



# Sakuma Exports Limited

5th Annual Report 2009-2010



# SAKUMA EXPORTS LIMITED.

## BOARD OF DIRECTORS

Chander Mohan - Chairman  
Saurabh Malhotra – Managing Director  
Ashok Kumar Doda  
Radhe Shyam  
Satyendra J Sonar  
Shipra Mediratta

## AUDITORS

A.R.Sodha & Co.  
Chartered Accountants  
101/102, Ashiana, 11th TPS III Road,  
Santacruz (East) Mumbai – 400 055

## BANKERS

Corporation Bank  
Overseas Branch,  
Earnest House,  
Nariman Point,  
Mumbai – 400 021.

## REGISTERED OFFICE

17, Chemox House,  
7, Barrack Road,  
Bombay Hospital Lane,  
New Marine Lines  
Mumbai – 400 020

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## NOTICE

**NOTICE** is hereby given that the Fifth Annual General Meeting of the members of **SAKUMA EXPORTS LIMITED** will be held on Wednesday, 15<sup>th</sup> September 2010 at "P.L. Deshpande Kala Academy, Ravindra Natyamandir, Gr.Floor, Sayani Road, Prabhadevi, Mumbai - 400 025 at 3.00 P.M to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2010, Audited Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Ashok Kumar Doda, who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare dividend on Preference Shares.
4. To re-appoint Auditors of the Company and to fix their remuneration.

### **Special Business:**

5. To Consider and if, thought fit, to pass with or without modification, the following resolution as a Special Resolution.

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, including Schedule XIII of the said Act as amended up-to-date, consent and approval be and is hereby accorded to the re-appointment of and payment of remuneration and perquisites to Mr. Chander Mohan as the Executive Chairman of the Company for a period of three years with effect from 1<sup>st</sup> September, 2010 till 31<sup>st</sup> August, 2013.

**RESOLVED FURTHER THAT** Mr. Chander Mohan shall be paid remuneration and perquisites up to Rs. 3,50,000/- per month or 5% of net profits whichever is higher and shall be eligible for monthly increments as may be decided by the Board of Directors from time to time annually, if permissible as per the provisions of the Act.

**RESOLVED FURTHER THAT** the terms and conditions of the letter of appointment which is placed before the meeting and signed by Mr. Radhe Shyam, Independent Director of the company for the purpose of identification are approved.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration and perquisites to the extent the Board of Directors may consider appropriate and as may be authorised in accordance with any provision under the Act for the time being in force provided, however, that the remuneration and perquisites payable to Mr. Chander Mohan shall be within the limits set out in the said Act including the said Schedule XIII to the Act or any amendments thereto or any modification(s) or statutory re-enactment(s) thereof and/or any rules or regulations framed there under provided that the terms of the letter of appointment between the company and Mr. Chander Mohan shall be suitably modified to give effect to such variation or increase as the case may be.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year of the Company during the term of office of Mr. Chander Mohan as the Executive Chairman, the remuneration and perquisites set out in the aforesaid letter of appointment be paid or granted to Mr. Chander Mohan as minimum remuneration provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the ceiling provided in Part II Section II(B)(v) of Schedule XIII to the said Act or such other amount and perquisites as may be provided in the said Schedule XIII whether or not amended from time to time or any equivalent statutory re-enactment(s) thereof."

6. To Consider and if, thought fit, to pass with or without modification, the following resolution as a Special Resolution.

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, including Schedule XIII of the said Act as amended up-to-date, consent and approval be and is hereby accorded to the re-appointment of and payment of remuneration and perquisites to Mr. Saurabh Malhotra as the Managing Director of the Company for a period of three years with effect from 1<sup>st</sup> September, 2010 till 31<sup>st</sup> August, 2013.

**RESOLVED FURTHER THAT** Mr. Saurabh Malhotra shall be paid remuneration and perquisites up to Rs. 3,50,000/- per month or 5% of net profits whichever is higher and shall be eligible for monthly increments as may be decided by the Board of Directors from time to time annually, if permissible as per the provisions of the Act.



**RESOLVED FURTHER THAT** the terms and conditions of the letter of appointment which is placed before the meeting and signed by Mr. Radhe Shyam, Independent Director of the company for the purpose of identification are approved.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration and perquisites to the extent the Board of Directors may consider appropriate and as may be authorised in accordance with any provision under the Act for the time being in force provided, however, that the remuneration and perquisites payable to Mr. Saurabh Malhotra shall be within the limits set out in the said Act including the said Schedule XIII to the Act or any amendments thereto or any modification(s) or statutory re-enactment(s) thereof and/or any rules or regulations framed there under provided that the terms of the letter of appointment between the company and Mr. Saurabh Malhotra shall be suitably modified to give effect to such variation or increase as the case may be.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year of the Company during the term of office of Mr. Saurabh Malhotra as the Managing Director, the remuneration and perquisites set out in the aforesaid letter of appointment be paid or granted to Mr. Saurabh Malhotra as minimum remuneration provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the ceiling provided in Part II Section II(B)(v) of Schedule XIII to the said Act or such other amount and perquisites as may be provided in the said Schedule XIII whether or not amended from time to time or any equivalent statutory re-enactment(s) thereof.”

**BY ORDER OF THE BOARD  
For Sakuma Exports Ltd.**

**Sd/-  
(Saurabh Malhotra)  
Managing Director**

**Place: Mumbai**

**Dated: 19<sup>th</sup> July'2010**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM IS ENCLOSED ALONG WITH THIS NOTICE.
2. The Proxy Form, in order to be effective, should be duly completed, stamped, signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Explanatory Notice (pursuant to section 173(2) of the Companies Act, 1956) to item no. 5 and 6 of above is attached as an annexure to this notice.
4. For the convenience of the shareholders, Attendance Slip is annexed to this notice. Shareholders/Proxy Holders are requested to fill in and affix their signatures at the space provided therein and surrender the same at the venue.
5. The Register of Members and Share Transfer Register of the Company will remain closed from September 8 to 15, 2010 (both the days inclusive).
6. Corporate Members intending to send their authorized representatives at the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
7. 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.
8. Dividend on preference shares, if approved at the Meeting, will be paid to those shareholders whose names shall appear on the Company's Register of Members as on 15<sup>th</sup> September 2010. The dividend in respect of shares held in dematerialized form will be paid to those shareholders whose names are furnished by Central Depository Services (India) Limited and National Securities Depository Limited as beneficial owners as on that date.



9. Members who hold shares in dematerialized form may kindly note that their Bank Account details, as furnished by their depositories to the company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for deletion of or change in such Bank Account details. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account. Members holding shares in dematerialised form as well as in physical form are requested to intimate instructions pertaining to those shares to the respective Depository Participant and for shares in physical form to intimate instructions pertaining to those shares to the Company's Registrar and Transfer Agent.
10. To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrar and Share Transfer Agent i.e. M/s. Big Share Services Private Limited.
11. Members are requested to immediately notify any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and to the Secretarial department at the Registered Office of the company or to the Registrar and Transfer Agents in respect of their holding in physical form.
12. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report.
13. Members desiring any relevant information on the Accounts at the Annual General Meeting are advised to write to the Company at least seven days in advance, so as to enable the company to keep the information ready.

Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, dividend for the financial year March 31, 2006 and dividends declared thereafter, which remain unclaimed for a period of seven years, will be transferred by the Company to the IEPF pursuant to Section 205C of the Companies Act, 1956.

<b>Financial Year</b>	<b>Date of Declaration of Dividend</b>	<b>Last Date of claiming un- paid Dividend</b>
Final Dividend 2005- 2006	26.07.2006	30.08.2013
Final Dividend 2006- 2007	09.07.2007	13.08.2014
Final Dividend 2007- 2008	20.08.2008	24.09.2015



## ANNEXURE TO NOTICE DATED 19<sup>th</sup> JULY 2010

### EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

That following explanatory statement sets out the material facts referring to resolution proposed at Item No. 6 and 7 of the Notice convening 5<sup>th</sup> Annual General Meeting of the Company.

#### **ITEM NO. 5 AND 6**

The present tenure of appointment of Mr. Chander Mohan, Executive Chairman and Mr. Saurabh Malhotra, Managing Director is expiring on 31<sup>st</sup> August, 2010. The Board of Directors has decided to re-appoint Mr. Chander Mohan as Executive Chairman and Mr. Saurabh Malhotra as Managing Director w.e.f. 1<sup>st</sup> September, 2010 for a period of 3 years. The terms and conditions of their re-appointment are given below:

Sr. No.	Name of Director	Designation	Responsibility
1	Mr. Chander Mohan	Executive Chairman	Day to day management with focus on corporate planning, growth and finance.
2	Saurabh Malhotra	Managing Director	Day to day management with focus on Marketing, Procurement and Logistics

As per the said Sub-clause B (iv) of Part II Section II (B) of Schedule XIII, the company is required to furnish the following information in the Explanatory Statement;

#### **I. GENERAL INFORMATION:**

No	PARTICULARS		
1.	Nature of Industry	Trading, Import and Export of goods	
2.	Date or expected date of commencement of Commercial Production.	Not Applicable	
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable	
4.	Financial performance based on given indications.	31-3-2010 (Rs. in lakhs)	31-3-2009 (Rs. in lakhs)
	Sales (Net of Excise)	40,566.97	39,770.67
	Net Profit before Tax	477.27	385.84
	Net Profit After Tax	335.88	256.55
5.	Export performance.	FOB Value of Exports: Rs.3,80,55,755/-	
6.	Foreign investments or collaborators, if any.	Not Applicable	

#### **II. INFORMATION ABOUT THE APPOINTEE:**

No	PARTICULARS	
1.	Background Details	<p><b>Chander Mohan</b> : Post Graduate in Economics from Delhi School of Economics with professional qualification in Banking, Management etc. Retired as a senior executive from IDBI. Promoter of Sakuma Exports Ltd and part of its top management since its inception.</p> <p><b>Saurabh Malhotra</b> : Post Graduate in Business Management. Promoter of Sakuma Exports Ltd and part of its top management since its inception.</p>

2.	Past Remuneration / Perquisites	<b>Chander Mohan</b> : Rs.2,50,000/- per month including perquisites <b>Saurabh Malhotra</b> : Rs.1,50,000/- per month including perquisites
3.	Recognition or Awards	Saurabh Malhotra, Managing Director of Company have got Hall of Fame Platinum award 2006 from Welinkar Institute of Management. Under the leadership of Mr.Chander Mohan and Mr.Saurabh Malhotra company has got awards from Indian Oilseeds and Produce Exporters Association in the year 2005-2006 for excellence in export of Castor Oil and Ground Nut.
4.	Job Profile and His Suitability	<b>Chander Mohan</b> : Managing Sakuma Exports Ltd since its inception. <b>Saurabh Malhotra</b> : Managing Sakuma Exports Ltd since its inception.
5.	Remuneration / perquisites proposed	Not exceeding Rs. 3,50,000/- per month including perquisites if any or 5% of net profits whichever is higher.
6.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any,	Mr. Chander Mohan, Executive Chairman and Mr. Saurabh Malhotra, Managing Director has no pecuniary relationship with the Company except as employees of the Company as and as a shareholder.

### III. OTHER INFORMATION:

1.	Reasons of loss or inadequate profits	Company never incurred losses
2.	Steps taken or proposed to be taken for improvement.	However with a view to improve the workings, the company has been reviewing and diversifying the products and markets as well as adding activities as warranted by the circumstances.
3.	Expected increase in productivity and profits in measurable terms	Improvement in profits for companies engaged in agricultural commodities can not be predicted in measurable terms in view of the fast changing national and global economic scenario.

The remuneration and perquisites payable to Mr. Chander Mohan as Executive Chairman and Mr. Saurabh Malhotra, Managing Director are as follows:

The Company proposes to pay following remuneration and perquisites w.e.f. 1<sup>st</sup> September, 2010.

#### A. REMUNERATION:

Sr. No.	Name of Director	Designation	Remunerations & Perquisites
1	Chander Mohan	Executive Chairman	Not exceeding Rs. 3,50,000/- per month including perquisites if any or 5% of net profits whichever is higher
2	Saurabh Malhotra	Managing Director	Not exceeding Rs. 3,50,000/- per month including perquisites if any or 5% of net profits whichever is higher

#### B. INCREMENTS:

The Board of Directors shall decide the increments payable to each Directors at the end of March, every year within the overall ceiling laid down in the Schedule XIII so that the total remuneration by way of salary, perquisites and other allowances including increments shall not exceed the ceiling provided in Part II Section II of Schedule XIII to the said Act based on the effective capital for the respective financial year or such other amount and perquisites as may be provided in the said Schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.



