*Draft Letter of Offer*
*February 23, 2023*
*For Eligible Equity Shareholders only*

# SAKUMA EXPORTS LIMITED

**Corporate Identification Number: L51909MH2005PLC155765**

Our Company was initially formed as a partnership firm in the name of Sakuma Exports on December 1, 1998 at Mumbai and was subsequently converted into a Public Limited Company under Part IX of the Companies Act, 1956 with the name of Sakuma Exports Limited vide Certificate of Incorporation dated August 31, 2005 and date of certificate of commencement of business September 05, 2005 issued by Registrar of Companies, Maharashtra. For details of changes in the registered office of our Company, please refer to the chapter entitled 'General Information' beginning on page no. 38 of the Draft Letter of Offer.

**Registered Office**: Aurus Chamber, A 301-302, Near Mahindra Tower, S S Amrutwar Lane, Worli-400013, Mumbai, Maharashtra, India**;**
**Tel. No.:** +91 22 24999021/ 22; **Email:** companysecretary@sakumaexportsltd.com; **Website**: www.sakumaexportltd.com;
**Contact Person:** Ms. Khyati Bipin Jobanputra, Company Secretary & Compliance Officer

**OUR PROMOTERS: MR. SAURABH MALHOTRA and MS. KUSUM CHANDER MOHAN MALHOTRA**

**FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF SAKUMA EXPORTS LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY**

**ISSUE OF UP TO [●] EQUITY SHARES WITH A FACE VALUE OF RE. 1.00 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF [●] EACH INCLUDING A SHARE PREMIUM OF [●] PER RIGHTS EQUITY SHARE ("ISSUE PRICE") FOR AN AGGREGATE AMOUNT UP TO Rs. 200.00 CRORES* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARES FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] DAY, [●] (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE 180.**

* Assuming full subscription. Subject to finalization of the Basis of Allotments.

**WILFUL DEFAULTER OR FRAUDULENT BORROWER**

Neither our Company nor any of our Promoters or Directors has been categorized as a Wilful Defaulter or Fraudulent Borrowers by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines issued by the Reserve Bank of India.

**GENERAL RISK**

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of the contents of this Document. Specific attention of investors is invited to the statement of "***Risk Factors***" on page 20 before making an investment in this Issue

**ISSUER'S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue which is material in the context of the Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**LISTING**

The existing Equity Shares are listed on the BSE Limited ("**BSE**") and National Stock Exchange Limited ("**NSE**") (the "**Stock Exchanges**"). Our Company has received 'in-principle' approval from the BSE and NSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide their letters dated **[●]** and **[●]**, respectively. Our Company will also make an application to the Stock Exchanges to obtain the trading approval for the Rights Entitlements as required under the SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/13) dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE.

| LEAD MANAGER TO THE ISSUE | REGISTRAR TO THE ISSUE |
|---|---|
| **FIRST OVERSEAS CAPITAL LIMITED**<br>1-2 Bhupen Chambers, Dalal Street,<br>Fountain, Mumbai – 400 001,<br>Maharashtra, India<br>**Tel No.**: +91 22 4050 9999<br>**Email:** rushabh@focl.in/ mala@focl.in<br>**Investor Grievance Email:** investorcomplaints@focl.in<br>**Website:** www.focl.in<br>**Contact Person:** Mr. Rushabh Shroff / Ms. Mala Soneji<br>**SEBI Registration No:** INM000003671 | **BIGSHARE SERVICES PRIVATE LIMITED**<br>Office No S6-2, 6th floor Pinnacle Business Park,<br>Next to Ahura Centre, Mahakali Caves Road, Andheri (East),<br>Mumbai – 400093, Maharashtra<br>**Tel No.:** +91 22 62638200<br>**Email**: rightsissue@bigshareonline.com<br>**Investor Grievance Email**: investor@bigshareonline.com<br>**Website**: www.bigshareonline.com<br>**Contact Person**: Mr. Vijay Surana<br>**SEBI Registration Number**: INR000001385 |

**ISSUE PROGRAMME**

| ISSUE OPENS ON: [●] | LAST DATE FOR ON MARKET RENUNCIATION* | ISSUE CLOSES ON: [●]# |
|---|---|---|

** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

*# Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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## SECTION I – GENERAL DEFINITIONS AND ABBREVIATIONS

*This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below, which you should consider when reading the information contained herein.*

*References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Draft Letter of Offer, but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in Summary of this Draft Letter of Offer, Statement of Special Tax Benefits, Financial Statements, Industry Overview, Outstanding Litigation and And Defaults, Material Information and Developments and Issue Related Information beginning on pages 16, 55, 84, 61, 155, 169 and 180 respectively, shall have the meaning given to such terms in such sections.*

### I. GENERAL TERMS

| | |
|---|---|
| Sakuma Exports Limited/ SAKUMA / SEL / The Company/ Company/ We/ Us/ Our/ our Company/ the Issuer Company | Unless the context otherwise indicates or implies refers to Sakuma Exports Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 having its registered office at Aurus Chamber, A 301, Near Mahindra Tower, S S Amrutwar Lane, Worli-400013, Mumbai, Maharashtra, India |

### II. COMPANY RELATED TERMS

| TERM | DESCRIPTION |
|---|---|
| Act/ Companies Act | The Companies Act, 2013 and Companies Act, 1956 to the extent applicable. |
| Articles / Articles of Association / AoA | The Articles of Association of our Company, as amended from time to time |
| Auditor / Statutory Auditor | The statutory auditor of our Company, being M/s. M. L. Sharma & Co., Chartered Accountants |
| Audited Financial Statements/ Audit Reports | Audited Financial Statements refers to the audited report for the Financial Years ending on March 31, 2022 |
| Board/ Board of Directors | Board of Directors of our Company, including any committees thereof |
| Chairman & Managing Director | Chairman & Managing Director of our Company, being Mr. Saurabh Malhotra |
| Chief Financial Officer | Chief financial officer of our Company, being Mr. Devesh Mishra |
| Company Secretary & Compliance Officer | Company Secretary & Compliance Officer of our Company in this case being, Ms. Khyati Bipin Jobanputra |
| Director(S) | The director(s) on the Board of our Company, unless otherwise specified |
| Equity Shareholder/ Shareholders | A holder of Equity Shares |
| Equity Shares | The equity shares of our Company of a face value of Re. 1.00 each, unless otherwise specified in the context thereof. |
| Independent Director(s) | The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act and Regulation 16(1)(b) of the SEBI Listing Regulations. |
| Internal Auditor | M/s Mehta Singhvi & Associates, Chartered Accountants |
| Key Management Personnel / KMP | Key management/ managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and as described in "Our Management – Key Managerial Personnel" on page no. 81 |
| Limited Review Report | Limited review unaudited consolidated financial information of the Company for the nine months period ended December 31, 2022 and December 31, 2021, which comprises the unaudited consolidated balance |

| | |
|---|---|
| | sheet as at December 31, 2022 and December 31, 2021 and the related unaudited consolidated statement of profit and loss (including other comprehensive income) for the quarter and nine months ended December 31, 2022 and December 31, 2021 |
| Memorandum / Memorandum of Association / MoA | Memorandum of association of our Company, as amended from time to time |
| Promoter(s) | Mr. Saurabh Malhotra and Ms. Kusum Chander Mohan Malhotra |
| Promoter Group | Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed by our Company in the filings made with the Stock Exchange under the SEBI Listing Regulations. The name of Promoter Group is as follows:<br>1) Mrs. Vanitha Malhotra<br>2) Ms. Shipra Malhotra<br>3) Ms. Tanya Meditratta<br>4) G.M.K. System & Logistics Private Limited<br>5) Sakuma Finvest Private Limited<br>6) Sakuma Infrastructure & Realty Private Limited<br>7) C.K.K. Retailmart Private Limited (formerly known as C.K.K. Exports Private Limited)<br>8) LT Sagar Coastal Transport Private Limited<br>9) Marwar Consultancy Private Limited<br>10) MS Port Terminal Private Limited<br>11) Sakuma Warehousing Private Limited<br>12) Sukriti Trading LLP<br>13) Samavama Infra Realty Private Limited<br>14) Kuma Infra Realty Private Limited<br>15) MKG Infra and Realty Private Limited |
| Registered Office | The registered office of our Company located at Aurus Chamber, A 301, Near Mahindra Tower, S S Amrutwar Lane, Worli-400013, Mumbai, Maharashtra, India |
| Registrar of Companies/ / Registrar of Companies, Maharashtra/ RoC | The Registrar of Companies, Maharashtra situated at 100, Everest, Marine Drive, Mumbai-400 002, Maharashtra, India. |
| Secretarial Auditor of the Company | M/s P.P. Shah & Co. Practising Company Secretaries |
| Statutory Auditors | The current statutory auditors of our Company, Viz., M/s. M. L. Sharma & Co., Chartered Accountants |
| Subsidiaries | Companies or body corporates constituting the subsidiary of our Company as determined in terms of Section 2(87) of the Companies Act, in our case the subsidiary of our Company namely;<br>1) Sakuma Exim DMCC,<br>2) Sakuma Exports PTE Limited,<br>3) Sakuma Exports (Ghana) Limited.,<br>4) Sakuma Exports Tanzania Private Limited.,<br>5) GK Exim FZE, and<br>6) Sakuma Exports Canada Limited |

