00,000
Balance at the beginning of the reporting period (i.e. 1st April, 2017)	Changes in equity share capital during the year 2017-18	Balance at the end of the reporting period (i.e. 31st March, 2018)
26,33,00,000	-	26,33,00,000

B. Other Equity

As on 31st March 2019

Particulars	Reserves & Surplus				
	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance at the beginning of the reporting period (i.e. 1st April, 2018)	4,00,692	4,32,812	66,37,74,793	(54,57,057)	65,91,51,240
Total Comprehensive Income for the year	9,36,532	-	5,38,73,044	53,65,209	6,01,74,785
Dividends	-	-	(1,31,65,000)	-	(1,31,65,000)
Tax on dividends	-	-	(26,95,490)	-	(26,95,490)
Balance at the end of the reporting period (i.e. 31st March, 2019)	13,37,224	4,32,812	70,17,87,347	(91,840)	70,34,65,534

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

As on 31st March 2018

Particulars	Reserves & Surplus				
	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance at the beginning of the reporting period (i.e. 1st April, 2017)	4,00,692	4,32,812	65,12,49,378	(13,60,052)	65,07,22,830
Total Comprehensive Income for the year	-	-	1,25,25,415	(40,97,006)	84,28,410
Dividends	-	-	-	-	-
Tax on dividends	-	-	-	-	-
Balance at the end of the reporting period (i.e. 31st March, 2018)	4,00,692	4,32,812	66,37,74,793	(54,57,057)	65,91,51,240

As per our report of even date

FOR AND ON BEHALF OF THE BOARD

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SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

Consolidated Cash flow statement for the period from 1st April, 2018 to 31st March, 2019

Particulars	2018-19	2017-18
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax as per Statement of Profit and Loss	7,02,80,955	4,59,85,165
Adjusted for:		
Depreciation	6,48,68,234	6,13,00,741
Financial Cost	4,37,20,652	5,11,62,717
(Profit) / Loss on Sale of Assets	(2,19,714)	(42,969)
Interest income	(2,28,36,140)	(47,78,123)
Operating profit before Working capital changes	15,58,13,986	15,36,27,532
Adjusted for:		
Trade & Other Receivables	3,26,92,741	(13,73,68,206)
Inventories	(83,24,048)	11,00,15,738
Trade & Other Payables	(7,14,573)	5,80,93,639
Cash Generated from Operations	17,94,68,107	18,43,68,703
Taxes Paid (Net)	(2,27,35,052)	(1,74,40,464)
Net Cash from / (used in) Operating Activities - A	15,67,33,055	16,69,28,238
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(13,35,53,638)	(7,85,43,215)
Capital Subsidy from Ministry of Food Processing	5,00,00,000	-
Sale of Fixed Assets	4,95,937	42,961
Interest income	2,28,36,140	47,78,123
Net Cash from / (used in) Investing Activities - B	(6,02,21,561)	(7,37,22,131)
CASH FLOW FROM FINANCING ACTIVITIES:		
Long Term Borrowings	3,55,87,349	(10,54,668)
Financial Cost	(4,37,20,652)	(5,11,62,717)
Dividend & Dividend distribution tax	(1,58,60,490)	-
Net Cash Flow from / (used in) Financing Activities - C	(2,39,93,794)	(5,22,17,386)
Net Increase / (Decrease) in Cash and Cash equivalents	7,25,17,701	4,09,88,721
Opening Cash & Cash Equivalents	(22,00,71,630)	(26,10,60,352)
Closing Cash & Cash Equivalents	(14,75,53,930)	(22,00,71,631)

As per our report of even date

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FOR AND ON BEHALF OF THE BOARD

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

Notes to the Consolidated Financial Statements for the year ended 31st March ' 2019

1.CORPORATE INFORMATION

SKM Egg Products Export India Limited ("the company") is an Export Oriented Undertaking and engaged in the manufacture and sale of Egg Products. The company is a listed entity incorporated and domiciled in India.

The address of its registered office is No.133, 133/1, Gandhiji Road, Erode - 638001 and the address of the principal place of business is Cholangapalayam, Erode which addresses are also disclosed in the introduction to the annual report. The Company has its primary listing with Bombay Stock Exchange and National Stock Exchange in India.

SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF PREPARATION AND PRESENTATION:

The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value amount :

- i) Certain financial assets and liabilities (including derivative instruments)
- ii) Defined benefit plans - plan assets

STATEMENT OF COMPLIANCE :

These financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS'), notified under Section 133 of the Companies Act, 2013 (the Act), read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Effective April 1, 2017, the Company has adopted all the applicable Ind AS Standards and the adoption was carried out in accordance with Ind AS 101, First Time adoption of Indian Accounting Standards, with April 1, 2016 as the transition date. The transition was carried out from Indian Accounting Principles Generally Accepted in India (Indian GAAP), as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP), which was the previous GAAP.

Accounting Policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto adopted.

FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the company.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Inventories

Inventories are valued in line with Ind AS 2 - Inventories. Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition. The formula used for arriving at the cost for various items of inventories are as follows:

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

- i) Raw materials
- ii) Packing Materials
- iii) Additives
- iv) Stores & Spares
- v) Semi-finished goods
- vi) Finished goods
- vii) Livestock

Revenue Recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from sale of goods is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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

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

Interest Income :

Interest income from a financial asset is recognised using effective interest rate method.

Dividend Income :

Revenue on account of dividend income recognised when the Company's right to receive the payment has been established.

Government grants / assistance :

Revenue from grants, subsidies or government assistance in any form are recognised when the Company's right to receive the payment has been established.

Finance Cost

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

Provisions

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Tax Expenses:

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on the tax rates that are enacted or substantively enacted at the Balance Sheet date.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

Cash Flow Statements

Cash Flow Statement has been prepared under "Indirect Method". For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the balance sheet, bank overdrafts are presented under borrowings within current liabilities.

Leases

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to the qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

Property, plant & equipment:

Property, plant & equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net changes on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use are considered as pre-operative expenses and disclosed under Capital Work-in-progress.

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

The residual values, useful lives and method of depreciation of property, plant & equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant & equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Foreign currencies transactions and translation:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the dates of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting rate.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

monetary items measured at fair value is treated in line with recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

Employee Benefits Expense:

Short Term Employment Benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits:

Defined Contribution Plans:

A defined contribution plan is a post-employment benefit plan under which the company pays specified contributions to the specific entity. The company makes specified monthly contributions towards Provident Fund and Pension Scheme. The company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plans:

The gratuity liability amount is contributed to the gratuity fund approved by the respective IT authorities. 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.

Impairment of non-financial assets - property, plant and equipment:

The company assesses at each reporting date as to whether there is any indication that any property, plant and equipment or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the company's financial statement requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Depreciation / amortisation and useful lives of property, plant and equipment and Livestock:

Property, plant and equipment / Livestock are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for the future periods is revised if there are significant changes from previous estimates.

Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

Impairment of non-financial assets:

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

Impairment of financial assets:

Though there is no impairment of assets during the year, the Company generally follows the impairment provisions for financial assets which are based on assumptions about risk of default and expected cash loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

APPROVAL OF FINANCIAL STATEMENTS:

The Financial Statements were approved for issue by the board of directors at their meeting held on 29.05.2019.

