



# Sakuma Exports Limited

12th Annual Report 2016 -2017



# 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 Twelfth Annual General Meeting of the members of **SAKUMA EXPORTS LIMITED** will be held on Tuesday, 26<sup>th</sup> September, 2017 at 10.30 a.m. at Hall of Quest, Nehru Planetarium (Basement), Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the
  - Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017 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, 2017, and the Report of the Auditors' thereon.
2. To declare dividend @ 10 % i.e. Re. 1/- per equity share for the financial year 2016 – 17.
3. To appoint a Director in place of Ms. Shipra Malhotra (DIN No.: 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) M/s 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 2017 – 18, 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 Goods & Service Tax and re-imbursment of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.”

### SPECIAL BUSINESS:

5. To appoint Mr. Vivek Grover (DIN: 03594740) as a Director and in this regard, 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 Section 152 and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Vivek Grover (DIN: 03594740), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 29<sup>th</sup> May, 2017 pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

### NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item No. 5 of the accompanying Notice is annexed hereto.
2. A statement giving the additional details of the Directors seeking appointment and re-appointment as set out in resolution at Item No. 3 and 5 is annexed herewith as required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard 2 on General Meeting.
3. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member of the company. The instrument appointing a proxy, in order to be effective, should be deposited at the Registered Office of the Company not less than forty-eight hours**



**before the commencement of the Annual General Meeting i.e. by 10.30 a.m. on Sunday, 24<sup>th</sup> September, 2017. As per Secretarial Standard 2 on General Meeting, the proxy should carry a valid photo-id card to the venue to tender vote.**

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 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 Tuesday, 19<sup>th</sup> September, 2017 to Tuesday, 26<sup>th</sup> September, 2017, 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 mode and
  - iii. Share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of the names for consolidation of such holdings into one account.
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 Act, 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 124(5) and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred on due dates, the unpaid or unclaimed dividends for the financial year ended 31<sup>st</sup> March, 2009 and to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 1<sup>st</sup> September, 2016 (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 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
Interim Dividend 2015 – 2016	11.03.2016	15.04.2023

**For Preference Shareholders:**

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

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 and Secretarial Standard 2 on General Meeting relating to Documents & Information to Shareholders with respect to the Director retiring by rotation and being eligible, seeking re-appointment are as under:

**Item No. 3:****Ms. Shipra Malhotra (DIN No.: 01236811)**

Ms. Shipra Malhotra was born on 2<sup>nd</sup> August, 1972. She has completed her M.Com Part(I) Post Graduate with specialization in Human Resource Management (HRM).

She has been conducting seminars / workshops on HRM Communication skill, Negotiation skills and other soft skills in the corporate world. She is classified as one of the Promoter of Sakuma Exports Ltd. at the time of Public Issue.

She is daughter of Late Mr. Chander Mohan, Executive Chairman and sister of Mr. Saurabh Malhotra, Managing Director of the Company. She is holding 500 Equity Shares of the Company.

Ms. Shipra Malhotra is not a Director or a Member of any Committees in any other Listed Company as on 31<sup>st</sup> March, 2017.

**Item No. 5:****Mr. Vivek Grover (DIN: 03594740)**

Mr. Vivek Grover was born on 24<sup>th</sup> March, 1974. He joined Sakuma Exports Limited on 29<sup>th</sup> May, 2017 as an Additional Director of the Company.

Mr. Vivek Grover is not a member of any Committees of the Company. He is not holding any shares in the Company.

Mr. Vivek Grover is not a Director or a Member of any Committees in any Listed Company as on 31<sup>st</sup> March, 2017.



## 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, Secretarial Standard 2 on General Meeting and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide shareholders facility to exercise their right to vote on resolutions proposed to be considered at the 12<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 shareholders 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 papers shall also be made available at the venue of the AGM and the shareholders attending the meeting who have not cast their votes by remote e-voting shall be able to exercise their right at the meeting through ballot papers at the venue.
3. The remote e-voting period commences on Saturday, 23<sup>rd</sup> September, 2017 (9:00 am) and ends on Monday, 25<sup>th</sup> September, 2017 (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 Tuesday, 19<sup>th</sup> September, 2017 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the shareholder casts his vote on a resolution, the shareholder shall not be allowed to change it subsequently.
4. The process and manner for remote e-voting are as under:
  - A. In case a shareholder receives an Email from NSDL [for shareholders whose Email IDs are registered with the Company/ Depository Participant(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 [noticetome@gmail.com](mailto:noticetome@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - B. In case a shareholder receives physical copy of the Notice of AGM (for shareholders whose Email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy):
    - a) Initial password is provided as below/ at the bottom of the Attendance Slip of the AGM:

<b>EVEN (Remote e-voting Event Number)</b>	<b>USER ID</b>	<b>PASSWORD/PIN</b>
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    - b) Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.



5. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and remote e-voting user manual for shareholders available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
6. 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.
7. 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) related to e-voting process.
8. 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 19<sup>th</sup> September, 2017.
9. Any person, who acquires shares of the Company and become shareholder of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Tuesday, 19th September, 2017, 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.

