

CORPORATE GOVERNANCE REPORT

Under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

For The Financial Year 31st March, 2017

The Directors' Report on the compliance of the Corporate Governance Code is given below.

1. CORPORATE GOVERNANCE

1.1 Company's Philosophy on Corporate 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.

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our place of work, transparency in decision making process, fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices being followed since the inception have contributed to the Company's sustained growth. The Company also believes that its operations should ensure that the precious natural resources are utilized in a manner that contributes to the "Triple Bottom Line".

The Company believes that sound corporate governance is critical to enhance and retain investors' trust. The Company's corporate governance philosophy is based on the following principles:

1. Primary responsibility of a good corporate entity is maximizing shareholders value.
2. Be transparent and maintain a high degree of disclosures level.
3. Sound system of risk management and internal control.
4. Principles of integrity, transparency, disclosures, accountability and fairness.
5. Upholding the highest standards of professionalism.
6. Management is the trustee of the shareholders' capital and not the owner.

A Report on compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations") is given below:

1.2 The Governance Structure

Sakuma's Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

- a. **Board of Directors** – The Sakuma Board plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company; ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders.
- b. **Committee of Directors** – With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee. Each of these Committees has been mandated to operate within a given framework.



- c. **Management Structure** – Management structure for running the business as whole is in place with appropriate delegation of powers and responsibilities to the functional heads. The Executive Chairman and Managing Director is in overall control and responsible for day-to-day working of the Company. They give strategic direction, lay down policy guidelines and ensure implementation of the Board of Directors and its various committees.

2. BOARD OF DIRECTORS

2.1 Composition and Category of Directors

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

Name	Executive/ Non Executive	Promoter/ Independent	Relationship with Directors
*Mr. Chander Mohan	Executive	Promoter	Father of Mr. Saurabh Malhotra and Ms. Shipra Malhotra
Mr. Saurabh Malhotra	Executive	Promoter	Son of Late Mr. Chander Mohan and brother of Ms. Shipra Malhotra
Ms. Shipra Malhotra	Non Executive	Promoter	Daughter of Late 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. Om Parkash Singal	Non Executive	Independent	Not Related to any Directors

*Ceased to be Director *m.e.f.* 4th May, 2017

The Company has received declaration from Independent Directors that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The Company is also compliant with composition of Board of Directors with minimum two Independent Directors as prescribed under Section 149(4) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of SEBI Regulations.

2.2 Board Training and Induction

At the time of appointing a Director, a formal letter of appointment is given to him / her, which inter alia explains the role, function, duties and responsibilities expected of him / her as a Director of the Company. The Director is also explained in detail the compliances required from him / her under the Companies Act, SEBI Regulations and other relevant regulations and his / her affirmation taken with respect to the same. The Executive Chairman & MD also has a one-to-one discussion with the newly appointed Director. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him / her to effectively fulfill his / her role as a Director of the Company.

2.3 Board Meetings held during the Year

Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
28 th May, 2016	6	6
11 th August, 2016	6	5
8 th November, 2016	6	6
10 th February, 2017	6	6

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

Dates of Board Meetings	*Chander Mohan	Saurabh Malhotra	Shipra Malhotra	Ashok Kumar Doda	Radhe Shyam	Om Parkash Singal
28 th May, 2016	Present	Present	Present	Present	Present	Present
11 th August, 2016	Present	Absent	Present	Present	Present	Present
8 th November, 2016	Present	Present	Present	Present	Present	Present

10 th February, 2017	Present	Present	Present	Present	Present	Present
Total Attendance (out of 4 Board Meetings)	4	3	4	4	4	4
Attendance at Last AGM	Present	Present	Present	Present	Present	Present

*Ceased to be Director *m.e.f.* 4th May, 2017

- 2.4 a. Number of other Companies where director (of SEL) hold memberships on the Board of Directors:
 b. Number of Committees in which the Directors (of SEL) hold Memberships or Chairmanships:

Name of Directors	No. of Directorship held in Indian public limited Companies (including SEL)	**Number of Committee Memberships / Chairmanships (including SEL)	
		Chairman	Member
*Mr. Chander Mohan	1	0	0
Mr. Saurabh Malhotra	1	0	0
Ms. Shipra Malhotra	1	0	1
Mr. Ashok Kumar Doda	2	2	1
Mr. Radhe Shyam	1	1	1
Mr. Om Parkash Singal	2	0	1

