



# Sakuma Exports Limited

11th Annual Report 2015-2016



# SAKUMA EXPORTS LIMITED

## BOARD OF DIRECTORS

Mr. Chander Mohan– Executive Chairman  
Mr. Saurabh Malhotra -Managing Director  
Mr. Ashok Kumar Doda  
Mr. Radhe Shyam  
Mr. Om Parkash Singal  
Ms. Shipra Malhotra

## AUDIT COMMITTEE

Mr. Radhe Shyam  
Mr. Ashok Kumar Doda  
Mr. Om Parkash Singal

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Ashok Kumar Doda  
Ms. Shipra Malhotra  
Mr. Radhe Shyam

## NOMINATION & REMUNERATION COMMITTEE

Mr. Radhe Shyam  
Mr. Om Parkash Singal  
Ms. Shipra Malhotra

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR).

Mr. Chander Mohan  
Ms. Shipra Malhotra  
Mr. Om Parkash Singal

## STATUTORY AUDITOR

M/s. M.L. Sharma & Co.  
Chartered Accountants  
107, Chartered House, 297-299,  
Dr. C.H. Street, Behind Dolours Church,  
Marine Lines, Mumbai – 400002

## INTERNAL AUDITOR

M/s Mehta Singhvi & Associates  
410, Kewal Industrial Estate, Senapati Bapat Marg,  
Lower Parel (West). Mumbai- 400013.

## BANKERS

Corporation Bank  
Axis Bank Limited  
Indian Overseas Bank  
Union Bank of India  
Ratnakar Bank Limited  
Rabo Bank International

## REGISTERED OFFICE

301A, Aarus Chambers, S.S. Amrutwar Lane,  
Near Mahindra Tower, Worli, Mumbai-400013  
[www.sakumaexportsltd.com](http://www.sakumaexportsltd.com)

## SHARE TRANSFER AGENTS

Big Share Services Private Limited  
E-2, Ansa Industrial Estate, Sakivihar Road,  
Saki Naka, Andheri (E), Mumbai – 400072  
Tel: 022 40430200 Fax: 022 28525207  
Email: [info@bigshareonline.com](mailto:info@bigshareonline.com)  
[bss@bigshareonline.com](mailto:bss@bigshareonline.com)

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## **NOTICE**

**NOTICE** is hereby given that the Eleventh Annual General Meeting of the members of **SAKUMA EXPORTS LIMITED** will be held on Thursday, 01<sup>st</sup> September, 2016 at 10.30 A.M. at Hall of Quest, Nehru Planetarium (Basement), Nehru Centre, Dr Annie Besant Road, Worli, Mumbai 400018 to transact the following businesses:

### **ORDINARY BUSINESS:**

1. To consider and adopt the
  - Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2016 and the Reports of the Board of Directors and the Auditors' thereon; and
  - Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016, and the Report of the Auditors' thereon.
2. To ratify interim dividend @ 10% i.e. ₹ 1/- per equity share for the financial year 2015-2016.
3. To appoint a Director in place of Ms. Shipra Malhotra (DIN: 01236811), who retires by rotation and being eligible, offers herself for re-appointment.
4. Appointment of Statutory Auditors

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Messrs M.L. Sharma & Co., Chartered Accountants, Mumbai having ICAI Firm Registration No. 109963W, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the Company's financial year 2016-17, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and reimbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.”

### **SPECIAL BUSINESS:**

5. To re-appoint Mr. Chander Mohan (DIN: 00214493) as Executive Chairman and payment of remuneration and in this regard to consider and if thought fit to pass with or without modification the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, including Schedule V of the said Act as amended up-to-date, consent and approval be and is hereby accorded to the re-appointment of and payment of remuneration and perquisites to Mr. Chander Mohan as the Executive Chairman of the Company for a period of three years with effect from 1<sup>st</sup> September, 2016 till 31<sup>st</sup> August, 2019.

**RESOLVED FURTHER THAT** Mr. Chander Mohan shall be paid remuneration and perquisites up to Rs.7,00,000/- per month or 5% of net profits whichever is higher and shall be eligible for monthly increments as may be decided by the Board of Directors from time to time annually, if permissible as per the provisions of the Act.

**RESOLVED FURTHER THAT** the terms and conditions of appointment shall be as per the letter of appointment as approved by the Board at its meeting held on 28th May, 2016 be and is hereby approved.

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



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

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable and expedient to give effect to this resolution.”

6. To re-appoint Mr. Saurabh Malhotra (DIN: 00214500) as Managing Director and payment of remuneration and in this regard to consider and if thought fit to pass with or without modification the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, including Schedule V of the said Act as amended up-to-date, consent and approval be and is hereby accorded to the re-appointment of and payment of remuneration and perquisites to Mr. Saurabh Malhotra as the Managing Director of the Company for a period of three years with effect from 1<sup>st</sup> September, 2016 till 31<sup>st</sup> August, 2019.

**RESOLVED FURTHER THAT** Mr. Saurabh Malhotra shall be paid remuneration and perquisites up to Rs. 7,00,000/- per month or 5% of net profits whichever is higher and shall be eligible for monthly increments as may be decided by the Board of Directors from time to time annually, if permissible as per the provisions of the Act.

**RESOLVED FURTHER THAT** the terms and conditions of appointment shall be as per the letter of appointment as approved by the Board at its meeting held on 28th May, 2016 be and is hereby approved.

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

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

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable and expedient to give effect to this resolution.”

**NOTES:**

1. The relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the businesses under Item Nos. 5 and 6 of the accompanying Notice are annexed hereto.
2. A statement giving the relevant details of the Directors seeking re-appointment under Item No. 3 of the accompanying Notice, as required by Regulation 36 (3) of the SEBI (LODR) Regulations, 2015 is annexed herewith.
3. **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.**

THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING i.e. by 10.30 A.M on Tuesday, August 30 2016.

4. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
5. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
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 at the Meeting.
8. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours upto the date of the Meeting.
9. Pursuant to the provisions of Section 91 of the Act, the Register of Members and Share Transfer Books of the Company shall remain closed on all days from Thursday, 25<sup>th</sup> August, 2016 to Thursday, 01<sup>st</sup> September, 2016, (both days inclusive).
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
11. 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, Mr. Raju Pillai: [companysecretary@sakumaexportsltd.com](mailto:companysecretary@sakumaexportsltd.com)
12. Members holding shares in physical form are requested to notify/send the following to the Company's Registrar and Transfer Agents to facilitate better service:
  - i. Any change in their address
  - ii. Particulars of their bank accounts in case the same have not been sent earlier, for dividend payment through ECS/ NACH mode and
  - iii. Share certificate(s) held in multiple folios in identical names or joint accounts in the same order of the names for consolidation of such holdings into one folio
13. Members holding shares in electronic form are advised that address/bank details as furnished to the Company by the respective Depositories, viz. NSDL and CDSL will be printed on the dividend warrants. Members are requested to inform the concerned Depository Participants of any change in address, dividend mandate, etc.
14. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act 2013, are requested to submit details to the Registrar and Transfer Agents of the Company, in the prescribed Form SH. 13 for this purpose.
15. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses with the Company's Registrar and Transfer Agents for receiving communication from the Company in electronic form.
16. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956 (which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified) and Rule 3 of the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, the Company has transferred on due dates, the unpaid or unclaimed dividends for the financial year ended 31<sup>st</sup> March, 2008 and to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to rule 3 of the Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 11, 2015 (date of the last Annual General Meeting) on the website of the Company ([www.sakumaexportsltd.com](http://www.sakumaexportsltd.com)), as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)).

**For Equity Shareholders:**

Financial Year	Date of Declaration of Dividend	Last Date of claiming Unpaid Dividend
Final Dividend 2010 – 2011	18.08.2011	22.09.2018
Final Dividend 2011 – 2012	27.09.2012	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	16.09.2022

**For Preference Shareholders:**

Financial Year	Date of Declaration of Dividend	Last Date of claiming Unpaid Dividend
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.

17. Information required under Regulation 36 (3) of the SEBI (LODR) Regulations, 2015 relating to Documents & Information to Shareholders with respect to the Directors being appointed and Directors retiring by rotation and being eligible, seeking re-appointment are as under:

Particulars	Ms. Shipra Malhotra	Mr. Chander Mohan	Mr. Saurabh Malhotra
<b>Director Identification Number(DIN)</b>	01236811	00214493	00214500
<b>Date of Birth</b>	02/08/1972	03/07/1942	17/02/1976
<b>Nationality</b>	Indian	Indian	Indian
<b>Date of Appointment on Board</b>	January 25, 2007	August 31, 2005	August 31, 2005
<b>Qualifications</b>	M.Com Part(I) Post Graduate with specialization in Human Resource Management (HRM)	Post Graduate in Economics from Delhi School of Economics with professional qualification in Banking, Management etc.	Post Graduate in Business Management
<b>Shareholding in Sakuma Exports Limited</b>	500 Shares	15,33,119 Shares	32,28,341 Shares
<b>Expertise in specific functional areas</b>	She has been conducting seminars/ workshops on HRM Communication skill, Negotiation skills and other soft skills in the corporate world	Post Graduate in Economics from Delhi School of Economics with professional qualification in Banking, Management etc. Retired as a senior executive from IDBI. Promoter of Sakuma Exports Ltd. and associated with the Company since its incorporation.	Post Graduate in Business Management. Promoter of Sakuma Exports Ltd. and associated with the Company since its incorporation.
<b>Directorships in other Public Limited Companies</b>	Nil	Nil	Nil
<b>Memberships of Committees in other Public Limited Companies (includes only Audit &amp; Shareholders / Investors Grievances Committee)</b>	Nil	Nil	Nil



## PROCESS FOR MEMBERS OPTING FOR E-VOTING

### Voting through electronic means

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 11<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
2. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
3. The shareholders who have cast their votes by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote.
4. The remote e-voting period commences on Monday, 29<sup>th</sup> August, 2016 (9:00 am) and ends on Wednesday, 31<sup>st</sup> August, 2016 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, 25<sup>th</sup> August, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
5. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)] :
    - a) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - b) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - c) Click on Shareholder - Login
    - d) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - e) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - f) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - g) Select "EVEN" of "Sakuma Exports Limited".
    - h) Now you are ready for remote e-voting as Cast Vote page opens.
    - i) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - j) Upon confirmation, the message "Vote cast successfully" will be displayed.
    - k) Once you have voted on the resolution, you will not be allowed to modify your vote.
    - l) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [shahpradipcs@gmail.com](mailto:shahpradipcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)



- B.** In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:  
EVEN (Remote e-voting Event Number) USER ID      PASSWORD/PIN
  - Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
  - If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
  - You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  - The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 25<sup>th</sup> August, 2016.
  - Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e Thursday, 25<sup>th</sup> August, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA.  
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
  - A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
  - A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
  - Mr. Punit Shah, Practicing Company Secretary (Membership No. 20536) and Partner of M/s. P. P. Shah & Co., Practicing Company Secretaries has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
  - The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” or “Poling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
  - The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
  - The Results declared alongwith the report of the Scrutinizer shall be placed on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE and NSE, Mumbai.

**By order of the Board  
For Sakuma Export Limited**

**Place: Mumbai  
Date: 28<sup>th</sup> May, 2016**

**Saurabh Malhotra  
Managing Director**



**ANNEXURE TO THE NOTICE**  
**EXPLANATORY STATEMENT PURSUANT TO**  
**SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO. 5 & 6 – RE-APPOINTMENT OF MR. CHANDER MOHAN AS EXECUTIVE CHAIRMAN AND MR. SAURABH MALHOTRA AS MANAGING DIRECTOR AND PAYMENT OF REMUNERATION**

The present tenure of appointment of Mr. Chander Mohan, Executive Chairman and Mr. Saurabh Malhotra, Managing Director is expiring on 31<sup>st</sup> August, 2016. The Nomination and Remuneration Committee has recommended the re-appointment of Mr. Chander Mohan as Executive Chairman and Mr. Saurabh Malhotra, Managing Director of the Company.

The Board of Directors has decided to re-appoint Mr. Chander Mohan as Executive Chairman and Mr. Saurabh Malhotra as Managing Director w.e.f. 1<sup>st</sup> September, 2016 for a period of 3 years. The terms and conditions of their re-appointment are given below:

Sr. No.	Name of Director	Designation	Responsibility
1.	Mr. Chander Mohan	Executive Chairman	Day to day management with focus on Corporate Planning, Growth and Finance
2.	Mr. Saurabh Malhotra	Managing Director	Day to day management with focus on Marketing, Procurement and Logistics

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

**I. GENERAL INFORMATION:**

Sr. No.	Particulars	Information	
1.	Nature of Industry	Trading of Commodities (Three Star Trading House)	
2.	Date or expected date of commencement of commercial production	Not Applicable	
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
4.	Financial performance based on given indicators:	31-3-2016 (₹ in lacs)	31-3-2015 (₹ in lacs)
	Sales (Net of Excise)	1,79,829.02	1,08,085.34
	Net Profit before Tax	1,929.30	1,246.43
	Net Profit After Tax	1,307.06	873.36
5.	Foreign investments or collaborations, if any	Sakuma Exim DMCC ₹ 7.00 Lacs GKM General Trading LLC ₹ 4.31 Lacs Sakuma Exports Pte Ltd ₹ 95.92 Lacs	

**II. INFORMATION ABOUT THE APPOINTEE:**

Sr. No.	Particulars	Information
1.	Background details	<b>Mr. Chander Mohan:</b> Post Graduate in Economics from Delhi School of Economics with professional qualification in Banking, Management etc. Retired as a senior executive from IDBI. Promoter of Sakuma Exports Ltd. and associated with the Company since its incorporation. <b>Mr. Saurabh Malhotra:</b> Post Graduate in Business Management. Promoter of Sakuma Exports Ltd. and associated with the Company since its incorporation.
2.	Past Remuneration / Perquisites	<b>Mr. Chander Mohan:</b> ₹ 6,00,000/- per month including perquisites <b>Mr. Saurabh Malhotra:</b> ₹ 6,00,000/- per month including perquisites



Sr. No.	Particulars	Information
3.	Recognition or awards	Mr. Saurabh Malhotra, Managing Director of Company has got “Hall of Fame Platinum award 2006 from Welingkar Institute of Management. Under the leadership of Mr. Chander Mohan and Mr. Saurabh Malhotra company has got awards from Indian Oilseeds and Produce Exporters Association in the year 2005-2006 for excellence in export of Castor Oil and Ground Nut. In the year 2011-12, Company has also received competitive awards as Best Trader Exporters (Large) from ECGC D&B Indian Exports Excellence Awards 2012.
4.	Job profile and his suitability	<b>Mr. Chander Mohan:</b> Managing Sakuma Exports Ltd since its incorporation. <b>Mr. Saurabh Malhotra:</b> Managing Sakuma Exports Ltd since its incorporation.
5.	Remuneration proposed	Not exceeding ₹ 7,00,000/- per month including perquisites if any or 5% of net profits whichever is higher to each director.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The comparative remuneration profile will be higher than ₹ 7,00,000/-.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Chander Mohan, Executive Chairman and Mr. Saurabh Malhotra, Managing Director have no pecuniary relationship with the Company except as employees of the Company and promoters shareholders.

**III. OTHER INFORMATION:**

Sr. No.	Particulars	Information
1.	Reasons of loss or inadequate profits	Company has not incurred losses in the last seven years and the profit earned is adequate to pay the remuneration to its directors
2.	Steps taken or proposed to be taken for improvement	However with a view to improve the workings, the company has been expanding and diversifying the products and markets as well as adding activities as warranted by the circumstances
3.	Expected increase in productivity and profits in measurable terms	Improvement in profits for companies engaged in agricultural commodities cannot be predicted in measurable terms in view of the fast changing national and global economic scenario
4.	Reason for re-appointment pursuant to section 196(3)(a) of the Companies Act, 2013 (Re-appointment of Mr. Chander Mohan as Executive Chairman since he is above the age of 70 years)	Mr. Chander Mohan has been classified as one of the Promoter of the Company at the time of Public issue. Subsequently in all fillings with BSE, NSE and ROC, he has been classified as promoter of the company. In availing bank finance, he has been classified as one of the promoter of the company and his personal guarantee for securing the bank facility has been given to the bank. While sanctioning the facility, one of the conditions of bank is to execute personal guarantee in favour of bank. He is holding 15,33,119 equity shares representing 9.33% of the total capital of the company. He is associated with the company since incorporation and has vast experience in agriculture commodity. In appointing Mr. Chander Mohan as Executive Chairman, the company will be immensely benefited with his rich experience and guidance.

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

The Company proposes to pay following remuneration and perquisites w.e.f. 1<sup>st</sup> September, 2016.

**A. REMUNERATION:**

Sr. No.	Name of Director	Designation	Remuneration & Perquisites
1.	Mr. Chander Mohan	Executive Chairman	Not exceeding ₹ 7,00,000/- per month including perquisites if any or 5% of net profits whichever is higher
2.	Mr. Saurabh Malhotra	Managing Director	Not exceeding ₹ 7,00,000/- per month including perquisites if any or 5% of net profits whichever is higher

**B. INCREMENTS:**

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

**C. PERQUISITES:**

Non monetary ceiling perquisites

The following perquisites shall be payable to the Director and which shall not be included in the computation of the ceiling of remuneration as per Schedule V of the Companies Act, 2013.

**i. Provident Fund:**

The Company's contribution to Provident Fund shall be as per the rules of the Company. Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent it is not taxable under the Income Tax Act, 1961.

**ii. Gratuity:**

Gratuity not exceeding one-half months' salary for each completed year of service.

**iii. Leave Encashment:**

Leave salary as per the rules of the Company and Encashment of Leave shall be at the end of the tenure.

**D. MINIMUM REMUNERATION:**

1. The above remuneration and perquisites has been fixed on the basis of adequate profits as per the audited balance sheet as on 31<sup>st</sup> March, 2016 and has been fixed as provided in Part II of Schedule V to the said Act based on the effective capital for the respective financial year or such other amount and perquisites as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof and shall be considered as minimum remuneration.
2. During the tenure of his appointments, if the Company earns profits in excess of the limits prescribed under Schedule V or if the profits are adequate in any financial year, as per the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 then the remuneration of Mr. Chander Mohan and Mr. Saurabh Malhotra shall be paid as per the profits earned by the Company in that particular financial year.

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

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

Except Promoter Directors and their Relatives (to the extent of the Shareholding interest in the Company), Mr. Chander Mohan and Mr. Saurabh Malhotra, who are Directors/ Shareholders of the Company, no other Directors and KMP of the Company is concerned/interested financially or otherwise in the said Resolution.

**By order of the Board  
For Sakuma Export Limited**

**Place: Mumbai  
Date: 28<sup>th</sup> May, 2016**

**Saurabh Malhotra  
Managing Director**



## BOARD'S REPORT

TO THE MEMBERS OF

SAKUMA EXPORTS LIMITED

The Directors take pleasure in presenting the Eleventh Annual Report together with the audited financial statements for the year ended 31<sup>st</sup> March, 2016. The Management Discussion and Analysis has also been incorporated into this report.

### 1. FINANCIAL RESULTS

Key highlights of standalone and consolidated financial results for Sakuma Exports Limited for the financial year 2015-16 are tabulated below:

#### Financial Results For The Year Ended March 31, 2016

(₹ in lacs)

	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Sales & Other Income	1,80,603.33	1,09,313.81	3,13,912.23	1,81,025.13
Profit before depreciation & Tax	2000.13	1329.73	3759.44	2470.22
Depreciation	70.82	83.30	70.99	83.60
Profit before Tax	1929.30	1246.43	3688.45	2386.62
Provision for Tax				
-Current Tax	635	385.05	521.74	385.18
- Deferred Tax	(10.14)	(12.88)	(10.14)	(12.88)
- Income Tax of Earlier years	(2.62)	0.89	(2.62)	1.23
Minority Interest and share of loss of associate	0.00	0.00	(46.12)	54.79
Net Profit after tax	1307.06	873.37	3225.59	1958.30
Add: Surplus from previous period	2349.10	1639.99	4695.24	2901.20
Profit Available for Appropriation	3656.16	2513.36	3225.59	4859.50
Appropriation				
Dividend on Equity Shares	164.26	164.26	164.26	164.26
Dividend Tax	3.76	0	3.76	0
Adjustment relating to Minority Interest	0	0	94.42	0
Transfer to Statutory Reserve	0	0	0	0
<b>Balance carried to Balance Sheet</b>	<b>3488.14</b>	<b>2349.10</b>	<b>7658.38</b>	<b>4695.24</b>

### 2. HIGHLIGHTS OF PERFORMANCE

- Total Consolidated income for the year increased by 73% to ₹ 313,912.23 Lacs as compared to ₹ 181,025.13 Lacs in Previous year.
- Total consolidated net sales for the year was ₹ 312,884.19 Lacs as compared to ₹ 179,445.91 Lacs in Previous year, a growth of 74 %.
- Total consolidated profit before tax for the year was ₹ 36.88 Crores as compared to ₹ 23.86 Crores in Previous year, a growth of 55%.

### 3. BUSINESS OPERATIONS REVIEW AND FUTURE PROSPECTS

The year under review was yet another year full of challenges for the company. On the domestic front, weak monsoon for the second consecutive year adversely affected kharif crops. Weaker agriculture production led to increase in domestic prices which made exports difficult to compete in the global markets. The financial support for exports from the government was insufficient and untimely. As Indian exports volume has been coming down for the last 2 years, the government may consider to financially support exports of agriculture products.

Globally , the scenario did not show any improvement and continued to be grim. Several European economies continued to

face recessionary trends. Even China also faced recessionary conditions. Another factor which adversely affected the global trade is unstable political conditions and continued hostilities in the Middle East and North Africa which made the trade risky.

Your Company, which has been actively and continuously diversifying and expanding the products, markets and procurement centers could manage to improve its performance because of its dynamic & well planned strategies. There has been a substantial contribution by new products which were included in our trading basket in the last 2 years like edible oil and pulses. With increase in focus in trading of edible oil and pulses as well as widening of client base. Your Company is likely to achieve higher growth and performance in the years to come.

In the face of tough , volatile & competitive Global market environment, your Company continued to strive not only to improve topline but also was successful in achieving higher growth by innovation & tapping new markets and adding new commodities in the basket . The Company also continued its focus on domestic markets and attained better sales than last year to maintain the growth in this segment of business.

