



SKMEGG/SEC/BSE/NSE/AGM/OC/2017-18

September 27, 2017

To,

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai-400 001

National Stock Exchange of India Limited
Exchange Plaza,
Plot No:C/G Block
Bandra Kurla Complex
Mumbai-400 051

Dear Sirs,

Sub: Outcome of 22nd AGM

Ref: Scrip Code: 532143(BSE)/SKMEGGPROD (NSE)

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We would like to inform you that pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following resolutions, as set out in the notice convening the 22nd Annual General Meeting of the Members of the Company were transacted at the Annual General Meeting held on 27th September, 2017 at Registered office situated at 185, Chennimalai Road, Opposite to Railway Station, Erode-638001 at 4.00 p.m.

ORDINARY BUSINESS

Resolution No.1

Adoption of Financial Statement

- a. the audited financial statements including audited Balance sheet and profit and loss account of the Company for the financial year ended 31st March 2017, and the Reports of the Board of Directors and the Auditors thereon; and
- b. the audited consolidated financial statements including audited consolidated Balance sheet and Profit and Loss account of the Company for the financial year ended 31st March 2017 and the Report of the Auditors thereon;

Resolution No.2

To appoint a Director in place of Shri S.M.Venkatachalapathy, Non-executive Director (DIN: 000043288), who retires by rotation, and being eligible, offers himself for re-appointment.

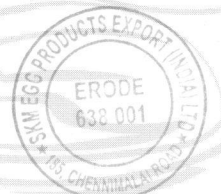
SKM EGG PRODUCTS

THINKING OUT OF THE SHELL

SKM EGG PRODUCTS EXPORT (INDIA) LIMITED CIN : L01222TZ1995PLC006025

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

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





Resolution No.3

To appoint the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

Resolution No.4

Approval for reclassification of promoters/promoters group as public holdings (Dr. M. Chandrasekar and Mrs. C. Shyamala Sharmili)

The facility of voting on all the above resolutions was provided through remote e-voting (prior to AGM and physical ballots at the AGM venue)

The voting results on the above resolutions will be declared and communicated to the Exchanges subsequent to the receipt of Scrutinizers' Report. The same shall also be placed on the Company's website and also on the website of NSDL. The voting results as per Regulation 44 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be communicated in due course.

Moreover, please find the enclosed herewith the presentation made at the Annual General Meeting of the company.

Kindly take on record the same in your records.

Thanking You

Yours faithfully
For SKM Egg Products Export (India) Limited

P.Sekar
Company Secretary
(ICSI Membership No.A36565)

Enclosure: As above

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SKM EGG PRODUCTS
THINKING OUT OF THE SHELL

Thinking Out

of the Shell





Presented by

Shri. SKM Shree Shivkumar
Managing Director &
Chief Executive Officer





About the Company

- The largest egg processing company in India
- Leadership market position - More than 50% of total egg product exports from India
- Strong raw material sourcing capabilities
- Highest quality standards adhered to meet export market's stringent quality standards
- Strong relationship and globally approved supplier status with strong brands such as Mondelez, Heinz, CSM amongst others
- Key Markets – Japan, Europe, South East Asia & Russia
- Strong network in key markets through subsidiary, branch & exclusive distributors – SKM Europe , SKM Russia & SKM Japan
- Trendsetting welfare policies for employees and various CSR activities
- Strong top management team with professionals to manage day to day operations



Details of Manufacturing Facility

Raw Material - Eggs

- Own Farm located in Erode
- Own Farm produces 5 lakhs eggs per day
- Tie up with contract manufacturers in & around Namakkal

Finished Product - Egg Powder

- Own processing unit located in Erode
- Installed capacity to process 6900 MT of egg powder per annum
- World class infrastructure to maintain export level product quality

Particulars	2014-15	2015-16	2016-17
Installed capacity (In Mt's)	6900	6900	6900
Actual production (In Mt's)	6900	6141	4982
Capacity utilization (%)	100	89	72



Overview of Operations

Raw Material

Egg – Key Raw Material

- 25% of egg requirement met in-house
- Proximity to Namakkal, second biggest egg producing center in India
- Feed mill commissioned to enhance feed operations efficiency

Process Control

Strong Process Controls

- Controls entire Life cycle of Egg Processing
- All feed and additives are Quality control
- Automated tracking system for Egg process
- Export level quality to maintain market share