*Ceased to be Director *m.e.f.* 4th May, 2017

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

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly/half yearly unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance, and reviews such other items which require Board's attention. It directs and guides the activities of the Management towards the set goals and seeks accountability. It also sets standards of corporate behavior, ensures transparency in corporate dealings and compliance with laws and regulations. The Agenda for the Board Meeting covers items set out as guidelines in SEBI Regulations to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

3. COMMITTEES OF THE BOARD

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following *mandatory* committees viz. *Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee*. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

3.1 Audit Committee

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Committee is governed by Terms of Reference which is in line with the regulatory requirements mandated by the Companies Act, 2013 and SEBI Regulations. Some of the important functions performed by the Committee are:

3.1.1 Financial Reporting and Related Processes

- Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.



- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgement by the Management, significant adjustments made in the financial statements and / or recommendation, if any, made by the Statutory Auditors in this regard.
- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditor its judgement about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India (IGAAP).
- Review the investments made by the Company.

3.1.2 Internal Controls and Governance Processes

- Review the adequacy and effectiveness of the Company's system and internal controls.
- Review and discuss with the Management the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
- To oversee and review the functioning of a vigil mechanism (implemented in the Company as a Whistle Blower Policy) and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.

3.1.3 Audit

- Review the scope of the Statutory Auditors, the annual audit plan and the Internal Audit Plan with a view to ensure adequate coverage.
- Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and Cost Auditors considering their independence and effectiveness and their replacement and removal.
- Approve such additional services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.
- To recommend to the Board the remuneration of the Statutory Auditors/Cost Auditors.
- To discuss with the Statutory Auditors/Chief Internal Auditors any significant difficulties encountered during the course of the Audit.
- Review annual Cost Audit Report submitted by the Cost Auditor.

3.1.4 Other Duties

- To approve the appointment, removal and terms of remuneration of the Chief Internal Auditor and to approve the appointment of the Chief Financial Officer.
- To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board.

The composition of the Audit Committee as at 31st March, 2017 and details of the Members participation at the Meetings of the Committee are as under:

Dates of Meeting	Radhe Shyam*	Ashok Kumar Doda#	Om Parkash Singal [§]
28 th May, 2016	Present	Present	Present
11 th August, 2016	Present	Present	Present

8 th November, 2016	Present	Present	Present
10 th February, 2017	Present	Present	Present
Total (out of 4 meetings)	4	4	4

*Chairman & Non – Executive Independent Director

#Member & Non – Executive Independent Director

§Member & Non – Executive Independent Director

The present constitution of the Audit Committee is compliant with Section 177(2) of the Companies Act, 2013. The Company has adopted at its Board meeting held on 15th May, 2014 the terms of reference of Audit Committee as prescribed under Section 177(4) of the Companies Act, 2013 w.e.f. 1st April, 2014. All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

M/s. M. L. Sharma & Co., Statutory Auditors are invited to attend the Audit Committee Meetings.

The minutes of the meetings of the Audit Committee are circulated to all the members of the Board.

The Chairman of the Audit Committee will be present at the Annual General Meeting, to answer the shareholders queries, if any.

3.2 Stakeholders' Relationship Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the SEBI Regulations, the Stakeholders' Relationship Committee comprises three Members of which two Members are Independent Directors.

3.2.1 Terms of Reference of the Committee

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non receipt of annual reports, notices, non receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors/ stakeholders grievances;
- all other matters incidental or related to shares, debentures and other securities of the Company.

The composition of the Stakeholders' Relationship Committee as at 31st March, 2017 and details of the Members participation at the Meetings of the Committee are as under:

Dates of Meeting	Ashok Kumar Doda*	Shipra Malhotra#	Radhe Shyam§
28 th May, 2016	Present	Present	Present
11 th August, 2016	Present	Present	Present



8 th November, 2016	Present	Present	Present
10 th February, 2017	Present	Present	Present
Total (out of 4 meetings)	4	4	4

*Chairman & Non – Executive Independent Director

#Member & Non – Executive Promoter Director

§Member & Non – Executive Independent Director

3.2.2 Compliance Officer

As required by the Listing Agreement, the Company has appointed Mr. Raju Pillai as the Compliance Officer. Email address of Compliance Officer is companysecretary@sakumaexportsltd.com

3.2.3 Status of Transfers

During the year ended 31st March, 2017, no shares in physical form were processed for transfer. There were no pending share transfers as on 31st March, 2017.

