

# SAKUMA EXPORTS LIMITED.

## BOARD OF DIRECTORS

Mr. Chander Mohan - Chairman  
Mr. Saurabh Malhotra – Managing Director  
Mr. Ashok Kumar Doda  
Mr. Radhe Shyam  
Mr. Satyendra J Sonar  
M.s. 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

Bigshare Services Private Limited,  
Address: E-2, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri (East), Mumbai- 400072.  
Tel: 40430200 Fax: 28475207  
Email: [rutika@bigshareonline.com](mailto:rutika@bigshareonline.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)

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## **NOTICE**

**NOTICE** is hereby given that the Seventh Annual General Meeting of the members of **SAKUMA EXPORTS LIMITED** will be held on Thursday, 27<sup>th</sup> September, 2012 at 10.30 A.M. at P L Deshpande Kala Academy, Ravindra Natya Mandir, Third 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 31<sup>st</sup> March, 2012, Audited Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares @ 10 % i.e ( ₹ 1 per Equity share).
3. To appoint a Director in place of Mr. Satyendra Sonar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. A. R. Sodha & Co., Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.

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

Sd/-  
(Saurabh Malhotra)  
Managing Director

**Place: Mumbai**

**Dated: 13<sup>th</sup> August. 2012**

### **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 is not required to be annexed.
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 22nd September, 2012 to 27th September, 2012 (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 book closure date; 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 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 Share 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 Shares 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 Meetings are requested to write to the Company at least seven days in advance, so as to enable the company to keep the information ready. Members can also email their queries at the email address of the Compliance Officer, Mrs. Jyoti Deshpande:  
jyotip@sakumaexportsltd.com
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                               |
| Final Dividend 2010 – 2011 | 18.08.2011                     | 22.09.2018                               |

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 issued by the Ministry of Corporate Affairs.

## Directors' Report

Your Directors take pleasure in presenting their Seventh Annual Report on the business and operations of your Company together with audited statement of accounts for the year ended 31<sup>st</sup> March 2012.

Financial Highlights

### FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2012

(₹ in lacs)

|  | Standalone    |               | Consolidated  |           |
|--|---------------|---------------|---------------|-----------|
|  | 2011-12       | 2010-11       | 2011-12       | 2010-2011 |
| Sales & Other Income                             | 96560.30      | 63264.94      | 97837.45      | -         |
| Profit before depreciation & Tax                 | 1093.53       | 823.03        | 1180.62       | -         |
| Depreciation                                     | 82.80         | 87.98         | 82.91         | -         |
| Profit before Tax                                | 1010.73       | 735.05        | 1097.70       | -         |
| Provision for Tax                                |               |               |               | -         |
| – Current Tax                                    | 333.00        | 252.94        | 333.00        | -         |
| – Deferred Tax                                   | (22.03)       | (20.99)       | (22.03)       | -         |
| – Income Tax of Earlier years                    | 31.00         | 2.20          | 31.00         | -         |
| Minority Interest and share of loss of associate |               |               | 19.93         |           |
| Net Profit after tax                             | 668.76        | 500.91        | 735.80        | -         |
| Add: Surplus from previous period                | 420.30        | 1165.35       | 420.30        | -         |
| Profit Available for Appropriation               | 1089.05       | 1666.26       | 1156.10       | -         |
| Appropriation                                    |               |               |               | -         |
| Transfer to Capital Redemption Reserve           | 0             | 1000.09       | 0             | -         |
| Dividend on Equity Shares                        | 164.26        | 164.26        | 164.26        | -         |
| Dividend on Preference Shares                    |               | 45.76         | 0             | -         |
| Dividend Tax                                     | 26.65         | 35.85         | 26.65         | -         |
| Excess provision of brought back                 | (1.27)        | 0             | (1.27)        | -         |
| Transfer to Statutory Reserve                    | -             | -             | 9.29          | -         |
| <b>Balance carried to Balance Sheet</b>          | <b>899.42</b> | <b>420.30</b> | <b>957.17</b> | -         |

### Operations Review and Future Prospects

During the year the government eased exports of sugar, though, in bits .Despite rapidly varying policies of Government, fluctuating forex rates, the Company (including its subsidiary) achieved significant improvement in TOPLINE and BOTTOMLINE .The Company (including its subsidiary) was able to improve its turnover from ₹ 632.65 Crores in the year 2010-11 to ₹ 978.37 crores during the year 2011-12, the increase of 54.65%. During the year, there has been an increase of 43.45% in profits before depreciation and tax from ₹ 823.03 lakhs in 2010-11 to ₹ 1180.62 lakhs in 2011-12. The net profit after tax increased by 46.89% from ₹ 500.91 lakhs for the year ended 31 March 2011 to ₹ 735.80 lakhs for the year ended 31st March 2012 including the profit of ₹ 79.72 from GKM General Trading LLC, Dubai.

With a view to diversify export mix and export markets, the company opened two subsidiaries in Dubai, U.A.E. One jointly with a local sponsorer as required under the local laws, namely, GKM General Trading LLC and the other as a fully owned subsidiary of Sakuma Exports Ltd, namely Sakuma Exim DMCC in Free Trade Zone, Dubai .As on 31<sup>st</sup> March 2012, Sakuma Exports Ltd had invested Arab Emirates Dhiram (AED) 29375 ( ₹ 4,30,877/-) towards equity capital of GKM General Trading LLC and Arab Emirates Dhiram (AED) 50000 ( i.e ₹ 7,00,581/-) in Sakuma Exim DMCC. While GKM General Trading LLC, became operational during the month of October 2011. Our share of profit during 1<sup>st</sup> Oct 2011 to 31<sup>st</sup> March 2012 of GKM General Trading LLC operations amounted Arab Emirates Dhiram (AED) 576337 i.e approximately ₹ 79.72 Lakhs. Sakuma Exim DMCC became operational during the current year.



Due to good opportunity in exports and imports business, domestic trade was curtailed because of lack of funds. During the year, the export constituted **84.16%** of turnover as against **36.09 %** during the preceding year. To take advantage of our presence in Dubai, we also exported turmeric, ₹ **60.92** lacs etc. We also exported though in small quantities, rice, peanuts. During the year, we continued to import. During the year we imported yellow peas, green peas, Paper amounting to ₹ **60.04** crores

**The Future Prospects:**

The country is passing through a serious problem of negative trade balance and we hope the government will come out with export supporting policies. With encouraging performance of our Dubai Overseas Offices, we propose to open a few more offices abroad to take advantage of local markets and overseas opportunities and we are hopeful that your Company should do well and grow satisfactorily in future. However, the delayed and deficient rainfall during the year 2012-13 is a matter of concern as it may affect the procurement from few parts of India.

**Dividend**

The Board of Directors has recommended dividend of 10% on equity shares (i.e. ₹ 1 per equity share) for the financial year ended 31<sup>st</sup> March, 2012 amounting to ₹ 1,64,25,943/-. The dividend tax liability on equity shares to be borne by your Company is ₹ 26, 64,700/-.

**Subsidiary Companies**

Sakuma Exim DMCC, incorporated in Dubai, United Arab Emirates is a wholly owned subsidiary of the Company.

In terms of Section 212(a) of the Companies Act, 1956, the Central Government, Ministry of Corporate Affairs vide its General Circular 2/2011 dated 8<sup>th</sup> February, 2011 has granted a general exemption to the Company from the requirement of attaching to its annual report, the Balance Sheet, Statement of Profit and Loss and the report of the Directors and Auditors thereon of its subsidiary. Accordingly the same is not attached to the Balance Sheet of the Company. Shareholders who wish to obtain a copy of Annual Accounts of subsidiary company may write to the Compliance Officer at the registered office of the Company. Members can also email their request at the email address of the Compliance Officer, Mrs. Jyoti Deshpande; [jyotip@sakumaexportsltd.com](mailto:jyotip@sakumaexportsltd.com).

**Statement pursuant to general exemption received under section 212(8) of the Companies Act, 1956 relating to subsidiary companies**

(INR in Lacs)

| Sr. No | Particulars   | GKM General Trading LLC<br>(in INR) | Sakuma Exim DMCC (in<br>INR) |
|--------|---|-------------------------------------|------------------------------|
|        | <b>Reporting Currency</b>                             | AED                                 | AED                          |
|        | <b>Country</b>  | U.A.E                               | U.A.E                        |
|        | <b>Exchange Rate</b>                                  | 13.8695                             | 13.8695                      |
| i)     | <b>Share Capital</b>                                  | 4.31                                | 7.00                         |
| ii)    | <b>Reserves and Surplus</b>                           | 99.65                               | (0.10)                       |
| iii)   | <b>Total Assets</b>                                   | 389.01                              | 6.90                         |
| iv)    | <b>Total Liabilities</b>                              | 285.05                              | Nil                          |
| v)     | <b>Investment other than Investment in subsidiary</b> | Nil                                 | Nil                          |
| vi)    | <b>Turnover</b>                                       | 3014.05                             | Nil                          |
| vii)   | <b>Profit before taxation</b>                         | 116.14                              | Nil                          |
| viii)  | <b>Provision for Taxation</b>                         | 0                                   | Nil                          |
| ix)    | <b>Profit after taxation</b>                          | 116.14                              | Nil                          |
| x)     | <b>Proposed Dividend</b>                              | 0                                   | Nil                          |

**Public Deposits**

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

## Director's 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, 2012, 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, 2012 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.

### Directors:

Mr. Satyendra Sonar, Non-Executive Independent Director retires by rotation and being eligible, offers himself for re-appointment.

### 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 Agreement 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:

| Particulars                         | (Amount in ₹) |               |
|-------------------------------------|---------------|---------------|
|                                     | 2011-12       | 2010-11       |
| (a) Expenditure in Foreign Currency |               |               |
| – Travelling Expenses               | 9,20,976      | -             |
| – Commission                        | 97,671        | -             |
| – Import                            | 600,439,150   | 53,67,00,835  |
| (b) Earnings in Foreign Currency    |               |               |
| – Export of Goods on FOB basis.     | 7,297,683,203 | 2,259,231,658 |



### **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 ₹ 5,00,000/ – P.M or ₹ 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/-

**Chander Mohan  
Chairman**

Sd/-

**Saurabh Malhotra  
Managing Director**

**Mumbai  
Date: 13<sup>th</sup> August, 2012**

## CORPORATE GOVERNANCE REPORT

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

**\*(For The Financial Year 31<sup>st</sup> March, 2012)**

### 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/<br>Non Executive     | Promoter/<br>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 Directors                                     |
| Mr. Satyendra J Sonar | Non Executive                   | Independent              | Not Related to any Directors                                     |

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

| Date of Board Meetings                     | Chander Mohan | Saurabh Malhotra | Shipra Mediratta | Ashok Kumar Doda | Radhe Shyam | Satyendra J Sonar |
|--|---------------|------------------|------------------|------------------|-------------|-------------------|
| 27 <sup>th</sup> May, 2011                 | Present       | Present          | Present          | Absent           | Present     | Present           |
| 26 <sup>th</sup> July, 2011                | Present       | Present          | Present          | Present          | Present     | Present           |
| 10 <sup>th</sup> November, 2011            | Present       | Present          | Present          | Present          | Present     | Present           |
| 9 <sup>th</sup> February 2012              | Present       | Present          | Present          | Present          | Present     | Present           |
| Total Attendance (out of 4 Board Meetings) | 4             | 4                | 4                | 3                | 4           | 4                 |
| 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  | 2                           | 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

Audit Committee – Sakuma Exports Limited

SIGC – SEL

Shareholders / Investors Grievance Committee – Sakuma Exports Limited





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

iv) **Code of Conduct:**

The Board has formulated a code of conduct for the Board Members and Senior Management Personnel of the Company. All Board Members and Senior Management Personnel have affirmed their compliance with the code for the financial year ended 31<sup>st</sup> March, 2012. A declaration to this effect signed by the Managing Director 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\$ |
|---------------------------------|--------------|-------------------|---------------------|
| 27 <sup>th</sup> May, 2011      | Present      | Absent            | Present             |
| 26 <sup>th</sup> July, 2011     | Present      | Present           | Present             |
| 10 <sup>th</sup> November, 2011 | Present      | Present           | Present             |
| 9 <sup>th</sup> February, 2012  | Present      | Present           | Present             |
| Total (out of 4 meetings)       | 4            | 3                 | 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 5<sup>th</sup> Annual General Meeting held on 15<sup>th</sup> 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 31<sup>st</sup> March, 2012, is as under;

| Name of Director  | Salary & Perqs | Commiss-ion | Professional Fees | Sitting Fees | Total       |
|-------------------|----------------|-------------|-------------------|--------------|-------------|
| Chander Mohan     | ₹ 42,00,000    | -           | -                 | -            | ₹ 42,00,000 |
| Saurabh Malhotra  | ₹ 42,00,000    | -           | -                 | -            | ₹ 42,00,000 |
| Shipra Mediratta  | -              | -           | -                 | ₹ 1,36,000   | ₹ 1,36,000  |
| Ashok Kumar Doda  | -              | -           | -                 | ₹ 1,53,000   | ₹ 1,53,000  |
| Radhe Shyam       | -              | -           | -                 | ₹ 2,04,000   | ₹ 2,04,000  |
| Satyendra J Sonar | -              | -           | -                 | ₹ 1,36,000   | ₹ 1,36,000  |

- 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<br>Executive Chairman   | 3 years        | 1 <sup>st</sup> September, 2010 | 31 <sup>st</sup> August, 2013 |
| Mr. Saurabh Malhotra<br>Managing Director | 3 years        | 1 <sup>st</sup> September, 2010 | 31 <sup>st</sup> 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 <sup>st</sup> March, 2012 | No. of shares held as on 31 <sup>st</sup> March, 2011 |
|-------------------------|---|---|
| Shipra Mediratta        | Nil   | Nil   |
| Ashok Kumar Doda        | Nil   | Nil   |
| Radhe Shyam             | 50,001  | 27,958  |
| 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\$ |
|---------------------------------|-------------------|-------------------|---------------|
| 27 <sup>th</sup> May, 2011      | Absent            | Present           | Present       |
| 26 <sup>th</sup> July, 2011     | Present           | Present           | Present       |
| 10 <sup>th</sup> November, 2011 | Present           | Present           | Present       |
| 9 <sup>th</sup> February, 2012  | Present           | Present           | Present       |
| Total (out of 4 meetings)       | 3                 | 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](mailto:jyotip@sakumaexportsltd.com)

**C. Complaint Status for the year 01/04/2011 to 31/03/2012**

| Category                                 | No.of Compl. Received | No.of Compl Resolved | No.of Compl Pending |
|--|-----------------------|----------------------|---------------------|
| Non receipt of demat rejection documents | 1                     | 1                    | -                   |
| Non receipt of dividend warrant          | 5                     | 5                    | -                   |
| SEBI                                     | 2                     | 2                    | -                   |
| Stock Exchange                           | 1                     | 1                    | -                   |
| Total:                                   | 9                     | 9                    | 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   |
|-----------------------|---------------------|-------------------------------------|-----------------------|--|
| 31.03.2010            | 4 <sup>th</sup> AGM | NIL                                 | 15.09.2009 4.00 P.M   | Indian Merchants Chamber, Churchgate, Mumbai: 400 020  |
| 31.03.2011            | 5 <sup>th</sup> AGM | Note 1                              | 15.09.2010 3.00 P.M   | P.L. Deshapande Kala Academy, Ravindra Natyamandir, Third.Floor, Mini Theatre, Sayani Road, Prabhadevi, Mumbai – 400 025 |
|                       | EGM                 | Note 2                              | 22.09.2010 11.00 A.M. |  |
| 31.03.2012            | 6 <sup>th</sup> AGM | Note 3                              | 18.08.2011 11.00 A.M. | P.L. Deshapande Kala Academy, Ravindra Natyamandir, Third.Floor, Mini Theatre, Sayani Road, Prabhadevi, Mumbai – 400 025 |

#### 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 1<sup>st</sup> 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 1<sup>st</sup> 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. Resolution was passed under Section 31 of the Companies Act, 1956 for altering the capital clause (Article 5) of the Articles of Association of the Company. At the same meeting, a resolution was passed to re-classify the authorized share capital by converting the entire authorized preference share capital into authorized equity share capital. In order to reflect the change in authorized share capital in the capital clause of Articles of Association, Article 5 was altered.

#### Note 4

1. There were no resolutions passed through postal ballot last year.
2. No special resolution is proposed to be passed during the 7<sup>th</sup> Annual General Meeting.

### 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 2011 – 2012.
- vi. The Company has complied with all mandatory requirements of clause 49 of Listing Agreement.

### VIII. MEANS OF COMMUNICATION

- i. Quarterly Results are communicated through a press release and newspaper advertisements.
- ii. The financial results, official news releases and presentations are also displayed on the websites of the company ([www.sakumaexportsltd.com](http://www.sakumaexportsltd.com)).