The Accounting Standard “Ind AS - 115 notified by the Ministry of Corporate affairs on 28.3.2018, dealing with revenue from contract with customers, applicable to the company from this current financial year, has no significant impact on the Company’s Financial Statements.

Also the amendments carried out by the MCA in the following accounting standards had no significant impact on the company’s financial statements:

Ind AS - 21 -The effects of changes in Foreign Exchange Rates

Appendix B of Ind AS 21 deals with “Foreign Currency Transactions and Advance Consideration”. When an entity pays or receives consideration in advance in a foreign currency, it generally recognises a non-monetary asset or non-monetary liability before the recognition of the related asset, expense or income.

The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

Accordingly, when advance is paid or advance is received in foreign currency, such date is considered the transaction date to determine the spot / exchange rate for such transactions.

Ind AS - 40 - Investment Property

The IND AS 40 dealing with “Investment Property” is presently inapplicable as the company does not have any investment property at present.

Ind AS - 12 - Income Taxes

The amendments carried with respect to this Ind AS had no significant impact on the company’s financial statements.

Ind AS- 28 - Investments in Associates and Joint Ventures

The amendments carried with respect to this Ind AS is inapplicable to the entity because the company as well as the associate company are not investment entities (such as a venture capital organisation, or a mutual fund, unit trust or similar entities including investment-linked insurance funds) and the question of measuring investment at fair value of investment through profit or loss does not arise.

Ind AS - 112 - Disclosure of Interest in Other Entities

The amendments carried with respect to this Ind AS are inapplicable to the entity.

Accounting for Government Grants and Disclosure of Government Assistance:

The Government Grants are accounted in line with IND AS 20 - “Accounting for Government Grants and Disclosure of Government Assistance”.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

By virtue of undertaking the expansion & modernisation project in relation to the Property, plant & equipments for the year, the company has been entitled for subsidy of Rs.5,00,00,000/- from the the Ministry of Food Processing, governed and controlled by the Central Government. Out of the said subsidy entitlement of Rs.5,00,00,000/-, the company has received an amount of Rs.2,50,00,000/- during the year and the remaining amount of Rs.2,50,00,000/- is reasonably expected to be received in the subsequent year.

Hence the said Government Grant of Rs.5,00,00,000/- is accounted by way of deduction from the Property, plant & equipments during the year.

During the year, the company has received The Government Grants are accounted in line with IND AS 20 - "Accounting for Government Grants and Disclosure of Government Assistance".

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised - Nil

02. CONTINGENT LIABILITIES & COMMITMENTS:

Particulars	As at 31.03.2019	As at 31.03.2018
(a) Claims against the company/disputed liabilities not acknowledged as debts:		
i) Income Tax Liability	-	2,25,20,850
ii) Service Tax Liability	1,42,32,225	99,42,628
iii) Excise Duty Liability	5,58,575	6,23,458
(b) Other money for which the Company is contingently liable:		
i) Liability in respect of bills discounted with banks	8,68,06,122	12,42,72,431

No provision has been made in respect of the above demand of Excise Duties and Service Tax, 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.

The company was successful in the matter relating to the appeals filed for the Assessment year 2008-2009 & 2009-2010 with the Commissioner of Income Tax (Appeals) and had received a refund of Rs.3.32 crores in relation to the above. However, the income tax department had preferred appeal against this issue which matter is subjudice before the Honourable ITAT as on the date of approval & issue of this financial statements.

The company was successful in the matter relating to the appeals filed for the Assessment year 2014-2015 with the Commissioner of Income Tax (Appeals), which has the impact of cancelling the demand to the tune of Rs.2.72 Crores. As the said tax amount had already been adjusted by the Income tax department against the refunds of the other years, presently the consequent giving effect order for the said year and income tax refunds are being awaited.

The carried forward losses under the Income Tax Act, 1961 of the earlier assessment year A.Y.2013-14 amounting to Rs.3.59 crores have been reduced by the Assessing Officer while completing the assessment by making some adjustments to the returned Loss. The Company has preferred appeals before the immediate superior authority which appeals are pending for disposal as on the date of the financial reports. Since the adjustments have resulted only in the reduction of carry forward losses, there is no immediate demand raised. Hence, conservatively the said losses have not been considered while filing return of income for the to the for the relevant assessment years. The tax impact on account of the said issue would be approximately Rs.1.20 crores.

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3. Consolidated - Property, Plant and Equipment

(in Rs.)

S. No.	Particulars	Gross Block			Depreciation			Net Block	
		01.04.2018	Addition during the year	Deduction during the year	31.03.2019	01.04.2018	for the year	31.03.2019	01.04.2018
(a)	Tangible Assets (Own Assets)								
	Land	3,58,09,230	-	-	3,58,09,230	-	-	3,58,09,230	3,58,09,230
	Building	43,31,41,172	36,92,157	-	43,68,33,329	15,28,47,359	1,27,15,332	27,12,70,638	28,02,93,813
	Plant & Machinery	75,75,83,683	3,42,71,390	-	79,18,55,073	50,20,98,697	3,82,10,278	25,15,46,098	25,54,84,986
	Electrical Installation and equipments	7,36,41,696	522,789	-	7,41,64,485	6,76,76,172	16,31,528	48,56,784	59,65,524
	Lab Equipment	3,83,20,794	13,47,704	-	3,96,68,498	2,11,11,017	23,70,194	1,61,87,287	1,72,09,777
	Office Equipment	1,62,52,133	7,64,404	-	1,70,16,537	1,13,42,811	17,58,404	39,15,322	49,09,322
	Computers	3,02,29,385	13,44,007	-	3,15,73,392	1,44,02,713	33,14,807	1,38,55,872	1,58,26,672
	Furniture & Fixtures	1,00,19,529	15,77,698	-	1,15,97,227	64,98,511	4,79,091	46,19,625	35,21,018
	Motor Vehicles	4,67,76,470	61,38,692	27,49,863	5,01,65,299	2,58,17,301	43,88,601	2,24,33,037	2,09,59,169
	SUB TOTAL (a)	144,17,74,092	4,96,58,841	27,49,863	148,86,83,070	80,17,94,582	6,48,68,234	62,44,93,894	63,99,79,511
(b)	Capital Work-in-progress	1,49,78,649	7,23,13,465	3,84,18,667	4,88,73,446	-	-	4,88,73,446	1,49,78,649
	SUB TOTAL (b)	1,49,78,649	7,23,13,465	3,84,18,667	4,88,73,446	-	-	4,88,73,446	1,49,78,649
	Total (a+b) (Current Year)	145,67,52,741	12,19,72,305	4,11,68,530	153,75,56,516	80,17,94,582	6,48,68,234	67,33,67,340	65,49,58,159
	(Previous Year)	137,88,72,581	16,21,78,938	8,42,98,778	145,67,52,741	74,11,56,903	6,13,00,749	65,49,58,159	63,77,15,678

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Depreciation:

Depreciation has been provided under Straight Line Method on the basis of useful lives prescribed under Schedule II of the Companies Act, 2013, except for the Imported Plant & Machinery, whose useful life is different from that prescribed in Schedule II of the Companies Act, 2013 and its useful life is adopted on the basis of engineering & other expert guidance and depreciated accordingly as follows:

Imported Plant & Machinery acquired upto 31.03.2007	Useful life - 25 years
Imported Plant & Machinery acquired from 01.04.2007 to 31.03.2015	Useful life - 20 years

Impairment of Assets :

The recoverable amount of the CGU is determined on the basis of Fair Value less Cost of Disposal (FVLCD). The FVLCD of the CGU is determined based on the market capitalization approach, using the turnover and earnings multiples derived from observable market data. The fair value measurement is categorized as a level 3 fair value based on the inputs in the valuation techniques used.

