



Sakuma Exports Limited

6th Annual Report 2010-2011



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

301-A, Aarus Chambers,
S.S. Amrutwar Lane,
Near Mahindra Tower,
Worli, Mumbai-400013

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NOTICE

NOTICE is hereby given that the Sixth Annual General Meeting of the members of **SAKUMA EXPORTS LIMITED** will be held on Thursday, 18th August, 2011 at 11.00 A.M. at P L Despande Kala Academy, Ravindra Natya Mandir, 3rd Floor, Mini Theatre, Sayani Road, Prabhadevi, Mumbai: 400 025 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011, 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 ratify the dividend paid on preference shares for the period 1st April, 2010 to 28th February, 2011.i.e. the date of redemption of preference shares.
3. To declare dividend on Equity Shares (@ 10% (i.e Re 1 per Equity share).
4. To appoint a Director in place of Mr. Radhe Shyam, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED THAT in accordance with the provisions of Section 94 and all other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be reclassified from Rs. 30,00,00,000/- (Rupees Thirty Crores Only) divided into 1,90,00,000 (One Crore Ninety Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each and 11,00,000 (Eleven Lacs) Preference Shares of Rs. 100/- (Rs. One Hundred) each into Rs. 30,00,00,000/- (Rupees Thirty Crores Only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each and accordingly the authorized share capital shall be as follows:

The Authorised Share Capital of the Company is Rs. 30,00,00,000/- (Rupees Thirty Crores Only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each.”

RESOLVED FURTHER THAT Mr. Chander Mohan, Chairman or Mr. Saurabh Malhotra, Managing Director of the Company be and are hereby authorized singly and severally to file necessary forms with the Registrar of Companies and to do all such acts, deeds and things as may be required to implement the resolution.”

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

“RESOLVED THAT pursuant to Section 16 and other applicable provisions of the Companies Act, 1956, Clause V of the Memorandum of Association of the Company be and is hereby altered by deleting the same and substitute, in its place, the following;

V. (a) The Authorised Share Capital of the Company is Rs. 30,00,00,000/- (Rupees Thirty Crores Only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each.

(b) The Paid up Capital of the Company shall be minimum of Rs. 5,00,000/- (Rs. Five Lacs).

RESOLVED FURTHER THAT Mr. Chander Mohan, Chairman or Mr. Saurabh Malhotra, Managing Director of the Company be and are hereby authorized singly and severally to file necessary forms with the Registrar of Companies and to do all such acts, deeds and things as may be required to implement the resolution.”

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

“RESOLVED THAT pursuant to Section 31 and other applicable provisions of the Companies Act, 1956, existing Article 5 of the Articles of Association of the Company be and is hereby deleted and substitute, in its place, the following;

5. The Authorised Share Capital of the Company is Rs. 30,00,00,000/- (Rupees Thirty Crores Only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- (Rupees Ten Only), with the rights and privileges and conditions attaching thereto as provided by the regulations of the company for the time being with power to increase and reduce the capital of the



company, divide and subdivide the shares in the capital for the time being original or increased, into several classes and to attach thereto respectively such preferential, deferred, postponed, qualified or special rights, privileges as may be determined by or in accordance with the regulations of the company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the company and to consolidate or subdivide the shares and issue shares of higher or lower denomination.

RESOLVED FURTHER THAT Mr. Chander Mohan, Chairman or Mr. Saurabh Malhotra, Managing Director of the Company be and are hereby authorized singly and severally to file necessary forms with the Registrar of Companies and to do all such acts, deeds and things as may be required to implement the resolution.”

**BY ORDER OF THE BOARD
For Sakuma Exports Limited**

Sd/-
(Saurabh Malhotra)
Managing Director

Place: Mumbai

Dated: 27th May. 2011

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 and 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 Statement pursuant to section 173(2) of the Companies Act, 1956 for resolutions specified at Item No. 6 to 8 is annexed to the 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 12th August, 2011 to 18th August, 2011 (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 equity shares, if declared at the Meeting, will be paid to those shareholders whose names shall appear on the Company's Register of Members as on 18th August, 2011; in respect of shares held in dematerialized form, the dividend 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 dematerialized form as well as in physical form are requested to intimate instructions pertaining to those shares to their respective Depository Participant and for shares held 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.
14. 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.

For Equity Shareholders:

Financial Year	Date of Declaration of Divided	Last Date of claiming un – paid Dividend
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

For Preference Shareholders:

Financial Year	Date of Declaration of Divided	Last Date of claiming un – paid Dividend
Dividend 2005 – 2006	26.07.2006	30.08.2013
Dividend 2006 – 2007	09.07.2007	13.08.2014
Dividend 2007 – 2008	20.08.2008	24.09.2015
Dividend 2008 – 2009	15.09.2009	21.10.2016
Dividend 2009 – 2010	15.09.2010	20.10.2017
Dividend 2010 – 2011	28.02.2011	27.02.2018

Members who have not so far received / encashed dividend for the aforesaid years are requested to seek issue of duplicate warrant(s) by writing to the Company's Registrar and Share Transfer Agent i.e. M/s. Big Share Services Private Limited

15. All the shareholders are requested to register their e-mail address with the M/s. Big Share Services Private Limited for the purpose of service of documents under Section 53 of the Companies Act, 1956 by E-mode instead of under posting certificate (UPC) in view of Circular No. 17/95/2011 CL-V.



ANNEXURE TO NOTICE DATED 27th MAY '2011

EXPLANATORY STATEMENT

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

ITEM NO. 6, 7 and 8

The Company has redeemed its paid up preference share capital on 28th of February, 2011. The Company does not plan to issue any preference shares in the future. Accordingly the Company proposes to convert the present preference authorized share capital into equity share capital. After the conversion of the present authorized preference share capital into equity share capital the authorized share capital shall stand as follows:

“The Authorised Share Capital of the Company is Rs. 30,00,00,000/ – (Rupees Thirty Crores Only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/ – (Rupees Ten Only) each.”

The necessary resolution for re-classification of preference share capital into equity share capital is proposed at item No. 6 of the notice.

Consequent to re-classification in Authorized Share Capital the capital clause appearing in Memorandum and Articles of Association shall also alter. The necessary resolution for alteration of capital clause appearing in Memorandum of Association is proposed at item No. 7 of the Notice and the necessary special resolution for alteration of capital clause appearing in Articles of Association is proposed at item No. 8 of the Notice.

The Board recommends the resolutions for approval of the members. None of the Directors of the Company are interested or concerned in these resolutions except to the extent of their shareholdings in the company.

BY ORDER OF THE BOARD

For Sakuma Exports Ltd.

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

Place: Mumbai

Dated: 27th May, 2011

DIRECTOR'S REPORT

Your Directors take pleasure in presenting their Sixth Annual Report on the business and operations of your Company together with audited statement of accounts for the year ended 31st March 2011.