3.2.4 Complaints

During the year ended 31st March, 2017, the Company had received three complaints and no complaints were pending for redressal either at the beginning or at the end of the year.

3.3 Nomination and Remuneration Committee (NRC)

In compliance with Section 178 of the Companies Act, 2013 and SEBI Regulations, the Nomination and Remuneration Committee (NRC) comprise three Members of which two Members are an Independent Directors.

3.3.1 Terms of Reference

- The Committee shall identify the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board their appointment and removal and shall carry out evaluation of every directors performance.
- Lay down the criteria for determining the qualifications, positive attributes and independence of a Director and further recommend to the Board the policy for remuneration of Director, Key Managerial Personnel and Employees.

3.3.2 Remuneration Policy

While formulating the policy the Committee has to ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Remuneration to directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The composition of the Nomination and Remuneration Committee as at 31st March, 2017 and the details of Members participation at the Meetings of the Committee are as under:

Date of Meeting	Radhe Shyam*	Om Parkash Singal [#]	Shipra Malhotra [§]
28 th May, 2016	Present	Present	Present
Total	1	1	1

*Chairman & Non – Executive Independent Director

#Member & Non – Executive Independent Director

§Member & Non – Executive Promoter Director

3.4 Corporate Social Responsibility (CSR) Committee

3.4.1 Terms of Reference

Pursuant to the requirement of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Corporate Social Responsibility Policy was adopted by the Board of Directors at its meeting held on 13th February, 2016. This Policy has been placed in the Website of the Company at the web link <http://www.sakumaexportsltd.com/policies.html>

The composition of the Corporate Social Responsibility Committee as at 31st March, 2017 and the details of Members' participation at the Meetings of the Committee are as under:

Date of Meeting	Chander Mohan*	Shipra Malhotra [#]	Om Parkash Singal [§]
10 th February, 2017	Present	Present	Present
Total	1	1	1

*Chairman & Executive Director (*Ceased to be Director w.e.f. 4th May, 2017*)

[#]Member & Non – Executive Promoter Director

[§]Member & Non – Executive Independent Director

3.5 Risk Management Committee (Non-Mandatory)

The nature of business is export and trading in commodities. The inheritant risk to the business of the company is as follows:

- a. Foreign Exchange risk
- b. Commodity Price risk
- c. Risk elements in business transactions
- d. Physical risk to cargo

All the above risk has been discussed in the Management Discussion and Analysis Report. The Executive Chairman & MD mitigate the risk with the help of their depth of knowledge of market, assistance of senior management and forecast based on various data available with the Company. The Company has developed the analysis of market data which helps in decision making and to ensure the mitigation of the risk.

The Company has not formed Risk Management Committee as it is not applicable under Regulation 21 of the SEBI (LODR) Regulations, 2015.

3.6 Independent Directors' Meeting

As per the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Independent Directors are required to hold at least one meeting in a year to discuss the following:

- Review the performance of non-independent directors and the Board as a whole.
- Review the performance of the Chairperson of the Company taking into account the views of executive directors and non-executive directors.
- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Nomination and Remuneration Committee in its meeting held on 10th February, 2015 had adopted the performance evaluation criteria for the Independent Directors and the same had been applied by the Board in its meeting held on 10th February, 2017 for evaluating the performance of the Independent Directors. All the Independent Directors attended the meeting held on 10th February, 2017 and discussed the above points.

3.7 Policy for Selection and Appointment of Directors and their Remuneration

The Nomination and Remuneration Committee (NRC) has adopted a Policy which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. The said Policy has been outlined below:



3.7.1 Criteria of Selection of Non Executive Directors

- The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- In case of appointment of Independent Directors, the NRC shall satisfy itself with regard to the independent nature of the Directors vis-a-vis the Company so as to enable the Board to discharge its function and duties effectively.
- The NRC shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- The NRC shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
 - Qualification, expertise and experience of the Directors in their respective fields;
 - Personal, Professional or business standing;
 - Diversity of the Board.
- In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

3.7.2 Remuneration

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

- A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

3.7.3 Executive Chairman & Managing Director - Criteria for Selection / Appointment

For the purpose of selection of the Executive Chairman & MD, the NRC shall recommend the Promoter Directors as Executive Chairman & Managing Director who are persons of integrity who possess relevant expertise, experience and leadership qualities required for the position.