- **Working of Subsidiaries:**

Overall performance of subsidiary Companies has been good. Sakuma Exim DMCC achieved a turnover of AED 547,795,542 in the current financial year (Previous Year AED 244,878,284) with a Net Profit of AED 11,362,211(Previous Year AED 4,926,092)

However working of another subsidiary in Dubai namely GKM General Trading LLC has not been very good . The main reason is that it has been dealing with local distribution business. Of late, the business in local trading has been declining & not commensurate with the investment , efforts & business risk . The management is considering to eventually exit from this Company .

The management, therefore diverted the efforts & resources in the working of another subsidiary in UAE namely Sakuma Exim DMCC which has been doing very well. This strategy proved very fruitful & volume of business and profitability increased to AED 11,362,211. in the current year ( Previous Year AED 4,926,092) An increase of 130 % over previous year .

Another subsidiary in Singapore namely Sakuma Exports Pte Ltd., started independent commercial operation beginning November, 2015. In the very first year of about 5 months, it achieved topline of USD 53,371,538 with a net profit after tax of USD 481,078. This subsidiary company is showing positive sign of healthy growth and the business prospects look promising and this subsidiary is expected to contribute significant share of growth in the years to come. With more focus & deployment of resources, this subsidiary is also expected to yield better results in the years to come.

Subsidiary Companies in Ghana and Tanzania could not get any headway yet in the business after suspension of trade activities in the past. The management will consider to re-operationalize these subsidiaries and look for appropriate business opportunities.

#### 4. DIVIDEND

Pursuant to the approval of Board of Directors on 11<sup>th</sup> March, 2016, your Company had distributed an Interim Dividend of ₹ 1/- per share, of face value of ₹ 10/- each, to shareholders, who were on the Register of Members of the Company as on 19<sup>th</sup> March, 2016 being the record date fixed by the Board of Directors for this purpose. Total dividend payout including dividend distribution tax would aggregate to ₹ 1,68,02,193.

The Board of Directors of the Company does not recommend any Final dividend for the financial year 2015-2016. The Interim Dividend will be considered as final dividend for the financial year 2015-16.

During the year 2015-16, unclaimed Dividend on Equity Shares of ₹ 1,06,190/- and on Preference Shares of ₹ 37,890/- was transferred to the Investor Education and Protection Fund, as required under the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001. The said amount represent Dividend for the year 2007-08 which remain unclaimed for a period of 7 years from its due date of payment.

#### 5. TRANSFER TO RESERVES

The Company proposes to transfer an amount of ₹ Nil to the General Reserves and an amount of ₹ 11,39,03,833 is proposed to be retained in the Statement of Profit and Loss.



## 6. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company and its subsidiaries are prepared in accordance with applicable provisions of the Companies Act, 2013, Accounting Standard (AS-21) and other Accounting Standards issued by the Institute of Chartered Accountants of India as well as the SEBI (LODR) Regulations, 2015 together with Auditors' Report thereon form part of this Annual Report.

## 7. SHARE CAPITAL

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2016 was ₹ 16.43 Crores. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. There was no change in the Company's share capital during the year under review.

## 8. DEPOSITS

The Company has not accepted deposit from the public and shareholders falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement for furnishing details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

## 9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## 10. SUBSIDIARY COMPANIES

As on 31<sup>st</sup> March, 2016, the Company has following five subsidiaries:

1. GKM General Trading LLC
2. Sakuma Exim DMCC
3. Sakuma Exports Pte Limited
4. Sakuma Exports (Ghana) Ltd- Step Down Subsidiary
5. Sakuma Exports Tanzania Pvt. Ltd- Step Down Subsidiary

### Audited Financial statement of the Company's Subsidiaries

The Statement containing the salient features of financial statement of Subsidiaries in **Form AOC-1** pursuant to Section 129(3) read with rule 5 of Companies (Accounts) Rules, 2014 are given below:

( ₹ in Lacs)

Sr. No	Particulars	GKM General Trading LLC	Sakuma Exim DMCC	Sakuma Exports Pte Limited	Sakuma Exports (Ghana) Ltd	Sakuma Exports Tanzania Pvt. Ltd
1	Reporting Period	Apr - Mar	Apr - Mar	Apr - Mar	Apr -Mar	Apr - Mar
2	Reporting Currency	AED	AED	USD	GHC	TZS
3	Country	U.A.E	U.A.E	Singapore	Ghana	Tanzania
4	Exchange Rate	17.99	17.99	66.10	16.13	0
5	Share Capital	5.28	8.98	109.07	Nil	1.00
6	Reserves and Surplus	281	3367	339.70	(5865)	(1.00)
5	Total Assets	369	20868	10354	111.50	0
8	Total Liabilities	83	17492	9906	277.72	0
9	Investment other than Investment in subsidiary	0	0	0.99	0	0
10	Turnover	2038	98548	35279	100.25	0
11	Profit before taxation	(443)	2044	356.58	(150.27)	(1.00)
12	Provision for Taxation	Nil	Nil	38.35	Nil	0
13	Profit after taxation	(443)	2044	318.23	(150.27)	(1.00)
14	Dividend Paid	179	Nil	Nil	Nil	0



## 11. DIRECTORS

### 11.1 Retirement by Rotation

Pursuant to Section 152 (6) of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Ms. Shipra Malhotra, Director, retires by rotation at the forthcoming Annual General Meeting. Being eligible, she offers herself for re-appointment.

### 11.2 Declaration by Independent Directors

The Company has received declarations from the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both, under sub-section 6 of section 149 of the Companies Act, 2013 and under regulation 17 of the SEBI (LODR) Regulations, 2015.

### 11.3 Familiarisation Programme for Independent Directors

The Program intends to provide insights into the Company so that the Independent Directors can understand the Company's business in depth and the roles, rights, responsibility that they are expected to perform/enjoy in the Company to keep them updated on the operations and business of the Company thereby facilitating their active participation in managing the affairs of the Company. In addition to the above, Directors are periodically advised about the changes effected in the Corporate Law, SEBI (LODR) Regulations, 2015 with regards to their roles, rights and responsibilities as Directors of the Company.

### 11.4 Board Evaluation

The Board carried out an annual performance evaluation of its own performance, the individual Directors as well as the Board Committees, in due compliance with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The performance evaluation of the Independent Directors was carried by the entire Board and the performance evaluation of the Chairman and Non – Independent Directors was carried out by the Independent Directors.

The Board evaluation was carried out in accordance with the criteria laid down in the Nomination and Remuneration policy of the Company.

### 11.5 Key Managerial Personnel

The following persons have been designated as Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Act, read with Rule 8(5)(iii) of the Companies (Accounts) Rules, 2014 framed thereunder.

1. Mr. Chander Mohan, Executive Chairman-Whole Time Director
2. Mr. Saurabh Malhotra, Managing Director

None of the Key Managerial Personnel has resigned during the year under review.

### 11.6 Remuneration Policy

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management Employees. The detail of the same has been disclosed in the Corporate Governance Report.

### 11.7 Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year the Company has held 5 (five) Board Meetings which were held on 15<sup>th</sup> May, 2015; 13<sup>th</sup> August, 2015; 14<sup>th</sup> November, 2015; 13<sup>th</sup> February, 2016 & 11<sup>th</sup> March, 2016. The maximum interval between any two meetings did not exceed 120 days.

## 12. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:



- a) that in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Note 2 of the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### 13. PLEDGE OF SHARES

The following promoters have pledged their shares with the Banks:

Name of the Promoter	No. of Shares pledged	As a % of total shares held
Chandermohan	3,10,000	20.22
Saurabh Malhotra	9,10,000	28.19
<b>Total</b>	<b>12,20,000</b>	<b>7.43</b>

### 14. RELATED PARTY TRANSACTIONS

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

### 15. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

### 16. DISCLOSURES UNDER SECTION 134 (3) (I) OF THE COMPANIES ACT, 2013

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

### 17. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16:

Particulars	Number of Complaints
Number of complaints received	Nil
Number of complaints disposed off	Nil

## 18. COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

There are no companies which have become or ceased to be its Subsidiaries, Joint Venture or Associate Companies during the financial year 2015-16.

## 19. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

A Corporate Social Responsibility (CSR) Committee has been constituted in accordance with Section 135 of the Companies Act, 2013. The details required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in CSR Report appended as “Annexure A” to this Report.

## 20. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The nature of business is export and trading in commodities. The inheritant risks to the business of the company are 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 have been discussed in the Management Discussion and Analysis Report. The Executive Chairman & Managing Director 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.

## 21. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Company monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

## 22. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy are explained in the Corporate Governance Report.

## 23. AUDITORS

### 23.1 Statutory Auditors

The Company's Auditors, M/s. M. L. Sharma & Co., Chartered Accountants, who retire at the forthcoming Annual General Meeting of the Company, are eligible for re-appointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for re-appointment as Auditors of the Company. As required under regulation 33 of SEBI (LODR) Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.



## 23.2 Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s P. P. Shah & Co., Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as “Annexure B” to this Report.

## 23.3 Qualifications in Secretarial Audit Report

### a) Appointment of Company Secretary & Chief Financial Officer:

As per section 203 (1) (ii) & (iii), the Company is required to appoint Company Secretary & Chief Financial Officer. The Company has not appointed Company Secretary & Chief Financial Officer, consequently the annual audited financial statements are not signed by Company Secretary & Chief Financial Officer. In this regard the management of the Company has provided the following reply:

- (i) The Company has appointed Mr. Raju Pillai as Compliance Officer of the Company who looks after the compliance of Companies Act, 2013 and SEBI Act and rules made thereunder.
- (ii) The Company has availed the services of Practicing Company Secretary for advising on compliance of Companies Act, 2013 and SEBI Act and rules made thereunder
- (iii) The Volume and Scope of work for the Company Secretary is less and it is not a full time work and the job of Company Secretary is not attractive commensurate with the scope of work and salary.

### b) Corporate Social Responsibility :

As per section 135 of the Companies Act, 2013, the CSR is applicable to the Company. The Company is required to spend approximately ₹ 19.37 lacs for the year 2015-16 and ₹ 17.79 lacs for the year 2014-15. *During the financial year ended 31st March, 2016, the Company has not spent the said amount on eligible CSR activities for the year 2015-16 as well as 2014-15.* In this regard the management of the Company has provided the following reply:

During the financial year the Company has decided to spend accumulated CSR amounting ₹ 37, 16,868/- in the financial year 2016-17.

## 24. CORPORATE GOVERNANCE

A separate report on Corporate Governance and a certificate from M/s. M. L. Sharma & Co., Chartered Accountants regarding compliance with the conditions of Corporate Governance is given in a separate section and forms part of the Annual Report. Further, a declaration signed by the Executive Chairman and Managing Director, affirming compliance with the code of conduct by all the Board members and senior management personnel along with certificate required under Schedule V (D) of SEBI (LODR) Regulations, 2015, is also given in this Annual Report.

## 25. MANAGEMENT DISCUSSION AND ANALYSIS

As required under the schedule V (B) of SEBI (LODR) Regulations, 2015, report on “Management Discussion and Analysis” is attached and form part of this Annual Report.

## 26. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is given below:

### A. Conservation of Energy

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

**B. Technology absorption, adaptation and innovation**

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

**C. Foreign Exchange Earning & Outgo**

(Amount in ₹)

Particulars	2015-16	2014-15
(a) Expenditure in Foreign Currency		
- Professional and Consultation Fees	626,491	15,336
- Travelling Expenses	18,80,403	44,37,505
- Commission	Nil	33,92,454
- Import	180,42,46,356	138,23,83,752
(b) Earnings in Foreign Currency		
- Export of Goods on FOB basis.	145,08,97,028	4,39,08,57,964

**27. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as “Annexure C”.

**28. PARTICULARS OF EMPLOYEES**

There is no employee in the Company drawing monthly remuneration of ₹ 5, 00,000/- per month or

₹ 60,00,000/- per annum. Hence, the Company is not required to disclose any information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**29. HUMAN RESOURCES**

The relations of the employees of the Company have been cordial during the year. Employees are considered to be team members being one of the most critical resources in the business which maximize the effectiveness of the Organization. Human resources build the Enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's Policies and Systems. The Company maintains healthy, cordial and harmonious relations with all personnel and thereby enhancing the contributory value of the Human Resources.

**30. ENVIRONMENT AND SAFETY**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

**31. ENHANCING SHAREHOLDERS VALUE**

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

**32. GREEN INITIATIVES**

Electronic copies of the Annual Report 2015-16 and Notice of the 11<sup>th</sup> Annual General Meeting are sent to all members whose email addresses are registered with the Company/ Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2015-16 and the Notice of the 11<sup>th</sup> Annual General Meeting under Section 101 of the Companies Act, 2013 are sent in the permitted mode. Members requiring physical copies can send a request to the Company.

Your Company provides e-voting facility to all its members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to the Section 108 of the Companies Act 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015.



### 33. ACKNOWLEDGEMENTS

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

### 34. CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

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

**Place: Mumbai**  
**Date: 28<sup>th</sup> May, 2016**

**Chander Mohan      Saurabh Malhotra**  
**Chairman          Managing Director**



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### 1. Industry Structure and Developments:

Trading activities have undergone seesaw change in the last few years. Changes have been rather fast & revolutionary. It is mainly because of opening of global economy that every trading activity is influenced by global developments & techniques, patterns and size of business transactions.

Some of the important changes in the trading patterns & techniques are e-trading which has become very important method opted where customer can buy anything on line without visiting markets. This has completely changed retail markets pattern.

There have also been increase in third country trade, high seas trade & future trade through commodity exchanges worldwide. Commodity exchanges also provide option of hedging mechanism to cover the potential risk in future trading. One has to remain updated in knowing global trends in trading patterns to retain it's relevance which requires continuous research besides need to collect on continuous basis information to diversify / expand and add products, markets, procurement centers and trading systems.

Historically, trading is divided into 3 components. Domestic trade, exports and imports. In the present context of increasing links in the global trade & access to global markets. it has become necessary for traders to undertake all these activities depending on the available opportunities . Of late your Company has also been following this policy.

### 2. Opportunities and Threats:

Our Country provides strong opportunities for trading business in Commodities. Firstly - Our country continues to be primarily an agrarian economy & secondly - we have large population providing consumer base. In addition to the above, we are also enjoying political stability despite different political parties ruling from time to time. Amongst threats, vagaries of nature has been the main threat because of our agriculture still largely dependent on monsoon. Weaker monsoon adversely affects agriculture production leading to shortage of agriculture produce impacting inflation & making exports un-remunerative. Government's financial support in this regard is insufficient, uncertain & untimely which is an hindrance in achieving continued desired results. Government policies & actions at times adversely affect trades. For example, quite often the Government introduces stock limit for traders to control inflation but unfortunately due to lack of understanding these restriction are applied by the local administration on importers also who try to bridge the gap between demand & supply to reduce the inflationary pressure. With growth of agriculture in various African economies, importers can help the country in overcome shortages.

Another threat to global trade being un-abating hostilities in some of the Middle East & North African countries making global trade risky. Unprecedented migration of population to the neighboring & European countries also build additional pressure on their resources.

It has also been Company's continuous endeavor to explore opportunities in logistics & support services area to contain cost of operations & achieve economies of scale.

### 3. Segment –wise or product – wise performance:

As mentioned in para 1 , presently traders can function successfully only if they have flexibility to switch operations between products, markets & sectors hence segment-wise performance will vary from time to time.

Your Company was primarily engaged in the exports, however in the past 2 -3 years , the Company has diversified its business activities not only in products & markets but also in basic activity from export to import & domestic markets.

### 4. Outlook

Company continued to strive not only to maintain topline but also was successful in achieving higher growth by innovation & tapping new markets and adding new commodities in the basket . The Company also continued it's focus on domestic markets and attained better sales than last year to maintain the growth in this segment of business.

We expect the profitability ratios to improve in the coming years as profit margins of subsidiary companies are better and their share of overall business are increasing.



**5. Risk and Concerns:**

**a. 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.

**b. 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.

**c. Risk elements in business transactions**

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

**d. 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.

**6. Internal control systems 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.

**7. Discussion on financial performance with respect to operational performances:**

There has been substantial increase during the year 2015-16 in financial and operational performance of the company. Topline increased by 74% and bottom line increased 54.79% over the previous years.

**8. Material development in Human Resources / Industrial Relations front, including number of people employed.**

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.

## ANNEXURE 'A' TO BOARD'S REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the Company's CSR policy including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

The Company has adopted CSR policy on 13<sup>th</sup> February, 2016. The said policy has been formulated as per Section 135 read with Schedule VII of the Companies Act, 2013.

2. **Composition of the CSR Committee:**

- |    |                       |          |
|----|-----------------------|----------|
| a. | Mr. Chander Mohan     | Chairman |
| b. | Ms. Shipra Malhotra   | Member   |
| c. | Mr. Om Parkash Singal | Member   |

3. **Average net profit of the Company for last three financial years:**

The Profit of Sakuma for 3 immediately preceding financial year

Financial Years	Net Profit Before Tax (in ₹)
2014 – 15	12,46,43,003
2013 – 14	10,53,31,740
2012 – 13	6,05,75,515
Total	29,05,50,258
Average	9,68,50,086
2%	<b>19,37,002</b>

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):**

The Company is required to spend ₹ 19, 37,002/- towards CSR. The carried forward amount of CSR spending for the financial year 2014-15 is ₹ 17,79,866/-.

5. **Details of CSR spend for the financial year:**

- a. Total amount spent for the financial year: ₹ Nil
- b. Amount to be spent, if any: Financial year 2015-16: ₹ 19, 37,002/-  
Financial year 2014-15: ₹ 17, 79,866/-

**Total amount to be spend: ₹ 37, 16,868/-**

- c. Manner in which the amount spent during the financial year is detailed below:

S No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency *
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

\*Give details of implementing agency



6. In case the company has failed to spend the two per cent of the average net profit of the last 3 financial years or any part thereof, the Company shall provide the reasons for not spending the amount of in its Board report:

During the financial year the Company has decided to spend accumulated CSR amounting ₹ 37, 16,868/- in the financial year 2016-17.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

The CSR Committee will develop, implement and monitor the CSR Policy in compliance with the CSR Objectives and Policy of the Company.

For and on behalf of the Board of Directors

Chander Mohan  
Chairman CSR Committee

Saurabha Malhotra  
Managing Director

## ANNEXURE 'B' TO BOARD'S REPORT

## SECRETARIAL AUDIT REPORT

## FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
Sakuma Exports Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sakuma Exports Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during audit period)**.
  - (e) The Securities Exchange Board of India (Issue and Listing of Debt Securities), Regulations, 2008. **(Not Applicable to the Company during audit period)**.
  - (f) The Securities Exchange Board of India (Registrar to an Issue and Share Transfer Agent), Regulations, 1993. Regarding the Companies Act, 2013 and dealing with the clients.
  - (g) The Securities Exchange Board of India (Delisting of Equity Shares), Regulations, 2009. **(Not Applicable to the Company during audit period)**.
  - (h) The Securities Exchange Board of India (Buyback of Securities), Regulations, 1998. **(Not Applicable to the Company during audit period)**.

I have also examined compliance with the applicable clauses of the following:

- 1) Secretarial Standards issued by The Institute of Company Secretaries of India i.e. Secretarial Standards – 1 for Board Meetings and Secretarial Standards – 2 for General Meetings.
- 2) The Listing Agreements entered into by the Company with BSE Limited;



3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above subject to the following qualifications:

**A. Appointment of Company Secretary & Chief Financial Officer:**

As per section 203 (1) (ii) & (iii), the Company is required to appoint Company Secretary & Chief Financial Officer. The Company has not appointed Company Secretary & Chief Financial Officer, *consequently the annual audited financial statements are not signed by Company Secretary & Chief Financial Officer*. In this regard the management of the Company has provided the following reply:

- (i) The Company has appointed Mr. Raju Pillai as Compliance Officer of the Company who looks after the compliance of Companies Act, 2013 and SEBI Act and rules made thereunder.
- (ii) The Company has availed the services of Practicing Company Secretary for advising on compliance of Companies Act, 2013 and SEBI Act and rules made thereunder
- (iii) The Volume and Scope of work for the Company Secretary is less and it is not a full time work and the job of Company Secretary is not attractive commensurate with the scope of work and salary.