- iii. Annual Report is circulated to all shareholders and all others like auditors, equity analysts, etc.
- iv. Management Discussion and Analysis forms a part of the Annual Report which is mailed to the shareholders of the company.
- 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

|   |   |
|---|---|
| <b>AGM Date, Time &amp; Venue</b>               | Date: 27 <sup>th</sup> September 2012<br>Time: 10.30 a.m<br>Venue: P.L. Deshpande Maharashtra Kala Academy, Ravindra Natyamandir, Third Floor, Mini Theatre, Sayani Road, Prabhadevi, Mumbai – 400 025. |
| <b>Financial Year:</b>                          | 1 <sup>st</sup> April 2012 to 31 <sup>st</sup> March 2012   |
| <b>Book Closure Date:</b>                       | 22 <sup>nd</sup> September, 2012 to 27 <sup>th</sup> September 2012   |
| <b>Dividend Payment Date:</b>                   | Equity Shares – Before 26 <sup>th</sup> October 2012  |
| <b>Listing on Stock Exchanges:</b>              | The Bombay Stock Exchange Limited<br>National Stock Exchange of India Limited   |
| <b>Stock Code &amp; Demat Scrip Code (ISIN)</b> | Bombay Stock Exchange<br>Scrip Code: 532713<br>ISIN: INE 190H01016  |
| <b>Registrar &amp; Transfer Agents</b>          | Bigshare Services Private Limited,  |

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.

#### 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, 2012 1,64,24,756 equity shares (99.993%) of the Company are dematerialized. All this shares are electronically transferred through the demat facility. 1,187 equity shares (0.007%) 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, request for consolidation / split of shares, etc from time to time.

| Transfers Lodged & Transferred | No. of Transfer Deeds Processed | No. of Shares Transferred |
|--------------------------------|---------------------------------|---------------------------|
| 1 – 30 days                    | 2                               | 246                       |
| 30 – 60 days                   | -                               | -                         |
| Above 60 days                  | -                               | -                         |
| <b>Total</b>                   | <b>2</b>                        | <b>246</b>                |

#### Distribution of Shareholding as on 31<sup>st</sup> March, 2012:

| Range (In ₹)   | No. of Shareholders | % to total holders | Total Shareholding (In ₹) | % to capital    |
|----------------|---------------------|--------------------|---------------------------|-----------------|
| 1 – 5000       | 7,258               | 82.68              | 1,39,46,090               | 8.49            |
| 5001 – 10000   | 955                 | 10.88              | 75,61,540                 | 4.60            |
| 10001 – 20000  | 284                 | 3.24               | 42,82,360                 | 2.61            |
| 20001 – 30000  | 85                  | 0.97               | 21,94,890                 | 1.34            |
| 30001 – 40000  | 48                  | 0.55               | 17,02,080                 | 1.04            |
| 40001 – 50000  | 45                  | 0.51               | 20,88,900                 | 1.27            |
| 50001 – 100000 | 48                  | 0.55               | 35,03,120                 | 2.13            |
| 100001 & Above | 55                  | 0.62               | 12,89,80,450              | 78.52           |
| <b>Total</b>   | <b>8,778</b>        | <b>100.0000</b>    | <b>16,42,59,430</b>       | <b>100.0000</b> |



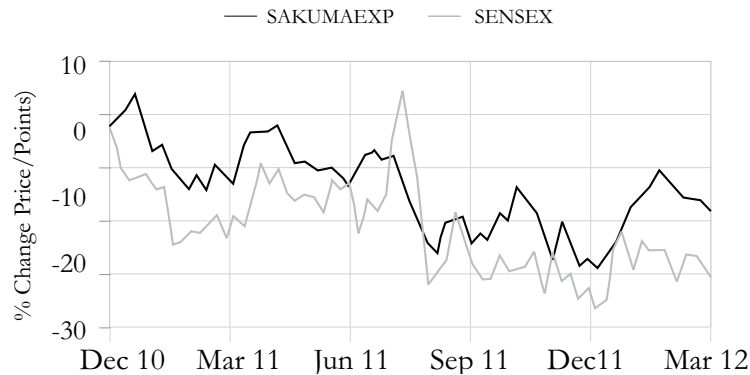
### Nomination Facility:

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

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

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

### Performance of Equity Shares of the company in comparison to BSE SENSEX, (Chart as per the website of Bombay Stock Exchange Limited i.e. [www.bseindia.com](http://www.bseindia.com))



### \*Monthly High and Low Prices of the Equity Shares of the Company for the year ended 31<sup>st</sup> March, 2012:

| Month  | Open Price | High Price | Low Price | Close Price | No. of Shares | No. of Trades | Total Turnover (₹) | * Spread (₹) |       |
|--------|------------|------------|-----------|-------------|---------------|---------------|--------------------|--------------|-------|
|        |            |            |           |             |               |               |                    | H-L          | C-O   |
| Apr 11 | 15.10      | 17.44      | 13.05     | 15.11       | 58,810        | 288           | 9,15,941           | 4.39         | 0.01  |
| May 11 | 14.45      | 17.45      | 14.30     | 15.15       | 47,285        | 245           | 7,16,587           | 3.15         | 0.70  |
| Jun 11 | 15.20      | 16.90      | 13.60     | 14.90       | 93,139        | 337           | 13,84,673          | 3.30         | -0.30 |
| Jul 11 | 14.90      | 21.25      | 14.60     | 17.78       | 4,19,848      | 2,359         | 78,84,658          | 6.65         | 2.88  |
| Aug 11 | 17.70      | 17.80      | 12.70     | 13.75       | 1,22,147      | 783           | 18,11,347          | 5.10         | -3.95 |
| Sep 11 | 14.20      | 15.35      | 12.77     | 13.00       | 35,738        | 443           | 4,88,415           | 2.58         | -1.20 |
| Oct 11 | 12.95      | 15.00      | 12.77     | 13.54       | 38,542        | 346           | 5,12,946           | 2.23         | 0.59  |
| Nov 11 | 13.22      | 14.34      | 12.31     | 13.55       | 36,125        | 587           | 4,78,982           | 2.03         | 0.33  |
| Dec 11 | 14.00      | 14.55      | 11.50     | 12.25       | 15,553        | 1,374         | 1,96,214           | 3.05         | -1.75 |
| Jan 12 | 12.25      | 15.40      | 12.05     | 13.17       | 40,104        | 2,158         | 5,33,297           | 3.35         | 0.92  |
| Feb 12 | 13.89      | 15.15      | 13.00     | 13.05       | 87,971        | 2,617         | 12,15,825          | 2.15         | -0.84 |
| Mar 12 | 13.50      | 16.20      | 10.68     | 12.60       | 93,728        | 4,666         | 12,44,255          | 5.52         | -0.90 |

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

**Shareholding Pattern as on 31<sup>st</sup> March, 2012 (Equity Shares):**

|           | Category   | No of Shares Held  | % Of Share Holding |
|-----------|--|--------------------|--------------------|
| <b>A.</b> | <b>Promoter (S) Holding</b>  |                    |                    |
|           | Promoter (s)   |                    |                    |
|           | – Indian Promoters   | 1,03,98,039        | 63.31              |
|           | – Foreign Promoters  | 0                  | 0.0                |
|           | <b>Sub – Total(A)</b>  | <b>1,03,98,039</b> | <b>63.31</b>       |
| <b>B.</b> | <b>Non-Promoters Holding</b>   |                    |                    |
|           | <b>Institutional Investors</b>   |                    |                    |
| i.        | Mutual Funds & UTI   | 0.0                | 0.0                |
| ii.       | Banks, Financial Inst, Insurance Company (Central/State Govt Inst/Non-Govt INST) | 3,00,731           | 1.83               |
| iii.      | FII (S)  | 0                  | 0.0                |
|           | <b>Others</b>  |                    |                    |
| i.        | Private Corporate Bodies   | 3,40,853           | 2.07               |
| ii.       | Indian Public  | 53,32,981          | 32.46              |
| iii.      | NRI/OCBS   | 48,501             | 0.30               |
| iv.       | Clearing Members   | 4,100              | 0.03               |
| v.        | Trust  | 738                | 0.00               |
|           | <b>Sub-Total (B)</b>   | <b>60,27,904</b>   | <b>36.69</b>       |
|           | <b>GRAND TOTAL (A+B)</b>   | <b>1,64,25,943</b> | <b>100.00</b>      |

**Plant Location**

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

**Registered Office & Correspondence Address**

**Sakuma Exports Limited**

301-A, Aurus 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 and on behalf of the Board of Directors**

Sd/-

**Chander Mohan  
Chairman**

Sd/-

**Saurabh Malhotra  
Managing Director**

**Mumbai  
Date: 13<sup>th</sup> August, 2012**



## Management Discussion & Analysis Report

### [A] Industry Overview and Future Outlook

The global economic scenario continued to be dim with many Euro Countries facing debt crisis and needing bail out. Their bail out will be subject to their cutting government expenditure which is not an easy task. The economy drive likely to be exercised by the weaker economies of Europe might affect their liquidity, not a very healthy sign for global trade. Impacted by the global meltdown, India is having its own share of economic problems resulting in inflation coupled with decline in growth rate and demand. Persistent inflation has led to increase in domestic costs of production affecting competitiveness of Indian exports. Further, there has been high volatility in the global and Indian market in prices of commodities, highly fluctuating forex rates which have added to the woes of exporters. Hit by slowdown in the western markets, India's export growth dropped to 3.2 percent. In 2011-12, the country's trade deficit jumped to USD 185 billion, highest ever in the history. India's current account balance continues to be negative with sharp decline in forex reserves. The current account deficit for the full year of financial year 2011-12 is at 4.3% of GDP which is unusual and an all time high. The country will have to aggressively support its exports business to tide the declining forex reserves. This will need, inter-alia, stable export policies by the government which have been varying very rapidly in the last two years, particularly, with regard to agricultural commodities. Fluctuating commodity prices, volatility in forex rates and rapidly changing export policies adversely affect the export prospects, because exporters cannot enter into long term contracts and also cannot plan their business strategy. The Indian government is concerned with the alarming rate of decline in its current account balance. This might lead to formulation and introduction of Export Promotion Policies in near future. To tide over above problems we in Sakuma have continued to diversify export mix as well as export markets. The recently opened overseas offices at Dubai have enabled the company to access those markets which could not be covered from india, particularly retail markets and developing African countries. Management is studying desirability of opening a few more overseas offices in this regard.

### [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. Though all efforts are made and care is taken to select the buyers, still risk element cannot be completely eliminated because owing to high volatility in prices and dollar rates, some buyers, at times, back out of the contracts and we have to compromise the deal at unfavorable prices to avoid long drawn disputes/litigations and also to avoid blocking of our funds. 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.



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**[C] Internal Controls and their adequacy**

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

**[D] Quality Control**

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

**[E] Human Resource / Industrial Relations**

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

**[F] Material Financial and Commercial Transactions**

There are no material financial and commercial transactions.

**[G] Diversification**

The company has been always actively persuading the idea of diversification to expand its product range and export markets. In this direction, it opened two subsidiaries in Dubai which are not only catering to local market there, but also catering to the demand of other countries in Middle East and developing African countries. Our overseas offices are also helpful in diversifying the export mix.

**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: 13<sup>th</sup> August, 2012

Sd/-  
Saurabh Malhotra  
Managing Director





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

To,  
The Members,  
Sakuma Exports Limited

This is to affirm that the Board of Directors of Sakuma Exports Limited has adopted a Code of Conduct for its Directors and Senior Management Personnel in compliance with the provisions of Clause 49 (D) of the Listing Agreement with the Stock Exchange. The Board Members and Senior Management Personnel of the Company have confirmed the compliance of provisions of the said code for the financial year ended 31<sup>st</sup> March, 2012.

Sd/-

**Saurabh Malhotra**  
**Managing Director**

**Place: Mumbai**  
**Date: 13<sup>th</sup> August, 2012**

## AUDITOR'S REPORT ON CORPORATE GOVERNANCE

### TO THE MEMBERS OF SAKUMA EXPORTS LIMITED

We have examined the compliance of conditions of corporate governance by Sakuma Exports Limited for the year ended 31<sup>st</sup> March, 2012 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

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

**Place : Mumbai**  
**Date : 13th August 2012**

## AUDITOR'S REPORT

To,

The Members,

**SAKUMA EXPORTS LIMITED.**

Mumbai.

- 1) We have audited the attached Balance Sheet of **SAKUMA EXPORTS LIMITED** as at 31<sup>st</sup> March 2012, Statement of Profit and Loss 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, 2012 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 said accounts together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and gives true and fair view in conformity with the accounting principles generally accepted in India
    - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012 and
    - ii) In the case of Statement of Profit & Loss 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,**  
**FRN : 110324W**

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

**Place: Mumbai.**

**Date : 13<sup>th</sup> August, 2012**



## ANNEXURE TO THE AUDITORS REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

### 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 taken loan from one party covered in the register maintained under section 301 of the Act. The maximum amount involved during the year is ₹ 203 Lacs and the year end balance is ₹ 145 Lacs.  
c. In our opinion and according to information and explanation given to us, the rate of interest and other terms and conditions on which loans have been taken are prima facie not prejudicial to interest of the company.  
d. According to records examined by us, in our opinion payment of interest is regular and with respect to principal, according to information and explanation given to us the said loan is repayable on demand and has been repaid as and when demanded.
4. According to the information & explanations given to us, in our opinion there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of Fixed Assets, Inventory and sale of goods. On the basis of our examination of books and records of the company, we have neither come across nor have been informed of any continuing failure to correct major weakness in the internal control.
5. a. In our opinion and according to the information and explanation given to us, the particulars of contract or arrangements that were required to be entered in the register maintained under Section 301 of the Companies Act 1956 have been so entered in the said register.  
b. In respect of the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year, in our opinion, are made at price which is reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public hence Clause 4(vi) of Companies (Auditor's Report) Order, 2003 is not applicable.
7. According to information and explanations given to us the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the products dealt with by the company.

9. a. According to the information and explanations given to us and records examined by us, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, service tax, cess and other dues with the appropriate authorities except few delays in payment of tax deducted at source.
- b. No statutory dues are outstanding beyond six months from the date they become payable at the end of the year.
- c. 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 ₹ | Forum where dispute is pending      | Period      |
|--------------------------|------------------------|-------------------------------------|-------------|
| Income Tax               | 2.46 Lacs              | 1 <sup>st</sup> Appellate Authority | A.Y 2002-03 |
| Income Tax               | 14.60 Lacs             | 1 <sup>st</sup> Appellate Authority | A.Y 2009-10 |

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**

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

**Place: Mumbai.**  
**Date : 13<sup>th</sup> August, 2012**



## BALANCE SHEET AS AT 31 MARCH, 2012

|                                   |          | (in ₹)                             |                                    |
|-----------------------------------|----------|------------------------------------|------------------------------------|
| Particulars                       | Note No. | As at 31 <sup>st</sup> March, 2012 | As at 31 <sup>st</sup> March, 2011 |
| <b>A EQUITY AND LIABILITIES</b>   |          |                                    |                                    |
| <b>1 Shareholder's funds</b>      |          |                                    |                                    |
| (a) Share capital                 | 3        | 164,259,430                        | 164,259,430                        |
| (b) Reserves and surplus          | 4        | <u>424,739,818</u>                 | <u>409,457,868</u>                 |
|                                   |          | 588,999,248                        | 573,717,298                        |
| <b>2 Non-current liabilities</b>  |          |                                    |                                    |
| Deferred tax liabilities (net)    | 25.6     | <u>10,200,348</u>                  | <u>12,403,215</u>                  |
|                                   |          | 10,200,348                         | 12,403,215                         |
| <b>3 Current liabilities</b>      |          |                                    |                                    |
| (a) Short-term borrowings         | 5        | 636,754,902                        | 385,422,182                        |
| (b) Trade payables                | 6        | 116,215,243                        | 74,347,778                         |
| (c) Other current liabilities     | 7        | 365,053,954                        | 21,477,014                         |
| (d) Short-term provisions         | 8        | <u>25,969,073</u>                  | <u>20,928,207</u>                  |
|                                   |          | <u>1,143,993,172</u>               | <u>502,175,181</u>                 |
| <b>TOTAL</b>                      |          | <u>1,743,192,768</u>               | <u>1,088,295,694</u>               |
| <b>B ASSETS</b>                   |          |                                    |                                    |
| <b>1 Non-current assets</b>       |          |                                    |                                    |
| (a) Fixed assets                  |          |                                    |                                    |
| (i) Tangible assets               | 9.A      | 47,150,436                         | 46,464,336                         |
| (b) Non-current investments       | 10       | 2,806,281                          | 1,669,823                          |
| (c) Long-term loans and advances  | 11       | 17,421,768                         | 22,546,768                         |
| (d) Other non-current assets      | 12       | <u>9,622,314</u>                   | <u>9,622,314</u>                   |
|                                   |          | 77,000,799                         | 80,303,241                         |
| <b>2 Current assets</b>           |          |                                    |                                    |
| (a) Inventories                   | 13       | 920,424,287                        | 482,123,725                        |
| (b) Trade receivables             | 14       | 283,176,162                        | 136,600,861                        |
| (c) Cash and cash equivalents     | 15       | 33,203,135                         | 316,136,922                        |
| (d) Short-term loans and advances | 16       | 427,471,129                        | 64,587,673                         |
| (e) Other current assets          | 17       | <u>1,917,256</u>                   | <u>8,543,272</u>                   |
|                                   |          | <u>1,666,191,969</u>               | <u>1,007,992,453</u>               |
| <b>TOTAL</b>                      |          | <u>1,743,192,768</u>               | <u>1,088,295,694</u>               |

See accompanying notes forming part of the financial statements

In terms of our report attached.

For A.R Sodha & Co.