Financial Highlights

FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2011

	Year Ended 31.03.2011	Year Ended 31.03.2010
	Rs. (in lacs)	
Sales & Other Income	63264.94	40566.97
Profit before depreciation & Tax	823.03	578.44
Depreciation	87.98	101.17
Profit before Tax	735.05	477.27
<u>Provision for Tax</u>		
-Current Tax	252.94	171.71
- Deferred Tax	(20.99)	(30.32)
Income Tax of Earlier years	2.20	-
Add: Surplus from previous period	1165.35	887.98
<u>Profit Available for Appropriation</u>	1666.26	1223.85
<u>Less : Appropriation</u>		
Transfer to Capital Redemption Reserve	1000.09	-
Dividend on Equity Shares	164.26	-
Dividend on Preference Shares	45.76	50.00
Dividend Tax	35.85	8.50
<u>Balance carried to Balance Sheet</u>	420.30	1165.35

Operations Review and Future Prospects

During the year, global economy showed signs of recovery from after effects of sub-prime and global meltdown. The global trade improved and exports from India are also on the rise. However, as regards the export of Agri commodities the restrictions imposed by the Government of India continued with little easing in 2nd half of the year, when Government of India permitted export of sugar to meet export commitments against duty free imports of sugar made in the past, this provided us a limited opportunity to restart export of sugar, one of the important constituents of our business. This helped us in improving our export turnover. Despite constraints the company was able to achieve a turnover of 632.65 crores during the year 2010-11 with increase of 55.95 % over the turnover of the preceding year at Rs 405.67 crores. There has been increase of 42.28 % in profit before depreciation and tax from Rs 578.44 lacs to Rs 823.03 lacs. The net profit after tax increased by 49.13 % from Rs 335.88 lacs for the year ended 31st March 2010 to Rs 500.91 lacs for the year ended 31st March 2011.

The company continued to carry on the domestic trade and imports, the activities started during the last two years. In 1st half of the year the company's focus was on domestic trade, however, with the start of exports, focus shifted on export of sugar. During the year the export constituted 36.09 % of turnover as against 0.94% during the preceding year. There has been an overall increase of 35.15 % in exports, 74 % in imports and 0.67% in domestic trade during the year 2010-11 over the preceding year. The company has developed systems and logistics for handling liquid products and during the current year we established and strengthened logistics network for handling liquid products and exported 54975.085 metric tones of molasses. The company has always been on lookout for widening its export mix and diversify business activities. During the last two years we started imports as well as domestic trade. With the above steps the company has been able to overcome to some extent the uncertainties of agriculture sector and ever-changing government policies. This provided flexibility to vary product mix and activities and enabled us to take advantage of business opportunities available from time to time.

Dividend

During the year the company paid dividend on preference shares for the period beginning from 1st April, 2010 to 28th February, 2011 (date of redemption) amounting to Rs.45.76 lacs. The Company has paid dividend distribution tax amounting to Rs.7.93 lacs



The Board of Directors has recommended dividend of 10% on equity shares (i.e. Re 1 per equity share) for the financial year ended 31st March, 2011 amounting to Rs. 164.26 lacs The dividend tax liability on equity shares to be borne by your company is Rs 27.92 lacs.

Redemption Of Preference Share Capital

The Company had issued and allotted 10,00,092 5% Cumulative Redeemable Preference Shares (CRPS) of Rs. 100/- each on 28th February, 2006 in terms of prospectus dated 13th January, 2006. As per the terms of issue the Company redeemed the said CRPS on 28th February, 2011 together with the dividend @ 5% from 1st April, 2010 to 28th February, 2011.

The said Redemption and Dividend amount has been paid to those shareholders whose names were appearing on Register of Members of the Company as on 14th February, 2011.

Public Deposits

The company has neither invited nor accepted any public deposits during the year 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, 2011, 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, 2011 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. Chartered Accountants, will retire as Auditors of the Company at the conclusion of the Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that their appointment if made would be within the prescribed limit under Section 224(1B) of the Companies Act, 1956.

Audit Committee of the Board has recommended their re-appointment.

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 is 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.

B. Technology absorption, adaptation and innovation

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

C. Foreign Exchange Earning & Outgo.

(Amount in Rs)

Particulars	2010-11	2009-10
(a) Expenditure in Foreign Currency		
- Traveling Expenses	-	10,05,709
- Ocean Freight and Insurance	2,40,98,935	3,21,177
- Import	53,67,00,835	30,94,57,250
(b) Earning in Foreign Currency		
- Export of Goods on FOB basis	225,34,10,258	3,80,55,755

Particulars of Employees

The provision of section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 are not applicable to your company since none of the employee is employed on a remuneration of Rs.5,00,000/- P.M or Rs.60, 00,000/ P.A.

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
Date: 27th May, 2011

(Chander Mohan)
Chairman

(Saurabh Malhotra)
Managing Director



CORPORATE GOVERNANCE REPORT

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

***(For The Financial Year 31st March, 2011)**

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
13 th May, 2010	Present	Present	Present	Present	Present	Present
19 th July, 2010	Present	Present	Present	Present	Present	Present
15 th September, 2010	Present	Present	Present	Present	Present	Present
23 rd October, 2010	Present	Present	Present	Present	Present	Present
28 th January, 2011	Present	Present	Present	Present	Present	Present
Total Attendance (out of 5 Board Meetings)	5	5	5	5	5	5
Attendance at Last AGM	Present	Present	Present	Present	Present	Present

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	0	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 31st March, 2011. 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 Meeting	Radhe Shyam*	Ashok Kumar Doda#	Satyendra J Sonar\$
13 th May, 2010	Present	Present	Present
19 th July, 2010	Present	Present	Present
23 rd October, 2010	Present	Present	Present
28 th January, 2011	Present	Present	Present
Total (out of 4 meetings)	4	4	4

* Chairman & Non Executive Independent Director

Member & Non – Executive Independent Director

\$ Member & Non – Executive Independent Director

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 5th Annual General Meeting held on 15th September, 2010. 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 31st March, 2011, is as under;

Name of Director	Salary & Perqs	Commis-sion	Professional Fees	Sitting Fees	Total
Chander Mohan	Rs 37,00,000/-	-	-	-	Rs 37,00,000/-
Saurabh Malhotra	Rs 32,00,000/-	-	-	-	Rs 32,00,000/-
Shipra Mediratta	-	-	-	Rs 1,13,000/-	Rs 1,13,000/-
Ashok Kumar Doda	-	-	-	Rs 1,61,000/-	Rs 1,61,000/-
Radhe Shyam	-	-	-	Rs 1,61,000/-	Rs 1,61,000/-
Satyendra J Sonar	-	-	-	Rs 1,13,000/-	Rs 1,13,000/-



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	3 years	1 st September, 2010	31 st August, 2013
Mr. Saurabh Malhotra Managing Director	3 years	September 1, 2010	31 st August, 2013

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 st March, 2011	No. of shares held as on 31 st March, 2010
Shipra Mediratta	Nil	Nil
Ashok Kumar Doda	Nil	Nil
Radhe Shyam	27958 Shares	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 Meeting	Ashok Kumar Doda*	Shipra Mediratta#	Radhe Shyam\$
13 th May, 2010	Present	Present	Present
19 th July, 2010	Present	Present	Present
23 rd October, 2010	Present	Present	Present
28 th January, 2011	Present	Present	Present
Total (out of 4 meetings)	4	4	4