Based on the above, no impairment was identified as of March 31, 2019 and 2018 as the recoverable value of the CGUs exceeded the carrying value. Further, none of the CGU's tested for impairment as of March 31, 2019 and 2018 were at risk of impairment. An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth, operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the CGU's recoverable amount would fall below its carrying amount.

Government Subsidy / Grant:

The property, plant & equipments are shown net of the subsidy receivable / received of Rs.5,00,00,000/- from the Ministry of Food Processing, governed and controlled by the Central Government.

Mortgage / Charge on Property, plant & equipments:

Plant & Machinery to the extent of Rs.12.23 Cr are under the first charge on account of the Term Loan with banks.

The property, plant & equipments are under the second charge for short term borrowings with banks.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(in Rs.)

Particulars	As at 31.03.2019	As at 31.03.2018
04(a) INVESTMENTS		
Investment measured at cost:		
In equity shares of associate company:		
SKM Universal Marketing Company India Private Limited of Rs.10 each	-	-
Number of Units	7,89,700	7,89,700
Value (Rs)	1,18,45,572	1,18,45,572
Intrinsic value of investment	78,55,697	
Add: Goodwill	39,89,875	
	1,18,45,572	
Add: Share in Securities Premium	9,36,532	
	1,27,82,104	
Add: Share in Retained Earnings upto 31.03.2018	50,97,566	
	1,78,79,670	
Add: Share in profit / (loss) for 2018-19	(99,96,676)	
Value (Rs)	78,82,994	
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	78,82,994	1,18,45,572
Investment measured at cost	78,82,994	1,18,45,572
Total	78,82,994	1,18,45,572
04(b) LOANS (UNSECURED AND CONSIDERED GOOD)		
Deposits	1,86,84,084	1,38,24,501
Advances Recoverable	28,94,792	23,64,836
Total	2,15,78,876	1,61,89,337
05. INVENTORIES		
Raw Material,additives & packing materials	6,78,75,125	2,71,17,046
Finished Goods	33,46,62,001	34,59,32,702
Stock in Trade	18,75,041	-
Stores and spares & consumables	3,25,26,436	5,50,26,688
Livestock - Birds	4,21,07,668	4,26,45,786
Total	47,90,46,271	47,07,22,223
06(a) TRADE RECEIVABLES		
(a) Trade Receivables considered good - Secured	-	-
(b) Trade Receivables considered good - Unsecured	25,45,30,178	27,25,47,164
(c) Trade Receivables which have significant increase in Credit Risk and	-	-
(d) Trade Receivables - credit impaired	-	-
Total	25,45,30,178	27,25,47,164

Trade receivables are netted with Bill discounting of Rs.8,68,06,122/- (Previous year Rs.12,42,72,431/-)

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(in Rs.)

Particulars	As at 31.03.2019	As at 31.03.2018
06(b) CASH AND CASH EQUIVALENTS		
Balances with banks		
Current Accounts	9,46,05,230	4,70,19,805
Demand deposits	14,43,99,396	16,72,70,400
Cash on hand	9,71,382	7,77,257
Sub Total	23,99,76,008	21,50,67,462
06(c) BANK BALANCES OTHER THAN ABOVE		
Balances with banks - Unclaimed dividend		
Current Accounts	31,36,558	20,66,104
Sub Total	31,36,558	20,66,104
Total	24,31,12,566	21,71,33,566

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice and without penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks, demand deposits with banks and net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the balance sheet, bank overdrafts are presented under borrowings within current liabilities.

Cash and Cash equivalents consists of the following for the purpose of cash flow statement:

Cash and Cash equivalents	24,31,12,566	21,71,33,566
Bank Overdrafts	(39,06,66,495)	(43,72,05,196)
Total	(14,75,53,930)	(22,00,71,630)
06(d) LOANS (UNSECURED AND CONSIDERED GOOD) - CURRENT		
(a) Loan Receivables considered good - Secured	-	-
(b) Loan Receivables considered good - Unsecured		
(i) Staff Advances	5,81,199	1,04,950
(ii) Trade Advances	2,14,57,735	84,30,904
(iii) Prepaid Expenses	1,01,90,452	52,03,569
(iv) VAT receivable	59,10,096	27,42,928
(c) Loan Receivables which have significant increase in Credit Risk and	-	-
(d) Loan Receivables - credit impaired	-	-
Total	3,81,39,482	1,64,82,351
06(e) OTHER FINANCIAL ASSETS - CURRENT		
Subsidies receivable & Income accrued on deposits	2,50,00,000	3,91,61,287
Total	2,50,00,000	3,91,61,287

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(in Rs.)

Particulars	As at 31.03.2019	As at 31.03.2018
07.OTHER CURRENT ASSETS		
MAT Credit Entitlement & Tax refund receivables	8,42,99,408	10,69,23,287
others	-	49,37,259
Total	8,42,99,408	11,18,60,546
08(a) EQUITY SHARE CAPITAL		
Authorised Capital:		
3,00,00,000 Equity Shares of Rs. 10/- Each	30,00,00,000	30,00,00,000
Issued, Subscribed & Paid-up:		
263,30,000 Equity Shares of Rs.10/- each fully paid-up	26,33,00,000	26,33,00,000
Total	26,33,00,000	26,33,00,000
Reconciliation of the number of shares outstanding is set out below:		
Equity Shares:		
At the beginning of the year	2,63,30,000	2,63,30,000
Changes during the year	-	-
At the end of the year	2,63,30,000	2,63,30,000
Details of shareholders holding more than 5% shares:		
Name of the Share Holders		
SKM Shree Shivkumar		
Face value of the Equity Shares	12,08,64,720	11,99,16,720
No of Equity Shares Held as on Balance sheet dt.	1,20,86,472	1,19,91,672
% of Holdings	45.90%	45.54%
Tamilnadu Industrial Development Corporation Limited		
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
08(b) OTHER EQUITY		
Securities Premium Account :		
Opening Balance	4,00,692	4,00,692
Add : Collected during the year	-	-
Add : Shares in security premium of associate	9,36,532	-
less: Written back	-	-
Closing Balance	13,37,224	400,692

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(in Rs.)

Particulars	As at 31.03.2019	As at 31.03.2018
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	66,37,74,793	65,12,49,378
Add: Current Year Balance before appropriation	4,87,75,478	1,25,25,415
Add: Share in retained earnings of associate as of 31.03.2018	50,97,566	-
Less: Dividend Paid	1,31,65,000	-
Less: Dividend Distribution Tax	26,95,490	-
Closing Balance	70,17,87,347	66,37,74,793
Other Comprehensive Income:		
Opening balance	(54,57,057)	(13,60,052)
Movement in OCI during the year	53,65,209	(40,97,006)
Closing balance	(91,849)	(54,57,057)
Total	70,34,65,535	65,91,51,240
09.BORROWINGS - NON CURRENT		
Secured - At amortised cost		
Term Loan		
From Banks	4,46,26,519	-
Nature of loan - Rupee Term Loan		
Maturity date - June 2023		
Terms of repayment - 20 equal quarterly instalments		
Securities offered - Refer note *		
Interest rate - 9.20% p.a.		
Less: Current maturities of long term debt - included in note 12(c)	(90,04,535)	
From Others		
Vehicle Loan	-	34,635
Total	3,56,21,984	34,635

Note : * Term loan is secured against the first charge against Plant & Machineries to the tune of Rs.12.73 crores and personal guarantee of the Managing Director.

