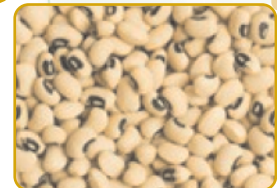




# Sakuma Exports Limited

6th Annual Report 2010-2011



# SAKUMA EXPORTS LIMITED.

## BOARD OF DIRECTORS

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

## AUDITORS

A.R.Sodha & Co.  
Chartered Accountants  
101/102, Ashiana, 11th TPS III Road,  
Santacruz (East) Mumbai – 400 055

## BANKERS

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

## REGISTERED OFFICE

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

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## NOTICE

**NOTICE** is hereby given that the Sixth Annual General Meeting of the members of **SAKUMA EXPORTS LIMITED** will be held on Thursday, 18<sup>th</sup> August, 2011 at 11.00 A.M. at P L Deshpande Kala Academy, Ravindra Natya Mandir, 3<sup>rd</sup> Floor, Mini Theatre, Sayani Road, Prabhadevi, Mumbai: 400 025 to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2011, Audited Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To ratify the dividend paid on preference shares for the period 1<sup>st</sup> April, 2010 to 28<sup>th</sup> February, 2011.i.e. the date of redemption of preference shares.
3. To declare dividend on Equity Shares (@ 10% (i.e Re 1 per Equity share).
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 re-appoint Auditors of the Company and to fix their remuneration.

### SPECIAL BUSINESS

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

**“RESOLVED THAT** in accordance with the provisions of Section 94 and all other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be reclassified from Rs. 30,00,00,000/- (Rupees Thirty Crores Only) divided into 1,90,00,000 (One Crore Ninety Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each and 11,00,000 (Eleven Lacs) Preference Shares of Rs. 100/- (Rs. One Hundred) each into Rs. 30,00,00,000/- (Rupees Thirty Crores Only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each and accordingly the authorized share capital shall be as follows:

**The Authorised Share Capital of the Company is Rs. 30,00,00,000/- (Rupees Thirty Crores Only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each.”**

**RESOLVED FURTHER THAT** Mr. Chander Mohan, Chairman or Mr. Saurabh Malhotra, Managing Director of the Company be and are hereby authorized singly and severally to file necessary forms with the Registrar of Companies and to do all such acts, deeds and things as may be required to implement the resolution.”

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

**“RESOLVED THAT** pursuant to Section 16 and other applicable provisions of the Companies Act, 1956, Clause V of the Memorandum of Association of the Company be and is hereby altered by deleting the same and substitute, in its place, the following;

V. (a) The Authorised Share Capital of the Company is Rs. 30,00,00,000/- (Rupees Thirty Crores Only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each.

(b) The Paid up Capital of the Company shall be minimum of Rs. 5,00,000/- ( Rs. Five Lacs).

**RESOLVED FURTHER THAT** Mr. Chander Mohan, Chairman or Mr. Saurabh Malhotra, Managing Director of the Company be and are hereby authorized singly and severally to file necessary forms with the Registrar of Companies and to do all such acts, deeds and things as may be required to implement the resolution.”

8. To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution;

**“RESOLVED THAT** pursuant to Section 31 and other applicable provisions of the Companies Act, 1956, existing Article 5 of the Articles of Association of the Company be and is hereby deleted and substitute, in its place, the following;

5. The Authorised Share Capital of the Company is Rs. 30,00,00,000/- (Rupees Thirty Crores Only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- (Rupees Ten Only), with the rights and privileges and conditions attaching thereto as provided by the regulations of the company for the time being with power to increase and reduce the capital of the



company, divide and subdivide the shares in the capital for the time being original or increased, into several classes and to attach thereto respectively such preferential, deferred, postponed, qualified or special rights, privileges as may be determined by or in accordance with the regulations of the company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the company and to consolidate or subdivide the shares and issue shares of higher or lower denomination.

**RESOLVED FURTHER THAT** Mr. Chander Mohan, Chairman or Mr. Saurabh Malhotra, Managing Director of the Company be and are hereby authorized singly and severally to file necessary forms with the Registrar of Companies and to do all such acts, deeds and things as may be required to implement the resolution.”