10. 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.
11. A person, whose name is recorded in the Register of Shareholders 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.
12. Mr. Punit Shah, Practicing Company Secretary (Membership No. A20536) and Partner of M/s. P. P. Shah & Co., Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
13. 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 “Polling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
14. 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.
15. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company and 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.
16. Route Map showing directions to reach to the venue of the 12<sup>th</sup> AGM is given at the end as per the requirement of the Secretarial Standards 2 on General Meetings.

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

**Place: Mumbai  
Date: 29<sup>th</sup> May, 2017**

**Saurabh Malhotra  
Managing Director**

**BOARD'S REPORT****TO THE MEMBERS OF  
SAKUMA EXPORTS LIMITED**

The Directors take pleasure in presenting the Twelfth Annual Report together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2017. 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 2016 – 17 are tabulated below:

**Financial Results For The Year Ended March 31, 2017****(Rs. in lacs)**

Particulars	Standalone		Consolidated	
	2016 – 17	2015 – 16	2016 – 17	2015 – 16
Sales & Other Income	2,02,775.73	1,80,603.33	3,92,658.20	3,13,912.23
Profit before depreciation & Tax	2,276.70	2000.13	4,597.18	3759.44
Depreciation	59.51	70.82	59.51	70.99
Profit before Tax	2,217.19	1929.30	4,537.67	3688.45
Provision for Tax				
-Current Tax	750	635	821.02	521.74
- Deferred Tax	(8.28)	(10.14)	(8.28)	(10.14)
- Income Tax of Earlier years	15.97	(2.62)	15.97	(2.62)
Minority Interest and share of loss of associate	0.00	0.00	0.00	(46.12)
Net Profit after tax	1,459.50	1307.06	3,708.96	3225.59
Add: Surplus from previous period	3,488.14	2349.10	7,658.38	4695.24
Profit Available for Appropriation	4,947.64	3656.16	11,367.34	7,920.83
Appropriation				
Dividend on Equity Shares	0.00	164.26	0.00	164.26
Dividend Tax	0.00	3.76	0.00	3.76
Adjustment relating to Minority Interest	0.00	0.00	0.00	94.42
Transfer (from) /to Statutory Reserve	0.00	0.00	181.59	0.00
Transfer to Foreign Currency Translation Reserve	0.00	0.00	(259.61)	0.00
<b>Balance carried to Balance Sheet</b>	<b>4,947.64</b>	<b>3488.14</b>	<b>11,289.32</b>	<b>7658.38</b>

**2. HIGHLIGHTS OF PERFORMANCE**

- Total Consolidated income for the year increased by 25.09% to Rs. 3,92,658.20 Lacs as compared to Rs. 313,912.23 Lacs in Previous year.
- Total consolidated net sales for the year were Rs. 3,91,465.41 Lacs as compared to Rs. 3,12,884.19 Lacs in Previous year, a growth of 24.98 %.
- Total consolidated profit before tax for the year was Rs. 45.38 Crores as compared to Rs. 36.88 Crores in Previous year, a growth of 23.02%.

**3. BUSINESS OPERATIONS REVIEW AND FUTURE PROSPECTS**

The year under review was full of challenges for the Company. During the year, the global economy continued to be sluggish. Depressed global trade along with weaker capital inflows slowed down growth of most emerging economies. India however was one of the better performing economies in the World with its currency that remained relatively stable. However, during 2<sup>nd</sup> half of the year, the domestic consumer spending was severely curtailed owing to demonetization of high denomination currency notes and time lag in the supply of new currency notes.

On the domestic front, weak monsoon particularly in the state of Maharashtra & Karnataka had adversely affected sugarcane crop; as a result, sugar output was low pushing up the domestic prices throughout the season. With a view to cool down



sugar prices, the Government imposed an export duty of 20 per cent in the month of June 2016 which made the exports uncompetitive. Your Company has a substantial share in Sugar Export business from India but imposition of export duty rendered Indian Sugar prices un-remunerative and there has been a complete halt of the sugar export. Since imposition of export duty, Indian Sugar prices have been out-priced and India continues to loose considerable share of export business and precious foreign exchange in the Global markets.

Under the circumstances caused by the export duty on sugar, the Company has been tapping sources abroad to procure the commodity for retaining its market share. It was difficult to fully maintain the share due to logistics and price constraints but has been able to keep the business running in the face of tough global environment. Turnover of sugar business was at 871.13 Crores (previous year 1014.20 Crores).

Further, the Company has been successfully increasing its market share in edible oil segment over previous years with increased top and bottom lines. Your Company achieved a turnover 189,564.9720 M.T. of edible oils during the year vis-à-vis 164791.0830 M.T. in the previous year valued at 991.87 Crores (previous year 733.00 Crores) with a growth of 35.32% on y-o-y basis.