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(in Rs.)

Particulars	As at 31.03.2019	As at 31.03.2018
10. PROVISIONS - NON CURRENT		
Provision for Employee Benefits		
a. Earned Leave Encashment	37,46,475	35,55,239
b. Net Gratuity obligation	17,40,974	42,62,834
Total	54,87,449	78,18,073
11. Deferred Tax Liability (Net)		
At the start of the year	7,66,95,931	6,11,91,410
Charge / (credit) to Statement of Profit & Loss	(1,09,19,273)	1,55,04,521
At the end of the year	6,57,76,658	7,66,95,931
Deferred Tax (Assets) / Liabilities in relation to:		
Property, plant and equipment	6,73,03,266	8,21,37,944
Provisions	(15,26,608)	(11,75,469)
Carry Forward Losses	-	(42,66,544)
Total	6,57,76,658	7,66,95,931
12. Minority Interest		
Share Capital	1,46,961	1,46,961
Retained Earnings :		
Opening Balance	61,71,243	56,56,479
Current year Profit / Loss transfer	(3,06,979)	5,14,764
Closing Balance	58,64,265	61,71,243
Other Comprehensive Income :		
Opening balance	(18,89,818)	(15,03,558)
Movement in OCI during the year	5,42,033	(3,86,259)
Closing balance	(13,47,785)	(18,89,818)
Total	46,63,440	44,28,386
13(a) BORROWINGS - CURRENT		
Secured - At amortised cost		
Working Capital Loans		
From Banks		
Foreign Currency Loans	39,06,66,495	43,72,05,196
Nature of loan - Packing Credit (Foreign Currency)		
Terms of repayment - On demand		
Interest rate - 3.50% p.a. (LIBOR 2.5% + Spread 1%)		
Total	39,06,66,495	43,72,05,196

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Working Capital from banks are primarily secured by Hypothecation of stocks of Raw materials, Work-in-progress, finished goods and stores and spares, book debts, receivables, material in transit, etc. Borrowings are secured by second charge on the entire fixed assets of the company and personal guarantees of Executive Chairman and Managing director.

13(b) TRADE PAYABLES		
Trade Creditors *		
Due to MSME	49,15,273	24,99,647
Due to others	29,14,44,467	29,69,68,094
Creditors For Expenses & Others		
Due to MSME	-	-
Due to others	2,46,46,347	4,16,67,690
Total	32,10,06,087	34,11,35,431

Details relating to micro, small and medium enterprises:

(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	Nil	Nil
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**

(in Rs.)

Particulars	As at 31.03.2019	As at 31.03.2018
13(c) OTHER FINANCIAL LIABILITIES - CURRENT		
Current Maturities of Long Term Debt		
(I) From Banks		
Machinery Term Loan - HDFC	90,04,535	-
(II) From Others		
Vehicle Term Loan - Kotak Mahindra	-	10,89,303
Unclaimed Dividends	31,36,558	33,06,022
Total	1,21,41,092	43,95,325

The amount outstanding in respect of unclaimed dividend represents amounts due and outstanding to Investor Education and Protection Fund to the extent of Rs.Nil (Previous year 12.12 lakhs).

14.OTHER CURRENT LIABILITIES		
Advances from customers	1,50,153	93,831
Statutory Dues	1,01,62,971	73,19,439
Other payables	18,000	18,000
Total	1,03,31,124	74,31,270

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(in Rs.)

Particulars	As at 31.03.2019	As at 31.03.2018
15. PROVISIONS		
Provisions for Employee Benefits		
Bonus Payable	71,34,000	58,86,000
Other Provisions	73,63,249	34,18,717
Total	1,44,97,250	93,04,717

16. CAPITAL MANAGEMENT - ADDITIONAL CAPITAL DISCLOSURES:

The Company adheres to the Capital Management framework which is underpinned by the following guiding principles:

- The key objective is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business.
- Leverage optimally in order to maximize shareholder returns while maintaining strength and flexibility of the Balance Sheet.
- The Company also focusses on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.
- Proactively manage exposure in forex, interest and commodities to mitigate risk to earnings.
- The Company's goal is to continue to be able to return excess liquidity to shareholders to distribute annual dividends in future years.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

The capital structure of the company is as follows:

Particulars	As at 31.03.2019	As at 31.03.2018
Total Equity (A)	96,67,65,535	92,24,51,240
% Change 2018-19	4.80%	
Current Loans and borrowings	39,96,71,030	43,82,94,499
Non-current loans and borrowings	3,56,21,984	34,635
Total loans and borrowings (B)	43,52,93,014	43,83,29,134
% Change 2018-19	- 0.69%	
Loans & borrowings as a percentage of total equity	45.03%	47.52%
Total Capital (A) + (B)	1,40,20,58,549	1,36,07,80,374
% Change 2018-19	3.03%	

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17. FINANCIAL INSTRUMENTS:

Valuation:

The financial instruments are initially recognized and subsequently re-measured at fair value as described below :

(a) The fair value of Forward Foreign Exchange contracts is determined using forward exchange rates and yield curves at the balance sheet date.

(b) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(c) All foreign currency denominated assets and liabilities using exchange rate at the reporting date.

Fair Value measurement hierarchy:

The fair value of cash and cash equivalents, other bank balances, loans, trade receivables, trade payables and others approximates their carrying amount. The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques. The fair valuation of various financial assets are done by adopting Level 3 category valuation.

Level 1 :

Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 :

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (derived from prices)

Level 3 :

Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Particulars	As at 31.03.2019	As at 31.03.2018
Financial Assets		
At amortised cost		
(i) Trade receivables	25,45,30,178	27,25,47,164
(ii) Cash and cash equivalents	23,99,76,008	21,50,67,462
(iii) Bank balances other than (ii) above	31,36,558	20,66,104
(iv) Loans	5,97,18,358	3,26,71,688
(v) Other Financial Assets	2,50,00,000	3,91,61,287
Financial Liabilities		
At amortised cost		
(i) Borrowings	42,62,88,479	43,72,39,831
(ii) Trade Payables	32,10,06,087	34,11,35,431
(iii) Other Financial Liabilities	1,21,41,092	43,95,325

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(in Rs.)