## III. ISSUE RELATED TERMS

| TERM | DESCRIPTION |
|---|---|
| Abridged Letter of Offer / ALOF | The abridged letter of offer to be sent to the Eligible Equity Shareholders of our Company with respect to this Issue in accordance with the SEBI ICDR Regulations and the Companies Act. |
| Additional Rights Equity Shares | The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement |
| Allot / Allotted / Allotment | Unless the context otherwise requires, the allotment of Rights Equity Shares pursuant to the Issue. |
| Allotment Accounts | The accounts opened with the Bankers to this Issue, into which the Application |

| TERM | DESCRIPTION |
|---|---|
| | Money lying credit to the Escrow Account and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act. |
| Allotment Account Bank | Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, [●] . |
| Allotment Advice | Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the issue. |
| Allotment Date | Date on which the Allotment is made pursuant to this Issue. |
| Allottee(s) | Persons to whom the Rights Equity Shares are Allotted pursuant to the Issue |
| Applicant(s) / Investor(s) | Eligible Equity Shareholder(s) and/or Renouncees who are entitled to make an application for the Equity Shares in terms of this Draft Letter of Offer. |
| Application | Application made by the Applicant through (i) submission of the Application Form or plain paper Application to the Designated Branch of the Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price. |
| Application Form | Unless the context otherwise requires, an application form (including online application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue. |
| Application Money | Aggregate amount payable at the time of Application, i.e., Rs. [●] per Rights Equity Shares applied for in the Issue at the Issue Price |
| Application Supported by Blocked Amount / ASBA | The application (whether physical or electronic) used by an Applicant(s) to make an application authorizing the SCSB to block the amount payable on application in their ASBA Account maintained with such SCSB. |
| ASBA Account | An account maintained with an SCSB and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper Application |
| ASBA Applicant / ASBA Investor | Applicant/Investor proposing to subscribe to the Issue authorizing the SCSB to block the amount payable on application in their ASBA Account maintained with such SCSB |
| ASBA Circulars | Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. |
| Banker(s) to the Company | Bank of Maharashtra, IndusInd Bank,SVC Corporative Bank and Deutsche Bank AG, India |
| Banker(s) to the Issue/ Escrow Collection Bank | Collectively, Escrow Collection Bank, Allotment Account Bank and the Refund Bank, in this case being [●] |
| Banker to the Issue Agreement | Agreement dated [●] to be entered into by and among our Company, the Registrar to the Issue, the Advisor to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof |
| Basis of Allotment | The basis on which the Rights Equity Shares will be Allotted to successful applicants in consultation with the Designated Stock Exchange in this Issue, as described in "**Terms of the Issue**" on page no. 201. |
| Controlling Branches / Controlling Branches of the SCSBs | Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, updated from time to time, or at such other website as may be |

| TERM | DESCRIPTION |
|---|---|
| | prescribed by SEBI from time to time. |
| Demographic Details | Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation and bank account details, where applicable |
| Designated Branches | Such branches of the SCSBs which shall collect the Application Form or the plain paper Application, as the case may be, from the ASBA Investors and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, updated from time to time, or at such other website as may be prescribed by SEBI from time to time. |
| Designated Stock Exchange | BSE Limited |
| Depository(ies) | NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996 |
| Draft Letter of Offer / DLOF | This Draft Letter of Offer dated February 23, 2023 |
| Eligible Equity Shareholder(s) | Existing Equity Shareholders as on the Record Date, i.e. [●]. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see "Notice to Investors" on page 10. |
| "Escrow Collection Bank", "Allotment Account Bank(s)" or "Refund Bank(s)" | One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank for the purposes of collecting the Application Money from resident Investors. |
| Escrow Collection Bank | Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, [●] |
| General Corporate Purposes | General Corporate Purposes General corporate purposes shall have the meaning as determined in Regulation 2(1)(r) of the SEBI ICDR Regulations. |
| GIR | General Index Registrar |
| IEPF | Investor Education and Protection Fund |
| Investor(s) | Eligible Equity Shareholder(s) of our Company on the Record Date, being [●] and the Renouncee(s) |
| Issue / Rights Issue | Issue of up to [●] equity shares with a face value of Re. 1.00 each ("Rights Equity Shares") of our company for cash at a price of [●] each including a share premium of [●] per rights equity share ("Issue Price") for an aggregate amount up to Rs. 200.00 crores* on a rights basis to the existing equity shareholders of our company in the ratio of [●] Right equity shares for every [●] Fully paid-up equity shares held by the existing equity shareholders on the record date, that is on [●] day, [●] (the "Issue"). The issue price for the rights equity shares is [●] times the face value of the equity shares.<br>* Assuming full subscription. Subject to finalization of the Basis of Allotments.. |
| Issue Closing Date | [●] |
| Issue Opening Date | [●] |
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations. |
| Issue Price | [●] per Rights Equity Share payable on Application |
| Issue Proceeds | The gross proceeds raised through the Issue |
| Issue Size | Issue of up to [●]Rights Equity Shares aggregating to an amount up to Rs. 200.00 Crores. |
| Letter of Offer / LOF | The final letter of offer dated [●] to be issued by our Company in connection with the Issue. |
| Material Subsidiaries | Following company have been identified by our Company based on the materiality threshold adopted by our Board under SEBI Listing Regulations as Material Subsidiaries; Our Company does not have any Material Subsidiaries as of now except as defined under "Subsidiaries" above. |
| MCA Circulars | General Circular No. 21/2020 dated May 11, 2020 issued by the Ministry of Corporate Affairs, Government of India, read with the circular dated August 3, |

| TERM | DESCRIPTION |
|---|---|
| | 2020 |
| Multiple Application Forms | Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. |
| Net Proceeds | Issue Proceeds less the Issue-related expenses. For details, see "Objects of the Issue" on page 49. |
| Non-Institutional Investor(s) / NII | An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations. |
| On Market Renunciation | The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before [●] |
| Off Market Renunciation | The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI – Rights Issue Circulars, circulars issued by the Depositories from time to time and other applicable laws. |
| QIBs / Qualified Institutional Buyers | Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations. |
| Record Date | Designated date for the purpose of determining the Shareholders eligible to apply for the Rights Equity Shares in the Issue, being, [●]. |
| Refund Bank | The Bankers to the Issue with whom the refund account will be opened, in this case being [●] |
| Registrar / Registrar to the Company and Issue/RTA | Registrar / Registrar to the Company being Bigshare Services Private Limited |
| Registrar Agreement to Issuer | Agreement dated [●] entered between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue. |
| Renouncee(s) | Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI – Rights Issue Circular, the Companies Act and any other applicable law |
| Renunciation Period | The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through Off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date. |
| Retail Individual Investor / RII | An individual Investor who has applied for Rights Equity Shares for an amount not more than ₹ 200,000 (including an HUF applying through karta) in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations. |
| Rights Entitlements/ REs | The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date. |
| Rights Entitlement Letter | Letter including details of Rights Entitlements of the Eligible Equity Shareholders. |
| Rights Equity Shares / Rights Shares | Equity Shares of our Company having a face value of Re. 1.00 per share and to be Allotted pursuant to the Issue. |
| SEBI Rights Issue Circulars | SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 |
| Self-Certified Syndicate Banks / SCSBs | Banks which are registered with the SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, and offer services of ASBA, and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&i |

| TERM | DESCRIPTION |
|---|---|
| | ntmId=34 |
| Stock Exchanges | BSE Limited and National Stock Exchange Limited where the Equity Shares of the Company are presently listed. |
| Transfer Date | The date on which the Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange |
| Wilful Defaulter or a Fraudulent Borrower | A Company or person, as the case may be, categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1) (lll) of SEBI ICDR Regulations and in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such. |
| Working Day | In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai and Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai and Mumbai are open for business. Furthermore, for the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI. |

## IV. INDUSTRY RELATED TERMS

| TERM | DESCRIPTION |
|---|---|
| ACE | ACE Derivatives Exchange |
| MSP | Minimum Support Price |
| MCX | Multi Commodity Exchange |
| NCDEX | National Commodity and Derivatives Exchange |
| NMCE | National Multi Commodity Exchange |
| WEO | World Economic Outlook |

## V. CONVENTIONAL AND GENERAL TERMS OR ABBREVIATIONS

| TERM | DESCRIPTION |
|---|---|
| ₹/ Rs./ Rupees/ INR | Indian Rupees |
| A/c | Account |
| AGM | Annual General Meeting |
| AIF | Alternative investment fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| ASBA Circulars | Collectively, SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 |
| Bn | Billion |
| BSE | BSE Limited |
| CAGR | Compounded annual growth rate |
| CDSL | Central Depository Services (India) Limited |
| CEO | Chief Executive Officer |
| CFO | Chief Financial Officer |
| CIN | Corporate Identity Number |
| Companies Act | Erstwhile Companies Act, 1956, and new Companies Act, 2013 and the rules made thereunder |
| Competition Act | Competition Act, 2002 |
| Consolidated FDI Policy | Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, |

