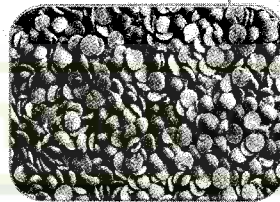


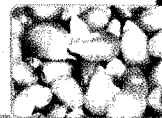
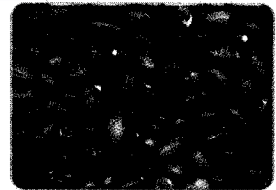


# Sakuma Exports Limited

4th Annual Report 2008-2009



Report



**SAKUMA EXPORTS LIMITED.****BOARD OF DIRECTORS**

Chander Mohan - Chairman  
 Saurabh Malhotra – Managing Director  
 Ashok Kumar Doda  
 Radhe Shyam  
 Satyendra J Sonar  
 Shipra Mediratta

**AUDITORS**

Mehta Bhandari & Associates,  
 Chartered Accountants  
 24, Kesar Building, 2<sup>nd</sup> Floor,  
 Opp. Geeta Bhavan Hotel,  
 201/211, Princess Street  
 Marine Lines, Mumbai-400 002

**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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## NOTICE

**NOTICE** is hereby given that the Fourth Annual General Meeting of the members of **SAKUMA EXPORTS LTD.** will be held on Tuesday, 15<sup>th</sup> September, 2009 at "WALCHAND HIRACHAND HALL", 4<sup>TH</sup> Floor, Indian Merchants' Chamber, Churchgate, Mumbai-400 020 at 4.00 p.m. to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Balance Sheet as at 31st March 2009, 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 appoint a Director in place of Ms. Shipra Mediratta, who retires by rotation and being eligible, offers her-self for re-appointment.
3. To declare dividend on Preference Shares.
4. To appoint Auditors of the Company and to fix their remuneration.

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

Sd/-

**DATED: 27<sup>th</sup> June, 2009**

(Saurabh Malhotra)  
Managing Director

### 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 A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM IS ENCLOSED ALONG WITH THIS NOTICE.
2. The Proxy Form, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 3) For the convenience of the shareholders, Attendance Slip is annexed to this notice. Shareholders/Proxy Holders are requested to fill in and affix their signatures at the space provided therein and surrender the same at the venue.
- 4) Explanatory Statement pursuant to the provisions of Section 173 of the Companies Act, 1956 is not required to be attached.
- 5) The Register of Members and share transfer books shall remain closed from Tuesday, 8<sup>th</sup> September, 2009 to Tuesday, 15<sup>th</sup> September, 2009 both days inclusive.
- 6) The dividend, after declaration, will be paid to those Preference shareholders whose name stand on the Register of Members on 15<sup>th</sup> September, 2009. 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 15<sup>th</sup> September, 2009.
- 7) 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. This system shall be utilized only when the Company declares dividend.



- 8) As per the provisions of the Companies Act, 1956 facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from Depository Participants (DPs) in respect of their holdings in electronic form and from the company's Registrar and Transfer agent or Secretarial department of the company in respect of their holding in physical form.
- 9) 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 Registrar and Transfer Agents in respect of their holding in physical form.
- 10) 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.
- 11) Members who hold the shares in dematerialized form are requested to bring their Client ID and DP ID numbers and Members holding shares in Physical Form are requested to quote their Folio Numbers for easy identification of attendance at the Meeting.
- 12) 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.

Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, dividend for the financial year March 31, 2006 and dividends declared thereafter, which remain unclaimed for a period of seven years, will be transferred by the Company to the IEPF pursuant to Section 205C of the Companies Act, 1956.

Financial Year	Date of Declaration of Dividend	Last Date of claiming un- paid Dividend
Final Dividend 2005- 2006	26.07.2006	30.08.2013
Final Dividend 2006- 2007	09.07.2007	13.08.2014
Final Dividend 2007- 2008	20.08.2008	24.09.2015

## DIRECTORS' REPORT

At the outset, your Directors take pleasure in informing that based on performance, your company has been granted status of "Trading House" in June 2008 by Govt of India. Your Directors take pleasure in presenting their Fourth Annual Report on the business and operations of your Company together with audited statement of accounts for the year ended 31<sup>st</sup> March 2009.

