



SKMEGG/SEC/NSE/BSE/OCBM1/2018-19
May 28, 2018

To,

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

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

Dear Sirs,

Sub: Outcome of the Board Meeting

This is to inform you that at the meeting of the Board of Directors of the Company held today, the Board of Directors has approved the audited financial results of the company for the quarter and year ended 31st March, 2018.

Please find the audited financial results together with the auditor Reports thereon in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is for your kind information and records.

Yours Faith fully

For SKM Egg Products Export (India) Limited



P.Sekar
Company Secretary

Encl: as above

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, Cholangalayam, Erode - 638 154, Tamil Nadu, India. Tel: +91 424 2351532 - 34, Fax: +91 424 2351531, Web: www.skmeegg.com



PARTICULARS	Standalone					Consolidated	
	3 Months ended (31.03.2018)	3 Months ended (31.12.2017)	Corresponding 3 Months ended in the previous year (31.03.2017)	Year to date figures for the current period ended (31.03.2018)	Year to date figures for the previous year ended (31.03.2017)	Year to date figures for the current period ended (31.03.2018)	Year to date figures for the previous year ended (31.03.2017)
	(Audited)	(Un Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
I Revenue from Operations	7,017	7,193	5,942	28,207	19,545	31,762	23,218
II Other Income	431	472	1,102	1,715	2,247	1,717	2,239
III Total Revenue (I+II)	7,448	7,665	7,043	29,922	21,792	33,479	25,457
IV Expenses							
a) Cost of Material Consumed	4,855	4,094	4,356	17,559	15,938	17,640	16,031
b) Purchase of stock in trade	1,060	1,547	1,291	6,201	1,551	9,204	4,853
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	4	543	57	701	(975)	603	(942)
d) Employee benefits expenses	344	285	312	1,212	1,333	1,213	1,333
e) Finance Costs	59	83	119	235	489	249	500
f) Depreciation expenses	165	157	137	612	586	613	587
g) Power and Fuel	323	274	319	1,212	1,118	1,212	1,118
h) Transport and Forwarding expenses	123	103	76	398	310	629	542
i) Other expenses	453	297	325	1,364	1,399	1,656	1,410
Total Expenditure	7,387	7,383	6,991	29,496	21,748	33,019	25,433
V Profit/(Loss) before exceptional and tax (III - IV)	61	283	52	426	44	460	24
VI Exceptional Items	-	-	-	-	-	-	-
VII Profit/(Loss) before tax (V-VI)	61	283	52	426	44	460	24
VIII Tax expense:							
(1) Current tax	53	88	36	174	49	174	49
(2) Deferred tax	22	15	6	155	(185)	155	(185)
IX Profit/(Loss) for the period from continuing operations (VII-VIII)	(13)	180	10	96	179	130	159
X Profit/(Loss) from discontinuing operations	-	-	-	-	-	-	-
XI Tax expense of discontinuing operations	-	-	-	-	-	-	-
XII Profit/(Loss) from discontinuing operations (after tax) (X-XI)	-	-	-	-	-	-	-
XIII Minority Interest						5	(3)
XIV Profit/(Loss) for the period (IX-XII)	(13)	180	10	96	179	125	162
XV Other Comprehensive Income, net of tax	(19)	0	(5)	(19)	72	(19)	72
XVI Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)	(32)	180	5	77	251	106	234
XVII Paid-up equity share capital (Rs.10/-each)	2,633	2,633	2,633	2,633	2,633	2,633	2,633
Earnings per equity share (*not annualised):							
(1) Basic	(0.05)	0.68	0.04	0.36	0.68	0.50	0.60
(2) Diluted	(0.05)	0.68	0.04	0.36	0.68	0.50	0.60
See accompanying notes to the financial results							