* Chairman & Non Executive Independent Director

Member & Non – Executive Promoter Director

\$ Member & Non-Executive Independent Director

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

C. Complaint Status for the year 01/04/2010 to 31/03/2011 (Equity Shares)

Category	No.of Compl. Received	No.of Compl. Resolved	No.of Compl. Pending
NON RECEIPT.OF CREDIT	–	–	–
NON RECEIPT OF DIVIDEND WARRANT	14	14	0
NON RECEIPT OF ANNUAL REPORTS	–	–	–
SEBI	7	7	0
STOCK EXCHANGE	1	1	0
NON RECIEPT OF SHARE CERTIFICATE	–	–	–
NON RECIEPT OF SHARE TRANSFER	–	–	–
Total:	22	22	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
31.03.2008	3 rd AGM	NIL	20.08.2008 4.00 P.M	Indian Merchants Chamber, Churchgate, Mumbai: 400 020
31.03.2009	4 th AGM	NIL	15.09.2009 4.00 P.M	
31.03.2010	5 th AGM	Note 1	15.09.2010 3.00 P.M	P.L. Deshapande Kala Academy, Ravindra Natyamandir, 3 rd Floor, Mini Theatre, Sayani Road, Prabhadevi, Mumbai – 400 025
EGM	EGM	Note 2	22.09.2010 11.00 A.M.	

Note 1

1. Special Resolution for Re-appointment and payment of remuneration of Mr. Chander Mohan as Executive Chairman for a period of three years w.e.f 1st September, 2010.
2. Special Resolution for Re-appointment and payment of remuneration of Mr. Saurabh Malhotra as Executive Managing Director for a period of three years w.e.f 1st September, 2010.

Note 2

1. Special Resolution under Section 81(1A) of the Companies Act, 1956 for issue of 24,00,000 equity shares on preferential basis.

Note 3

1. There were no resolutions passed through postal ballot last year.
2. Special resolutions are proposed to be passed at this Annual General Meeting for alteration of Capital Clause of Articles of Association due to re-classification of authorized share capital.

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 2010 – 2011.
- 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 sent to the Stock Exchange where the shares of the company are listed.



- ii. The quarterly results for the financial year 2010 – 2011 were published in the News Papers. (Details given below):

Quarter	Results
June, 2010	The Freepress Journal (English) Navshakti (Marathi)
September, 2010	The Freepress Journal (English) Navshakti (Marathi)
December, 2010	The Freepress Journal (English) Navshakti (Marathi)
March, 2011	The Freepress 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.
- 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.
- v. All the shareholders are requested to register their e-mail address with the M/s. Bigshare Services Private Limited for the purpose of service of documents under Section 53 of the Companies Act, 1956 by E-mode instead of under posting certificate (UPC) in view of Circular No. 17/95/2011 CL-V.

X. GENERAL SHAREHOLDER INFORMATION

AGM Date, Time & Venue	Date: 18 th August, 2011 Time: 11.00 a.m Venue: P.L. Deshpande Maharashtra Kala Academy, Ravindra Natyamandir, 3 rd Floor, Mini Theatre, Sayani Road, Prabhadevi, Mumbai – 400 025.
Financial Year:	1 st April to 31 st March
Book Closure Date:	12 th August, 2011 to 18 th August, 2011
Dividend Payment Date:	Equity Shares – Before 18 th September.
Listing on Stock Exchanges:	The Bombay Stock Exchange Limited National Stock Exchange Limited
Stock Code & Demat Scrip Code (ISIN)	Bombay Stock Exchange Scrip Code: 532713 ISIN: INE 190H01016
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: srinivas@bigshareonline.com Website: www.bigshareonline.com

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 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 shares which are held in physical form.

As on March 31, 2011 69,14,498 equity shares (42.09%) of the Company are dematerialized. All this shares are electronically transferred through the demat facility. 95,11,445 equity shares (57.91%) are in physical mode. The Company has assigned the job of transfer of physical equity 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 31st March, 2011 (Equity Shares):

Range (In Rs.)	No. of Shareholders	% to total holders	Total Shareholding (In Rs.)	% to capital
1 – 5000	7669	83.1508	14769100	8.9913
5001 – 10000	991	10.7449	7852230	4.7804
10001 – 20000	301	3.2636	4599420	2.8001
20001 – 30000	74	0.8023	1941280	1.1818
30001 – 40000	40	0.4337	1415490	0.8617
40001 – 50000	47	0.5096	2198300	1.3383
50001 – 100000	45	0.4879	3215230	1.9575
100001 & Above	56	0.6072	128268380	78.0889
Total	9223	100.0000	164259430	100.0000

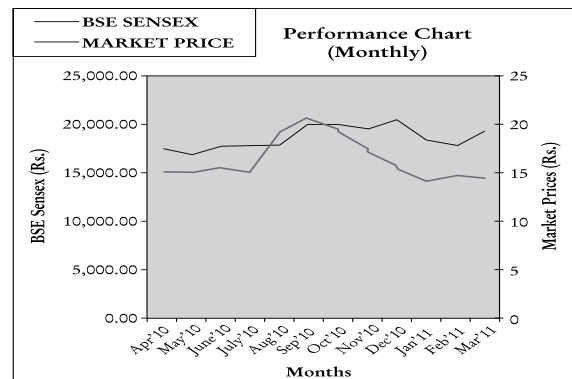
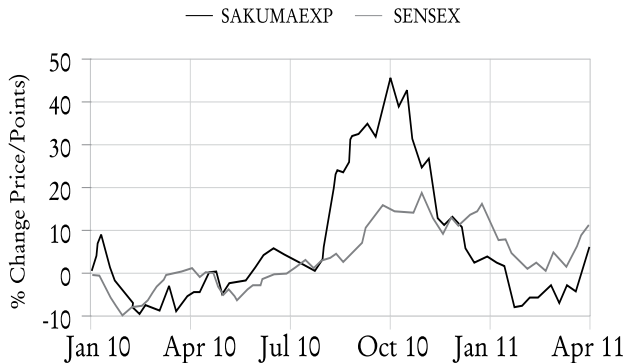
Nomination Facility:

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)



***Monthly High and Low Prices of the Equity Shares of the Company for the year ended 31st March, 2011:**

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)	* Spread (Rs.)	
								H-L	C-O
Apr 10	13.85	17.50	13.40	15.16	3,92,485	2,366	61,27,415	4.10	1.31
May 10	15.35	17.80	13.80	15.10	3,31,874	1,983	50,26,073	4.00	-0.25
Jun 10	15.20	18.00	14.60	15.60	3,68,371	1,795	60,63,464	3.40	0.40
Jul 10	16.00	16.70	14.60	15.10	1,14,864	644	17,91,001	2.10	-0.90
Aug 10	15.10	21.00	14.85	19.20	4,54,748	2,064	82,58,435	6.15	4.10
Sep 10	20.40	21.00	19.00	20.80	2,47,260	1,010	49,94,052	2.00	0.40
Oct 10	20.55	24.10	18.05	19.50	2,54,741	1,099	54,72,302	6.05	-1.05
Nov 10	20.10	20.90	16.15	17.30	94,204	516	17,40,056	4.75	-2.80
Dec 10	18.30	18.50	13.85	15.60	58,545	313	9,57,265	4.65	-2.70
Jan 11	16.00	16.85	13.05	14.15	42,337	290	6,63,439	3.80	-1.85
Feb 11	13.67	16.90	12.01	14.78	63,127	357	9,30,739	4.89	1.11
Mar 11	15.00	15.81	12.00	14.42	1,45,299	362	20,96,312	3.81	-0.58
Apr 11	15.10	16.30	14.82	16.10	23,930	75	3,75,502	1.48	1.00