Remuneration for the Executive Chairman & Managing Director

- At the time of appointment or re-appointment, the Executive Chairman & MD shall be paid such remuneration as may be mutually agreed between the Company (which includes the NRC and the Board of Directors) and the Executive Chairman & MD within the overall limits prescribed under the Companies Act, 2013.
- The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- The remuneration of the Executive Chairman & MD is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises performance bonus.

3.7.4 Remuneration Policy for the Senior Management Employees

- In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the NRC shall ensure / consider the following:
 - the relationship of remuneration and performance benchmark is clear;
 - the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;

- the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
 - the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-a-vis the annual budget achievement, individuals performance vis-a-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.
- The MD will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the NRC for its review and approval.

3.8 Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Board Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as Managing Relationships, Leadership, Strategy Formulation and execution, financial planning / performance, Relationships with the Board, External Relations, Human Resources Management/Relations, Succession, Product/Service Knowledge, and Personal Qualities etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

3.9 Details of Remuneration paid to all Directors

The aggregate remuneration paid to the Directors for the year ended 31st March, 2017 is as under:

Name of Directors	Designation	Salary & Perquisites (In Rs.)	Commission (In Rs.)	Sitting Fees (In Rs.)	Total (In Rs.)
*Chander Mohan	Executive Chairman	72,00,000	-	-	72,00,000
Saurabh Malhotra	Managing Director	72,00,000	-	-	72,00,000
Shipra Malhotra	Non – Executive Director	-	-	2,00,000	2,00,000
Ashok Kumar Doda	Independent Director	-	-	2,00,000	2,00,000
Radhe Shyam	Independent Director	-	-	2,00,000	2,00,000
Om Parkash Singal	Independent Director	-	-	2,00,000	2,00,000

*Ceased to be Director *m.e.f.* 4th May, 2017

Note: The Company does not pay any allowances, perquisites, performance bonus, sign-on amount to Executive and Non – Executive Directors.

Details of Service Contracts:

Name and Designation	Current Tenure	From	To
*Mr. Chander Mohan Executive Chairman	3 years	1 st September, 2016	31 st August, 2019
Mr. Saurabh Malhotra Managing Director	3 years	1 st September, 2016	31 st August, 2019

*Ceased to be Director *m.e.f.* 4th May, 2017



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

Non – Executive Directors	No. of shares held as on 31 st March, 2017	No. of shares held as on 31 st March, 2016
Shipra Malhotra	500	500
Ashok Kumar Doda	100	100
Radhe Shyam	68,053	68,053
Om Parkash Singal	500	500

Details of Remuneration paid to the Directors are given in Form MGT-9

4. SUBSIDIARY COMPANIES

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year. Accordingly, a policy on material subsidiaries has not been formulated.

The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meetings.

The copies of the Minutes of the Audit Committee / Board Meetings of Subsidiary Companies are individually given to all the Directors and are tabled at the subsequent Board Meetings.

5. DISCLOSURES

5.1 Related Party Transactions

Transactions with related parties, as per requirements of Accounting Standard – 18, are disclosed in notes to accounts annexed to the financial statements.

There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or Subsidiaries that had potential conflict with the Company's interest. Suitable disclosure as required by the Accounting Standard (AS – 18) has been made in the Annual Report.

The Board has approved a policy for related party transactions.

5.2 Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the SEBI or by any statutory authority on any matters related to capital markets during the last three years.

5.3 Compliance with Accounting Standards

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

5.4 Internal Controls

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances. The Company has a strong monitoring and reporting process resulting in financial discipline and accountability.

5.5 MD Certification

The MD have issued certificate pursuant to the provisions of the SEBI Regulations certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

5.6 Code of Conduct for the Board Members and Senior Management

The Company had formulated a Code of Business Conduct for the employees, including the Directors, for dealing with all the stakeholders of the Company and the same was first adopted by the Board in its meeting held on 15th May, 2014.