| TERM | DESCRIPTION |
|---|---|
| | Government of India. |
| COVID-19 | A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020 |
| CSR | Corporate Social Responsibility |
| Depositories Act | The Depositories Act, 1996 |
| Depository | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 |
| Depository Participant / DP | A depository participant as defined under the Depositories Act |
| DIN | Director Identification Number |
| DP ID | Depository Participant's Identification Number |
| EBITDA | Earnings before Interest, Tax, Depreciation and Amortisation |
| EGM | Extraordinary general meeting |
| EPS | Earnings per Share |
| ERP | Enterprise Resource Planning |
| Exchange Information | Collectively constitutes and includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with press releases, announcements, investor education presentations and annual reports. |
| FCNR Account | Foreign Currency Non-Resident Account |
| FDI | Foreign Direct Investment |
| FEMA | Foreign Exchange Management Act, 1999 read with rules and regulations thereunder |
| FEMA Rule | Foreign Exchange Management (Non-debt Instruments) Rules, 2019 |
| Financial year/ FY / Fiscal | Period of 12 (twelve) months beginning April 1 and ending March 31 of that particular year, unless otherwise stated |
| Foreign Portfolio Investor / FPI | Foreign portfolio investor as defined under the SEBI FPI Regulations |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 |
| FVCI | Foreign Venture Capital Investors registered under the FVCI Regulations FVCI Regulations |
| FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| GDP | Gross Domestic Product |
| Government / GoI | Government of India |
| GST | Goods and Services Tax |
| HUF | Hindu Undivided Family |
| ICAI | The Institute of Chartered Accountants of India |
| IFRS | International Financing Reporting Standards of the International Accounting Standards Board |
| Ind AS | Indian accounting standards prescribed under Section 133 of the Companies Act, as notified under the Companies (Indian Accounting Standards) Rules, 2015 |
| Insider Trading Regulations | Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 |
| Income-tax Act / I.T. Act / IT Act | Income-tax Act, 1961 |
| I. T. Rules | Income Tax Rules, 1962 |
| India | Republic of India |
| IPO | Initial public offering |
| ISIN | International Securities Identification Number allotted by the depository |
| IT / IT Act | Information Technology, Information Technology Act, 2000 |
| Listing Agreements | Equity listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations read along with SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015 |

| TERM | DESCRIPTION |
|---|---|
| LLP | Limited Liability Partnership |
| MAT | Minimum Alternate Tax |
| MCA | Ministry of Corporate Affairs, Government of India |
| MICR | Magnetic ink character recognition |
| Mn. | Million |
| MoU | Memorandum of Understanding |
| Mutual Fund | Mutual fund registered with SEBI under the SEBI (Mutual Fund) Regulations, 1996. |
| NA / N.A. | Not Applicable |
| NACH | National Automated Clearing House which is a consolidated system of ECS |
| NAV | Net asset value |
| NCLT | National Company Law Tribunal |
| NCLAT | National Company Law Appellate Tribunal |
| NEFT | National Electronic Fund Transfer |
| Net Worth | The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation |
| NI Act | Negotiable Instruments Act, 1881 |
| NSDL | National Securities Depositories Limited |
| NR / Non-Resident | A person resident outside India, as defined under the FEMA |
| NRE Account | Non-Resident External Account |
| NRO Account | Non-Resident Ordinary Account |
| NRI | A person resident outside India as Non-Resident Indian, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016 |
| NSE | National Stock Exchange of India Limited |
| OCB / Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. |
| OCI | Overseas Citizen of India |
| p.a. | Per Annum |
| PAC | Persons Acting in Concert |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| PBT | Profit Before Tax |
| P/E Ratio | Price / Earnings Ratio |
| PIO | Persons of Indian Origin |
| RBI | Reserve Bank of India |
| RBI Act | Reserve Bank of India Act, 1934 |
| Registered Foreign Portfolio Investors / Foreign Portfolio Investors / FPIs | Foreign portfolio investors as defined under the SEBI FPI Regulations |
| Regulation S | Regulations S under the Securities Act |
| RTGS | Real Time Gross Settlement |
| RONW | Return on Net Worth |
| SCORES | SEBI Complaints Redress System |
| SCRA | Securities Contracts (Regulation) Act, 1956 |
| SCRR | Securities Contracts (Regulation) Rules, 1957 |
| SEBI | Securities and Exchange Board of India, constituted under the SEBI Act |
| SEBI Act | Securities and Exchange Board of India Act, 1992 |

| TERM | DESCRIPTION |
|---|---|
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| SEBI PIT Regulations | SEBI (Prohibition of Insider Trading) Regulations, 2015 |
| SEBI SBEB Regulations | Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 |
| SEBI Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| SDR | Strategic Debt Restructuring |
| SICA | Sick Industrial Companies (Special Provisions) Act, 1985 |
| STT | Securities Transaction Tax |
| State Government | Government of a state of India |
| TAN | Tax Deduction Account Number |
| Trade Marks Act | Trade Marks Act, 1999 |
| UAE | United Arab Emirates |
| U.S. | United States of America |
| USD | United States Dollar |
| U. S. QIB | A qualified institutional buyer as defined in Rule 144A under the Securities Act |
| US Securities Act | United States Securities Act of 1933 |
| VCF | A venture capital fund (as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996. |
| YoY | Year on Year |

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the Securities Contracts (Regulation) Act, 1956, the SEBI ICDR Regulations, the Depositories Act and the rules and regulations made thereunder.

## NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch through email and courier this Draft Letter of Offer / Abridged Letter of Offer, Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, this Draft Letter of Offer will be provided, through email and courier, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Stock Exchanges, subject to the applicable law.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Neither the delivery of this Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

**THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.**

**NO OFFER IN THE UNITED STATES**

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof ("United States"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Draft Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and this Draft Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

**THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.**

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Certain Conventions

In this Draft Letter of Offer, the terms “we”, “us”, “our”, the “Company”, “our Company”, unless the context otherwise indicates or implies, refers to Sakuma Exports Limited.

### Financial Data

Unless stated otherwise, financial data in this Draft Letter of Offer is derived from the Audited Consolidated Financial Statements for the financial year ended 31st March, 2022 and Limited Review Report for 9 months ending on December 31, 2022 which have been prepared by our Company in accordance with Indian accounting standards as specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended and are also included in this Draft Letter of Offer.

The fiscal year of our Company begins on April 1 of each calendar year and ends on March 31 of the following calendar year. Unless otherwise stated, references in this Draft Letter of Offer to a particular ‘Financial Year’ or ‘Fiscal Year’ or ‘Fiscal’ are to the financial year ended March 31.

In this Draft Letter of Offer any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off. Certain figures in decimals have been rounded off and accordingly there may be consequential changes in this Draft Letter of Offer.

### Currency and Units of Presentation

In this Draft Letter of Offer, unless the context otherwise requires, all references to (a) ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India; (b) ‘US Dollars’ or ‘US$’ or ‘USD’ or ‘$’ are to United States Dollars, the official currency of the United States of America. All references to the word ‘Lakh’ or ‘Lac’ or ‘Lacs’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten lakhs’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’. Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operation" and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Restated Financial Statements.

### Exchange Rates

This Draft Letter of Offer does not contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

### Market and Industry Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer have been obtained or derived from publicly available information. Publicly available Information generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Draft Letter of Offer is reliable, it has not been independently verified and neither we, nor any of our affiliates, jointly or severally, make any representation as to its accuracy or completeness. The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in the section "Risk Factors" beginning on page 20 of this Draft Letter of Offer.

### Conversion rates for foreign currency

This Draft Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been

presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

**(Amt. in Rs.)**

| Name of Currency | 31-03-2022 | 31-03-2021 |
|---|---|---|
| 1 U.S. Dollar | 75.81 | 73.50 |
| 1 EUR | 84.66 | 86.10 |
| 1 GDP | 99.55 | 100.95 |

Source: www.fbil.org.in

## FORWARD LOOKING STATEMENTS

This Draft Letter of Offer contains certain "forward-looking statements". Forward looking statements appear throughout this Draft Letter of Offer, including, without limitation, under the chapters titled "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Position and Results of Operations" and "Industry Overview". Forward-looking statements include statements concerning our Company's plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company's competitive strengths and weaknesses, our Company's business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information. These forward-looking statements generally can be identified by words or phrases such as 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'expected to', 'future', 'intend', 'is likely', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'will continue', 'would', or other words or phrases of similar import. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. However, these are not the exclusive means of identifying forward looking statements. Forward-looking statements are not guarantees of performance and are based on certain assumptions, future expectations, describe plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements.

Forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results to differ materially from our Company's expectations include, among others:

- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various business plans;
- Any failure or disruption of our information technology system;
- Increasing competition in or other factors affecting the industry segments in which our Company operates;
- Changes in laws and regulations relating to the industries in which we operate;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;
- Changes in political and social conditions in India or in other countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices; and
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled "Risk Factors" beginning on page 20 of this Draft Letter of Offer. By their very nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact or net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections.

Whilst we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are

cautioned not to place undue reliance on such forward-looking statements.

In any event, these statements speak only as of the date of this Draft Letter of Offer or the respective dates indicated in this Draft Letter of Offer. Neither our Company, our Directors, our Promoter nor any of their respective affiliates or advisors have any obligation to update or revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward- looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

In accordance with SEBI ICDR Regulations, our Company will ensure that Investors are informed of material developments until the time of the grant of listing and trading permission for the Rights Equity Shares by the Stock Exchange.

## SUMMARY OF THIS DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Draft Letter of Offer, including the sections titled "Risk Factors", "Objects of the Issue", "Industry Overview", "Our Business", "Financial Statements", "Outstanding Litigation and Defaults", "Terms of the Issue" on pages 20, 49, 61, 73, 84, 155 and 180 respectively.

**Summary of our Business**

Sakuma Exports Limited (SEL) is based out of Mumbai and was established as a partnership firm in 1998 and subsequently reconstituted as a public limited company in August 2005 and a fresh certificate of incorporation was issued by RoC. The Company is involved in business of trading of agro-commodities like sugar, pulses, maize, cotton and rice and other agricultural commodities. Trading of Sugar by our Company contributes to the major part of Company's revenue. SEL majorly imports and exports to USA, Asia Continental, Africa Region, Far East Asia, Europe, Australia and Middle East. However, since the last 3 financial years, SEL is purchasing the agro commodity products such as sugar, maize and rice and other agricultural commodities from Indian Domestic Market and has not imported any of the products from outside India. SEL conducts its business activities and operations from a number of ports like Mundra, Nhava Sheva, Kandla, Mumbai, Haldia, Chennai, Kakinada and Vizag.