### **C. MINIMUM REMUNERATION**

1. The above remuneration and perquisites has been fixed on the basis of inadequate profits as per the audited balance sheet as on 31<sup>st</sup> March, 2010 and has been fixed as provided in Part II Section II(B)(v) of Schedule XIII to the said Act based on the effective capital for the respective financial year or such other amount and perquisites as may be provided in the said Schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof and shall be considered as minimum remuneration.
2. During the tenure of their appointments, if the Company earns profits in excess of the limits prescribed under Schedule XIII or if the profits are adequate in any financial year, as per the provisions of Section 198, 309 and any other applicable provisions of the Companies Act, 1956, then the remuneration of Mr. Chander Mohan and Mr. Saurabh Malhotra shall be paid as per the profits earned by the Company in that particular financial year.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement and Memorandum of concern or interest under Section 302 of the Companies Act, 1956.

The resolutions are being recommended for the approval of the members.

None of the Directors except Mr. Chander Mohan, Mr. Saurabh Malhotra and Ms. Shipra Mediratta (daughter of Mr. Chander Mohan and sister of Mr. Saurabh Malhotra) are concerned or interested to the extent remuneration payable to the respective directors.

**BY ORDER OF THE BOARD  
For Sakuma Exports Ltd.**

**Sd/-  
(Saurabh Malhotra)  
Managing Director**

**Place: Mumbai  
Dated: 19<sup>TH</sup> July'2010**



## DIRECTORS' REPORT

Your Directors take pleasure in presenting their Fifth Annual Report on the business and operations of your Company together with audited statement of accounts for the year ended 31<sup>st</sup> March 2010.

### Financial Highlights

#### FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2010

	<b>Rs. (in lacs)</b>	
	<b>Year Ended 31.03.2010</b>	<b>Year Ended 31.03.2009</b>
Sales & Other Income	40566.97	39770.67
Profit before depreciation & Tax	578.44	502.14
Depreciation	101.17	116.30
Profit before Tax	477.27	385.84
<b>Provision for Tax</b>		
-Current Tax (including FBT)	171.71	82.76
- Deferred Tax	(30.32)	46.53
Net Profit after tax	335.88	256.55
Add: Surplus from previous period	887.98	691.31
<b>Profit Available for Appropriation</b>		947.86
<b>Appropriation</b>		
Income Tax of Earlier years	-	1.38
Dividend on Equity Shares	-	-
Dividend on Preference Shares	50.00	50.00
Dividend Tax	8.50	8.50
<b>Balance carried to Balance Sheet</b>	<b>1165.35</b>	<b>887.98</b>

#### Operations Review and Future Prospects

The global turmoil and domestic policy constraints not only continued but the situation worsened during the year 2009-2010 owing to sharp fluctuations in prices in agri commodities, particularly sugar. The government came out with stringent measures to control the prices including stock limits etc. Despite above constraints, your Company was able to achieve a turnover of 405.67 crores during the year 2009-10 which is marginally higher than that of the preceding year. However, there has been an increase of 15.19% in profit before depreciation and tax from Rs 502.14 lacs to Rs 578.44 lacs. The net profit after tax increased by 30.92% from Rs.256.55 lacs for the year 31<sup>st</sup> March 2009 to Rs 335.88 lacs for the year ended 31<sup>st</sup> March 2010.

As the country continued to face acute shortages of food grains and other agri- commodities, export of these items from India, became increasingly difficult in agri products, partly because of government restrictions and partly because of sharp increase in domestic prices. The focus as such, during the year was on domestic trade and imports. Domestic sales constituted 99% of our total sales. Your Company started imports of pulses and sugar to cater to domestic demand. Imports constituted 8% of total purchases.

The prices of sugar, the main commodity we traded had been highly volatile during the year. The prices of sugar increased from Rs.20,000 in the month of April 2009 to Rs. 34,000 in December 2009 then sharply declined to Rs.27,500 in March 2010. With such a high degree of volatility, it is difficult to achieve consistency in margins, particularly, if you are importing the commodity because there is a time lag of 3 or 4 months in the dates of placing the import orders and receiving the delivery in India. As a result, our quarterly results show inconsistency in profitability.

There has been decline in production of windmills from 22,87,141 units in the year 2008-09 to 20,31,112 units in 2009-10 due to unfavourable weather conditions. There has been increase in sale of P.P.Bags from Rs 34 lacs in the year 2008-09 to Rs 588 lacs during the year 2009-10. The Company has also started marketing of imported paper after getting it processed on job work basis.

With global turmoil, particularly the turbulent Euro markets, highly volatile forex / commodity prices and acute shortages of agricultural commodities, there seems to be not much scope for the export of these items. However, your Company, having adopted flexible approach and multi-product/multi market model, is alert to adversities and working out various alternatives to cope with the situation. We are in the process of identifying new products which can be exported and have already started working on few



items like Molasses. The business during the current year will be a blend of exports, imports and domestic trade. The Company is making efforts to strengthen its other business activities and is also planning to start, a couple of a new activities during the current year.

#### Dividend

Your Directors recommend a dividend of 5% i.e. Rs. 5.00 per Cumulative Redeemable Preference Share. However, the profit being inadequate, particularly as the Company has to build adequate reserves before March 2011 to redeem Cumulative Redeemable Preference Shares, no dividend has been recorded on Equity Shares.

#### Public Deposits

The company has neither invited nor accepted any public deposits during the period under review.

#### Directors' Responsibility Statement

Pursuant to section 217 (2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief confirm that

- (i) In the preparation of the annual accounts for the financial year ended March 31, 2010, all the applicable accounting standards have been followed along with proper explanations relating to material departures.
- (ii) Appropriate accounting policies have been selected and applied consistently, and made judgments and estimates 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, 2010 and of the profit of the Company for the said period;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The annual accounts have been prepared on a 'going concern' basis.

#### Auditors

M/s A.R.Sodha & Co., Auditors for the year 2009-10, have confirmed their eligibility and willingness to act as Auditors of the Company for the year 2010-11 as well. Audit Committee of the Board has recommended their continuation. The remuneration will be finalized by the board of directors.

#### Corporate Governance

A Report on the Corporate Governance Code along with a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as also the Management Discussion and Analysis Report, stipulated under Clause 49 of the Listing Agreements are annexed to this Report.

#### Conservation of Energy, Research & Development, Technology Absorption, Foreign Exchange Earning and Outgo.

In pursuance of the provisions of section 217(2)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, the particulars relating to conservation of energy, technology absorption and foreign exchange earning and outgo are given below:

##### A. Conservation of Energy

The operations of the Company are not energy intensive. However, wherever possible the Company strives to curtail the consumption of energy on continued basis.

We had taken an existing unit on short lease, initially for one year for manufacturing of P.P.Bags and have extended the lease for one more year. We are studying various possible means of conservation of energy, however, no capital expenditure is envisaged unless we decide to go in for a long lease.

B. Technology absorption, adaptation and innovation

No expenditure has been incurred by the Company on research and Development activities during the year under review.

**Particulars of Employees**

Particulars of Employees as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended which is applicable if any employee draws salary (including perquisites) of more than Rs. 2,00,000.00 per month.

Name of employee	Chander Mohan
Designation	Executive Chairman
Qualification	Post graduate in Economics from Delhi school of Economics.
Nature of Employment, whether contractual or otherwise	Contractual. Tenure: 1st September, 2005 to 31st August, 2010
Nature of Duties of the employee	Corporate planning, growth & finance
Age	68 years
Joining Date	Since Inception
Experience	44 years as Economist, Banker, Financial Consultancy and Trading.
Gross Remuneration (paid to employee)	Rs. 28,72,500/-
Previous employment and designation	Self Employed
The percentage of equity shares held by the employee in the company within the meaning of sub-clause (iii) of clause (a) of sub-section (2A) of section 217 of the Act.	7.049%

**Acknowledgements**

The Directors take pleasure in thanking the Company's business associates/ customers, vendors and bankers for their continued support. The Directors also acknowledge the appreciation of the sincere efforts, contribution and cooperation of the employees.

**For and on behalf of the Board of Directors**

Sd/-

Sd/-

**Mumbai**

**(Chander Mohan)**

**(Saurabh Malhotra)**

**Date: 19<sup>th</sup> July'2010**

**Chairman**

**Managing Director**



## CORPORATE GOVERNANCE REPORT\*

(under Clause 49 (VI) (i) of Listing Agreement)

**\*(For The Financial Year 31<sup>st</sup> March, 2010)**

### I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance is to strive for attaining the optimum level of transparency and accountability in all facets of its operations and all dealings with shareholders, employees, lenders, creditors, customers and the government. The Board of Directors by considering itself the trustee of its Shareholders aims at maximizing shareholders value and protecting interests of stakeholders.

### II. BOARD OF DIRECTORS

#### i) Composition and Category of Directors:

The Board consists of 6 Directors, out of which 3 are Independent Directors. Composition of the Board and category of Directors are as follows:

Name	Executive / Non Executive	Promoter / Independent	Relationship with Directors
Mr. Chander Mohan	Executive - Chairman & Director	Promoter	Father of Mr. Saurabh Malhotra and Ms. Shipra Mediratta
Mr. Saurabh Malhotra	Executive - Managing Director	Promoter	Son of Mr. Chander Mohan and brother of Ms Shipra Mediratta
Ms. Shipra Mediratta	Non Executive	Promoter	Daughter of Mr. Chander Mohan and Sister of Mr. Saurabh Malhotra
Mr. Ashok Kumar Doda	Non Executive	Independent	Not Related to any Directors
Mr. Radhe Shyam	Non Executive	Independent	Not Related to any Director
Mr. Satyendra J Sonar	Non Executive	Independent	Not Related to any Director

#### ii) Attendance of each Director at the Board Meeting and Last Annual General Meeting:

Date of Board Meetings	Chander Mohan	Saurabh Malhotra	Shipra Mediratta	Ashok Kumar Doda	Radhe Shyam	Satyendra J Sonar
27 <sup>th</sup> June, 2009	Present	Present	Present	Present	Present	Present
23 <sup>rd</sup> July, 2009	Present	Present	Present	Present	Present	Present
15 <sup>th</sup> September, 2009	Present	Present	Present	Present	Present	Present
28 <sup>th</sup> October, 2009	Present	Present	Present	Present	Present	Present
30 <sup>th</sup> January, 2010	Present	Present	Present	Present	Present	Present
Total Attendance (out of 5 Board Meetings)	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
Attendance at Last AGM	<b>Present</b>	<b>Present</b>	<b>Present</b>	<b>Present</b>	<b>Present</b>	<b>Present</b>

#### iii) a. Number of other Companies where director (of SEL) hold memberships on the Board of Directors:

#### b. Number and Name of Committees in which the Directors (of SEL) hold Memberships or Chairmanships:

Name of Director	No. of Other Co.s where Dir	Number & Name of Committee Memberships / Chairmanships			
		Chairman	No.	Member	No.
Mr. Chander Mohan	0	Nil	0	Nil	0
Mr. Saurabh Malhotra	0	Nil	0	Nil	0

Ms. Shipra Mediratta	0	Nil	0	SIGC- SEL	1
Mr. Ashok Kumar Doda	1	SIGC – SEL	1	AC – SEL	1
Mr. Radhe Shyam	1	AC – SEL	1	SIGC – SEL	1
Mr. Satyendra J Sonar	1	Nil	0	AC – SEL	1

AC – SEL  
SIGC – SEL

Audit Committee – Sakuma Exports Limited  
Shareholders / Investors Grievance Committee –  
Sakuma Exports Limited

**Note:** Only Public Limited Companies (Listed and Unlisted) have been taken into consideration while calculating **Other Directorships, Committee Memberships and Committee Chairmanships.**

**iv) Code of Conduct:**

The Board has formulated a code of conduct for the Board Members and Senior Management Personnel of the Company. All Board Members and Senior Management Personnel have affirmed their compliance with the code for the financial year ended 31<sup>st</sup> March, 2010. A declaration to this effect signed by the Chairman of the Company is given elsewhere in the Annual Report.