### Financial Highlights

#### FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2009

	Rs. (in lacs)	
	Year Ended 31.03.2009	Year Ended 31.03.2008
Sales & Other Income	39800.10	59365.79
Profit before depreciation & Tax	502.14	724.65
Depreciation	116.30	66.88
Profit before Tax	385.84	657.77
Provision for Tax		
-Current Tax (including FBT)	82.76	94.71
- Deferred Tax	46.53	130.08
Net Profit after tax	256.55	432.98
Add: Surplus from previous period	691.31	412.92
Profit Available for Appropriation	947.86	845.90
Appropriation		
Income Tax of Earlier years	1.38	-
Dividend on Equity Shares	-	82.13
Dividend on Preference Shares	50.00	50.00
Dividend Tax	8.50	22.46
<b>Balance carried to Balance Sheet</b>	<b>887.98</b>	<b>691.31</b>

### Operations Review and Future Prospects

Your directors report that despite the unprecedented global turmoil and domestic policy constraints, your Company was able to achieve a turnover of 398.22 crores during the year 2008-09. The net profit for the year was 256.55 lacs as against 432.98 lacs in 2007-08. The EPS for the year worked out 1.2 as against 2.3 for the preceding year.

During the year 2008-09, the global trade contracted owing to global meltdown and acute liquidity crunch. The commodity prices became highly volatile affecting the global trade adversely. The restrictions by Government of India on export of important agricultural commodities like wheat, rice and pulses continued. Not only the incentives on export of sugar were withdrawn, the Government of India also banned the export thereof. Export operations of your Company virtually came to standstill from September 2008 onwards. Having no option left for export, your Company developed marketing network for domestic trade in sugar. During the year, domestic sales of sugar were worth Rs 17,837.56 lacs constituting 44% of total turnover.

We have started domestic trade by supplying sugar from Maharashtra to eastern, north eastern and northern states. Having stabilised marketing set up for the domestic trade, we hope to expand our operations by covering more and more centres. Our domestic trade operations are expected to grow significantly during the current year.

Due to sharp decline in production of sugar, the country is facing sugar shortage and export of sugar is ruled out. As India is facing sugar deficit, sugar is likely to be imported in large quantities. With our strong business relations with Multinationals engaged in sugar trade, we shall be well placed to undertake white / raw sugar imports in the coming months. Our domestic sugar distribution set up will facilitate the marketing of imported white sugar in different part of country. Thus, during financial year 2009-10 your Company is likely to have multi dimensional operations, exports, imports, domestic trade, manufacturing of P. P. bags and power.



The country has adequate surplus of wheat and rice and the government may, therefore, consider removing restrictions on export of these items which will give us an opportunity to restart the export operations in a significant way. Meanwhile, we shall continue to export groundnut in small quantities. We also hope to resume export of maize and De oiled cakes if and when prices turn favourable.

### **Dividend**

Your Directors recommend a dividend 5% i.e. Rs.5.00 on Cumulative Redeemable Preference Share. However the profit being inadequate, particularly as the Company has to build adequate reserves to redeem preference shares by February 2011, no dividend has been recommended on equity shares.

### **Public Deposits**

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

### **Directors**

Shipra Mediratta, Non-Executive Director, retires by rotation and being eligible, offers herself for re-appointment.

### **Directors' Responsibility Statement**

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

- (i) In the preparation of the annual accounts for the financial year ended March 31, 2009, all the applicable accounting standards have been followed along with proper explanations relating to material departures.
- (ii) Appropriate accounting policies have been selected and applied consistently, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and of the profit of the Company for the said period;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The annual accounts have been prepared on a 'going concern' basis.

### **Auditors**

M/s. Mehta Bhandari & Associates., Chartered Accountants were the auditors of the Company. Due to Pressure of work at their end they have desired to step down as Statutory Auditors for the financial year 2009-10. The Audit Committee of the board has recommended M/s A.R.Sodha & Co. as Auditors for the year 2009-10. M/s A.R.Sodha & Co. have confirmed their eligibility and willingness to act as Auditors of the Company. The remuneration will be finalized by the board of directors.

### **Corporate Governance**

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

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

In pursuance of the provisions of section 217(2)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, the particulars relating to conservation of energy, technology absorption and foreign exchange earning and outgo is given below:

#### **A. Conservation of Energy**

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



We have taken an existing unit on lease, initially for a period of one year, for manufacturing P.P. Bags. We are studying various possible means of conservation of energy, however, no capital expenditure is envisaged unless we decide to go in for a long lease.