The Company has established its presence in agro commodity trading business under the leadership of Late Mr. Chander Mohan Malhotra and the current operations are managed by his son Mr. Saurabh Malhotra. Sakuma Group consist of SEL along with its six subsidiaries located at Dubai, Singapore, Ghana, Tanzania, Canada and Bahrain. For details, please refer to "***Our Business- Details on our Subsidiary Companies***" page no. 74 of the Draft Letter of Offer.

SEL is a GOI recognized Trading House and its share are listed in NSE & BSE. The Company was conferred with the Certificate of Recognition as an Export House in 2002 by the Joint Director General of Foreign Trade, Ministry of Commerce, GOI. The company is also awarded with Certificate for Excellence in Export of Castor Oil and Groundnut Kernels for FY 2005-2006 and ECGC-D & B Indian Exporters Excellence award in 2012. Owing to over 2 decades of experience in the agro commodity trading business, SEL has an established track record of operations and longstanding relationships with its customers. We have multinational import clients namely Tate & Lyle, Cargill, Louis Dreysus, Czarnikow, ED & F Man importing sugar from them. The Company's promoters have rich experience of two decades in this industry.

SEL is primarily engaged in trading of Agro commodities of which Sugar and its by-products are the major products contributing to around 99.05 of its consolidated revenue in FY 2021-22. The balance of the business is contributed through the other agro commodities like grains and petroleum & minerals and Renewable Energy. SEL provides its customers and suppliers with tailor-made distribution solutions. SEL serves as one-stop-shop for hundreds of customers active in diverse end-market industries.

For further details, see **"*Business Overview*"** on page 73.

**Summary of Industry**

***Introduction***

India is one of the top producers of a large numbers of commodities, and also has a long history of trading in commodities and related derivatives. The commodities derivatives market has seen ups and downs, but seems to have finally arrived now. The market has made growth enormous in terms of technology, transparency and the trading activity. Interestingly, this has happened only after the government protection was removed from a number of the commodities, and the market forces were allowed to play their role. This should act as a major lesson for the policy makers in developing countries, that pricing and price risk management should be left to market forces rather.

India can be among the top five exporters of Agro-commodities by shifting its focus on cultivation and effectively handholding farmers, according to the World Trade Centre. The total agricultural and allied products exports stood

at US$ 41.25 billion in FY21. The principal commodities that posted significant positive growth in exports between FY20 and FY21 were the following:

- Wheat and Other Cereals: 727% from Rs. 3,708 crore (US$ 505 million) to Rs. 5,860 crore (US$ 799 million)
- Non-Basmati Rice: 132% from Rs. 13,130 crore (US$ 1,789) to Rs. 30,277 crore (US$ 4,126 million)
- Soya Meal: 132% from Rs. 3,087 crore (US$ 421 million) to Rs. 7,224 crore (US$ 984 million)
- Raw Cotton: 68% from Rs. 6,771 crore (US$ 923 million) to Rs. 11,373 crore (US$ 1,550 million)
- Sugar: 39.6% from Rs. 12,226 crore (US$ 1,666 million) to Rs. 17,072 crore (US$ 2,327 million)
- Spices: 11.5% from Rs. 23,562 crore (US$ 3,211 million) to Rs. 26,257 crore (US$ 3,578 million)
- The Agriculture Export Policy, 2018 aimed to increase India's agricultural export to Rs. 4,19,340 crore (US$ 60 billion) by 2022. Government aims to raise fishery export from India to Rs. 1 lakh crore (US$ 14.31 billion) by 2024-25**.**

In 2021, India witnessed growth in agriculture product exports:

- In June 2021, India exported 24 metric tonnes of groundnuts to Nepal from West Bengal, boosting groundnut exports from Eastern India.
- In FY21, India exported 1.91 lakh tonnes of banana worth Rs. 619 crore (US$ 82.90 million).

Source: https://www.imf.org and https://www.ibef.org/industry/agriculture-india

For further details, see **"*Industry Overview*"** on page 61.

**Objects of the Issue**

Our Company intends to utilize the Net Proceeds raised through the Issue towards the following objects:

**(Rs. In Lakhs)**

| Particulars | Amount |
|---|---|
| To meet Working Capital requirement of the Company | [●] |
| General corporate purposes | [●] |
| Issue related expenses | [●] |
| **Total Issue Proceeds** | **[●]** |

For further details, see **"*Objects of the Issue*"** on page 49.

**Our Promoters**

The Promoters of our Company is Mr. Saurabh Malhotra and Ms. Kusum Chander Mohan Malhotra. For details on our promoters, please refer to page no. 73 of the Draft Letter of Offer.

**Intention and extent of participation by our Promoters and Promoter Group**

Our Promoters and Promoter Group vide their letters (the "**Subscription Letters**") have agreed that they may: (a) subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoters, member(s) of the Promoter Group of our Company; and (b) subscribe to, either individually or jointly and/ or severally with any other Promoters or member of the Promoter Group, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue; (c) subscribe to, either individually or jointly and/ or severally with any other Shareholder for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue; and (d) the eligible members of our Promoter Group reserve the right to subscribe either itself and/or through third party(ies) by renouncing their Rights Entitlement in the Issue, including in an event of under-subscription in this Issue, subject to the post issue aggregate shareholding of our Promoter and members of our Promoter Group not resulting in the minimum public shareholding of the issuer falling below the level prescribed in LODR/ SCRR.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10 (4) (b) of the Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations.

**Summary of Financial Information**

The following table sets forth summary financial information derived from the Consolidated Audited Financial Statement for financial year ending on March 31, 2022 and from Limited Review Report for 9 months ending on December 31, 2022:

**(Rs. in Lakhs)**

| Particulars | 31-12-2022 (Unaudited) | FY 2021-22 (Audited) |
|---|---|---|
| Equity Share Capital | 2345.59 | 2345.59 |
| Net Worth | 40877.6 | 38031.47 |
| **Total Income** | **217185.96** | **286032.21** |
| **Profit/ (Loss) after tax** | **1833.15** | **2758.23** |
| Basic & Diluted EPS | 0.78 | 1.18 |
| Net asset value per Equity Share | 17.43 | 16.22 |
| Total borrowings # | 13227.75 | 8553.41 |

# consists of borrowings under non-current liabilities current liabilities

**Contingent Liabilities**

For details regarding our contingent liabilities for FY 2022, please refer to note 37 on page no. 128 of the Draft Letter of Offer and Offer and see "***Management's Discussion and Analysis of Financial Condition and Results of Operations- Contingent Liabilities***" on page no. 152 of the Draft Letter of Offer.

**Related Party Transactions**

For details on related party transactions for FY 2022, see note 39 on page no. 129 of the Draft Letter of Offer.

**Financing Arrangements**

There have been no financing arrangements whereby our Promoter, members of our Promoter Group, our Directors or their relatives have financed the purchase by any other person of securities of the Company, other than in the normal course of financing entity during the period of six months immediately preceding the date of this Draft Letter of Offer.

**Issuance of Equity Shares for consideration other than cash in the last one year**

Our Company has not issued Equity Shares for consideration other than cash during the period of one year preceding the date of this Draft Letter of Offer.

**Summary of Outstanding Litigations**

**(Rs. in Lakhs)**

| Nature of Cases | Number of outstanding cases | Amount Involved* |
|---|---|---|
| ***Litigation involving our Company*** | | |
| Criminal proceedings against our Company | 1 | 1,306.00 |
| Criminal proceedings by our Company | 4 | Nil |
| Material civil litigation against our Company | 10 | 2811.00 |
| Material civil litigation by our Company | 9 | 5186.28 |
| Actions by statutory or regulatory Authorities | Nil | Nil |
| Direct and indirect tax proceedings | 21 | 3887.66 |
| ***Litigation involving our Directors*** | | |

| Nature of Cases | Number of outstanding cases | Amount Involved* |
|---|---|---|
| Criminal proceedings against our Directors | 4 | Not Ascertainable# |
| Criminal proceedings by our Directors | 3 | Nil |
| Material civil litigation against our Directors | 3 | Not Ascertainable# |
| Material civil litigation by our Directors | 1 | Not Ascertainable# |
| Actions by statutory or regulatory authorities | Nil | Nil |
| Direct and indirect tax proceedings | 2 | 0.05 |
| ***Litigation involving our Promoters*** | | |
| Criminal proceedings against our Promoters | 4 | Not Ascertainable# |
| Criminal proceedings by our Promoters | 3 | Nil |
| Material civil litigation against our Promoters | 3 | Not Ascertainable# |
| Material civil litigation by our Promoters | 1 | Not Ascertainable# |
| Actions by statutory or regulatory authorities | Nil | Nil |
| Direct and indirect tax proceedings | 3 | 1.97 |

**Includes TDS defaults for prior years*

*#Directors and Promoters are party to the suits involving the Company and the amounts involved in such litigation are covered in the summary of "Litigation involving our Company". At this juncture we are unable to determine whether any liability will arise on the Directors or Promoters.*

For further details, see **"*Outstanding Litigations and Defaults*"** beginning on page 155 this Draft Letter of Offer.

**Risk Factors**

For details of the risks applicable to us, including to our business, the industry in which we operate and our Equity Shares, see **"*Risk Factors*"** on page 20.

