



# **SAKUMA EXPORTS LIMITED**

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**2<sup>ND</sup>**  
**Annual Report**  
**2006 - 2007**



## SAKUMA EXPORTS LIMITED

### BOARD OF DIRECTORS

Chander Mohan  
*Chairman*

Saurabh Malhotra  
*Managing Director*

Ashok Kumar Doda

Radhe Shyam

Satyendra J Sonar

Shipra Mediratta

### AUDITORS

Mittal & Associates,  
Chartered Accountants  
105, M K Bhavan,  
300 Shahid Bhagat Singh Marg,  
Fort, Mumbai 400 001

### BANKERS

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

### REGISTERED OFFICE

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

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**SAKUMA EXPORTS LIMITED****NOTICE**

**NOTICE** is hereby given that the Second Annual General Meeting of the members of **SAKUMA EXPORTS LTD.** will be held on Monday, the 9<sup>th</sup> July, 2007 at "WALCHAND HIRACHAND HALL", 4<sup>TH</sup>, Floor, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate Mumbai-400 020 at 4 p.m.. to transact the following business:

**Ordinary Business**

1. To receive, consider and adopt the Balance Sheet as at 31st March 2007, Profit & Loss Account for the year ended as on that date together with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Ashok Kumar Doda who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Radhe Shyam who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company and fix their remuneration.

**Special Business**

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

"RESOLVED AS AN ORDINARY RESOLUTION THAT Mrs. Shipra Mediratta, who was appointed by the Board as an additional director and who holds the office till the date of ensuing Annual General Meeting pursuant to section 260 of the Companies Act, 1956 and being eligible be and is hereby appointed as a Director liable to retire by rotation."

7. To consider and if thought fit to pass with or without modification following resolution as Special Resolution:

"RESOLVED AS SPECIAL RESOLUTION THAT pursuant to the provisions of section 149(2-A) and other applicable provisions, if any, of the Companies Act, 1956 the approval of the company be and is hereby accorded to the Board of Directors for the commencement of business and or activities referred to in sub-clause 43, 47 and 81 of Clause III (i.e. Object Clause) of the Memorandum of Association of the company as and when the Board thinks it fit and necessary and for that purpose appoint consultants, contractors/sub-contractors, agents, brokers, architects, structural engineers, equipment suppliers, fabricators, marketing agents etc. and enter into national/international joint venture, tie up with foreign consultants etc."

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

(Saurabh Malhotra)  
Managing Director

**DATED: 31<sup>st</sup> May, 2007.**

**Registered Office:**

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

**NOTES**

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.
- 2) Explanatory Statement pursuant to the provisions of Section 173 of the Companies Act, 1956 is annexed herewith.



- 3) The Register of Members and share transfer books shall remain closed from Thursday, 5<sup>th</sup> July 2007 to Monday, 9<sup>th</sup> July 2007 both days inclusive.
- 4) The dividend, after declaration, will be paid to those shareholders whose name stand on the Register of Members on 4<sup>th</sup> July 2007. The dividend in respect of shares held in electronic form will be paid to the beneficial owners of shares whose names appear in the list furnished by the Depositories for this purpose as on 4<sup>th</sup> July 2007.
- 5) The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Services (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend.
- 6) Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and to the Secretarial department at the Registered Office of the company or to the R & T Agents in respect of their holding in physical form.
- 7) As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report.
- 8) Members who hold the shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.
- 9) Members desiring any relevant information on the Accounts at the Annual General Meeting are advised to write to the Company at least seven days in advance, so as to enable the company to keep the information ready.
- 10) a) As required under the Revised Clause 49 IV G of the listing agreement executed with the Stock Exchange, Mumbai brief profiles of Directors are given in the Directors Report.  
b) Mrs. Shipra Mediratta, who is seeking appointment do not hold any equity shares or preference shares in the company. This information is being furnished pursuant to the Revised Clause 49 IV E (v) of the Listing Agreement executed with the stock exchange, Mumbai.

### EXPLANATORY STATEMENT

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

#### Item No. 6

Mrs. Shipra Sundeep Mediratta, was co-opted on the Board as an additional director on 25-1-2007 to broaden the Board, and to hold the office till the date of ensuing Annual General Meeting. Mrs. Shipra, is a commerce graduate having wide and varied business experience. Pursuant to Section 257 of the Companies Act, 1956, the Company has received notice, together with a deposit of Rs. 500/-, from a member signifying her intention to propose Mrs. Shipra for the office of Director liable to retire by rotation.