**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 and Outgo**

Foreign Exchange **Earned: 19,471.57 Lacs**

**Outgo: 1,149.55 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**

Sd/-

Sd/-

Mumbai  
Date: 27<sup>th</sup> June, 2009

**(Chander Mohan)**  
Chairman

**(Saurabh Malhotra)**  
Managing Director

**Addendum to the Directors' Report**

As regards observation of the Auditors made in para 3 (e) of their report relating to *non provision of Leave encashment and gratuity*, Directors are of the view that the Company being less than 5 years old, the provision was not considered necessary and its available resources are adequate to meet both present and future liabilities.

For and on behalf of the Board of Directors

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

Sd/-

Sd/-

Mumbai  
Date: 27<sup>th</sup> June, 2009

**(Chander Mohan)**  
Chairman

**(Saurabh Malhotra)**  
Managing Director



## CORPORATE GOVERNANCE REPORT

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

### I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy, since its inception, has been to look at good Corporate Governance as a way of life, observing the highest level of ethics in all its dealings and maintaining fair and transparent governance.

### II. BOARD OF DIRECTORS

#### i) Composition and Category of Directors:

The strength of the Board was 6 Directors as on 31<sup>st</sup> March, 2009. The composition and category of Directors on the Board of the Company are:

Name	Executive / Non Executive	Promoter / Independent	Relationship With Other Directors
Mr. Chander Mohan	Executive - Chairman & Whole Time Director	Promoter	Father of Mr. Saurabh Malhotra and Ms. Shipra Mediratta
Mr. Saurabh Malhotra	Executive - Managing Director	Promoter	Son of Mr. Chander Mohan and brother of Ms Shipra Mediratta
Ms. Shipra Mediratta	Non Executive	Promoter	Daughter of Mr. Chander Mohan and sister of Mr. Saurabh Malhotra
Mr. Ashok Kumar Doda	Non Executive	Independent	Not Related
Mr. Radhe Shyam	Non Executive	Independent	Not Related
Mr. Satyendra J Sonar	Non Executive	Independent	Not Related

#### ii) Number of Board Meetings held and attendance of each Director at the Board Meeting:

Date of Board Meetings	Chander Mohan	Saurabh Malhotra	Shipra Mediratta	Ashokkumar Doda	Radhe Shyam	Satyendra Sonar
23 <sup>rd</sup> June, 2008	Present	Present	Present	Present	Present	Present
30 <sup>th</sup> July, 2008	Present	Present	Present	Present	Present	Present
25 <sup>th</sup> August, 2008	Present	Present	Present	Present	Present	Present
24 <sup>th</sup> October, 2008	Present	Present	Present	Present	Present	Present
21 <sup>st</sup> January, 2009	Present	Present	Present	Present	Present	Present
24 <sup>th</sup> March, 2009	Present	Present	Present	Present	Present	Present
Total Attendance out of 6 Meetings.	6	6	6	6	6	6
Attendance at Last AGM	Present	Present	Present	Present	Present	Present

#### iii) Number of other Boards or other Committees in which the Directors hold memberships or Chairmanship:

Name of Director	No. of Other Companies where Director	Number of Committee Memberships / Chairmanships	
		Chairmanship	Membership
Mr. Chander Mohan	Nil	Nil	Nil
Mr. Saurabh Malhotra	Nil	Nil	Nil
Ms. Shipra Mediratta	Nil	Nil	SIGC – SEL**
Mr. Ashok Kumar Doda	2	SIGC – SEL**	AC – SEL*
Mr. Radhe Shyam	2	AC – SEL*	SIGC – SEL**
Mr. Satyendra J Sonar	1	Nil	AC – SEL*

AC – SEL\* = Audit Committee – Sakuma Exports Limited.

SIGC – SEL\*\* = Shareholders/Investors Grievance Committee – Sakuma Exports Limited



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

#### iv) Code of Conduct:

The Board has formulated a code of conduct for the Board members and Senior Management Personnel of the Company. All Board members and senior management have affirmed their compliance with the code. A declaration to this effect signed by the Chairperson of the Company is given elsewhere in the Annual Report.

### III. AUDIT COMMITTEE

The composition of the Audit Committee and their attendance at the Audit Committee Meetings are as follows:

Date of Audit Committee Meeting	Mr. Radhe Shyam	Mr. Ashok Kumar Doda	Mr. Satyendra Sonar
	Chairman & Non Executive Independent Director	Non Executive Independent Director	Non Executive Independent Director
23 <sup>rd</sup> June, 2008	Present	Present	Present
30 <sup>th</sup> July, 2008	Present	Present	Present
24 <sup>th</sup> October, 2008	Present	Present	Present
21 <sup>st</sup> January, 2009	Present	Present	Present
Total (out of 4 meetings)	4	4	4

The Board of Directors of the Company has framed Terms of Reference for the Audit Committee, based on Clause 49 (II) (D) of the Listing Agreement. The Audit Committee performs in accordance with its terms of reference. In addition it exercise powers and reviews information as specified under Clause 49 (II) (C) and (E) of the Listing Agreement.