## SECTION II – RISK FACTORS

*An investment in equity shares involves a high degree of risk. Prospective Investors should carefully consider all the information disclosed in this Draft Letter of Offer, including the risks and uncertainties described below and the **"Financial Statements"** on page 84, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with **"Our Business"**, **"Industry Overview"** and **"Management's Discussion and Analysis of Financial Condition and Results of Operations"** on pages 73, 61 and 144, respectively, as well as the other financial information included in this Draft Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below.*

*However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue. The following factors have been considered for determining the materiality: (1) some events may not be material individually but may be found material collectively; (2) some events may have material impact qualitatively instead of quantitatively; and (3) some events may not be material at present but may have material impact in future.*

*This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory environment which, in some respects, may be different from that which prevails in other countries. For further information, see **"Forward Looking Statements"** on page 14.*

*Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Financial Statements and Unaudited Financial Results included in this Draft Letter of Offer. For further information, see "Financial Statements" on page 84. In this section, unless the context otherwise requires, a reference to "our Company" is a reference to Sakuma Exports Limited on a standalone basis, while any reference to "we", "us", is a reference to Sakuma Exports Limited on a consolidated basis.*

## INTERNAL RISK FACTORS

***1. There are outstanding legal proceedings involving our Company, its Promoters and its Directors.***

There are outstanding legal proceedings involving the Company, Promoters and Directors. These proceedings are pending at different levels of adjudication before various courts. For further details, please refer to the section "***Outstanding Litigations and Defaults***" beginning on page 155 of this Draft Letter of Offer. The details of such outstanding litigations as at the date of this Draft Letter of Offer are as follows:

**(Rs. in lakhs)**

| Nature of Cases | Number of outstanding cases | Amount Involved* |
|---|---|---|
| ***Litigation involving our Company*** | | |
| Criminal proceedings against our Company | 1 | 1,306.00 |
| Criminal proceedings by our Company | 4 | Nil |
| Material civil litigation against our Company | 10 | 2811.00 |
| Material civil litigation by our Company | 9 | 5186.28 |
| Actions by statutory or regulatory Authorities | Nil | Nil |
| Direct and indirect tax proceedings | 21 | 3887.66 |
| ***Litigation involving our Directors*** | | |

| Nature of Cases | Number of outstanding cases | Amount Involved* |
|---|---|---|
| Criminal proceedings against our Directors | 4 | Not Ascertainable# |
| Criminal proceedings by our Directors | 3 | Nil |
| Material civil litigation against our Directors | 3 | Not Ascertainable# |
| Material civil litigation by our Directors | 1 | Not Ascertainable# |
| Actions by statutory or regulatory authorities | Nil | Nil |
| Direct and indirect tax proceedings | 2 | 0.05 |
| ***Litigation involving our Promoters*** | | |
| Criminal proceedings against our Promoters | 4 | Not Ascertainable# |
| Criminal proceedings by our Promoters | 3 | Nil |
| Material civil litigation against our Promoters | 3 | Not Ascertainable# |
| Material civil litigation by our Promoters | 1 | Not Ascertainable# |
| Actions by statutory or regulatory authorities | Nil | Nil |
| Direct and indirect tax proceedings | 3 | 1.97 |

**Includes TDS defaults for prior years*
*#Directors and Promoters are party to the suits involving the Company and the amounts involved in such litigation are covered in the summary of "Litigation involving our Company". At this juncture we are unable to determine whether any liability will arise on the Directors or Promoters.*

We may be required to devote management and financial resources in the defence or prosecution of such legal proceedings. Should any new developments arise, including a change in Indian laws or rulings against us by the appellate courts or tribunals, we may face losses and we may have to make further provisions in our financial statements, which could increase our expenses and our liabilities. Decisions in such proceedings, adverse to our interests, may have a material adverse effect on our business, cash flows, financial condition, and results of operations. Failure to successfully defend these or other claims, or if our current provisions prove to be inadequate, our business and results of operations could be adversely affected. Even if we are successful in defending such cases, we will be subject to legal and other costs relating to defending such litigation, and such costs could be substantial. In addition, we cannot assure you that similar proceedings will not be initiated in the future. Any adverse order or direction in these cases by the concerned authorities, even though not quantifiable, may have an adverse effect on our reputation, brand, business, results of operations and financial condition. For further details, please refer to "***Outstanding Litigations and Defaults***" on page 155 of this Draft Letter of Offer."

2. ***Our Company's business operations are done throughout the globe and any downturn and/ or any economic, regulatory, social and political change in the global markets in which we operate or seek to operate may affect our market share and/ or may adversely affect our business, financial condition and results of operations.***

Our products are sold within Indian markets and International markets like USA, Asia Continental, Africa Region, Far East Asia, Europe Australia and Middle East. For details, please refer to "***Our Business Overview-product wise and location wise sales as derived from the Audited Consolidated Financial Statements for FY 2021-22***", on page no. 74 of the Draft Letter of Offer. Thus, the sales of the Company are widely dispersed throughout the globe and any failure to maintain such dispersion may impact sales, revenues, and consequently, the financial performance of the Company. Further, any failure in expanding our geographical presence in the International market may lead to loss of opportunity in earning higher revenue thereby effect our growth and profit in the Company.

Further, our business is also subject to diverse and constantly changing economic, regulatory, social and political conditions in the jurisdictions in which we operate and seek to operate. Operating in the international market exposes us to a number of risks, including, but not limited to, compliance with local laws and regulations, which can be onerous and costly as the magnitude and complexity of, and continual amendments to, those laws and regulations are difficult to keep abreast with and the liabilities, penalties, costs, obligations and requirements associated with these laws and regulations can be substantial. Our failure to comply with and adapt to changing international regulations and/or trends may result in us failing to maintain and/or expand our international sales operations, which could adversely affect our business, financial condition and results of operations.

In case of any contingencies in the future, due to which we are unable to operate effectively in these markets, our results of operations, revenues and profitability may be adversely affected. Due to this, we may not be able to expand our business effectively in the international market, thereby affecting our business, results of operations and financial condition.

3. ***The export / import of certain agricultural produce and commodities are subject to seasonal factors. Our inability to accurately forecast demand for the agro commodities that we trade, may have an adverse effect on our business, results of operations, cash flows and financial condition.***

   The business of trading in the agricultural produce and commodities are subject to seasonal factors. Rice, wheat, corn, sugar and pulses are the major commodities, in which our company deals and are exposed to seasonal risk. This is due to the fact that majority of the farmers depend on rain for cultivation. Generally, rainfall occurs during Kharif season and hence, the timing and seasonality of rainfall impacts the export operations of our Company. Thus, we are subject to seasonal factors, which make our operating results relatively unpredictable. Due to dependency on seasonality of agro crops, results of one reporting period (quarter/half year/year) may not be necessarily comparable with preceding or succeeding reporting periods. We are impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a Fiscal.

   Further, each of the agricultural produce and commodities has a specific shelf life and if not sold prior to expiry, it may lead to losses. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations, future cash flows and financial condition.

4. ***We are dependent upon the pricing and continued supply of products. Any shortage in supply, or increase in the price including the taxes and levies of the products could have adverse impact on our Company's business, financial condition and profitability.***

   Our major products include Agro based products. The timely availability, cost and quality of these products being supplied to us plays an important role in building strong foundation for our business operations and client retention and/ or acquisitions. If any disruption is there in either of the factors mentioned above which are not under our control, including general economic conditions, competition, production levels, transportation costs, government taxes and levies, and import-export duties and if, for any reason, our regular/primary suppliers refuse or delay or discontinue the delivery of all or certain products to us in the quantities we need and at prices that are competitive, our ability to meet our order requirements shall come to a temporary standstill and our delivery schedules could be disrupted, and we may not be able to complete and execute our projects as per schedule or at estimated costs. Further, we may also not be able to pass on any increase in the prices of these products to our customers which could affect our results of operations and impact our financial condition.

   Further, we currently do not have any long term tie-ups or agreements for supply of any of products and this may expose us to the changes in the prices of agro commodity products. The increase in prices of the products increases our expenditure hence our profitability if we are not able to pass the expenses on to our customers. Any decrease in the availability of these products for whatever reason, could adversely affect our execution capacity and profitability.

5. ***Any failure in our quality control and procurement processes may adversely affect our business, results of operations and financial condition. We may face product liability claims and legal proceedings if the quality of our products does not meet our customers' expectations.***

   Our agricultural produce and commodities may suffer from certain quality issues due to inadvertent lapses in procurement leading to purchase of low-quality agricultural commodities. Further the agricultural commodities may also deteriorate in quality or decay during transit. We believe that we have implemented quality control processes for our agricultural produce and commodities that we trade in, on the basis of internal and international quality standards. We are engaged in export operations and have to fulfill the quality conditions and processes prescribed by the importing jurisdictions. However, we cannot assure you that our quality control processes or our agricultural produce and commodities will pass the quality tests and inspections conducted by various international and domestic agencies as per their prescribed standards. It is imperative for us to meet the international quality standards set by our international customers and agencies as deviation from the same can

cause them to reject our products and can also cause damage to our reputation, market standing and brand value. There was no failure of quality control in the last three fiscal and no consequent impact on the financials of the Company.

In the event the quality of our agricultural products and commodities are sub-standard or the agricultural produce and commodities suffer from defects and are returned by our customers due to quality complaints, we might be compelled to take back the sub-standard agricultural produce and commodities and reimburse the cost paid by our customers. Such quality lapses could strain our longstanding relationship with our domestic and international customers and our reputation and brand image may suffer, which in turn may adversely affect our business, results of operations and financial condition. Our customers may lose faith in the quality of our agricultural produce and commodities and could in turn refuse to further deal in our products, which could have a severe impact on our revenue and business operations. We also face the risk of legal proceedings and product liability claims being brought against us by our customers for low quality agricultural produce and commodities sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs.