Forex Management

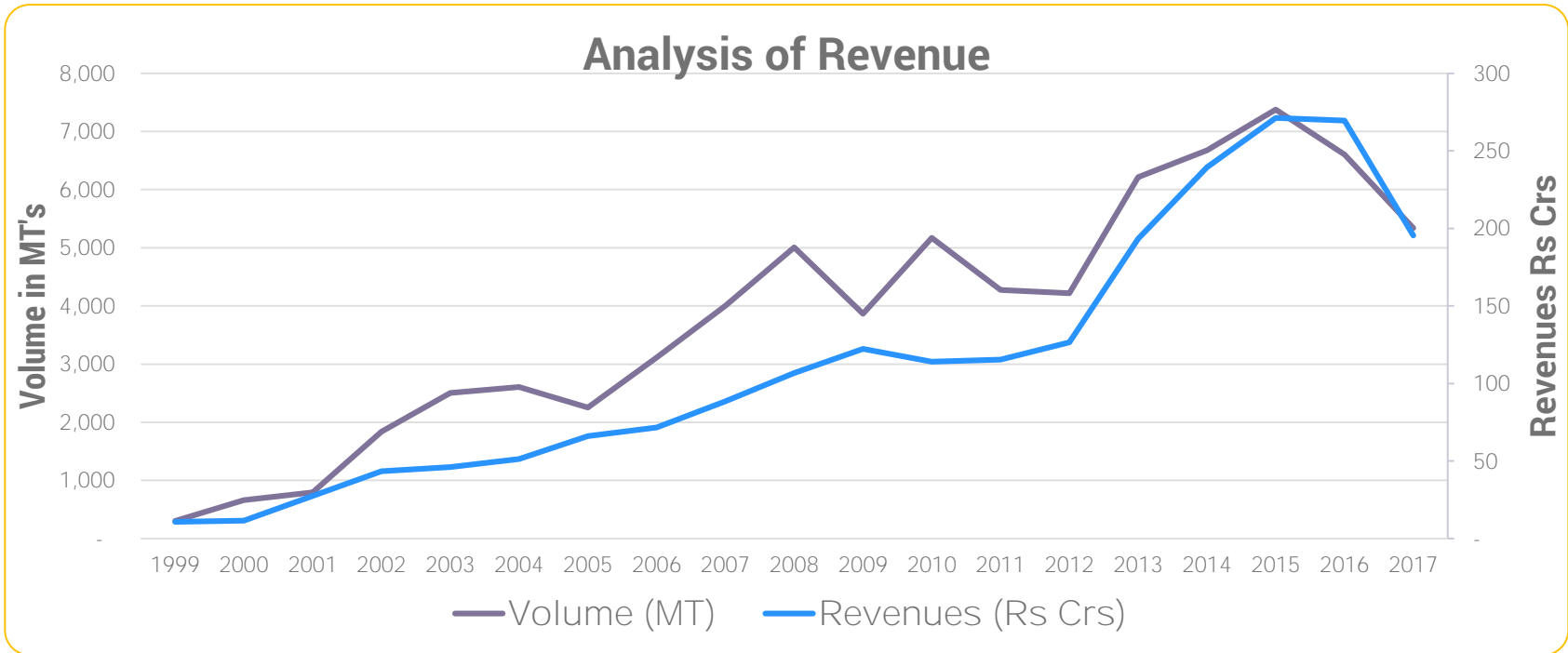
Forex Management

- Majority revenues derived from exports
- Denominated mostly in Euros & dollars
- Forward contracts employed to minimize forex risk
- No Forex losses in last 3 years



Sales – Strong Volume growth

CAGR Volume growth of 17.2%; CAGR Revenue growth of 17.5%





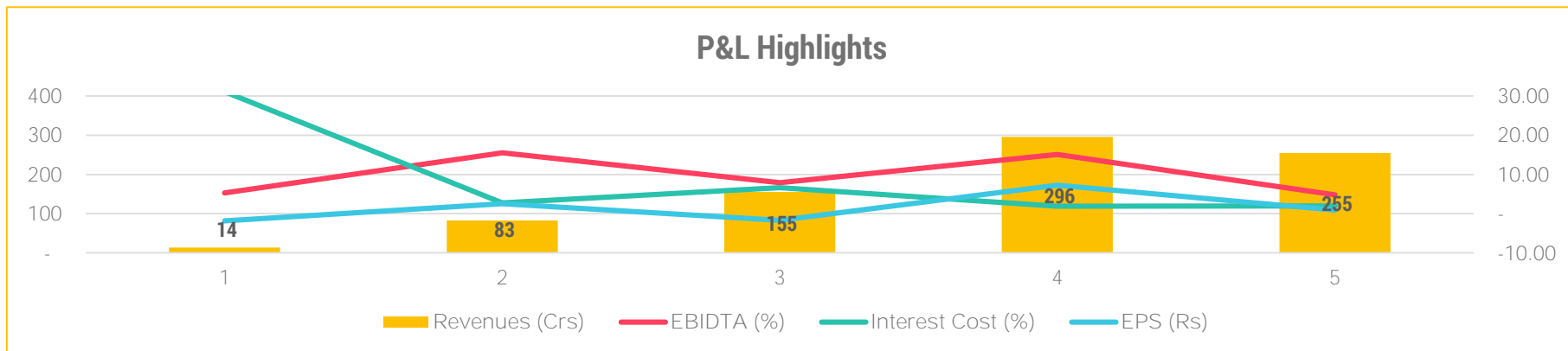
Analysis – P&L Account through the cycle