Particulars	2018-19	2017-18
18. REVENUE FROM OPERATIONS		
Sale of Products :		
Sale of Egg Powder & Egg Liquid - Export	276,55,00,577	229,71,49,559
Sale of Egg Powder & Egg Liquid - Domestic	5,32,65,369	5,75,37,497
Sale of Eggs & Poultry Feed	17,41,42,659	19,96,91,433
Sale of Poultry Feed Ingredients	32,49,72,594	58,67,47,385
Sale of Culling Birds, Litter & Egg Shell (Waste)	2,53,49,232	3,24,66,108
Sale of Declared Goods	19,12,117	25,61,493
Total	334,51,42,547	317,61,53,475
19. OTHER INCOME		
Interest Income	2,28,36,140	47,78,123
Subsidies	11,05,65,401	9,35,81,723
Exchange Fluctuation gain / (loss) - Net	(4,73,40,348)	9,89,84,608
Profit on sale of Assets	2,19,714	42,969
Miscellaneous Income	27,66,520	5,49,044
Total	8,90,47,428	19,79,36,467
20. COST OF MATERIALS CONSUMED		
Raw materials, additives, consumables, vaccines & medicines consumed:		
Opening Stock	4,34,34,492	4,81,09,179
Add: Purchased during the year	181,70,82,799	159,45,56,449
Less: Closing Stock	(6,04,53,101)	(4,34,34,492)
Raw materials consumed: (a)	180,00,64,190	159,92,31,137
Packing materials consumed:		
Opening Stock	84,13,390	24,80,795
Add: Purchased during the year	3,42,96,083	3,46,07,737
Less: Closing Stock	(74,22,025)	(84,13,390)
Packing materials consumed (b)	3,52,87,448	2,86,75,142
Total (a + b)	183,53,51,639	162,79,06,278
21. PURCHASES OF STOCK-IN-TRADE		
Purchase of Egg Powder, Feed Ingredients & Plastic Pallets	78,30,73,036	92,04,65,646
Total	78,30,73,036	92,04,65,646

The above amount of purchases is inclusive of duties & taxes for which credit is not admissible

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(in Rs.)

Particulars	2018-19	2017-18
22.CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock - Finished goods	32,97,36,912	43,62,37,456
Closing Stock - Finished goods	(31,63,50,550)	(32,97,36,912)
(Increase)/Decrease in Stock	1,33,86,362	10,65,00,544
23. EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	12,52,06,542	10,50,09,793
Contribution to Provident & Other funds	69,35,695	70,13,263
Provision for Gratuity	15,36,224	10,51,162
Provision for Earned Leave	19,23,372	13,59,663
Staff Welfare Expenses	62,15,197	68,23,240
Total	14,18,17,031	12,12,57,121

Defined Contribution Plan:

Employer's contribution to Provident Fund	31,96,561	27,27,918
Employer's contribution to Pension Scheme	35,26,387	36,92,300

The above Employer's contribution to defined contribution plans are net of government contribution of Rs.6,21,636/- under PMRPY & PMPRPY Scheme for the year 2018-19.

Defined Benefit Plan:

a. Reconciliation of Opening and Closing Balances of Defined Benefit Obligations:

Particulars	Gratuity (Funded)	
	31.03.2019	31.03.2018
Present Value of obligation at the beginning of the year	1,21,86,195	94,48,615
Current Service Cost	11,74,577	7,55,889
Interest Cost	9,74,896	9,41,704
Actuarial (gain) / loss	(31,77,738)	28,50,744
Benefits paid	(12,55,800)	(18,10,757)
Present Value of obligation at year end	99,02,130	1,21,86,195

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

b. Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets : (in Rs.)

Particulars	Gratuity (Funded)	
	31.03.2019	31.03.2018
Fair Value of plan assets as at beginning of the year	79,23,361	90,87,688
Expected return on plan assets	6,13,249	6,46,431
Contribution made	8,80,346	-
Benefits Paid	(12,55,800)	(18,10,757)
Actuarial gain / (loss) on the plan assets	-	-
Fair Value of plan assets as at year end	81,61,156	79,23,361

c. Reconciliation of Fair Value of Assets and Obligations

Particulars	Gratuity (Funded)	
	31.03.2019	31.03.2018
Present value of the obligation	99,02,130	1,21,86,195
Fair Value of plan assets	81,61,156	79,23,361
Funded Status (Surplus / (Deficit))	(17,40,974)	(42,62,834)
Net asset / (liability) recognized in the balance sheet	(17,40,974)	(42,62,834)

d. Expenses recognized during the year

Particulars	Gratuity (Funded)	
	31.03.2019	31.03.2018
Current Service Cost	11,74,577	7,55,889
Interest Cost	9,74,896	9,41,704
Expected return on plan assets	(6,13,249)	(6,46,431)
Actuarial (gain) / loss	(31,77,738)	28,50,744
Net Cost	(16,41,514)	39,01,906

e. Actual return on the plan assets:

Particulars	Gratuity (Funded)	
	31.03.2019	31.03.2018
Expected return on plan assets	6,13,249	6,46,431
Actuarial gain / loss on plan assets	-	-
Actual return on plan assets	6,13,249	6,46,431

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(in Rs.)

f. Actuarial Assumptions :

Particulars	Gratuity (Funded)	
	31.03.2019	31.03.2018
Discount rate (Per annum)	7.50%	8.00%
Expected rate of return on Plan Assets (Per annum)	7.50%	8.00%
Rate of escalation in salary (Per annum)	6.50%	6.50%

The data required for disclosing information with regard to sensitivity analysis is not made available by the Actuary despite the concerted attempts made by the company to gather the information in this regard and hence the information relating to sensitivity analysis in terms of the amount of responsiveness and the financial impact consequent to change in discount rate, change in rate of salary escalation and change in rate of employee turnover (while holding all the other factors constant), have not been provided for during the year.

These plans typically expose the company to actuarial risks such as:

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk:

A decrease in the bond interest rate will increase the plan liability, however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Particulars	2018-19	2017-18
24. FINANCIAL COSTS		
Interest Expenses	2,01,81,288	1,46,88,211
Other borrowing costs - bank charges & bill discount	1,06,38,548	1,02,35,112
Exchange Fluctuation - Net	1,29,00,816	2,62,39,394
Total	4,37,20,652	5,11,62,717
25. DEPRECIATION & AMORTISATION		
Depreciation on Property, plant & equipment	6,48,68,234	6,13,00,741
Amortisation of livestock - Birds	4,39,69,056	6,82,99,795
Total	10,88,37,291	12,96,00,536

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019
(in Rs.)

Particulars	2018-19	2017-18
26. OTHER EXPENSES		
Power & Fuel	12,86,01,803	12,12,27,262
Stores & Spares Consumption	4,97,60,137	3,92,13,552
Repairs and Maintenance:		
a) Building	1,20,13,392	22,83,288
b) Plant & Machinery	1,32,91,896	91,91,776
c) Vehicle - Fuel & Maintenance	1,85,50,388	1,56,78,237
d) Others	1,26,80,965	1,67,02,735
Procurement expenses	1,22,50,350	1,34,74,183
Analysing Charges	8,57,452	12,26,371
Rates and Taxes, Registration and Renewal	61,84,918	28,70,258
Rent Expenses	25,29,133	27,75,007
Postage, Courier, Telephone & Internet Charges	20,71,730	23,04,224
Printing & Stationery	7,16,872	5,99,193
Insurance Premium	9,41,595	9,55,082
Advertisement and Publicity	1,99,86,254	30,52,817
Travelling Expenses	64,88,706	69,22,787
Foregin Travelling expenses	39,12,852	28,44,094
Professional Charges	56,50,402	83,39,833
Subscription	9,53,468	765,294
Miscellaneous Expenses	12,62,049	14,12,198
Bad Debt written off	16,45,834	5,82,193
Audit Fees	9,20,515	9,20,960
Corporate Social Responsibility (CSR) Expenses	25,65,096	46,32,500
Donation	2,62,488	1,100
Annual General Meeting Expenses	1,66,777	2,19,430
Secretarial Expenses	22,27,511	4,13,009
Stock Exchange Listing Fee	6,42,173	7,66,837
Directors' Sitting Fee	55,000	26,000
Sales Commission	4,93,34,116	3,65,28,225
Selling Expenses	1,28,46,465	1,24,31,514
Freight and Forwarding Charges	6,83,52,672	6,28,51,975
Total	43,77,23,009	37,12,11,934

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

26(i) Payment to Auditors as: (in Rs.)