**III. AUDIT COMMITTEE**

The Composition of the Audit Committee and the attendance of the members of Audit Committee at the meetings of the Audit Committee are as follows:

Date of Audit Committee Meeting	Radhe Shyam	Ashok Kumar Doda	Satyendra J Sonar
	Chairman & Non Executive Independent Director	Member & Non- Executive Independent Director	Member & Non- Executive Independent Director
27 <sup>th</sup> June, 2009	Present	Present	Present
23 <sup>RD</sup> July, 2009	Present	Present	Present
28 <sup>th</sup> October, 2009	Present	Present	Present
30 <sup>th</sup> January, 2010	Present	Present	Present
Total (out of 4 meetings)	<b>4</b>	<b>4</b>	<b>4</b>

The Board of Directors of the Company has framed a Terms of Reference for the Audit Committee. The Terms of Reference is based on Clause 49 (II) (D) of the Listing Agreement. The Audit Committee performs its functions in accordance with its terms of reference. In addition, it exercises its powers and reviews information as specified under Clause 49 (II) (C) and (E) of the Listing Agreement.

**IV. REMUNERATION COMMITTEE**

The Company does not have a formal Remuneration Committee. However, the Board of Directors takes all decisions regarding the remuneration and sitting fees of Directors .

**i) Remuneration Policy**

The remuneration of Executive Directors was approved by the shareholders of the company at its Extra Ordinary General Meeting held on 8<sup>th</sup> September'2005. Non executive Directors are not paid any remuneration except sitting fees.

**ii) Details of Remuneration paid to all Directors**

**A.** The Company does not have any pecuniary relationship or transactions with the non-executive directors. During the year, the Company has paid sitting fees to non-executive directors.

**B.** The aggregate remuneration paid to the Directors for the year ended 31<sup>st</sup> March, 2010, is as under;



Name of Director	Salary & Perqs	Commiss-ion	Professional Fees	Sitting Fees	Total
Chander Mohan	28,72,500	Nil	Nil	Nil	28,72,500
Saurabh Malhotra	17,55,000	Nil	Nil	Nil	17,55,000
Shipra Mediratta	Nil	Nil	Nil	63,000	63,000
Ashok Kumar Doda	Nil	Nil	Nil	91,000	91,000
Radhe Shyam	Nil	Nil	Nil	91,000	91,000
Satyendra J Sonar	Nil	Nil	Nil	63,000	63,000

C. The Company has not issued any stock options or paid any performance linked incentives or fixed component incentives to the Directors.

**D. DETAILS OF SERVICE CONTRACTS:**

Name and Designation	Current tenure	From	To
Mr. Chander Mohan Executive Chairman	5 years	1 <sup>st</sup> September, 2005	31 <sup>st</sup> August, 2010
Mr. Saurabh Malhotra Managing Director	5 years	1 <sup>st</sup> September, 2005	31 <sup>st</sup> August, 2010

E. Equity Shares of Sakuma Exports Limited held by the Non-Executive Directors are as follows:

Non Executive Directors	No. of shares held as on 31 <sup>st</sup> March, 2010	No. of shares held as on 31 <sup>st</sup> March, 2009
Shipra Mediratta	Nil	Nil
Ashok Kumar Doda	Nil	Nil
Radhe Shyam	Nil	Nil
Satyendra J Sonar	Nil	Nil

**V. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE**

A) The Composition of the Shareholders/Investors Grievance Committee and their attendance at the Shareholders/Investors Grievance Committee Meetings are as follows:

Date of Shareholders/ Investors Grievance Committee Meeting	Ashok Kumar Doda	Shipra Mediratta	Radhe Shyam
	Chairman & Non Executive Independent Director	Member & Non- Executive Independent Director	Member & Non-Executive Independent Director
27 <sup>th</sup> June, 2009	Present	Present	Present
23 <sup>rd</sup> July, 2009	Present	Present	Present
15 <sup>th</sup> September, 2009	Present	Present	Present
28 <sup>th</sup> October, 2009	Present	Present	Present
30 <sup>th</sup> January, 2009	Present	Present	Present
Total (out of 5 meetings)	5	5	5

**B. COMPLIANCE OFFICER :**

As required by the Listing Agreement, the Company has appointed Ms. Jyoti Deshpande as the Compliance Officer.

Email address of Compliance Officer is [jyotip@sakumaexportsltd.com](mailto:jyotip@sakumaexportsltd.com)

C. Complaint Status for the year 01/04/2009 to 31/03/2010 (Equity Shares)

Category	No. of Compl Received	No. of Compl. Resolved	No. of Compl Pending
NON RECEIPT OF CREDIT	1	1	0
NON RECEIPT OF DIVIDEND WARRANT	9	9	0
NON RECEIPT OF ANNUAL REPORTS	0	0	0
SEBI	6	6	0
STOCK EXCHANGE	1	1	0
NON RECEIPT OF SHARE CERTIFICATE	1	1	0
NON RECEIPT OF SHARE TRANSFER			
Total:	18	18	0

D. Complaint Status for the year 01/04/2009 to 31/03/2010 (Preference Shares)

Category	No. of Compl Received	No. of Compl. Resolved	No. of Compl Pending
NON RECEIPT OF CREDIT	0	0	0
NON RECEIPT OF DIVIDEND WARRANT	1	1	0
NON RECEIPT OF ANNUAL REPORTS	0	0	0
SEBI	0	0	0
STOCK EXCHANGE	0	0	0
NON RECEIPT OF SHARE CERTIFICATE	0	0	0
NON RECEIPT OF SHARE TRANSFER	0	0	0
Total:	1	1	0

## VI. GENERAL BODY MEETINGS

- A. Date, time and venue for the Annual General Meetings and Extra Ordinary General Meeting held during the last 3 financial years and nature of special resolutions passed thereat are given below;

Financial Year Ending	Nature of Meeting	Nature of Special Resolution Passed	Date & Time	Location
31 <sup>st</sup> March, 2007	2 <sup>nd</sup> AGM	Commencement of Business Activities in Other Object Clause of Memorandum of Association – Section 149(2-A)	9 <sup>th</sup> July, 2007 4.00 P.M	Indian Merchants Chamber, Churchgate, Mumbai: 400 020
31 <sup>st</sup> March, 2008	3 <sup>rd</sup> AGM	NIL	20 <sup>th</sup> August, 2008 4.00 P.M	Indian Merchants Chamber, Churchgate, Mumbai: 400 020
31 <sup>st</sup> March, 2009	4 <sup>th</sup> AGM	NIL	15 <sup>th</sup> September, 2009 4.00 P.M	Indian Merchants Chamber, Churchgate, Mumbai: 400 020

**Notes:**

- 1) There were no special resolutions passed through postal ballot last year.
- 2) No special resolutions are proposed to be passed through postal ballot.

## VII. DISCLOSURES

- i. The Company has not entered into any materially significant related party transactions during the year that may have potential conflict with the interests of the Company at large.
- ii. There has been no incidence of non-compliance by the Company of any statutory regulations nor any penalty or stricture imposed by the Stock Exchange or any other Statutory Authority, on any matter relating to the capital market over the last three years.



- iii. The details of all transactions with related parties are placed before the Audit Committee on quarterly basis.
- iv. In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.
- v. The constitution of whistle blower policy is a non mandatory requirement. However the Company affirms that no employee has been denied access to the Audit Committee during the financial year 2009 – 2010.
- vi. The Company has complied with all mandatory requirements of clause 49 of Listing Agreement.

#### VIII. MEANS OF COMMUNICATION

- i. **Quarterly Results:** The quarterly financial results of the company (in the format prescribed by the Listing Agreement) are reviewed by Audit Committee and then, approved and taken on record by the Board within the prescribed time frame and immediately send to the Stock Exchange where the shares of the company are listed.
- ii. The quarterly results for the financial year 2009 – 10 were published in the News Papers. (Details given below):
 

Quarter	Results
June, 2009	Free Press Journal - English / Navshakti - Marathi
September, 2009	Free Press Journal - English / Navshakti - Marathi
December, 2009	Free Press Journal - English / Navshakti - Marathi
March, 2010	Free Press Journal - English / Navshakti - Marathi
- iii. The quarterly financial results of the company has been displayed on the company's website i.e. [www.sakumaexportsltd.com](http://www.sakumaexportsltd.com).
- iv. **Annual Report:** Annual Report containing inter alias Audited Annual Accounts, Directors' Report, Auditors' Report and other important, information is circulated to Members and others entitled thereto. The Managements Discussion and Analysis (MD&A) Report forms part of the Annual Report.

#### X. GENERAL SHAREHOLDER INFORMATION

AGM Date, Time & Venue	Date :15 <sup>th</sup> September'2010 Time : 3.00 p.m Venue : P.L. Deshpande Maharashtra Kala Academy, Ravindra Natyamandir, Gr.Floor, Sayani Road, Prabhadevi, Mumbai -400 025.
Financial Year:	1 <sup>st</sup> April to 31 <sup>st</sup> March
Book Closure Date:	8 <sup>th</sup> September'2010 to 15 <sup>th</sup> September'2010
Dividend Payment Date:	Preference Share- Before 15 <sup>th</sup> October'2010
Listing on Stock Exchanges:	The Bombay Stock Exchange Limited National Stock Exchange Limited
Stock Code & Demat Scrip Code (ISIN)	Bombay Stock Exchange Stock Code: Equity Share: 532713 Preference Share: 700108 Scrip Code: Equity Share: INE 190H01016 Preference: INE 190H04010
Registrar & Transfer Agents	Bigshare Services Private Limited, Address: E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai – 400 072 Tel: 40430200 Fax: 28475207 E mail: <a href="mailto:srinivas@bigshareonline.com">srinivas@bigshareonline.com</a> Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>

Shareholders / investors are requested to forward share transfer documents, dematerialization request, correspondence regarding change of address, non – receipt of dividend or share certificates and other related queries to the company's registrar i.e. Bigshare Services Private Limited at the address mentioned above.



### Share Transfer System and Dematerialisation of Shares:

Equity and Preference shares which are held in Dematerialised form are transferable through the Depository. The Company has appointed M/s Big Share Services Private Limited as its Registrar and Share Transfer Agent to carry out the transfers of Equity and Preference shares which are held in physical form.

As on March 31, 2010 69,14,896 equity shares (42.10%) and 9,99,688 preference shares (99.96%) of the Company are dematerialized. All this shares are electronically transferred through the demat facility. 95,11,047 equity shares (57.90%) and 404 preference shares (0.04%) are in physical mode. The Company has assigned the job of transfer of physical equity shares and preference shares to its Registrar and Share Transfer Agent, Bigshare Services Private Limited. The Shareholders and Investors Grievances Committee takes on record all the physical share transfers from time to time.

### Distribution of Shareholding as on 31<sup>st</sup> March, 2010 (Equity Shares):

Range (In Rs.)	No. of Shareholders	% to total holders	Total Shareholding (In Rs.)	% to capital
1 - 5000	8824	82.41337	17394490.00	10.58964
5001 - 10000	1,201	11.21696	9527750.00	5.80043
10001 - 20000	382	3.56776	5837510.00	3.55384
20001 - 30000	99	0.92463	2575660.00	1.56804
30001 - 40000	49	0.45764	1751780.00	1.06647
40001 - 50000	57	0.53236	2700600.00	1.64411
50001 - 100000	46	0.42963	3467040.00	2.11071
100001 & Above	49	0.45764	121004600.00	73.66676
<b>Total</b>	<b>10,707</b>	<b>100.00</b>	<b>164259430.00</b>	<b>100.00</b>

### Distribution of Shareholding as on 31<sup>st</sup> March, 2010 (Preference Shares):

Range (In Rs.)	No. of Shareholders	% to total holders	Total Shareholding (In Rs.)	% to capital
1 - 5000	5,206	65.22992	12121000.00	12.11988
5001 - 10000	1,914	23.98196	12824100.00	12.82292
10001 - 20000	710	8.89613	10049000.00	10.04808
20001 - 30000	68	0.85202	1689800.00	1.68964
30001 - 40000	11	0.13783	375500.00	0.37547
40001 - 50000	19	0.23807	830200.00	0.83012
50001 - 100000	17	0.21301	1173000.00	1.17289
100001 & Above	36	0.45107	60946600.00	60.94099
<b>Total</b>	<b>7,981</b>	<b>100.00</b>	<b>100009200.00</b>	<b>100.00</b>