The Code inter alia covers conduct of employees, environment, health & safety, anti-trust / competition laws, anti-bribery & anti-corruption, proper accounting and internal controls. The updated Code is also available on the Company's official website at the web link <http://www.sakumaexportsltd.com/policies.html>

In terms of the resolution passed by the Board of Directors in their meeting held on 29th May, 2017, the Board has authorized Mr. Saurabh Malhotra, Managing Director to sign all Certificates as may be required, to comply with the statutory requirements.

Accordingly, a declaration from the Managing Director that all Board Members and Senior Management personnel have duly complied with the Code of Conduct for the financial year ended 31st March, 2017 forms part of the Annual report.

5.7 Vigil Mechanism / Whistle Blower Policy

During the financial year 2016 – 17, in accordance with the Regulation 22 of the SEBI Regulations and pursuant to Section 177 (9) read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the company has adopted a Whistle Blower Policy. The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. As per the Whistle Blower Policy, the employees are free to report violations of laws, rules, regulations or un-ethical conduct to their immediate superior. The confidentiality of those reporting / violations is maintained and they are not subjected to any discriminatory practice.

5.8 Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Compliance Officer is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

5.9 Communication with the Members/ Shareholders

- The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year as per the requirements of the SEBI Regulations. The aforesaid financial results are sent to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board. The results are published within forty-eight hours in leading English and Marathi daily newspapers. The Audited Financial Statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.
- The Company also informs by way of intimation to BSE and NSE all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members and subsequently issues a Press Release in regard to the same.

The Annual Report of the Company, the quarterly / half yearly and the Annual Financial Statements and the press releases of the Company are also placed on the Company's website www.sakumaexportsltd.com and can be downloaded.

- In compliance with SEBI Regulations, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication is filed electronically on BSE's Online Portal – BSE Corporate Compliance & Listing Centre (Listing Centre) and on NSE Electronic Application Processing System (NEAPS), the on-line portal of National Stock Exchange of India Limited. The Company has complied with filing submissions through BSE's Online Portal and NSE's Online Portal.



6. GENERAL INFORMATION TO SHAREHOLDERS

Financial Year Ended: 31st March, 2017

6.1 Investor Services

Pursuant to the directive of SEBI, whereby all work related to share register in terms of both physical and electronic mode for maintenance had to be carried out at a single point, the Company has appointed M/s. Big Share Services Private Limited as its Registrar & Share Transfer Agent, to handle its entire share related activities, both for physical shares and shares in demat form.

Big Share Services Private Limited

E-2, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (E), Mumbai – 400 072.
Tel. No.: 022 4043 0200
Fax No.: 022 2852 5207
Email: info@bigshareonline.com
bss@bigshareonline.com
Website: www.bigshareonline.com

6.2 Address for correspondence with Depositories

National Securities Depository Limited
Trade World, 4th & 5th Floor,
Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013
Tel. No.: 022 2499 4200
Fax No.: 022 2497 2993/6351
E-mail : info@nsdl.co.in
Website : www.nsdl.co.in

Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers, 17th Floor,
Dalal Street,
Mumbai – 400 001
Tel. No.: 022 2272 3333
Fax No.: 022 2272 3199/2072
E-mail : investors@cdslindia.com
Website : www.cdslindia.com

6.3 Registered Office & Correspondence Address

Sakuma Exports Limited

Aurus Chamber, A 301, Near Mahindra Tower, S S Amrutwar Lane, Worli, Mumbai – 400 013
Tel. No.: 022 2499 9021/ 2499 9022
Fax No.: 022 2499 9024 / 2499 9027
Website: www.sakumaexportsltd.com
Contact Person: Mr. Raju Pillai, Compliance Officer
Email Address: companysecretary@sakumaexportsltd.com

Members who hold shares in dematerialized form should correspond with the Depository Participant with whom they maintain Demat Account(s), for their queries relating to shareholding, change of address, credit of dividend through NECS. However, queries relating to non-receipt of dividend, non-receipt of annual reports, or on matters relating to the working of the Company should be sent to the Company.

Members who hold shares in physical form should address their queries to the Company.