Particulars	2018-19	2017-18
(a) Auditor		
Statutory Audit Fees	3,00,000	3,00,000
Tax Audit Fees	4,00,000	3,00,000
(b) Certification Services - Included in Professional charges	61,000	-
(c) For Appeal Representation and Others - Included in Prof charges	2,10,840	75,000
(d) Reimbursement of expenses	5,004	21,340
Total	9,76,844	6,96,340

26(ii) Corporate Social Responsibility (CSR):

(a) Gross amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is Rs.25.23 lakhs. (Previous year Rs.46.32 lakhs)

(b) Details of amount spent towards CSR is given below:

Particulars	2018-19	2017-18
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	25,65,096	46,32,500
Total	25,65,096	46,32,500

(c) Out of the above expenditure, Rs.7,30,000/- is spent through implementing agency - SKM Health and Mind Welfare Charitable Trust

Particulars	2018-19	2017-18
27. DEFERRED TAX		
On account of variation of allowances for tax purpose in :		
Depreciation (DTA)/DTL	(1,48,34,677)	1,25,49,127
Business Losses (DTA)/DTL	42,66,544	41,30,863
Provision for gratuity & Earned Leave DTA/(DTL)	(3,51,140)	(11,75,469)
Total	(1,09,19,273)	1,55,04,521
28. EARNINGS PER SHARE		
(i) Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs)	4,87,75,478	1,25,25,415
(ii) Weighted Average number of Equity Shares used as denominator for calculating Basic EPS (Nos)	2,63,30,000	2,63,30,000
(iii) Weighted Average number Potential Equity Shares (Nos)	-	-
(iv) Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS (Nos)	2,63,30,000	2,63,30,000
(v) Basic Earnings per Share (Rs) (i) / (ii)	1.85	0.48
(vi) Diluted Earnings per Share (Rs) (i) / (iv)	1.85	0.48
(vii) Face Value per Equity Share (Rs)	10	10

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

Since the company does not have any Potential Equity Shares, the denominator used for calculating Basic EPS and Diluted EPS are the same and consequently Basic EPS and Diluted EPS are the same.

29. INCOME TAXES:

The management feels that reconciliation between the provision of income tax and amounts computed by applying the statutory income tax rate to profit before taxes to the consolidated statement of profit and loss account is onerous and will not serve any useful purpose, since the subsidiary is a foreign company in Europe and taxation laws of both the companies are different and hence it is impracticable to reconcile the tax amounts in the consolidated statement of Profit & Loss.

30. SEGMENT INFORMATION:

The Company's operating segments are established on the basis of those components that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Company has two principal operating and reporting segments as follows:

- 1.) Manufacturing and selling of eggs, egg based products & other ancilliary products and (shortly referred as Manufacturing)
- 2.) Trading of feed ingredients. (shortly referred as Trading)

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

- a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

ii) Primary Segment Information:

(In rupees)

Particulars	Manufacturing		Trading		Unallocable		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Segment Revenue								
External Turnover	226,24,36,044	260,64,23,607	108,27,06,502	56,97,29,868	-	-	334,51,42,547	317,61,53,475
Inter Segment Turnover	-	-	-	-	-	-	-	-
Revenue from operations (net of GST)	226,24,36,044	260,64,23,607	108,27,06,502	56,97,29,868	-	-	334,51,42,547	317,61,53,475
Segment Result								
Segment Result before Interest & Taxes	8,19,66,503	8,75,61,157	(7,97,712)	48,08,603	-	-	8,11,68,791	9,23,69,760
Less: Finance costs	-	-	(12,48,811)	(13,76,841)	(4,24,71,841)	(4,97,85,877)	(4,37,20,652)	(5,11,62,717)
Add: Interest Income	-	-	-	-	2,28,36,140	47,78,123	2,28,36,140	47,78,123
Profit Before Tax	8,19,66,503	8,75,61,157	(20,46,524)	34,31,762	(1,96,35,701)	(4,50,07,754)	6,02,84,279	4,59,85,165
Less: Current Tax	-	-	-	-	(2,27,35,052)	(1,74,40,464)	(2,27,35,052)	(1,74,40,464)
Less: Deferred Tax (exp) / Income	-	-	-	-	1,09,19,273	(1,55,04,521)	1,09,19,273	(1,55,04,521)
Profit After Tax (before adjustment for Non Controlling Interest)	8,19,66,503	8,75,61,157	(20,46,524)	34,31,762	(3,14,51,480)	(7,79,52,740)	4,84,68,500	1,30,40,179
Less: Share of Profit / (loss) transferred to Non Controlling Interest)	-	-	-	-	(3,06,979)	5,14,764	(3,06,979)	5,14,764
Profit After Tax (after adjustment for Non Controlling Interest)	8,19,66,503	8,75,61,157	(20,46,524)	34,31,762	(3,11,44,501)	(7,84,67,504)	4,87,75,478	1,25,25,415
Other Information								
Segment Assets	127,58,65,061	128,18,21,019	22,01,98,021	20,69,38,766	33,08,94,033	32,21,40,420	182,69,57,115	181,09,00,204
Segment Liabilities	58,48,79,540	61,45,55,958	18,70,60,526	17,74,16,195	8,82,51,513	9,64,76,812	86,01,91,580	88,84,48,965
Capital Expenditure	13,35,53,638	7,85,43,215	-	-	-	-	13,35,53,638	7,85,43,215
Depreciation & Amortisation	10,87,70,101	12,95,31,972	67,189	68,564	-	-	10,88,37,291	12,96,00,536

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019****ii) Secondary Segment Information:**

The Company has five geographic segments: India, Japan, Russia, Europe and Rest of the world. Revenues from the geographic segments based on domicile of the customer are as follows:

Particulars	2018-19	2017-18
1. Segment Revenue - External Turnover		
(a) Within India	57,96,41,970	87,90,03,916
(b) Outside India:		
(i) Japan	102,86,58,363	65,61,59,884
(ii) Russia	34,79,31,846	44,22,56,360
(iii) Europe	75,77,33,909	56,97,29,837
(iv) Rest of the World	63,11,76,459	62,90,03,478
Total	334,51,42,547	317,61,53,475
2. Non-Current Assets		
(a) Within India	70,27,19,833	68,28,16,502
(b) Outside India - Europe	1,09,378	1,76,567
Total	70,28,29,211	68,29,93,068

Revenues from one customer of the company amount to more than 10% of the Company's total revenues and represent approximately Rs.103 crores (previous year Rs.66 crores) of the total revenue of the company.