* Spread, H-L : High-Low, C-O : Close-Open

**Shareholding Pattern as on 31st March, 2011 (Equity Shares):**

	Category	No of Shares Held	% Of Share Holding
A.	Promoter (S) Holding		
	Promoter (s)		
	– Indian Promoters	1,03,15,304	62.80
	– Foreign Promoters	0	0.0
	Sub – Total(A)	1,03,15,304	62.80
B.	Non-Promoters Holding		
	Institutional Investors		
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
	Others		
i.	Private Corporate Bodies	3,91,448	2.38
ii.	Indian Public	52,30,212	31.84
iii.	NRI/OCBS	1,10,463	0.67
iv.	Clearing Members	78,791	0.47
v.	Trust	738	0.00
	Sub-Total (B)	61,10,639	37.20
	GRAND TOTAL (A+B)	1,64,25,943	100.00

Plant Location

The processing of paper is done on job work basis by outsourcing. The Company does not have its own manufacturing or processing unit.

Registered Office & Correspondence Address**Sakuma Exports Limited**

301-A, Aarus Chambers,
S.S. Amrutwar Lane,
Near Mahindra Tower,
Worli, Mumbai-400013
Ph.No: 022.249.99028 / 022.249.99025
Fax: 022.249.99024
Website: www.sakumaexportsltd.com

Contact Person: Mrs. Jyoti Deshpande, Compliance Officer

Email Address: 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: 27th May, 2011

Management Discussion & Analysis Report

(A) Industry Overview and Future Outlook

The International trade suffered a severe set back during the years 2008-09 and 2009-10 due to sub prime, sovereign failures, global liquidity crunch and high volatility in prices. The Indian exports also fell in line with declining global trade. The export of agri products, in addition to the above, suffered because of restrictions imposed by government of India on export of several items including sugar. This was because of decline in agriculture production as well as inflationary pressure. The year 2010-2011 witnessed improvement in global economy resulting in improvement in the global trade. The exports from India are also on the rise. However, the restriction on the export of agricultural commodities continue. During the crop year i.e June 2010 – July 2011 the country achieved bumper agriculture crops and the country's food grains output is set to touch all time record; around 230 million tons. There has also been substantial increase in production of sugarcane, oilseeds, cotton and pulses etc. The Government of India, having faced steep inflationary condition in the recent past, is scary of relaxing the restrictions on the export of agri products. With the bumper crops during the crop season July 2010 – 2011 and forecast for good monsoon in the current year, government is likely to relax restrictions on the export of agriculture products in a phased manner. A small beginning has already been made by the government of India by permitting exports of 5 Lakhs tones of sugar under Open general license (OGL). With the forecast for coming monsoon being good it is expected that the country will have enough exportable surplus of agri products, the only deterrent may be unabated inflation of food prices.

To cope with uncertainties of agricultural production and changing government of India policies, the company has over the years diversified its activities by undertaking domestic trade and imports. Having developed requisite logistics system, network of brokers, agents, global connections with overseas traders and multinationals as well as the domestic suppliers and wholesale traders, the company is today equipped to undertake all the three activities simultaneously. If opportunities are available the company will further expand its network. The company is approaching bankers for increase in credit limits to achieve higher turnover in all the above activities. The company is studying various other possibilities such as third country exports by setting up offices at commercially suitable places abroad.

(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 control. 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 resting, 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. However, generation and revenue declined during the year from Rs. 68.45 lacs to Rs 56.94 lacs due to unfavorable whether conditions. 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 two years back in a leased unit has since been discontinued and lease terminated as the activity is presently not viable due to increase in global prices of petro products.


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: 27th May, 2011

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 31st March, 2011.

Sd/-

Saurabh Malhotra
Managing Director

Place: Mumbai

Date: 27th May, 2011



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 31st March, 2011 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.

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

(Dipesh R. Sangoi)
Partner.

M. No. 124295
FRN : 110324W

Place: Mumbai.

Date : 27th May, 2011

AUDITOR'S REPORT

To,
The Members,

SAKUMA EXPORTS LIMITED.

Mumbai.

- 1) We have audited the attached Balance Sheet of **SAKUMA EXPORTS LIMITED** as at 31st March 2011, 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, 2011 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 31st March, 2011 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,

(Dipesh R. Sangoi)
Partner.

M. No. 124295
FRN : 110324W

Place: Mumbai.
Date : 27th May, 2011



ANNEXURE TO THE AUDITORS REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

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 Good and Raw Material 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 and 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 st Appellate Authority	A.Y 2002-03
Income Tax	22.61 Lacs	2 nd Appellate Authority	A.Y. 2005-06
Income Tax	754 Lacs	1 st Appellate Authority	A.Y 2008-09

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,
FRN : 110324W

(Dipesh R. Sangoi)
Partner.
M. No. 124295

Place: Mumbai.

Date : 27th May, 2011



BALANCE SHEET AS AT 31 ST MARCH' 2011

PARTICULARS	SCHEDULE	AS AT 31.03.2011	AS AT 31.03.2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	164,259,430	264,268,630
Reserves & Surplus	B	409,457,868	383,953,580
Loan Funds			
Secured Loans	C	385,422,182	—
Deferred Tax Liability		12,403,215	14,503,183
		<u>971,542,695</u>	<u>662,725,393</u>
APPLICATION OF FUND			
Fixed Assets			
Gross Block	D	84,229,550	84,849,764
Less : Depreciation		<u>37,765,215</u>	<u>29,941,860</u>
Net Block		46,464,335	54,907,904
Investments	E	1,669,823	116,709,792
Current Assets, Loans & Advances			
Inventories	F	482,123,725	159,970,601
Sundry Debtors		136,600,861	67,294,678
Cash & Bank Balances		316,136,922	199,657,314
Other Current Assets		8,543,272	5,092,559
Loans & Advances		96,758,568	104,994,813
Total Current Assets		1,040,163,348	537,009,965
Less: Current Liabilities & Provisions			
Current Liabilities	G	97,537,280	40,051,979
Provisions		<u>19,217,532</u>	<u>5,850,288</u>
Total Current Liabilities		<u>116,754,812</u>	<u>45,902,268</u>
Net Current Assets		<u>923,408,537</u>	<u>491,107,697</u>
		<u>971,542,695</u>	<u>662,725,393</u>
Notes Forming Parts of Accounts	O		