Block 1 – 1998 to 2001; Block 2 – 2002 to 2009; Block 3 – 2010 to 2013; Block 4 – 2014 to 2016 --- Compared with Current year 2017

(Block Avg. in Crs)

Revenues	Gross Income	Higher the better
EBIDTA	Earnings before Interest, Depreciation & Taxes	Higher the better
Interest Cost (% of Revenues)	Interest expense % in total cost structure	Lower the better
EPS	Earnings per share	Higher the better

Highlights	Block 1	Block 2	Block 3	Block 4	2017
Revenues (Crs)	14	83	155	296	255
EBIDTA (%)	5.27	15.48	7.92	15.05	4.78
Int. Cost (%)	31.11	2.78	6.64	1.90	1.96
EPS (Rs)	-1.83	2.52	-1.72	7.29	0.89



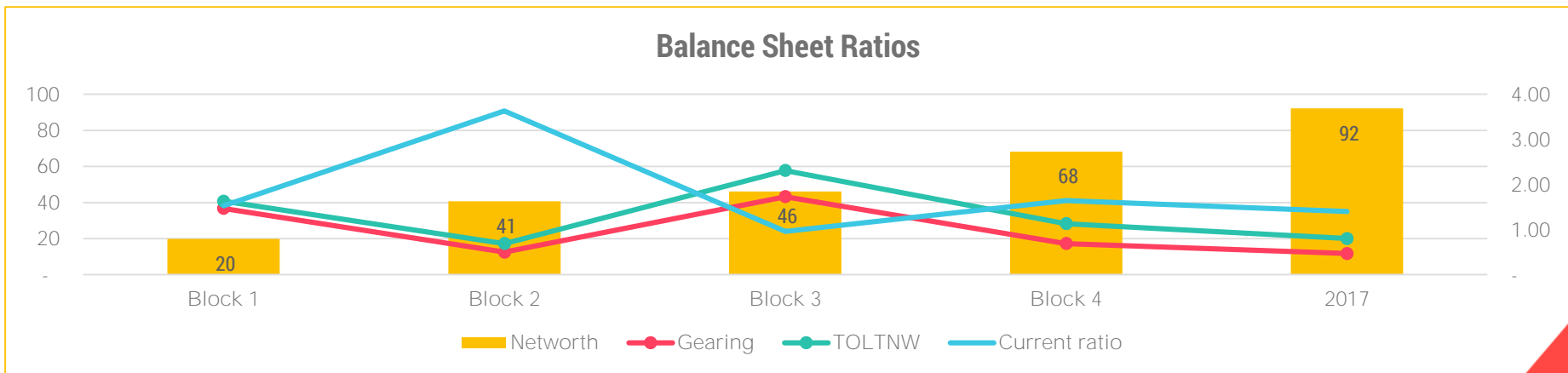


Analysis – Balance Sheet through the cycle

Block 1 – 1998 to 2001; Block 2 – 2002 to 2009; Block 3 – 2010 to 2013; Block 4 – 2014 to 2016 - - - Compared with Current year 2017

Networth	Share capital + Reserves	Higher the better
Gearing	Total Debt/ Networkth	Lower the better
TOLTNW	Total Outside liabilities/ Tangible Networkth	Lower the better
Current Ratio	Current Assets/ Current Liabilities	Higher the better

Ratio	Block 1	Block 2	Block 3	Block 4	2017
Networth	20	41	46	68	92
Gearing	1.47	0.50	1.73	0.69	0.47
TOLTNW	1.63	0.69	2.31	1.13	0.80
Current ratio	1.53	3.63	0.96	1.64	1.40





Key Competitive Strengths

Strong Fundamentals

- Long Standing industry experience
- Ability to manage downturns successfully
- Strong second level management team
- Healthy financial profile

Largest Vertically integrated player in egg processing industry

- Leadership market position in the industry
- Integration enabling high quality maintenance
- Facilities advantageously located close to raw material hub
- Strong control over product quality
- Manufacturing processes certified by major export destinations



Key Competitive Strengths

Strong Customer profile

- Relationship of over 15 years with key customers
- Marquee brands such as Heinz, Mondelez in client profile
- Revenue contribution to top 3 customers ~ 25% CAGR growth in 5 years

Key Management initiatives

- Own feed mill commissioned to enhance feed operation efficiency
- Raw Material Storage capacity enhanced
- Marketing offices set up in key markets
- Investment in modernization and upgrade
- Planned diversification from B2B to B2C
- Foray into Russian market
- Capacity available to manage next year growth



Key Highlights

- Company continues to maintain credit rating at Investment Grade with CARE Ratings Ltd
- Management has consciously prepaid all the term loans during surplus cash flow years
- Shares re-listed in BSE from 30.03.2017
- Implemented learnings from last business downturn and made company stronger
- Company's low leverage supporting business profile
- Continuous support of other stakeholders like bankers, customers, suppliers & shareholders
- Company to maintain inclusive growth going forward

THANK YOU !

Our Employees are our Biggest Asset