Members are requested to ensure that correspondence for change of address, change in bank details, processing of unclaimed dividend, sub – division of shares, renewals / split / consolidation of share certificates, issue of duplicate share certificates should be signed by the first named Member as per the specimen signature registered with the Company. The Company may also, with a view to safeguard the interest of its Members and that of the Company, request for additional supporting documents such as certified copies of PAN Cards and other proof of identity and/or address.

Members are requested to indicate their DP ID & Client ID/ Ledger Folio number in their correspondence with the Company and also to provide their Email addresses and telephone numbers/FAX numbers to facilitate prompt response from the Company.

6.4 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.

6.5 Market Information

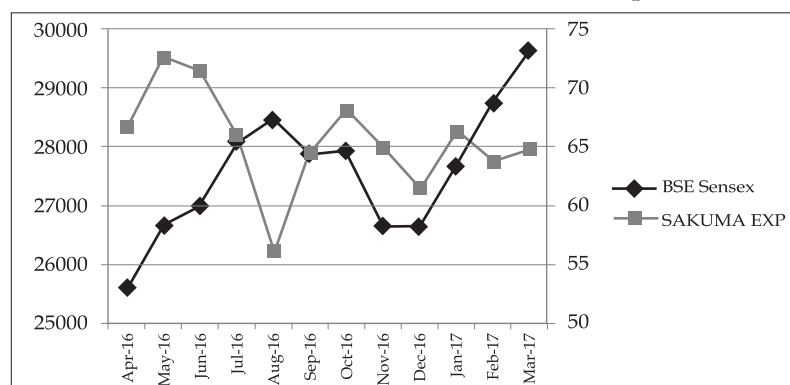
Listing on Stock Exchanges

The Company's shares are listed on the following Stock Exchanges and the Listing Fees have been paid to the each Exchange:

Name & Address of the Stock Exchanges	Stock Code/ Scrip Code	ISIN Number for CDSL (Dematerialised shares)
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	532713	INE 190H01016
The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	SAKUMA	

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))

Index Comparison



*Monthly High and Low Prices of the Equity Shares of the Company for the year ended 31st March, 2017:

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)	* Spread (Rs.)	
								H-L	C-O
Apr-16	63.40	74.40	63.00	66.70	253487	5446	17310877	11.40	3.30
May-16	67.00	82.70	60.40	72.60	507838	7566	37687498	22.30	5.60
Jun-16	71.80	82.90	65.00	71.45	475576	6374	35764692	17.90	-0.35
Jul-16	72.15	72.65	64.35	66.00	122048	1441	8347429	8.30	-6.15
Aug-16	64.65	68.00	49.80	56.05	199864	2365	11314081	18.20	-8.60
Sep-16	55.50	79.90	52.95	64.50	788810	8658	54978765	26.95	9.00
Oct-16	65.85	72.85	60.55	68.00	244060	3141	16135267	12.30	2.15
Nov-16	68.10	70.80	56.00	64.90	310495	3457	19999173	14.80	-3.20
Dec-16	67.00	70.00	58.30	61.50	169846	1473	10651665	11.70	-5.50
Jan-17	64.30	71.50	61.45	66.25	267100	2689	17575748	10.05	1.95
Feb-17	65.30	74.00	60.25	63.75	363336	3692	24219740	13.75	-1.55
Mar-17	63.65	68.90	60.10	64.75	236940	1932	15428150	8.80	1.10

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



Annual Custody Fees to Depositories

The Company has paid Annual Custody Fees for the year 2015 – 16 and 2016 – 17 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within the stipulated time.

7. SHARE TRANSFER SYSTEM / DIVIDEND AND OTHER RELATED MATTERS

7.1 Share transfers

Share transfers in physical form are processed and the share certificates are generally returned to the transferees within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects.

7.2 Nomination facility for shareholding

As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain nomination form, from the Share Department of the Company. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

7.3 Permanent Account Number (PAN)

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

7.4 Dividend

➤ Payment of dividend through National Electronic Clearing Service (NECS):

The Company provides the facility for remittance of dividend to the Members through NECS. To facilitate dividend payment through NECS, members who hold shares in demat mode should inform their Depository Participant and such of the Members holding shares in physical form should inform the Company of the core banking account number allotted to them by their bankers. In cases where the core banking account number is not intimated to the Company / Depository Participant, the Company will issue dividend warrants to the Members.