**B. Corporate Social Responsibility :**

As per section 135 of the Companies Act, 2013, the CSR is applicable to the Company. The Company is required to spend approximately ₹ 19.37 lacs for the year 2015-16 and ₹ 17.79 lacs for the year 2014-15. *During the financial year ended 31st March, 2016, the Company has not spent the said amount on eligible CSR activities for the year 2015-16 as well as 2014-15*. In this regard the management of the Company has provided the following reply:

During the financial year the Company has decided to spend accumulated CSR amounting ₹ 37, 16,868/- in the financial year 2016-17.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period, there were no instances of:

1. Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
2. Redemption / buy-back of securities
3. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
4. Merger / amalgamation / reconstruction, etc.
5. Foreign technical collaborations

Place: Mumbai  
Date: May 28, 2016

Pradip Shah  
For P. P. Shah & Co.,  
Practicing Company Secretaries  
FCS No. 1483, C P No.: 436



**ANNEXURE 'C' TO BOARD'S REPORT****EXTRACT OF ANNUAL RETURN****As on the financial year ended 31.03.2016***[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]***FORM NO. MGT – 9****I. REGISTRATION AND OTHER DETAILS:**

<b>CIN</b>	L51909MH2005PLC155765
<b>Registration Date</b>	31 <sup>st</sup> August, 2005
<b>Name of the Company</b>	SAKUMA EXPORTS LIMITED
<b>Category / Sub-Category of the Company</b>	Company having Share Capital / Indian Non-Government Company
<b>Address of the Registered Office and contact details</b>	Aurus Chamber, A 301, Near Mahindra Tower, S S Amrutwar Lane, Worli, Mumbai-400013 Tel. No. 022 2499 9021/ 2499 9022
<b>Whether listed company</b>	Yes
<b>Name, address and contact details of Registrar and Transfer Agent, if any</b>	Big Share Services Private Limited, E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400072. Tel: 022 40430200

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY****All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:**

<b>Sr. No.</b>	<b>Name and Description of main Products / Services</b>	<b>NIC Code of the Product / Service</b>	<b>% to total turnover of the Company</b>
1.	Imports and Export for Commodities Trading	Nil	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

<b>Sr. No.</b>	<b>Name and address of the Company</b>	<b>CIN / GLN</b>	<b>Holding / Subsidiary / Associate</b>	<b>% of shares held</b>	<b>Applicable Section</b>
1.	GKM General Trading LLC	659340	Subsidiary	49%	2(87)
2.	Sakuma Exim DMCC	DMCC 32027	Subsidiary	100%	2(87)
3.	Sakuma Exports Pte Limited	201302691Z	Subsidiary	100%	2(87)
4.	Sakuma Exports (Ghana) Ltd	CB-1174	Step down Subsidiary	100%	2(87)
5.	Sakuma Exports Tanzania Pvt Ltd	CI100993	Step Down Subsidiary	100%	2(87)

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Shareholding**

<b>Category of Shareholders</b>	<b>No. of Shares held at the beginning of the year (As on 01.04.2015)</b>				<b>No. of Shares held at the end of the year (As on 31.03.2016)</b>				<b>% Change during the year</b>
	<b>Demat</b>	<b>Physical</b>	<b>Total</b>	<b>% of Total shares</b>	<b>Demat</b>	<b>Physical</b>	<b>Total</b>	<b>% of Total shares</b>	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	7814959	0	7814959	47.58	7881460	0	7881460	47.98	+0.40
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	3455965	0	3455965	21.04	3455965	0	3455965	21.04	0.00
e) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	1000	0	1000	0.00	0.00
<b>Sub-Total(A) (1):</b>	<b>11270924</b>	<b>0</b>	<b>11270924</b>	<b>68.62</b>	<b>11338425</b>	<b>0</b>	<b>11338425</b>	<b>69.03</b>	<b>+0.40</b>



Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>(2) Foreign</b>									
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub- Total (A) (2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>11270924</b>	<b>0</b>	<b>11270924</b>	<b>68.62</b>	<b>11338425</b>	<b>0</b>	<b>11338425</b>	<b>69.03</b>	<b>+0.40</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	230511	0	230511	1.40	12169	0	12169	0.07	-1.33
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (B)(1):</b>	<b>230511</b>	<b>0</b>	<b>230511</b>	<b>1.40</b>	<b>12169</b>	<b>0</b>	<b>12169</b>	<b>0.07</b>	<b>-1.33</b>
<b>(2)Non-Institutions</b>									
<b>a)Bodies Corporate</b>									
i) Indian	131687	0	131687	0.80	254870	0	254870	1.55	+0.75
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
<b>b) Individuals*</b>									
i)Individual shareholders holding nominal share capital up to Rs. 1 Lacs	2648826	1187	2650513	16.14	3437387	1287	3438674	20.94	+4.80
ii)Individual shareholders holding nominal share capital in excess of Rs. 1 Lacs	1857850	0	1857850	11.31	1064082	0	1064082	6.48	-4.83
<b>c) Others (specify)</b>									
i) NRI / OCBs	143851	0	143851	0.88	223418	0	223418	1.36	+0.48
ii) Clearing Members	71454	0	71454	0.44	25152	0	25152	0.15	-0.29
iii) Directors / Relatives	69153	0	69153	0.41	69153	0	69153	0.41	0.00
<b>Sub-Total (B)(2):</b>	<b>4923321</b>	<b>1187</b>	<b>4924508</b>	<b>29.98</b>	<b>5074062</b>	<b>1287</b>	<b>5075349</b>	<b>30.89</b>	<b>+0.91</b>
<b>Total Public Shareholding Public Group (B)= (B)(1)+(B)(2)</b>	<b>5153832</b>	<b>1187</b>	<b>5155019</b>	<b>31.38</b>	<b>5086231</b>	<b>1287</b>	<b>5087518</b>	<b>30.97</b>	<b>+0.41</b>
<b>Total (A) + (B)</b>	<b>16424756</b>	<b>1187</b>	<b>16425943</b>	<b>100.00</b>	<b>16424656</b>	<b>1287</b>	<b>16425943</b>	<b>100.00</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>16424756</b>	<b>1187</b>	<b>16425943</b>	<b>100.00</b>	<b>16424656</b>	<b>1287</b>	<b>16425943</b>	<b>100.00</b>	<b>0.00</b>

\*The Data given in B (2) (b) in above table for the financial year ended 31.03.2016 are as per the limit of Rs. 2 Lacs instead of Rs. 1 Lacs.

## ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01.04.2015)			Shareholding at the end of the year (As on 31.03.2016)			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Saurabh Malhotra	3220000	19.61	28.26	3228341	19.65	28.19	+0.04
2.	Kusum Chander Mohan Malhotra	3110000	18.93	0.00	3110000	18.93	0.00	0.00
3.	Chandermohan Malhotra	1474959	8.98	21.02	1533119	9.33	20.22	+0.35
4.	Vanitha Malhotra	10000	0.06	0.00	10000	0.06	0.00	0.00
5.	Shipra Malhotra	500	0.00	0.00	500	0.00	0.00	0.00
6.	Tanya Mediratta	500	0.00	0.00	500	0.00	0.00	0.00
7.	Sakuma Finvest Pvt Ltd	698720	4.25	0.00	698720	4.25	0.00	0.00
8.	GMK System And Logistics Private Ltd	90000	0.55	0.00	90000	0.55	0.00	0.00
9.	Sakuma Infrastructure And Realty Private Limited	2667245	16.24	0.00	2667245	16.24	0.00	0.00
	<b>Total</b>	<b>11271924</b>	<b>68.62</b>	<b>10.82</b>	<b>11338425</b>	<b>69.03</b>	<b>48.41</b>	<b>+0.41</b>

## iii) Change in Promoters' Shareholding (Please specify, if there is no change)

	Shareholding at the beginning of the year (As on 01.04.2015)		Cumulative Shareholding during the year (As on 31.03.2016)	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>SAURABH MALHOTRA</b>				
At the beginning of the year	3220000	19.61	0	0.00
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	+8341 (01.04.2015)	+0.05	3228341	19.66
At the end of the year			<b>3228341</b>	19.66
<b>CHANDERMOHAN MALHOTRA</b>				
At the beginning of the year	1474959	8.98		
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	+58160 (01.04.2015)	0.35	1533119	9.33
At the end of the year			<b>1533119</b>	9.33

## iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01.04.2015)		Shareholding at the end of the year (As on 31.03.2016)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Ashok Mittal	901725	5.49	444725	2.71
2.	Sangeetha S	67314	0.41	128590	0.78
3.	Gouresh H Sinari HUF	53701	0.33	53701	0.33
4.	Sreenivas Vemulapalli	51801	0.32	47942	0.29
5.	Mahendra Girdharilal	50503	0.31	46987	0.28
6.	Gouresh Hirakant Sinari	85823	0.52	24176	0.14
7.	Corporation Bank	228251	1.39	9909	0.06



Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01.04.2015)		Shareholding at the end of the year (As on 31.03.2016)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
8.	Vinod Sunder Javeri	62734	0.38	0	0.00
9.	Mohammad Ali	62121	0.38	31534	0.19
10.	Dhirajlal S. Mehta	50000	0.30	36595	0.22
11.	Daksha Vishanji Kotak	7161	0.04	42112	0.25
12.	Dr. Ramesh Chimanlal Shah	0	0.00	40000	0.24
13.	Vidhi Ramesh Shah	0	0.00	40000	0.24
14.	Maria De Fatima Do Nascimento Lobo	0	0.00	39315	0.23

v) Shareholding of Directors and Key Managerial Personnel

	Shareholding at the beginning of the year (As on 01.04.2015)		Cumulative Shareholding during the year (As on 31.03.2016)	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>A. DIRECTORS</b>				
At the beginning of the year	Promoter directors’ shareholding and their changes has already been given in earlier table. Mr. Radhe Shyam (Independent Director) is holding 68,053 shares at the beginning and at the end of the year. Mr. Ashok Doda (Independent Director) is holding 100 shares in the company at the beginning and at the end of the year. Mr Om Parkash (Independent Director) is holding 500 shares in the company at the beginning and at the end of the year.			
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/bonus/sweat equity etc)				
At the end of the year				
<b>B. KEY MANAGERIAL PERSONNEL</b>				
At the beginning of the year	Not Applicable			
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/bonus/sweat equity etc)				
At the end of the year				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2015)</b>				
i) Principal Amount	126,99,11,440	1,46,00,000	0	128,45,11,440
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>126,99,11,440</b>	<b>1,46,00,000</b>	<b>0</b>	<b>128,45,11,440</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	262,547,43,049	3,51,00,000	0	26,28,98,43,049
Reduction	262,094,98,661	50,00,000	0	26,21,44,98,661
<b>Net Change</b>	<b>4,52,44,388</b>	<b>3,01,00,000</b>	<b>0</b>	<b>753,44,388</b>
<b>Indebtedness at the end of the financial year (31.03.2016)</b>				
i) Principal Amount	131,51,55,828	44,700,000	0	135,98,55,828
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>131,51,55,828</b>	<b>44,700,000</b>	<b>0</b>	<b>135,98,55,828</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:-

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Chander Mohan Executive Chairman & WTD	Saurabh Malhotra MD	Total Amount
1	Gross Salary	48,00,000	68,00,000	1,16,00,000
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0	0	0
	(b) Value of perquisites under Section 17(2) income Tax Act, 1961	0	0	0
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	0	0	0
2	Stock Options	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	- others, specify	0	0	0
5	Others, please specify	0	0	0
<b>TOTAL (A)</b>		<b>48,00,000</b>	<b>68,00,000</b>	<b>1,16,00,000</b>
<b>Ceiling As Per The Act</b>		<b>Minimum remuneration upto ₹ 700,000/- pm</b>	<b>Minimum remuneration upto ₹ 700,000/- pm</b>	<b>0</b>

### B. Remuneration to other Directors:

#### 1. Independent Directors

(Amount in ₹)

Particulars of Remuneration	Ashokkumar Doda	Radhe Shyam	Om Parkash Singal	Total Amount
- Fee for attending Board / Committee Meetings	1,52,000	2,53,000	2,02,000	6,07,000
- Commission	0	0	0	0
- Others, please specify	0	0	0	0
<b>Total (B)(1)</b>	<b>1,52,000</b>	<b>2,53,000</b>	<b>2,02,000</b>	<b>6,07,000</b>

#### 2. Other Non Executive Directors

(Amount in ₹)

	Shipra Malhotra	Total Amount
- Fee for attending Board / Committee Meetings	1,68,000	1,68,000
- Commission	0	0
- Others, please specify	0	0
<b>Total (B)(2)</b>		<b>0</b>
<b>Total (B) = (B)(1) + (B)(2)</b>		<b>7,75,000</b>
<b>Overall Ceiling as per the Act</b>		<b>Minimum fees upto ₹ 100,000/- per meeting</b>

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	--	Raju Pillai	Total Amount
		Chief Executive Officer	Compliance Officer	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0	12,08,333	12,08,333
	(b) Value of perquisites under Section 17(2) income Tax Act, 1961	0	0	0
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	0	0	0
2.	Stock Options	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission	0	0	0
	- as % of profit	0	0	0
	- others, specify	0	0	0
5.	Others, please specify	0	0	0
	<b>TOTAL (C)</b>	<b>0</b>	<b>12,08,333</b>	<b>12,08,333</b>

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Sections of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					



## CORPORATE GOVERNANCE REPORT

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

For The Financial Year 31<sup>st</sup> March, 2016

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 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 and Remuneration Committee, 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. 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 Mr. Chander Mohan and brother of Ms. Shipra Malhotra
Ms. Shipra Malhotra	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. Om Parkash Singal	Non Executive	Independent	Not Related to any Directors

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 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, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, SEBI Regulations and other relevant regulations and his 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 to effectively fulfill his 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
15 <sup>th</sup> May, 2015	06	06
13 <sup>th</sup> August, 2015	06	04
11 <sup>th</sup> November, 2015	06	05
13 <sup>th</sup> February, 2016	06	06
11 <sup>th</sup> March, 2016	06	04

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

Date of Board Meetings	Chander Mohan	Saurabh Malhotra	Shipra Malhotra	Ashok Kumar Doda	Radhe Shyam	Om Parkash Singal
15 <sup>th</sup> May, 2015	Present	Present	Present	Present	Present	Present
13 <sup>th</sup> August, 2015	Absent	Present	Absent	Present	Present	Present

Date of Board Meetings	Chander Mohan	Saurabh Malhotra	Shipra Malhotra	Ashok Kumar Doda	Radhe Shyam	Om Parkash Singal
11 <sup>th</sup> November, 2015	Absent	Present	Present	Present	Present	Present
13 <sup>th</sup> February, 2016	Present	Present	Present	Present	Present	Present
11 <sup>th</sup> March, 2016	Present	Absent	Present	Absent	Present	Present
Total Attendance (out of 5 Board Meetings)	3	4	4	4	5	5
Attendance at Last AGM	Absent	Present	Absent	Present	Absent	Present

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 Director	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	4	2	1
Mr. Radhe Shyam	1	1	1
Mr. Om Parkash Singal	2	0	1

\*\*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 behaviour, 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 and Remuneration Committee, 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 31<sup>st</sup> March, 2016 and details of the Members participation at the Meetings of the Committee are as under:

Date of Meeting	Radhe Shyam*	Ashok Kumar Doda <sup>#</sup>	Shipra Malhotra <sup>§</sup>
15 <sup>th</sup> May, 2015	Present	Present	Present
13 <sup>th</sup> August, 2015	Present	Present	Present
11 <sup>th</sup> November, 2015	Present	Present	Present
13 <sup>th</sup> February, 2016	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 May 15, 2014 the terms of reference of Audit Committee as prescribed under section 177(4) of the Companies Act, 2013 w.e.f 1<sup>st</sup> 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.

During the year under review, the Audit Committee held a separate meeting with the Statutory Auditors and the Internal Auditor to get their inputs on significant matters relating to their areas of audit.

### 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 an 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 31<sup>st</sup> March, 2016 and details of the Members participation at the Meetings of the Committee are as under:

Date of Meeting	Ashok Kumar Doda*	Shipra Malhotra#	Om Parkash Singal§
15 <sup>th</sup> May, 2015	Present	Present	Present
13 <sup>th</sup> August, 2015	Present	Present	Present
11 <sup>th</sup> November, 2015	Present	Present	Present
13 <sup>th</sup> February, 2016	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

#### Complaint Status for the year 01/04/2015 to 31/03/2016

Category	Complaints Received	Complaints Resolved	Complaints Pending
Non receipt. of credit of dividend	0	0	0
Non receipt of dividend warrant	13	13	0
Non receipt of interest warrant	0	0	0
Non receipt of annual reports	0	0	0
SEBI	0	0	0
Stock exchange	0	0	0
Non receipt of share certificate	0	0	0
Non receipt of share transfer	0	0	0
Others	0	0	0
<b>Total</b>	<b>13</b>	<b>13</b>	<b>0</b>

### 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, 2016 and the details of Members participation at the Meetings of the Committee are as under:

Date of Meeting	Radhe Shyam*	Om Parkash Singal <sup>#</sup>	Shipra Malhotra <sup>§</sup>
15 <sup>th</sup> May, 2015	Present	Present	Present
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>

\*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

- Formulate and Recommend to board, a CSR policy which shall indicate the activities to be undertaken either by company as specified in Schedule VII
- Recommend the amount of expenditure to be incurred on the activities referred in Clause (a)
- Monitor the CSR policy from time to time.

The composition of the Corporate Social Responsibility Committee as at 31<sup>st</sup> March, 2016 and the details of Members' participation at the Meetings of the Committee are as under:

Date of Meeting	Chander Mohan*	Shipra Malhotra <sup>#</sup>	Om Parkash Singal <sup>§</sup>
13 <sup>th</sup> February, 2016	Present	Present	Present
Total	1	1	1

\*Chairman & Executive Director

<sup>#</sup>Member & Non- Executive Promoter Director

<sup>§</sup>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:

- Foreign Exchange risk
- Commodity Price risk
- Risk elements in business transactions
- Physical risk to cargo

All the above risk has been discussed in the Management Discussion and Analysis Report. The Executive Chairman & Managing Director 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

During the year under review, the Independent Directors met on 13<sup>th</sup> February, 2016, inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors and the Board of directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- Evaluation of the quality, content and timeline of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.





### 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 N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- The N&R Committee 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 N&R Committee 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 & Managing Director 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 & Managing Director 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 & Managing Director 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-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.
- The Managing Director 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, 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 31<sup>st</sup> March, 2016, is as under:

Name of Director	Designation	Salary & Perquisites (in ₹)	Commission (in ₹)	Sitting Fees (in ₹)	Total (in ₹)
Chander Mohan	Executive Chairman	48,00,000	-	-	48,00,000
Saurabh Malhotra	Managing Director	68,00,000	-	-	68,00,000
Shipra Malhotra	Non-Executive Director	-	-	1,68,000	1,68,000
Ashok Kumar Doda	Independent Director	-	-	1,52,000	1,52,000
Radhe Shyam	Independent Director	-	-	2,53,000	2,53,000
Om Parkash Singal	Independent Director	-	-	2,02,000	2,02,000

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

**Details of Service Contracts:**

Name	Designation	Current Tenure	From	To
Mr. Chander Mohan	Executive Chairman	3 years	1 <sup>st</sup> September, 2013	31 <sup>st</sup> August, 2016
Mr. Saurabh Malhotra	Managing Director	3 years	1 <sup>st</sup> September, 2013	31 <sup>st</sup> August, 2016

**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, 2016	No. of shares held as on 31 <sup>st</sup> March, 2015
Shipra Malhotra	500	500
Ashok Kumar Doda	100	100
Radhe Shyam	68053	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.

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 Securities and Exchange Board of India (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 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 Executive Chairman & MD Certification**

The Executive Chairman & MD have issued certificate pursuant to the provisions of 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 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, 2016. A declaration to this effect signed by the Chairman of the Company is given elsewhere in the Annual Report.

## 5.7 Vigil Mechanism / Whistle Blower Policy

During the financial year 2015 – 2016, in accordance with the regulation 22 of SEBI Regulations and pursuant to section 177 (9) read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 of the Companies Act, 2013, 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 Company Secretary & Head Compliance 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 Listing Agreement with the Stock Exchanges. 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 results and the press releases of the Company are also placed on the Company's website [www.sakumaexportsltd.com](http://www.sakumaexportsltd.com)

- In compliance with SEBI Regulations, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically on BSE's on-line portal and through Corporate Filing and Dissemination System (CFDS) website [www.corpfiling.co.in](http://www.corpfiling.co.in). Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal. The Company has complied with filing submissions through BSE's BSE Online Portal.

## 6) GENERAL INFORMATION TO SHAREHOLDERS

Financial Year Ended: 31<sup>st</sup> March, 2016

### 6.1 Investor Services

The Company has appointed Big Share Services Private Limited, Registrar and Share transfer Agent which offers all share related services to its Members and Investors.

These services include transfer / transmission / dematerialization of shares, payment of dividends, sub-division / consolidation / renewal of share certificates and investor grievances.



## 6.2 Registered Office & Correspondence Address

### **Sakuma Exports Limited**

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

Phone No: 022 2499 9028 / 022 2499 9025

Fax: 022 2499 9024

**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, subdivision 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.

## 6.3 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.

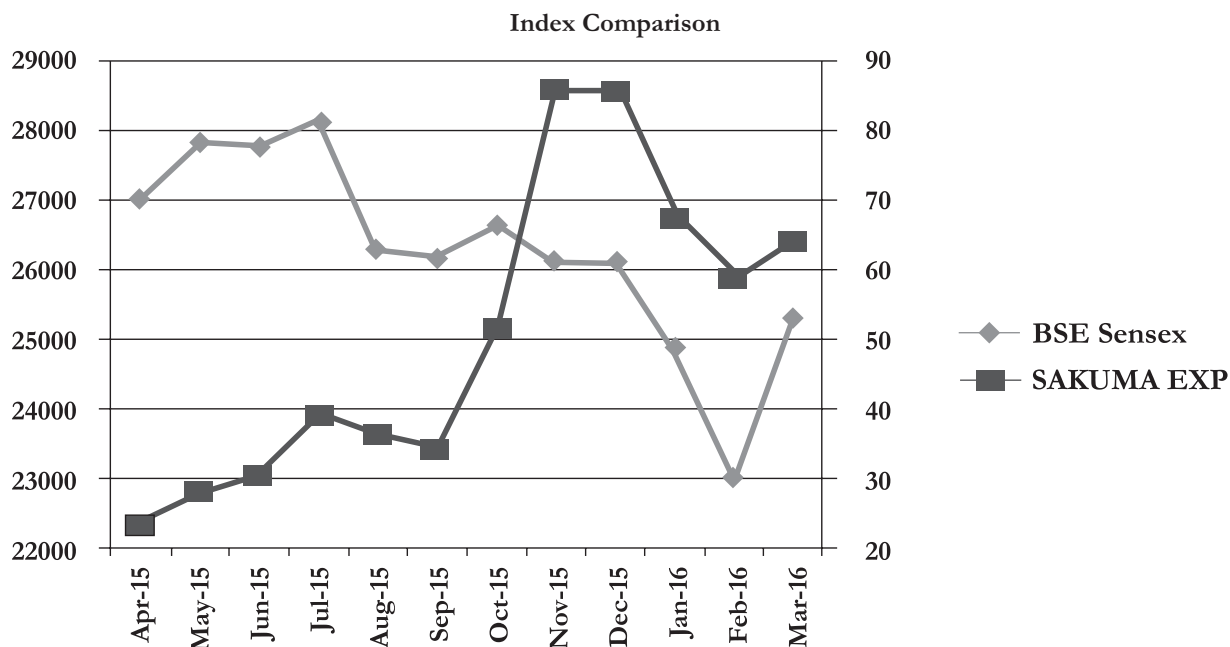
## 6.4 Market Information

### **Listing on Stock Exchanges**

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

<b>Name &amp; Address of the Stock Exchanges</b>	<b>Stock Code/ Scrip Code</b>	<b>ISIN Number for CDSL (Dematerialised shares)</b>
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	532714	INE 190H01016
The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai- 400051	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](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, 2016:

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-15	20	28.35	20	23.2	137455	1166	3394003	8.35	3.2
May-15	26.7	36.5	22	28.1	335319	2603	10228751	14.5	1.4
Jun-15	27.9	32.45	26.5	30.25	110756	985	3197379	5.95	2.35
Jul-15	30	43	29.6	39.1	267727	2706	9424930	13.4	9.1
Aug-15	38.9	49.7	33.75	36.25	543416	4743	22932836	15.95	-2.65
Sep-15	36.4	36.4	27.6	34.25	152394	1134	5119556	8.8	-2.15
Oct-15	34.1	55.5	34	51.6	549875	5418	27019711	21.5	17.5
Nov-15	53	103.7	48.45	85.75	1499225	19871	123004068	55.25	32.75
Dec-15	87.1	101.9	73.9	85.7	585828	9814	52574128	28	-1.4
Jan-16	94.55	99.4	52	67.65	787323	16140	58674083	47.4	-26.9
Feb-16	68.9	74.3	46.45	59	397773	7001	25368310	27.85	-9.9
Mar-16	59	72	59	63.95	298609	4917	20122646	13	4.95

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

## 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 Government. The Company has in November 2015 transferred to the said fund, the dividends for the years ended 31<sup>st</sup> March, 2008 (Equity & Preference) which have remained unclaimed / unpaid.