Chartered Accountants

FRN: 110324W

A.R.Sodha  
Partner  
M.No. 31878

Place : Mumbai

Date : 13th August 2012

For and on behalf of the Board of Directors

Mr ChanderMohan  
Chairman

Mr. Radhe Shyam  
Director

Place : Mumbai

Date : 13th August 2012

Mr Saurabh Malhotra  
Managing Director

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012

(in ₹)

|       | Particulars   | Note No. | For the year ended<br>31 <sup>st</sup> March, 2012 | For the year ended<br>31 <sup>st</sup> March, 2011 |
|-------|---|----------|--|--|
| 1     | Revenue from operations (gross)   | 18       | 9,656,030,998                                      | 6,326,494,337                                      |
|       | Less: Excise duty   |          | -  | 1,738,713  |
|       | Revenue from operations (net)   |          | <u>9,656,030,998</u>                               | <u>6,324,755,624</u>                               |
| 2     | Other income  | 19       | <u>43,057,767</u>                                  | <u>19,957,945</u>                                  |
| 3     | <b>Total revenue (1+2)</b>  |          | <u><u>9,699,088,765</u></u>                        | <u><u>6,344,713,569</u></u>                        |
| 4     | <b>Expenses</b>   |          |  |  |
|       | (a) Purchases of stock-in-trade   | 20.a     | 8,592,995,229                                      | 5,872,512,436                                      |
|       | (b) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 20.b     | (438,300,562)                                      | (322,153,124)                                      |
|       | (c) Employee benefits expense   | 21       | 18,952,233   | 12,079,638   |
|       | (d) Finance costs   | 22       | 47,417,815   | 21,366,841   |
|       | (e) Depreciation and amortisation expense   | 9.B      | 8,280,110  | 8,797,905  |
|       | (f) Other expenses  | 23       | <u>1,368,671,271</u>                               | <u>678,605,090</u>                                 |
|       | <b>Total expenses</b>   |          | <u><u>9,598,016,096</u></u>                        | <u><u>6,271,208,786</u></u>                        |
| 5     | <b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b> |          | 101,072,669  | 73,504,783   |
| 6     | Exceptional items   |          | -  | -  |
| 7     | <b>Profit / (Loss) before extraordinary items and tax (5 ± 6)</b>                 |          | <u>101,072,669</u>                                 | <u>73,504,783</u>                                  |
| 8     | Extraordinary items   |          | -  | -  |
| 9     | <b>Profit / (Loss) before tax (7 ± 8)</b>   |          | <u>101,072,669</u>                                 | <u>73,504,783</u>                                  |
| 10    | <b>Tax expense:</b>   |          |  |  |
|       | (a) Current tax expense for current year  |          | 33,300,000   | 25,293,900   |
|       | (b) Current tax expense relating to prior years                                   |          | 3,100,000  | 220,065  |
|       | (c) Net current tax expense   |          | <u>36,400,000</u>                                  | <u>25,513,965</u>                                  |
|       | (d) Deferred tax  |          | <u>(2,202,867)</u>                                 | <u>(2,099,968)</u>                                 |
|       |   |          | <u><u>34,197,133</u></u>                           | <u><u>23,413,997</u></u>                           |
| 11    | <b>Profit / (Loss) from continuing operations (9 ± 10)</b>                        |          | <u><u>66,875,536</u></u>                           | <u><u>50,090,786</u></u>                           |
| 12.i  | <b>Earnings per share (of ₹ 10/- each):</b>                                       | 25.5     |  |  |
|       | (a) Basic   |          |  |  |
|       | (i) Continuing operations   |          | 4.07   | 2.72   |
|       | (ii) Total operations   |          | 4.07   | 2.72   |
|       | (b) Diluted   |          |  |  |
|       | (i) Continuing operations   |          | 4.07   | 2.72   |
|       | (ii) Total operations   |          | 4.07   | 2.72   |
| 12.ii | <b>Earnings per share (excluding extraordinary items) (of ₹ 10/- each):</b>       |          |  |  |
|       | (a) Basic   |          |  |  |
|       | (i) Continuing operations   |          | 4.07   | 2.72   |
|       | (ii) Total operations   |          | 4.07   | 2.72   |
|       | (b) Diluted   |          |  |  |
|       | (i) Continuing operations   |          | 4.07   | 2.72   |
|       | (ii) Total operations   |          | 4.07   | 2.72   |

**See accompanying notes forming part of the financial statements**

In terms of our report attached.

For and on behalf of the Board of Directors

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

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

**Mr ChanderMohan**  
Chairman

**Mr Saurabh Malhotra**  
Managing Director

**Mr. Radhe Shyam**  
Director

Place : Mumbai  
Date : 13th August 2012

Place : Mumbai  
Date : 13th August 2012



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012**

(in ₹)

| Particulars  | For the year<br>ended<br>31 <sup>st</sup> March, 2012<br>₹ | For the year<br>ended<br>31 <sup>st</sup> March, 2011<br>₹ |
|--|--|--|
| <b>A. Cash flow from operating activities</b>                          |  |  |
| Net Profit / (Loss) before extraordinary items and tax                 | 101,072,669  | 73,504,783   |
| <u>Adjustments for:</u>  |  |  |
| Depreciation and amortisation  | 8,280,110  | 8,797,905  |
| (Profit) / loss on sale / write off of assets                          | -  | 32,272   |
| Finance costs  | 47,417,815   | 21,366,841   |
| Interest income  | (6,800,886)  | (14,848,415)   |
| Dividend income  | (1,301,630)  | (1,659,675)  |
| Net (gain) / loss on sale of investments                               | -  | (199,177)  |
| <b>Operating profit / (loss) before working capital changes</b>        | <b>148,668,078</b>   | <b>86,994,534</b>  |
| <u>Changes in working capital:</u>                                     |  |  |
| Adjustments for (increase) / decrease in operating assets:             |  |  |
| Inventories  | (438,300,562)  | (322,153,124)  |
| Trade receivables  | (144,353,434)  | (69,306,183)   |
| Short-term loans and advances  | (362,883,456)  | 4,388,737  |
| Long-term loans and advances   | 7,000,000  | -  |
| Other current assets   | 6,626,016  | (3,450,713)  |
| <b>Adjustments for increase / (decrease) in operating liabilities:</b> |  |  |
| Trade payables   | 41,867,465   | 59,327,940   |
| Other current liabilities  | 308,725,242  | (1,842,639)  |
| Short-term provisions  | 5,167,755  | -  |
|  | <b>(427,482,896)</b>                                       | <b>(246,041,448)</b>                                       |
| <b>Net income tax (paid) / refunds</b>                                 | <b>(38,275,000)</b>  | <b>(21,666,456)</b>  |
| <b>Net cash flow from / (used in) operating activities (A)</b>         | <b>(465,757,896)</b>                                       | <b>(267,707,904)</b>                                       |
| <b>B. Cash flow from investing activities</b>                          |  |  |
| Capital expenditure on fixed assets, including capital advances        | (8,966,211)  | (513,072)  |
| Proceeds from sale of fixed assets                                     |  | 126,463  |
| Current investments not considered as Cash and cash equivalents        |  |  |
| - Purchased  | (524,800,000)  |  |
| - Proceeds from sale   | 524,800,000  | 115,239,146  |
| Purchase of long-term investments                                      |  |  |
| - Subsidiaries   | (1,131,458)  | -  |
| - Others   | (5,000)  | -  |
| Interest received  | 6,800,886  | 14,848,415   |
| Dividend received  | 1,301,630  | 1,659,675  |
| <b>Net cash flow from / (used in) investing activities (B)</b>         | <b>(2,000,153)</b>   | <b>131,360,627</b>   |



| Particulars  | For the year<br>ended<br>31 <sup>st</sup> March, 2012<br>₹ | For the year<br>ended<br>31 <sup>st</sup> March, 2011<br>₹ |
|--|--|--|
| <b>C. Cash flow from financing activities</b>                              |  |  |
| Redemption / buy back of preference / equity shares                        | -  | (100,009,200)  |
| Net increase / (decrease) in working capital borrowings                    | 236,832,720  | 385,422,182  |
| Proceeds from other short-term borrowings                                  | 222,392,616  | 260,000,000  |
| Repayment of other short-term borrowings                                   | (207,892,616)  | (260,000,000)  |
| Finance cost   | (47,417,815)   | (21,366,841)   |
| Dividends paid   | (16,425,943)   | (9,576,225)  |
| Tax on dividend  | (2,664,700)  | (1,643,031)  |
| <b>Net cash flow from / (used in) financing activities (C)</b>             | <b>184,824,262</b>   | <b>252,826,885</b>   |
| Net Increase / (decrease) in cash and cash equivalents (A+B+C)             | (282,933,787)  | 116,479,608  |
| Cash and cash equivalents at the beginning of the year                     | 316,136,922  | 199,657,314  |
| <b>Cash and cash equivalents at the end of the year</b>                    | <b>33,203,135</b>  | <b>316,136,922</b>   |
| <b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b> |  |  |
| Cash and cash equivalents as per Balance Sheet (Refer Note 19)             | 33,203,135   | 316,136,922  |
| <b>Cash and cash equivalents at the end of the year *</b>                  | <b>33,203,135</b>  | <b>316,136,922</b>   |
| * Comprises:   |  |  |
| (a) Cash on hand   | 33,343   | 14,671   |
| (b) Cheques, drafts on hand  |  |  |
| (c) Balances with banks  |  |  |
| (i) In current accounts  | 12,705,626   | 138,867,808  |
| (ii) In deposit accounts with original maturity of less than 3 months      | 19,276,694   | 168,856,782  |
| (iii) In earmarked accounts (give details) (Refer Note (ii) below)         | 976,667  | 7,683,974  |
| (d) Others   | 210,805  | 713,687  |
|  | <u>33,203,135</u>  | <u>316,136,922</u>   |

**Notes:**

(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.

(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

In terms of our report attached.

For and on behalf of the Board of Directors

For A.R Sodha & Co.

Chartered Accountants

FRN: 110324W

A.R.Sodha

Partner

M.No. 31878

Mr Chandermohan

Chairman

Mr Saurabh Malhotra

Managing Director

Mr. Radhe Shyam

Director

Place : Mumbai

Place : Mumbai

Date : 13th August 2012

Date : 13th August 2012





## Notes Forming Part of Financial Statements

### 1 Corporate information

Sakuma Exports Limited (Government of India recognised Trading House) is a public limited company domiciled in India and incorporated under the provisions of Companies Act 1956. Its shares are listed on two stock exchange in India. The company is engaged in exports of commodities like Sugar, Rice, Maize, Sesame Seeds, Ground Nuts, Pulses, Oil Meal etc. The company caters to both domestic and international markets.

### 2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention for categories of fixed assets. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for those stated below.

#### Summary of Significant Accounting Policies

##### Presentation and Disclosure of Financial statements.

During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparations of financial statements. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

### 2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustments to the carrying amounts of assets or liabilities in future period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

### 2.3 Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost of inventories have been computed to include all cost of purchase, and other cost incurred in bringing the goods to the point of sale.

The cost is determined using the First in First Out Basis (FIFO)

### 2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### Cash flow statement

Cash flows are reported using the indirect method as prescribed by the Securities Exchange Board of India and in accordance with the provisions of accounting standard -3 issued by the Institute of Chartered Accountant of India whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### 2.5 Depreciation and amortisation

Depreciation has been provided on the Written Down Value method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. The company has used the following rates to provide depreciation on its Fixed Assets

Lease Hold Land @5%  
Office Equipment 40%  
Plant & Equipement 15.33%  
Furniture & Fixtures 18.10%  
Vehicles @25.89%

## 2.6 Revenue recognition

### a) Sale of goods

Revenue from Sale of goods are recognised, on transfer of significant risks and rewards of ownership to the buyer i.e on shipment or dispatch of goods to customers and is recorded net of Duties and Taxes.

Export Incentive in the form of credit earned on exports made during the year, under Duty Entitlement Pass Book (DEPB)/ Target Plus Licences (DFCE) are accounted for at the time of sale/utilization of license due to uncertainty associated with respect to Sale/Utilization. Duty Drawback is accounted on Accrual Basis

### b) Other income

Dividend Income from investments are recognized on receipt basis.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

## 2.7 Tangible fixed assets

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets direct/ indirect and incidental expenses incurred to bring them into their present location and conditions.. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

## 2.8 Foreign currency transactions and translations

### a) Initial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

### b) Conversion

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

### c) Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.

### d) Measurement of foreign currency monetary items at the Balance Sheet date

In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

## 2.9 Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made ,are classified as current investments all other investments are classified as non current investments.

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.



## 2.10 Employee benefits

Employee benefits include provident fund, gratuity fund and compensated absences.

### a) Defined contribution plans

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

### b) Defined benefit plans

Defined Benefit Plan i.e gratuity is recognised 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 units of employee benefit entitlement and measures each unit separately to build up the final obligation. The particulars under the AS 15(Revised) are furnished in Disclosure

### c) Short-term employee benefits

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

## 2.11 Borrowing costs

Borrowing cost directly attributable to development of qualifying assets are capitalized till the date qualifying assets is ready for put to use for its intended purpose as part of cost of that assets. Other borrowing cost are recognised as expenses in the period in which they are incurred.

## 2.12 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

## 2.13 Leases

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

## 2.14 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

## 2.15 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

## 2.16 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

## 2.17 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and 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 (excluding retirement benefits) are not discounted to their present value and are determined based on the 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 disclosed in the Notes.



## 2.18 Hedge accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in “Accounting Standard 30 Financial Instruments: Recognition and Measurement”. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in “Hedging reserve account” under Reserves and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the “Hedging reserve account” are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in “Hedging reserve account” is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in “Hedging reserve account” is immediately transferred to the Statement of Profit and Loss.

## 2.19 Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

## 2.20 Commodities & Stock Futures

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.

### **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.

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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 3 SHARE CAPITAL

| Particulars   | As at 31 <sup>st</sup> March, 2012 |                    | As at 31 <sup>st</sup> March, 2011 |                    |
|---|------------------------------------|--------------------|------------------------------------|--------------------|
|   | Number of shares                   | ₹                  | Number of shares                   | ₹                  |
| <b>(a) Authorised</b>   |                                    |                    |                                    |                    |
| Equity shares of ₹ 10/ – each with voting rights                  | 30,000,000                         | 300,000,000        | 19,000,000                         | 190,000,000        |
| 5% Cummulative Redeemable preference shares of ₹100 each          | –                                  | –                  | 1,100,000                          | 110,000,000        |
| <b>b) Issued, Subscribed and fully paid up</b>                    |                                    |                    |                                    |                    |
| Equity shares of ₹ 10/ – each with voting rights                  | 16,425,943                         | 164,259,430        | 16,425,943                         | 164,259,430        |
| <b>Total issued, Subscribed and fully paid – up share capital</b> | <b>16,425,943</b>                  | <b>164,259,430</b> | <b>16,425,943</b>                  | <b>164,259,430</b> |

### NOTE 3 A SHARE CAPITAL

| Notes:   | Particulars |                 |             |       |      |          |                              | Closing Balance |
|--|-------------|-----------------|-------------|-------|------|----------|------------------------------|-----------------|
|  | Particulars | Opening Balance | Fresh issue | Bonus | ESOP | Buy back | Other changes (give details) |                 |
| (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period: |             |                 |             |       |      |          |                              |                 |
| Equity shares with voting rights   |             |                 |             |       |      |          |                              |                 |
| Year ended 31 March, 2012  |             |                 |             |       |      |          |                              |                 |
| – Number of shares   | 16,425,943  | –               | –           | –     | –    | –        | –                            | 16,425,943      |
| – Amount (₹10 each )   | 164,259,430 | –               | –           | –     | –    | –        | –                            | 164,259,430     |
| Year ended 31 March, 2011  |             |                 |             |       |      |          |                              |                 |
| – Number of shares   | 16,425,943  | –               | –           | –     | –    | –        | –                            | 16,425,943      |
| – Amount (₹10 each)  | 164,259,430 | –               | –           | –     | –    | –        | –                            | 164,259,430     |

#### Terms/Rights attached to Equity Shares

The Company has one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting

During the year ended 31 March 2012, the amount of per share recognised as distributions to equity shareholders was ₹1 per share (31st March 2011 ₹ 1 per share).