As per our report of even Date

For A.R. Sodha & Co
Chartered Accountants
FRN : 110324W

Dipesh R. Sangoi
Partner
M. No. 124295
Mumbai,
Dated :27th May' 2011

For and on behalf of the Board

Chander Mohan
Chairman

Saurabh Malhotra
Managing Director

Radhe Shyam
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH' 2011

PARTICULARS	SCHEDULE	Year Ended 31.03.2011 Rs.	Year Ended 31.03.2010 Rs.
INCOME			
Income From Operation	H	6,326,494,337	4,056,697,031
Increase/(Decrease) in stock	I	322,153,124	136,830,982
Other Income	J	19,957,944	27,978,666
		<u>6,668,605,405</u>	<u>4,221,506,679</u>
EXPENDITURE			
Purchases		5,872,512,436	3,919,857,437
Selling and other Direct expenses	K	651,797,560	206,035,009
Employment Cost	L	13,295,223	8,045,722
Administrative Expenses	M	22,382,472	10,957,707
Finance Charges	N	26,315,025	13,050,970
Public Issue Expenses W/off		-	5,716,059
		<u>6,586,302,717</u>	<u>4,163,662,904</u>
Profit Before Depreciation and Tax		82,302,689	57,843,775
Depreciation	D	8,797,905	10,116,738
Profit before Tax		<u>73,504,783</u>	<u>47,727,037</u>
Provision for Taxes			
- Current Tax		25,293,900	17,171,100
- Short/(Excess) Provision for earlier years		220,065	-
- Deferred Tax		<u>(2,099,968)</u>	<u>(3,031,702)</u>
Profit After Tax		<u>50,090,787</u>	<u>33,587,639</u>
Add: Surplus b/f from previous year		116,535,150	88,797,799
Profit available for appropriation		166,625,937	122,385,438
Appropriation			
Transfer to Capital Redemption Reserve		100,009,200	-
Proposed Equity Dividend		16,425,943	-
Preference Dividend		4,575,763	5,000,460
Tax on Dividend		3,584,792	849,828
Profit Transferred to Balance Sheet		<u>42,030,238</u>	<u>116,535,150</u>
Earning Per Share			
- Basic		2.72	1.69
- Diluted		-	-
Notes Forming Parts of Accounts	O		

As per our report of even Date

For A.R. Sodha & Co
Chartered Accountants
FRN : 110324W

Dipesh R. Sangoi
Partner
M. No. 124295
Mumbai,
Dated :27th May' 2011

For and on behalf of the Board

Chander Mohan
Chairman

Saurabh Malhotra
Managing Director

Radhe Shyam
Director



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH' 2011

	AS AT 31.03.11	AS AT 31.03.10
SCHEDULE "A"		
SHARE CAPITAL		
Authorised		
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	<u>110,000,000</u>	<u>110,000,000</u>
	<u>300,000,000</u>	<u>300,000,000</u>
Issued, Subscribed and Paid up		
16425943 (P.Y. 16425943) Equity Shares of Rs.10/ – each fully paid up	164,259,430	164,259,430
Nil (P.Y. 1000092) 5% Cummulative Redeemable Preference Shares of Rs.100/ – each fully paid up	–	100,009,200
	<u>164,259,430</u>	<u>264,268,630</u>
SCHEDULE "B"		
RESERVES & SURPUS		
Capital Redemption Reserve		
Opening Balance	–	–
Addition : Trf from Profit & Loss a/c. on Redmption of Preference Shares	100,009,200	–
Deduction :	–	–
Closing Balance (A)	100,009,200	–
Securities Premium		
Opening Balance	267,418,430	267,418,430
Additions during the year	–	–
Deductions during the year	–	–
Closing Balance (B)	<u>267,418,430</u>	<u>267,418,430</u>
Balance in Profit & Loss Account (C)	42,030,238	116,535,150
Total (A+B+C)	<u>409,457,868</u>	<u>383,953,580</u>
SCHEDULE "C"		
SECURED LOANS		
Overdraft against Deposits (Secured against lien on Term Deposit of Rs. 1500.00 lacs)	126,686,591	–
Cash Credit	28,937,449	–
Packing Credit (Cash Credit and Packing Credit are secured against Hypothecation of Inventory, Book Debts, Current assets and Fixed Assets other than Vehicle and Leasehold Land, lien on Term Deposit and Pledge of Shares of Promotors)	<u>229,798,142</u>	–
	<u>385,422,182</u>	–

SCHEDULE 'D' FIXED ASSETS

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	AS ON 01.04.2010	ADDITI ONS	DEDUC TION	AS ON 31.03.2011	AS ON 01.04.2010	FOR THE YEAR	DEDUC TION	AS ON 31.03.2011	AS ON 31.03.2011	AS ON 31.03.2010	
Leased Land	1,270,000	–	–	1,270,000	181,134	54,444	–	235,578	1,034,422	1,088,866	
Computer & Printer	828,305	168,500	–	996,805	614,356	101,017	–	715,373	281,433	213,949	
Motor Car	8,019,373	93,272	1,133,286	6,979,359	4,066,229	1,018,787	974,551	4,110,465	2,868,894	3,953,144	
Furniture & Fixture	157,642	–	–	157,642	65,046	16,759	–	81,805	75,837	92,596	
Plant & Machinery	74,417,284	–	–	74,417,284	24,953,813	7,582,751	–	32,536,564	41,880,720	49,463,471	
Office Equipments	157,160	251,300	–	408,460	61,282	24,147	–	85,429	323,031	95,878	
	84,849,764	513,072	1,133,286	84,229,550	29,941,860	8,797,905	974,551	37,765,215	46,464,336	54,907,904	
Previous Year	82,176,508	2,673,256	–	84,849,764	19,825,122	10,116,738	–	29,941,860	54,907,904	62,351,386	

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH' 2011

	AS AT 31.03.11	AS AT 31.03.10
SCHEDULE "E"		
INVESTMENTS		
Un Quoted		
N.S.C	11,100	11,100
L.I.C Mutual Fund – Liquid Plan	–	107,394
No of Units as on 31st Mar'2011 – Nil, (P.Y. 9,783.29)		
Reliance Money Manager Fund	–	113,273,853
No of Units as on 31st Mar'2011 – Nil, (P.Y.1,13,141.43)		
Gold	<u>1,658,723</u>	<u>3,317,445</u>
	<u>1,669,823</u>	<u>116,709,792</u>
SCHEDULE "F"		
CURRENT ASSETS, LOANS & ADVANCES		
A. CURRENT ASSETS		
Inventories (As certified by the Management)		
Raw Material	25,059,647	25,536,401
Work in Progress	–	196,932
Finished Goods	–	315,759
Traded Goods	<u>457,064,078</u>	<u>133,921,509</u>
	<u>482,123,725</u>	<u>159,970,601</u>
Sundry Debtors (Unsecured, considered good)		
Debts outstanding for period exceeding six months	2,345,163	390,000
Other debts	<u>134,255,698</u>	<u>66,904,678</u>
	<u>136,600,861</u>	<u>67,294,678</u>
Cash & Bank Balances		
Cash in hand	14,671	15,940
With Schedule Banks		
– in current account	147,265,469	22,666,398
– in Fixed Deposit*	<u>168,856,782</u>	<u>176,974,976</u>
*These fixed Deposits are with banks for availing OD/CC facility	<u>316,136,922</u>	<u>199,657,314</u>
Other Current Assets		
Accrued Interest on Bank Deposits	<u>8,543,272</u>	<u>5,092,559</u>
	<u>8,543,272</u>	<u>5,092,559</u>
B. LOANS & ADVANCES (Unsecured, Considered good)		
<i>Advance recoverable in cash or in kind</i>		
– For Supplies and services	39,569,306	79,046,722
– Other	30,205,943	4,089,764
Deposits	20,436,550	11,464,050
Advance Tax (Net of Provisions)	<u>6,546,768</u>	<u>10,394,277</u>
	<u>96,758,568</u>	<u>104,994,813</u>