**6.** ***Our registered office and branch offices are on leased/ rented premises and leave & license agreement have been executed for the same. Any termination or dispute in relation to these lease/ rental agreement may have an adverse effect on our business operations and results thereof.***

Our Registered office situated at Aurus Chamber, A 301-302, Near Mahindra Tower, S S Amrutwar Lane, Worli-400013, Mumbai, Maharashtra, India is a leased premises. The said property is owned by 2 of our Promoters, namely Ms. Kusum Chander Mohan Malhotra and Sakuma Infrastructure And Realty Private Limited. Our Company has entered into an agreement with them for leasing the same premises for a period of 5 years w.e.f. 01-07-2020. For details, please refer to "***Our Business Overview- our properties***" page no. 79 of this DLOF. Our business operations are also conducted from the said premises. As per the lease agreement if there are any non-compliance by us in relation to any term of lease, lease fee and any other terms and conditions, the lease may result in the termination of the lease agreement and consequently we have to vacate the said premises. We also cannot assure you that lessor will not terminate the lease agreement, which would require us to locate to another premise and may have an adverse effect on our conducting our business operations.

Further, our branch offices are situated in Andhra Pradesh, Gujarat, Rajasthan, Tamil Nadu, Telangana, West Bengal which are leased premises. For details, please refer to "***Our Business Overview- our properties***" page no. 79 of this DLOF. Our local business operations for the regions mentioned above are also conducted from the said premises. As per the lease agreements, if there are any non-compliance by us in relation to any term of lease, lease fee and any other terms and conditions; it may result in the termination of the lease agreement and consequently we may have to vacate the said premises. We also cannot assure you that lessor will not terminate the lease agreement, which would require us to locate to another premise and may have an adverse effect on our conducting our business operations. In case, we may have to re-locate to another premise and/or agree to pay the extra amount for using the same prices. Increase in lease structure will lead to increase of our expenditure which in turn may affect our revenue and increase of operational cost. Also, searching for the suitable location, setting the branch from the scratch and relocating the inventory from location to another, may lead to loss of clients, reduction in sales thereby affecting our profitability.

***7.*** ***Our Company is dependent on third party transportation providers for the delivery of our goods and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.***

Our Company uses third party transportation providers for delivery of our goods. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. In addition, goods may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our raw materials may have an adverse effect on our business and results of operations. Further, disruptions of transportation services due to weather-related problems, strikes, lock-outs, inadequacies in the road and water infrastructure, or other events could impair ability to procure raw

materials on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations

8. ***Any inability to protect our intellectual property or any claims that we infringe on the intellectual property rights of others could have a material adverse effect on us.***

As on the date of filing this Draft Letter of Offer, we have 1 trademark Registered under the provisions of the Trade Marks Act, 1999. For details please refer to page no. 80 of the Draft Letter of Offer. We cannot assure that third parties will not infringe on our intellectual property, thereby causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and any third party claim on any of our unprotected brands may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly, and a favourable outcome cannot be guaranteed. We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property.

9. ***Our Company has reported negative cash flow from operating and investing activities in the past. Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.***

The following table sets forth our cash flow for the periods indicated:

**(Rs. in Lakhs)**

| Particulars | As on 31-12-2022 (Unaudited) | FY 2021-2022 (Audited) |
|---|---|---|
| Net cash from (used in) Operating activities | (4757.83) | (5742.47) |
| Net cash from (used in) Investing activities | 422.64 | (1516.69) |
| Net cash from (used in) Financing activities | 4131.96 | 7565.69 |
| **Net Cash Flow** | **(203.23)** | **306.53** |

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. For further details, refer "***Consolidated Statement of Cash Flows for the year ended March 31, 2022***" on page no. 102 in the section titled "***Financial Information***" on page no. 84 of this Draft Letter of Offer.

10. ***Some of our Group Companies/ Subsidiaries/ Step Down Subsidiary are engaged in the same line of business to that of our Company and may have incurred losses in the past. There are no non-compete agreements between our Company and Promoter Group Entities and/ Promoter Group Members. However, we cannot assure that our Promoter and Promoter Group members will not favour the interests of such entities over our interest or that the said entities will not expand which may increase our competition and may adversely affect business operations and financial condition of our Company.***

Some of our Group Companies/ Subsidiaries, namely /Stepdown subsidiary namely, G.M.K. System & Logistics Private Limited, C. K. K. Retail Mart Private, GK Exim FZE, Sakuma Exim DMCC, Sakuma Exports PTE Limited, Sakuma Exports (Ghana) Ltd and Sakuma Exports Tanzania Pvt. Ltd., Limited are engaged in same or similar line of business as that of our Company. We have not entered into any non- compete agreement with such entities. We cannot assure that our Promoter/ Promoter Group who has common interest in such entities will not favour the interest of such entities. As a result, conflicts of interests may arise on account of common suppliers/ customers and in allocating business opportunities amongst our Company and such entities in circumstances where our respective interests diverge.

Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations. We cannot assure you that these or other conflicts of interest, in the event such conflicts arise, will be resolved in an impartial manner.

Further, some of our group companies and subsidiary companies have incurred loss in the past. The details of the loss incurred by group companies and subsidiary company in last three fiscals are as under:

**(Amount in Rs.)**

| Name of the Group Companies | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|---|---|---|---|
| G.M.K. System & Logistics Private Limited | 58,86,460 | (20,35,553) | 2,25,975 |
| MS Port Terminal Private Limited | 29,15,470 | 5,20,868 | (18,544) |
| Sakuma Finvest Private Limited | 1,81,840 | 3,355 | (2,16,268) |

**(Amount in BHD)**

| Name of the Subsidiary Company | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|---|---|---|---|
| GK Exim FZE | (1169) | (1171) | (3654) |

The loss incurred by group companies and subsidiary company do not have any impact on overall revenue of our company. Except as stated above, none of the other subsidiary companies have incurred any losses in past. There can be no assurance that our subsidiary companies will not incur losses in the future, which may have an adverse effect on our reputation and business.

***11. Our lenders have imposed certain restrictive covenants on us under our financing arrangements. This may limit our ability to pursue our business and limit our flexibility in planning for, or reacting to, changes in our business or industry.***

The financing arrangements entered into by us include conditions that require our Company to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions. As of December 31, 2022, we had outstanding indebtedness of Rs. 13,227.75 Lakhs (consists of borrowings under non-current liabilities and borrowings under current liabilities). For details on our borrowings, please refer Note 18 and 21 on '***borrowings'*** on page no. 120 of the Draft Letter of Offer and see "***Management's Discussion and Analysis of Financial Condition and Results of Operations- Financial Indebtedness***" on page no. 151 of the Draft Letter of Offer. Further for the process of this Issue, our company has obtained the consent from the respective lender. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents from certain lenders include, amongst others, (a) permit any change in the ownership/ control/ management/ shareholding (including by pledge of promoter/ sponsor shareholding in the borrower to any third party), and (b) wind up, liquidate or dissolve its affairs or take any steps for its voluntary winding up or liquidation or dissolution. While we have received all relevant consents required for the purposes of this Issue and have complied with these covenants, a failure to comply with such covenants in the future may restrict or delay certain actions or initiatives that we may propose to take from time to time. While we have not defaulted on any covenants in financing agreements in the past, we cannot assure you that this will continue to be the case in the future.

A failure to observe the covenants under our financing arrangements or to obtain necessary consents/ waivers, constitute defaults under the relevant financing agreements and will entitle the respective lenders to declare a default against us and enforce remedies under the terms of the financing agreements, that include, among others, acceleration of amounts due under such facilities, enforcement of any security interest created under the financing agreements and taking possession of the assets given as security in respect of the financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. In addition, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. For details on our borrowings, please refer Note 18 and 21on 'borrowings' on page no. 120 of the Draft Letter of Offer and see "***Management's Discussion and Analysis of Financial Condition and Results of Operations- Financial Indebtedness***" on page no. 151 of the Draft Letter of Offer.

12. ***Our Company has availed and may continue to avail in the future certain unsecured loans which maybe recalled by our lenders at any time.***

As of December 31, 2022, our Company has unsecured loans amounting to Rs. 2,517.93 Lakhs and may continue to avail unsecured loans, which may be recalled at any time, with or without the existence of an event of default, on short or no notice. Such recalls on borrowed amounts may be contingent upon happening of an event beyond our control and there can be no assurance that we will be able to persuade our lender to give us extensions or to refrain from exercising such recalls, which may adversely affect our results of operations and cash flows. For details on our borrowings, please refer Note 18 and 21 on 'borrowings' on page no. 120 of the Draft Letter of Offer and see "***Management's Discussion and Analysis of Financial Condition and Results of Operations- Financial Indebtedness***" on page no. 151 of the Draft Letter of Offer.

13. ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have entered into related party transactions with our Promoters, Group Companies, Promoter group members. For details on related party transactions for FY 2022, see note 39 on page no. 129 of the Draft Letter of Offer

We cannot assure you that we will be able to maintain the terms of such transactions or in the event that we enter future transactions with related parties, that the terms of the transactions will be favourable to us. Additionally, while it is our belief that all our related party transactions have been conducted on an arm's-length basis, we cannot provide assurance that we could have achieved more favourable terms had such transactions been entered with third parties. We may also enter related party transactions in the future, which could involve conflicts of interest, although going forward, all related party transactions that we may enter will be subject to audit committee or board or shareholder approval, as applicable, as under the Companies Act, 2013 and the SEBI (LODR) Regulations. As such, we can provide no assurance that these transactions will not adversely affect our business, results of operation, cash flows and financial condition.

14. ***We face foreign exchange risks that could adversely affect our results of operations.***

Our Company is subject to foreign exchange control regulations which can pose a risk of currency fluctuations. Our Company is involved in various business transactions with international clients and has to undertake the business transactions in accordance with the rules and regulations prescribed under FEMA. Due to non-receipt of payments from our international clients in a timely manner, our Company may fail to adhere to the prescribed timelines and may be required to pay penalty to the appropriate authority or department to regularize the payment. Further, our international operations make us susceptible to the risk of currency fluctuations, which may directly affect our operating results. In case we are unable to adhere to the timelines prescribed under the applicable laws or are unable to mitigate the risk of currency fluctuation, it could adversely affect our business, results of operations, financial conditions and cash flows.