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. At present there are no preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

### NOTE 3 B SHARE CAPITAL

#### (i) Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of shareholder        | As at 31 <sup>st</sup> March, 2012 |                                   | As at 31 <sup>st</sup> March, 2011 |                                   |
|--|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
|  | Number of shares held              | % holding in that class of shares | Number of shares held              | % holding in that class of shares |
| <b>Equity shares with voting rights</b>      |                                    |                                   |                                    |                                   |
| Mrs. Kusum Chandermohan Malhotra             | 3310000                            | 20.15%                            | 3310000                            | 20.15%                            |
| Mr. Saurabh Malhotra                         | 3020000                            | 18.39%                            | 3020000                            | 18.39%                            |
| Mr. Chandermohan Malhotra                    | 1386710                            | 8.43%                             | 1357222                            | 8.26%                             |
| M/s Sakuma Infrastructure and Realty Pvt Ltd | 1882609                            | 11.47%                            | 1882609                            | 11.47%                            |
| Mr. Ashok Mittal                             | 901725                             | 5.48%                             | 901725                             | 5.48%                             |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 4 RESERVES AND SURPLUS

| Particulars   | As at                        | As at                        |
|---|------------------------------|------------------------------|
|   | 31 <sup>st</sup> March, 2012 | 31 <sup>st</sup> March, 2011 |
|   | ₹                            | ₹                            |
| <b>(a) Capital redemption reserve</b>   |                              |                              |
| Opening balance   | 100,009,200                  | —                            |
| Add: Additions during the year  |                              |                              |
| Transferred from surplus in Statement of Profit and Loss  | —                            | 100,009,200                  |
| Others (give details)   | —                            | —                            |
| Less: Utilised during the year (give details)   | —                            | —                            |
| Closing balance   | 100,009,200                  | 100,009,200                  |
| <b>(b) Securities premium account</b>   |                              |                              |
| Opening balance   | 267,418,430                  | 267,418,430                  |
| Add : Premium on shares issued during the year  | —                            | —                            |
| Less : Utilised during the year for:  |                              |                              |
| Issuing bonus shares  | —                            | —                            |
| Writing off preliminary expenses  | —                            | —                            |
| Writing off shares / debentures issue expenses  | —                            | —                            |
| Premium on redemption of redeemable preference shares / debentures  | —                            | —                            |
| Buy back of shares  | —                            | —                            |
| Others (give details)   | —                            | —                            |
| Closing balance   | 267,418,430                  | 267,418,430                  |
| <b>(c) Hedging reserve</b>  |                              |                              |
| Opening balance   | —                            | —                            |
| Add / (Less): Net Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year            | (32,629,834)                 | —                            |
| Closing balance   | (32,629,834)                 | —                            |
| <b>(d) Surplus / (Deficit) in Statement of Profit and Loss</b>  |                              |                              |
| Opening balance   | 42,030,238                   | 116,535,150                  |
| <b>Add: Profit / (Loss) for the year</b>  | <b>66,875,536</b>            | <b>50,090,786</b>            |
| <b>Less: Appropriations</b>   |                              |                              |
| Dividends proposed to be distributed to equity shareholders (₹1 per share)<br>(31 <sup>st</sup> March 2011: ₹ 1 per share)        | (16,425,943)                 | (16,425,943)                 |
| Dividends proposed to be distributed to preference shareholders (₹ Nil per share)<br>(31 <sup>st</sup> March 2011: ₹ 5 per share) | —                            | (4,575,763)                  |
| Tax on dividend   | (2,664,700)                  | (3,584,792)                  |
| Prior year excess provision for dividend tax  | 126,891                      | —                            |
| Capital redemption reserve  | —                            | (100,009,200)                |
| Closing balance   | 89,942,022                   | 42,030,238                   |
| <b>Total Reserves and Surplus (a+d)</b>   | <b>424,739,818</b>           | <b>409,457,868</b>           |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 5 SHORT-TERM BORROWINGS

| Particulars   | As at<br>31 <sup>st</sup> March, 2012<br>₹ | As at<br>31 <sup>st</sup> March, 2011<br>₹ |
|---|--|--|
| (a) Loans repayable on demand                                     |  |  |
| From banks  |  |  |
| Secured   | 622,254,902                                | 385,422,182                                |
|   | <u>622,254,902</u>                         | <u>385,422,182</u>                         |
| (b) Loans and advances from related parties @ (Refer Note 25.4 b) |  |  |
| Unsecured   |  |  |
| M/s. Sakuma Infrastructure and Realty Pvt ltd                     | 14,500,000                                 | —  |
|   | <u>14,500,000</u>                          | <u>—</u>                                   |
| <b>Total</b>  | <u><b>636,754,902</b></u>                  | <u><b>385,422,182</b></u>                  |

#### (i) Details of security for the secured short-term borrowings:

| Particulars                             | As at<br>31 <sup>st</sup> March, 2012<br>₹ | As at<br>31 <sup>st</sup> March, 2011<br>₹ |
|---|--|--|
| <b><u>Loans repayable on demand</u></b> |  |  |
| <b><u>from banks:</u></b>               |  |  |
| HDFC Bank                               | —  | 126,686,591                                |
| Cash Credit from Corporation Bank       | 122,264,783                                | 28,937,449                                 |
| Packing Credit from Corporation Bank    | 499,990,119                                | 229,798,142                                |
| Total – from banks                      | <u>622,254,902</u>                         | <u>385,422,182</u>                         |

Cash Credit and Packing Credit are secured against Hypothecation of Inventory, Book debts, Current assets, Fixed assets other than vehicles and Leasehold land, Lien on Term Deposits and pledge of shares of promoters of the company. Cash Credit is repayable on demand and carries interest @14.50% p.a . Packing credit is repayable within period from 90 days to 180 days and carries interest rate @ 11.15% p.a upto the period of Credit.

#### (ii) Details of short-term borrowings guaranteed by some of the directors or others:

| Particulars                          | As at<br>31 <sup>st</sup> March, 2012<br>₹ | As at<br>31 <sup>st</sup> March, 2011<br>₹ |
|--------------------------------------|--|--|
| Loans repayable on demand from banks | <u>622,254,902</u>                         | <u>258,735,591</u>                         |

### NOTE 6 TRADE PAYABLES

| Particulars            | As at<br>31 <sup>st</sup> March, 2012<br>₹ | As at<br>31 <sup>st</sup> March, 2011<br>₹ |
|------------------------|--|--|
| Trade payables:        |  |  |
| Other than Acceptances | 116,215,243                                | 74,347,778                                 |
| <b>Total</b>           | <u><b>116,215,243</b></u>                  | <u><b>74,347,778</b></u>                   |





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 7 OTHER CURRENT LIABILITIES

| Particulars  | As at<br>31 <sup>st</sup> March, 2012<br>₹ | As at<br>31 <sup>st</sup> March, 2011<br>₹ |
|--|--|--|
| (a) Unpaid dividends   | 563,110                                    | 484,260                                    |
| (b) Unpaid Share Application Money   | 210,805                                    | 713,743                                    |
| (c) Other payables   |  |  |
| (i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.) | 2,865,460                                  | 1,893,098                                  |
| (ii) Advances from customers   | 326,014,475                                | 17,639,316                                 |
| (iii) Others   |  |  |
| Unpaid redemption Preference Shares Proceeds   | 422,506                                    | 696,500                                    |
| Reimbursable Expenses  | 125,900                                    | 50,097                                     |
| Fair Value of Forward Contract   | 34,851,698                                 | –  |
| <b>Total</b>   | <u>365,053,954</u>                         | <u>21,477,014</u>                          |

### NOTE 8 SHORT-TERM PROVISIONS

| Particulars  | As at<br>31 <sup>st</sup> March, 2012<br>₹ | As at<br>31 <sup>st</sup> March, 2011<br>₹ |
|--|--|--|
| (a) Provision for employee benefits:                 |  |  |
| (i) Provision for bonus                              | 288,350                                    | 95,000                                     |
| (ii) Provision for compensated absences              | 129,910                                    | 45,147                                     |
| (iii) Provision for gratuity (net) (Refer Note 25.2) | 445,334                                    | 96,536                                     |
| <b>A</b>   | <u>863,594</u>                             | <u>236,683</u>                             |
| (b) Provision – Others:                              |  |  |
| (i) Provision for proposed equity dividend           | 16,425,943                                 | 16,425,943                                 |
| (ii) Provision for proposed preference dividend      |  |  |
| (iii) Provision for tax on proposed dividends        | 2,664,700                                  | 2,791,589                                  |
| (iv) Provision – others                              |  |  |
| Audit Fees Payable                                   | 424,350                                    | 306,437                                    |
| Directors Remuneration Payable                       | 700,000                                    | 511,400                                    |
| Electricity Payable                                  | 30,000                                     | 15,000                                     |
| Ocean Freight Payable                                | 2,033,900                                  | –  |
| Professional Fees Payable                            | 9,000                                      | 3,000                                      |
| Salary Payable                                       | 857,000                                    | 316,980                                    |
| Telephone Payable                                    | 70,000                                     | 50,000                                     |
| Warehouse Charges Payable                            | –  | 268,390                                    |
| Transport Charges Payable                            | 1,887,801                                  | –  |
| Water Charges Payable                                | 2,785                                      | 2,785                                      |
| <b>B</b>   | <u>25,105,479</u>                          | <u>20,691,524</u>                          |
| <b>Total (A+B)</b>                                   | <u>25,969,073</u>                          | <u>20,928,207</u>                          |

**Note 9 A Fixed assets**

| Tangible assets            | Gross block                                     |   |  |   |  |  |  | Balance as at 31 <sup>st</sup> March, 2012 |
|----------------------------|---|---|--|---|--|--|--|--|
|                            | Balance as at 1 <sup>st</sup> April, 2011       | Additions   | Disposals                                      | Borrowing cost capitalised              | Other adjustments                                | Net block  |  |  |
|                            | ₹   | ₹   | ₹  | ₹                                       | ₹  | Balance as at 31 <sup>st</sup> March, 2012       | Balance as at 31 <sup>st</sup> March, 2011       |  |
| (a) Land                   |   |   |  |   |  |  |  |  |
| Leasehold                  | 1,270,000                                       | —   | —  | —                                       | —  | —  | —  | 1,270,000                                  |
| (b) Plant and Equipment    |   |   |  |   |  |  |  |  |
| Owned                      | 74,417,284                                      | —   | —  | —                                       | —  | —  | —  | 74,417,284                                 |
| (c) Furniture and Fixtures |   |   |  |   |  |  |  |  |
| Owned                      | 157,642   | —   | —  | —                                       | —  | —  | —  | 157,642                                    |
| (d) Vehicles               |   |   |  |   |  |  |  |  |
| Owned                      | 6,979,359                                       | 8,635,364   | —  | —                                       | —  | —  | —  | 15,614,723                                 |
| (e) Office equipment       |   |   |  |   |  |  |  |  |
| Owned                      | 1,405,265                                       | 330,846   | —  | —                                       | —  | —  | —  | 1,736,111                                  |
| <b>Total</b>               | <b>84,229,550</b>                               | <b>8,966,210</b>  | —  | —                                       | —  | —  | —  | <b>93,195,760</b>                          |
| <b>Previous year</b>       | 84,849,764                                      | 513,072   | 1,133,286                                      | —                                       | —  | —  | —  | 84,229,550                                 |
| <b>Tangible assets</b>     |   |   |  |   |  |  |  |  |
|                            | <b>Balance as at 1<sup>st</sup> April, 2011</b> | <b>Depreciation / amortisation expense for the year</b> | <b>Accumulated depreciation and impairment</b> | <b>Eliminated on disposal of assets</b> | <b>Balance as at 31<sup>st</sup> March, 2012</b> | <b>Balance as at 31<sup>st</sup> March, 2012</b> | <b>Balance as at 31<sup>st</sup> March, 2011</b> |  |
|                            | ₹   | ₹   | ₹  | ₹                                       | ₹  | ₹  | ₹  |  |
| (a) Land                   |   |   |  |   |  |  |  |  |
| Leasehold *                | 235,578   | 51,721  | —  | —                                       | 287,299  | 982,701  | —  | 1,034,422                                  |
| (b) Plant and Equipment    |   |   |  |   |  |  |  |  |
| Owned                      | 32,536,564                                      | 6,420,314   | —  | —                                       | 38,956,878                                       | 35,460,406                                       | —  | 41,880,720                                 |
| (c) Furniture and Fixtures |   |   |  |   |  |  |  |  |
| Owned                      | 81,805  | 13,726  | —  | —                                       | 95,531   | 62,111   | —  | 75,837                                     |
| (d) Vehicles               |   |   |  |   |  |  |  |  |
| Owned                      | 4,110,465                                       | 1,555,182   | —  | —                                       | 5,665,647  | 9,949,076  | —  | 2,868,894                                  |
| (e) Office equipment       |   |   |  |   |  |  |  |  |
| Owned                      | 800,802   | 239,167   | —  | —                                       | 1,039,969  | 696,142  | —  | 604,463                                    |
| <b>Total</b>               | <b>37,765,214</b>                               | <b>8,280,110</b>  | —  | —                                       | <b>46,045,324</b>                                | <b>47,150,436</b>                                | —  | <b>46,464,336</b>                          |
| <b>Previous year</b>       | 29,941,860                                      | 8,797,905   | 974,551  | —                                       | 37,765,214                                       | 46,464,336                                       | —  | 54,907,904                                 |

**9 B Depreciation and amortisation relating to continuing operations:**

| Particulars   | For the year ended 31 <sup>st</sup> March, 2012 |                     | For the year ended 31 <sup>st</sup> March, 2011 |                     |
|---|---|---------------------|---|---------------------|
|   | ₹   | ₹                   | ₹   | ₹                   |
| Depreciation and amortisation for the year on tangible assets as per Note 9 A |   | 8,280,110.00        |   | 8,797,905.00        |
|   |   | <b>8,280,110.00</b> |   | <b>8,797,905.00</b> |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 10 NON-CURRENT INVESTMENTS

| Particulars   | As at 31 <sup>st</sup> March, 2012 |                  |                  | As at 31 <sup>st</sup> March, 2011 |                  |                  |
|---|------------------------------------|------------------|------------------|------------------------------------|------------------|------------------|
|   | Quoted                             | Unquoted         | Total            | Quoted                             | Unquoted         | Total            |
|   | ₹                                  | ₹                | ₹                | ₹                                  | ₹                | ₹                |
| Investments (At cost):  |                                    |                  |                  |                                    |                  |                  |
| <b>A. Trade</b>   |                                    |                  |                  |                                    |                  |                  |
| (a) Investment in equity instruments  |                                    |                  |                  |                                    |                  |                  |
| (i) of subsidiaries   |                                    |                  |                  |                                    |                  |                  |
| 50 (As at 31 March, 2011: Nil) shares of AED 1000 each fully paid up in Sakuma Exim DMCC                      |                                    | 700,581          | 700,581          | –                                  | –                | –                |
| (ii) of associates  |                                    |                  |                  |                                    |                  |                  |
| 147 (As at 31 March, 2011: Nil) shares of AED 1000 partly paid @ AED 200 per share in GKM General Trading LLC |                                    | 430,877          | 430,877          | –                                  | –                | –                |
| <b>Total A</b>  |                                    | <u>1,131,458</u> | <u>1,131,458</u> | <u>–</u>                           | <u>–</u>         | <u>–</u>         |
| <b>B. Other Investments</b>   |                                    |                  |                  |                                    |                  |                  |
| (b) Investment in government or trust securities  |                                    |                  |                  |                                    |                  |                  |
| (i) government securities – NSC   |                                    | 16,100           | 16,100           |                                    | 11,100           | 11,100           |
| (c) Other non-current investments – Gold  | –                                  | 1,658,723        | 1,658,723        |                                    | 1,658,723        | 1,658,723        |
| <b>Total – Other investments (B)</b>  |                                    | <u>1,674,823</u> | <u>1,674,823</u> |                                    | <u>1,669,823</u> | <u>1,669,823</u> |
| <b>Total (A+B)</b>  |                                    | <u>2,806,281</u> | <u>2,806,281</u> |                                    | <u>1,669,823</u> | <u>1,669,823</u> |
| Less: Provision for diminution in value of investments  |                                    |                  | –                |                                    |                  | –                |
| <b>Total Non Current Investments</b>  |                                    |                  | <u>2,806,281</u> |                                    |                  | <u>1,669,823</u> |

### NOTE 11 LONG-TERM LOANS AND ADVANCES

| Particulars                                | As at                        | As at                        |
|--|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2012 | 31 <sup>st</sup> March, 2011 |
|  | ₹                            | ₹                            |
| (a) Security deposits                      |                              |                              |
| Unsecured, considered good                 | 9,000,000                    | 16,000,000                   |
| Doubtful                                   | –                            | –                            |
| Less: Provision for doubtful deposits      | –                            | –                            |
|  | <u>9,000,000</u>             | <u>16,000,000</u>            |
| (b) Advance income tax (net of provisions) | 8,421,768                    | 6,546,768                    |
| <b>Total (a+b)</b>                         | <u>17,421,768</u>            | <u>22,546,768</u>            |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note: Long-term loans and advances include amounts due from:

| Particulars   | As at 31 <sup>st</sup> March,<br>2012<br>₹ | As at 31 <sup>st</sup> March,<br>2011<br>₹ |
|---|--|--|
| <b>a. Private companies in which any director is a director or member</b> |  |  |
| M/s Sakuma Finvest Pvt Ltd  | –  | 7,000,000                                  |
| M/s Sakuma Infrastructure and Realty Pvt Ltd                              | 7,470,000                                  | 7,470,000                                  |
| <b>b. Relative of Director</b>  |  |  |
| Mrs Kusum Malhotra (Wife of Director)                                     | 1,530,000                                  | 1,530,000                                  |
|   | <u>9,000,000</u>                           | <u>16,000,000</u>                          |

### NOTE 12 OTHER NON-CURRENT ASSETS

| Particulars                                    | As at<br>31 <sup>st</sup> March, 2012<br>₹ | As at<br>31 <sup>st</sup> March, 2011<br>₹ |
|--|--|--|
| Long-term trade receivables                    |  |  |
| Unsecured, considered good                     | 9,622,314                                  | 9,622,314                                  |
| Doubtful                                       | –  | –  |
| Less: Provision for doubtful trade receivables | –  | –  |
| <b>Total</b>                                   | <u>9,622,314</u>                           | <u>9,622,314</u>                           |