None of the directors except Mr. Chander Mohan, Mr. Saurabh Malhotra and Mrs. Shipra Mediratta are interested or concerned in the resolution.

#### ITEM NO. 7

Pursuant to section 149 (2A) of the Companies Act, 1956, the approval of the members is required to commence any business activities other than main objects. The Company is considering to go in for backward integration by undertaking shelling, processing, cleaning, sorting, grading and packaging activities for increase in value addition. Preliminary studies for undertaking these activities have shown encouraging results. If found profitable, the Company may undertake these activities by setting up processing unit preferably an Export Oriented Unit (EOU).

The Company proposes to widen the horizon of its activities by undertaking import of commodities including polymers and processing thereof.

## SAKUMA EXPORTS LIMITED

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The cost of the proposed projects will be met out of the own resources and borrowings.

None of the directors is interested or concerned in the resolution. The approval of the members is sought.

*A copy of the Memorandum and Articles of Association is open for member's inspection at Registered Office on all working days between 11 a. m to 1 p.m.*

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

(Saurabh Malhotra)  
Managing Director

**DATED:** 31<sup>st</sup> May, 2007.

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





## DIRECTORS' REPORT

Your Directors take pleasure in presenting their Second Annual Report on the business and operations of your Company together with audited statement and accounts for the year ended 31<sup>st</sup> March 2007.

### Financial Highlights

#### FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2007

	Seven months Ended 31.03.2006 Rs.(in lacs)	Year Ended 31.03.2007 Rs. (in lacs)
Sales & Other Income	32820.65	24080.3
Profit before depreciation & Tax	606.12	408.53
Depreciation	2.52	4.05
Profit before Tax	603.60	404.48
<b>Provision for Tax</b>		
- Current Tax (including FBT)	206.80	139.52
- Deferred Tax	0.33	(1.59)
- Income tax of earlier years	0.11	(0.11)
Net Profit after tax	396.36	266.66
Add : Surplus b/f from previous period	—	299.38
<b>Profit available for appropriations</b>	<b>396.36</b>	<b>566.05</b>
<b>Appropriation</b>		
Dividend on Equity Shares	80.88	80.88
Dividend on Preference Shares	4.17	50.00
Dividend Tax	11.93	22.24
<b>Balance carried to Balance Sheet</b>	<b>299.38</b>	<b>412.92</b>

### Operations Review and Future Prospects

The year 2006-2007 has been very trying period for exporters of agricultural commodities. Owing to weak crops of pulses and cereals, the supply was under pressure and sharp increase was witnessed in prices of agricultural commodities. The Government of India imposed ban on export of cereals, pluses, sugar and recently on maize. The margins which were already under pressure due to steep rise in domestic prices of these commodities were further squeezed by high volatility in forex rate followed by steep decline in the value of dollar. It gives us satisfaction in informing you that despite above adversities the Company managed to earn profits by continuously improving its logistics and widening its procurement base, client base and markets. Sales turnover and net profit for the year were Rs.23850.75 lacs and Rs. 266.67 lacs as compared to Rs.32763.24 lacs and Rs.396.36 lacs respectively for seven months period ended 31<sup>st</sup> March, 2006. Basic and diluted EPS for the year worked out to Rs.1.27 and 1.26 respectively.

The government lifted the ban on export of sugar in January 2007 where after your Company achieved a very impressive growth in export of sugar. We exported 41032.79 metric tons of sugar of the value of Rs.5856.23 lacs during 2 months period February and March, 2007. While your Company continued to be a dominant player in export of peanuts, during the year, it also emerged as one of the leading exporter of sugar. Despite sharp increase in domestic prices of peanuts, we exported 27045 metric tons of peanuts during the year 2006-2007 as against 29039 metric tons in seven months period ended 31<sup>st</sup> March, 2006.

As stated above your Company has been continuously working on widening its client base and entering into new markets. Some of the new clients developed by your Company are leading international traders in agricultural commodities like Tate & Lyle, Czarnikow Sugar, Coimex, Fair Energy. With huge stocks of sugar available in the country we expect the performance of Company should be satisfactory in the current year.