### IV. REMUNERATION COMMITTEE

The Company does not have a formal Remuneration Committee. However, the Board of Directors takes all decisions regarding the remuneration and sitting fees of Directors.

The remuneration of Executive Directors was approved by the shareholders of the Company at its Extra Ordinary General Meeting held on 8<sup>th</sup> September, 2005. Non-executive Directors are not paid any remuneration except sitting fees. The details remuneration paid during the period from April 1, 2008 to March 31, 2009 are as under:

Sr. No.	Name	Sitting Fees	Salary & Perks	Commission	Professional fees	Total
		Rs.	Rs.	Rs.	Rs.	Rs.
1	Mr. Chander Mohan	0	1890000	0	0	1890000
2	Mr. Saurabh Malhotra	0	1620000	0	0	1620000
3	Ms. Shipra Mediratta	77000	0	0	0	77000
4	Mr. Ashok Kumar Doda	105000	0	0	0	105000
5	Mr. Radhe Shyam	105000	0	0	0	105000
6	Mr. Satyendra J Sonar	77000	0	0	0	77000
<b>Total</b>		<b>364000</b>	<b>3510000</b>	<b>0</b>	<b>0</b>	<b>3874000</b>

#### Details of service contracts

Name	Designation	Current tenure	From	To	Approval of Members
Mr. Chander Mohan	Executive chairman	5 years	1 <sup>st</sup> September, 2005	31 <sup>st</sup> August, 2010	Extra Ordinary General Meeting held on 8 <sup>th</sup> September, 2005
Mr. Saurabh Malhotra	Managing Director	5 years	1 <sup>st</sup> September, 2005	31 <sup>st</sup> August, 2010	Extra Ordinary General Meeting held on 8 <sup>th</sup> September, 2005

**NOTES:**

1. The Company does not pay bonus, stock options, pension and performance linked incentives or fixed component incentives to the Directors.
2. The Company has not made any payment to the Non-Executive Directors except sitting fees.
3. Equity shares of Sakuma Exports Limited held by the Non-Executive Directors are as follows:

Directors	No. of shares held	
	As on March 31, 2009	As on March 31, 2008
Ms. Shipra Mediratta	Nil	Nil
Mr. Ashok Kumar Doda	Nil	Nil
Mr. Radhe Shyam	Nil	Nil
Mr. Satyendra J Sonar	Nil	Nil

**V. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE**

The composition of the Shareholders/Investors Grievance Committee and their attendance at the Shareholders/Investors Grievance Committee Meetings are as follows:

Date of Shareholders Grievance Committee Meeting	Mr. Ashok Kumar Doda Chairman & Non Executive Independent Director	Mr. Radhe Shyam Non Executive Independent Director	Ms. Shipra Mediratta Non Executive Director
23 <sup>rd</sup> June, 2008	Present	Present	Present
30 <sup>th</sup> July, 2008	Present	Present	Present
24 <sup>th</sup> October, 2008	Present	Present	Present
21 <sup>st</sup> January, 2009	Present	Present	Present
Total (out of 4 meetings)	4	4	4

The Committee has delegated the power to approve the share transfers to its Registrar & Share Transfer Agent i.e. M/s. Big Share Services Private Limited. The Committee monitors the redressal of investor's grievances and takes on record the physical share transfers, issue of duplicates share certificates in lieu of share certificates lost/torn/misplaced etc, split/consolidation of share certificates, etc from time to time. The total number of complaints received and replied to the satisfaction of shareholders during the year under review was as follows:

Complaint Status for the period 01/04/2008 to 31/03/2009 (Equity Shares)

Category	No. of Compl. Received	No. of Compl Resolved	No. of Compl Pending
NON RECEIPT OF CREDIT	4	4	-
NON RECEIPT OF DIVIDEND WARRANT	3	3	-
NON RECEIPT OF INTEREST WARRANT	1	1	-
NON RECEIPT OF ANNUAL REPORTS	1	1	-
SEBI	8	8	-
STOCK EXCHANGE	1	1	-
Total :	18	18	0