### For Equity Shareholders:

Financial Year	Date of Declaration of Dividend	Last Date of claiming un- paid Dividend
Final Dividend 2010- 2011	18.08.2011	22.09.2018
Final Dividend 2011-2012	27.09.2012	31.10.2019
Final Dividend 2012-2013	29.07.2013	02.09.2020
Final Dividend 2013-2014	28.08.2014	02.10.2021
Interim Dividend 2015-2016	11.03.2016	16.05.2023

### For Preference Shareholders:

Financial Year	Date of Declaration of Dividend	Last Date of claiming un- paid Dividend
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

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.

## 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 December 1, 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 Company Secretary and Head Compliance at the Registered Office with a copy of the earlier correspondence.

## 7.8 Reconciliation of Share Capital Audit

As required by the Securities & Exchange Board of India (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 31<sup>st</sup> March, 2016

Range (In Shares)	No. of Shareholders	% of total	No. of Shares	% of total
1 – 500	7000	82.11	1209491	7.36
501 - 1000	859	10.07	684708	4.17
1001 - 2000	345	4.04	523795	3.19
2001 - 3000	115	1.34	288409	1.76
3001 - 4000	53	0.62	190182	1.16
4001 - 5000	47	0.55	218336	1.33
5001 - 10000	59	0.69	438788	2.67
10001 & Above	47	0.55	12872234	78.36
<b>Total</b>	<b>8525</b>		<b>16425943</b>	<b>100.00</b>

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 31<sup>st</sup> March, 2016 (Equity Shares)

	Category	No of Shares Held	% Of Share Holding
<b>A.</b>	<b>Promoter (S) Holding</b>		
	Promoter (s)		
	- Indian Promoters	7881460	47.98
	- Relatives of Directors	1000	0.00
	- Group Companies	3455965	21.04
	<b>Sub – Total(A)</b>	<b>11338425</b>	<b>69.03</b>



	Category	No of Shares Held	% Of Share Holding
<b>B.</b>	<b>Non-Promoters Holding</b>		
	<b>Institutional Investors</b>		
i.	Mutual Funds & UTI		
ii.	Banks, Financial Inst, Insurance Company (Central/State Govt	12169	0.07
iii.	Inst/Non-Govt INST) FII (S)		
	<b>Others</b>		
i.	Corporate Bodies	254870	1.55
ii.	Indian Public	4503856	27.42
iii.	NRI/OCBS	223418	1.36
iv.	Directors / Relatives	68053	0.41
v.	Clearing Members	25152	0.15
	<b>Sub-Total (B)</b>	<b>5087518</b>	<b>30.97</b>
	<b>GRAND TOTAL (A+B)</b>	<b>16425943</b>	<b>100.00</b>

**Statement showing Shareholding of more than 1% of the Capital as on 31<sup>st</sup> March, 2016**

Sr. No.	Names of the shareholders		No. of Shares	% of Capital
<b>1</b>	<b>Promoters</b>			
	Saurabh Malhotra	3228341	11338425	69.03
	Kusum Chander Mohan Malhotra	3110000		
	Sakuma Infrastructure And Realty Private Limited	2667245		
	Chander Mohan Malhotra	1533119		
	Vanitha Malhotra	10000		
	Shipra Malhotra	500		
	Tanya Mediratta	500		
	Sakuma Finvest Pvt Ltd	698720		
	GMK System And Logistics Private Ltd	90000		
	<b>Others</b>			
<b>2</b>	Ashok Mittal		444725	2.71
	<b>Total</b>		<b>11783150</b>	<b>71.74</b>

**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
31.03.2013	8 <sup>th</sup> AGM	Note 1	29.07.2013 10.30 A.M.	P.L Deshapande Kala Academy, Ravindra Natyamandir, Third Floor, Sayani Road, Prabhadevi, Mumbai - 400 025

Financial Year Ending	Nature of Meeting	Nature of Special Resolution Passed	Date & Time	Location
31.03.2014	9 <sup>th</sup> AGM	Note 2	28.08.2014 10.30 A.M.	PL Deshapande Kala Academy, Ravindra Natyamandir, Third Floor, Sayani Road, Prabhadevi, Mumbai - 400 025
31.03.2015	10 <sup>th</sup> AGM	Note 3	11.08.2015 10.30 A.M.	Nehru Planetarium (Basement), Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018

**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, 2013.
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, 2013.

**Note 2:**

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 3:**

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 4:**

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



## DECLARATIONS

### FINANCIAL CALENDAR 2016

Board Meeting for consideration of Accounts for the financial year ended 31 <sup>st</sup> March, 2016 and recommendation of dividend	28 <sup>th</sup> May, 2016
Posting of Annual Reports	On or before 8 <sup>th</sup> August 2016 _
Book Closure Dates	25 <sup>th</sup> August, 2016 to 01 <sup>st</sup> September 2016(both days inclusive)
Last date for receipt of Proxy Forms	30 <sup>th</sup> August 2016
Date, Time & Venue of the 11 <sup>th</sup> Annual General Meeting	01 <sup>st</sup> September, 2016, Thursday, at 10.30 A.M. at Hall of Quest, Nehru Planetarium (Basement), Nehru Centre, Dr Annie Besant Road, Worli, Mumbai 400018.
Dividend Payment Date	Interim Dividend already paid
Probable date of dispatch of warrants	Not Applicable
Board Meeting for consideration of unaudited quarterly results for the financial year ended 31 <sup>st</sup> March, 2016	Within Forty Five days from the end of the quarter, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges
Audited results for the current financial year ending 31 <sup>st</sup> March, 2016	Within Sixty days from the end of the last quarter, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges

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

**Mumbai**  
**Date: 28<sup>th</sup> May, 2016**

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

### Declaration Regarding Code of Conduct

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.

**Place: Mumbai**  
**Date: 28<sup>th</sup> May, 2016**

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

### EXECUTIVE CHAIRMAN & MANAGING DIRECTOR CERTIFICATION

We the undersigned, in our respective capacities as Executive Chairman and Managing Director of Sakuma Exports Limited (“the Company”) to the best of our knowledge and belief certify that:

- A. We have reviewed financial statements and the cash flow statement for the financial year ended 31<sup>st</sup> March, 2016 and that to the best of our knowledge and belief, we state that:
  1. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  2. these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company’s Code of Conduct.
- C. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.

D. We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:

1. significant changes, if any, in internal control over financial reporting during the year;
2. significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

Yours Sincerely

**Chander Mohan**  
**Executive Chairman**

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

**Mumbai**

**Date: 28<sup>th</sup> May, 2016**

## **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 on 31<sup>st</sup> March, 2016, as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to 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 the conditions of the 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 the provisions as specified in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchanges.

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

**For M. L. Sharma & Co.,**  
**Chartered Accountants**

**SM BANDI**  
**Partner**

**Membership No.109101**  
**FRN: 109963W**

**Mumbai**

**Date: 28<sup>th</sup> May, 2016**



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Sakuma Exports Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SAKUMA EXPORTS LIMITED** ("the company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit.

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

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its **Profit** and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 (the order); issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure - **A**, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

As required by section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the Written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure - **B**.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
  - a. The company has disclosed the impact of pending litigations on its financial position in its financial statement – Refer Note 25.1 to the financial statement.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For M. L. SHARMA & CO.**  
**FIRM REG. NO. 109963W**  
**CHARTERED ACCOUNTANTS**

**Place of Signature: Mumbai**  
**Date: 28<sup>th</sup> May, 2016**

**(S. M. BANDI) PARTNER**  
**Membership No.109101**



**ANNEXURE - A TO THE INDEPENDENT AUDITORS REPORT**

**The Annexure - A referred to in our Report of even date to the Members of SAKUMA EXPORTS LIMITED for the year ended 31st March, 2016. We report that:**

1. (a) According to information and explanations given to us, the Company has 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) The Company does not own any immovable property (Except leasehold properties) accordingly provision of clause 1 (iii) is not applicable to the company.
2. According to information and explanations given to us by the management, the physical verification of the Inventories has been Conducted by the management at reasonable intervals. In our opinion, procedure of physical verification is reasonable and adequate with regards to size of the company and nature of its business.
3. The Company has not granted any loans, secured or unsecured to the Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the companies Act, 2013 and Accordingly, provision of clause 3 (iii), (iii) (a), (iii) (b) & (iii) (c) of the order, are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the company has not granted any loans or provided any guarantees or security in respect of any loans to any party covered under section 185 of the Act. In respect of loans granted to, guarantees or security in respect of any loan and Investments made in body corporate by the Company, the provisions of Section 186 of the Act has been complied with.
5. The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and any other relevant provision of the Companies Act, 2013 and the rules framed there under apply.
6. In our opinion and according to the information and explanations given to us the Company is not required to maintain cost records specified by the central government under section 148 (1) of the Companies Act, 2013.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, income tax, sales tax, duty of customs, value added tax, cess and other material statutory dues (except TDS & Service tax) as applicable, with the appropriate authorities. There are following undisputed amounts outstanding as at 31st March, 2016 for a period exceeding six months from the date they became payable.

<b>Nature of Statutory Dues</b>	<b>Period</b>	<b>Amount</b>
Tax Deduction at source	April 2015 to Sept 2015	42,002/-
Service tax	April 2015 to Sept 2015	10,19,552/-

- (b) According to information and explanations given to us and the books and records examined by us, there are no disputed amounts payables for Statutory dues except for Income Tax as mentioned below.

<b>Statute &amp; Nature of dues</b>	<b>Pending Amount of Dispute</b>	<b>Period</b>	<b>Forum where dispute is pending</b>
Income Tax Act, 1961 (Income Tax)	Rs. 2,13,014/-	AY 2009-10	CPC
Income Tax Act, 1961 (Income Tax)	Rs. 3,65,300/-	AY 2014-15	CPC
Income Tax Act, 1961 (Tax deduction at source)	Rs. 5,30,550/-	AY 2007-08, 2008-09, 2011-12	TDS Officer, Mumbai

8. According to information and explanations given to us the company has not defaulted in repayment of loans or borrowings to a financial institution or bank and company does not have any outstanding loans or borrowing from Government or dues to debenture holders during the year.
9. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and the Company has not availed any term loans during the current year and accordingly the provision of clause 3 (ix) of the order is not applicable to the Company.

10. According to the information and explanations given to us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion, and according to the information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the companies Act, 2013.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the order are not applicable to the Company.
13. In our opinion, and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the companies Act, 2013 where applicable. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard “18”, Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
14. In our opinion, and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the and accordingly the provisions of clause 3 (xiv) of the order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any Non-Cash transaction with directors or persons connected with the directors.
16. In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For M. L. SHARMA & CO.**  
**FIRM REG. NO. 109963W**  
**CHARTERED ACCOUNTANTS**

**Place of Signature: Mumbai**  
**Date: 28<sup>th</sup> May, 2016**

**(S. M. BANDI) PARTNER**  
**Membership No.109101**



## ANNEXURE – B TO THE INDEPENDENT AUDITORS REPORT

The Annexure – B referred to in our Report of even date to the Members of SAKUMA EXPORTS LIMITED for the year ended 31st March, 2016. We report that:

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Sakuma Exports Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M. L. SHARMA & CO.  
FIRM REG. NO. 109963W  
CHARTERED ACCOUNTANTS**

**Place of Signature: Mumbai  
Date: 28<sup>th</sup> May, 2016**

**(S. M. BANDI) PARTNER  
Membership No.109101**



## Balance Sheet as at 31st March, 2016

(in ₹)

Particulars	Note No	As at 31st March, 2016	As at 31st March, 2015
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's funds</b>			
(a) Share capital	3	16,42,59,430	16,42,59,430
(b) Reserves & Surplus	4	72,41,00,995	60,77,32,129
		88,83,60,425	77,19,91,559
<b>2 Non-current liabilities</b>			
(a) Deferred tax liabilities (net)	29	47,11,398	57,25,733
(b) Other long-term liabilities	5	9,47,41,985	-
		9,94,53,383	57,25,733
<b>3 Current liabilities</b>			
(a) Short-term borrowings	6	1,35,98,55,828	1,28,45,11,440
(b) Trade payables	7	1,38,91,50,274	1,78,93,75,110
(c) Other current liabilities	8	74,79,90,059	15,74,13,720
(d) Short-term provisions	9	3,85,51,137	5,42,33,371
		3,53,55,47,298	3,28,55,33,641
<b>TOTAL</b>		<b>4,52,33,61,106</b>	<b>4,06,32,50,933</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10.A	3,05,91,035	3,17,13,332
(ii) Intangible assets	10.A	2,39,809	3,40,228
(b) Non-current investments	11	1,09,99,802	1,07,39,802
(c) Long-term loans and advances	12	2,94,34,004	1,45,88,901
(d) Other non-current assets	13	13,99,195	96,22,314
		7,26,63,845	6,70,04,577
<b>2 Current assets</b>			
(a) Inventories	14	61,92,47,691	34,07,57,800
(b) Trade receivables	15	2,62,72,43,654	3,04,42,18,261
(c) Cash and cash equivalents	16	36,16,15,566	25,49,07,830
(d) Short-term loans and advances	17	83,02,97,230	34,58,52,301
(e) Other current assets	18	1,22,93,120	1,05,10,164
		4,45,06,97,261	3,99,62,46,356
<b>TOTAL</b>		<b>4,52,33,61,106</b>	<b>4,06,32,50,933</b>
Corporate Information & Significant Accounting Policies	1 & 2		

The accompanying notes form an integral part of the standalone financial statements.

In terms of our report attached.

For M.L.SHARMA & CO.

Chartered Accountants

FRN: 109963W

SM BANDI

Partner

M.No. 109101

Place : Mumbai

Date : 28th May'2016

For and on behalf of the Board of Directors

Mr. Chander Mohan  
Chairman

Mr. Saurabh Malhotra  
Managing Director

Mr. Radhe Shyam  
Director

Place : Mumbai

Date : 28th May'2016

## Statement of Profit and Loss for the year ended 31st March, 2016

(in ₹)

Particulars	Note No	For the year ended 31st March, 2016	For the year ended 31st March, 2015
1 Revenue from operations (gross)	19	17,98,29,02,196	10,80,85,34,506
Less: Excise duty		-	-
Revenue from operations (net)		17,98,29,02,196	10,80,85,34,506
2 Other income	20	7,74,29,637	12,28,46,204
3 <b>Total revenue (1+2)</b>		<b>18,06,03,31,833</b>	<b>10,93,13,80,710</b>
4 <b>Expenses</b>			
(a) Purchases of stock-in-trade	21.A	16,98,13,08,419	9,88,99,56,518
(b) Changes in inventories of stock-in-trade	21.B	(27,84,89,891)	7,52,18,394
(c) Employee benefits expense	22	4,37,37,537	3,51,71,873
(d) Finance costs	23	8,74,53,260	1,68,57,146
(e) Depreciation and amortisation expenses	10.B	70,82,982	83,29,535
(f) Other expenses	24	1,02,63,09,465	78,12,04,241
<b>Total expenses</b>		<b>17,86,74,01,772</b>	<b>10,80,67,37,707</b>
5 <b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		<b>19,29,30,061</b>	<b>12,46,43,003</b>
6 Exceptional items		-	-
7 <b>Profit / (Loss) before extraordinary items and tax (5 ± 6)</b>		<b>19,29,30,061</b>	<b>12,46,43,003</b>
8 Extraordinary items		-	-
9 <b>Profit / (Loss) before tax (7 ± 8)</b>		<b>19,29,30,061</b>	<b>12,46,43,003</b>
10 <b>Tax expense:</b>			
(a) Current tax expense for current year		6,35,00,000	3,85,05,165
(b) Current tax expense relating to prior years		(2,61,630)	88,801
(c) Net current tax expense		6,32,38,370	3,85,93,966
(d) Deferred tax		(10,14,335)	(12,87,703)
<b>Total tax expense</b>		<b>6,22,24,036</b>	<b>3,73,06,263</b>
11 <b>Profit / (Loss) from continuing operations (9 ± 10)</b>		<b>13,07,06,026</b>	<b>8,73,36,740</b>
12.i <b>Earnings per share (of ₹ 10/- each):</b>	28		
(a) Basic			
(i) Continuing operations		7.96	5.32
(ii) Total operations		7.96	5.32
(b) Diluted			
(i) Continuing operations		7.96	5.32
(ii) Total operations		7.96	5.32
12.ii <b>Earnings per share (excluding extraordinary items) (of ₹ 10/- each):</b>			
(a) Basic			
(i) Continuing operations		7.96	5.32
(ii) Total operations		7.96	5.32
(b) Diluted			
(i) Continuing operations		7.96	5.32
(ii) Total operations		7.96	5.32
<b>Corporate Information &amp; Significant Accounting Policies</b>	1 & 2		

The accompanying notes form an integral part of the standalone financial statements.

In terms of our report attached.

For M.L.SHARMA & CO.

Chartered Accountants

FRN: 109963W

For and on behalf of the Board of Directors

SM BANDI  
Partner  
M.No. 109101

Mr. Chander Mohan  
Chairman  
Mr. Saurabh Malhotra  
Managing Director

Mr. Radhe Shyam  
Director

Place : Mumbai  
Date : 28th May'2016

Place : Mumbai  
Date : 28th May'2016



## Cash Flow Statement for the year ended 31 March, 2016

(in ₹)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	19,29,30,061	12,46,43,003
<b>Adjustments for:</b>		
Depreciation and amortisation	70,82,982	83,29,535
(Profit) / loss on sale / write off of assets	(6,72,277)	-
Finance costs	8,74,53,261	1,68,57,146
Interest income	(2,00,63,534)	(1,20,40,311)
Dividend income	(1,54,88,668)	(2,75,46,131)
Net (gain) / loss on sale of investments	4,001	(1,02,443)
<b>Operating profit / (loss) before working capital changes</b>	25,12,45,826	11,01,40,799
<b>Changes in working capital:</b>		
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Inventories	(27,84,89,891)	7,52,18,394
Trade receivables	41,57,06,210	(2,11,53,98,665)
Short-term loans and advances	(48,34,88,193)	5,08,74,252
Long-term loans and advances	(1,19,30,851)	3,09,692
Other current assets	9,93,738	5,03,612
Other non-current assets	82,23,119	-
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payables	(40,02,24,836)	1,67,88,60,595
Other current liabilities	57,77,86,456	11,84,34,796
Other long-term liabilities	9,47,41,985	-
Short-term provisions	3,67,459	(86,64,608)
	17,49,31,022	(8,97,21,133)
<b>Net income tax (paid) / refunds</b>	(6,61,52,621)	(4,31,62,695)
<b>Net cash flow from / (used in) operating activities (A)</b>	10,87,78,401	(13,28,83,828)
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(60,35,767)	(10,49,353)
Proceeds from sale of fixed assets	8,47,777	-
Current investments not considered as Cash and cash equivalents		
- Purchased	(78,52,99,889)	(1,23,06,67,184)
- Proceeds from sale	78,59,45,079	1,24,07,76,512
Interest received	2,00,63,534	1,20,40,311
Dividend received from Subsidiary	1,45,79,476	1,75,39,246
<b>Net cash flow from / (used in) investing activities (B)</b>	3,01,00,210	3,86,39,532



**Cash Flow Statement for the year ended 31 March, 2016**

(in ₹)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>C. Cash flow from financing activities</b>		
Net increase / (decrease) in working capital borrowings	4,52,44,388	20,16,21,765
Proceeds from other short-term borrowings	3,73,93,341	5,56,48,038
Repayment of other short-term borrowings	(72,93,341)	(4,10,48,038)
Finance cost	(8,74,53,260)	(1,68,57,146)
Dividends paid	(2,77,01,444)	(1,63,93,154)
Tax on dividend	-	(27,91,589)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(3,98,10,316)</b>	<b>18,01,79,876</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>9,90,68,295</b>	<b>8,59,35,580</b>
Cash and cash equivalents at the beginning of the year	25,49,07,830	16,89,72,250
<b>Cash and cash equivalents at the end of the year</b>	<b>35,39,76,125</b>	<b>25,49,07,830</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
<b>Cash and cash equivalents at the end of the year *</b>	<b>35,39,76,125</b>	<b>25,49,07,830</b>
* Comprises:		
(a) Cash on hand	4,55,891	10,01,514
(b) Balances with banks		
(i) In current accounts	5,00,59,354	6,22,09,710
(ii) In current accounts bank overdraft	(76,39,441)	-
(iii) In EEFC accounts	1,837	1,52,68,155
(iv) In deposit accounts with original maturity of less than 3 months	30,47,94,515	17,52,80,924
(v) In earmarked accounts (give details) (Refer Note (ii) below)	63,03,969	11,47,527
	<b>35,39,76,125</b>	<b>25,49,07,830</b>

**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.

**Corporate Information & Significant Accounting Policies as per Note No. 1 & 2**

The accompanying notes form an integral part of the standalone financial statements.

In terms of our report attached.

For M.L.SHARMA & CO.