## SAKUMA EXPORTS LIMITED

Robust economic growth achieved by India has lead to increase in consumer spending in the country. As a result the imports have been growing very fast. Your Company is examining the possibilities of widening its horizon by undertaking import business.

### Capital Structure

Capital of the company comprises of 1,61,76,773 Equity Shares of Rs. 10/- each amounting to Rs.16,17,67,730/- and 10,00,092 Cumulative Redeemable Preference Shares at a price of Rs.100/- each amounting to Rs.10,00,09,200/-. Besides 20,00,184 Optional Detachable Tradable Warrant which are going to be converted into Equity Shares in the month of August,2007. In order to facilitate the public to hold the Equity Shares, Cumulative Redeemable Preference Shares and Optional Detachable Tradable warrant in the demat form, the Company entered into a tripartite agreement with National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) and Bigshare Services Private Limited.

### Dividend

Your Directors recommend for the consideration of the members a dividend of 5% i.e Rs.0.50 per equity share and 5% i.e Rs5.00 per Cumulative Redeemable Preference Share.

### Public Deposits

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

### Directors

Mr. Ashok Kumar Doda and Mr. Radhe Syam will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Dr. Brij Bhushan Sahani, resigned from the directorship of the Company with effect from 25<sup>th</sup> January, 2007. The Board of Directors place on record its appreciation for the valuable contribution made by Dr. Brij Bhushan Sahani in guiding the Company during his tenure.

Mrs. Shipra Sundeep Mediratta was co-opted as additional Director on the Board of the Company, with effect from 25<sup>th</sup> January, 2007 and hold the office till the date of ensuing Annual General Meeting. The Company has received the notice pursuant to Section 257 from the member signifying his intention to propose Mrs. Shipra Mediratta for the office of Director. Your Directors recommend the resolution.

### Directors' Responsibility Statement

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

- In the preparation of annual accounts the applicable, accounting standards have been followed by the Company.
- Appropriate accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2007 and of the Profit of the Company for the year ended on that date.
- Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe- guarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- The annual accounts have been prepared on a "going concern" basis.

### Auditors

M/s. Mittal & Associates, Chartered Accountants retire as statutory Auditors at the conclusion of the ensuing Annual General Meeting. The Audit Committee of the board has recommended their re-appointment as auditors for the year 2007-08. Mittal & Associates have confirmed their eligibility and willingness to continue to act as Auditors of the Company.

### Corporate Governance

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

**Conservation of Energy, Research & Development, Technology absorption, Foreign Exchange Earning and Outgo.**

In pursuance of the provisions of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, the particulars relating to conservation of energy, technology absorption and foreign exchange earning and outgo are given below:

**A. Conservation of Energy**

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

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

Not Applicable.

**C. Foreign Exchange Earning and Outgo**

Foreign Exchange earned: Rs.22338.06 (in lacs)

Outgo: Rs. 569.05 (in lacs)

**Particulars of Employees**

The provision of section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 are not applicable to your company since none of the employee is employed on a remuneration of Rs.2,00,000/- P.M or Rs.24, 00,000/ P.A.

**Acknowledgements**

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

For and on behalf of the Board of Directors

Mumbai

Date: 31<sup>st</sup> May, 2007

CHANDER MOHAN  
CHAIRMAN



**SAKUMA EXPORTS LIMITED****CORPORATE GOVERNANCE REPORT**

(Report on Corporate Governance pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

**Company's philosophy on Code of Governance:**

Sakuma Exports Limited is of the firm conviction that good governance is a pre-requisite to attainment of excellent performance in terms of stakeholder's value creation. The Company firmly believes in managing affairs with diligence, transparency, responsibility and accountability. The Company's philosophy on Corporate Governance goes beyond good working results and financial propriety though these are undoubtedly essential. The company has complied with all the applicable provisions of the amended Clause 49 of the Listing Agreement.

**Board of Directors**

The Board comprises of *six* Directors. *Two* Directors are Executive Directors and *four* are non Executive Directors of which *three* are Independent Directors.

None of the Directors on the Board is a Member on more than *ten* Committees as specified in Clause 49 of the Listing Agreement. The Directors have made necessary disclosures, in this regard.