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31. RELATED PARTY DISCLOSURES:

As required under Indian Accounting Standard (Ind AS) 24 - Related Party disclosures, disclosure of transactions with related parties are given below:

(a) Classification and name of the Related Parties

(i) Associate	SKM Universal Marketing Company India Private Ltd
(ii) Key Management Personnel	SKM Shree Shivkumar
	Sri.SKM Maeilanandhan
	K.S.Venkatachalapathy
	PSekar
(iii) Other Related Parties	SKM Animal Feeds and Foods India Private Limited
	SKM Siddha and Ayurvedha Company India Private Limited

(b) Description of relationship between the parties :

(i) Associate	
(a) SKM Universal Marketing Company India Private Limited	Domestic associate company in which the company holds 26% voting power
(ii) Key Management Personnel	
(a) SKM Shree Shivkumar	Managing Director
(b) Sri.SKM Maeilanandhan	Whole time Director
(c) K.S.Venkatachalapathy	Chief Financial Officer
(d) PSekar	Company Secretary
(iii) Other Related Parties	
(a) SKM Animal Feeds and Foods India Private Limited	Entity over which Key Management Personnel have significant influence
(b) SKM Siddha and Ayurvedha Company India Private Limited	Entity over which Key Management Personnel have significant influence

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

(c) Transactions during the year and year end balances with related parties :

(c-i) The company has the following related party transactions for the years 2018-19 & 2017-18:

Nature of relationship	Nature of Transactions	2018-19 (Rs)	2017-18 (Rs)
(i) Associate	Sale of goods	10,42,64,246	10,22,15,234
	Rent Income	30,680	1,53,225
	Purchase of goods	87,05,65,170	118,79,76,197
	Purchase of Electricity	2,71,59,083	2,24,71,730
(ii) Key Management Personnel	Remuneration paid	2,21,66,134	1,01,49,264
	Rent paid	3,50,580	3,16,210
(iii) Other Related Parties	Sale of goods	27,35,136	19,14,892
	Purchase of goods	2,10,056	4,45,891

(c-ii) The company has the following balances outstanding as of March 31, 2019 and March 31, 2018 :

Nature of relationship	Nature of Balances outstanding	As at 31.03.2019 (Rs)	As at 31.03.2018 (Rs)
(i) Associate	Investments	1,18,45,572	1,18,45,572
	Trade receivables	40,15,712	81,06,636
	Trade payables	44,94,000	9,45,68,040
(ii) Key Management Personnel	-	-	-
(iii) Other Related Parties	Trade receivables	2,00,833	-
	Trade payables	90,305	95,301

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(d) Disclosures in respect of major related party transactions during the year :

The following are the significant related party transactions during the year ended March 31, 2019 and March 31, 2018

Particulars	Relationship	2018-19 (Rs)	2017-18 (Rs)
1) Purchase of goods			
(a) SKM Siddha and Ayurvedha Company India Private Limited	Other Related Party	2,10,056	4,45,891
(b) SKM Universal Marketing Company India Private Limited	Associate	87,05,65,170	118,79,76,197
2) Purchase of Electricity			
(a) SKM Universal Marketing Company India Private Limited	Associate	2,71,59,083	2,24,71,730
3) Rent paid			
(a) SKM Shree Shivkumar	Key Management Personnel	3,50,580	3,16,210
4) Remuneration paid			
(a) SKM Shree Shivkumar	Key Management Personnel	1,60,07,105	43,60,634
(b) Sri.SKM Maeilanandhan	Key Management Personnel	30,45,962	30,54,928
(c) K.S.Venkatachalapathy	Key Management Personnel	25,29,282	22,58,639
(d) P.Sekar	Key Management Personnel	5,83,785	4,75,063
5) Sale of goods			
(a) SKM Animal Feeds and Foods India Private Limited	Other Related Party	27,35,136	19,14,892
(b) SKM Universal Marketing Company India Private Limited	Associate	10,42,64,246	10,22,15,234
6) Rent Income			
(a) SKM Universal Marketing Company India Private Limited	Associate	30,680	1,53,225

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The following are the significant related party balances outstanding as of March 31, 2019 and March 31, 2018

Particulars	Relationship	As at 31.03.19 (Rs)	As at 31.03.18 (Rs)
1) Trade receivables			
(a) SKM Universal Marketing Company India Private Limited	Associate	40,15,712	81,06,636
(b) SKM Animal Feeds and Foods India Private Limited	Other Related Party	2,00,833	-
2) Trade payables			
(a) SKM Universal Marketing Company India Private Limited	Associate	44,94,000	9,45,68,040
(b) SKM Siddha and Ayurvedha Company India Private Limited	Other Related Party	90,305	95,301
3) Investments			
(a) SKM Universal Marketing Company India Private Limited	Associate	1,18,45,572	1,18,45,572

(e) Compensation of Key Management Personnel

Rs.

Particulars	2018-19	2017-18
(i) Short-term employee benefits	197,98,222	90,54,312
(ii) Post-employment benefits *	23,67,912	10,94,952
(iii) Other long-term benefits	-	-
(iv) Termination benefits	-	-
(v) Share-based payment	-	-
	2,21,66,134	1,01,49,264

* - Post-employment benefit comprising gratuity, and compensated absences are not disclosed as these are determined for the Company as a whole.

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32 (i) Foreign currency risk:

The company is essentially an Export Oriented Undertaking and makes significant exports and has availed Working Capital Loan (Packing Credit) in Foreign currency and also imports goods, stores & spares occasionally. The Company is exposed to foreign currency risk on these transactions. The Company follows a conservative and sound policy by entering into simple Forward Exchange Contracts to hedge the foreign currency risk whose maturity is coterminous with the maturity period of the foreign currency liabilities and receivables.

The following table shows the foreign currency exposure in USD and EUR on financial statements at the end of the reporting period. The exposure to foreign currency for all other currencies are not material. (in Rs.)

Particulars	As at 31.03.2019	As at 31.03.2018
(i) Borrowings:		
Euro	1,23,97,294	5,68,49,222
USD	37,82,69,201	38,03,55,974
(ii) Trade & other payables		
Euro	44,54,052	-
USD	-	41,57,748
(iii) Trade & other receivables - USD	(4,57,08,170)	(10,52,05,974)
Net Exposure (i + ii - iii)	34,94,12,377	33,61,56,971

Sensitivity analysis of 1% change in exchange rate at the end of the reporting period net of hedges

Particulars	As at 31.03.2019 (in Rs.)		
	USD	Euro	Total
1% Depreciation in INR			
Impact on equity	-	-	-
Impact on P & L	(33,25,610)	(1,68,513)	(34,94,124)
Total	(33,25,610)	(1,68,513)	(34,94,124)
1% Appreciation in INR			
Impact on equity	-	-	-
Impact on P & L	33,25,610	1,68,513	34,94,124
Total	33,25,610	1,68,513	34,94,124

Particulars	As at 31.03.2018 (in Rs.)		
	USD	Euro	Total
1% Depreciation in INR			
Impact on equity	-	-	-
Impact on P & L	(27,93,077)	(5,68,492)	(33,61,570)
Total	(27,93,077)	(5,68,492)	(33,61,570)

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

Particulars	As at 31.03.2018 (in Rs.)		
	USD	Euro	Total
1% Appreciation in INR			
Impact on equity	-	-	-
Impact on P & L	27,93,077	5,68,492	33,61,570
Total	27,93,077	5,68,492	33,61,570

32(ii) Interest rate risk:

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has availed significant Foreign Currency Working Capital Loan (In USD as well as Euro) by way of Packing Credit at floating interest rates. The interest rate is at 1.10% (spread) plus LIBOR rate of respective Bank and the interest rate is reset based on the LIBOR rate, as per the loan facility agreement. The Company has not entered into any of the interest rate swaps and hence, the Company is exposed to interest rate risk.