Chartered Accountants

FRN: 109963W

SM BANDI  
Partner  
M.No. 109101

Place : Mumbai  
Date : 28th May'2016

For and on behalf of the Board of Directors

Mr. Chander Mohan  
Chairman

Mr. Saurabh Malhotra  
Managing Director

Mr. Radhe Shyam  
Director  
Place : Mumbai  
Date : 28th May'2016



## Notes forming part of the financial statements

### 1 Corporate information

Sakuma Exports Limited (Government of India recognised Star Trading House) is a public limited company domiciled in India and incorporated under the provisions of Companies Act 1956. Its shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The company is engaged in exports of commodities like Sugar, Rice, Maize, Sesame Seeds, Ground Nuts, Pulses, Oil Meal, Raw Cotton etc. and Import of commodities like Sugar, Coal and Oil. The company caters to both domestic and international markets.

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

The financial statements are prepared under historical cost convention on an accrual basis of accounting to comply in all material respects with mandatory accounting standards as notified under section 133 of the Companies Act, 2013 (the Act) read with rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 as applicable to the company.

#### Summary of Significant Accounting Policies

### 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 realizable 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 is provided on the written down value method ("WDV") unless otherwise stated, pro-rata to the period of use of assets based on useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013 and Amortisation of Leased Assets are provided over the use full life of lease assets.

**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.

Revenue from Sale of Services rendered are recognised on Completion of Service.

Export Incentive in the form of credit earned on exports made during the year, under DFIA /Duty Entitlement Pass Book (DEPB)/Target Plus Licenses(DFCE), Focus Product Market 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 as and when right to receive payment is established.

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****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 to the rate at the date of the transaction.

**b) Conversion**

At the year end, monetary item denominated in foreign currencies, other than the disputed receivables or payables, are retranslated into rupee equivalents at the year-end exchange rates. Non-monetary items, which are measured in terms of historical cost denominated in foreign currency, are reported using the exchange rates at the date of transaction.

**c) Treatment of exchange differences**

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

**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 includes 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 costs includes interest, amortization of ancillary costs incurred in connection with the arrangements of borrowings.

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**

As permitted by paragraph – 4 of Accounting Standard – 17, “Segment Reporting”, if a single financial report contains both consolidated financial statements and the separate financial statements of the parent, segment information is required to be presented only on the basis of the consolidated financial statements.

However , the company’s business activity falls within a single primary segment viz. Trading of commodities. In view of the general clarification (ASI-20 did. 14th February, 2004) issued by the Institute of Chartered Accountant of India for companies operating in single segment, the disclosure requirements as per AS-17, “Segment Reporting” is not applicable to the company.

**2.13 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.

**2.14 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.

### **2.15 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.

### **2.16 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.

### **2.17 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, 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.

### **2.18 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.



## 2.19 Commodity 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 March, 2016		As at 31 March, 2015	
	Number of shares	₹	Number of shares	₹
(a) <b>Authorised</b>				
Equity shares of ₹10/- each with voting rights	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000
(b) <b>Issued</b>				
Equity shares of ₹ 10/- each with voting rights	1,64,25,943	16,42,59,430	1,64,25,943	16,42,59,430
(c) <b>Issued, Subscribed and fully paid up</b>				
Equity shares of ₹ 10/- each with voting rights	1,64,25,943	16,42,59,430	1,64,25,943	16,42,59,430
<b>Total issued, Subscribed and fully paid -up share capital</b>	<b>1,64,25,943</b>	<b>16,42,59,430</b>	<b>1,64,25,943</b>	<b>16,42,59,430</b>

### Note 3 A Share Capital

#### 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 (give details)	Closing Balance
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#### Equity shares with voting rights

##### Year ended 31 March, 2016

- Number of shares	1,64,25,943	-	-	-	-	-	-	1,64,25,943
- Amount (₹10 each )	16,42,59,430	-	-	-	-	-	-	16,42,59,430

##### Year ended 31 March, 2015

- Number of shares	1,64,25,943	-	-	-	-	-	-	1,64,25,943
- Amount (₹10 each)	16,42,59,430	-	-	-	-	-	-	16,42,59,430

#### 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 except in case of Interim Dividend.

During the year ended 31 March 2016, the amount of per share recognised as distributions to equity shareholders was ₹ 1 per share (31st March 2015 ₹ 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. 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 March, 2016		As at 31 March, 2015	
	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 Chander Mohan Malhotra	31,10,000	18.93%	31,10,000	18.93%
Mr. Saurabh Malhotra	32,28,341	19.65%	32,20,000	19.60%
Mr. Chander Mohan Malhotra	15,33,119	9.33%	14,74,959	8.98%
M/s Sakuma Infrastructure and Realty Pvt Ltd	26,67,245	16.24%	26,67,245	16.24%
Mr. Ashok Mittal	4,44,725	2.71%	9,01,725	5.49%

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 ownerships of shares.





## Notes forming part of the financial statements

## Note No 4 Reserves And Surplus

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>(a) Capital redemption reserve</b>		
Opening balance	10,00,09,200	10,00,09,200
Closing balance	10,00,09,200	10,00,09,200
<b>(b) Securities premium account</b>	-	
Opening balance	26,74,18,430	26,74,18,430
Closing balance	26,74,18,430	26,74,18,430
<b>(c) Hedging reserve</b>		
Opening balance	53,94,554	5,25,03,611
Add / (Less): Net Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year	24,65,033	(4,71,09,057)
Closing balance	78,59,587	53,94,554
<b>(d) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	23,49,09,945	16,39,99,148
Add: Profit / (Loss) for the year	13,07,06,026	8,73,36,740
<b>Less: Appropriations</b>		
Interim Dividend distributed to equity shareholders (₹1 per share)	(1,64,25,943)	(1,64,25,943)
Tax on Interim dividend (Refer Note below)	(3,76,250)	-
Closing balance	34,88,13,778	23,49,09,945
<b>Total Reserves and Surplus (a to d)</b>	<b>72,41,00,995</b>	<b>60,77,32,129</b>

## Note:-Tax on Interim Dividend

During the relevant financial year, the company has received dividend from its foreign subsidiary, GKM General Trading LLC, of ₹1,45,79,476/- on which the company is liable to pay ₹21,86,921/- as dividend tax u/s 115 BBD of the Income Tax Act.

As the company has received dividend from the foreign subsidiary the tax paid or payable on the dividend received from foreign subsidiary is eligible for set-off against liability of dividend distribution tax payable u/s 115-O of the Act, hence forth after netting of balance amount of dividend paid of ₹18,46,467/- is liable for dividend distribution tax that amounts to ₹3,76,250/- for which separate provision for dividend distribution tax has been made under the head Other Current Liabilities.

## Note 5: Other long-term liabilities

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>(a) Trade Payables:</b>		
(i) Acceptances	9,20,65,030	-
<b>(b) Others:</b>		
(i) Advances from customers	26,76,955	-
<b>Total</b>	<b>9,47,41,985</b>	<b>-</b>

## Notes forming part of the financial statements

### Note 6 Short-Term Borrowings

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
(a) Loans repayable on demand		
From banks		
Secured	1,31,51,55,828	1,26,99,11,440
	<u>1,31,51,55,828</u>	<u>1,26,99,11,440</u>
From other parties		
Unsecured	4,47,00,000	1,46,00,000
	<u>4,47,00,000</u>	<u>1,46,00,000</u>
<b>Total</b>	<u><b>1,35,98,55,828</b></u>	<u><b>1,28,45,11,440</b></u>

#### Notes:

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

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
Loans repayable on demand from banks:		
Packing Credit Rupees Loan	1,31,51,55,828	19,80,00,000
Packing Credit Foreign Currency	-	83,16,30,109
<b>Total - From banks</b>	<u><b>1,31,51,55,828</b></u>	<u><b>1,02,96,30,109</b></u>

#### Note 8 Short-term borrowings:

- Cash Credit and Packing Credit from Corporation Bank 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 @13.85% p.a . Packing credit Loan is repayable within 90 days and carries interest rate @ 10.75% p.a up to the period of Credit.
- Cash Credit and Packing Credit from Axis Bank are secured against charge on the entire current assets, Hypothecation of Fixed assets other than vehicles and Leasehold land, Lien on Term Deposits, personal guarantees of Directors and pledge of shares of promoters of the company. Cash Credit is repayable on demand and carries interest @12.50% p.a . Packing credit Loan is repayable within period up to 120 days and carries interest rate prevailing on the date of withdrawals.
- Cash Credit and Packing Credit from Indian Overseas Bank are secured against Hypothecation of Inventory, Book debts, Lien on Term Deposits, personal guarantees of Directors and pledge of shares of promoters of the company. Packing credit Loan is repayable within period up to 120 days and carries interest rate as per the circular in force on the date of withdrawals.
- Cash Credit and Packing Credit from Union Bank of India are secured against Hypothecation of Inventory, Book debts, Fixed assets other than vehicles and Leasehold land, Lien on Term Deposits, personal guarantees of Directors and pledge of shares of promoters of the company. Packing credit Loan is repayable depending upon the contract and carries interest rate prevailing on the date of withdrawals.
- Secured Short Term Borrowings Limit of the company has been increased by ₹45 Crores during the year. Short Term Borrowings amounting ₹ 35 Crore from Rabobank are secured pari passu with existing banker against stocks, receivables, other current assets, collateral property and collateral security as fixed Deposit i.e. 15% of Total Facility Limit. Further Short Term Borrowing of ₹ 10 Crore from RBL Bank Limited are secured paripassu with existing bankers against Current Assets , Stocks, Book Debts and Hypothecation of Fixed assets of the company excluding Vehicles and Windmill landed property Lien on Term Deposits and personal guarantees of Directors . During the year company has availed packing credit rupee loan against enhanced limit at rate of interest as prevailing on date of withdrawals.
- Unsecured Short Term Borrowings of the company are repayable on demand and carrier interest rate @ 10% p.a.



## Notes forming part of the financial statements

## Note 7 Trade Payables (Other than Micro Small and Medium Enterprises):-

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
Trade payables:		
(a) For Goods	1,30,89,83,286	1,75,29,53,804
(b) For Expenses	8,01,66,988	3,64,21,306
<b>Total</b>	<b>1,38,91,50,274</b>	<b>1,78,93,75,110</b>

## Note 8 Other Current Liabilities

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
(a) Unpaid dividends	58,83,162	7,32,720
(b) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	75,26,745	16,64,857
(ii) Advances from customers (Refer note below)	64,83,83,289	15,43,71,681
(iii) Others		
Unpaid Redemption Preference Shares Proceeds	4,22,506	4,22,506
M2M Gain/Loss Unrealised	-	2,21,956
Claims Payable	7,81,34,916	-
Bank Overdraft	76,39,441	-
<b>Total</b>	<b>74,79,90,059</b>	<b>15,74,13,720</b>

## Note: Advances from Customer includes:-

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<u>Advance from related party</u>		
Due to Subsidiary Company		
Sakuma Exim DMCC	26,76,955	7,51,94,454
GKM General Trading LLC	-	5,32,41,064
<b>Total</b>	<b>26,76,955</b>	<b>12,84,35,518</b>

## Note 9 Short-Term Provisions

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
(a) Provision for employee benefits:		
(i) Provision for bonus	7,46,795	6,38,442
(ii) Provision for compensated absences	1,28,107	2,13,209
(iii) Provision for gratuity (net) (Refer Note 26.2.)	7,32,912	1,96,773
	<b>16,07,814</b>	<b>10,48,424</b>

## Notes forming part of the financial statements

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>(b) Provision - Others:</b>		
(i) Provision for proposed equity dividend	-	1,64,25,943
(ii) Provision - others	3,69,43,323	3,67,59,004
	<u>3,69,43,323</u>	<u>5,31,84,947</u>
<b>Total (a+b)</b>	<u>3,85,51,137</u>	<u>5,42,33,371</u>

## Note 10 A Fixed Assets

Tangible & Intangible Assets	Gross block					
	Balance as at 1 April, 2015	Additions	Disposals	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2016
	₹	₹	₹	₹	₹	₹
(a) Land						
Leasehold	12,70,000	-	-	-	-	12,70,000
(b) Plant and Equipment						
Owned	7,44,17,284	-	-	-	-	7,44,17,284
(c) Plant and Equipment						
Owned (Packing Machine )	-	18,81,739	-	-	-	18,81,739
(d) Furniture and Fixtures						
Owned	3,62,859	-	-	-	-	3,62,859
(e) Vehicles						
Owned	2,27,31,462	34,70,000	37,43,532	-	-	2,24,57,930
(f) Office equipment						
Owned	38,16,010	6,39,928	-	-	-	44,55,938
(g) Computer Software						
Owned	6,19,385	44,100	-	-	-	6,63,485
<b>Total</b>	<b>10,32,17,000</b>	<b>60,35,767</b>	<b>37,43,532</b>	<b>-</b>	<b>-</b>	<b>10,55,09,235</b>
<b>Previous year</b>	<b>10,21,67,647</b>	<b>10,49,353</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,32,17,000</b>
Tangible & Intangible Assets	Accumulated depreciation and impairment			Net block		
	Balance as at 1 April, 2015	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2016	Balance as at 31 March, 2016	Balance as at 31 March, 2015
	₹	₹	₹	₹	₹	₹
(a) Land						
Leasehold	5,35,357	1,26,370	-	6,61,727	6,08,273	7,34,643
(b) Plant and Equipment						
Owned	5,19,48,876	26,15,493	-	5,45,64,369	1,98,52,915	2,24,68,408
(c) Plant and Equipment						
Owned	-	79,836	-	79,836	18,01,903	-
(d) Furniture and Fixtures						
Owned	1,72,860	53,820	-	2,26,680	1,36,179	1,89,999
(e) Vehicles						
Owned	1,53,96,227	33,60,667	35,68,031	1,51,88,863	72,69,067	73,35,235
(f) Office equipment						
Owned	28,30,963	7,02,277	-	35,33,240	9,22,698	9,85,047
(g) Computer Software						
Owned	2,79,157	1,44,519	-	4,23,676	2,39,809	3,40,228
<b>Total</b>	<b>7,11,63,440</b>	<b>70,82,982</b>	<b>35,68,031</b>	<b>7,46,78,391</b>	<b>3,08,30,844</b>	<b>3,20,53,560</b>
<b>Previous year</b>	<b>6,28,33,905</b>	<b>83,29,535</b>	<b>-</b>	<b>7,11,63,440</b>	<b>3,20,53,560</b>	<b>3,93,33,742</b>



## Notes forming part of the financial statements

## Note 10 B Fixed Assets (Contd.)

Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
Depreciation and amortisation for the year on Tangible assets and Intangible Assets as per Note 10 A	70,82,982	83,29,535
	<u>70,82,982</u>	<u>83,29,535</u>

## Note 11 Non Current Investments

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Unquoted ₹	Total ₹	Unquoted ₹	Total ₹
<b>Investments (At cost):</b>				
<b>A. Trade Investments</b>				
(a) Investment in equity instruments of subsidiaries				
i) 50 (As at 31 March, 2015: 50) shares of AED 1000 each fully paid up in Sakuma Exim DMCC, UAE	7,00,581	7,00,581	7,00,581	7,00,581
ii) 147 (As at 31 March, 2015: 147) shares of AED 1000 partly paid @ AED 200 per share in GKM General Trading LLC, UAE	4,30,877	4,30,877	4,30,877	4,30,877
iii) 1000 shares fully paid up @ USD 1 each in Sakuma Exports Pte Limited Singapore	95,92,244	95,92,244	95,92,244	95,92,244
<b>Total - Trade (A)</b>	<u>1,07,23,702</u>	<u>1,07,23,702</u>	<u>1,07,23,702</u>	<u>1,07,23,702</u>
<b>B. Other investments</b>				
(a) Investment in government securities -				
i) NSC	16,100	16,100	16,100	16,100
ii) Gold Bond	2,60,000	2,60,000	-	-
<b>Total - Other investments (B)</b>	<u>2,76,100</u>	<u>2,76,100</u>	<u>16,100</u>	<u>16,100</u>
<b>Total (A+B)</b>	<u>1,09,99,802</u>	<u>1,09,99,802</u>	<u>1,07,39,802</u>	<u>1,07,39,802</u>
<b>Aggregate amount of unquoted investments</b>		<u>1,09,99,802</u>		<u>1,07,39,802</u>

## Note 12 Long-Term Loans And Advances

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
(a) Security deposits		
Unsecured, considered good ( Refer note below)	90,00,000	90,00,000
(b) Advance recoverable in cash or in kind	2,04,34,004	55,88,901
Unsecured, considered good		
<b>Total (a+b)</b>	<u>2,94,34,004</u>	<u>1,45,88,901</u>

## Notes forming part of the financial statements

**Note: Security Deposits include amounts due from:**

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Private companies in which any director is a director or member</b>		
M/s Sakuma Infrastructure and Realty Pvt Ltd	74,70,000	74,70,000
<b>Relative of Director</b>		
Mrs Kusum Malhotra ( Wife of Director)	15,30,000	15,30,000
<b>Total</b>	<u>90,00,000</u>	<u>90,00,000</u>

## Note 13 Other Non-Current Assets

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
(a) Long-term trade receivables Unsecured, considered good	13,99,195	96,22,314
<b>Total</b>	<u>13,99,195</u>	<u>96,22,314</u>

## Note 14 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
(a) Stock-in-trade (acquired for trading)	61,92,47,691	34,07,57,800
<b>Total</b>	<u>61,92,47,691</u>	<u>34,07,57,800</u>

## Note No. 15 Trade Receivables

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment Unsecured, considered good	9,42,38,193	1,88,004
b) Other Trade receivables ( Refer Note below) Unsecured, considered good	2,53,30,05,461	3,04,40,30,257
<b>Total</b>	<u>2,62,72,43,654</u>	<u>3,04,42,18,261</u>

**Note: Trade receivables include debts due from:**

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Company having indirect holding or Subsidiary of Company</b>		
Sakuma Ghana Limited	-	74,85,861
	<u>-</u>	<u>74,85,861</u>



## Notes forming part of the financial statements

## Note 16 Cash And Cash Equivalents

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
(a) Cash on hand	4,55,891	10,01,514
(b) Balances with banks		
(i) In current accounts	5,00,59,354	6,22,09,710
(ii) In EEFC accounts	1,837	1,52,68,155
(iii) In earmarked accounts		
Unpaid dividend accounts	58,76,465	10,44,479
Unpaid Preference Shareholders Accounts	4,27,504	1,03,048
Balances held as margin money or security against borrowings, guarantees and other commitments	30,47,94,515	17,52,80,924
<b>Total</b>	<b>36,16,15,566</b>	<b>25,49,07,830</b>

## Note 17 Short-Term Loans And Advances

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
(a) Security deposits		
Unsecured, considered good	31,43,936	28,63,936
	31,43,936	28,63,936
(b) Loans and advances to employees		
Unsecured, considered good (Refer Note below)	29,18,400	21,25,232
	29,18,400	21,25,232
(c) Advance recoverable in cash or kind		
Unsecured, considered good	80,12,63,262	29,13,04,325
	80,12,63,262	29,13,04,325
(d) Other Loans and Advances		
Prepaid expenses - Unsecured, considered good	12,52,330	68,90,304
Balances with government authorities-		
Unsecured, considered good		
(i) Duty Drawback Receivable	77,80,613	1,47,23,191
(ii) VAT credit receivable	16,98,608	20,35,736
(iii) Service Tax Refund receivable	1,22,40,081	2,59,09,577
	2,29,71,632	4,95,58,808
<b>Total</b>	<b>83,02,97,230</b>	<b>34,58,52,301</b>



## Notes forming part of the financial statements

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

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Loans and advances to employees:</b>		
Dues from officers	29,18,400	21,25,232
<b>Loans and advances to Related Party:</b>		
CKK Exports Private Limited	-	5,87,936
	<u>29,18,400</u>	<u>27,13,168</u>

## Note 18 Other Current Assets

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>(a) Accruals</b>		
(i) Interest accrued on deposits	5,08,190	54,27,271
<b>(b) Others</b>		
(i) Claims Receivable	39,25,343	-
(ii) Fair Value of Forward Contract	78,59,587	50,82,893
<b>Total</b>	<u>1,22,93,120</u>	<u>1,05,10,164</u>

## Note 19 Revenue From Operations

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
(a) Sale of products (Refer Note (i) below)	17,94,29,92,293	10,75,66,68,482
(b) Other operating revenues (Refer Note (ii) below)	3,99,09,903	5,18,66,024
<b>Total</b>	<u>17,98,29,02,196</u>	<u>10,80,85,34,506</u>

Note	Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
i)	<u>Traded goods</u>		
	Sugar	10,14,19,78,548	8,27,81,86,274
	Oil	7,32,99,91,666	1,96,88,63,682
	Other commodities	47,10,22,079	50,96,18,526
	Total - Sale of traded goods	<u>17,94,29,92,293</u>	<u>10,75,66,68,482</u>
ii)	Other operating revenues comprise:		
	Duty drawback and other export incentives	3,99,09,903	5,18,66,024
	<b>Total - Other operating revenues</b>	<u>3,99,09,903</u>	<u>5,18,66,024</u>



## Notes forming part of the financial statements

## Note 20 Other Income

Particulars		For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
(a)	Interest Income (Refer Note (i) below)	2,00,63,534	1,20,40,311
(b)	Dividend income:		
	From Non current investments		
	Subsidiaries	1,45,79,476	1,75,39,246
	From Current investments		
	Others	9,09,192	1,00,06,885
(c)	Net gain on sale of:		
	Current investments	-	1,02,443
(d)	Net gain on foreign currency transactions and translation (Other than considered as finance cost)	3,08,99,099	8,10,58,406
(e)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	1,09,78,336	20,98,913
	<b>Total</b>	<b>7,74,29,637</b>	<b>12,28,46,204</b>

Note	Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
(i)	Interest income comprises:		
	Interest from banks on:		
	deposits	1,94,94,102	1,20,40,311
	Other interest	5,69,432	-
	<b>Total - Interest income</b>	<b>2,00,63,534</b>	<b>1,20,40,311</b>

Note	Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
ii)	Liabilities / provisions no longer required written back	80,50,836	20,98,913
	<b>Total - Other non-operating income</b>	<b>80,50,836</b>	<b>20,98,913</b>
	<b>Total (i+ii)</b>	<b>2,81,14,370</b>	<b>1,41,39,224</b>