➤ Unclaimed Dividends:

The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Central Government. The Company has in December 2016 transferred to the said fund, the dividends for the year ended 31st March, 2009 for the Preference Shares which have remained unclaimed / unpaid.

For Equity Shareholders:

Financial Year	Date of Declaration of Dividend	Last Date of claiming Unpaid Dividend
Final Dividend 2011 – 2012	26.09.2012	31.10.2019
Final Dividend 2012 – 2013	29.07.2013	02.09.2020
Final Dividend 2013 – 2014	28.08.2014	02.10.2021
Final Dividend 2014 – 2015	11.08.2015	15.09.2022
Interim Dividend 2015 – 2016	11.03.2016	15.04.2023

For Preference Shareholders:

Financial Year	Date of Declaration of Dividend	Last Date of claiming Unpaid Dividend
Dividend 2009 – 2010	15.09.2010	20.10.2017
Dividend 2010 – 2011	28.02.2011	27.02.2018

Individual reminders are sent each year to those Members whose dividends have remained unclaimed for a period of seven years from the date they became due for payment, before transferring the monies to the Investor Education & Protection Fund (IEPF). The information on unclaimed dividend is also placed on the website of the Company as aforesaid.

➤ Dividend History (last 5 Years)

Sr. No.	Financial Year	Final / Interim	Dividend %	Total Dividend (In Rs.)
1.	2015 - 16	Interim	10%	1,64,25,943
2.	2014 – 15	Final	10%	1,64,25,943
3.	2013 – 14	Final	10%	1,64,25,943
4.	2012 – 13	Final	10%	1,64,25,943
5.	2011 – 12	Final	10%	1,64,25,943

7.5 Transfer of ‘Underlying Shares’ into Investor Education and Protection Fund (IEPF) (in cases where unclaimed dividends have been transferred to IEPF for a consecutive period of seven years)

Members attention is invited to Regulation 39(4) and Schedule VI of the SEBI Regulations. As per the said Regulations, in cases where unclaimed dividends have been transferred to Investor Education and Protection Fund (IEPF) for a consecutive period of seven years, the underlying shares are also required to be transferred to IEPF. The said Regulation has come into effect from 1st December, 2015.

7.6 Dealing with securities which have remained unclaimed

Members are hereby informed that as per Regulation 39(4) read with Schedule VI of the SEBI Regulations, the Company is in the process of dematerializing unclaimed shares which are retained with the Company. These shares would be held by the Company on behalf of the holders of such shares in an “Unclaimed Suspense Account” to be opened with a depository. At the end of seven years, hereof, these shares shall be transferred by the Company to the IEPF. Dividends remaining unclaimed in respect of such shares shall also be held in a separate suspense account and would likewise be transferred to IEPF at the end of seven years.

The Company has sent out reminders to those Members whose share Certificate have remained unclaimed, to contact the Company immediately in the matter.

Members may note that the lawful claimant in respect of these shares / dividend will be able to claim such shares dividend from the Company till such time they remain in the Unclaimed Suspense Account as aforesaid.

7.7 Pending Investors’ Grievances

Any Member / Investor whose grievance has not been resolved satisfactorily may kindly write to the Compliance Officer at the Registered Office with a copy of the earlier correspondence.

7.8 Dematerialization of Shares and Liquidity

As per notification issued by SEBI, with effect from 26th June, 2000, it has become mandatory to trade in the Company’s shares in the electronic form. The Company’s shares are available for trading in the depository systems of both NSDL and CDSL.

As on 31st March, 2017, 99.99% of the Company’s total paid up capital representing 1,64,25,306 equity shares were held in dematerialised form and the balance 0.01% representing 637 equity shares were held in physical form.

7.9 Disclosure with respect to demat suspense account/unclaimed suspense account

As on 31st March, 2017, there are 637 outstanding shares lying in the demat suspense account/unclaimed suspense account.

7.10 Reconciliation of Share Capital Audit

As required by SEBI quarterly audit of the Company’s share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors’ Certificate in regard to the same is submitted to BSE Limited and the National Stock Exchange of India Limited and is also placed before Stakeholders’ Relationship Committee and the Board of Directors.