### Nomination Facility:

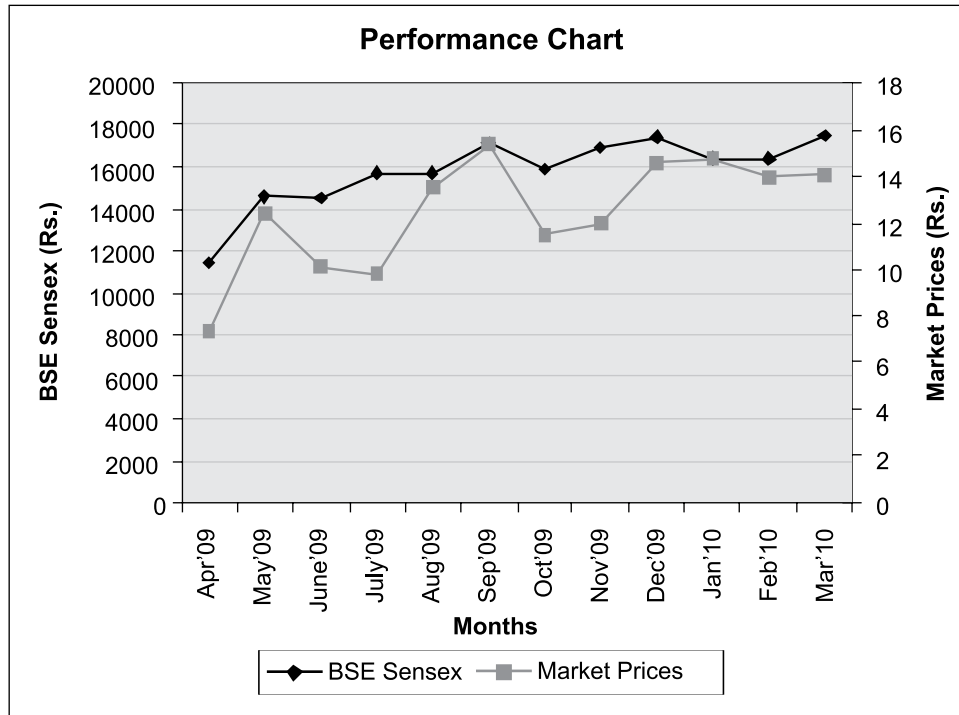
Individual shareholders of physical shares can nominate any person for the shares held by them. This will save the nominee from going through the lengthy process of getting the shares later on transferred to his name. For further details, shareholders may write to the Registrar and Share Transfer Agent of the Company.

### Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity :

There are no outstanding GDRs/ ADRs/ Warrants or any Convertible instruments. Hence there will not be any impact on the equity of the company.



**\*Performance of Equity Shares(Closing Prices) of the company in comparison to BSE Sensex(Closing Prices):**



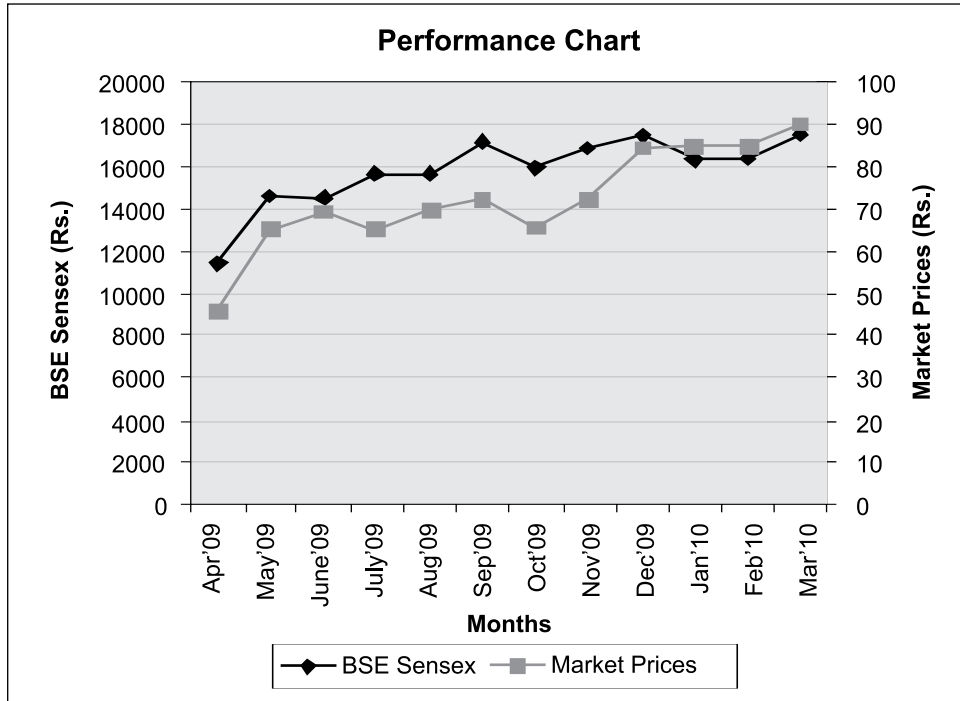
\*(Data as per the website of Bombay Stock Exchange Limited i.e. [www.bseindia.com](http://www.bseindia.com))

**\*Monthly High and Low Prices of the Equity Shares of the Company for the year ended 31<sup>st</sup> March, 2010:**

Month	High Price	Lower Price
Apr 09	8.95	5.52
May 09	12.75	6.13
Jun 09	16.40	9.43
Jul 09	11.05	7.89
Aug 09	16.15	9.20
Sep 09	15.40	12.05
Oct 09	15.50	11.35
Nov 09	14.75	9.90
Dec 09	16.00	12.02
Jan 10	19.00	14.00
Feb 10	16.00	12.55
Mar 10	16.17	13.12
Apr 10	15.75	13.40

\*(Data as per the website of Bombay Stock Exchange Limited i.e. [www.bseindia.com](http://www.bseindia.com))

**Performance of Preference Shares(Closing Prices) of the company in comparison to BSE Sensex(Closing Prices):**



**Monthly High and Low Prices of the Preference Shares of the Company for the year ended 31<sup>st</sup> March, 2010:**

Apr 09	45.77	45.77
May 09	65.00	54.92
Jun 09	69.50	50.00
Jul 09	71.00	60.01
Aug 09	72.00	55.10
Sep 09	74.00	56.05
Oct 09	77.00	60.10
Nov 09	81.00	65.05
Dec 09	85.00	60.05
Jan 10	86.00	74.25
Feb 10	86.95	72.00
Mar 10	90.00	85.00
Apr 10	90.05	80.05

\*(Data as per the website of Bombay Stock Exchange Limited i.e. [www.bseindia.com](http://www.bseindia.com))



**Shareholding Pattern as on 31<sup>st</sup> March, 2010 (Equity Shares):**

	Category	No of Shares Held	% Of Share Holding
<b>A.</b>	<b>Promoter (S) Holding</b>		
	Promoter (s)		
	- Indian Promoters	97,45,297	59.33
	- Foreign Promoters	0	0.0
	<b>Sub – Total(A)</b>	<b>97,45,297</b>	<b>59.33</b>
<b>B.</b>	<b>Non-Promoters Holding</b>		
	<b>Institutional Investors</b>		
i.	Mutual Funds & UTI	0.0	0.0
ii.	Banks, Financial Inst, Insurance Company (Central/State Govt Inst/Non Govt INST)	2,98,987	1.82
iii.	FII (S)	0	0.0
	<b>Others</b>		
i.	Private Corporate Bodies	5,85,323	3.56
ii.	Indian Public	54,31,001	33.06
iii.	NRI/OCBS	3,61,551	2.20
iv.	Clearing Members	3,046	0.03
v.	Trust	738	0.00
	<b>Sub-Total (B)</b>	<b>66,80,646</b>	<b>40.67</b>
	<b>GRAND TOTAL (A+B)</b>	<b>1,64,25,943</b>	<b>100.00</b>

**Shareholding Pattern as on 31<sup>st</sup> March, 2010 (Preference Shares):**

	Category	No of Shares Held	% Of Share Holding
<b>A.</b>	<b>Promoter (S) Holding</b>		
	Promoter (s)		
	- Indian Promoters	32,174	3.22
	- Foreign Promoters	0.0	0.0
	<b>Sub – Total(A)</b>	<b>32,174</b>	<b>3.22</b>
<b>B.</b>	<b>Non-Promoters Holding</b>		
	<b>Institutional Investors</b>		
i.	Mutual Funds & UTI	1,16,011	11.60
ii.	Banks, Financial Inst, Insurance Company (Central/State Govt Inst/Non-Govt INST)	1,30,977	13.09
iii.	FII (S)	0.0	0.0
	<b>Others</b>		
i.	Private Corporate Bodies	1,04,208	10.42
ii.	Indian Public	6,08,682	60.86
iii.	NRI/OCBS	7,638	0.71
iv.	Clearing Members	73	0.00
v.	Trust	369	0.03
	<b>Sub-total (B)</b>	<b>9,67,918</b>	<b>96.78</b>
	<b>GRAND TOTAL</b>	<b>10,00,092</b>	<b>100</b>



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### **Plant Location**

The processing of Paper is being done on job work basis from outside sources. As in regard of P.P. bags the company has taken a unit on lease at Chhatral, Dist.Kalol. The Company does not have its own manufacturing or processing unit. Hence the company, does not have any plant locations .

### **Registered Office & Correspondence Address**

#### **Sakuma Exports Limited**

17, Chemox House,

7, Barrack Road,

Bombay Hospital Lane,

Mumbai – 400 020

Ph.No: 022 22079296 / 022 22051259

Fax: 022 22079301

Website: [www.sakumaexportsltd.com](http://www.sakumaexportsltd.com)

**Contact Person: Mrs. Jyoti Deshpande, Compliance Officer**

**Email Address: [jyotip@sakumaexportsltd.com](mailto:jyotip@sakumaexportsltd.com)**

### **Auditors Certificate on Corporate Governance**

The Auditors certificate on compliance of conditions of clause 49 of the Listing Agreement relating to Corporate Governance is published as an annexure to the Director's Report.

**For Sakuma Exports limited**

**Sd/-**

**Saurabh Malhotra  
Managing Director**

**Place: Mumbai**

**Date: 19<sup>th</sup> July, 2010**



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### (A) Industry Overview and Future Outlook

After effects of subprime continued during the year 2009-10. The commodity prices remained highly volatile, thus making it difficult to export. However, your Company established strong network for local distribution. We achieved impressive performance in the first two quarters of the year with focus on domestic trade. This did not last long as government of India introduced stringent measures to curb the soaring prices such as quantity and time limits for the stocks. Though this restriction was not applicable to inter state movement of commodities, the function we were performing in actual practice, all traders faced the brunt of it. The sugar prices remained highly volatile globally. The shortage fear created by erroneous estimates of sugar production in India at 15 million tones, that is much short of annual consumption of 22 million tones, the global and domestic prices of sugar shot up rapidly. The production estimates of sugar were later revised to 19 million tones which led to collapse of sugar prices by more than 30% globally including India. The contracts of import entered prior to January 2010 at peak level of prices resulted in heavy loss to importers of sugar in India. This affected working of the Company in the last quarter. The volumes in domestic trade also came down substantially owing to high volatility in sugar prices.

After the sub-prime the problems of sovereign liquidity is being felt in Europe. It may therefore take sometime for the global markets to stabilize. The focus of the Company will be on the export of such items where the markets are comparatively stable and there is a back to back tie up. Demand and supply of agri products depends upon climatic conditions and as such it is difficult to arrive at precise projections to identify such products well in advance. Further, as the position keeps on changing from year to year, we have to collect and analyse the relevant data/information on continuous basis to work out business plan. After identifying the product, one needs to study and develop specific logistics to execute the business plan. The Company is in the process of identifying such products and Molasses is one item, which Company proposes to export shortly. Having set up, the local distribution network, the Company proposes to further expand, its domestic trade after the government restrictions ease.

The Company is also exploring possibilities of undertaking import of items other than agrocommodities. In this connection the Company proposes to compete in tenders for supply of security identification, control devices and a few other tenders.

### (B) Risk and Risk Management:

#### 1. Foreign Exchange Risk

The Company is exposed to risk from market fluctuations of Foreign Exchange. We try to minimize the risk of foreign exchange fluctuation by entering into forward contracts immediately on booking the export orders.

#### 2. Commodity Price Risk

To take care of commodities price risk, export orders are immediately tied up with suppliers for procurement. However, this risk cannot be eliminated in case of imports because there is a time lag between the date of placing order and receiving delivery. Further, for the sake of economy, size of import contracts is too big to achieve back to back tie up with local buyers.

#### 3. Risk elements in business transactions

The buyers and suppliers are selected after due diligence. Advance of 10-20% from overseas buyers, irrevocable letters of credit, payment at sight documents, ECGC cover, etc. are obtained, wherever considered necessary. As regards domestic trade delivery is released on receipt of full payment.