## Notes forming part of the financial statements

## Note 21A Purchase Of Traded Goods

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
Sugar	9,39,11,04,277	7,58,27,69,294
Oil	7,07,15,25,894	1,92,69,45,334
Other Commodities	51,86,78,248	38,02,41,890
<b>Total</b>	<b>16,98,13,08,419</b>	<b>9,88,99,56,518</b>

## Note 21B Changes in inventories of stock-in-trade

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>Inventories at the end of the year:</b>		
Stock-in-trade	61,92,47,6921	34,07,57,800
	<u>61,92,47,691</u>	<u>34,07,57,800</u>
<b>Inventories at the beginning of the year:</b>		
Stock-in-trade	34,07,57,800	41,59,76,194
	<u>34,07,57,800</u>	<u>41,59,76,194</u>
<b>Net (increase) / decrease</b>	<b>(27,84,89,891)</b>	<b>7,52,18,394</b>

## Note 22 Employee Benefits Expense

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
Salaries and wages	2,92,88,089	2,17,40,563
Directors Remuneration	1,16,00,000	1,16,00,000
Contributions to provident and other funds (Refer Note 26.1)	4,51,726	4,39,683
Contribution to Gratuity Fund ( Refer Note 26.2)	7,32,912	1,96,773
Staff welfare expenses	16,64,810	11,94,854
<b>Total</b>	<b>4,37,37,537</b>	<b>3,51,71,873</b>

## Note 23 Finance Costs

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
(a) Interest expense on:		
(i) Borrowings	7,23,82,323	1,56,46,141
(ii) Trade payables	2,70,823	78,906
(iii) Others		
- Interest on delayed / deferred payment of income tax	24,204	8,426
- Interest on Service Tax /Others	1,98,182	13,719
(b) Other borrowing costs	1,45,77,728	11,09,954
<b>Total</b>	<b>8,74,53,260</b>	<b>1,68,57,146</b>



## Notes forming part of the financial statements

## Note 24 Other Expenses

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
Bank Charges	72,11,013	64,94,212
Power and fuel	8,55,441	8,73,690
Rent including lease rentals	69,90,083	67,41,600
Repairs and maintenance - Buildings	5,10,160	5,95,192
Repairs and maintenance - Machinery	15,36,788	22,21,031
Repairs and maintenance - Others	7,38,144	3,18,196
Insurance	57,97,240	22,28,847
Rates and taxes	25,53,157	11,15,186
Communication	28,43,075	21,68,997
Travelling and conveyance	90,55,039	69,91,815
Printing and stationery	13,16,223	6,57,627
Freight and forwarding	47,92,28,339	36,49,14,121
Claims Expenses	7,81,34,916	-
Sales commission	1,34,97,897	66,80,247
Business promotion	13,77,430	6,75,743
Legal and professional Expense	1,33,89,662	84,31,432
Payments to auditors (Refer Note (i) below)	5,72,500	5,75,845
Prior Period Expense (Refer Note (i) below)	3,95,333	-
Labour Charges	3,50,513	42,11,161
Loading and Unloading Charges	22,97,724	33,56,828
Terminal and Handling Charges	3,18,89,551	4,16,08,092
Transport Charges	19,60,22,112	28,42,59,347
Warehouse Charges	3,16,91,749	73,00,135
Custom Duty	1,51,83,142	10,85,550
Demurrage Charges	77,44,854	39,20,758
Detention Charges	55,39,772	28,42,200
Brokerage on trading in Commodities & Securities Exchange	65,06,469	7,30,934
ECGC Premium	35,56,807	16,90,657
Lodging & Boarding	27,27,045	31,13,689
Ground Rent Charges	2,49,644	38,20,203
Directors Sitting Fees	7,75,000	6,97,000
Bad trade and other receivables, loans and advances written off	1,07,34,127	15,83,013
Miscellaneous Expenses	75,99,696	93,00,893
Loss on Commodities Derivative Trading.	7,74,38,820	-
<b>Total</b>	<b>1,02,63,09,465</b>	<b>78,12,04,241</b>

## Notes forming part of the financial statements

### Notes:

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
(i) Payments to the auditors comprises (Net of service tax input credit, where applicable):		
Audit Fess	5,72,500	4,01,687
Tax Audit Fess	1,14,500	1,74,158
Other Matters	1,60,300	-
	<u>8,47,300</u>	<u>5,75,845</u>
(ii) Prior Period Expenses	-	-
Brokerage	2,83,884	-
Printing Stationery	1,11,449	-
	<u>3,95,333</u>	<u>-</u>
<b>Total</b>	<u><b>12,42,633</b></u>	<u><b>5,75,845</b></u>

## Note 25 Additional information to the financial statements

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

Particulars	As at 31 March, 2016	As at 31 March, 2015
(i) <b>Contingent liabilities</b>		
(a) Claims against the Company not acknowledged as debt with respect to		
i) Sugar Import Consignment pertaining to year 2009-10	-	USD 11,23,425 & ₹ 60,43,987/- and Interest @8%
ii) Short Delivery of Good to Buyer,	Quantity Short delivered 192.996MTN Value of Dispute 1,15,80,657/-and Interest @ 24%	-
iii) Share application money pending allotment	-	₹ 15,87,450
iv) Income Tax Demand for A.Y 2014-15	₹ 3,65,300	-
v) Disputed Income tax demands for AY 2009-10	₹ 2,13,014	₹ 14,60,411
vi) Income Tax Demand in respect of TDS for FY (2007-08, 2008-09, 2011-12)	₹ 5,30,550	-
(ii) <b>Commitments</b>		
(a) Uncalled liability		
i) Share Subscription Money payable for GKM General Trading LLC	AED 117,600	AED 117,600
ii) Share Subscription Money payable for Sakuma Exim DMCC	AED 55	AED 55
(b) Other commitments		
i) Outstanding Currency Forward Contrarcts (Sale)	USD 9808220	USD 27,850,691
ii) Outstanding Currency Forward Contrarcts (Buy)	USD 50960	USD 4,194,000



## Notes forming part of the financial statements

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

The following derivative positions are open as at 31 March, 2016. 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 2.17, 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 for receivables.
- (i) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2016

Currency	Amount	Buy / Sell
USD	USD 9808220	Sell
	USD 50960	Buy
	USD(27850691)	Sell
USD	USD(4194000)	Buy

Note: Figures in brackets relate to the previous year

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

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
Traded Goods	1,80,42,46,356	1,38,23,83,752

### 25.4 Expenditure in foreign currency :

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
Professional and consultation fees	6,26,491	15,336
Business Promotion	-	58,316
Inspection Charges	-	1,05,246
Cargo Storage Charges	-	1,49,797
Travelling Expenses	18,80,403	44,37,505
Ocean Freight	10,26,56,158	10,68,77,949
Import of Goods	1,80,42,46,356	1,38,23,83,752

### 25.5 Earnings in foreign exchange

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
Export of goods calculated on FOB basis	1,45,08,97,028	4,39,08,57,964

### 25.6 The Balance of Sundry Debtors , Sundry Creditors , Loans and Advances have been taken as per books awaiting respective confirmation and reconciliation.

## Notes forming part of the financial statements

**25.7** The Company has not received any Memorandum (As required to be filled by the Supplier with the notified authority under the Micro Small and Medium Enterprises Development Act 2006) claiming their status as Micro Small and Medium Enterprises. Accordingly the amount paid/ payable together with the interest if any have not been given.

### Note 26 Disclosures under Accounting Standards

#### Employee benefit plans

#### 26.1 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 ₹ 4,51,726/- (Year ended 31 March, 2015 ₹ 4,39,683) 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.

#### 26.2 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	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Gratuity	Gratuity
<b>Components of employer expense</b>		
Current service cost	7,52,075	5,07,560
Interest cost	1,74,926	1,43,205
Expected return on plan assets	(1,30,689)	(1,10,541)
Past service cost	-	-
Actuarial losses/(gains)	(63,400)	(3,43,451)
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>7,32,912</b>	<b>1,96,773</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	-	-
Actual contributions	-	5,51,500
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	24,16,009	22,42,641
Fair value of plan assets	15,48,244	15,56,288
Funded status [Surplus / (Deficit)]	(8,67,765)	(6,86,353)
Unrecognised past service costs	-	-
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(8,67,765)</b>	<b>(6,86,353)</b>





## Notes forming part of the financial statements

### 26.2 Change in defined benefit obligations (DBO) during the year

Particulars	For the year ended 31 March, 2016 Gratuity	For the year ended 31 March, 2015 Gratuity
Present value of DBO at beginning of the year	22,42,641	17,90,067
Current service cost	7,52,075	5,07,560
Interest cost	1,74,926	1,43,205
Actuarial (gains) / losses	(1,64,583)	(1,98,191)
Benefits paid	(5,89,050)	-
Present value of DBO at the end of the year	24,16,009	22,42,641
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	15,56,288	13,00,487
Acquisition adjustment	-	-
Expected return on plan assets	1,30,689	1,10,541
Actual company contributions	5,51,500	-
Actuarial gain / (loss)	(1,01,183)	1,45,260
Benefits paid	(5,89,050)	-
Plan assets at the end of the year	15,48,244	15,56,288
<b>Actuarial assumptions</b>		
Discount rate	7.80%	8.00%
Expected return on plan assets	8.50%	8.50%
Salary escalation	7.00%	7.00%
Attrition	10% at younger age and 1% at older age.	10% at younger age and 1% at older age.
Mortality tables	Indian Assured Lives Mortality (2006-08)Ult	Indian Assured Lives Mortality (2006-08)

### Note 27 Disclosures under Accounting Standards (contd.)

27.1 Details of related parties:	
Description of relationship	Names of related parties
Subsidiaries	Sakuma Exim DMCC (UAE) GKM General Trading LLC (UAE) Sakuma Exports Pte Ltd (Singapore) Sakuma Exports (Ghana) Ltd (Subsidiary of Sakuma Pte Ltd) Sakuma Exports (Tanzania) Private Ltd (Subsidiary of Sakuma Pte Ltd)
Key Management Personnel (KMP)	Mr. Chander Mohan Mr. Saurabh Malhotra
Relatives of KMP	Mrs. Shipra Medirrata Mrs. Kusum Malhotra
Company in which KMP / Relatives of KMP can exercise significant influence	Sakuma Finvest Private Limited GMK System and Logistics Pvt. Ltd. Sakuma Infrastructure and Realty Private Limited C.K.K Exports Pvt. Ltd.

## Notes forming part of the financial statements

### 27.2 Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2016:

Particulars	Subsidiaries	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total ( in ₹ )
Sale of goods	14,42,96,661 (2,96,69,022)	- -	- -	- -	14,42,96,661 (2,96,69,022)
Purchase of Goods	5,95,81,895 (1,96,82,277)	- -	- -	- -	5,95,81,895 (1,96,82,277)
Dividend Received	1,45,79,476 (1,75,39,246)	- -	- -	- -	1,45,79,476 (1,75,39,246)
Directors Sitting Fees	- -	- -	1,68,000 (1,36,000)	- -	1,68,000 (1,36,000)
Rent Paid	- -	- -	11,86,021 (11,46,072)	57,90,579 (55,95,528)	69,76,600 (67,41,600)
Management contracts including for deputation of employees	- -	1,16,00,000 (1,16,00,000)	- -	- -	1,16,00,000 (1,16,00,000)
<b>Balance as at 31st March 2016</b>					
Trade Receivable	- (74,85,861)	- -	- -	- -	- (74,85,861)
Trade Payable	- (46,752)	- -	- -	- -	- (46,752)
Short Term Loans and Advances	- -	- -	- -	- (5,87,936)	- (5,87,936)
Long Term Loan and Advances	- -	- -	15,30,000 (15,30,000)	74,70,000 (74,70,000)	90,00,000 (90,00,000)
Other Current Liabilities	26,76,955 (12,84,35,518)	- -	- -	- -	26,76,955 (12,84,35,518)
Provision (Directors Remuneration Payable)	- -	12,00,000 (10,00,000)	- -	- -	12,00,000 (10,00,000)

**Notes forming part of the financial statements****Note 28 Disclosures under Accounting Standards (contd.)**

Particulars	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2015 ₹
<b>Earning Per Share</b>		
<b><u>Basic &amp; Diluted</u></b>		
Net profit / (loss) for the year	13,07,06,025	8,73,36,740
Net profit / (loss) for the year attributable to the equity shareholders	13,07,06,025	8,73,36,740
Weighted average number of equity shares	1,64,25,943	1,64,25,943
Par value per share	10	10
Earnings per share	7.96	5.32

**Note 29 Disclosures under Accounting Standards (contd.)**

In Compliance with the Accounting Standard 22 “Accounting for Taxes on Income” issued by ICAI which has become mandatory. The Company has reversed Defferd Tax Liability(Net) amounting to ₹ 10,14,335/- for the Current year (Previous year reversal of Deferred Tax Liability (Net) amounting to ₹ 12,87,703/-) and the same has been transferred to Statement of Profit and Loss.

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Deferred tax (Liability)/Assets are the Tax Effect of the following Item</b>		
<b>Tax effect of items constituting reversal of deferred tax liability</b>		
On Account of Depreciation	10,14,335	12,87,703
<b>Net Impact of deferred tax (liability) / asset</b>	10,14,335	1287703
<b>Deferred tax (Liability)/Assets</b>		
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book balance and tax balance of fixed assets	(47,11,398)	(57,25,733)
<b>Net deferred tax (liability) / asset</b>	(47,11,398)	(57,25,733)

**Note 30 Previous year's figures**

Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification or disclosure.

## Independent Auditors' Report

To  
The Members of  
Sakuma Exports Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SAKUMA EXPORTS LIMITED** ("the Holding Company") and its subsidiaries (collectively referred to as "the Company" or "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit.

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

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31st March, 2016, and their consolidated **Profit** and their consolidated cash flows for the year ended on that date.

### Other Matters

- i. The Consolidated Financial Statements includes 4 financial statements of foreign subsidiaries (including 1 step down subsidiary), whose total assets of Rs. 3,16,71,59,816/- as at 31st March 2016 and total revenues of Rs.13,54,78,83,681/- for the year then ended. These financial statements and other financial information have been AUDITED by the other auditors whose reports have been furnished to us by the Management and our opinion is based solely on the report of other auditors.
- ii. The Consolidated Financial Statements includes 1 financial statements of foreign step down subsidiary, whose total assets of Rs. Nil/- as at 31st March 2016, and total revenue of Rs. Nil/- for the year then ended. These financial statements and other financial information are based on the Management's estimates and are therefore UNAUDITED and our opinion is based solely on the Management's estimates (Refer Note no. 29.2 of consolidated financial statement).



### **Report on Other Legal and Regulatory Requirements**

As required by section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the Written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure - A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
  - a. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 25.1 to the consolidated financial statements.
  - b. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

**For M. L. SHARMA & CO.**  
**Chartered Accountants**  
**Firm Registration No. 109963W**

**(S. M. BANDI)**  
**Partner**

**Place of Signature: Mumbai**

**Date : 28<sup>th</sup> May, 2016**

**Membership No.109101**

## **Annexure – A To The Independent Auditors Report**

**The Annexure – A referred to in our Report of even date to the Members of SAKUMA EXPORTS LIMITED for the year ended 31st March, 2016. We report that:**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statement of the Company as of and for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of **Sakuma Exports Limited** (“the Holding Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the of the Holding company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For M. L. SHARMA & CO.**  
Chartered Accountants  
Firm Registration No. 109963W

**(S. M. BANDI)**  
Partner  
Membership No.109101

Place of Signature: Mumbai  
Date : 28<sup>th</sup> May, 2016



## Consolidated Balance Sheet as at 31st March, 2016

(in ₹)

Particulars	Note No	As at 31st March, 2016	As at 31st March, 2015
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's funds</b>			
(a) Share capital	3	164,259,430	164,259,430
(b) Reserves & Surplus	4	1,092,940,236	804,804,020
		<u>1,257,199,666</u>	<u>969,063,450</u>
<b>Minority Interest</b>		13,659,915	14,977,701
<b>2 Non-current liabilities</b>			
(a) Deferred tax liabilities (net)	29	4,711,398	5,725,733
(b) Other long-term liabilities	5	92,065,030	-
		<u>96,776,428</u>	<u>5,725,733</u>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	6	1,359,855,828	1,284,511,440
(b) Trade payables	7	4,127,672,555	2,929,828,518
(c) Other current liabilities	8	781,062,241	32,164,600
(d) Short-term provisions	9	40,749,586	58,909,075
		<u>6,309,340,210</u>	<u>4,305,413,633</u>
<b>TOTAL</b>		<u>7,676,976,219</u>	<u>5,295,180,517</u>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10.A	30,634,805	31,924,003
(ii) Intangible assets	10B	239,809	340,228
(b) Non-current investments	11	276,100	109,985
(c) Long-term loans and advances	12	25,529,867	14,588,900
(d) Other non-current assets	13	1,399,195	9,622,314
		<u>58,079,776</u>	<u>56,585,431</u>
<b>2 Current assets</b>			
(a) Inventories	14	619,247,692	349,977,500
(b) Trade receivables	15	5,731,995,856	4,147,642,865
(c) Cash and cash equivalents	16	416,980,251	374,991,388
(d) Short-term loans and advances	17	830,909,147	355,473,169
(e) Other current assets	18	19,763,497	10,510,164
		<u>7,618,896,443</u>	<u>5,238,595,086</u>
<b>TOTAL</b>		<u>7,676,976,219</u>	<u>5,295,180,517</u>
<b>Corporate Information &amp; Significant Accounting Policies</b>	1 & 2		

The accompanying notes form an integral part of the consolidated financial statements.

In terms of our report attached.

For M.L.SHARMA & CO.

Chartered Accountants

FRN: 109963W

SM BANDI  
Partner  
M.No. 109101

Place : Mumbai  
Date : 28th May'2016

For and on behalf of the Board of Directors

Mr. Chander Mohan  
Chairman

Mr. Saurabh Malhotra  
Managing Director

Mr. Radhe Shyam  
Director  
Place : Mumbai  
Date : 28th May'2016



## Consolidated Statement of Profit and Loss for the year ended 31st March, 2016

		(in ₹)		
	Particulars	Note No	For the year ended 31st March, 2016	For the year ended 31st March, 2015
1	Revenue from operations (gross)	19	31,328,329,823	17,998,332,828
	Less: Excise duty		-	1,127,093
	Revenue from operations (net)		31,328,329,823	17,997,205,735
2	Other income	20	62,893,470	105,306,958
3	<b>Total revenue (1+2)</b>		<b>31,391,223,293</b>	<b>18,102,512,693</b>
4	<b>Expenses</b>			
	(a) Purchases of stock-in-trade	21.A	29,581,977,226	16,790,914,512
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21.B	(269,270,192)	116,038,674
	(c) Employee benefits expense	22	69,793,676	50,635,637
	(d) Finance costs	23	87,453,260	16,857,146
	(e) Depreciation and amortisation expenses	10.B	7,098,859	8,360,119
	(f) Other expenses	24	1,545,324,994	881,043,604
	<b>Total expenses</b>		<b>31,022,377,823</b>	<b>17,863,849,692</b>
5	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		<b>368,845,470</b>	<b>238,663,001</b>
6	Exceptional items		-	-
7	<b>Profit / (Loss) before extraordinary items and tax (5 ± 6)</b>		<b>368,845,470</b>	<b>238,663,001</b>
8	Extraordinary items		-	-
9	<b>Profit / (Loss) before tax (7 ± 8)</b>		<b>368,845,470</b>	<b>238,663,001</b>
10	<b>Tax expense:</b>			
	(a) Current tax expense for current year		52,174,185	38,518,309
	(b) Current tax expense relating to prior years		(261,630)	122,918
	(c) Net current tax expense		51,912,555	38,641,227
	(d) Deferred tax		(1,014,335)	(1,287,703)
	<b>Total tax expense</b>		<b>50,898,220</b>	<b>37,353,524</b>
11	<b>Profit / (Loss) from continuing operations (9 ±10)</b>		<b>317,947,250</b>	<b>201,309,477</b>
	Less: Share of Profit of Minority Interest		(4,611,583)	5,479,416
	<b>Profit / (Loss) from continuing operations</b>		<b>322,558,833</b>	<b>195,830,061</b>
12.i	<b>Earnings per share (of ₹ 10/- each):</b>	28		
	(a) Basic			
	(i) Continuing operations		19.64	11.92
	(ii) Total operations		19.64	11.92
	(b) Diluted			
	(i) Continuing operations		19.64	11.92
	(ii) Total operations		19.64	11.92
12.ii	<b>Earnings per share (excluding extraordinary items) (of ₹ 10/- each):</b>			
	(a) Basic			
	(i) Continuing operations		19.64	11.92
	(ii) Total operations		19.64	11.92
	(b) Diluted			
	(i) Continuing operations		19.64	11.92
	(ii) Total operations		19.64	11.92
	<b>Corporate Information &amp; Significant Accounting Policies</b>	1 & 2		

## Corporate Information &amp; Significant Accounting Policies

1 &amp; 2

The accompanying notes form an integral part of the consolidated financial statements.

In terms of our report attached.

For M.L.SHARMA &amp; CO.