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH' 2011

	AS AT 31.03.11	AS AT 31.03.10
SCHEDULE "G"		
CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Sundry Creditors		
A) Trade	59,776,598	448,658
B) Others	14,571,180	7,347,752
Advance From Customer	17,691,225	30,858,976
Other Liabilities	4,300,273	278,982
- Unclaimed Application Money	713,743	713,743
- Unclaimed Dividend	484,260	403,868
	<u>97,537,280</u>	<u>40,051,979</u>
B. Provisions		
Provision for Dividend Distribution Tax	2,791,589	849,828
Proposed Preference Dividend	-	5,000,460
Proposed Equity Dividend	16,425,943	-
	<u>19,217,532</u>	<u>5,850,288</u>

SCHEDULES FORMING PART OF PROFIT & LOSS A/C FOR THE YEAR ENDED 31 ST MARCH' 2011

	Current Year Rs.	Previous Year Rs.
SCHEDULE "H"		
INCOME FROM OPERATIONS		
SALES:		
- Export Sales	2,283,330,593	38,055,755
- Domestic Sales	4,007,679,485	3,980,869,707
Other Operative Income	(1,127,038)	6,369,350
Sale of Power	5,694,225	6,844,847
Export Incentives	30,917,072	24,557,372
	<u>6,326,494,337</u>	<u>4,056,697,031</u>
SCHEDULE "I"		
INCREASE/(DECREASE) IN STOCK		
Opening Stock	159,970,601	23,139,619
Closing Stock	482,123,725	159,970,601
	<u>322,153,124</u>	<u>136,830,982</u>
SCHEDULE "J"		
OTHER INCOME		
Interest on Fixed Deposits	14,848,415	25,384,684
Dividend	1,659,675	2,058,077
Sundry Balance written back	215,944	-
Profit on Sale of Investment (Gold)	199,177	-
Service tax refund	40,976	1,666,869
Misc. Income	4,821	2,436
Foreign Exchange Difference (Net)	1,921,346	(1,592,609)
Premium on Forward Contract	775,465	-
Interest on IT Refund	292,126	-
Prior Period Income	-	459,209
	<u>19,957,944</u>	<u>27,978,666</u>

SCHEDULES FORMING PART OF PROFIT & LOSS A/C FOR THE YEAR ENDED 31 ST MARCH' 2011

	Current Year Rs.	Previous Year Rs.
SCHEDULE "K"		
SELLING AND OTHER DIRECT EXPENSES		
Clearing & Forwarding Expenses	34,032,419	4,826,700
Freight,THC,DOC Charges	183,083,512	141,626,617
Transport Charges	148,897,611	27,136,321
Loading and Warehousing Charges	53,182,005	11,718,187
Custom Duty	30,729,184	11,764,635
Other Direct Expenses	16,548,095	2,657,842
License & Quota Charges	176,071,400	-
NCDX Charges	2,697,854	2,862,161
Wind Mill Expenses	1,774,318	1,653,644
Brokerage & Commission	4,781,163	1,788,902
	<u>651,797,560</u>	<u>206,035,009</u>
SCHEDULE "L"		
EMPLOYMENT COST		
Salaries & Bonus	3,913,588	2,475,708
Directors Remuneration	6,900,000	4,627,500
Staff welfare Expenses	2,481,635	942,514
	<u>13,295,223</u>	<u>8,045,722</u>
SCHEDULE "M"		
ADMINISTRATIVE EXPENSES		
Rent	3,195,000	360,000
Rates & Taxes	504,327	8,913
Electricity Charges	295,969	246,739
Computer Expenses	49,359	38,370
Insurance Expenses	677,847	679,359
Membership & Subscription	62,343	19,672
Printing & Stationery	624,769	286,125
Communication Expenses	1,092,805	666,924
Repairs & Maintenance	823,071	74,913
Office Expenses	207,592	23,180
Legal & Professional Charges	3,037,480	2,339,280
Statutory Auditors remuneration	431,289	333,090
Conveyance & Travelling	3,212,769	2,346,595
Directors Sitting Fees	563,000	308,000
Sundry Expenses	5,892,212	2,327,247
Provision for Mark to Market Margin	1,712,640	899,300
	<u>22,382,472</u>	<u>10,957,707</u>
SCHEDULE "N"		
FINANCE CHARGES		
Bank Charges	4,948,184	2,117,087
Bank Interest	14,130,619	10,933,883
Interest on unsecured Loans	7,236,222	-
	<u>26,315,025</u>	<u>13,050,970</u>



SCHEDULE - O

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

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, 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 of 20 years 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) 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.

7. **PURCHASES AND EXPENSES :-**

Purchases and Expenses are recorded net of discounts and duties & taxes which are certain to be recoverable.

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 with the bank, 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.

Forward exchange contracts initiated at exchange are treated as held for trading, accordingly the value of the contract is marked to its current market value and the gain or loss on the contract is recognized in the profit and loss account.

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. 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. Redemption of Preference Shares

During the year company has redeemed 10,00,092 5% Cumulative Preference shares of Rs.100 each at par. Accordingly an amount of Rs.10,00,09,200/- has been transferred to Capital Redemption Reserve from Profit and Loss account.

2. 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	2010-11	2009-2010
Employers Contribution to Provident Fund	93,131	92,407

Defined Benefit Plan

Defined Benefit Plan i.e. gratuity is recognized on accrual basis based on the actuarial valuation in accordance with the requirement of Accounting Standard 15 (Revised) – “Employee Benefits”.