### NOTE 13 INVENTORIES

(At lower of cost and net realisable value)

| Particulars                           | As at<br>31 <sup>st</sup> March, 2012<br>₹ | As at<br>31 <sup>st</sup> March, 2011<br>₹ |
|---------------------------------------|--|--|
| Stock-in-trade (acquired for trading) | 920,424,287                                | 482,123,725                                |
| <b>Total</b>                          | <u>920,424,287</u>                         | <u>482,123,725</u>                         |

### NOTE 14 TRADE RECEIVABLES

| Particulars   | As at<br>31 <sup>st</sup> March, 2012<br>₹ | As at<br>31 <sup>st</sup> March, 2011<br>₹ |
|---|--|--|
| <b>a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment #</b> |  |  |
| Unsecured, considered good  | 1,052,805                                  | 2,345,163                                  |
| <b>b. Other Trade receivables</b>   |  |  |
| Unsecured, considered good  | 282,123,357                                | 134,255,698                                |
| <b>Total</b>  | <u>283,176,162</u>                         | <u>136,600,861</u>                         |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note: Trade receivables include debts due from:

| Particulars   | As at<br>31 <sup>st</sup> March, 2012 | As at<br>31 <sup>st</sup> March, 2011 |
|---|---------------------------------------|---------------------------------------|
|   | ₹                                     | ₹                                     |
| <b>Private companies in which any director is a director or member (give details per company)</b> |                                       |                                       |
| GKM General Trading LLC   | 20,585,720                            | —                                     |

### NOTE 15 CASH AND CASH EQUIVALENTS

| Particulars  | As at<br>31 <sup>st</sup> March, 2012 | As at<br>31 <sup>st</sup> March, 2011 |
|--|---------------------------------------|---------------------------------------|
|  | ₹                                     | ₹                                     |
| (a) Cash on hand   | 33,343                                | 14,671                                |
| (b) Balances with banks  |                                       |                                       |
| (i) In current accounts  | 12,705,626                            | 138,867,808                           |
| (ii) In earmarked accounts   |                                       |                                       |
| Unpaid dividend accounts   | 976,667                               | 7,683,974                             |
| Share application money received for allotment of securities and due for refund                | 210,805                               | 713,687                               |
| Balances held as margin money or security against borrowings, guarantees and other commitments | 19,276,694                            | 168,856,782                           |
| <b>Total</b>   | <u>33,203,135</u>                     | <u>316,136,922</u>                    |

### NOTE 16 SHORT-TERM LOANS AND ADVANCES

| Particulars   | As at<br>31 <sup>st</sup> March, 2012 | As at<br>31 <sup>st</sup> March, 2011 |
|---|---------------------------------------|---------------------------------------|
|   | ₹                                     | ₹                                     |
| (a) Loans and advances to related parties (give details @) Refer Note No. 25.4 b) |                                       |                                       |
| Unsecured, considered good  | 31,050                                | —                                     |
| Less: Provision for doubtful loans and advances                                   | —                                     | —                                     |
|   | <u>31,050</u>                         | —                                     |
| (b) Security deposits   |                                       |                                       |
| Unsecured, considered good  | 6,908,150                             | 4,436,550                             |
| Less: Provision for doubtful deposits   | —                                     | —                                     |
|   | <u>6,908,150</u>                      | 4,436,550                             |
| (c) Loans and advances to employees   |                                       |                                       |
| Unsecured, considered good  | 225,000                               | 292,500                               |
| Less: Provision for doubtful loans and advances                                   | —                                     | —                                     |
|   | <u>225,000</u>                        | 292,500                               |
| (e) Advance recoverable in cash or kind   |                                       |                                       |
| Unsecured, considered good  | 224,327,038                           | 29,654,492                            |
| Less: Provision   | —                                     | —                                     |
|   | <u>224,327,038</u>                    | 29,654,492                            |
| f) Other Loans and Advances   |                                       |                                       |
| Prepaid expenses – Unsecured, considered good                                     | 136,402,902                           | 28,754,694                            |
| Balances with government authorities – Unsecured, ` considered good               |                                       |                                       |
| (i) Duty Drawback Receivable  | 43,727,265                            | —                                     |
| (ii) VAT credit receivable  | 1,414,763                             | 1,449,437                             |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

|   |                           |                          |
|---|---------------------------|--------------------------|
| (iii) Service Tax Refund receivable                   | 14,434,961                | —                        |
|   | <u>195,979,891</u>        | <u>30,204,131</u>        |
| Less: Provision for other doubtful loans and advances | —                         | —                        |
|   | <u>195,979,891</u>        | <u>30,204,131</u>        |
| <b>Total</b>  | <u><u>427,471,129</u></u> | <u><u>64,587,673</u></u> |

**Note: Short-term loans and advances include amounts due from:**

| Particulars  | As at<br>31 <sup>st</sup> March, 2012<br>₹ | As at<br>31 <sup>st</sup> March, 2011<br>₹ |
|--|--|--|
| <b><u>Loans and advances to employees</u></b>                |  |  |
| Dues from officers   | 225,000                                    | 292,500                                    |
| <b><u>Loans and advances to related parties includes</u></b> |  |  |
| Subsidiary Company Refer Note No. 25.4b                      | <u>31,050</u>                              | —  |
|  | <u><u>256,050</u></u>                      | <u><u>292,500</u></u>                      |

### NOTE 17 OTHER CURRENT ASSETS

| Particulars                  | As at<br>31 <sup>st</sup> March, 2012<br>₹ | As at<br>31 <sup>st</sup> March, 2011<br>₹ |
|------------------------------|--|--|
| <b>Accruals</b>              |  |  |
| Interest accrued on deposits | 1,917,256                                  | 8,543,272                                  |
| <b>Total</b>                 | <u><u>1,917,256</u></u>                    | <u><u>8,543,272</u></u>                    |

### NOTE 18 REVENUE FROM OPERATIONS

| Particulars  | For the year<br>ended<br>31 <sup>st</sup> March, 2012<br>₹ | For the year<br>ended<br>31 <sup>st</sup> March, 2011<br>₹ |
|--|--|--|
| (a) Sale of products (Refer Note (i) below)          | 9,445,760,693  | 6,296,704,303  |
| (b) Other operating revenues (Refer Note (ii) below) | <u>210,270,305</u>   | <u>29,790,034</u>  |
|  | 9,656,030,998  | 6,326,494,337  |
| <u>Less:</u>   |  |  |
| (c) Excise duty                                      | —  | 1,738,713  |
| <b>Total</b>   | <u><u>9,656,030,998</u></u>                                | <u><u>6,324,755,624</u></u>                                |
| <b>i) <u>Traded goods</u></b>                        |  |  |
| Sugar  | 8,392,580,945  | 5,177,576,446  |
| Papers   | 274,218,959  | 173,538,216  |
| Power  | 6,665,201  | 5,694,226  |
| Other Agriculture commodities                        | <u>772,295,588</u>   | <u>939,895,415</u>   |
| <b>Total – Sale of traded goods</b>                  | <u>9,445,760,693</u>                                       | <u>6,296,704,303</u>                                       |
| <b>Total – Sale of products</b>                      | <u>9,445,760,693</u>                                       | <u>6,296,704,303</u>                                       |
| <b>ii) <u>Other operating revenues comprise:</u></b> |  |  |
| Duty drawback and other export incentives            | 217,997,756  | 30,917,072   |
| Gain/(Loss) on Commodity Forwards                    | <u>(7,727,451)</u>   | <u>(1,127,038)</u>   |
| <b>Total – Other operating revenues</b>              | <u><u>210,270,305</u></u>                                  | <u><u>29,790,034</u></u>                                   |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 19 OTHER INCOME

| Particulars  | For the year<br>ended<br>31 <sup>st</sup> March, 2012<br>₹ | For the year<br>ended<br>31 <sup>st</sup> March, 2011<br>₹ |
|--|--|--|
| (a) Interest income (Refer Note (i) below)   | 6,800,886  | 15,140,541   |
| (b) Dividend income:<br>others   | 1,301,630  | 1,659,675  |
| (c) Net gain on sale of:<br>Non current investments  | –  | 199,177  |
| (d) Net gain on foreign currency transactions and translation (other than considered as<br>finance cost)         | 29,893,732   | 1,921,346  |
| (e) Other non-operating income (net of expenses directly attributable to such income)<br>(Refer Note (ii) below) | 5,061,519  | 1,037,206  |
| <b>Total</b>   | <u>43,057,767</u>  | <u>19,957,945</u>  |
| <b>(i) Interest income comprises:</b>  |  |  |
| Interest from banks on:<br>deposits  | 6,800,886  | 14,848,415   |
| Interest on income tax refund  | –  | 292,126  |
| Total – Interest income  | <u>6,800,886</u>   | <u>15,140,541</u>  |
| <b>ii) Miscellaneous income</b>  | <u>5,061,519</u>   | <u>1,037,206</u>   |
| Total – Other non-operating income   | <u>5,061,519</u>   | <u>1,037,206</u>   |

### NOTE 20a PURCHASE OF TRADED GOODS

| Particulars                   | For the year<br>ended<br>31 <sup>st</sup> March, 2012<br>₹ | For the year<br>ended<br>31 <sup>st</sup> March, 2011<br>₹ |
|-------------------------------|--|--|
| Sugar                         | 7,900,144,288  | 4,755,471,018  |
| Paper                         | 247,349,937  | 153,923,740  |
| Other Agriculture Commodities | 445,501,004  | 963,117,679  |
| <b>Total</b>                  | <u>8,592,995,229</u>                                       | <u>5,872,512,437</u>                                       |

### NOTE 20b CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

| Particulars                                      | For the year<br>ended<br>31 <sup>st</sup> March, 2012<br>₹ | For the year<br>ended<br>31 <sup>st</sup> March, 2011<br>₹ |
|--|--|--|
| <u>Inventories at the end of the year:</u>       |  |  |
| Stock-in-trade                                   | <u>920,424,287</u>   | <u>482,123,725</u>   |
|  | 920,424,287  | 482,123,725  |
| <u>Inventories at the beginning of the year:</u> |  |  |
| Stock-in-trade                                   | <u>482,123,725</u>   | <u>159,970,601</u>   |
|  | 482,123,725  | 159,970,601  |
| <b>Net (increase) / decrease</b>                 | <u>(438,300,562)</u>                                       | <u>(322,153,124)</u>                                       |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 21 EMPLOYEE BENEFITS EXPENSE

| Particulars  | For the year ended<br>31 <sup>st</sup> March, 2012<br>₹ | For the year ended<br>31 <sup>st</sup> March, 2011<br>₹ |
|--|---|---|
| Salaries and wages   | 7,761,685   | 3,817,052   |
| Directors Remuneration                                       | 8,400,000   | 6,900,000   |
| Contributions to provident and other funds (Refer Note 25.1) | 265,981   | 104,212   |
| Contribution to Gratuity Fund (Refer Note 25.2)              | 507,740   | 96,536  |
| Staff welfare expenses                                       | 2,016,827   | 1,161,838   |
| <b>Total</b>   | <b>18,952,233</b>                                       | <b>12,079,638</b>                                       |

### NOTE 22 FINANCE COSTS

| Particulars                 | For the year ended<br>31 <sup>st</sup> March, 2012<br>₹ | For the year ended<br>31 <sup>st</sup> March, 2011<br>₹ |
|-----------------------------|---|---|
| <b>Interest expense on:</b> |   |   |
| Borrowings                  | 47,417,815  | 21,366,841  |
| <b>Total</b>                | <b>47,417,815</b>                                       | <b>21,366,841</b>                                       |

### NOTE 23 OTHER EXPENSES

| Particulars                                 | For the year ended<br>31 <sup>st</sup> March, 2012<br>₹ | For the year ended<br>31 <sup>st</sup> March, 2011<br>₹ |
|---|---|---|
| Bank Charges                                | 7,554,443   | 4,948,184   |
| Power and fuel                              | 331,973   | 295,969   |
| Rent including lease rentals                | 6,777,561   | 5,146,262   |
| Repairs and maintenance – Machinery         | 1,540,696   | 1,736,996   |
| Repairs and maintenance – Others            | 143,975   | 823,071   |
| Insurance                                   | 936,154   | 715,169   |
| Rates and taxes                             | 1,547,616   | 504,327   |
| Communication                               | 2,970,602   | 1,092,805   |
| Travelling and conveyance                   | 4,434,608   | 3,212,769   |
| Printing and stationery                     | 1,324,845   | 624,769   |
| Freight and forwarding                      | 363,198,720   | 214,288,373   |
| Sales commission                            | 629,851   | 167,766   |
| Business promotion                          | 133,043   | 778,271   |
| Donations and contributions                 | 82,001  | 1,000   |
| Legal and professional                      | 5,831,818   | 3,037,480   |
| Payments to auditors (Refer Note (i) below) | 502,384   | 431,289   |
| Labour Charges                              | 6,751,887   | 3,369,664   |
| Loading and Unloading Charges               | 6,399,902   | 5,015,549   |
| Terminal and Handling Charges               | 24,283,214  | 15,196,312  |
| Transport Charges                           | 178,413,626   | 148,897,611   |





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

|  |                             |                           |
|--|-----------------------------|---------------------------|
| Warehouse Charges  | 17,956,711                  | 34,853,712                |
| Custom Duty  | 50,917,805                  | 30,729,184                |
| Demurrage Charges  | 4,228,033                   | 2,836,099                 |
| Detention Charges  | 4,687,777                   | 1,230,147                 |
| Transaction Charges trading in Commodities & Securities Exchange                                   | 1,112,185                   | 611,003                   |
| Brokerage on trading in Commodities & Securities Exchange  | 15,443,467                  | 4,613,397                 |
| Custodian Expenses   | 3,623,957                   | 1,307,286                 |
| ECGC Premium   | 2,628,930                   | 474,500                   |
| Lodging & Boarding   | 1,596,896                   | 1,328,797                 |
| MBPT Charges   | 2,923,125                   | 3,467,852                 |
| License & Quota Charges  | 639,499,329                 | 176,071,400               |
| Bad trade and other receivables, loans and advances written off                                    | 2,508,364                   | 127,979                   |
| Prior period items (net) (Refer Note (ii) below)   | 25,000                      | —                         |
| Miscellaneous expenses   | 7,730,773                   | 10,670,098                |
| <b>Total</b>   | <b><u>1,368,671,271</u></b> | <b><u>678,605,090</u></b> |
| <b>(i) Payments to the auditors comprises (net of service tax input credit, where applicable):</b> |                             |                           |
| As auditors – statutory audit  | 365,170                     | 271,350                   |
| For taxation matters   | 84,270                      | 90,450                    |
| For other services   | 52,944                      | 69,489                    |
| <b>Total</b>   | <b><u>502,384</u></b>       | <b><u>431,289</u></b>     |
| <b>(ii) Details of Prior period items (net)</b>  |                             |                           |
| Professional Fees  | 25,000                      | —                         |
| <b>Total</b>   | <b><u>25,000</u></b>        | <b><u>—</u></b>           |

## NOTE 24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

### 24.1 Contingent liabilities and commitments (to the extent not provided for)

| Particulars  | As at  | As at  |
|--|--|--|
|  | 31 <sup>st</sup> March, 2012                         | 31 <sup>st</sup> March, 2011                         |
|  | ₹  | ₹  |
| <b>(i) Contingent liabilities</b>  |  |  |
| <b>(a) Claims against the Company not acknowledged as debt with respect to</b> |  |  |
| i) Sugar Import Consignment pertaining to year 2009-10                         | USD 11,23,425 &<br>₹ 60,43,987/- and<br>Interest @8% | USD 11,23,425<br>& ₹ 60,43,987/-<br>and Interest @8% |
| ii) Quality issue of Goods Supplied  | 1,587,450  | 1,587,450  |
| iii) Stop Payment of Cheque  | 1,368,260  | 1,368,260  |
| <b>b) Disputed Income Tax Demands for AY 2002-03, 2003-04, 2009-10</b>         | <b>1,985,242</b>                                     | <b>79,192,722</b>                                    |
| <b>(ii) Commitments #</b>  |  |  |
| <b>Other commitments</b>   |  |  |
| i) Share Subscription Money payable for GKM General Trading LLC                | AED 117600   | —  |
| ii) Outstanding Currency Forward Contracts                                     | USD 4,39,73,000                                      | USD 37,86,000  |

### 24.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 24.3 Details on derivatives instruments and unhedged foreign currency exposures

The following derivative positions are open as at 31 March, 2012. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments. The accounting for these transactions is stated in Notes 2.8, 2.18 and 2.19.

(a) Forward exchange contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of for receivables.