Chartered Accountants

FRN: 109963W

For and on behalf of the Board of Directors

SM BANDI

Partner

M.No. 109101

Mr. Chander Mohan  
ChairmanMr. Saurabh Malhotra  
Managing DirectorMr. Radhe Shyam  
DirectorPlace : Mumbai  
Date : 28th May'2016Place : Mumbai  
Date : 28th May'2016



## Consolidated Cash Flow Statement for the year ended 31st March, 2016

(in ₹)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	368,845,470	238,663,001
Adjustments for:		
Depreciation and amortisation	7,098,859	8,360,119
(Profit) / loss on sale / write off of assets	(823,301)	-
Finance costs	87,453,260	16,857,146
Interest income	(20,063,534)	(12,040,311)
Dividend income	(909,192)	(10,006,885)
Net (gain) / loss on sale of investments	4,001	(102,443)
Net unrealised exchange (gain) / loss	9,274,340	(16,823,522)
Operating profit / (loss) before working capital changes	450,879,903	224,907,105
Changes in working capital:		
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Inventories	(269,083,482)	116,038,674
Trade receivables	(1,585,808,098)	(2,594,452,072)
Short-term loans and advances	(474,479,241)	43,856,088
Long-term loans and advances	(11,930,851)	309,692
Other current assets	(6,476,639)	503,612
Other non-current assets	8,223,119	-
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	1,197,844,037	2,229,812,563
Other current liabilities	727,126,594	(6,867,585)
Other long-term liabilities	92,065,030	-
Short-term provisions	(18,159,489)	(32,887,398)
	110,200,883	(18,779,319)
Net income tax (paid) / refunds	(66,152,621)	(43,196,805)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>44,048,262</b>	<b>(61,976,124)</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(6,035,767)	(1,058,408)
Proceeds from sale of fixed assets	847,777	-
Current investments not considered as Cash and cash equivalents		
- Purchased	(785,299,889)	(1,230,667,184)
- Proceeds from sale	785,945,078	1,240,776,512
Purchase of long-term investments		
- Subsidiaries	-	(3,735)
Interest received	20,063,534	12,040,311
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>15,520,733</b>	<b>21,087,494</b>

## Consolidated Cash Flow Statement for the year ended 31st March, 2016

(in ₹)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>C. Cash flow from financing activities</b>		
Net increase / (decrease) in working capital borrowings	45,244,388	201,621,764
Proceeds from other short-term borrowings	37,393,341	55,648,038
Repayment of other short-term borrowings	(7,293,341)	(41,048,038)
Finance cost	(87,453,260)	(16,857,146)
Dividends paid	(13,121,968)	(16,393,154)
Tax on dividend	-	(2,791,589)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(25,230,840)</b>	<b>180,179,875</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>34,338,155</b>	<b>139,291,245</b>
Cash and cash equivalents at the beginning of the year	374,991,388	235,700,143
Cash and cash equivalents at the end of the year	409,329,543	374,991,388
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents at the end of the year *	409,329,543	374,991,388
* Comprises:		
(a) Cash on hand	2,430,209	1,072,323
(i) In current accounts	103,449,721	182,222,459
(ii) In current accounts bank overdraft	(7,650,708)	-
(ii) In EEFC accounts	1,837	15,268,155
(ii) In deposit accounts with original maturity of less than 3 months	304,794,515	175,280,924
(iii) In earmarked accounts (give details) (Refer Note (ii) below)	6,303,969	1,147,527
	409,329,543	374,991,388

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.

**Corporate Information & Significant Accounting Policies**

The accompanying notes form an integral part of the consolidated financial statements.

In terms of our report attached.

For M.L.SHARMA & CO.  
Chartered Accountants  
FRN: 109963W

For and on behalf of the Board of Directors

SM BANDI  
Partner  
M.No. 109101

Mr. Chander Mohan  
Chairman

Mr. Saurabh Malhotra  
Managing Director

Mr. Radhe Shyam  
Director

Place : Mumbai  
Date : 28th May'2016

Place : Mumbai  
Date : 28th May'2016



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION:-

Sakuma Exports Limited (Government of India recognised Star Trading House) is a public limited company domiciled in India and incorporated under the provisions of Companies Act 1956. Its shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The company is engaged in exports of commodities like Sugar, Rice, and Maize. Sesame Seeds, Ground Nuts, Pulses, Meal, Raw Cotton etc. and Import of commodities like Sugar, Coal and Oil. The company caters to both domestic and international markets.

### 2. PRINCIPLES OF CONSOLIDATION

i. The Financial statements have been prepared under historical cost convention on an accrual basis of accounting to comply in all material respects with mandatory accounting standards as notified under section 133 of the Companies Act, 2013 (the Act) read with rule 7 of the Companies (Accounts) Rules, 2014 and relevant provision of the Companies Act, 2013 as applicable to the company. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

ii. **CONSOLIDATED FINANCIAL STATEMENTS** relates to Sakuma Exports Limited, the Company, and its Subsidiaries. The Consolidated Financial Statements are in conformity with the AS -21 issued by ICAI and are prepared on the following basis:

- a) The financial statements of the Company and its Subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating inter-company balances and transactions including Unrealized Profits/Losses in year-end Assets, such as inventories, Fixed Assets etc.
- b) The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statement except otherwise stated elsewhere in this Note.
- c) The excess of cost to the Company of its investments in the subsidiaries over its portion of equity of subsidiaries at the dates they become subsidiaries is recognized in the financial statement as Goodwill.
- d) The excess of Company's portion of equity of the subsidiaries over cost to the Company of its investments at the dates they become subsidiaries is recognized in the financial statement as Capital reserve.
- e) Minority Interests in the consolidated financial statements is identified and recognized after taking in to consideration:
  - The amount of equity attributable to minorities at the date on which investments in a subsidiary is made
  - The Profit or losses attributable to the minorities are adjusted against the minority interest in the equity of the subsidiary
- f) In case of foreign Subsidiaries, being non-integral foreign operations, revenue items are translated at the average rates prevailing during the period. Assets, Liabilities and Equity are translated at the closing rate. Any exchange difference arising on translation is recognized in the "Foreign Currency Translation Reserve".
- g) In Consolidated financial statements, the closing stock goods sold by holding company to its subsidiary companies (as certified by the management) which have been valued at cost by eliminating stock reserve considering gross profit margin of the holding company in respective year.

### iii. ACCOUNTING POLICIES

Most of the accounting policies of the reporting Company and that of its Subsidiaries are similar and are in line with generally accepted accounting principles in India. Accounting Policies and Notes on Accounts of the financial statements of the company and all the subsidiaries are set out in their respective financial statement.

### iv. 3. FOREIGN SUBSIDIARIES

In accordance with the requirement of Accounting Standard – 11 (Revised) – "The effects of changes in foreign exchange rates" operations of foreign subsidiaries have been considered as Non- Integral operations and accordingly their financial statements have been converted in Indian Rupees at following exchange rates:

Revenue and Expenses: At the average exchange rate during the period.

(Average rates are taken on the monthly basis of daily exchange rates during the month)

Current Assets and Liabilities: At Exchange rates prevailing at the end of the period.

Fixed Assets: At Exchange rates prevailing at the end of the period instead of exchange rates at the date of transaction.

The resultant translation exchange difference has been transferred to Foreign Currency Translation Reserve Account.

Name of the Company	Year Ended	Status	Extent of Company's Interest		Country of Incorporation
			2015-16	2014-15	
GKM General Trading LLC	31 <sup>st</sup> Mar	Direct Subsidiary	49%	49%	U.A.E
Sakuma Exim DMC	31 <sup>st</sup> Mar	Direct Subsidiary	100%	100%	U.A.E
Sakuma Exports Pte Ltd	31 <sup>st</sup> Mar	Direct Subsidiary	100%	100%	Singapore
Sakuma Exports ( Ghana) Ltd	31 <sup>st</sup> Mar	Direct Subsidiary	100%	100%	Ghana
Sakuma Exports Tanzania Pvt Ltd	31 <sup>st</sup> Mar	Step Subsidiary	100%	100%	Tanzania

The Consolidated Financial Statements comprises the Financial Statements of Sakuma Exports Limited and its subsidiaries.

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date

For M.L.SHARMA & CO.

Chartered Accountants

FRN: 109963W

SM BANDI

Partner

M.No. 109101

Place : Mumbai

Date : 28th May'2016

For and on behalf of the Board of Directors

Mr. Chander Mohan  
Chairman

Mr. Saurabh Malhotra  
Managing Director

Mr. Radhe Shyam  
Director

Place : Mumbai

Date : 28th May'2016



## Notes forming part of the Consolidated financial statements

## Note 3 Share Capital

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised</b>				
Equity shares of ₹ 10/- each with voting rights	30,000,000	300,000,000	30,000,000	300,000,000
<b>(b) Issued</b>				
Equity shares of ₹ 10/- each with voting rights	16,425,943	164,259,430	16,425,943	164,259,430
<b>(c) 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>	<u>16,425,943</u>	<u>164,259,430</u>	<u>16,425,943</u>	<u>164,259,430</u>

## Note 3 A Share Capital

## 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	Closing Balance
Equity shares with voting rights								
<b>Year ended 31 March, 2016</b>								
- Number of shares	16,425,943	-	-	-	-	-	-	16,425,943
- Amount (₹ 10 each )	164,259,430	-	-	-	-	-	-	164,259,430
<b>Year ended 31 March, 2015</b>								
- 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 2016, the amount of per share recognised as distributions to equity shareholders was ₹ 1 per share (31st March 2015 ₹ 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. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Notes forming part of the Consolidated financial statements

### 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 March, 2016		As at 31 March, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mrs. Kusum Chander mohan Malhotra	3,110,000	18.93%	3,110,000	18.93%
Mr. Saurabh Malhotra	3,228,341	19.65%	3,220,000	19.60%
Mr. Chandermohan Malhotra	1,533,119	9.33%	1,474,959	8.98%
M/s Sakuma Infrastructure and Realty Pvt Ltd	2,667,245	16.24%	2,667,245	16.24%
Mr. Ashok Mittal	444,725	2.71%	901,725	5.49%

**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 ownerships of shares.

### Note No 4 Consolidated Reserves And Surplus

Particulars	As at 31st March, 2016 ₹	As at 31 March, 2015 ₹
<b>(a) Capital redemption reserve</b>		
Opening balance	100,009,200	100,009,200
Closing balance	100,009,200	100,009,200
<b>(b) Securities premium account</b>		
Opening balance	267,418,430	267,418,430
Closing balance	267,418,430	267,418,430
<b>(c) Statutory Reserve</b>		
Opening balance	1,850,892	1,850,892
Closing balance	1,850,892	1,850,892
<b>(d) Foreign currency translation reserve</b>		
Opening balance	(39,392,954)	(19,249,383)
Add / (Less): Effect of foreign exchange rate variations during the year	(9,274,340)	(21,210,150)
Add / (Less): Transfer to Minority Interest	(1,368,687)	1,066,579
Closing balance	(50,035,981)	(39,392,954)
<b>(e) Hedging reserve</b>		
Opening balance	5,394,554	52,503,611
Add / (Less): Net Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year	2,465,033	(47,109,057)
Closing balance	7,859,587	5,394,554





## Notes forming part of the Consolidated financial statements

Particulars	As at 31st March, 2016 ₹	As at 31 March, 2015 ₹
<b>(f) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	469,523,898	290,119,780
<b>Add: Profit / (Loss) for the year</b>	<b>322,558,833</b>	<b>195,830,061</b>
<b>Less: Appropriations</b>	<b>-</b>	<b>-</b>
Less: Adjustment related to Minority Interest	(9,442,430)	-
Dividends proposed to be distributed to equity shareholders (₹ 1 per share)	(16,425,943)	(16,425,943)
Tax on dividend (Refer note below)	(376,250)	-
<b>Closing balance</b>	<b>765,838,108</b>	<b>469,523,898</b>
<b>Total Reserves and Surplus (a to f)</b>	<b>1,092,940,236</b>	<b>804,804,020</b>

**Note:-Tax on Interim Dividend**

During the relevant financial year, the company has received dividend from its foreign subsidiary, GKM General Trading LLC, of ₹1,45,79,476/- on which the company is liable to pay ₹ 21,86,921/- as dividend tax u/s 115 BBD of the Income Tax Act.

As the company has received dividend from the foreign subsidiary the tax paid or payable on the dividend received from foreign subsidiary is eligible for set-off against liability of dividend distribution tax payable u/s 115-O of the Act, hence forth after netting of balance amount of dividend paid of ₹ 18,46,467 /- is liable for dividend distribution tax that amounts to ₹ 3,76,250/- for which separate provision for dividend distribution tax has been made under the head Other Current Liabilities.

**Note 5 Consolidated Other long-term liabilities**

Particulars	As at 31st March, 2016 ₹	As at 31 March, 2015 ₹
(a) Trade Payables:		
Acceptances	92,065,030	-
<b>Total</b>	<b>92,065,030</b>	<b>-</b>

**Note 6 Consolidated Short-Term Borrowings**

Particulars	As at 31st March, 2016 ₹	As at 31 March, 2015 ₹
(a) Loans repayable on demand		
From banks		
Secured	1,315,155,828	1,269,911,440
	<u>1,315,155,828</u>	<u>1,269,911,440</u>
From other parties		
Unsecured	44,700,000	14,600,000
	<u>44,700,000</u>	<u>14,600,000</u>
<b>Total</b>	<b>1,359,855,828</b>	<b>1,284,511,440</b>

## Notes forming part of the Consolidated financial statements

### Note 6 Consolidated Short-Term Borrowings (contd.)

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

Particulars	As at 31st March, 2016 ₹	As at 31 March, 2015 ₹
<b><u>Loans repayable on demand</u></b>		
<b><u>From banks:</u></b>		
Packing Credit Rupees Loan	1,315,155,828	198,000,000
Packing Credit Foreign Currency	-	831,630,109
Total - from banks	<u>1,315,155,828</u>	<u>1,029,630,109</u>

#### Notes:-

- Cash Credit and Packing Credit from Corporation Bank 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 @13.85% p.a . Packing credit Loan is repayable within 90 days and carries interest rate @ 10.75% p.a up to the period of Credit.
- Cash Credit and Packing Credit from Axis Bank are secured against charge on the entire current assets, Hypothecation of Fixed assets other than vehicles and Leasehold land, Lien on Term Deposits, personal guarantees of Directors and pledge of shares of promoters of the company. Cash Credit is repayable on demand and carries interest @12.50% p.a . Packing credit Loan is repayable within period up to 120 days and carries interest rate prevailing on the date of withdrawals.
- Cash Credit and Packing Credit from Indian Overseas Bank are secured against Hypothecation of Inventory, Book debts, Lien on Term Deposits, personal guarantees of Directors and pledge of shares of promoters of the company. Packing credit Loan is repayable within period up to 120 days and carries interest rate as per the circular in force on the date of withdrawal.
- Cash Credit and Packing Credit from Union Bank of India are secured against Hypothecation of Inventory, Book debts, Fixed assets other than vehicles and Leasehold land, Lien on Term Deposits, personal guarantees of Directors and pledge of shares of promoters of the company. Packing credit Loan is repayable depending upon the contract and carries interest rate prevailing on the date of withdrawals.
- Secured Short Term Borrowings Limit of the company has been increased by ₹ 45 Crores during the year. Short Term Borrowings amounting ₹ 35 Crore from Rabobank are secured pari passu with existing banker against stocks, receivables, other current assets, collateral property and collateral security as fixed Deposit i.e. 15% of Total Facility Limit. Further Short Term Borrowing of ₹ 10 Crore from RBL Bank Limited are secured paripassu with existing bankers against Current Assets , Stocks, Book Debts and Hypothecation of Fixed assets of the company excluding Vehicles and Windmill landed property Lien on Term Deposits and personal guarantees of Directors . During the year company has availed packing credit rupee loan against enhanced limit at rate of interest as prevailing on date of withdrawals.
- Unsecured Short Term Borrowings of the company are repayable on demand and carrier interest rate @ 10% p.a.

### Note 7 Consolidated Trade Payables

Particulars	As at 31st March, 2016 ₹	As at 31 March, 2015 ₹
Trade payables:		
(a) For Goods	4,045,069,506	2,891,855,797
(b) For Expenses	82,603,049	37,972,721
<b>Total</b>	<u>4,127,672,555</u>	<u>2,929,828,518</u>



## Notes forming part of the Consolidated financial statements

## Note 8 Consolidated Other Current Liabilities

Particulars	As at 31st March, 2016 ₹	As at 31 March, 2015 ₹
(a) Unpaid dividends	14,141,212	732,720
(b) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	7,526,745	1,718,119
(ii) Advances from customers	666,551,575	29,069,299
Unpaid Redemption Preference Shares Proceeds	422,506	422,506
M2M Gain/Loss Unrealised	-	221,956
Claims Payable	84,769,495	-
Bank Overdraft	7,650,708	-
<b>Total</b>	<b>781,062,241</b>	<b>32,164,600</b>

## Note 9 Consolidated Short-Term Provisions

Particulars	As at 31st March, 2016 ₹	As at 31 March, 2015 ₹
<b>(a) Provision for employee benefits:</b>		
(i) Provision for bonus	746,795	638,442
(ii) Provision for compensated absences	128,107	213,209
(iii) Provision for gratuity (net) (Refer Note 26.2)	732,912	196,773
	<b>1,607,814</b>	<b>1,048,424</b>
<b>(b) Provision - Others:</b>		
(i) Provision for Tax	-	13,144
(ii) Provision for proposed equity dividend	-	20,838,143
(iii) Provision - others	39,141,772	37,009,364
	<b>39,141,772</b>	<b>57,860,651</b>
<b>Total</b>	<b>40,749,586</b>	<b>58,909,075</b>

## Notes forming part of the Consolidated financial statements

## Note 10A Consolidated Fixed Assets

Tangible & Intangible assets	Gross block							
	Balance as at 1 April, 2015	Additions- Sakuma Exports Limited	Additions- GKM General Trading LLC	Additions- Sakuma Ghana Limited	Disposals	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2016
	₹	₹	₹	₹	₹	₹	₹	₹
(a) Land								
Leasehold	1,270,000	-	-	-	-	-	-	1,270,000
(b) Plant and Equipment								
Owned	74,417,284	-	-	-	-	-	-	74,417,284
(c) Plant and Equipment								
Owned	-	1,881,739	-	-	-	-	-	1,881,739
(d) Furniture and Fixtures								
Owned	467,400	-	-	-	104,541	-	-	362,859
(e) Vehicles								
Owned	22,731,462	3,470,000	-	-	3,743,532	-	-	22,457,930
(f) Office equipment								
Owned	4,026,345	639,928	-	-	70,738	-	-	4,595,535
(g) Computer Software								
Owned	619,385	44,100	-	-	-	-	-	663,485
Total	103,531,876	6,035,767	-	-	3,918,811	-	-	105,648,832
Previous year	102,473,468	1,049,353	-	9,055	-	-	-	103,531,876
Tangible & Intangible assets	Accumulated depreciation and impairment					Net block		
	Balance as at 1 April, 2015	Depreciation / amortisation expense for the year - Sakuma Exports Limited	Depreciation - GKM General Trading LLC	Depreciation - Sakuma Ghana Limited	Eliminated on disposal of assets	Balance as at 31 March, 2016	Balance as at 31 March, 2016	Balance as at 31 March, 2015
	₹	₹	₹	₹	₹	₹	₹	₹
(a) Land								
Leasehold	535,357	126,370	-	-	-	661,727	608,273	734,643
(b) Plant and Equipment								
Owned	51,948,876	2,615,493	-	-	-	54,564,369	19,852,915	22,468,408
(c) Plant and Equipment								
Owned (Packing Machine )	-	79,836	-	-	-	79,836	1,801,903	-
(d) Furniture and Fixtures								
Owned	185,595	53,821	-	-	12,736	226,680	136,179	281,804
(e) Vehicles								
Owned	15,396,227	3,360,667	-	-	3,568,031	15,188,863	7,269,067	7,335,235
(f) Office equipment								
Owned	2,922,433	702,277	15,876	-	11,519	3,629,067	966,468	1,103,913
(g) Computer Software								
Owned	279,157	144,519	-	-	-	423,676	239,809	340,228
Total	71,267,645	7,082,983	15,876	-	3,592,286	74,774,218	30,874,614	32,264,231
Previous year	62,907,526	8,329,535	19,899	10,685	-	71,267,645	32,264,231	39,565,942

**Notes forming part of the Consolidated financial statements****Note 10 B Consolidated Fixed Assets (Contd.)**

Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
Depreciation and amortisation for the year on tangible assets as per Note 10A	7,098,859	8,360,119
	<u>7,098,859</u>	<u>8,360,119</u>

**Note 11 Consolidated Non Current Investments**

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Unquoted ₹	Total ₹	Unquoted ₹	Total ₹
<b>Investments (At cost):</b>				
<b>A. Other investments</b>				
(i) Investment in government securities - NSC	16,100	16,100	16,100	16,100
(ii) Investment in government securities - Gold Bond	260,000	260,000	-	-
(iii) Investment in Shares of Sakuma Exports Tanzania Limited	-	-	93,885	93,885
<b>Total Other Investments (A)</b>	<u>276,100</u>	<u>276,100</u>	<u>109,985</u>	<u>109,985</u>

**Note 12 Consolidated Long-Term Loans And Advances**

Particulars	As at 31st March, 2016 ₹	As at 31 March, 2015 ₹
(a) Security deposits		
Unsecured, considered good ( Refer note below)	9,000,000	9,000,000
(b) Advance recoverable in Cash or in Kind		
Unsecured, considered good	16,529,867	5,588,900
<b>Total</b>	<u>25,529,867</u>	<u>14,588,900</u>

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

Particulars	As at 31st March, 2016 ₹	As at 31 March, 2015 ₹
<b>Private companies in which any director is a director or member</b>		
M/s Sakuma Infrastructure and Realty Pvt Ltd	7,470,000	7,470,000
<b>Relative of Director</b>		
Mrs Kusum Malhotra ( Wife of Director)	1,530,000	1,530,000
	<u>9,000,000</u>	<u>9,000,000</u>

## Notes forming part of the Consolidated financial statements

### Note 13 Consolidated Other Non-Current Assets

Particulars	As at 31st March, 2016 ₹	As at 31 March, 2015 ₹
(a) Long-term trade receivables Unsecured, considered good	1,399,195	9,622,314
<b>Total</b>	<b>1,399,195</b>	<b>9,622,314</b>

### Note 14 Consolidated Inventories

(At lower of cost and net realisable value)

Particulars	As at 31st March, 2016 ₹	As at 31 March, 2015 ₹
(a) Stock-in-trade (acquired for trading)	619,247,692	34,997,500
<b>Total</b>	<b>619,247,692</b>	<b>34,997,500</b>

### Note 15 Consolidated Trade Receivables

Particulars	As at 31st March, 2016 ₹	As at 31 March, 2015 ₹
a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment Unsecured, considered good	160,408,022	188,004
b) Other Trade receivables ( Refer Note below) Unsecured, considered good	5,571,587,834	4,147,454,861
<b>Total</b>	<b>5,731,995,856</b>	<b>4,147,642,865</b>