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 funded 2010-11	Gratuity Unfunded 2009-10
a. Amount recognized in Profit and Loss Account	96,536	2,40,735
b. Reconciliation of opening and closing balances of Defined Benefit obligation		
Defined Benefit obligation at beginning of the year	2,40,735	Nil
Current Service Cost	95,464	88,191
Interest Cost	19,259	Nil
Actuarial (gain) / loss	(18,187)	1,52,544
Benefits paid	Nil	Nil
Settlement cost	Nil	Nil
Defined Benefit obligation at year end	3,37,271	2,40,735
c. Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year -	Nil	Nil
Expected return on plan assets	14,444	Nil
Actuarial gain/(loss) -	(14,444)	Nil
Employer contribution	2,40,735	Nil
Benefits Paid -	Nil	Nil
Fair value of plan assets at year end	2,40,735	Nil
Actual return on plan assets	Nil	Nil
d. Reconciliation of fair value of assets and obligations		
Fair value of plan assets as at 31st March	2,40,735	Nil
Present value of obligation as at 31st March	3,37,271	2,40,735
Amount recognized in Balance Sheet	96,536	2,40,735
e. Investment Details % invested		
As at 31st March	71.38%	Nil
f. Actuarial assumptions		
Mortality Table	LIC (94-96) Ultimate	LIC (94-96) Ultimate
Discount rate (per annum)	8%	8%
Rate of escalation in salary (per annum)	5%	5%
Expected rate of return on plan assets (per annum)	8%	Nil

3. 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
Key Management Personal	
Mr. Chander Mohan	Executive Chairman
Mr Saurabh Malhotra	Managing Director
Others	
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	
C.K.K. Exports 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	69,00,000 (46,27,500)	Nil (Nil)	69,00,000 46,27,500
Rent Paid	Nil (Nil)	30,00,000 (Nil)	30,00,000 (Nil)
Director Sitting Fee	Nil (Nil)	1,13,000 (63,000)	1,13,000 (63,000)
Outstanding Balance in Current Assets	Nil (Nil)	1,60,00,000 (70,00,000)	1,60,00,000 (70,00,000)
Outstanding Balance in Current Liabilities	5,11,400 (2,43,520)	Nil (Nil)	5,11,400 (2,43,520)

Figures in parenthesis represents previous year figure

4. 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	2010-11	2009-10
Disputed income tax demand for the A.Y. 2002-03 pending before Commissioner of Income Tax for waiver of Interest	2,45,931	2,45,931
Disputed income tax demand for the A.Y. 2003-04 pending before Assessing officer (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 Income Tax Appellate Tribunal.(Company has already made Payment of Rs.10,00,000 against the demand)	32,61,735	32,61,735
Disputed income tax demand for the A.Y. 2008-09 pending before Commissioner of Income Tax (Appeal).	7,54,06,156	-
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 last year i.e. F.Y. 2009-10 the company paid 10 % advance of USD 2,10,600 equivalent to Rs.96.22 Lacs for import of sugar against Contract . However seller dispatched different quality of sugar, therefor company rejected the consignment. The seller then filed an arbitration petition for breach of contract claiming damages. The Refined Sugar Association, London has passed the arbitration order against the company awarding damages of USD 11,23,425, Rs.60,43,987 and Interest @8% till the payment is made. Company is in process of challenging the award in the High Court. Pending dispute, company has not made any provision for the Claimed Damages.

5. 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	2010-11	2009-10
Deferred Tax Liabilities:		
Depreciation	1,24,62,400	1,46,02,876
Total "A"	1,24,62,400	1,46,02,876
Deferred Tax Assets:		
Gratuity	29,830	74,387
Leave Encashment	-	2,440
Bonus	29,355	22,866
Total "B"	59,185	99,693
Deferred Tax Liability (Net) "(A-B)"	1,24,03,215	1,45,03,183

6. 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.
7. 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	2010-11	2009-10
Remuneration to Directors	69,00,000	46,27,500

8. 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	628,98,83,040	56,94,225	629,55,77,265
Exports Incentives	3,09,17,072	-	3,09,17,072
Segment Profit or Loss before Tax & Interest	9,86,36,234	(37,64,610)	6,87,77,657
Less : Interest	2,13,66,841	-	2,13,66,841
Profit Before Tax	7,72,69,393	(37,64,610)	7,35,04,783
Other Information			
Segment Assets	14,01,50,055	4,29,15,142	18,30,65,197
Segment Liability	9,71,92,448	3,44,832	9,75,37,280

SECONDARY SEGMENT INFORMATION FOR MANUFACTURING AND TRADING OF COMMODITIES

Particulars	Domestic	Exports	Total
Revenue	401,22,46,672	231,42,47,665	632,64,94,337
Carrying amount of segment assets	9,40,24,779	4,25,76,082	13,66,00,861
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.



9. Earning Per Share (EPS)

Particulars	2010-11	2009-10
Net Profit as per Profit and Loss Account	5,00,90,787	3,35,87,639
Less : Preference Dividend	45,75,763	50,00,460
Less : Dividend Tax on Preference Dividend	7,93,203	8,49,828
Net Profit as per Profit and Loss Account available for Equity Shareholders	4,47,21,821	2,77,37,351
For Basic EPS		
Weighted average number of equity shares	1,64,25,943	1,64,25,943
Earning Per Share (Weighted Average)		
- Basic	2.72	1.69

10. Impairment of Assets

Management of the company does not anticipate any impairment to assets with specific reference to Windmill assets considering current market value for similar kind of assets even though there is decline in Revenue from Windmill operation.

11. 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
Sugar	1135.30 (574.14)	323.56 (119.35)	174981.49 (128331.64)	47554.71 (33729.43)	171687.79 (127759.72)	51775.77 (35657.80)	4429.00 (1135.30)	1168.33 (323.56)
Pulses	1453.83 (172.04)	484.88 (68.24)	36736.36 (7390.25)	6472.50 (2255.82)	25175.67 (6108.46)	4476.11 (1841.78)	13014.53 (1453.83)	2972.95 (484.88)
Others	47613.88 (65.92)	791.26 (37.67)	201196.62 (7631828.29)	4708.84 (3895.92)	239345.68 (7584287.22)	6751.03 (3303.48)	9464.82 (47613.88)	679.95 (791.26)
Total	50203.01 (812.10)	1599.70 (225.26)	412914.47 (7767550.18)	58736.05 (39881.17)	436209.14 (7718155.40)	63013.85 (40803.06)	26908.35 (50203.01)	4821.23 (1599.70)

The Company has installed the two windmills at Kutch Gujarat.

	2010-11	2009-10
Installed Capacity	1.2 MW	1.2 MW
No of Unit generated during the year	1801438	2031112
No of unit sold During the year	1801438	2031112

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

(Amount in Rs)

Particulars	2010-11	2009-10
(a) Expenditure in Foreign Currency		
- Traveling Expenses	-	10,05,709
- Ocean Freight and Insurance	2,40,98,935	3,21,177
- Import	53,67,00,835	30,94,57,250
(b) Earning in Foreign Currency		
- Export of Goods on FOB basis	225,34,10,258	3,80,55,755

13. Auditors Remuneration includes

(Amount in Rs.)

Particulars	2010-11	2009-10
i) As auditors (excluding service tax)	2,25,000	2,25,000
ii) As Tax Auditor (excluding service tax)	75,000	75,000
iii) Other Matters (excluding service tax)	63,000	30,000
TOTAL	3,63,000	3,30,000

14. Outstanding Forward Exchange Contract

Particulars	2010-11 USD	2009-10 USD
Outstanding Forward Sale Contract as on 31.3.11 on Exchange of April Maturity	37,86,000	Nil

15. 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.

16. 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.