#### 4. Physical risks to cargo

All our warehouses are adequately insured. For imports on CIF basis the supplier obtains insurance cover and for import on C&F basis insurance cover is obtained by the Company. For export shipments made on C&F basis, insurance is covered by the buyer and in case of orders on CIF basis, insurance is obtained by the Company. Warehouse to Warehouse insurance cover is obtained for domestic trade.

### **(C) Internal Controls and their adequacy**

The Company has well structured internal control mechanisms and internal Audit department is headed by a senior executive which reviews all transactions independently on continuous basis. Internal audit department regularly briefs the management and necessary steps are taken wherever, necessary. Besides the Company has retained outside audit firm to conduct Internal Audit on continuous basis.

### **(D) Quality Control**

The Company maintains high standards of quality. For exports before shipment and for imports on receipt of shipment the cargo is tested for quality by company's field staff, brokers' representatives and by reputed quality testing, S G S India, Geo Chem Laboratories, Caleb Bret etc. Our field staff are well trained and have been provided with necessary testing equipments viz., moisture testing machine, electronic weight machines, scales, caliper and any other instruments to test various commodities. Services of recognized reputed laboratories are also hired whenever necessary. This has enabled the Company to earn reputation, attract and retain clients.

### **(E) Human Resource / Industrial Relations**

The Company provides a challenging, open and professional satisfying work environment to its employees. Necessary steps are taken for boosting their motivation and active involvement in the organization. The Company also encourages its employees to continuously upgrade and improve their skills and qualifications.

### **(F) Material Financial and Commercial Transactions**

There are no material financial and commercial transactions.

### **(G) Diversification**

The Windmills installed in the year 2007-08 are in operation. During the current year, the Company started import of paper. This paper is marketed after getting it processed from outside on job work basis. Production of P.P. Bags, which started last year, increased substantially with sales increasing from Rs 34.01 lacs in the previous year to Rs 588 lacs in the current year.

With a view to further diversify the company is studying a few possibilities for expanding its business and may commence some of these activities in near future.

#### **Cautionary Statement:**

*This section contains forward-looking statements, which may be identified by their use of words, like 'plans', 'expects', 'wills', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the company's strategy for growth, product development, market position, expenditures and financial results are forward-looking statements. Forward-Looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.*

**For and on behalf of the Board of Directors**

Mumbai.  
Date: 19<sup>th</sup> July'2010

Sd/-  
Saurabh Malhotra  
Managing Director



## Management Certificate on clause 49 (1D) of the Listing Agreement

To,  
The Members,  
Sakuma Exports Limited

This is to affirm that the Board of Directors of Sakuma Exports Limited has adopted a Code of Conduct for its Directors and Senior Management Personnel in compliance with the provisions of Clause 49 (D) of the Listing Agreement with the Stock Exchange. The Board Members and Senior Management Personnel of the Company have confirmed the compliance of provisions of the said code for the financial year ended 31<sup>st</sup> March, 2010.

Sd/-  
**Saurabh Malhotra**  
**Managing Director**

**Place: Mumbai**  
**Date: 19<sup>th</sup> July, 2010**

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## AUDITOR'S REPORT ON CORPORATE GOVERNANCE

### TO THE MEMBERS OF SAKUMA EXPORTS LIMITED

We have examined the compliance of conditions of corporate governance by Sakuma Exports Limited for the year ended 31<sup>st</sup> March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement and that no investor grievance(s) is/are pending for a period exceeding one month against the Company.

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

**Mumbai**  
**Date: 19<sup>th</sup> July, 2010**

**For A R Sodha & Co.,**  
**Chartered Accountants**

**A R Sodha**  
**Partner**  
**Membership No. 31878**



## AUDITOR'S REPORT

To,  
The Members,

**SAKUMA EXPORTS LIMITED.**

Mumbai.

- 1) We have audited the attached Balance Sheet of SAKUMA EXPORTS LIMITED as at 31<sup>st</sup> March 2010, Profit and Loss Account and cash flow for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in Terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks and verification as were considered necessary, we report, in the Annexure hereto on the matters specified in the Paragraph 4 of the said order.
- 4) Further to our comments in the Annexure referred to above, we report that:
  - a) We have 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 accounts as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
  - d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report are in compliance with the Accounting standard referred to in Section 211 (3C) of the Companies Act, 1956.
  - e) On the basis of written representations received from the Directors of the Company as at March 31, 2010 and taken on record by the Board of Directors, we report that no director is disqualified from being appointed as a Director of the company under clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us the above the said accounts together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and gives true and fair view in conformity with the accounting principles generally accepted in India
    - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010 and
    - ii) In the case of Profit & Loss Account of the Profit for the year ended on that date.
    - iii) In case of Cash Flow of the cash flow for the year ended on that date

For A. R. SODHA & CO.  
Chartered Accountants,

(A. R. SODHA)  
Partner.  
M. No. 31878

Place: Mumbai.  
Date : 19<sup>th</sup> July'2010



**ANNEXURE TO THE AUDITORS REPORT ON THE ACCOUNTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010**

**Annexure referred to in Paragraph 3 of our report of even date**

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

1. a. According to information and explanations given to us by the management and records furnished before us, the Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
b. We have been informed that, the fixed assets have been physically verified by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable with regard to the size of the company and nature of assets. According to information and explanations given to us by the management, no material discrepancy was noticed on such verification.  
c. According to information and explanations given to us by the management and records furnished before us, during the year the company has not disposed off a substantial part of its fixed assets and accordingly it has no effect on the going concern of the company.
2. a. According to information and explanation given to us by the management and records furnished before us, Inventory of Finished Goods and Raw Materials have been physically verified by the management at reasonable intervals.  
b. In our opinion, procedure of physical verification is reasonable and adequate with regards to size of the company and nature of its business.  
c. According to information and explanations given to us by the management and records furnished before us, the Company has generally maintained proper records of Inventories and no material discrepancies have been noticed.
3. a) According to the information and explanations given to us and on the basis of records furnished before us, the company has not granted any loans to parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly Clause 4(iii)(a), (b), (c), and (d) of Companies (Auditor's Report) Order, 2003 is not applicable.  
b) According to the information and explanation given to us and records furnished before us for verification, during the year under consideration the company has not taken any loan from parties covered in the register maintained under section 301 of the Act. Accordingly Clause 4(iii)(e), (f), and (g) of Companies (Auditor's Report) Order, 2003 is not applicable.
4. According to the information & explanations given to us, in our opinion there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of Fixed Assets, Inventory and sale of goods. On the basis of our examination of books and records of the company, we have neither come across nor have been informed of any continuing failure to correct major weakness in the internal control.
5. a. In our opinion and according to the information and explanation given to us, the particulars of contract or arrangements that were required to be entered in the register maintained under Section 301 of the Companies Act 1956 have been so entered in the said register.  
b. In respect of the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year, in our opinion, are made at price which is reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public hence Clause 4(vi) of Companies (Auditor's Report) Order, 2003 is not applicable.
7. According to information and explanations given to us the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the products dealt with by the company.
9. a. According to the information and explanations given to us and records examined by us, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, service tax, cess and other dues with the appropriate authorities *except few delays in payment of Sales Tax, Tax Deducted at Source, Provident Fund.* However there were no amounts outstanding beyond six months at the end of the year.

- b. According to information & explanation given to us and the records of the Company, the following dues of Sales tax, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess that have not been deposited on account of dispute or are partially deposited under protest.

Statute & Nature of dues	Amount not Deposited Rs.	Forum where dispute is pending	Period
Income Tax	2.46 Lacs	1 <sup>st</sup> Appellate Authority	A.Y 2002-03
Income Tax	32.61 Lacs	1 <sup>st</sup> Appellate Authority	A.Y. 2005-06
Income Tax	0.20 Lacs*	1 <sup>st</sup> Appellate Authority	A.Y 2006-07

\* Demand is after adjusting refund of Rs.0.57 Lacs

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the current and immediately preceding financial year.
11. As per the information and explanations given to us, the Company has not defaulted in repayment of dues to banks or financial institutions during the year. The Company has not borrowed any sums through debentures.
12. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not chit fund, nidhi, mutual fund, and societies. Accordingly clause 4(xiii) of Companies (Auditor's Report) Order, 2003 is not applicable.
14. According to Information and explanation given to us and records examined by us, in our opinion the company has maintained proper records and contracts with respect to investments and has made timely entries therein of investment in Mutual Funds, Gold and other investments. Investments are held in the name of the company.
15. According to information and explanations provide to us, the company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly Clause 4(xv) of Companies (Auditor's Report) Order, 2003 is not applicable.
16. According to information and explanations given to us by the management and records furnished before us, during the year company has not taken any term loan. Accordingly clause 4(xvi) of Companies (Auditor's Report) Order, 2003 is not applicable.
17. According to the information and explanations given to us and overall examination of records furnished before us, funds raised on short-term basis have not been prima-facie used for long-term investment.
18. During the period, the company has not made allotment of shares on preferential basis to parties and companies covered in the registered maintained under section 301 of the Act hence Clause 4(xviii) of Companies (Auditor's Report) Order, 2003 is not applicable.
19. During the period, the Company has not issued any debentures. Accordingly Clause 4(xix) of Companies (Auditor's Report) Order, 2003 is not applicable.
20. The company has not raised any money by public issue during the year under audit. Accordingly Clause 4(xx) of Companies (Auditor's Report) Order, 2003 is not applicable.
21. During the course of our examination of the books and records of the company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company noticed or reported during the period nor we have been informed of such instances by the management.

**For A. R. SODHA & CO.**  
Chartered Accountants,

**(A. R. SODHA)**

**Partner.**

**M. No. 31878**

Place: Mumbai.

Date : 19<sup>th</sup> July, 2010



## BALANCE SHEET AS AT 31 ST MARCH' 2010

PARTICULARS	SCHEDULE	AS AT 31.03.2010	AS AT 31.03.2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	A	264,268,630	264,268,630
Reserves & Surplus	B	383,953,580	356,216,228
<b>Loan Funds</b>			
Secured Loans	C	-	90,055,285
Deferred Tax Liability		14,503,183	17,534,885
		<u>662,725,393</u>	<u>728,075,028</u>
<b>APPLICATION OF FUND</b>			
<b>Fixed Assets</b>			
Gross Block	D	84,849,764	82,176,509
Less : Depreciation		29,941,860	19,825,123
Net Block		<u>54,907,904</u>	<u>62,351,386</u>
<b>Investments</b>			
<b>Current Assets, Loans &amp; Advances</b>	E	116,709,792	364,115,020
	F		
Inventories		159,970,601	23,139,619
Sundry Debtors		67,294,678	13,789,900
Cash & Bank Balances		199,657,314	243,204,365
Other Current Assets		5,092,559	2,180,986
Loans & Advances		104,994,813	26,928,803
<b>Total Current Assets</b>		<u>537,009,964</u>	<u>309,243,673</u>
<b>Less: Current Liabilities &amp; Provisions</b>	G		
Current Liabilities		40,051,979	7,500,822
Provisions		5,850,288	5,850,288
<b>Total Current Liabilities</b>		<u>45,902,267</u>	<u>13,351,110</u>
<b>Net Current Assets</b>		<u>491,107,696</u>	<u>295,892,563</u>
<b>Deferred Tax Assets</b>			-
<b>MISCELLANEOUS EXPENDITURE</b>	H	-	5,716,059
(to the extent not written off or adjusted)			
		-	5,716,059
		<u>662,725,393</u>	<u>728,075,028</u>
Notes Forming Parts of Accounts	P		

As per our report of even Date

For A.R. Sodha & Co  
Chartered Accountants

A.R.Sodha  
Partner  
M. No. 31878  
FRN : 110324W

Mumbai,  
Dated :19th July' 2010

For and on behalf of the Board

Chander Mohan  
Chairman

Saurabh Malhotra  
Managing Director

Radhe Shyam  
Director

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH' 2010

PARTICULARS	SCHEDULE	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.
<b>INCOME</b>			
Income From Operation	I	4,056,697,031	3,977,066,972
Increase/(Decrease) in stock	J	136,830,982	(102,598,857)
Other Income	K	29,571,275	17,252,137
		<u>4,223,099,288</u>	<u>3,891,720,252</u>
<b>EXPENDITURE</b>			
Purchases		3,919,857,437	3,522,602,097
Selling and other Direct expenses	L	206,035,009	266,373,860
Employment Cost	M	8,045,722	7,870,934
Administrative Expenses	N	12,550,316	31,555,934
Finance Charges	O	13,050,970	7,387,397
Public Issue Expenses W/off		5,716,059	5,716,062
		<u>4,165,255,513</u>	<u>3,841,506,284</u>
<b>Profit Before Depreciation and Tax</b>		57,843,775	50,213,968
Depreciation	D	10,116,738	11,629,728
<b>Profit before Tax</b>		<u>47,727,037</u>	<u>38,584,240</u>
Provision for Taxes			
- Current Tax		17,171,100	8,010,000
- Fringe Benefit Tax		-	266,132
- Deferred Tax		<u>(3,031,702)</u>	4,652,991
<b>Profit After Tax</b>		<u>33,587,639</u>	<u>25,655,117</u>
Add: Surplus b/f from previous year		<u>88,797,799</u>	<u>69,130,649</u>
<b>Profit available for appropriation</b>		<u>122,385,438</u>	<u>94,785,766</u>
Income Tax of Earlier Years		-	137,680
Proposed Dividend			
-Preference Dividend		5,000,460	5,000,460
-Tax on Dividend		849,828	849,828
Profit Transferred to Balance Sheet		<u>116,535,150</u>	<u>88,797,798</u>
<b>Earning Per Share</b>			
-Basic		1.69	1.20
-Diluted		-	-
Notes Forming Parts of Accounts	P		