Particulars	As at 31st March, 2016 ₹	As at 31 March, 2015 ₹
<b>Company having indirect holding or Subsidiary of Company</b>		
Sakuma Ghana Limited	-	7,485,861
<b>Total</b>	<b>-</b>	<b>7,485,861</b>

### Note 16 Consolidated Cash And Cash Equivalents

Particulars	As at 31st March, 2016 ₹	As at 31 March, 2015 ₹
(a) Cash on hand	2,430,209	1,072,323
(b) Balances with banks		
(i) In current accounts	103,449,721	182,222,459
(ii) In EEFC accounts	1,837	15,268,155
(iii) In earmarked accounts		
Unpaid dividend accounts	5,876,465	1,147,527
Unpaid Preference Shareholders Accounts	427,504	-
Balances held as margin money or security against borrowings, guarantees and other commitments	304,794,515	175,280,924
<b>Total</b>	<b>416,980,251</b>	<b>374,991,388</b>



## Notes forming part of the Consolidated financial statements

## Note 17 Consolidated Short-Term Loans And Advances

Particulars	As at 31st March, 2016 ₹	As at 31 March, 2015 ₹
(a) Loans and advances to related parties ( Refer Note below) Unsecured, considered good	- -	88,753 88,753
(b) Security deposits Unsecured, considered good	3,608,433 3,608,433	3,174,792 3,174,792
(c) Loans and advances to employees Unsecured, considered good ( Refer Note below)	3,065,820 3,065,820	2,125,232 2,125,232
(d) Advance recoverable in cash or kind Unsecured, considered good	801,263,262 801,263,262	300,525,584 300,525,584
(e) Other Loans and Advances Prepaid expenses - Unsecured, considered good Balances with government authorities- Unsecured, considered good	1,252,330	6,890,304
(i) Duty Drawback Receivable	7,780,613	14,723,191
(ii) VAT credit receivable	1,698,608	2,035,736
(iii) Service Tax Refund receivable	12,240,081	25,909,577
	22,971,632	49,558,808
<b>Total</b>	<b>830,909,147</b>	<b>355,473,169</b>

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

Particulars	As at 31st March, 2016 ₹	As at 31 March, 2015 ₹
<b><u>Loans and advances</u></b>		
<b>To employees</b>		
Dues from officers	3,065,820	2,125,232
<b>Others</b>		
CKK Exports Private Limited	-	587,936
<b>Total</b>	<b>3,065,820</b>	<b>3,005,668</b>

## Note 18 Consolidated Other Current Assets

Particulars	As at 31st March, 2016 ₹	As at 31 March, 2015 ₹
(a) <b>Accruals</b>		
Interest accrued on deposits	508,190	5,427,271
(b) <b>Others</b>		
Claims Receivable	11,395,720	
Fair Value of Forward Contract	7,859,587	5,082,893
<b>Total</b>	<b>19,763,497</b>	<b>10,510,164</b>



## Notes forming part of the Consolidated financial statements

### Note 19 Consolidated Revenue From Operations

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
(a) Sale of products (Refer Note (i) below)	31,288,419,920	17,944,591,204
(b) Other operating revenues (Refer Note (ii) below)	39,909,903	53,741,624
<b>Total</b>	<b>31,328,329,823</b>	<b>17,998,332,828</b>

Note	Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
i)	<b>Traded goods</b>		
	Sugar	14,617,500,443	11,378,071,150
	Oil	15,777,040,567	3,008,699,289
	Other commodities	893,878,910	3,557,820,765
	<b>Total - Sale of traded goods</b>	<b>31,288,419,920</b>	<b>17,944,591,204</b>
ii)	<b>Other operating revenues comprise:</b>		
	Commission Income	-	1,875,600
	Duty drawback and other export incentives	39,909,903	51,866,024
	<b>Total - Other operating revenues</b>	<b>39,909,903</b>	<b>53,741,624</b>

### Note 20 Consolidated Other Income

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
(a) Interest Income (Refer Note (i) below)	20,063,534	12,040,311
(b) Dividend income:		
From Current investments		
Others	909,192	10,006,885
(c) Net gain on sale of:		
Current investments	-	102,443
(d) Net gain on foreign currency transactions and translation (Other than considered as finance cost)	30,942,408	81,058,406
(e) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	10,978,336	2,098,913
<b>Total</b>	<b>62,893,470</b>	<b>105,306,958</b>



## Notes forming part of the Consolidated financial statements

## Note 20 Consolidated Other Income (contd.)

Note	Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
(i)	Interest income comprises:		
	Interest from banks on:		
	Deposits	19,494,102	12,040,311
	Other interest	569,432	-
	<b>Total - Interest income</b>	<b>20,063,534</b>	<b>12,040,311</b>
ii)	Liabilities / provisions no longer required written back	8,050,836	2,098,913
	<b>Total - Other non-operating income</b>	<b>8,050,836</b>	<b>2,098,913</b>
	<b>Total (i+ii)</b>	<b>28,114,370</b>	<b>14,139,224</b>

## Note 21A Consolidated Purchase Of Traded Goods

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
Sugar	13,491,087,155	10,577,110,095
Oil	15,195,695,349	2,926,648,496
Other Commodities	895,194,722	3,287,155,921
<b>Total</b>	<b>29,581,977,226</b>	<b>16,790,914,512</b>

## Note 21B Consolidated Changes in inventories of stock-in-trade

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>Inventories at the end of the year:</b>		
Stock-in-trade	619,247,692	349,977,500
	<b>619,247,692</b>	<b>349,977,500</b>
<b>Inventories at the beginning of the year:</b>		
Stock-in-trade	349,977,500	466,016,174
	<b>349,977,500</b>	<b>466,016,174</b>
<b>Net (increase) / decrease</b>	<b>(269,270,192)</b>	<b>116,038,674</b>

## Notes forming part of the Consolidated financial statements

### Note 22 Consolidated Employee Benefits Expense

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
Salaries and wages	52,987,947	36,690,351
Directors Remuneration	12,134,826	12,100,160
Contributions to provident and other funds (Refer Note 26.1)	451,726	439,683
Contribution to Gratuity Fund (Refer Note 26.2)	732,912	196,773
Staff welfare expenses	3,486,265	1,208,670
<b>Total</b>	<b>69,793,676</b>	<b>50,635,637</b>

### Note 23 Consolidated Finance Costs

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
(a) Interest expense on:		
(i) Borrowings	72,382,323	15,646,141
(ii) Trade payables	270,823	78,906
(iii) Others		
- Interest on delayed / deferred payment of income tax	24,204	8,426
- Interest on Service Tax /Others	198,182	13,719
(b) Other borrowing costs	14,577,728	1,109,954
<b>Total</b>	<b>87,453,260</b>	<b>16,857,146</b>

### Note 24 Consolidated Other Expenses

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
Bank Charges	32,501,868	8,648,835
Power and fuel	1,026,184	902,838
Rent including lease rentals	10,134,518	7,707,288
Repairs and maintenance - Buildings	579,211	596,420
Repairs and maintenance - Machinery	1,536,788	2,221,031
Repairs and maintenance - Others	753,261	319,595
Insurance	5,810,950	2,228,847
Rates and taxes	2,553,157	1,115,186
Communication	3,750,390	3,203,116
Travelling and conveyance	10,439,454	7,560,173
Printing and stationery	1,738,671	706,552
Freight and forwarding	882,236,196	417,333,558
Claims	78,134,916	-
Sales commission	44,936,858	7,935,140
Business promotion	4,370,169	1,650,934



## Notes forming part of the Consolidated financial statements

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
Legal and professional expense	15,340,124	10,723,675
Payments to auditors (Refer Note (i) below)	1,146,779	1,011,495
Prior Period Expense	395,333	-
Labour Charges	350,513	4,211,161
Loading and Unloading Charges	2,350,189	4,819,508
Terminal and Handling Charges	31,889,551	41,608,092
Transport Charges	196,022,112	293,865,368
Warehouse Charges	66,260,630	22,455,792
Custom Duty	18,929,592	10,774,298
Demurrage Charges	8,738,287	3,920,758
Detention Charges	5,539,772	2,842,200
Brokerage on trading in Commodities & Securities Exchange	6,506,469	730,934
ECGC Premium	3,556,807	1,690,657
Lodging & Boarding	2,727,045	3,113,689
Ground Rent Charges	249,644	3,820,203
Directors Sitting Fees	775,000	697,000
Bad trade and other receivables, loans and advances written off	16,361,044	1,583,013
Miscellaneous Expenses	9,669,940	9,266,381
Loss on Sale of Fixed Assets	41,247	1,779,866
Foreign Exchange Difference	533,505	-
Loss on Commodities Derivative Trading.	77,438,820	-
<b>Total</b>	<b>1,545,324,994</b>	<b>881,043,604</b>

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
Audit Fees	1,146,779	401,687
Tax Audit Fees	114,500	174,158
Other Matters	160,300	-
	<b>1,421,579</b>	<b>575,845</b>
(ii) Prior Period Expenses		-
Brokerage	283,884	-
Printing Stationery	111,449	-
	<b>395,333</b>	<b>-</b>
<b>Total</b>	<b>1,816,912</b>	<b>575,845</b>

## Notes forming part of the Consolidated financial statements

### Note 25 Additional information to the financial statements

	Particulars	As at 31 March, 2016	As at 31 March, 2015
	<b>Parent Company</b>		
25.1	<b>Contingent liabilities and commitments (to the extent not provided for)</b>		
(i)	<b>Contingent liabilities</b>		
(a)	Claims against the Company not acknowledged as debt with respect to		
i)	Sugar Import Consignment pertaining to year 2009-10	-	USD 11,23,425 & ₹ 60,43,987/- and Interest @8%
ii)	Short Delivery of Good to Buyer,	Quantity Short delivered 192.996MTN Value of Dispute ₹ 1,15,80,657/-and Interest @ 24%	-
iii)	Share application money pending allotment	-	₹ 1,587,450
iv)	Income Tax Demand for A.Y 2014-15	₹ 365,300	-
v)	Disputed Income tax demands for AY 2009-10	₹ 213,014	₹ 1,460,411
vi)	Income Tax Demand in respect of TDS for F.Y (2007-08, 2008-09, 2011-12)	₹ 530,550	
(ii)	<b>Foreign Subsidiary:-</b>		
	Sakuma Exports Pte Limited		
	Bill Discounted granted with right to recourse to Bank	₹ 1,965,710,421	-
(iii)	<b>Commitments</b>		
(a)	Uncalled liability		
i)	Share Subscription Money payable for GKM General Trading LLC	AED 117,600	AED 117,600
ii)	Share Subscription Money payable for Sakuma Exim DMCC	AED 55	AED 55
(b)	Other commitments		
i)	Outstanding Currency Forward Contracts (Sale)	USD 9808220	USD 27,850,691
ii)	Outstanding Currency Forward Contracts (Buy)	USD 50960	USD 4,194,000

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

The following derivative positions are open as at 31 March, 2016 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 2.17, 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 for receivables.

(i) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2016

Currency	Amount	Buy / Sell
USD	USD 9808220	Sell
	USD 50960	Buy
	USD(27850691)	Sell
USD	USD(4194000)	Buy

Note: Figures in brackets relate to the previous year

**Notes forming part of the Consolidated financial statements****25.3 Value of imports calculated on CIF basis :**

	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
Traded Goods	1,804,246,356	1,382,383,752

**25.4 Expenditure in foreign currency :**

	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
Professional and consultation fees	626,491	15,336
Business Promotion	-	58,316
Inspection Charges	-	105,246
Cargo Storage Charges	-	149,797
Travelling Expenses	1,880,403	4,437,505
Ocean Freight	102,656,158	106,877,949
Import of Goods	1,804,246,356	1,382,383,752

**25.5 Earnings in foreign exchange**

	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
Export of goods calculated on FOB basis	1,450,897,028	4,390,857,964

25.6 The Balance of Sundry Debtors, Sundry Creditors, Loans and Advances have been taken as per books awaiting respective confirmation and reconciliation.

25.7 The Company has not received any Memorandum (As required to be filled by the Supplier with the notified authority under the Micro Small and Medium Enterprises Development Act 2006) claiming their status as Micro Small and Medium Enterprises. Accordingly the amount paid/ payable together with the interest if any have not been given.

**Note 26 Disclosures under Accounting Standards****Employee benefit plans****26.1 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 ₹ 4,51,726/- Year ended 31 March, 2015 ₹ 4,39,683) 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 Consolidated financial statements

### 26.2 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	For the year ended 31 March, 2016 Gratuity	For the year ended 31 March, 2015 Gratuity
<b>Components of employer expense</b>		
Current service cost	752,075	507,560
Interest cost	174,926	143,205
Expected return on plan assets	(130,689)	(110,541)
Past service cost	-	-
Actuarial losses/(gains)	(63,400)	(343,451)
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>732,912</b>	<b>196,773</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	-	-
Actual contributions	-	551,500
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	2,416,009	2,242,641
Fair value of plan assets	1,548,244	1,556,288
Funded status [Surplus / (Deficit)]	(867,765)	(686,353)
Unrecognised past service costs	-	-
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(867,765)</b>	<b>(686,353)</b>

### 26.2 Change in defined benefit obligations (DBO) during the year

Particulars	For the year ended 31 March, 2016 Gratuity	For the year ended 31 March, 2015 Gratuity
Present value of DBO at beginning of the year	2,242,641	1,790,067
Current service cost	752,075	507,560
Interest cost	174,926	143,205
Actuarial (gains) / losses	(164,583)	(198,191)
Benefits paid	(589,050)	-
Present value of DBO at the end of the year	2,416,009	2,242,641
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	1,556,288	1,300,487
Acquisition adjustment	-	-
Expected return on plan assets	130,689	110,541
Actual company contributions	551,500	-





## Notes forming part of the Consolidated financial statements

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Gratuity	Gratuity
Actuarial gain / (loss)	(101,183)	145,260
Benefits paid	(589,050)	-
Plan assets at the end of the year	1,548,244	1,556,288
<b>Actuarial assumptions</b>		
Discount rate	7.80%	8.00%
Expected return on plan assets	8.50%	8.50%
Salary escalation	7.00%	7.00%
Attrition	10% at younger age and 1% at older age.	10% at younger age and 1% at older age.
Mortality tables	Indian Assured Lives Mortality (2006-08)Ult	Indian Assured Lives Mortality (2006-08)

## Note 27 Disclosures under Accounting Standards (contd.)

Particulars		
27.1	<b>Details of related parties:</b>	
	<b>Description of relationship</b>	<b>Names of related parties</b>
	Subsidiaries	Sakuma Exim DMCC (UAE) GKM General Trading LLC (UAE) Sakuma Exports Pte Ltd (Singapore) Sakuma Exports (Ghana) Ltd (Subsidiary of Sakuma Pte Ltd) Sakuma Exports (Tanzania) Private Ltd (Subsidiary of Sakuma Pte Ltd)
	Key Management Personnel (KMP)	Mr. Chander Mohan Mr. Saurabh Malhotra
	Relatives of KMP	Mrs. Shipra Medirrata Mrs. Kusum Malhotra
	Company in which KMP / Relatives of KMP can exercise significant influence	Sakuma Finvest Private Limited GMK System and Logistics Pvt Ltd Sakuma Infrastructure and Realty Private Limited C.K.K Exports Pvt Ltd

## Notes forming part of the Consolidated financial statements

### 27.2 Details of related party transactions during the year ended 31 March, 2016 and balances outstanding as at 31 March, 2016:

Particulars	Subsidiaries	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total (in ₹)
Directors Sitting Fees	-	-	168,000	-	168,000
	-	-	(136,000)	-	(136,000)
Rent Paid	-	-	1,194,221	5,790,579	6,984,800
	-	-	(1,146,072)	(5,595,528)	(6,741,600)
Management contracts including for deputation of employees	-	11,600,000	-	-	11,600,000
	-	(11,600,000)	-	-	(11,600,000)
<b>Balance as at 31st March 2016</b>					
Non Current Investment /Share Application Money	-	-	-	-	-
	-	-	-	-	-
Trade Receivable	-	-	-	-	-
	(7,485,861)	-	-	-	(7,485,861)
Trade Payable	-	-	-	-	-
	(46,752)	-	-	-	(46,752)
Short Term Loans and Advances	-	-	-	-	-
	-	-	-	(587,936)	(587,936)
Long Term Loan and Advances	-	-	1,530,000	7,470,000	9,000,000
	-	-	(1,530,000)	(7,470,000)	(9,000,000)
Provision ( Directors Remuneration Payable)	-	1,200,000	-	-	1,200,000
	-	(1,000,000)	-	-	(1,000,000)

### Note 28 Disclosures under Accounting Standards (contd.)

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>Earning Per Share</b>		
<b>Basic &amp; Diluted</b>		
Net profit / (loss) for the year	322,558,833	195,830,061
Net profit / (loss) for the year attributable to the equity shareholders	322,558,833	195,830,061
Weighted average number of equity shares	16,425,943	16,425,943
Par value per share	10	10
Earnings per share	19.64	11.92

**Notes forming part of the Consolidated financial statements****Note 29 Disclosures under Accounting Standards (contd.)****Note 29.1 Accounting for Taxes on Income**

In Compliance with the Accounting Standard 22 “Accounting for Taxes on Income” issued by ICAI which has become mandatory. The Company has reversed Deferred Tax Liability(Net) amounting to ₹ 10,14,335/- for the Current year (Previous year reversal of Deferred Tax Liability (Net) amounting to ₹ 12,87,703/-) and the same has been transferred to Statement of Profit and Loss.

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Deferred tax (Liability)/Assets are the Tax Effect of the following Item</b>		
Tax effect of items constituting reversal of deferred tax liability		
On Account of Depreciation	1,014,335	1,287,703
<b>Net Impact of deferred tax (liability) / asset</b>	<b>1,014,335</b>	<b>1287703</b>
<b>Deferred tax (Liability)/Assets</b>		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	(4,711,398)	(5,725,733)
<b>Net deferred tax (liability) / asset</b>	<b>(4,711,398)</b>	<b>(5,725,733)</b>

**29.2** The financial statement of Sakuma Exports Pte Ltd, Singapore (subsidiary of Sakuma Exports Ltd) has not provided for diminution in value of investment in “Sakuma Exports (Tanzania) Private Ltd” having Total Revenue for the period ₹ Nil/- and Total Assets as at 31.03.2016 ₹ Nil/-, as in view of the management such decline in the value of the investment is not permanent in nature.

**Notes 30:- Additional information as required under schedule III to the Companies Act, 2013, of enterprises consolidated.**

Sr. No.	Particulars	Net Assets i.e. total assets minus total liabilities		Share in profit & (Loss)	
	Name of the Enterprise	%	₹	%	₹
1	<b>Parent</b> Sakuma Exports Limited	70.01	880,214,530	40.42	130,077,538
2	<b>Subsidiaries</b> <b>Foreign</b> GKM General Trading LLC Sakuma Exim DMCC Sakuma Exports Pte Limited Sakuma Exports Ghana Limited Sakuma Exports Tanzania Limited	2.27 26.64 3.57 (1.40) 0.00	28,562,306 334,867,318 44,875,528 (17,660,100) -	(12.80) 59.15 16.54 (4.71) (0.03)	(41,282,263) 190,796,767 53,360,051 (15,204,564) (100,280)
3	<b>Minority Interest</b> <b>Foreign</b> GKM General Trading LLC	(1.09)	(13,659,915)	1.43	4,611,583
<b>Total</b>		<b>100.00</b>	<b>1,257,199,666</b>	<b>100.00</b>	<b>322,558,833</b>

**Note 31 Previous year's figures**

Previous year's figures have been regrouped /reclassified where ever necessary to correspond with the current year's classification or disclosure.



## SAKUMA EXPORTS LIMITED

Registered Office : 301-A, Aarus 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

I, hereby record my attendance at the Eleventh Annual General Meeting to be held on Thursday, 1<sup>st</sup> September, 2016 at 10.30 A.M. Nehru Planetarium (Basement), Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai- 400018.

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

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

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

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

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

\*To be filled by Shareholders holding shares in dematerialised form

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

Signature of the Shareholder or Proxy







# SAKUMA EXPORTS LIMITED

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

## FORM NO. MGT – 11

### PROXY FORM

[Pursuant to section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

CIN:	L51909MH2005PLC155765
Name of the Company:	SAKUMA EXPORTS LIMITED
Registered Office:	Aurus Chamber, A 301, Near Mahindra Tower, S S Amrutwar Lane, Worli, Mumbai-400013
Email ID:	companysecretary@sakumaexportsltd.com
Folio No / Client ID / DP ID:	

I/We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

- Name \_\_\_\_\_  
Address \_\_\_\_\_  
Email Id \_\_\_\_\_  
  
Signature \_\_\_\_\_ or failing him
- Name \_\_\_\_\_  
Address \_\_\_\_\_  
Email Id \_\_\_\_\_  
  
Signature \_\_\_\_\_ or failing him
- Name \_\_\_\_\_  
Address \_\_\_\_\_  
Email Id \_\_\_\_\_  
  
Signature \_\_\_\_\_ or failing him

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 11<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, 1<sup>st</sup> September, 2016 at 10.30 A.M. at Hall of Quest, Nehru Planetarium (Basement), Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 and at any adjournment thereof in respect of such resolutions as indicated below:

Sr. No.	Resolutions	For	Against
1 (a).	Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2016 and the Reports of the Board of Directors and the Auditors' thereon.		
1 (b).	Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016, and the Report of the Auditors' thereon.		
2.	To ratify interim dividend @ 10% i.e. Re. 1/- per equity share for the financial year 2015-2016.		
3.	Re-Appointment of Ms. Shipra Malhotra, who retires by rotation.		
4.	Re-Appointment M/s. M. L. Sharma & Co., Chartered Accountants as Statutory Auditors and to fix their remuneration.		
5.	Re-Appointment of Mr. Chander Mohan as Executive Chairman and payment of Remuneration.		
6.	Re-Appointment of Mr. Saurabh Malhotra as Managing Director and payment of Remuneration.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

Signature of shareholder : \_\_\_\_\_

Signature of Proxy Holder (s): \_\_\_\_\_

Affix a Re  
1.00  
revenue  
stamp

**NOTE:** The Proxy Form in order to be effective should be completed and deposited at the Registered Office of the Company not less than 48 before the commencement of the Meeting.





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*If undelivered, please return to:*

**Sakuma Exports Limited**

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