**Distribution of Shareholding as on 31st March, 2017**

Range (In Shares)	No. of Shareholders	% to capital	Total Shareholding (In Shares)	% to capital
1 – 500	7,013	82.91	11,81,475	7.19
501 – 1000	785	9.28	6,23,817	3.80
1001 – 2000	344	4.07	5,21,106	3.17
2001 – 3000	107	1.26	2,78,524	1.70
3001 – 4000	59	0.70	2,10,991	1.28
4001 – 5000	45	0.53	2,06,461	1.26
5001 – 10000	55	0.65	3,91,554	2.38
10001 & Above	51	0.60	1,30,12,015	79.22
Total	8,459	100.00	1,64,25,943	100.00

The Company has entered into agreements with Central Depository Services (India) Limited (CDSL) whereby Members have an option to dematerialize their shares with either of the depositories.

Shareholding Pattern as on 31st March, 2017 (Equity Shares)

	Category	No. of Shares Held	% Of Share Holding
A.	Promoter (s) Holding		
	Promoter (s)		
	- Indian Promoters	78,81,460	47.99
	- Relatives of Directors	1,000	0.00
	- Group Companies	34,55,965	21.04
	Sub – Total(A)	1,13,38,425	69.03
B.	Non-Promoters Holding		
	Institutional Investors		
i.	Mutual Funds & UTI	0	0.00
ii.	Banks, Financial Inst, Insurance Company (Central/State	11,483	0.07
iii.	Govt Inst/Non-Govt Inst) FII (s)	0	0.00
	Others		
i.	Corporate Bodies	2,75,527	1.68
ii.	Indian Public	44,98,823	27.39
iii.	NRI/OCBS	2,09,452	1.27
iv.	Directors / Relatives	68,053	0.41
v.	Clearing Members	24,180	0.15
	Sub – Total (B)	50,87,518	30.97
	GRAND TOTAL (A+B)	1,64,25,943	100.00

Statement showing Shareholding of more than 1% of the Capital as on 31st March, 2017

Sr. No.	Names of the shareholders	No. of Shares	% of Capital
1.	Promoters		
	Saurabh Malhotra	32,28,341	1,13,38,425 69.03
	Kusum Chander Mohan Malhotra	31,10,000	
	Sakuma Infrastructure And Realty Private Limited	26,67,245	
	Chander Mohan Malhotra	15,33,119	
	Vanitha Malhotra	10,000	
	Shipra Malhotra	500	
	Tanya Mediratta	500	
	Sakuma Finvest Pvt Ltd	6,98,720	
	GMK System And Logistics Private Ltd	90,000	

Sr. No.	Names of the shareholders	No. of Shares	% of Capital
	Others		
2.	Subramanian P	1,94,500	1.18
	Total	1,15,32,925	70.21

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.

Particulars of Past Three Annual General Meetings

- 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
31.03.2014	9 th AGM	Note 1	28.08.2014 10.30 a.m.	P. L. Deshapande Kala Academy, Ravindra Natyamandir, Third Floor, Sayani Road, Prabhadevi, Mumbai – 400 025
31.03.2015	10 th AGM	Note 2	11.08.2015 10.30 a.m.	Nehru Planetarium (Basement), Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018
31.03.2016	11 th AGM	Note 3	01.09.2016 10.30 a.m.	Hall of Quest, Nehru Planetarium (Basement), Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018

Note 1:

1. Special Resolution under Section 180(1)(c) and Section 180(1)(a) of the Companies Act, 2013 in respect of Borrowing powers in respect of excess of paid up capital and free reserves and creation of Charge.
2. Special Resolution under Section 149, 152 of the Companies Act, 2013 in respect of appointment of Mr. Ashok Kumar Doda and Mr. Radhe Shyam as Independent Directors.

Note 2:

1. Special Resolution under Section 149, 152 of the Companies Act, 2013 in respect of appointment of Mr. Om Parkash Singal as Independent Director.

Note 3:

1. Special Resolution under Section 196, 197 and 203 of the Companies Act, 2013 in respect of re-appointment of Mr. Chander Mohan as Executive Chairman and payment of remuneration for a period of three years with effect from 1st September, 2016 till 31st August, 2019.
2. Special Resolution under Section 196, 197 and 203 of the Companies Act, 2013 in respect of re-appointment of Mr. Saurabh Malhotra as Managing Director and payment of remuneration for a period of three years with effect from 1st September, 2016 till 31st August, 2019.

Note 4:

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