



SKM EGG PRODUCTS

THINKING OUT OF THE SHELL

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

TWENTY FIRST ANNUAL REPORT 2015 - 2016

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

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SKM EGG PRODUCTS EXPORT (INDIA) LIMITED

CIN: L01222TZ1995PLC006025

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

BOARD OF DIRECTORS	:	SHRI. SKM MAEILANANDHAN (DIN: 00002380)
	:	SHRI. SKM SHREE SHIVKUMAR (DIN: 00002384)
	:	SMT. SHIVKUMAR KUMUTAAVALLI (DIN: 00002390)
	:	DR. L. M. RAMAKRISHNAN (DIN: 00001978)
	:	SHRI. C. DEVARAJAN (DIN: 00109836)
	:	SHRI. S.M. VENKATACHALAPATHY (DIN: 00043288)
	:	SHRI. P. KUMARASAMY (DIN: 00046090)
	:	SHRI. M. CHINNIAN (DIN: 01497482)
	:	SHRI. B. RAMAKRISHNAN (DIN: 00182214)
	:	SHRI. D. VENKATESWARAN (DIN: 05170759)
EXECUTIVE CHAIRMAN	:	SHRI. SKM MAEILANANDHAN (DIN: 00002380)
MANAGING DIRECTOR	:	SHRI. SKM SHREE SHIVKUMAR (DIN: 00002384)
CHIEF FINANCIAL OFFICER	:	SHRI. K. S. VENKATACHALAPATHY, B.Com, FCA.
COMPANY SECRETARY	:	SHRI. P. SEKAR, M.Com, ACS.
STATUTORY AUDITORS	:	N.C. RAJAGOPAL & CO., Chartered Accountants, 199, Agraharam Street, ERODE - 638 001.
SECRETARIAL AUDITOR	:	SHRI.V.RAMKUMAR, MA, CAIIB, ACS Company Secretary In Practice, No.23, East Arokiasamy Street R.S.Puram, Coimbatore-641 002.
BANKERS	:	STATE BANK OF INDIA Commercial Branch, New No. 45, Old No. 20, VCTV Road, Sathy Main Road, ERODE - 638 003.
REGISTERED OFFICE	:	185, Chennimalai Road, Erode - 638 001,
FACTORY	:	Erode to Karur Main Road, Cholangapalayam, Punjai Kilambadi Village, ERODE - 638 154.

NOTICE TO SHAREHOLDERS

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

Date : 2nd September 2016

Day : Friday

Time : 4.00 PM

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

To transact the following business:

AGENDA

ORDINARY BUSINESS :

1. To receive, consider and adopt
 - a. the audited financial statements including audited Balance sheet and profit and loss account of the Company for the financial year ended 31st March 2016, and the Reports of the Board of Directors and the Auditors thereon; and
 - b. the audited consolidated financial statements including audited consolidated Balance sheet and Profit and Loss account of the Company for the financial year ended 31st March 2016 and the Report of the Auditors thereon;
2. To appoint a Director in place of Smt. S Kumutaavalli, Non-executive Director (DIN: 00002390), who retires by rotation, and being eligible, offers herself for re-appointment.
3. To appoint Statutory Auditors to hold office from the conclusion of this meeting until the conclusion of the next AGM and to fix their remuneration.

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

SPECIAL BUSINESS:

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

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

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

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

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

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

5. **Re-appointment of Shri SKM Maeilanandhan (DIN 00002380), as Executive Chairman of the Company. Consider and if thought fit, to pass with or without modification, the following resolution as SPECIAL RESOLUTION:**

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

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

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

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

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

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

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

"RESOLVED THAT pursuant to the provisions of section 188 of the Companies Act, 2013, and SEBI (Listing Obligations and disclosures requirements) Regulations 2015 (including any amendments, modifications, or re-enactments thereof), consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into contracts, and or arrangements, with the related party as defined under the Act with respect to sale, purchase, or supply of any goods or materials, selling or otherwise disposing of or buying, leasing of property of any kind availing or rendering of any services or any other transactions of whatever nature with related parties.' The particulars of transactions are appended below:

A. Name of the Related Parties:

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

B. Description of Relationship between the parties:

Presumption of significant influence

C. Transaction Details

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

For and on behalf of the Board of Directors

Date : 01.08.2016

Place : Erode.

Sd/-
SKM Shree Shivkumar
Managing Director

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll, instead of himself/ herself and the proxy need not be a member of the company.
2. The instrument appointing proxy should, however, be deposited at the registered office of the company not later than 48 hours before the commencement of the Meeting. A person can act as proxy on behalf of members up to and not exceeding fifty.
3. An Explanatory statement pursuant to section 102(1) of the Companies Act, 2013, relating to the special business to be transacted at the meeting is annexed hereto.
4. Members/Proxies should bring their attendance slip duly filled in for attending the meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members who hold shares in dematerialized form are requested to bring their Depository ID Number and Client ID Number and those who holds shares in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate Identification of members at the Meeting.
7. Members are requested to bring their copy of the Annual Report with them at the Annual General Meeting, as the copies of the report will not be circulated at the meeting.
8. The Register of Members and Share transfer registers of the company would remain closed from 26.08.2016 to 02.09.2016 (both days inclusive).
9. A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his request to the Company at least 10 days prior to the Meeting so that the required information can be made available at the Meeting.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company.
11. Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
12. The details of directors who are proposed to be reappointed/newly appointed are given in Corporate Governance Report.
13. Details under regulation 36 of SEBI (Listing Obligations and disclosures requirements) Regulations 2015 and Secretarial Standards Issued by ICSI in respect of the director seeking reappointment at the AGM is furnished and Form a part of the notice.

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

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

Item No: 4 to 7**Re-Appointment of Managing Directors:**

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