15. ***Any increase in or realization of our commitments and contingent liabilities could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospect.***

As on March 31, 2022 (based on the Audited Consolidated Financial Information) and as on December 31, 2022 (based on limited review report for 9 months), we had the following Contingent Liabilities:

**(Rs. In Lakhs)**

| Particulars | As on 31-12-2022 (Unaudited) | FY 2021-22 (Audited) |
|---|---|---|
| **Direct and indirect taxation matters** | | |
| TDS Default | 10.00 | 0.31 |
| Income Tax | 1314.00 | 1494.02 |
| Sales Tax | 803.84 | 803.84 |
| Claims against the company not acknowledged as debts | 3345.86 | 10.97 |
| Claim by the Company not acknowledged as Income | (4917.43) | - |

For details regarding our contingent liabilities for FY 2022, please refer to note 37 on page no. 128 of the Draft Letter of Offer and Offer and see "***Management's Discussion and Analysis of Financial Condition and Results of Operations- Contingent Liabilities***" on page no. 152 of the Draft Letter of Offer.

16. ***We depend on the success of our relationships with our customers. Our revenue is generated from certain of our key customers, and the loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows.***

Our Company is engaged in the business of export and import trade of agricultural produce and commodities for sale to various merchants and distributors. For FY 2021-22, our revenue from operations from our top ten customers were approximately 72.58%. While we typically have long term relationships with our customers, we have not entered into long terms agreements with our customers and the success of our business is accordingly significantly dependent on us maintaining good relationships with our customers and suppliers. The actual sales by our Company may differ from the estimates of our management due to the absence of long-term agreements. The loss of one or more of these significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future.

Further, neither do we have any exclusive agents, dealers, distributors nor have we entered into any agreements with any of the market intermediaries for selling or marketing our products. If there occurs any change in the market conditions, requirements of our customers, or if we fail to identify and understand evolving industry trends, preferences or fail to meet our customers' demands, it might have a direct impact on our revenue and customer base. The inability to procure new orders on a regular basis or at all may adversely affect our business, revenues, cash flows and operations.

17. ***Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.***

Our business operations depend on our ability to successfully obtain payment from our customer(s) for our products sold to them. We typically bill and collect on relatively short cycles and maintain provisions against receivables and unbilled services. Actual losses on client balances could differ from those that we currently anticipate and as a result we might need to adjust our provisions.

Our credit terms vary from the start date of the invoice to approximately 15-30 days for our customers. In spite of our efforts to collect our dues from the respective creditors within the stipulated time, and further providing extended credit periods to collect our dues, we face the risk of non-receipt of our outstanding amounts in a timely manner or at all, particularly in the absence of long-term arrangements with customers. We cannot guarantee that our customers will not default on their payments. Our inability to collect receivables from our customers in a timely manner or at all in future, could adversely affect our working capital cycle and cash flows. In Fiscals 2021 and 2022 and for the nine months period ended December 31, 2022, our trade receivables were Rs. 26,853.60 Lakhs, Rs. 43,417.24 Lakhs and Rs. 40102.73 Lakhs, respectively, which represented 20.14%, 15.18% and 18.46%, respectively, of our total revenue for such periods. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, financial condition and results of operations.

Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our customers, and as a result could cause customers to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. In particular, farmers may be adversely affected by a number of factors beyond their control, which could affect their financial condition. An increase in bad debts or in defaults by our customer and dealers may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows.

18. ***Orders placed by customers may be delayed, modified, cancelled or not fully paid for by our customers, which may have an adverse effect on our business, financial condition and results of operations.***

We may encounter problems in executing the orders in relation to our imported and exported products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers, including delays or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions, may result in the postponement of the delivery of products or cause its cancellation. Further, even though we execute orders with our customers, the order could be cancelled or there could be changes in scope and / or scheduled delivery of the products. Accordingly, it is difficult to predict with certainty if, when, and to what extent the delivery of the orders placed will be made. Failure to deliver products on time could lead to customers delaying or refusing to pay the amount, in part or full, which may adversely affect our business.

19. ***Our insurance coverage may not adequately protect us against certain operating risks and this may have an adverse effect on the results of our business.***

We could face liabilities or otherwise suffer losses should any unforeseen incident such as fire, flood, and accidents affect our factories and distribution centres or in the regions/areas where our stores and distribution centres are located. Although we maintain insurance coverage in relation to fire and other natural and accidental risks at our facilities, money and fidelity insurance and stock insurance, there are possible losses, which we may not have insured against or covered or wherein the insurance cover in relation to the same may not be adequate. Any damage suffered by us in excess of such limited coverage amounts, or in respect of uninsured events, not covered by such insurance policies will have to be borne by us. Further, while there has been no past instance of inadequate insurance coverage for any loss, there can however be no assurance that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. A successful enforcement of one or more claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition, cash flows and results of operations.

20. ***Our Company operates under several statutory and regulatory permits, licenses and approvals. Our failure to obtain and/or renew any approvals or licenses in future may have an adverse impact on our business operations.***

Our Company requires several statutory and regulatory permits, licenses and approvals to operate the business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Further, these permits, licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits/ licenses/ approvals. Failure by our Company to renew, maintain or obtain the required permits, licenses or approvals, or cancellation, suspension or revocation of any of the permits, licenses or approvals which may result in the interruption of our Company's operations and may have a material adverse effect on the business.

21. ***Our inability to manage our growth effectively or failure to implement our business and growth strategies could adversely affect our business and future financial performance.***

Our revenue has grown by 114.80%, i.e. from Rs. 132840.98 Lakhs in Fiscal 2021 to Rs. 285343.80 Lakhs in Fiscal 2022 and our PAT for the period has grown from Rs. 1103.09 Lakhs in Fiscal 2021 to Rs. 2744.33 Lakhs in Fiscal 2022. However, there can be no assurance that our growth strategy will be successful or that we will be able to continue to expand further, or at the same rate.

The success of our business will depend greatly on our ability to achieve our financial objectives and results of operations will depend on our ability to identify and evaluate suitable markets within India and internationally and thereby accomplishing our business opportunities. To grow our business, we need to evaluate of suitable markets for our products, the willingness to purchase, purchasing power and demand for agro commodities, the ability to tie up with the local distributors, need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth, the availability and cost of financing,

government directives on import-export, and the obtaining of permits and approvals for logistic is a must. If we fail to execute any of the above and our order(s) in a timely and effective manner, it may cause us to modify, delay or abandon entire order, which in turn could cause our business to suffer.

Further, our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It also is possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

***22. If we are unable to raise additional capital for our business, it may delay our Company's growth plan and have a material adverse effect on our business and financial condition.***

We will continue to incur significant expenditure in maintaining and growing our existing business operations. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our cash on hand and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Additionally, if we are unable to arrange adequate financing on timely basis, it could adversely affect our ability to complete expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and regulatory framework that allows us to raise capital. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, cash flows and financial condition could be adversely affected.

***23. Our funding requirements and deployment of the issue proceeds are based on management estimates and have not been independently appraised by any bank or financial institution.***

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates and our current business plan. The fund requirements and intended use of proceeds have not been appraised by bank or financial institution and are based on our estimates. In view of the competitive and dynamic nature of our business, we may have to revise our expenditure and fund requirements as a result of variations including in the cost structure, changes in estimates and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our Board. In addition, schedule of implementation as described herein are based on management's current expectations and are subject to change due to various factors some of which may not be in our control.

***24. Any variation in the utilization of the Net Proceeds as disclosed in this Draft Letter of Offer shall be subject to certain compliance requirements, including prior Shareholders' approval.***

Our Company intends to deploy and utilize Net Proceeds raised pursuant to the Rights Issue in the manner set out in the section titled "***Objects of the Issue***" on page no. 49 in the Draft Letter of Offer. In accordance with SEBI LODR Regulations and other applicable provisions, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Letter of Offer without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations and it may also lead to delay in deployment of funds as per the schedule of implementation as disclosed in objects section titled "***Objects of the Issue***" on page no. 49 in the Draft Letter of Offer. In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Rights Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by redeploying the unutilized portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

25. ***We are dependent on our Promoter, Directors our senior management and key personnel of our Company for success whose loss could seriously impair the ability to continue to manage and expand business efficiently.***

Our Promoter, Directors, senior management and key managerial personnel collectively have vast years of experience in the industry and are difficult to replace. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. For further details of our Directors and key managerial personnel, please refer to Section "Our Management" on page 81 of this Draft Letter of Offer. Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the Promoters, Directors and other senior management could seriously impair the ability to continue to manage and expand the business efficiently.

Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our business.

Further, as on December 31, 2022, our Promoters, along with our Promoter Group members, hold, approximately 61.88 % issue paid up equity capital of our Company and, therefore, will have the ability to significantly influence our corporate decision making process. This will include the ability to appoint Directors on our Board and the right to approve significant actions at Board and at Shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to the Memorandum and Articles of Association, and any assignment or transfer of our interest in any of our licenses. We cannot assure you that our Promoters along with Promoter Group members interests in any such scenario will not conflict with the interest of other Shareholders or with the interests of our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business effectively or in the best interests of our other Shareholders. For details on their shareholding pattern of our company and that of the promoter and promoter group, please refer to point 9 on page 46 in the chapter titled "***Capital Structure***" beginning on page no. 45 of the DLOF.