As per our report of even Date

For A.R. Sodha & Co  
Chartered Accountants

A.R.Sodha  
Partner  
M. No. 31878  
FRN : 110324W

Mumbai,  
Dated :19th July' 2010

For and on behalf of the Board

Chander Mohan      Saurabh Malhotra      Radhe Shyam  
Chairman            Managing Director      Director



**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH' 2010**

	AS AT 31.03.10	AS AT 31.03.09
<b>SCHEDULE "A"</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
19000000 (P.Y. 19000000) Equity Shares of Rs.10/- each	190,000,000	190,000,000
1100000 (P.Y. 1100000) Preference Shares of Rs.100/- each	110,000,000	110,000,000
	<u>300,000,000</u>	<u>300,000,000</u>
<b>Issued, Subscribed and Paid up</b>		
16425943 (P.Y. 16425943) Equity Shares of Rs.10/- each fully paid up	164,259,430	164,259,430
1000092 (P.Y. 1000092) 5% Cummulative Redeemable Preference Shares of Rs.100/- each fully paid up	100,009,200	100,009,200
	<u>264,268,630</u>	<u>264,268,630</u>
<b>SCHEDULE "B"</b>		
<b>RESERVES &amp; SURPUS</b>		
<b>Securities Premium</b>		
Opening Balance	267,418,430	267,418,430
Additions during the year	-	-
Deductions during the year	-	-
<b>Closing Balance (A)</b>	<u>267,418,430</u>	<u>267,418,430</u>
Balance in Profit & Loss Account (B)	116,535,150	88,797,798
<b>Total (A+B)</b>	<u>383,953,580</u>	<u>356,216,228</u>
<b>SCHEDULE "C"</b>		
<b>SECURED LOANS</b>		
Overdraft against Deposits (Secured against lien on Term Deposit of Rs. 1000.00 lacs)	-	90,055,285
	<u>-</u>	<u>90,055,285</u>

**SCHEDULE 'D'**  
**FIXED ASSETS**

(Amount in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS ON	ADDITIONS	AS ON	AS ON	FOR THE YEAR	AS ON	AS ON	AS ON
	01.04.2009		31.03.2010	01.04.2009		31.03.2010	31.03.2010	31.03.2009
Leased Land	1,270,000	-	1,270,000	123,825	57,309	181,134	1,088,866	1,146,175
Computer & Printer	826,505	1,800	828,305	471,902	142,454	614,356	213,949	354,603
Motor Car	5,354,417	2,664,956	8,019,373	3,141,154	925,075	4,066,229	3,953,144	2,213,263
Fax Machine	33,160	-	33,160	11,679	3,888	15,567	17,593	21,481
Air Conditioner	124,000	-	124,000	33,066	12,649	45,715	78,285	90,934
Furniture & Fixture	151,142	6,500	157,642	45,334	19,712	65,046	92,596	105,808
Plant & Machinery	74,417,284	-	74,417,284	15,998,162	8,955,651	24,953,813	49,463,471	58,419,122
	<b>82,176,508</b>	<b>2,673,256</b>	<b>84,849,764</b>	<b>19,825,122</b>	<b>10,116,738</b>	<b>29,941,860</b>	<b>54,907,904</b>	<b>62,351,386</b>
Previous Year	81,627,171	549,338	82,176,509	8,195,395	11,629,728	19,825,123	62,351,386	73,431,776

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH' 2010

	AS AT 31.03.10	AS AT 31.03.09
<b><u>SCHEDULE "E"</u></b>		
<b><u>INVESTMENTS</u></b>		
<b><u>Un Quoted</u></b>		
N.S.C	11,100	6,100
L.I.C MUTUAL FUND-Liquid Plan	107,394	364,108,920
No of Units as on 31st Mar'2010 - 9,783.29 NAV Rs.10.98 per unit (P.Y 331,86,235.76 units )		
Reliance Money Manager Fund	113,273,853	-
No of Units as on 31st Mar'2010 - 1,13,141.43 NAV Rs.1001.09 (P.Y NIL units )		
Gold	3,317,445	
	116,709,792	364,115,020
 <b><u>SCHEDULE "F"</u></b>		
<b><u>CURRENT ASSETS, LOANS &amp; ADVANCES</u></b>		
<b>A. CURRENT ASSETS</b>		
<b>Inventories (As certified by the Management)</b>		
Raw Material	25,536,401	-
Work in Progress	196,932	-
Finished Goods	315,759	-
Traded Goods	133,921,509	23,139,619
	159,970,601	23,139,619
 <b>Sundry Debtors (Unsecured, considered good)</b>		
Debts outstanding for period exceeding six months	390,000	6,007,575
Other debts	66,904,678	7,782,325
	67,294,678	13,789,900
 <b>Cash &amp; Bank Balances</b>		
Cash in hand	15,940	1,806
With Scheduled Banks		
- on current account	22,666,398	7,978,352
- on deposit accounts*	176,974,976	235,224,207
*These fixed Deposits are with banks for availing OD/CC facility		
	199,657,314	243,204,365
 <b>Other Current Assets</b>		
Accrued Interest on Bank Deposits	5,092,559	2,180,986
	5,092,559	2,180,986
 <b>B. LOANS &amp; ADVANCES (Unsecured, Considered good)</b>		
<i>Advance recoverable in cash or in kind</i>		
- For Suppliers and services	79,046,722	713,315
- Others	4,089,764	9,478,079
Deposits	11,464,050	11,445,800
Advance Tax ( Net of Provisions)	10,394,277	5,291,609
	104,994,813	26,928,803



## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH' 2010

	AS AT 31.03.10	AS AT 31.03.09
<b>SCHEDULE "G"</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A. Current Liabilities</b>		
Sundry Creditors		
A) Trade	448,658	-
B) Others	7,347,752	3,777,244
Advance From Customer	30,858,976	1,051,133
Other Liabilities	278,982	1,532,208
- Unclaimed Application Money	713,743	814,327
- Unclaimed Dividend	403,868	325,910
	<u>40,051,979</u>	<u>7,500,822</u>
<b>B. Provisions</b>		
Provision for Dividend Tax	849,828	849,828
Proposed Dividend	5,000,460	5,000,460
	<u>5,850,288</u>	<u>5,850,288</u>
<b>SCHEDULE "H"</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(to the extent not written off or adjusted)		
Preliminary Expenses	442,289	884,585
Public issue Expenses	5,273,770	10,547,536
	<u>5,716,059</u>	<u>11,432,121</u>
Less:- 1/5th written off during the period	5,716,059	5,716,062
	<u>-</u>	<u>5,716,059</u>



**SCHEDULES FORMING PART OF PROFIT & LOSS A/C FOR THE YEAR ENDED 31 ST MARCH' 2010**

	Current Year Rs.	Previous Year Rs.
<b><u>SCHEDULE "I"</u></b>		
INCOME FROM OPERATIONS		
SALES:		
- Export Sales	38,055,755	2,055,095,193
- Domestic Sales	3,980,869,707	1,783,755,680
OTHER OPERATIVE INCOME	6,369,350	-
Sale of Power	6,844,847	7,702,176
Export Incentives	24,557,372	130,513,923
	<u>4,056,697,031</u>	<u>3,977,066,972</u>
<b><u>SCHEDULE "J"</u></b>		
INCREASE/(DECREASE) IN STOCK		
Opening Stock	23,139,619	125,738,476
Closing Stock	159,970,601	23,139,619
	<u>136,830,982</u>	<u>(102,598,857)</u>
<b><u>SCHEDULE "K"</u></b>		
OTHER INCOME		
Interest on Fixed Deposits	25,384,684	12,650,192
Dividend	2,058,077	2,278,809
Sundry Balance written off	-	13,560
Interest on other advance	-	620,000
Duty Drawback	-	460,217
Service tax refund	1,666,869	-
Misc. Income	2,436	914,697
Prior Period Income	459,209	314,662
	<u>29,571,275</u>	<u>17,252,137</u>
<b><u>SCHEDULE "L"</u></b>		
<b><u>SELLING AND OTHER DIRECT EXPENSES</u></b>		
Clearing & Forwarding Expenses	4,826,700	51,884,185
Freight,THC,DOC Charges	141,626,617	176,753,879
Transport Charges	27,136,321	10,514,088
Loading And Warehousing Charges	11,718,187	13,194,988
Custom Duty	11,764,635	-
Other Direct Expenses	2,657,842	8,362,777
NCDX Charges	2,862,161	-
Wind Mill Expenses	1,653,644	1,133,020
Brokerage & Commission	1,788,902	4,530,923
	<u>206,035,009</u>	<u>266,373,860</u>
<b><u>SCHEDULE "M"</u></b>		
<b><u>EMPLOYMENT COST</u></b>		
Salaries & Bonus	2,475,708	3,811,942
Directors Remuneration	4,627,500	3,510,000
Staff welfare Expenses	942,514	548,992
	<u>8,045,722</u>	<u>7,870,934</u>



SCHEDULES FORMING PART OF PROFIT & LOSS A/C FOR THE YEAR ENDED 31 ST MARCH' 2010

	Current Year Rs.	Previous Year Rs.
<b><u>SCHEDULE "N"</u></b>		
<b><u>ADMINISTRATIVE EXPENSES</u></b>		
Rent	360,000	462,810
Rates & Taxes	8,913	158,452
Electricity Charges	246,739	397,920
Computer Software Expenses	38,370	73,200
Insurance Expenses	679,359	1,673,425
Membership & Subscription	19,672	15,500
Printing & Stationery	286,125	440,477
Communication Expenses	666,924	1,014,383
Repairs & Maintenance	74,913	296,324
Office Expenses	23,180	23,703
Legal & Professional Charges	2,066,376	1,125,460
Internal Audit Fees	272,904	255,000
Statutory & Tax Audit Fees	333,090	210,000
Conveyance & Travelling	2,346,595	2,018,113
Directors Sitting Fees	308,000	357,000
Sundry Expenses	2,327,247	3,503,375
Provision for Mark to Market Losses	899,300	-
Foreign Exchange Difference (net)	1,592,609	19,530,792
	<u>12,550,316</u>	<u>31,555,934</u>
<b><u>SCHEDULE "O"</u></b>		
<b><u>FINANCE CHARGES</u></b>		
Bank Charges	2,117,087	6,183,115
Bank Interest	10,933,883	1,204,282
	<u>13,050,970</u>	<u>7,387,397</u>

## SCHEDULE -P

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

#### (A) SIGNIFICANT ACCOUNTING POLICIES

##### 1. **BASIS FOR PREPARATION OF FINANCIAL STATEMENTS :-**

The Financial Statements have been prepared under the historical – cost convention, in accordance with the Generally Accepted Accounting Principles in India, the applicable accounting standards issued by the Institute of Chartered Accountants of India. All income and expenditure having a material bearing on the financial statement are recognized on the accrual basis except for export incentives such as DEPB, DFAI which are recognised on receipt basis.

##### 2. **USE OF ESTIMATES :-**

The preparation of financial statement requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known /materialized.

##### 3. **INVENTORIES:-**

- i) Inventories are valued at lower of cost or Net Realizable value.
- ii) Cost of inventories have been computed to include all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
- iii) The cost is determined using the First in First Out Basis (FIFO)

##### 4. **CASH FLOW STATEMENT:-**

The Cash flow Statement has been prepared using the indirect method as prescribed by Securities and Exchange Board of India and in accordance with the provisions of accounting Standard - 3 issued by the Institute of Chartered Accountants of India.