(i) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2012

| Currency | Amount      | Buy / Sell | Cross currency |
|----------|-------------|------------|----------------|
| USD      | 43,973,000  | Sell       | Rupees         |
| USD      | (37,86,000) | Sell       | Rupees         |

Note: Figures in brackets relate to the previous year

### 24.4 Value of imports calculated on CIF basis :

|              | For the year ended<br>31 <sup>st</sup> March, 2012<br>₹ | For the year ended<br>31 <sup>st</sup> March, 2011<br>₹ |
|--------------|---|---|
| Traded Goods | <u>600,497,800.00</u>                                   | <u>536,908,765.00</u>                                   |

### 24.5 Expenditure in foreign currency:

|                     | For the year ended<br>31 <sup>st</sup> March, 2012<br>₹ | For the year ended<br>31 <sup>st</sup> March, 2011<br>₹ |
|---------------------|---|---|
| Travelling Expenses | 920,976.00  | —   |
| Commission          | 97,671.00   | —   |
| Import of Goods     | <u>600,439,150.00</u>                                   | <u>536,700,835.00</u>                                   |

### 24.6 Earnings in foreign exchange

|   | For the year ended<br>31 <sup>st</sup> March, 2012<br>₹ | For the year ended<br>31 <sup>st</sup> March, 2011<br>₹ |
|---|---|---|
| Export of goods calculated on FOB basis | <u>7,297,683,203</u>                                    | <u>2,259,231,658</u>                                    |

## 25 EMPLOYEE BENEFIT PLANS

### 25.1 Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 2,45,676/ – (Year ended 31 March, 2011 ₹ 93,131) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 25.2 Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

#### i. Gratuity

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

| Particulars   | Year ended<br>31 <sup>st</sup> March, 2012<br>Gratuity | Year ended<br>31 <sup>st</sup> March, 2011<br>Gratuity |
|---|--|--|
| <b>Components of employer expense</b>                               |  |  |
| Current service cost  | 263,262  | 95,464   |
| Interest cost   | 26,982   | 19,259   |
| Expected return on plan assets                                      | (11,856 )  | Nil  |
| Past service cost   | 4,464  | Nil  |
| Actuarial losses/(gains)  | 224,888  | (18,187)   |
| <b>Total expense recognised in the Statement of Profit and Loss</b> | <b>507,740</b>   | <b>96,536</b>  |
| <b>Actual contribution and benefit payments for year</b>            |  |  |
| Actual benefit payments   | Nil  | Nil  |
| Actual contributions  | 395,213  | 96,536   |
| <b>Net asset / (liability) recognised in the Balance Sheet</b>      |  |  |
| Present value of defined benefit obligation                         | 871,150  | 337,271  |
| Fair value of plan assets   | 425,816  | 240,735  |
| Funded status [Surplus / (Deficit)]                                 | (445,334)  | (96,536)   |
| Unrecognised past service costs                                     | Nil  | Nil  |
| <b>Net asset / (liability) recognised in the Balance Sheet</b>      | <b>(445,334)</b>                                       | <b>(96,536)</b>  |
| <b>Change in defined benefit obligations (DBO) during the year</b>  |  |  |
| Present value of DBO at beginning of the year                       | 337,271  | 240,735  |
| Current service cost  | 263,262  | 95,464   |
| Interest cost   | 26,982   | 19,259   |
| Actuarial (gains) / losses  | 243,635  | (18,187)   |
| Past service cost   | -  | Nil  |
| Benefits paid   | -  | Nil  |
| Present value of DBO at the end of the year                         | 871,150  | 337,271  |
| <b>Change in fair value of assets during the year</b>               |  | Nil  |
| Plan assets at beginning of the year                                | -  |  |
| Acquisition adjustment  | -  |  |
| Expected return on plan assets                                      | 11,856   | 14,444   |
| Actual company contributions  | 395,213  | -  |
| Actuarial gain / (loss)   | 18,747   | (14,444)   |
| Benefits paid   | -  | Nil  |
| Plan assets at the end of the year                                  | 425,816  | 240,735  |
| <b>Actuarial assumptions</b>  |  |  |
| Discount rate   | 8%   | 8%   |
| Expected return on plan assets                                      | 6%   | 6%   |
| Salary escalation   | 5%   | 5%   |
| Attrition   | 11%  | 11%  |
| Medical cost inflation  |  |  |
| Mortality tables  | LIC (1994-96)<br>Ultimate                              | LIC (1994-96)<br>Ultimate                              |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 25.3 Disclosures under Accounting

#### 25.3 Segment information

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Trading in Commodities and Windmill Operation. As windmill operation is not meeting any of the criteria. Hence worth, we are not providing the primary segment information.

Note: The geographic bifurcation of the Company's revenues and segment assets are as Under:

Note: Figures in bracket relates to the previous year

#### 25.4 Related party transactions

##### 25.4 a Details of related parties:

| Particulars  |   |
|--|---|
| Description of relationship  | Names of related parties                              |
| Holding Company  | Sakuma Exports Ltd                                    |
| Subsidiaries   | Sakuma Exim DMCC                                      |
| Subsidiaries   | GKM General Trading LLC                               |
| Key Management Personnel (KMP)   | Mr. Chander Mohan                                     |
|  | Mr. Saurabh Malhotra                                  |
| Directors & Relatives of KMP   | Ms. Shipra Mediratta                                  |
| Relatives of Key Management Personal                                       | Mrs. Kusum Malhotra                                   |
| Relatives of Key Management Personal                                       | Mrs. Vanitha Malhotra                                 |
| Company in which KMP / Relatives of KMP can exercise significant influence | M/s. Sakuma Finvest Private Limited                   |
|  | M/s. GMK System and Logistics Pvt Ltd                 |
|  | M/s. Sakuma Infrastructure and Realty Private Limited |
|  | M/s. C.K.K. Exports Private Limited                   |

##### 25.4 b Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012:

| Particulars  | Subsidiaries | KMP         | Relatives of KMP | Entities in which KMP / relatives of KMP have significant influence | Total        |
|--|--------------|-------------|------------------|---|--------------|
| Sale of goods  | 173,691,054  | –           | –                | –   | 173,691,054  |
| Directors Sitting Fees                                     | –            | 136,000     | –                | –   | 136,000      |
|  | –            | (113,000)   | –                | –   | (113,000)    |
| Rent Paid  | –            | –           | 1,125,060        | 5,492,940   | 6,618,000    |
|  | –            | –           | (510,000)        | (2,490,000)   | (3,000,000)  |
| Finance Expenses (Interest Paid)                           | –            | –           | –                | 841,753   | 841,753      |
| Management contracts including for deputation of employees | –            | 8,400,000   | –                | –   | 8,400,000    |
|  | –            | (6,900,000) | –                | –   | (6,900,000)  |
| Trade Receivable   | –            | –           | –                | 20,585,720  | 20,585,720   |
| Loans and advances   | –            | –           | 1,530,000        | 7,501,050   | 9,031,050    |
|  | –            | –           | (1,530,000)      | (14,470,000)  | (16,000,000) |
| Trade payables   | –            | 700,000     | –                | –   | 700,000      |
|  | –            | (511,400)   | –                | –   | (511,400)    |
| Borrowings   | –            | –           | –                | 14,500,000  | 14,500,000   |

Note: Figures in bracket relates to the previous year



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 25.5 Earnings per share

| Particulars  | For the year ended           | For the year ended           |
|--|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2012 | 31 <sup>st</sup> March, 2011 |
|  | ₹                            | ₹                            |
| <b>Basic &amp; Diluted</b>   |                              |                              |
| Net profit / (loss) for the year   | 66,875,536                   | 50,090,786                   |
| Less: Preference dividend and tax thereon                                | —                            | (5,368,966)                  |
| Net profit / (loss) for the year attributable to the equity shareholders | 66,875,536                   | 44,721,820                   |
| Weighted average number of equity shares                                 | 16,425,943                   | 16,425,943                   |
| Par value per share  | 10                           | 10                           |
| Earnings per share   | 4.07                         | 2.72                         |

### 25.6 Deferred tax (liability) / asset

| Particulars  | As at                        | As at                        |
|--|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2012 | 31 <sup>st</sup> March, 2011 |
|  | ₹                            | ₹                            |
| <u>Tax effect of items constituting deferred tax liability</u>           |                              |                              |
| On difference between book balance and tax balance of fixed assets       | (10,427,056)                 | (12,462,400)                 |
| Tax effect of items constituting deferred tax liability                  | (10,427,056)                 | (12,462,400)                 |
| <u>Tax effect of items constituting deferred tax assets</u>              |                              |                              |
| Provision for compensated absences, gratuity and other employee benefits | 137,608                      | 29,830                       |
| Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961    | 89,100                       | 29,355                       |
| Tax effect of items constituting deferred tax assets                     | 226,708                      | 59,185                       |
| <b>Net deferred tax (liability) / asset</b>                              | <b>(10,200,348)</b>          | <b>(12,403,215)</b>          |

The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax (or) The Company has recognised deferred tax asset on unabsorbed depreciation and brought forward business losses based on the Management's estimates of future profits considering the non-cancellable customer orders received by the Company.

- 26 The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

## AUDITOR'S REPORT

To,  
The Members,

**SAKUMA EXPORTS LIMITED.**

Mumbai.

- 1) We have audited the attached Consolidated Balance Sheet of **SAKUMA EXPORTS LIMITED** ("the company") and its subsidiaries (the company and its subsidiaries constitute "the group") as at 31<sup>st</sup> March 2012, statement of Profit and Loss and cash flow for the year ended on that date both 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) The Consolidated Financial Statements, reflect total assets of ₹ 389.01 Lacs as at March 31, 2012, total revenues of ₹ 2,997.56 Lacs and net cash inflows amounting to ₹ 107.02 Lacs for the year ended March 31, 2012, in respect of One subsidiary, GKM General Trading LLC, whose financial statements have been audited by other auditor and their reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of this subsidiary is based solely on the reports of the other auditor.
- 4) We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.
- 5) Based on our audit and on consideration of the separate auditor's report on individual financial statements of the company and its aforesaid subsidiary and to the best of our information and according to the explanations given to, in our opinion, read with para 4 above, the consolidated financial statements give true and fair view in conformity with the accounting principles generally accepted in India
  - i) In case of Consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> March, 2012 and
  - ii) In case of Consolidated Statement of Profit & Loss, of the statement of Profit of the group for the year ended the on that date.
  - iii) In case of Consolidated Cash Flow of the cash flow of the group for the year ended on that date

**For A. R. SODHA & CO.**  
**Chartered Accountants,**  
**FRN : 110324W**

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

**Place: Mumbai.**  
**Date : 13<sup>th</sup> August, 2012**



## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2012

(in ₹)

| Particulars   | Note No. | As at<br>31 <sup>st</sup> March, 2012 |
|---|----------|---------------------------------------|
| <b>A EQUITY AND LIABILITIES</b>                                 |          |                                       |
| <b>1 Shareholders' funds</b>                                    |          |                                       |
| (a) Share capital   | 3        | 164,259,430                           |
| (b) Reserves and surplus  | 4        | 431,444,719                           |
|   |          | <u>595,704,149</u>                    |
| <b>2 Minority Interest</b>                                      |          | 1,993,083                             |
| <b>3 Non-current liabilities</b>                                |          |                                       |
| Deferred tax liabilities (net)                                  | 25.6     | 10,200,348                            |
|   |          | <u>10,200,348</u>                     |
| <b>4 Current liabilities</b>                                    |          |                                       |
| (a) Short-term borrowings                                       | 5        | 636,754,902                           |
| (b) Trade payables  | 6        | 124,994,747                           |
| (c) Other current liabilities                                   | 7        | 365,053,954                           |
| (d) Short-term provisions                                       | 8        | 25,969,073                            |
|   |          | <u>1,152,772,676</u>                  |
| <b>TOTAL</b>  |          | <u><u>1,760,670,256</u></u>           |
| <b>B ASSETS</b>   |          |                                       |
| <b>1 Non-current assets</b>                                     |          |                                       |
| (a) Fixed assets  |          |                                       |
| (i) Tangible assets   | 9A       | 47,262,381                            |
| (b) Non-current investments                                     | 10       | 1,674,823                             |
| (c) Long-term loans and advances                                | 11       | 17,421,768                            |
| (d) Other non-current assets                                    | 12       | 9,622,314                             |
|   |          | <u>75,981,286</u>                     |
| <b>2 Current assets</b>   |          |                                       |
| (a) Inventories   | 13       | 927,882,217                           |
| (b) Trade receivables   | 14       | 281,945,386                           |
| (c) Cash and cash equivalents                                   | 15       | 44,588,871                            |
| (d) Short-term loans and advances                               | 16       | 428,355,240                           |
| (e) Other current assets  | 17       | 1,917,256                             |
|   |          | <u>1,684,688,970</u>                  |
| <b>TOTAL</b>  |          | <u><u>1,760,670,256</u></u>           |
| See accompanying notes forming part of the financial statements |          |                                       |

In terms of our report attached

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

A. R. Sodha  
Partner  
M. No. 31878

Place : Mumbai  
Dated :13th August, 2012

For and on behalf of the Board of Directors

Chander Mohan  
Chairman

Saurabh Malhotra  
Managing Director

Radhe Shyam  
Director

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012**  
(in ₹)

| Particulars   | Note No. | For the year ended 31 <sup>st</sup> March, 2012 |
|---|----------|---|
| 1 Revenue from operations (gross)   | 18       | 9,783,744,807                                   |
| Less: Excise duty   |          | -   |
| Revenue from operations (net)   |          | <u>9,783,744,807</u>                            |
| 2 Other income  | 19       | <u>40,211,300</u>                               |
| 3 <b>Total revenue (1+2)</b>  |          | <u><b>9,823,956,107</b></u>                     |
| 4 <b>Expenses</b>   |          |   |
| (a) Purchases of stock-in-trade   | 20a      | 8,696,047,970                                   |
| (b) Changes in inventories of finished goods, work-in-progress and stock-in-trade               | 20b      | (445,758,492)                                   |
| (c) Employee benefits expense   | 21       | 19,651,956                                      |
| (d) Finance costs   | 22       | 47,417,815                                      |
| (e) Depreciation and amortisation expense   | 9B       | 8,291,443                                       |
| (f) Other expenses  | 23       | <u>1,388,534,762</u>                            |
| <b>Total expenses</b>   |          | <u><b>9,714,185,454</b></u>                     |
| 5 <b>Profit / (Loss) before exceptional and extraordinary items and tax (3 – 4)</b>             |          | 109,770,653                                     |
| 6 Exceptional items   |          | -   |
| 7 <b>Profit / (Loss) before extraordinary items and tax (5 ± 6)</b>                             |          | <u>109,770,653</u>                              |
| 8 Extraordinary items   |          | -   |
| 9 <b>Profit / (Loss) before tax (7 ± 8)</b>   |          | <u>109,770,653</u>                              |
| 10 <b>Tax expense:</b>  |          |   |
| (a) Current tax expense for current year  |          | 33,300,000                                      |
| (b) (Less): MAT credit (where applicable)   |          | 0   |
| (c) Current tax expense relating to prior years   |          | <u>3,100,000</u>                                |
| (d) Net current tax expense   |          | 36,400,000                                      |
| (e) Deferred tax  |          | <u>(2,202,867)</u>                              |
|   |          | <u>34,197,133</u>                               |
| 11 <b>Profit / (Loss) After Tax</b>   |          | 75,573,520                                      |
| 12 <b>Less : Share of Profit of Minority Interest</b>   |          | <u>(1,993,083)</u>                              |
| 13 <b>Profit / (Loss) for the year (11 ± 12)</b>  |          | <u><b>73,580,437</b></u>                        |
| 14.i <b>Earnings per share (nominal value of share of ₹ 10/- each):</b>                         | 24.2 a   |   |
| (a) Basic   |          |   |
| (i) Continuing operations   |          | 4.48  |
| (ii) Total operations   |          | 4.48  |
| (b) Diluted   |          |   |
| (i) Continuing operations   |          | 4.48  |
| (ii) Total operations   |          | 4.48  |
| 14.ii <b>Earnings per share (excluding extraordinary items) nominal value (of ₹ 10/- each):</b> |          |   |
| (a) Basic   |          |   |
| (i) Continuing operations   |          | 4.48  |
| (ii) Total operations   |          | 4.48  |
| (b) Diluted   |          |   |
| (i) Continuing operations   |          | 4.48  |
| (ii) Total operations   |          | 4.48  |

**See accompanying notes forming part of the financial statements**

In terms of our report attached.  
For A.R Sodha & Co.