Standalone / Consolidated Audited Statements of Assets and Liabilities	Standalone		Consolidated		Notes :
	Year Ended		Year Ended		
	Mar-18	Mar-17	Mar-18	Mar-17	
	(in Lacs)	(in Lacs)	(in Lacs)	(in Lacs)	
Assets					
(1) Non-current assets					
(a) Property, Plant and Equipment	6,398	6,106	6,400	6,109	
(b) Capital work-in-progress	150	268	150	268	
(c) Financial Assets					
(i) Investments	127	127	118	118	
(ii) Trade receivables					
(iii) Loans	162	186	162	186	
(iv) Others	-	-	-	-	
(d) Deferred tax assets (net)	-	-	-	-	
(e) Other non-current assets	-	-	-	-	
(2) Current assets					
(a) Inventories	3,948	5,233	4,707	5,807	
(b) Financial Assets					
(i) Investments					
(ii) Trade receivables	1,615	1,400	2,680	1,991	
(iii) Cash and cash equivalents	1,999	1,711	2,151	1,731	
(iv) Bank balances other than (iii) above	21	21	21	21	
(v) Loans	137	147	165	171	
(vi) Others	-	-	-	-	
(c) Current Tax Assets (Net)					
(d) Other current assets	1,609	832	1,627	841	
Translation Reserve			126	100	
Total Assets	16,165	16,031	18,306	17,344	
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	2,633	2,633	2,633	2,633	
(b) Other Equity	6,349	6,272	6,699	6,592	
LIABILITIES					
Non-current liabilities					
(1) (a) Financial Liabilities					
(i) Borrowings	0	11	0	11	
(ii) Trade payables	-	-	-	-	
(iii) Other financial liabilities (other than those specified in it)	-	-	-	-	
(b) Provisions	78	45	78	45	
(c) Deferred tax liabilities (Net)	767	612	767	612	
(d) Other non-current liabilities	-	-	-	-	
(2) Current liabilities					
(a) Financial Liabilities					
(i) Borrowings	4,372	4,307	4,372	4,362	
(ii) Trade payables	1,644	1,706	3,188	2,529	
(iii) Other financial liabilities (other than those specified in it)	-	-	-	-	
(b) Other current liabilities	235	333	413	383	
(c) Provisions	87	113	93	119	
(d) Current Tax Liabilities (Net)					
(e) Minority Interest			63	58	
Translation Reserve					
Total Equity and Liabilities	16,165	16,031	18,306	17,344	

1. The above audited financial results for the period ended 31st March 2018 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 28th May 2018.

2. The figures for the quarter ended 31st March 2018 are the balancing figures between the audited figures in respect of the full financial year ended 31st March 2018 and the unaudited year to date figures up to the nine months ended 31st December 2017, which were subjected to a limited review by the auditors.

3. Effective 1st April 2017, the Company has adopted Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Accounting Standards) Rules, 2015. Accordingly, the above standalone and consolidated financial results have been prepared in accordance with Ind AS 101.

4. The Company is primarily engaged in the business of Manufacturing and Selling of Egg based products. There are no separate reportable segments as per Indian Accounting Standard "Operating Segments" (Ind AS - 108).

5. The reconciliation of the Net Profit reported in accordance with the previous Indian GAAP to total comprehensive Income in accordance with Ind AS for its corresponding quarter of the previous year as required by Securities and Exchange Board of India vide, its circular no. CIR/CFD/FAC/62/2016 dated July 05, 2016 (circular), is given below: **

6. Figures for the previous periods are re-classified / re-arranged / re-grouped wherever necessary to comply with Ind AS and to make them comparable with those of current period.

Particulars	Quarter Ended	Year Ended
	31.03.2017	31.03.2017
1. Net Profit as per previous Indian GAAP	5	251
2. Profit on translation of actuarial (gain)/Loss on defined benefit plans	107	107
Tax impact on translation of actuarial (gain)/Loss on defined benefit plans	(35)	(35)
3. Net Profit before OCI as per IND AS	(67)	179
4. Other Comprehensive Income after Tax - Item that will be reclassified to Profit & Loss Account	72	72
5. Total Comprehensive Income as per Ind AS	5	251

By Order of the Board
 SKM SHREE SHIVKUMAR
 MANAGING DIRECTOR.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Standalone Ind AS financial statements

We have audited the accompanying standalone Ind AS financial statements of M/s. **SKM EGG PRODUCTS EXPORT (INDIA) LIMITED**, (*"the Company"*), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of changes in equity, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018; and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters:

We did not audit the financial statements / information of 1 branch (Foreign branch) (In Russia) included in the standalone Ind AS financial statements of the Company whose financial statements / financial information reflect total assets of Rs.11,03,93,372/- as at 31st March, 2018 and total revenues of Rs.44,22,56,360/- for the year ended on that date, as considered in the standalone Ind AS 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.
- 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 Ind AS 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act except the Director Shri.B.Ramakrishnan bearing Director Identification Number (DIN:00182214).
- 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 except for a sum of Rs.12.12 lakhs, which are held in abeyance due to pending legal cases.