##### 5. **DEPRECIATION :-**

Depreciation on the fixed assets has been provided on Written Down Value Method at the rates and manner provided in Schedule XIV of the Companies Act, 1956 except Lease Hold Land that is amortized over the period of Lease on straight line basis.

##### 6. **REVENUE RECOGNITION :-**

- i) Sale of goods is recognised on shipment or dispatch of goods to customer and net of Duties and taxes.
- ii) Dividend income from investments is recognised on receipt basis.
- iii) Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
- iv) Profit/Loss on sale of investments is recognized on the contract date.
- v) Export incentives in the form of credit earned on exports made during the year, under Duty Entitlement Pass Book (DEPB) / Duty Free Replenishment Certificate (DFRC) / Duty Free Advance Authorization (DFAI) / Target Plus Licenses (DFCE) are accounted for at the time of sale / utilization of licenses due to uncertainty associated with respect to Sale / Utilisation.

Duty Drawback is recognized as revenue on accrual basis to the extent it is probable that realization is certain.

##### 7. **PURCHASES:-**

Purchases has been recorded net of discounts and duties & taxes which are recoverable in future.

##### 8. **FIXED ASSETS:-**

- i) Fixed Assets has been stated at cost of acquisition as reduced by accumulated depreciation and impairment losses if any.
- ii) The cost of assets includes direct/indirect and incidental cost incurred to bring them into their present location and condition.



9. **FOREIGN CURRENCY TRANSACTIONS:-**

i) **Initial Recognition**

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

ii) **Conversion**

At the year-end, monetary items denominated in foreign currencies, other than those covered by forward contracts, are converted into rupee equivalents at the year end exchange rates.

iii) **Exchange Differences**

All exchange differences arising on account of foreign currency transactions are charged to Profit and Loss Account.

iv) **Forward Exchange Contracts**

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments.

In respect of transactions covered by forward exchange contracts, the difference between the forward rate and the exchange rate at the date of contract is recognised as other income or expense over the life of the contracts.

10. **INVESTMENTS:-**

Current Investment is carried at the lower of cost or Market Value.

11. **EMPLOYEE BENEFITS:-**

Employer's Contribution to the Provident Fund and Pension fund are charged to the Profit and Loss Account of the period to which they relate.

Defined benefit plan in the form of Gratuity has been provided based on the actuarial valuation taken at the year end.

Short Term Employee Benefit payable within one year is provided on accrual basis at actual value.

12. **BORROWING COST**

Borrowing costs directly attributable to development of qualifying asset are capitalized till the date qualifying asset is ready for put to use for its intended purpose as part of cost of that asset. Other Borrowing costs are recognized as expense in the period in which they are incurred.

13. **EARNING PER SHARE:-**

Basic Earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

14. **ACCOUNTING FOR TAXES ON INCOME:-**

Current tax is determined as the amount of tax payable in respect of taxable income of the year.

Deferred tax for the year is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized and carried forward only if there is reasonable/virtual certainty of its realisation.

The carrying amount of Deferred Tax Assets are reviewed at each balance sheet date and written down or written up, to reflect the amount that is reasonably / virtually certain, as the case may be, to be realized.

15. **IMPAIRMENT OF FIXED ASSETS:-**

The carrying amount of assets, other than inventories, is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

The impairment loss is recognised whenever the carrying amount of an asset or its cash generation unit exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. All impairment losses are charged to profit and loss account.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and is recognised in the profit and loss account.

**16. PROVISION, CONTINGENT LIABILITIES:-**

A provision is recognised when the company has a present obligation as a result of past event & it is probable that an outflow of resources will be required to settle the obligation & in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognized but are disclosed in the notes.

**17. PRELIMINARY AND SHARES ISSUE EXPENSES:-**

Preliminary and Share Issue expenses are written off over a period of 5 years.

**18. COMMODITIES STOCK FUTURES :-**

- i. Commodities futures are marked to market on a daily basis. Debit or Credit balance disclosed under loans and advances or current liabilities respectively, in the “Mark to Market Margin Account” represents the net amount paid or received on the basis of movement in the prices of commodities futures till the balance sheet date.
- ii. As on balance sheet date, profit/ loss on open position in commodities futures are accounted as follows
  - Credit Balance in the “Mark to Market Margin Account” being anticipated profit is ignored and no profit for the same is taken in the profit and loss account.
  - Debit balance in the “Mark to Market Margin Account” being anticipated loss is charged to profit and loss account.
- iii. Settlement and Squaring up of contract is accounted as follows
  - On final delivery settlement the difference between the settlement price and contract price is added/reduced from/ to sale/purchase
  - On squaring up of the contract the difference between the squared up price and contract price is recognized in profit and loss account

When more than one contract in respect of the relevant series of commodity future contract to which the settled/squared up contract pertains is outstanding at the time of settlement/squaring up of the contract, the contract price is determined using weighted average method for calculating the difference/ profit/loss on settlement/squaring up

**(B) NOTES ON ACCOUNTS**

**1. Employee Benefits :**

The disclosures required under Accounting Standard 15 “Employee Benefits” notified in the Companies (Accounting Standards) Rules 2006, are given below:

**Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognized and charged to profit and loss account for the year are as under:

Particulars	2009-10	2008-09
Employers Contribution to Provident Fund	92,407	94,403

**Defined Benefit Plan**

During the year company has changed its policy for recognising Defined Benefit Plan i.e. gratuity from cash basis to accrual basis based on the actuarial valuation in accordance with the requirement of Accounting Standard 15 (Revised) – “Employee Benefits”. Due to this change of policy profit for the year is lower by Rs.2,40,735 and liability is over by Rs.2,40,735



The present value of 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 particulars under the AS 15 (Revised) are furnished below

Particulars	Gratuity Unfunded 2009-10
<b>a. Amount recognized in Profit and Loss Account</b>	
<b>b. Reconciliation of opening and closing balances of Defined Benefit obligation</b>	
Defined Benefit obligation at beginning of the year	Nil
Current Service Cost	88,191
Interest Cost	Nil
Actuarial (gain) / loss	1,52,544
Benefits paid	Nil
Settlement cost	Nil
Defined Benefit obligation at year end	2,40,735
<b>c. Reconciliation of opening and closing balances of fair value of plan assets</b>	
Fair value of plan assets at beginning of the year -	Nil
Expected return on plan assets	Nil
Actuarial gain/(loss) -	Nil
Employer contribution	Nil
Benefits Paid -	Nil
Fair value of plan assets at year end	Nil
Actual return on plan assets	Nil
<b>d. Reconciliation of fair value of assets and obligations</b>	
Fair value of plan assets as at 31st March	Nil
Present value of obligation as at 31st March	2,40,735
Amount recognized in Balance Sheet	2,40,735
<b>e. Investment Details % invested</b>	
As at 31st March	Nil
<b>f. Actuarial assumptions</b>	
Mortality Table	LIC (94-96) Ultimate
Discount rate (per annum)	8%
Rate of escalation in salary (per annum)	5%
Expected rate of return on plan assets (per annum)	Nil

## 2. Related Party Disclosure

Related party disclosure as required by Accounting Standard – 18, “Related Party Disclosure” issued by the Institute of Chartered Accountants of India -are given below:

### A. Name and Relationship of the Related Parties:

Name of the related Party	Nature of Relations
<b>Key Management Personal</b>	
Mr Saurabh Malhotra	Managing Director
Mr. Chander Mohan	Chairman – Executive Director
<b>Others</b>	
Mrs. Shipra Medirrata	Director & Relative of Key Management Personal
Kusum Malhotra	Relative of Key Management Personal
Vanita Malhotra	Relative of Key Management Personal
Sakuma Finvest Private Ltd	Enterprise over which Directors have Significant Influence
Sakuma Import and Export Private Ltd	
Sakuma International Marketing Pvt Ltd	

**Note:** Related party relationship is as defined by the company and relied upon by the Auditor.

**B. Transaction with the related party during the period:**

Transaction with Related Parties	Key Mgmt Personnel	Others	Total
Remunerations	46,27,500 (35,10,000)	NIL (NIL)	46,27,500 (35,10,000)
Director Sitting Fee	Nil (Nil)	63,000 (77,000)	63,000 (77,000)
Outstanding Balance in Current Assets	Nil (Nil)	70,00,000 (70,00,000)	70,00,000 (70,00,000)

Figures in parenthesis represents previous year figure

**3. Contingent Liabilities**

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and are disclosed by way of notes to Financial Statements.

Contingent Liabilities not provided for in respect of:

(Amount in Rupees)

Particulars	2009-10	2008-09
Disputed income tax demand for the A.Y. 2002-03 pending before CIT (Appeal).	2,45,931	2,45,931
Disputed income tax demand for the A.Y. 2003-04 pending before Assessing office (ITAT has reverted to AO on statistical ground) (Company has already made the payment of the tax demand)	2,78,900	2,78,900
Disputed income tax demand for the A.Y. 2005-06 pending before CIT (Appeal).	32,61,735	-
Disputed income tax demand for the A.Y. 2006-07 pending before CIT (Appeal). (The demand is after adjusting the refund of Rs.57,014)	20,055	-
Dispute due to quality issue of goods supplied which were rejected by overseas buyer	15,87,450	15,87,450
Dispute u/s 138 of the Negotiable Instruments Act for stopping on account payment.	13,68,260	13,68,260

**Claim not acknowledge as debt**

During the year the company had paid 10 % advance of USD 2,10,600 equivalent to Rs.96.22 Lacs for import of Brazilian White sugar against Contract No.2158 S (58U1528). However as the seller sent Refined Granulated Sugar under the guise of Brazilian White Sugar, the company rejected the consignment. The seller has filed an arbitration petition for breach of contract claiming damages of USD 4,07,180 and Rs.35.17 Lacs plus additional cost to be incurred and on the other hand company is in process of filing a legal suit against the seller. Pending the dispute company has not made any provision for the advance payment of USD 2,10,600 i.e. Rs.96.22 Lacs.

**4. Deferred Tax**

In view of Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India deferred tax liability is provided on timing difference between taxable income and accounting income. Deferred tax asset is recognized on the basis of reasonable/ virtual certainty of their realization. Calculation of Deferred Tax is as follows:

Particulars	2009-10	2008-09
<b>Deferred Tax Liabilities:</b>		
Depreciation	1,46,02,876	1,75,34,885
<b>Total "A"</b>	1,46,02,876	1,75,34,885
<b>Deferred Tax Assets:</b>		
Gratuity	74,387	-
Leave Encashment	2,440	-
Bonus	22,866	-
<b>Total "B"</b>	99,693	-
<b>Deferred Tax Liability (Net) "(A-B)"</b>	<b>1,45,03,183</b>	<b>1,75,34,885</b>



5. In the opinion of the Board, current assets, loans and advances have a value at least equal to the amounts shown in the balance sheet, if realized in the ordinary course of business.
6. Managerial remuneration under section 198, 309 and other applicable provisions of the Companies Act, 1956 read with schedule - XIII of the Companies Act, 1956 paid or payable during the financial year to the Directors are as under:

Since no commission is payable, the computation of net profits in accordance with section 349 of the Companies Act, 1956 and relevant details of calculation of commission is not given.

Particulars	2009-10	2008-09
Remuneration to Directors	46,27,500	35,10,000

## 7. Segment Reporting

### Primary Segment

The company is engaged in trading of commodities & Wind Power Generation. Information is given below

#### PRIMARY SEGMENT INFORMATION

Particulars	Manufacturing & Trading of Commodities	Sale of Power	Total
Segment Revenue	402,52,94,812	68,44,847	403,21,39,659
Exports Incentives	2,45,57,372	-	2,45,57,372
Segment Profit or Loss before Tax, Interest & Depreciation	6,35,86,455	51,91,203	6,87,77,657
Less : Interest	109,33,883	-	109,33,883
Less: Depreciation	11,03,778	90,12,960	101,16,738
Profit Before Tax	5,15,48,794	(-) 38,21,757	4,77,27,037
<b>Other Information</b>			
Segment Assets	23,56,44,116	509,32,857	28,65,76,973
Segment Liability	3,72,89,443	32,308	3,73,21,751

#### SECONDARY SEGMENT INFORMATION FOR MANUFACTURING AND TRADING OF COMMODITIES EXCLUDING EXPORT INCENTIVE

Particulars	Domestic	Exports	Total
Revenue	398,72,39,057 (178,37,55,680)	3,80,55,755 (205,50,95,193)	402,52,94,812 (383,88,50,873)
Carrying amount of segment assets	Not Allocated	Not Allocated	28,65,76,973 ( 10,36,85,035)
Carrying amount of fixed assets	Not Allocated	Not Allocated	

The above information does not include information pertaining to sale of power as the sale of power is done only in domestic market.