Chartered Accountants  
FRN: 110324W

A.R.Sodha  
Partner  
M.No. 31878

Place : Mumbai  
Date : 13th August 2012

For and on behalf of the Board of Directors

Mr ChanderMohan  
Chairman

Mr. Radhe Shyam  
Director

Place : Mumbai  
Date : 13th August 2012

Mr Saurabh Malhotra  
Managing Director





## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

(in ₹)

| Particulars   | For the year ended<br>31 <sup>st</sup> March, 2012 |
|---|--|
| <b>A. Cash flow from operating activities</b>                   |  |
| Net Profit / (Loss) before extraordinary items and tax          | 109,770,653  |
| <u>Adjustments for:</u>   |  |
| Depreciation and amortisation                                   | 8,291,443  |
| Finance costs   | 47,417,815   |
| Interest income   | (6,800,886)  |
| Dividend income   | (1,301,630)  |
| Net Unrealised Exchange ((gain) / Loss)                         | 860,183  |
| Operating profit / (loss) before working capital changes        | 158,237,578  |
| <u>Changes in working capital:</u>                              |  |
| Adjustments for (increase) / decrease in operating assets:      |  |
| Inventories   | (445,758,492)                                      |
| Trade receivables   | (163,708,379)                                      |
| Short-term loans and advances                                   | (363,767,567)                                      |
| Long-term loans and advances                                    | 7,000,000  |
| Other current assets  | 6,626,016  |
| Adjustments for increase / (decrease) in operating liabilities: |  |
| Trade payables  | 70,372,505   |
| Other current liabilities                                       | 308,725,242  |
| Short-term provisions   | 5,167,755  |
|   | (417,105,342)                                      |
| Net income tax (paid) / refunds                                 | (38,275,000)                                       |
| <b>Net cash flow from / (used in) operating activities (A)</b>  | <b>(455,380,342)</b>                               |
| <b>B. Cash flow from investing activities</b>                   |  |
| Capital expenditure on fixed assets, including capital advances | (9,089,488)  |
| Current investments not considered as Cash and cash equivalents |  |
| – Purchased   | (524,800,000)                                      |
| – Proceeds from sale  | 524,800,000  |
| Purchase of long-term investments                               |  |
| – Others  | (5,000)  |
| Interest received   |  |
| – Others  | 6,800,886  |
| Dividend received   |  |
| – Others  | 1,301,630  |
| <b>Net cash flow from / (used in) investing activities (B)</b>  | <b>(991,972)</b>                                   |

| Particulars  | For the year ended<br>31 <sup>st</sup> March, 2012 |
|--|--|
| <b>C. Cash flow from financing activities</b>                          |  |
| Net increase / (decrease) in working capital borrowings                | 236,832,720  |
| Proceeds from other short-term borrowings                              | 222,392,616  |
| Repayment of other short-term borrowings                               | (207,892,616)                                      |
| Finance cost   | (47,417,815)                                       |
| Dividends paid   | (16,425,943)                                       |
| Tax on dividend  | <u>(2,664,700)</u>                                 |
| <b>Net cash flow from / (used in) financing activities (C)</b>         | <u>184,824,262</u>                                 |
| Net Increase / (decrease) in cash and cash equivalents (A+B+C)         | (271,548,052)                                      |
| Cash and cash equivalents at the beginning of the year                 | 316,136,923  |
| <b>Cash and cash equivalents at the end of the year *</b>              | <u><u>44,588,871</u></u>                           |
| * Comprises:   |  |
| (a) Cash on hand   | 97,163   |
| (b) Balances with banks  | -  |
| (i) In current accounts  | 24,027,542   |
| (ii) In EEFC accounts  | -  |
| (iii) In deposit accounts with original maturity of less than 3 months | 19,276,694   |
| (iv) In earmarked accounts   | 976,667  |
| (c) Others   | 210,805  |
|  | <u><u>44,588,871</u></u>                           |
| <b>See accompanying notes forming part of the financial statements</b> |  |

In terms of our report attached.  
For **A.R Sodha & Co.**  
Chartered Accountants  
FRN: 110324W

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

Place : Mumbai  
Date : 13th August 2012

For and on behalf of the Board of Directors

**Mr ChanderMohan**  
Chairman

**Mr Saurabh Malhotra**  
Managing Director

**Mr. Radhe Shyam**  
Director  
Place : Mumbai  
Date : 13th August 2012



## Note Forming Part of Financial Statement

### 1 Corporate information

Sakuma Exports Limited (Government of India recognised Trading House) and its subsidiaries collectively referred to as group. The Group is trading in commodities like Sugar, Rice, Maize, Sesame Seeds, Ground Nuts, Pulses, Oil Meal etc. The Group caters to both domestic and international markets.

#### 2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention for categories of fixed assets. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for those stated below.

#### 2.2 Principal of Consolidation

The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Parent and its subsidiary companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.
- The financial statements of the subsidiary companies are prepared for the same reporting year as the Company, using consistent accounting policies to the extent practicable. Adjustments are made to align any dissimilar accounting policies that may exist where practicable.
- The difference between cost of investments in the subsidiary companies over the net assets at the time of acquisition of shares in the subsidiary companies is recognised in the financial statements as Goodwill, and tested for impairment, or Capital reserve, as the case may be.
- For the purpose of Consolidation of Foreign subsidiaries Income and expenses are translated at average rate during the month, monetary items are translated using closing rate and non-monetary items are translated using rate of exchange at the date of transactions. The net impact of translation is recognised as expense or income in the statement of profit and loss.
- Particulars of Subsidiary companies are as Under

| Name of Company           | Country of Incorporation | % of Voting Power held | Date of Acquisition |
|---------------------------|--------------------------|------------------------|---------------------|
| * GKM General Trading LLC | UAE                      | 49%                    | 26/09/2011          |
| Sakuma Exim DMCC          | UAE                      | 100%                   | 30/11/2011          |

\* Note: The board of Sakuma Exports Ltd having full control over board and operating activity of the GKM general Trading LLC. With regard to this the associate GKM General Trading LLC has been consolidated as subsidiary.

#### Summary of Significant Accounting Policies

##### Presentation and Disclosure of Financial statements.

During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparations of financial statements. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

#### 2.3 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on managements best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustments to the carrying amounts of assets or liabilities in future period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

#### 2.4 Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost of inventories have been computed to include all cost of purchase, and other cost incurred in bringing the goods to the point of sale.

The cost is determined using the First in First Out Basis (FIFO)

## **2.5 Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## **2.6 Cash flow statement**

Cash flows are reported using the indirect method as prescribed by the Securities Exchange Board of India and in accordance with the provisions of accounting standard – 3 issued by the Institute of Chartered Accountant of India whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

## **2.7 Depreciation and amortisation**

Depreciation has been provided on the Written Down Value method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. The company has used the following rates to provide depreciation on its Fixed Assets

Lease Hold Land @5%

Computers and Printers 40%

Plant & Equipement 15.33%

Furniture & Fixtures 18.10%

Vehicles @25.89%

Office Equipment @ 13.91%

Assets of Subsidiary @ 20%

## **2.8 Revenue recognition**

### Sale of goods

Revenue from Sale of goods are recognised, on transfer of significant risks and rewards of ownership to the buyer i.e on shipment or dispatch of goods to customers and is recorded net of Duties and Taxes.

Export Incentive in the form of credit earned on exports made during the year, under Duty Entitlement Pass Book (DEPB)/ Target Plus Licences (DFCE) are accounted for at the time of sale/utilization of license due to uncertainty associated with respect to Sale/Utilization. Duty Drawback is accounted on Accrual Basis

## **2.9 Other income**

Dividend Income from investments are recognized on receipt basis.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

## **2.10 Tangible fixed assets**

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets direct/ indirect and incidental expenses incurred to bring them into their present location and conditions. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

## **2.11 Foreign currency transactions and translations**

### **Foreign currency transactions and balances**

#### Initial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

#### Conversion

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



### Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.

### Measurement of foreign currency monetary items at the Balance Sheet date

In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

## **2.12 Investments**

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments all other investments are classified as non current investments.

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

## **2.13 Employee benefits**

Employee benefits include provident fund, gratuity fund and compensated absences.

### **Defined contribution plans**

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

### **Defined benefit plans**

Defined Benefit Plan i.e gratuity is recognised 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 units of employee benefit entitlement and measures each unit separately to build up the final obligation. The particulars under the AS 15(Revised) are furnished in Disclosure

### **Short-term employee benefits**

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

## **2.14 Borrowing costs**

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

## **2.15 Segment reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

## **2.16 Leases**

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

### **2.17 Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### **2.18 Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

### **2.19 Impairment of assets**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

### **2.20 Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and 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 (excluding retirement benefits) are not discounted to their present value and are determined based on the 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 disclosed in the Notes.



## 2.21 Hedge accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in “Accounting Standard 30 Financial Instruments: Recognition and Measurement”. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in “Hedging reserve account” under Reserves and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the “Hedging reserve account” are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in “Hedging reserve account” is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in “Hedging reserve account” is immediately transferred to the Statement of Profit and Loss.

## 2.22 Derivative contracts

The parent Company enters into derivative contracts in the nature of foreign currency forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

## 2.23 Commodities & Stock Futures

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.

**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.

**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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 3 SHARE CAPITAL

| Particulars   | As at 31 <sup>st</sup> March, 2012 |                    | As at 31 <sup>st</sup> March, 2011 |                    |
|---|------------------------------------|--------------------|------------------------------------|--------------------|
|   | Number of shares                   | ₹                  | Number of shares                   | ₹                  |
| (a) Authorised  |                                    |                    |                                    |                    |
| Equity shares of ₹ 10/ – each with voting rights                  | 30,000,000                         | 300,000,000        | 19,000,000                         | 190,000,000        |
| 5% Cummulative Redeemable preference shares of ₹ 100 each         | –                                  | –                  | 1,100,000                          | 110,000,000        |
| b) Issued, Subscribed and fully paid up                           |                                    |                    |                                    |                    |
| Equity shares of ₹ 10/ – each with voting rights                  | 16,425,943                         | 164,259,430        | 16,425,943                         | 164,259,430        |
| <b>Total issued, Subscribed and fully paid – up share capital</b> | <b>16,425,943</b>                  | <b>164,259,430</b> | <b>16,425,943</b>                  | <b>164,259,430</b> |

#### Notes:

#### (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

| Particulars                             | Opening Balance | Fresh issue | Bonus | ESOP | Conversion | Buy back | Other changes<br>(give details) | Closing Balance |
|---|-----------------|-------------|-------|------|------------|----------|---------------------------------|-----------------|
| <b>Equity shares with voting rights</b> |                 |             |       |      |            |          |                                 |                 |
| Year ended 31 March, 2012               |                 |             |       |      |            |          |                                 |                 |
| – Number of shares                      | 16,425,943      | –           | –     | –    | –          | –        | –                               | 16,425,943      |
| – Amount (₹)                            | 164,259,430     | –           | –     | –    | –          | –        | –                               | 164,259,430     |
| Year ended 31 March, 2011               |                 |             |       |      |            |          |                                 |                 |
| – Number of shares                      | 16,425,943      | –           | –     | –    | –          | –        | –                               | 16,425,943      |
| – Amount (₹)                            | 164,259,430     | –           | –     | –    | –          | –        | –                               | 164,259,430     |

#### Terms/Rights attached to Equity Shares

The Company has one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting

During the year ended 31 March 2012, the amount of per share recognised as distributions to equity shareholders was ₹ 1 per share (31st March 2011 ₹ 1).

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. At present there are no preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (i) Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of shareholder   | As at 31 <sup>st</sup> March, 2012 |                                   | As at 31 <sup>st</sup> March, 2011 |                                   |
|---|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
|   | Number of shares held              | % holding in that class of shares | Number of shares held              | % holding in that class of shares |
| <b>Equity shares with voting rights</b> |                                    |                                   |                                    |                                   |
| Mrs. Kusum Chandermohan Malhotra        | 3310000                            | 20.15%                            | 3310000                            | 20.15%                            |
| Mr. Saurabh Malhotra                    | 3020000                            | 18.39%                            | 3020000                            | 18.39%                            |





|   |                |               |         |        |
|---|----------------|---------------|---------|--------|
| Mr. Chandermohan Malhotra                     | <b>1386710</b> | <b>8.43%</b>  | 1357222 | 8.26%  |
| M/s. Sakuma Infrastructure and Realty Pvt Ltd | <b>1882609</b> | <b>11.47%</b> | 1882609 | 11.47% |
| Mr. Ashok Mittal                              | <b>901725</b>  | <b>5.48%</b>  | 901725  | 5.48%  |

Note:- As per records of the company, including register of shareholders and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

#### NOTE 4 CONSOLIDATED RESERVES AND SURPLUS

| Particulars   | As at<br>31 <sup>st</sup> March, 2012<br>₹ |
|---|--|
| <b>(a) Capital redemption reserve</b>   |  |
| Opening balance   | 100,009,200                                |
| Add: Additions during the year  | -  |
| Transferred from surplus in Statement of Profit and Loss  | -  |
| Others (give details)   | -  |
| Less: Utilised during the year (give details)   | -  |
| Closing balance   | <u>100,009,200</u>                         |
| <b>(b) Securities premium account</b>   |  |
| Opening balance   | 267,418,430                                |
| Add : Premium on shares issued during the year  | -  |
| Less : Utilised during the year for:  | -  |
| Issuing bonus shares  | -  |
| Writing off preliminary expenses  | -  |
| Writing off shares / debentures issue expenses  | -  |
| Closing balance   | <u>267,418,430</u>                         |
| <b>(c) Statutory Reserve</b>  |  |
| Opening balance   | -  |
| Add: Transferred from surplus in Statement of Profit and Loss   | 929,117                                    |
| Less: Utilised / transferred during the year for:   | -  |
| Closing balance   | <u>929,117</u>                             |
| <b>(d) Hedging reserve</b>  |  |
| Opening balance   | -  |
| Add / (Less): Net Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year      | <u>(32,629,834)</u>                        |
| Closing balance   | <u>(32,629,834)</u>                        |
| <b>(e) Surplus / (Deficit) in Statement of Profit and Loss</b>  |  |
| Opening balance   | 42,030,238                                 |
| Add: Profit / (Loss) for the year   | 73,580,437                                 |
| Less: Appropriations  | -  |
| Dividends proposed to be distributed to equity shareholders (₹ 1 per share)<br>(31 <sup>st</sup> March 2011: ₹ 1 per share) | (16,425,943)                               |
| Tax on dividend   | (2,664,700)                                |
| Prior year excess provision for dividend tax  | 126,891                                    |
| Transferred to:   | -  |
| Statutory Resereve  | <u>(929,117)</u>                           |
| Closing balance   | <u>95,717,806</u>                          |
| <b>Total Reserves and Surplus (a to e )</b>   | <u><u>431,444,719</u></u>                  |

## NOTE 5 CONSOLIDATED SHORT-TERM BORROWINGS

| Particulars   | As at<br>31 <sup>st</sup> March, 2012<br>₹ |
|---|--|
| (a) Loans repayable on demand<br>From banks<br>Secured  | 622,254,902                                |
|   | <u>622,254,902</u>                         |
| (b) Loans and advances from related parties Unsecured<br>Sakuma Infrastructure and Realty Pvt ltd | 14,500,000                                 |
|   | <u>14,500,000</u>                          |
| <b>Total</b>  | <u><u>636,754,902</u></u>                  |

### Notes:

- (i) Details of security for the secured short-term borrowings:

| Particulars  | As at<br>31 <sup>st</sup> March, 2012<br>₹ |
|--|--|
| <b><u>Loans repayable on demand</u></b><br><b><u>from banks:</u></b> |  |
| Cash Credit from Corporation Bank                                    | 122,264,783                                |
| Packing Credit from Corporation Bank                                 | 499,990,119                                |
| Total – from banks   | <u><u>622,254,902</u></u>                  |

- i) Cash Credit and Packing Credit are secured against Hypothecation of Inventory, Book debts, Current assets, Fixed assets other than vehicles and Leasehold land, Lien on Term Deposits and pledge of shares of promoters of the company. Cash Credit is repayable on demand and carries interest @14.50% p.a . Packing credit is repayable within period from 90 days to 180 days and carries interest rate @ 11.15% p.a upto the period of Credit.

- (ii) Details of short-term borrowings guaranteed by some of the directors or others:

| Particulars                          | As at<br>31 <sup>st</sup> March, 2012<br>₹ |
|--------------------------------------|--|
| Loans repayable on demand from banks | 622,254,902                                |

## NOTE 6 CONSOLIDATED TRADE PAYABLES

| Particulars            | As at<br>31 <sup>st</sup> March, 2012<br>₹ |
|------------------------|--|
| Trade payables:        |  |
| Other than Acceptances | 124,994,747                                |
| <b>Total</b>           | <u><u>124,994,747</u></u>                  |

## NOTE 7 CONSOLIDATED OTHER CURRENT LIABILITIES

| Particulars                        | As at<br>31 <sup>st</sup> March, 2012<br>₹ |
|------------------------------------|--|
| (a) Unpaid dividends               | 563,110                                    |
| (b) Unpaid Share Application Money | 210,805                                    |
| (c) Other payables                 |  |



|  |                    |
|--|--------------------|
| (i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.) | 2,865,460          |
| (ii) Advances from customers   | 326,014,475        |
| (iii) Others   |                    |
| Unpaid Redemption of Preference Shares Proceeds  | 422,506            |
| Reimbursable Expenses  | 125,900            |
| Fair Value of Forward Contract   | 34,851,698         |
| <b>Total</b>   | <b>365,053,954</b> |

#### NOTE 8 CONSOLIDATED SHORT-TERM PROVISIONS

| Particulars                                  | As at<br>31 <sup>st</sup> March, 2012<br>₹ |
|--|--|
| (a) Provision for employee benefits:         |  |
| (i) Provision for bonus                      | 288,350                                    |
| (ii) Provision for compensated absences      | 129,910                                    |
| (iii) Provision for gratuity (net)           | 445,334                                    |
|  | 863,594                                    |
|  | A  |
| (b) Provision – Others:                      |  |
| (i) Provision for proposed equity dividend   | 16,425,943                                 |
| (ii) Provision for tax on proposed dividends | 2,664,700                                  |
| (iii) Provision – others                     |  |
| Audit Fees Payable                           | 424,350                                    |
| Directors Remuneration Payable               | 700,000                                    |
| Electricity Payable                          | 30,000                                     |
| Ocean Freight Payable                        | 2,033,900                                  |
| Professional Fees Payable                    | 9,000                                      |
| Salary Payable                               | 857,000                                    |
| Telephone Payable                            | 70,000                                     |
| Transport Charges Payable                    | 1,887,801                                  |
| Water Charges Payable                        | 2,785                                      |
|  | 25,105,479                                 |
|  | B  |
| <b>Total A + B</b>                           | <b>25,969,073</b>                          |