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
N.PRASANNA VENKATESAN

CHARTERED ACCOUNTANT

Membership No.235530



Date : 28.05.2018

Place : Erode

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 2018 in conjunction with our audit of the Standalone Ind As 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 Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting:

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

Inherent Limitations of Internal Financial Controls over Financial Reporting:

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

Opinion:

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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
N.PRASANNA VENKATESAN

CHARTERED ACCOUNTANT

Membership No.235530



Date : 28.05.2018

Place : Erode

“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, 2018 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, 2018 are given below:

Nature of the Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount (Rs)
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Coimbatore	2013-14 (April, 2013 to March, 2014)	2,25,20,850/-
Central Excise Act, 1944	Excise Duty	CESTAT, Chennai	April, 2011 to March, 2012	37,883/-
	Excise Duty	CESTAT, Chennai	November, 2011 to March, 2014	5,85,575/-
Finance Act, 1994	Service Tax	High Court of Madras	January, 2005 to April, 2006	2,00,863/-
	Service Tax	High Court of Madras	July, 2005 to March, 2008	33,19,232/-
	Service Tax	CESTAT, Chennai	April, 2006 to March, 2015	12,89,582/-
	Service Tax	Deputy Commissioner of Central Excise, Salem	April, 2014 to September, 2014	7,36,203/-
	Service Tax	Deputy Commissioner of Central Excise, Salem	August, 2012 to March, 2015	43,96,748/-

8. The company has not defaulted in repayment of loans or borrowings to Financial Institutions, banks or government.
9. The company during the year has not raised any money through Initial or Further Public Offer (including debt instruments) and hence this clause is

inapplicable in as much as it deals with raising of money through public offer and its subsequent application. Based on our audit procedures, we are of opinion that, term loans borrowed by the company were applied for the purposes for which those are raised.

10. According to the information and explanation given to us and from the audit procedures adopted by us, we are of opinion that, no fraud by the company or no fraud on the company by its officers or employees has been noticed or reported during the year.
11. The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the companies Act,2013.
12. The Company is not a "Nidhi company" and hence the Nidhi Rules, 2014 are inapplicable and consequently this clause is inapplicable to the company.
13. According to the information and explanation given to us, all transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, wherever applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence this clause is inapplicable to the company.
15. According to the information and explanation given to us and from our audit observation, we are of opinion that, the company has not entered into any non-cash transactions with its directors or persons connected with them and hence Section 192 of the Companies Act, 2013 and this clause are inapplicable to the company.
16. The company is not a Non-banking financial company and hence the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence the requirement to get registered under Reserve Bank of India Act, 1934 does not arise.

N. Prasanna Venkatesan
N.PRASANNA VENKATESAN

CHARTERED ACCOUNTANT

Membership No.235530

Date : 28.05.2018

Place : Erode



INDEPENDENT AUDITOR'S REPORT

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

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of M/s. **SKM EGG PRODUCTS EXPORT (INDIA) LIMITED** (hereinafter referred to as "the Holding Company" and its subsidiary SKM Europe BV, Utrecht, The Netherlands (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended , and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements:

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility:

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018; and their consolidated Profit including other comprehensive income and their consolidated Cash flows and the consolidated changes in equity for the year ended on that date.

Other Matter

We did not audit the financial statements / financial information of 1 subsidiary whose financial statements / financial information reflect total assets of Rs.20,15,30,702/- as at 31st March, 2018, total revenues of Rs.35,56,96,868/- and net cash inflows amounting to

Rs.1,32,02,081/- for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. The Consolidated Ind AS Financial Statements also include the Group's share of net profit of Rs.29,16,998/- for the year ended 31st March, 2018, as considered in the Consolidated Ind AS Financial Statements, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements /financial information are not material to the Group.

Our opinion on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements / financial information certified by the Management.

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 Ind AS Financial Statements.
 - b) In our opinion proper books of account as required by law relating to the preparation of aforesaid consolidated Ind AS 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 Ind AS Financial Statements.
 - d) In our opinion, the aforesaid Consolidated Ind AS 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, 2018 taken on record by the Board of Directors of the company, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act except the Director Shri.B.Ramakrishnan bearing Director Identification Number (DIN:00182214).

- 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 and as the subsidiary is a company incorporated outside India and has business operations outside India, the company is not a company under the Companies Act, 2013 and hence the reporting on Internal Financial Controls over Financial Reporting on Consolidated Financial Statements is not warranted.
- 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 Ind AS 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 except for a sum of Rs.12.12 lakhs, which are held in abeyance due to pending legal cases.

N. Prasanna Venkatesan
N.PRASANNA VENKATESAN
CHARTERED ACCOUNTANT
Membership No.235530



Date : 28.05.2018

Place : Erode