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

**Sd/-  
(Saurabh Malhotra)  
Managing Director**

**Place: Mumbai**

**Dated: 27<sup>th</sup> May. 2011**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM IS ENCLOSED ALONG WITH THIS NOTICE.
2. The Proxy Form, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 for resolutions specified at Item No. 6 to 8 is annexed to the notice.
4. For the convenience of the shareholders, Attendance Slip is annexed to this notice. Shareholders/Proxy Holders are requested to fill in and affix their signatures at the space provided therein and surrender the same at the venue.
5. The Register of Members and Share Transfer Register of the Company will remain closed from 12<sup>th</sup> August, 2011 to 18<sup>th</sup> August, 2011 (both the days inclusive).
6. Corporate Members intending to send their authorized representatives at the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Dividend on equity shares, if declared at the Meeting, will be paid to those shareholders whose names shall appear on the Company's Register of Members as on 18<sup>th</sup> August, 2011; in respect of shares held in dematerialized form, the dividend will be paid to those shareholders whose names are furnished by Central Depository Services (India) Limited and National Securities Depository Limited as beneficial owners as on that date.
9. Members who hold shares in dematerialized form may kindly note that their Bank Account details, as furnished by their depositories to the company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for deletion of or change in such Bank Account details. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account. Members holding shares in dematerialized form as well as in physical form are requested to intimate instructions pertaining to those shares to their respective Depository Participant and for shares held in physical form to intimate instructions pertaining to those shares to the Company's Registrar and Transfer Agent.

10. To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrar and Share Transfer Agent i.e. M/s. Big Share Services Private Limited.
11. Members are requested to immediately notify any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and to the Secretarial department at the Registered Office of the company or to the Registrar and Transfer Agents in respect of their holding in physical form.
12. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report.
13. Members desiring any relevant information on the Accounts at the Annual General 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.
14. Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, dividend for the financial year March 31, 2006 and dividends declared thereafter, which remain unclaimed for a period of seven years, will be transferred by the Company to the IEPF pursuant to Section 205C of the Companies Act, 1956.

For Equity Shareholders:

Financial Year	Date of Declaration of 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

For Preference Shareholders:

Financial Year	Date of Declaration of Dividend	Last Date of claiming un – paid Dividend
Dividend 2005 – 2006	26.07.2006	30.08.2013
Dividend 2006 – 2007	09.07.2007	13.08.2014
Dividend 2007 – 2008	20.08.2008	24.09.2015
Dividend 2008 – 2009	15.09.2009	21.10.2016
Dividend 2009 – 2010	15.09.2010	20.10.2017
Dividend 2010 – 2011	28.02.2011	27.02.2018

Members who have not so far received / encashed dividend for the aforesaid years are requested to seek issue of duplicate warrant(s) by writing to the Company's Registrar and Share Transfer Agent i.e. M/s. Big Share Services Private Limited

15. All the shareholders are requested to register their e-mail address with the M/s. Big Share Services Private Limited for the purpose of service of documents under Section 53 of the Companies Act, 1956 by E-mode instead of under posting certificate (UPC) in view of Circular No. 17/95/2011 CL-V.



## ANNEXURE TO NOTICE DATED 27th MAY '2011

### EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

#### **ITEM NO. 6, 7 and 8**

The Company has redeemed its paid up preference share capital on 28<sup>th</sup> of February, 2011. The Company does not plan to issue any preference shares in the future. Accordingly the Company proposes to convert the present preference authorized share capital into equity share capital. After the conversion of the present authorized preference share capital into equity share capital the authorized share capital shall stand as follows:

**“The Authorised Share Capital of the Company is Rs. 30,00,00,000/ – (Rupees Thirty Crores Only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/ – (Rupees Ten Only) each.”**

The necessary resolution for re-classification of preference share capital into equity share capital is proposed at item No. 6 of the notice.

Consequent to re-classification in Authorized Share Capital the capital clause appearing in Memorandum and Articles of Association shall also alter. The necessary resolution for alteration of capital clause appearing in Memorandum of Association is proposed at item No. 7 of the Notice and the necessary special resolution for alteration of capital clause appearing in Articles of Association is proposed at item No. 8 of the Notice.

The Board recommends the resolutions for approval of the members. None of the Directors of the Company are interested or concerned in these resolutions except to the extent of their shareholdings in the company.