The details of composition of the Board and summary of other Directorships and Board Committee Memberships of each of the Directors as on 31<sup>st</sup> March 2007 are as follows:

Name of the Director	Promoter, Executives Non Executives	No. of Directorships Membership	No. of Committee Chairmanship	No. of Committee
1. Mr. Chander Mohan	Promoter/Executive	4	—	—
2. Mr. Saurabh Malhotra	Promoter/Executive	4	—	—
3. Mr. Ashok Kumar Doda	Independent	2	—	—
4. Mr. Radhe Shyam	Independent	Nil	—	—
5. *Dr. Brij Bhushan Sahani	Non Independent	1	—	—
6. Mr. Satyendra J Sonar	Independent	3	—	—
7. **Mrs. Shipra Mediratta	Non Independent	Nil	—	—

\* Ceased to be a Director on 25/1/2007.

\*\* Appointed as Additional director on 25/1/2007.

Dr. Brij Bhushan Sahani, Director of the Company since 8<sup>th</sup> September 2005 resigned from the directorship of the Company with effect from 25<sup>th</sup> January, 2007. In his place the Board has appointed Mrs. Shipra Sundeep Mediratta as additional Director on the Board of the Company, with effect from 25<sup>th</sup> January 2007 who will hold the office till the date of the ensuing Annual General Meeting of the Company.

Mrs. Shipra Sundeep Mediratta is a Commerce Graduate and has varied experience of the business and allied fields.

Mr. Ashok Kumar Doda and Mr. Radhe Syam are liable to retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

The details of other Directorships and Committee Memberships of the above referred Directors are as follows:

Name of the Director	Directorships	Committee Members
Mr. Chander Mohan	1. Sakuma International Marketing Private Limited. 2. Sakuma Finvest Private Limited. 3. Sakuma Import and Export Private Limited. 4. C.K.K.Exports Private Limited	Nil



Name of the Director	Directorships	Committee Members
Mr. Saurabh Malhotra	1. Sakuma International Marketing Private Limited. 2. Sakuma Finvest Private Limited. 3. Sakuma Import and Export Private Limited. 4. C.K.K.Exports Private Limited	Nil
*Mr. Ashok Kumar Doda	1. Trident Infotech Corporation Ltd 2. Eklavya Creations Private Limited. 3. Invent Assets Securitisation And Reconstruction Pvt. Ltd.	Nil
*Mr. Radhe Shyam	Nil	Nil
Mr. Satyendra J Sonar	1. Matrix Corporate Solutions Ltd., 2. Kesiki Investments Pvt. Ltd. 3. Nuvern Investments Pvt. Ltd	Nil
*Mrs. Shipra Mediratta	Nil	Nil

\*Attention of the Members is invited to the relevant items in the Notice of the Annual General Meeting for seeking their approval for the appointment of these Directors.

This information is required under Clause 49(IV)(G) of the Listing Agreement.

#### Meetings and attendance

The Meetings of the Board of Directors are scheduled in advance. The board meets, inter-alia, to review the performance of the company and the agenda is prepared in consultation with the Chairman and Managing Director.

During the year ended 31<sup>st</sup> March, 2007, 6 meetings of the Board were held, on 21<sup>st</sup> April 2006, 19<sup>th</sup> May 2006, 29<sup>th</sup> July 2006, 15<sup>th</sup> September 2006, 30<sup>th</sup> October 2006 and 25<sup>th</sup> January 2007.

Attendance at the Board Meetings and at the Annual General Meetings held up to 31<sup>st</sup> March, 2007.

Name of the Director	Meetings held during tenure of Directors	No. of Board meeting Attended	Attendance at the AGM.@
Mr. Chander Mohan	6	6	Yes
Mr. Saurabh Malhotra	6	6	Yes
Mr. Ashok Kumar Doda	6	6	Yes
Mr. Radhe Shyam	6	5	Yes.
Dr. Brij Bhushan Sahni	6	2	No
Mr. Satyedra J Sonar	6	6	No
Mrs. Shipra Mediratta	1	1	N.A

@ First Annual General Meeting of the Company was held on July 26, 2006.

#### Audit Committee

The Audit Committee held 5 meetings on 19<sup>th</sup> May, 29<sup>th</sup> July, 15<sup>th</sup> September, 30<sup>th</sup> October, 2006 and 25<sup>th</sup> January 2007. The Audit Committee consists of three non-executive Independent Directors as follows:

Sr. No.	Name of Director	Designation
1.	Mr. Radhe Shyam	Director
2.	Mr. Ashok Kumar Doda	Director
3.	Mr. Satyendra Sonar	Director