There exists a wide gap between demand & supply in the domestic markets of edible oils which is being met by imports. It is estimated that during current year area under oilseeds sowing may decline by about 7- 8% due to un-favourable MSP offered which will result into higher import of edible oils in the current year. It is projected that India needs to import about 16 MMT of edible oils for meeting the domestic demand during 2017-18. Your Company is fully geared up to capitalize business opportunities in this vertical of business in the years to come. During the year the Company has covered more locations to expand edible oils business to achieve higher market share particularly in the Eastern & Southern regions of the country. New locations at the sea ports of Haldia , Budge Budge , Chennai & Mangalore opened to cater to the need of large refiners & FMGC marketers who have sizeable share of consumer markets in edible oil segments in these regions . These new locations will help the Company getting entry in untapped markets to build higher market share & sustain growth in the business and leverage trading position.

Your Company delivered yet another year of resilient performance, aided by healthy marketing and stepped up domestic market development in edible oil business.

With the timely & satisfactorily onset of monsoon & its progress so far, it is expected that the domestic sugarcane production in 2017-18 will be substantially high resulting to higher sugar production and lower prices. We expect substantial growth in the sugar export business. With the decline in inflation rate coupled with improving liquidity, the consumption pattern is expected to boost good growth in demand. The Company is confident to maintain the momentum of growth in it's major business verticals in the years to come with improved margins, which will further consolidate it's market share.

#### • **Working of Subsidiaries:**

Overall performance of 2 major subsidiary Companies has been good and satisfactory during the year.

Sakuma Exports Pte Ltd., Singapore posted a turnover of USD 132,108,355 during the year as against USD 53,371,537 recorded in the previous year. A robust growth of 147% in topline on y-o-y basis which is encouraging the management to deploy higher resources & investment in the business of this subsidiary to sustain the pace of growth and capitalize more business opportunities in Singapore. Net Profit after tax of this subsidiary for the year rose to USD 678,860 (Previous Year USD 481,078). An increase of 41.11% on y-o-y basis which will be further improved in the years to come.

The performance of another subsidiary in Dubai namely, Sakuma Exim DMCC was moderate during the year following stressed liquidity condition being prevailed in Gulf and Africa markets. Geopolitical situation coupled with unrest & hostilities in many countries in the West Asia also involved high risk & lower demand which adversely affected global trade. This subsidiary clocked a turnover of AED 576,044,219 during the year (Previous Year AED 547,795,542). A moderate growth of 5.16% with Net Profit of AED 10,998,333 (Previous Year AED 11,362,211).

As reported last year, the management opted to exit from another subsidiary namely GKM General Trading LLC, Dubai during the year.

Subsidiary Companies in Ghana and Tanzania could not get any headway yet as expected in the business after suspension of trade activities in the past. The management will consider to re-operationalize these subsidiaries at an opportune time.

#### **4. DIVIDEND**

Your Directors are of the view that the Company is currently on the path of growth which requires higher capital deployment to fund the businesses hence need to conserve resources. Keeping in view the objective, Directors are pleased to recommend a final dividend of Re. 1/- per share of Rs. 10/- each for the year 2016-17. The total outgo for the current year amounts to Rs. 1,98,63,044/-, including dividend distribution tax of Rs. 34,37,101/- as against Rs. 1,68,02,193/- including dividend distribution tax of Rs 3,76,250/- in the previous year.

**5. TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND**

During the year 2016 – 17, unclaimed Dividend on Preference Shares of Rs. 73,620/- was transferred to the Investor Education and Protection Fund established by the Central Government, in compliance with Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. The said amount represent Dividend for the year 2008 – 09 which remain unclaimed for a period of 7 years from its due date of payment.

**6. TRANSFER TO RESERVES**

The Company proposes to transfer an amount of Rs. Nil to the General Reserves and an amount of Rs. 14,59,50,294/- is proposed to be retained in the Statement of Profit and Loss.

**7. CAPITAL EXPENDITURE**

Capital Expenditure during the year, towards Tangible & Intangible Assets, amounted to Rs. 14,26,161/- (Previous Year Rs. 60,35,767/-).

**8. 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.

**9. SHARE CAPITAL**

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2017 was Rs. 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.

**10. 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.

**11. 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.

**12. SUBSIDIARY COMPANIES**

As on 31<sup>st</sup> March, 2017, the Company has following four subsidiaries:

1. Sakuma Exim DMCC
2. Sakuma Exports Pte Ltd
3. Sakuma Exports (Ghana) Ltd – Step Down Subsidiary
4. Sakuma Exports Tanzania Pvt. Ltd – Step Down Subsidiary

*\*During the year, the Company has wind up GKM General Trading LLC. The Company is awaiting the final order from Dubai Court.*

**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 the Companies (Accounts) Rules, 2014 are given below:

(Rs. in Lacs)

Sr. No.	Particulars	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
2.	Reporting Currency	AED	USD	GHC	TZS
3.	Country	U.A.E	Singapore	Ghana	Tanzania
4.	Exchange Rate	17.617	64.723	15.066	64.723