**BY ORDER OF THE BOARD**

**For Sakuma Exports Ltd.**

**Sd/-  
(Saurabh Malhotra)  
Managing Director**

**Place: Mumbai**

**Dated: 27<sup>th</sup> May, 2011**



## DIRECTOR'S REPORT

Your Directors take pleasure in presenting their Sixth 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 2011.

### Financial Highlights

#### FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2011

	Rs. (in lacs)	
	Year Ended 31.03.2011	Year Ended 31.03.2010
Sales & Other Income	63264.94	40566.97
Profit before depreciation & Tax	823.03	578.44
Depreciation	87.98	101.17
Profit before Tax	735.05	477.27
<b><u>Provision for Tax</u></b>		
-Current Tax	252.94	171.71
– Deferred Tax	(20.99)	(30.32)
Income Tax of Earlier years	2.20	-
Add: Surplus from previous period	1165.35	887.98
<b><u>Profit Available for Appropriation</u></b>	1666.26	1223.85
<b><u>Less : Appropriation</u></b>		
Transfer to Capital Redemption Reserve	1000.09	-
Dividend on Equity Shares	164.26	-
Dividend on Preference Shares	45.76	50.00
Dividend Tax	35.85	8.50
<b><u>Balance carried to Balance Sheet</u></b>	<b>420.30</b>	<b>1165.35</b>

#### Operations Review and Future Prospects

During the year, global economy showed signs of recovery from after effects of sub-prime and global meltdown. The global trade improved and exports from India are also on the rise. However, as regards the export of Agri commodities the restrictions imposed by the Government of India continued with little easing in 2<sup>nd</sup> half of the year, when Government of India permitted export of sugar to meet export commitments against duty free imports of sugar made in the past, this provided us a limited opportunity to restart export of sugar, one of the important constituents of our business. This helped us in improving our export turnover. Despite constraints the company was able to achieve a turnover of 632.65 crores during the year 2010-11 with increase of 55.95 % over the turnover of the preceding year at Rs 405.67 crores. There has been increase of 42.28 % in profit before depreciation and tax from Rs 578.44 lacs to Rs 823.03 lacs. The net profit after tax increased by 49.13 % from Rs 335.88 lacs for the year ended 31st March 2010 to Rs 500.91 lacs for the year ended 31st March 2011.

The company continued to carry on the domestic trade and imports, the activities started during the last two years. In 1st half of the year the company's focus was on domestic trade, however, with the start of exports, focus shifted on export of sugar. During the year the export constituted 36.09 % of turnover as against 0.94% during the preceding year. There has been an overall increase of 35.15 % in exports, 74 % in imports and 0.67% in domestic trade during the year 2010-11 over the preceding year. The company has developed systems and logistics for handling liquid products and during the current year we established and strengthened logistics network for handling liquid products and exported 54975.085 metric tones of molasses. The company has always been on lookout for widening its export mix and diversify business activities. During the last two years we started imports as well as domestic trade. With the above steps the company has been able to overcome to some extent the uncertainties of agriculture sector and ever-changing government policies. This provided flexibility to vary product mix and activities and enabled us to take advantage of business opportunities available from time to time.

#### Dividend

During the year the company paid dividend on preference shares for the period beginning from 1<sup>st</sup> April, 2010 to 28<sup>th</sup> February, 2011 (date of redemption) amounting to Rs.45.76 lacs. The Company has paid dividend distribution tax amounting to Rs.7.93 lacs



The Board of Directors has recommended dividend of 10% on equity shares (i.e. Re 1 per equity share) for the financial year ended 31<sup>st</sup> March, 2011 amounting to Rs. 164.26 lacs The dividend tax liability on equity shares to be borne by your company is Rs 27.92 lacs.

### **Redemption Of Preference Share Capital**

The Company had issued and allotted 10,00,092 5% Cumulative Redeemable Preference Shares (CRPS) of Rs. 100/- each on 28<sup>th</sup> February, 2006 in terms of prospectus dated 13<sup>th</sup> January, 2006. As per the terms of issue the Company redeemed the said CRPS on 28<sup>th</sup> February, 2011 together with the dividend @ 5% from 1<sup>st</sup> April, 2010 to 28<sup>th</sup> February, 2011.