The Company considering the economic environment in which it operates has determined the interest rate sensitivity analysis (interest exposure) at the end of the reporting period. The interest rate for the Company are floating rates and hence, the analysis is prepared assuming the amount of the borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point +/- fluctuation in the interest rate is used for disclosing the sensitivity analysis.

The exposure of the company's borrowings to interest rate changes at the end of the reporting period are as follows

Particulars	As at 31.03.2019	As at 31.03.2018
(i) Borrowings - Short term		
Borrowings in Euro	1,23,97,294	5,68,49,222
Borrowings in USD	37,82,69,201	38,03,55,974
Borrowings in INR - Current maturity of Long Term loan	90,04,535	10,89,303
(ii) Borrowings - Long term		
Borrowings in INR	3,56,21,984	34,635
Net Exposure	43,52,93,014	43,83,29,134

Impact on interest expenses for the year on 1% change in interest rates

Particulars	As at 31.03.2019	As at 31.03.2018
Up Move		
Impact on equity	-	-
Impact on P & L	(62,05,138)	(65,85,107)
Total	(62,05,138)	(65,85,107)
Down Move		
Impact on equity	-	-
Impact on P & L	62,05,138	65,85,107
Total	62,05,138	65,85,107

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

The interest rate sensitivity analysis is done holding on the assumption that all other variables remaining constant. The increase / decrease in interest expense is mainly attributable to the Company's exposure to interest rates on its variable rate of borrowings. interest rates on its variable rate of borrowings.

32(iii) Commodity price risk:

Commodity price risk arises due to fluctuation in prices of eggs, feeds and other products. The company has a risk management framework aimed at prudently managing the risk by reducing the external dependability and enhancement of self reliance by manufacturing the commodities in house to the extent possible.

32(iv) Credit risk:

Credit risk is a risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due, causing financial loss to the company. Credit risk arises from Company's outstanding receivables from customers and other parties. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities.

32(v) Liquidity risk:

Liquidity risk arises from the company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and cash equivalents (Rs.24.00 crores as on 31st March 2019) & (Rs.21.51 crores as on 31st March 2018) and maintaining availability of standby funding through an adequate line up of committed credit facilities (Rs.39.07 crores as on 31st March 2019) & (Rs.43.72 crores as on 31st March 2018).

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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)

SKM EGG PRODUCTS EXPORT INDIA LIMITED

CIN : L01222TZ1995PLC006025
133, 133/1, GANDHIJI ROAD, ERODE-638001, TAMILNDU

Name of the Member (s) :

Registered address :

Registered E-mail ID :

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

I/We , being the member(S) of _____ shares of the above named company,
hereby appoint

1. Name -----

Address-----

E-mail Id-----

Signature-----

2. Name -----

Address-----

E-mail Id-----

Signature-----

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the company, to be held on Wednesday, September 25, 2019 at 4.00 p.m. IST at the Registered Office 133, 133/1, Gandhiji Road, Erode-638001, Tamilnadu, India and at any adjournment thereof in respect of such resolutions as are indicated below:

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

			Vote (Optional, see Note 2)	
RESOLUTION No	RESOLUTION	TYPE OF RESOLUTION	FOR	AGIANST
ORDINARY BUSINESS				
1.	Adoption of financial statements	Ordinary Resolution		
2.	Declaration of dividend	Ordinary Resolution		
3.	Re-appointment of Statutory Auditor Mr. Prasanna Venkatesan N, Chartered Accountants, Erode to hold office from the conclusion of this meeting until the conclusion of the 27th AGM and to fix his remuneration.	Ordinary Resolution		
SPECIAL BUSINESS				
4.	Re-appointment of Managing Director	Ordinary Resolution		
5.	Re-appointment of Dr. L.M. Ramakrishnan as Independent Director.	Special Resolution		
6.	Re-appointment of Mr. C. Devarajan as Independent Director.	Special Resolution		
7.	Re-appointment of Mr. D. Venkateswaran as Independent Director.	Special Resolution		
8.	Appointment of Mr. T.N.Thirukumar as Independent Director.	Ordinary Resolution		
9.	Appointment of Mr. G.N.Jayaram as Independent Director.	Ordinary Resolution		
10.	Approval for related party transactions	Ordinary Resolution		

Signed this _____ day of _____ 2019.

Signature of Shareholder

Signature of Proxy holder(s)

Affix Rs.1/-
Revenue
STAMP
here

Note :

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

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

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED - ANNUAL REPORT 2018-19

ATTENDANCE SLIP**SKM EGG PRODUCTS EXPORT INDIA LIMITED**

CIN : L01222TZ1995PLC006025
133, 133/1, GANDHIJI ROAD, ERODE-638001, TAMILNADU

24th ANNUAL GENERAL MEETING, 2019**Registered Folio No. / DP ID No. / Client ID No. :**

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Number of Shares Held :

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

I hereby record my presence at the 24th Annual General Meeting of the Company, at Registered Office 133, 133/1, Gandhiji Road, Erode - 638 001 Tamilnadu, on September 25, 2019 at 4.00 p.m.

Name of the Member/Proxy (In Block Letters)

Signature of the Member/Proxy

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

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic voting Event Number)	USER ID	PASSWORD

எஸ்கேஎம் எக் புராடக்ஸ் எக்ஸ்போர்ட் (இந்தியா) லிமிடெட்

133, 133/1, காந்திஜி ரோடு, ஈரோடு - 638 001.

வருகை பதிவுச் சீட்டு

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

பங்குதாரரின் பெயர், விலாசம் :

25.09.2019 புதன்கிழமை மாலை 4.00 மணிக்கு பதிவு அலுவலகம், 133, 133/1, காந்திஜி ரோடு, ஈரோடு - 638 001ல் நடைபெறும் கம்பெனியின் 24-வது ஆண்டு பொதுக் கூட்டத்திற்கு எனது வருகையை இதன் மூலம் பதிவு செய்கிறேன்.

மீ பங்குதாரர் / பதிலாள்

கையொப்பம்

மீ பதிலாள் / பங்குதாரர் என்பதை குறிப்பிடவும்

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

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



எஸ்கேஎம் எக் புராடக்ஸ் எக்ஸ்போர்ட் (இந்தியா) லிமிடெட்

133, 133/1, காந்திஜி ரோடு, ஈரோடு - 638 001.

பதிலி படிவம்

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

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

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

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

எனது/எங்களது சார்பில் 25.09.2019 புதன்கிழமை மாலை 4.00 மணிக்கு நடக்கவிருக்கும் 24-வது ஆண்டு பொதுக்கூட்டம்

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

கையொப்பமிட்ட தேதி

ஒரு ரூபாய்
ரெனின்யூ
ஸ்டாம்பு
ஒட்டவும்

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

133, 133/1, காந்திஜி ரோடு, ஈரோடு - 638 001. என்ற விலாசத்திற்கு மேற்கண்ட கூட்டத்தின் 48 மணி நேரத்திற்கு

முன்பாக வந்து சேருமாறு அனுப்ப வேண்டும்.

ROUTE MAP



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SKM EGG PRODUCTS

THINKING OUT OF THE SHELL

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Fax : +91 424 23 51 530-31
E-mail : finance@skmegg.com

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Tamilnadu, India. Pin : 638 001
Website : www.skmegg.com