### Earning Per Share (EPS)

	2009-10	2008-09
Net Profit as per Profit and Loss Account available for Equity Shareholders	2,77,37,352	1,96,67,150
For Basic EPS	1,64,25,943	1,64,25,943
Weighted average number of equity shares		
Earning Per Share (Weighted Average) - Basic	1.69	1.20



## 8. Impairment of Losses

For the Current Year under review as required by the Accounting Standard – 28, Management is of the opinion that no there is no loss on account of impairment of fixed assets

## 9. Information relating to Turnover, Purchases and Stocks

The company is engaged in trading of goods, hence disclosure relating to licensed capacity, installed capacity and production is not applicable. Quantitative details of traded goods are as under

(Qty in MT/Pcs) (Rs. in lacs)

Particulars	Opening Stock		Purchases/Production		Sales		Closing Stock	
	QTY	Rs.	QTY	Rs.	QTY	Rs.	QTY	Rs.
Groundnut	172.04 (144.46)	68.24 (56.44)	860.00 (4027.33)	343.71 (1649.46)	1032.04 (3999.75)	374.79 (1646.77)	NIL (172.04)	NIL (68.24)
Chana	Nil	Nil	3032.73	698.95	3032.73	662.03	Nil	Nil
Sugar	574.14 (10291.71)	119.35 (1175.37)	128331.64 (222963.87)	33729.43 (33624.94)	127759.72 (232681.43)	35657.8 (36985.86)	1135.3 (574.14)	323.56 (119.35)
Maize	69.26 (313.62)	6.13 (25.57)	NIL (2617.03)	NIL (240.45)	69.26 (2861.38)	00.00 (314.94)	NIL (69.26)	NIL (6.13)
Guar Gum	NIL	NIL	2014.32	1089.18	1014.31	488.77	1000.01	472.17
Chick Peas	NIL	NIL	442.92 (NIL)	136.25 (NIL)	185.06 (NIL)	103.66 (NIL)	257.86 (NIL)	53.44 (NIL)
Black Eyed Beans	NIL	NIL	771.78	244.91	422.53	147.67	349.25	115.07
Lentils	NIL	NIL	2282.82	832.00	1436.10	553.63	846.72	316.37
Mustard	NIL	NIL	5311.61	1587.65	5311.61	1466.65	NIL	NIL
Pepper	NIL	NIL	39.92	58.60	NIL	NIL	39.92	58.60
Seasame Seeds	NIL	NIL	38.00	30.83	38.00	32.74	NIL	NIL
PP.Bags (pcs)	NIL (NIL)	NIL (NIL)	7622255 (NIL)	75.75 (NIL)	7576255 (NIL)	588.08 (NIL)	46000 (NIL)	3.16 (NIL)
<b>TOTAL (MT)</b>		<b>193.72</b>		<b>38752.52</b>		<b>40075.82</b>		<b>1342.37</b>

### Raw Material

Particulars	Opening Stock		Purchase		Consumption		Closing Stock	
	QTY	Rs.	QTY	Rs.	QTY	Rs.	QTY	Rs.
Paper	NIL	NIL	596.63	217.20	32.20	14.05	564.42	252.18
P.P.Granual	65.92 (NIL)	37.67 (NIL)	812.79 (NIL)	443.42 (NIL)	878.71 (NIL)	475.39 (NIL)	5.89 (NIL)	3.18 (NIL)
Liners	NIL	NIL	31.30	20.35	31.30	18.95	NIL	NIL
P.P.Fabric	NIL	NIL	798.02	424.12	795.39	270.54	3.64	1.97
<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>		<b>1105.09</b>		<b>778.93</b>		<b>257.33</b>

The Company has installed the two windmills at Kutch Gujarat.

	2009-10	2008-09
Installed Capacity	1.2 MW	1.2 MW
No of Unit generated during the year	2031112	2287141
No of unit sold During the year	2031112	2287141



10. The Foreign Exchange earnings and outgo are as follows:

(Amount in Rs)

Particulars	2009-10	2008-09
(a) Expenditure in Foreign Currency		
- Traveling Expenses	10,05,709	3,78,617
- Ocean Freight and Insurance	3,21,177	11,45,76,236
- Import	30,94,57,250	6,34,42,462
(b) Earning in Foreign Currency		
- Export of Goods on FOB basis	3,80,55,755	194,71,57,426

11. Auditors Remuneration includes

(Amount in Rupees)

Particulars	2009-10	2008-09
i) As auditors (excluding service tax)	2,25,000	1,60,000
ii) As Tax Auditor (excluding service tax)	75,000	50,000
iii) Other Matters (excluding service tax)	30,000	Nil
<b>TOTAL</b>	<b>3,30,000</b>	<b>2,10,000</b>

12. During the year the Company has purchased and sold the mutual fund units, the details whereof are under:

Fund	Purchases		Sales	
	Units	Value Rs.	Units	Value Rs.
Reliance Money Manager Fund	7,29,668.03	73,05,04,643	6,16,526.60	61,72,35,605
LIC Income Plus Fund – Liquid Plan	7,91,818.41	86,86,248	3,39,68,270.88	37,26,31,931.55

14. Details about the Micro, Small & Medium Enterprise:-

In the absence of information regarding vendors covered under the Micro, Small and Medium Enterprises Development Act, 2006 Disclosures relating to amounts unpaid as the year end together with interest paid / payable under this act has not been given.

15. Events Occurring after the Balance Sheet Date:-

To the Best of the Knowledge of the Management, there are no events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to the conditions existing at the Balance sheet date that requires adjustment of assets or liabilities.

16. No amounts are due for deposits as at the balance sheet date to the investor Education and protection Fund.

17. Previous year figures have been regrouped/ rearranged/ reclassified wherever necessary, to make them comparable with the figures of the current year.

As per our report of even date

For A.R. Sodha & Co.  
Chartered Accountants

A.R.Sodha  
Partner  
M. No. 31878

Place: Mumbai  
Date : 19th July'2010

For and on behalf of the Board

Chander Mohan  
Chairman

Radhe Shyam  
Director

Saurabh Malhotra  
Managing Director

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 ST MARCH '2010

PARTICULARS	Current Year	Previous Year
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	47,727,037	38,584,240
Adjustment For :		
- Depreciation	10,116,738	11,629,728
- Interest Expense	10,933,883	1,204,282
- Preliminary & Share Issue Expenses	5,716,059	5,716,062
- Earlier Period taxes	-	(137,680)
- Dividend Received	(2,058,077)	(2,278,809)
- Interest Received	(25,384,684)	(13,270,192)
<b>Operating Profit before Working Capital Changes</b>	<b>47,050,956</b>	<b>41,447,631</b>
Adjustment For		
- (Incr)/Decr.in Inventories	(136,830,982)	102,598,857
- (Incr)/Decr.in Debtors	(53,504,778)	332,140,459
- (Incr)/Decr.in Loans & Advances	(72,963,342)	74,008,338
- (Incr)/Decr.in Other Current Assets	(2,911,573)	(1,372,086)
- Incr/(Decr).in Current Liabilities	32,551,157	(23,761,882)
<b>Cash Generated From Operations</b>	<b>(186,608,561)</b>	<b>525,061,317</b>
Income Tax Paid	22,273,768	10,086,753
<b>Net Cash - Operating Activities</b>	<b>(208,882,329)</b>	<b>514,974,564</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Inflow:		
Dividend Received	2,058,077	2,278,809
Interest Received on Fixed Deposits	25,384,684	13,270,192
	27,442,761	15,549,001
Outflow:		
Acquisition of Fixed Assets	(2,673,256)	(549,338)
Net Purchase of Investments	247,405,228	(363,778,810)
<b>Net Cash Investing Activities</b>	<b>272,174,732</b>	<b>(348,779,147)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Inflow:		
Proceeds From Secured Loans	(90,055,285)	31,167,257
	<b>(90,055,285)</b>	<b>31,167,257</b>
Outflow:		
Dividend Paid (Including Dividend Tax)	5,850,288	15,459,055
Interest Paid	10,933,883	1,204,282
<b>Net Cash - Financing Activities</b>	<b>(106,839,456)</b>	<b>14,503,920</b>
<b>Net Cash &amp; Cash Equivalents ( A+B+C)</b>	<b>(43,547,053)</b>	<b>180,699,337</b>
Opening Balance	243,204,365	62,505,028
Closing Balance	199,657,314	243,204,365

As per our report of even date

For A.R. Sodha & Co.  
Chartered Accountants

A.R.Sodha  
Partner  
M. No. 31878

Place: Mumbai  
Date : 19th July'2010

For and on behalf of the Board

Chander Mohan  
Chairman

Radhe Shyam  
Director

Saurabh Malhotra  
Managing Director



## Balance Sheet Abstract and Company's General Business Profile

### 1. Registration Details

Registered No.	:	11-155765	State Code	:	11
Balance Sheet Date	:	31 <sup>st</sup> March, 2010			

### 2. Capital Raised During the year (Rupees in Thousands)

Public Issue	:	Nil	Right Issue	:	Nil
Bonus Issue	:	Nil	Private Placement	:	Nil
Promoter's Contribution	:	Nil			

### 3. Position of Mobilisation and Deployment of Funds (Rupees in Thousands)

<b>Total Liabilities</b>	:	662725.39	<b>Total Assets</b>	:	662725.39
<b>Sources of Funds</b>	:		<b>Application of Funds</b>	:	
Paid up Capital	:	264268.63	Net Fixed Assets	:	54907.90
Reserves and Surplus	:	383953.58	Investments	:	116709.79
Secured Loans	:	NIL	Net Current Assets	:	491107.70
Unsecured Loans	:	NIL	Miscellaneous Exp	:	NIL
Deferred Tax Liability	:	14503.18			

### 4. Performance of Company

Turnover	:	4056697.03
Other Income	:	29571.00
Total Expenditure	:	4165255.51
Profit/Loss before tax	:	47727.04
Profit/Loss after tax	:	33587.64
Basic Earning per share	:	Rs. 1.69/-
Diluted Earning per share	:	NIL
Dividend Rate	:	NIL

### 5. Generic Name of Principal Products of the Company

Item Code No. (ITC Code)	:	N.A.
Product Description	:	N.A.

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#### For and on behalf of the Board

**Chander Mohan**  
Chairman

**Saurabh Malhotra**  
Managing Director

**Radhe Shyam**  
Director



## SAKUMA EXPORTS LIMITED

Registered Office : 17, Chemox House, 7, Barrack Road, Bombay Hospital Lane, New Marine Lines, Mumbai - 400 020.

### ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP ID*	
--------	--

Folio No.	
-----------	--

Client ID*	
------------	--

No. of Equity Shares held	
---------------------------	--

NAME AND ADDRESS OF THE SHAREHOLDER \_\_\_\_\_

I, hereby record my attendance at the Fifth Annual General Meeting to be held on Wednesday, 15th September 2010 at "PL. Deshpande Kala Academy, Ravindra Natyamandir, Gr.Floor, Sayani Road, Prabhadevi, Mumbai - 400 025 at 3.00 p.m.

Signature of the Shareholder of Proxy



## SAKUMA EXPORTS LIMITED

Registered Office : 17, Chemox House, 7, Barrack Road, Bombay Hospital Lane, New Marin Lines, Mumbai - 400 020.

### PROXY FORM

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint Shareholders may obtain additional slip at the venue of the meeting

DP ID*	
--------	--

Folio No.	
-----------	--

Client ID*	
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No. of Equity Shares held	
---------------------------	--

I/We \_\_\_\_\_ of \_\_\_\_\_

-----being a member/members of **Sakuma Exports Limited** hereby appoint \_\_\_\_\_ of

\_\_\_\_\_ of failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our Proxy to attend and vote for me/us and on my/our behalf at the Fifth Annual General Meeting of the Company to be held on Wednesday, 15th September 2010 at "PL. Deshpande Kala Academy, Ravindra Natyamandir, Gr.Floor, Sayani Road, Prabhadevi, Mumbai - 400 025 at 3.00 p.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

\*Applicable for investors holding shares in dematerialised form.

Affix a Re 1.00 revenue stamp
----------------------------------------

- Note :
- (1) The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.
  - (2) Proxy form should be signed by all the joint shareholders.

## Book-Post

*If undelivered, please return to:*

**Sakuma Exports Limited**

17, Chemox House, 7, Barrack Road,  
Bombay Hospital Lane, New Marine Lines,  
Mumbai-400 020.