#### NOTE 9A CONSOLIDATED FIXED ASSETS

| Tangible assets            | Gross block                               |                  |           |                            |                   |  | Accumulated depreciation and impairment   |  |                                  |  | Net block                                  |
|----------------------------|---|------------------|-----------|----------------------------|-------------------|--|---|--|----------------------------------|--|--|
|                            | Balance as at 1 <sup>st</sup> April, 2011 | Additions        | Disposals | Borrowing cost capitalised | Other adjustments | Balance as at 31 <sup>st</sup> March, 2012 | Balance as at 1 <sup>st</sup> April, 2011 | Depreciation / amortisation expense for the year | Eliminated on disposal of assets | Balance as at 31 <sup>st</sup> March, 2012 | Balance as at 31 <sup>st</sup> March, 2012 |
|                            | ₹   | ₹                | ₹         | ₹                          | ₹                 | ₹  | ₹   | ₹  | ₹                                | ₹  | ₹  |
| (a) Land                   |   |                  |           |                            |                   |  |   |  |                                  |  |  |
| Leasehold                  | 1,270,000                                 | —                | —         | —                          | —                 | 1,270,000                                  | 235,578                                   | 51,721   | —                                | 287,299                                    | 982,701                                    |
| (b) Plant and Equipment    |   |                  |           |                            |                   |  |   |  |                                  |  |  |
| Owned                      | 74,417,284                                | —                | —         | —                          | —                 | 74,417,284                                 | 32,536,564                                | 6,420,314  | —                                | 38,956,878                                 | 35,460,406                                 |
| (c) Furniture and Fixtures |   |                  |           |                            |                   |  |   |  |                                  |  |  |
| Owned                      | 157,642                                   | —                | —         | —                          | —                 | 157,642                                    | 81,805                                    | 13,726   | —                                | 95,531                                     | 62,111                                     |
| (d) Vehicles               |   |                  |           |                            |                   |  |   |  |                                  |  |  |
| Owned                      | 6,979,359                                 | 8,635,364        | —         | —                          | —                 | 15,614,723                                 | 4,110,465                                 | 1,555,182  | —                                | 5,665,647                                  | 9,949,076                                  |
| (e) Office equipment       |   |                  |           |                            |                   |  |   |  |                                  |  |  |
| Owned                      | 1,405,265                                 | 454,124          | —         | —                          | —                 | 1,859,388                                  | 800,802                                   | 250,500  | —                                | 1,051,302                                  | 808,086                                    |
| <b>Total</b>               | <b>84,229,550</b>                         | <b>9,089,488</b> | <b>—</b>  | <b>—</b>                   | <b>—</b>          | <b>93,319,037</b>                          | <b>37,765,214</b>                         | <b>8,291,443</b>                                 | <b>—</b>                         | <b>46,056,657</b>                          | <b>47,262,381</b>                          |

**NOTE 9 B DEPRECIATION AND AMORTISATION RELATING TO CONTINUING OPERATIONS:**

| Particulars   | For the year ended<br>31 <sup>st</sup> March, 2012<br>₹ |
|---|---|
| Depreciation and amortisation for the year on tangible assets as per Note 9 A | 8,291,443   |
| <b>Depreciation and amortisation relating to continuing operations</b>        | <b>8,291,443</b>  |

**NOTE 10 CONSOLIDATED NON-CURRENT INVESTMENTS**

| Particulars  | As at 31 <sup>st</sup> March, 2012 |                  |                  |
|--|------------------------------------|------------------|------------------|
|  | Quoted<br>₹                        | Unquoted<br>₹    | Total<br>₹       |
| (a) Investment in government or trust securities       |                                    |                  |                  |
| Government securities – NSC                            | –                                  | 16,100           | 16,100           |
| (b) Other non-current investments – Gold               | –                                  | 1,658,723        | 1,658,723        |
| <b>Total</b>   | –                                  | <b>1,674,823</b> | <b>1,674,823</b> |
| Less: Provision for diminution in value of investments |                                    |                  | –                |
| <b>Total</b>   |                                    |                  | <b>1,674,823</b> |
| Aggregate amount of unquoted investments               |                                    |                  | 1,674,823        |

**NOTE 11 CONSOLIDATED LONG-TERM LOANS AND ADVANCES**

| Particulars                                | As at<br>31 <sup>st</sup> March, 2012<br>₹ |
|--|--|
| (a) Security deposits                      |  |
| Unsecured, considered good                 | 9,000,000                                  |
| Doubtful                                   |  |
| Less: Provision for doubtful deposits      | –  |
|  | 9,000,000                                  |
| (b) Advance income tax (net of provisions) | 8,421,768                                  |
| <b>Total</b>                               | <b>17,421,768</b>                          |

**Note: Long-term loans and advances include amounts due from:**

| Particulars  | As at<br>31 <sup>st</sup> March, 2012<br>₹ |
|--|--|
| <b>Private companies in which any director is a director or member</b> |  |
| M/s Sakuma Infrastructure and Realty Pvt Ltd                           | 7,470,000                                  |
| <b>Relative of Director</b>  |  |
| Mrs Kusum Malhotra ( Wife of Director)                                 | 1,530,000                                  |
| <b>Total</b>   | <b>9,000,000</b>                           |

**NOTE 12 CONSOLIDATED OTHER NON-CURRENT ASSETS**

| Particulars                                    | As at<br>31 <sup>st</sup> March, 2012<br>₹ |
|--|--|
| (a) Long-term trade receivables                |  |
| Unsecured, considered good                     | 9,622,314                                  |
| Doubtful                                       |  |
| Less: Provision for doubtful trade receivables | –  |
| <b>Total</b>                                   | <b>9,622,314</b>                           |



#### NOTE 13 CONSOLIDATED INVENTORIES (At lower of cost and net realisable value)

| Particulars                               | As at<br>31 <sup>st</sup> March, 2012<br>₹ |
|---|--|
| (a) Stock-in-trade (acquired for trading) | 928,272,302                                |
| Less : Stock Reserve                      | (390,085)                                  |
| <b>Total</b>                              | <b><u>927,882,217</u></b>                  |

#### NOTE 14 CONSOLIDATED TRADE RECEIVABLES

| Particulars  | As at<br>31 <sup>st</sup> March, 2012<br>₹ |
|--|--|
| A. Trade receivables outstanding for a period exceeding six months from the date they were due for payment<br>Unsecured, considered good | 1,052,805                                  |
| B. Other Trade receivables<br>Unsecured, considered good   | 280,892,581                                |
| <b>Total</b>   | <b><u>281,945,386</u></b>                  |

#### NOTE 15 CONSOLIDATED CASH AND CASH EQUIVALENTS

| Particulars  | As at<br>31 <sup>st</sup> March, 2012<br>₹ |
|--|--|
| (a) Cash on hand   | 97,163                                     |
| (b) Balances with banks  |  |
| (i) In current accounts  | 24,027,542                                 |
| (ii) In earmarked accounts   |  |
| – Unpaid dividend accounts   | 976,667                                    |
| – Share application money received for allotment of securities and due for refund                | 210,805                                    |
| – Balances held as margin money or security against borrowings, guarantees and other commitments | 19,276,694                                 |
| <b>Total</b>   | <b><u>44,588,871</u></b>                   |

#### NOTE 16 CONSOLIDATED SHORT-TERM LOANS AND ADVANCES

| Particulars   | As at<br>31 <sup>st</sup> March, 2012<br>₹ |
|---|--|
| (a) Loans and advances to related parties<br>Unsecured, considered good<br>Doubtful | 31,050<br>–<br><u>31,050</u>               |
| Less: Provision for doubtful loans and advances                                     | –<br><u>31,050</u>                         |
| (b) Security deposits<br>Unsecured, considered good<br>Doubtful                     | 72,43,931<br>–<br>–                        |



|   |                            |
|---|----------------------------|
| Less: Provision for doubtful deposits                 | —                          |
|   | <u>72,43,931</u>           |
| (c) Loans and advances to employees                   |                            |
| Unsecured, considered good                            | 2,25,000                   |
| Doubtful  | —                          |
| Less: Provision for doubtful loans and advances       | —                          |
|   | <u>2,25,000</u>            |
| (d) Advance recoverable in cash or kind               |                            |
| Unsecured, considered good                            | 22,48,75,369               |
| Less: Provision                                       | —                          |
|   | <u>22,48,75,369</u>        |
| (e) Other Loans and Advances                          |                            |
| Prepaid expenses – Unsecured, considered good         | 13,64,02,902               |
| Balances with government authorities                  | —                          |
| Unsecured, considered good                            | —                          |
| (i) Duty Drawback Receivable                          | 4,37,27,265                |
| (ii) VAT credit receivable                            | 14,14,763                  |
| (i) Service Tax Refund receivable                     | 1,44,34,960                |
|   | <u>19,59,79,890</u>        |
| Less: Provision for other doubtful loans and advances | —                          |
|   | <u>19,59,79,890</u>        |
| <b>Total (a to e)</b>                                 | <u><u>42,83,55,240</u></u> |

**Note 17 Consolidated Other current assets**

|                                  |                            |
|----------------------------------|----------------------------|
| (a) Accruals                     |                            |
| (i) Interest accrued on deposits | 19,17,256.00               |
|                                  | <u>19,17,256.00</u>        |
| <b>Total</b>                     | <u><u>19,17,256.00</u></u> |

**NOTE 18 REVENUE FROM OPERATIONS ( CONSOLIDATED)**

| Particulars  | For the year ended<br>31 <sup>st</sup> March, 2012<br>₹ |
|--|---|
| (a) Sale of products (Refer Note (i) below)          | 9,57,34,74,502  |
| (b) Other operating revenues (Refer Note (ii) below) | 21,02,70,305  |
| <b>Total</b>   | <u><u>9,78,37,44,807</u></u>                            |
| (i) Sale of products comprises :                     |   |
| <u>Traded goods</u>                                  |   |
| Sugar  | 8,40,70,45,722  |
| Papers   | 27,42,18,959  |
| Power  | 66,65,201   |
| Other Agriculture commodities                        | 88,55,44,620  |
| <b>Total – Sale of traded goods</b>                  | <u>9,57,34,74,502</u>                                   |
| <b>Total – Sale of products</b>                      | <u><u>9,57,34,74,502</u></u>                            |
| (ii) Other operating revenues comprise:              |   |
| Sale of scrap  |   |
| Duty drawback and other export incentives            | 21,79,97,756  |
| Gain/(Loss) on Commodity Forwards                    | (77,27,451)   |
| <b>Total – Other operating revenues</b>              | <u><u>21,02,70,305</u></u>                              |



## NOTE 19 OTHER INCOME ( CONSOLIDATED)

| Particulars   | For the year ended<br>31 <sup>st</sup> March, 2012<br>₹ |
|---|---|
| (a) Interest income (Refer Note (i) below)  | 68,00,886   |
| (b) Dividend income:<br>others  | 13,01,630   |
| (c) Net gain on foreign currency transactions and translation (other than considered as finance cost)         | 2,70,47,265   |
| (d) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below) | 50,61,519   |
| <b>Total</b>  | <u>4,02,11,300</u>                                      |
| (i) Interest income comprises:<br>Interest from banks on:<br>deposits<br>Interest on income tax refund        | 68,00,886   |
| <b>Total – Interest income</b>  | <u>68,00,886</u>  |
| ii) Miscellaneous income  | 50,61,519   |
| <b>Total – Other non-operating income</b>   | <u>50,61,519</u>  |

## NOTE 20.A PURCHASE OF TRADED GOODS

| Particulars                   | For the year ended<br>31 <sup>st</sup> March, 2012<br>₹ |
|-------------------------------|---|
| Sugar                         | 7,90,84,03,192  |
| Paper                         | 24,73,49,937  |
| Other Agriculture Commodities | 54,02,94,841  |
| <b>Total</b>                  | <u>8,69,60,47,970</u>                                   |

## NOTE 20.B CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

| Particulars   | For the year ended<br>31 <sup>st</sup> March, 2012<br>₹ |
|---|---|
| Inventories at the end of the year:<br>Stock-in-trade       | <u>92,78,82,217</u>                                     |
| Inventories at the beginning of the year:<br>Stock-in-trade | <u>48,21,23,725</u>                                     |
| <b>Net (increase) / decrease</b>                            | <u>(44,57,58,492)</u>                                   |

**NOTE 21 EMPLOYEE BENEFITS EXPENSE**

| <b>Particulars</b>                         | <b>For the year ended<br/>31<sup>st</sup> March, 2012<br/>₹</b> |
|--|---|
| Salaries and wages                         | 81,60,523   |
| Directors Remuneration                     | 84,00,000   |
| Contributions to provident and other funds | 2,65,981  |
| Contribution to Gratuity Fund              | 5,07,740  |
| Staff welfare expenses                     | 23,17,712   |
| <b>Total</b>                               | <b>1,96,51,956</b>  |

**NOTE 22 FINANCE COSTS**

| <b>Particulars</b>       | <b>For the year ended<br/>31<sup>st</sup> March, 2012<br/>₹</b> |
|--------------------------|---|
| (a) Interest expense on: |   |
| (i) Borrowings           | 4,74,17,815   |
| <b>Total</b>             | <b>4,74,17,815</b>  |

**NOTE 23 OTHER EXPENSES**

| <b>Particulars</b>                  | <b>For the year ended<br/>31<sup>st</sup> March, 2012<br/>₹</b> |
|-------------------------------------|---|
| Bank Charges                        | 76,33,893   |
| Power and fuel                      | 3,43,375  |
| Rent including lease rentals        | 87,23,692   |
| Repairs and maintenance – Machinery | 15,40,696   |
| Repairs and maintenance – Others    | 1,49,814  |
| Insurance                           | 10,33,678   |
| Rates and taxes                     | 15,47,616   |
| Communication                       | 31,51,334   |
| Travelling and conveyance           | 45,21,514   |
| Printing and stationery             | 13,57,072   |
| Freight and forwarding              | 37,31,67,701  |
| Sales commission                    | 17,28,652   |
| Business promotion                  | 12,20,927   |
| Donations and contributions         | 82,001  |
| Legal and professional              | 58,49,690   |
| Payments to auditors                | 5,36,691  |
| Labour Charges                      | 67,51,887   |
| Loading and Unloading Charges       | 78,17,535   |
| Terminal and Handling Charges       | 2,42,83,214   |
| Transport Charges                   | 18,05,45,203  |
| Warehouse Charges                   | 1,80,73,023   |
| Custom Duty                         | 5,09,17,805   |
| Demurrage Charges                   | 42,28,033   |
| Detention Charges                   | 46,87,777   |





|  |                       |
|--|-----------------------|
| Transaction Charges trading in Commodities & Securities Exchange | 11,12,185             |
| Brokerage on trading in Commodities & Securities Exchange        | 1,54,43,467           |
| Custodian Expenses   | 36,23,957             |
| ECGC Premium   | 26,28,930             |
| Lodging & Boarding   | 18,86,685             |
| MBPT Charges   | 29,23,125             |
| License & Quota Charges  | 63,94,99,329          |
| Bad trade and other receivables, loans and advances written off  | 25,08,364             |
| Prior period items (net)   | 25,000                |
| Miscellaneous expenses   | 89,90,897             |
| <b>Total</b>   | <b>1,38,85,34,762</b> |

#### NOTE 24 DISCLOSURES UNDER ACCOUNTING STANDARDS

24.1 The geographic segments individually contributing 10 percent or more of the Company's revenues and segment assets are shown separately:

| Geographic Segment | Revenues<br>For the year ended<br>31 <sup>st</sup> March, 2012<br>₹ | Segment assets<br>As at<br>31 <sup>st</sup> March, 2012<br>₹ | Capital expenditure incurred<br>during the year ended<br>31 <sup>st</sup> March, 2012<br>₹ |
|--------------------|---|--|--|
| With in India      | 1,21,12,83,629  | 20,55,695  | 89,66,210  |
| Rest of the World  | 8,57,24,61,178  | 27,98,89,691   | 1,23,277   |

#### 24.2 Earnings per share

##### **Basic & Diluted**

|  |             |
|--|-------------|
| Net profit / (loss) for the year   | 7,35,89,729 |
| Less: Preference dividend and tax thereon                                | —           |
| Net profit / (loss) for the year attributable to the equity shareholders | 7,35,89,729 |
| Weighted average number of equity shares                                 | 1,64,25,943 |
| Par value per share  | 10          |
| Earnings per share   | 4.48        |

#### NOTE 25 PREVIOUS YEAR'S FIGURES

| Note | Particulars   |
|------|---|
| 25   | This being the first year of consolidation comparative figures of previous year are not available |

**SAKUMA EXPORTS LIMITED**

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

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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](mailto: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](http://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* |  |
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| Folio No.** |  |
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| Client ID* |  |
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|                           |  |
|---------------------------|--|
| 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* |  |
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| Folio No. |  |
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| 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 Seventh Annual General Meeting of the Company to be held on 27th September, 2012 at 10.30 A.M. at P L Despande Kala Academy, Ravindra Natya Mandir, Third Floor, Mini Theatre, Sayani Road, Prabhadevi, Mumbai: 400 025 and at any adjournment thereof.

AS WITNESS my hand/our hands this \_\_\_\_\_ day of \_\_\_\_\_ 2012

\*Applicable for investors holding shares in dematerialised form.

|  |
|--|
| Affix a Re<br>1.00<br>revenue<br>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.