The said Redemption and Dividend amount has been paid to those shareholders whose names were appearing on Register of Members of the Company as on 14<sup>th</sup> February, 2011.

### **Public Deposits**

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

### **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, 2011, 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, 2011 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 A.R.Sodha & Co. Chartered Accountants, will retire as Auditors of the Company at the conclusion of the Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that their appointment if made would be within the prescribed limit under Section 224(1B) of the Companies Act, 1956.

Audit Committee of the Board has recommended their re-appointment.

### **Corporate Governance**

A Report on the Corporate Governance Code along with a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as also the Management Discussion and Analysis Report, stipulated under Clause 49 of the Listing 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 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 Rs)

Particulars	2010-11	2009-10
(a) Expenditure in Foreign Currency		
- Traveling Expenses	-	10,05,709
- Ocean Freight and Insurance	2,40,98,935	3,21,177
- Import	53,67,00,835	30,94,57,250
(b) Earning in Foreign Currency		
- Export of Goods on FOB basis	225,34,10,258	3,80,55,755

**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.5,00,000/- P.M or Rs.60, 00,000/ P.A.

**Acknowledgements**

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

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

Sd/-

Sd/-

Mumbai  
Date: 27<sup>th</sup> May, 2011

(Chander Mohan)  
Chairman

(Saurabh Malhotra)  
Managing Director



## CORPORATE GOVERNANCE REPORT

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

**\*(For The Financial Year 31<sup>st</sup> March, 2011)**

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

The Company's philosophy on Corporate Governance is to strive for attaining the optimum level of transparency and accountability in all facets of its operations and all dealings with shareholders, employees, lenders, creditors, customers and the government. The Board of Directors by considering itself the trustee of its Shareholders aims at maximizing shareholders value and protecting interests of stakeholders.

### II. BOARD OF DIRECTORS

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

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

Name	Executive/ Non Executive	Promoter/ Independent	Relationship with Directors
Mr. Chander Mohan	Executive – Chairman & Director	Promoter	Father of Mr. Saurabh Malhotra and Ms. Shipra Mediratta
Mr. Saurabh Malhotra	Executive – Managing Director	Promoter	Son of Mr. Chander Mohan and brother of Ms Shipra Mediratta
Ms. Shipra Mediratta	Non Executive	Promoter	Daughter of Mr. Chander Mohan and Sister of Mr. Saurabh Malhotra
Mr. Ashok Kumar Doda	Non Executive	Independent	Not Related to any Directors
Mr. Radhe Shyam	Non Executive	Independent	Not Related to any Director
Mr. Satyendra J Sonar	Non Executive	Independent	Not Related to any Director

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

Date of Board Meetings	Chander Mohan	Saurabh Malhotra	Shipra Mediratta	Ashok Kumar Doda	Radhe Shyam	Satyendra J Sonar
13 <sup>th</sup> May, 2010	Present	Present	Present	Present	Present	Present
19 <sup>th</sup> July, 2010	Present	Present	Present	Present	Present	Present
15 <sup>th</sup> September, 2010	Present	Present	Present	Present	Present	Present
23 <sup>rd</sup> October, 2010	Present	Present	Present	Present	Present	Present
28 <sup>th</sup> January, 2011	Present	Present	Present	Present	Present	Present
Total Attendance (out of 5 Board Meetings)	5	5	5	5	5	5
Attendance at Last AGM	Present	Present	Present	Present	Present	Present

#### iii) a. Number of other Companies where director (of SEL) hold memberships on the Board of Directors:

#### b. Number and Name of Committees in which the Directors (of SEL) hold Memberships or Chairmanships

Name of Director	No. of Other Co.s where Dir	Number & Name of Committee Memberships / Chairmanships			
		Chairman	No.	Member	No.
Mr. Chander Mohan	0	Nil	0	Nil	0
Mr. Saurabh Malhotra	0	Nil	0	Nil	0
Ms. Shipra Mediratta	0	Nil	0	SIGC – SEL	1
Mr. Ashok Kumar Doda	1	SIGC – SEL	1	AC – SEL	1
Mr. Radhe Shyam	0	AC – SEL	1	SIGC – SEL	1
Mr. Satyendra J Sonar	1	Nil	0	AC – SEL	1