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

18. 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
FRN : 110324W

Dipesh R. Sangoi
Partner
M. No. 124295
Mumbai,
Dated :27th May' 2011

For and on behalf of the Board

Chander Mohan
Chairman

Saurabh Malhotra
Managing Director

Radhe Shyam
Director



CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 ST MARCH ' 2011

PARTICULARS	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	73,504,783	47,727,037
Adjustment For :		
– Depreciation	8,797,905	10,116,738
– Interest Expense	21,366,841	10,933,883
– Preliminary & Share Issue Expenses	–	5,716,059
– Profit on Sale of Investment	(199,177)	–
– Dividend Received	(1,659,675)	(2,058,077)
– Interest Received	(14,848,415)	(25,384,684)
– Loss on Sale of Assets	32,272	–
Opetaing Profit before Working Capital Changes	<u>86,994,535</u>	<u>47,050,956</u>
Adjustment For		
– (Incr)/Decr.in Inventories	(322,153,124)	(136,830,982)
– (Incr)/Decr.in Debtors	(69,306,183)	(53,504,778)
– (Incr)/Decr.in Loans & Advances	4,388,737	(72,963,342)
– (Incr)/Decr.in Other Current Assets	(3,450,713)	(2,911,573)
– Incr/(Decr).in Current Liabilities	57,485,301	32,551,157
Cash Generated From Operations	<u>(246,041,448)</u>	<u>(186,608,562)</u>
Income Tax Paid	(21,666,456)	(22,273,766)
Net Cash – Operating Activities	<u>(267,707,904)</u>	<u>(208,882,328)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Dividend Received	1,659,675	2,058,077
Interest Received on Fixed Deposits	14,848,415	25,384,684
Acquisition of Fixed Assets	(513,072)	(2,673,256)
Net (Purchase)/Sale of Investments	115,239,146	247,405,228
Proceeds from Sale of Assets	126,463	–
Net Cash Investing Activities	<u>131,360,627</u>	<u>272,174,733</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Overdraft/Cash Credit	385,422,182	(90,055,285)
Proceeds From Unsecured Loans	260,000,000	–
Repayment of Unsecured Loans	(260,000,000)	–
Dividend Paid (Including Dividend Tax)	(11,219,254)	(5,850,288)
Interest Paid	(21,366,841)	(10,933,883)
Redemption of Preference Shares	(100,009,200)	–
Net Cash – Financing Activities	<u>252,826,886</u>	<u>(106,839,456)</u>
Net Cash & Cash Equivalents (A+B+C)	<u>116,479,609</u>	<u>(43,547,051)</u>
Opening Balance	199,657,314	243,204,365
Closing Balance	316,136,923	199,657,314

As per our report of even Date

For A.R. Sodha & Co
Chartered Accountants
FRN : 110324W

Dipesh R. Sangoi
Partner
M. No. 124295

Mumbai,
Dated :27th May' 2011

For and on behalf of the Board

Chander Mohan
Chairman

Saurabh Malhotra
Managing Director

Radhe Shyam
Director

Balance Sheet Abstract and Company's General Business Profile

1. Registration Details

Registered No.	:	11-155765	State Code	:	11
Balance Sheet Date	:	31 st March, 2011			

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)

Total Liabilities	:	971542.695	Total Assets	:	971542.695
Sources of Funds	:		Application of Funds	:	
Paid up Capital	:	164259.430	Net Fixed Assets	:	46464.335
Reserves and Surplus	:	409457.868	Investments	:	1669.823
Secured Loans	:	385422.182	Net Current Assets	:	923408.537
Unsecured Loans	:	NIL	Miscellaneous Exp	:	NIL
Deferred Tax Liability	:	12403.215			

4. Performance of Company

Turnover	:	6326494.337
Other Income	:	19957.944
Total Expenditure	:	6595100.62
Profit/Loss before tax	:	73504.783
Profit/Loss after tax	:	50090.787
Basic Earning per share	:	Rs. 2.72/-
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.

For and on behalf of the Board

Chander Mohan
Chairman

Saurabh Malhotra
Managing Director

Radhe Shyam
Director



SAKUMA EXPORTS LIMITED

Regd. Office: 301-A, Aurus Chambers, S.S. Amrutwar Lane, Near Mahindra Tower, Worli, Mumbai-400013

Dear Shareholder,



Sub: “GO GREEN” initiative of the Ministry of Corporate Affairs (“MCA”), Government of India

The Ministry of Corporate Affairs (“MCA”), Government of India, has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by companies vide circular no. 17/2011 dated 21.04.2011 and circular no. 18/2011 dated 29.04.2011, in terms of which a company would have ensured compliance with the provisions of Section 53 of the Act, if services of documents have been made through electronic mode. The companies are now permitted to send various notices /documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders.

This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. The Company thus proposes to send all documents to the Shareholders like General Meeting Notices (including AGM), Audited Financial Statements, Directors’ Report, Auditors’ Report, etc. henceforth to the shareholders in electronic form in lieu of the physical form.

In case you are holding shares of the Company in **electronic form** and **do not have any email id registered in your Demat Account with the Depository then**, you are requested to furnish your email id in **your Demat Account to your Depository-Participant (DP)** for the purpose of serving of documents by the Company in the electronic mode.

In case you desire to receive the documents stated above in physical form please write to us, quoting your DPID, CLID / Folio No. at Registered Office of the Company or to our Registrar & Share Transfer Agents M/s Bigshare Services Private Limited., E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai – 400 072, or email to srinivas@bigshareonline.com

Further even if you have registered your email address with your depository, however if you desire to receive documents stated above in physical form, you will be entitled to be furnished, free of cost, a printed copy of the document of the Company, upon receipt of a requisition from you, at any time.

All the aforesaid documents of the Company would also be made available on the Company’s website at www.sakumaexportsltd.com

We are sure that you will welcome the “Green Initiative” taken by the MCA and your company’s desire to participate in the same.

We look forward to your support in this initiative.

Thanking you,

Yours faithfully,

For **Sakuma Exports Limited**

(Saurabh Malhotra)
Managing Director



SAKUMA EXPORTS LIMITED

Registered Office : 301-A, Aurus Chambers, S.S. Amrutwar Lane, Near Mahindra Tower, Worli, Mumbai-400013

ATTENDANCE SLIP

PLEASE COMPLETE THIS 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 _____

*To be filled by Shareholders holding shares in dematerialised form

**To be filled by shareholder holding shares in physical form.

Signature of the Shareholder of Proxy



SAKUMA EXPORTS LIMITED

Registered Office : 301-A, Aurus Chambers, S.S. Amrutwar Lane, Near Mahindra Tower, Worli, Mumbai-400013

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*	
------------	--

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 Sixth Annual General Meeting of the Company to be held on 18th August, 2011 at 11.00 A.M. at P L Despande Kala Academy, Ravindra Natya Mandir, 3rd Floor, Mini Theatre, Sayani Road, Prabhadevi, Mumbai: 400 025 and at any adjournment thereof.

AS WITNESS my hand/our hands this _____ day of _____ 2011

*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

301-A, Aurus Chambers,
S.S. Amrutwar Lane, Near Mahindra Tower,
Worli, Mumbai-400013