26. ***We have not commissioned an industry report for the disclosures made in the chapter titled "Industry Overview" and made disclosures on the basis of the data available on the internet.***

We have not commissioned an industry report, for the disclosures which need to be made in the chapter titled "Industry Overview" of this Draft Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context.

27. ***Any downgrade in the rating of the Company's long-term bank facility will adversely affect the financials and cost of borrowings of the Company.***

ICRA has reaffirmed "[ICRA] BBB (Stable)/ [ICRA]A3+" assigned rating on the long-term bank facilities to our Company. The rating continues to reflect the Company's established position in the agricultural commodities trading business, comfortable financial risk profile and adequate risk management policies. We cannot assure you that we will be able to maintain this rating in future and any downgrade in the rating of the Company's long term bank facility will adversely affect the financials and cost of borrowings of the Company thereby impacting the profitability of the Company.

28. ***Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

Our Company has paid dividend for FY 2022 and FY 2021 at the rate of 5% each year. However, our ability to pay dividends in the future will depend on number of factors, including our profit after tax for the fiscal year, utilisation of the profit after tax towards reserves, our future expansion plans and capital requirements, our

financial condition, our cash flows and applicable taxes, including dividend distribution tax payable by our Company. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and subsequent approval of shareholders and will depend on factors that our Board and shareholders deem relevant. We may decide to retain all our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends in the future.

***29. The recent outbreak of the novel coronavirus could have a significant effect on our results of operations, and could negatively impact our business, revenues, financial condition, and results of operations.***

An outbreak of COVID-19 was recognised as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India, have taken preventive or protective actions such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. Since May 2020 many of these measures have been lifted. We proactively engaged with our clients to reassure them and to demonstrate our commitment to restart our operations and to build confidence in the safety protocols deployed at our office. If we do not respond appropriately to the pandemic, or if customers do not perceive our response to be adequate, we could suffer damage to our reputation and our brand, which could adversely affect our business in the future.

Further, the lockdown was again imposed by the government in some parts of India during April 2021, which was partially relaxed in June 2021, during this lockdown although we have continued with our business, the execution of our business operations was delayed by few weeks.

We cannot predict the degree to, or the time period over, which our business will be affected by the COVID-19 outbreak. For example, this pandemic could necessitate further lockdowns, resulting in significant additional effects on our revenue, financial condition and results of operations. There are numerous uncertainties associated with the COVID-19 outbreak, including the number of individuals who will become infected, availability of a vaccine or a cure that mitigates the effect of the virus, the extent of the protective and preventative measures imposed by governments and whether the virus' impact will be seasonal, among others. Consequently, there may be adverse effects of this pandemic on our short-term business operations and our financial results may be impacted.

**ISSUE SPECIFIC RISKS**

***30. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further in case the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

***31. Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters and members of our Promoter Group, or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

32. ***Investors may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.***

The Equity Shares that the Investors subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. Investors can start trading the Equity Shares allotted to them only after receipt of the listing and trading approval in respect thereof. Since the Equity Shares are currently traded on the Stock Exchange, investors will be subject to market risk from the date they pay for the Issue Shares to the date when trading approval is granted for them. Further, we cannot assure you that the Equity Shares allocated to an Investor will be credited to the Investor's demat account or that trading in the Equity Shares will commence in a timely manner or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

33. ***Investors will not have the option of getting the Allotment of Rights Equity Shares in physical form and the Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholders") may lapse in case they fail to furnish the details of their demat account to the Registrar.***

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of the Equity Shares and except the pending transfers). For details, refer chapter titled "***Terms of the Issue – Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form***" on page 185 of this Draft of Letter of Offer.

34. ***Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***

In terms of the SEBI ICDR Regulations, the Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Issue Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their Applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Issue Shares at a price that will be higher than the actual market price of the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

35. ***Your ability to acquire and sell the Issue Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Draft Letter of Offer.***

No actions have been taken to permit an offering of the Issue Shares in the Issue in any jurisdiction except India. As such, our Issue Shares have not and will not be registered under the U.S. Securities Act, any state securities laws or the law of any jurisdiction other than India. Further, your ability to acquire Issue Shares is restricted by the distribution and solicitation restrictions set forth in this Draft Letter of Offer. For further information, please refer to the chapters entitled *'Notice to Investors', 'Other Regulatory and Statutory*

*Disclosures'* and *'Restrictions on Foreign Ownership of Indian Securities'* on pages 10, 170 and 207, respectively. You are required to inform yourself about and observe these restrictions. Our representatives, our agents and us will not be obligated to recognize any acquisition, transfer or resale of the Issue Shares made other than in compliance with applicable law.

***36. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.***

Under the Companies Act, any company incorporated in India must offer its holders of equity shares preemptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained Government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

***37. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to long-term capital gains tax in India if Securities Transaction Tax (**STT**) is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares, except in the case of such acquisitions where STT could not have been paid, as notified by the GoI under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, Finance Act, 2018, taxes such long term capital gains exceeding ₹1 lakh arising from sale of equity shares on or after April 1, 2018. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

***38. Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.***

The Indian securities markets are smaller and more volatile than securities markets in more developed economies. The Indian stock exchanges have, in the past, experienced substantial fluctuations in the prices of listed securities. Prices of listed securities are subject to of volatility linked among other factors to the uncertainty in the global markets and the rising inflationary and interest rate pressures domestically. The governing bodies of the Indian stock exchanges have, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Future fluctuations or trading restrictions could have a material adverse effect on the price of our Equity Shares.

***39. The Issue Price of our Rights Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.***

The Issue Price of Rights Equity Share may not be indicative of the market price for our Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. There can be no assurance that the Investors will be able to sell their Equity Shares at or above the Issue Price. The factors that could affect our share price are:

(a) quarterly variations in the rate of growth of our financial indicators such as earnings per share;

(b) changes in revenue or earnings estimates or publication of research reports by analysts;
(c) speculation in the press or investment community;
(d) general market conditions; and,
(e) domestic and international economic, legal and regulatory factors unrelated to our performance.

***40. There is no guarantee that the Rights Equity Shares issued pursuant to the Issue will be listed on the Stock Exchanges in a timely manner or at all and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, permission for listing of the Rights Equity Shares will not be granted until after those Rights Equity Shares have been issued and allotted. In addition, we are required to deliver the Draft Letter of Offer to SEBI and the Stock Exchanges under the applicable provisions of the Companies Act and the SEBI ICDR Regulations. The trading approvals shall be granted subject to the submission of all other relevant documents authorizing the issuing of Rights Equity Shares. There could be a failure or delay in listing the Rights Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict investors' ability to dispose of their Equity Shares. Further, a closure of, or trading stoppage on the Stock Exchanges could adversely affect the trading price of the Equity Shares.

**EXTERNAL RISK FACTORS**

***41. Political instability or changes in the government or government policies could impact the liberalization of the Indian economy.***

The performance and growth of our Company is dependent on the health of the Indian economy and more generally the global economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. As a result, our business and the market price and liquidity of the Equity Shares may be affected by such economic and / or political changes. While the current government is expected to continue the liberalization of India's economic and financial sectors and deregulation policies, there can be no absolute assurance that such policies will be continued. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and specifically have an adverse effect on the operations of our Company.

***42. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

***43. Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging

market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Currently, the Russia- Ukraine conflict has resulted in significant increase in a global oil prices which could have a significant impact on inflation and cost of production. Additionally, essential raw materials for the manufacture of various products could be affected globally due to the aforementioned European crisis which could have cascading effect on the Indian economy and the trading price of our Equity Shares.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of the Equity Shares.

***44. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial condition.***

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and / or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial condition.

***45. General economic conditions in India and globally could adversely affect our business, results of operations and financial condition.***

Our business, prospects, results of operations and financial condition depend significantly on worldwide economic conditions and the health of the Indian economy. Various factors may lead to a slowdown in the Indian or world economy which in turn may adversely impact our business, prospects, results of operations and financial condition. Our Company mainly derives revenue from operations in India and the performance and growth of our business is significantly dependent on the performance of the Indian economy. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, volatility in currency exchange rates, volatility in commodity and electricity prices, volatility in inflation rates and various other factors. Accordingly, high rates of inflation in India could increase our Company's employee costs and decrease our operating margins, which could have an adverse effect on our business, prospects, results of operations and financial condition.

Further the Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, also have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating

or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our Company's business. A slowdown in the Indian economy could adversely affect the policy of the Government of India towards the industry in which our Company operates, which may in turn, adversely affect our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, results of operations and financial condition as well as the market price of the Equity Shares.

***46. The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition. India's physical infrastructure is in a developing phase, as compared to that of many developed nations.***

Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could have an adverse effect on our results of operations and financial condition.

***47. A downgrade in ratings of India, may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating is Baa3 with a "stable" outlook (Moody's), BBB– with a "stable" outlook (S&P) and BBB– with a "negative" outlook (Fitch). Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

***48. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

## SECTION III – INTRODUCTION

## THE ISSUE

This Issue has been authorized through a resolution passed by our Board at its meeting held on June 21, 2022 pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions.

The following is a summary of this Issue and should be read in conjunction with and is qualified in its entirely by, the information detailed in **"*Terms of the Issue*"** on page 180 of this Draft Letter of Offer.

| PARTICULARS | SCHEME DETAILS |
|---|---|
| **Equity Shares proposed to be issued** | Up to [●] Rights Equity Shares |
| **Rights Entitlements** | [●] Rights Equity Shares for every [●] Equity Shares held on the Record Date. |
| **Record Date** | [●] |
| **Face value per Equity Share** | Re. 1.00 per equity share |
| **Issue Price per Rights Equity Share** | Rs. [●] per equity share (including a premium of [●] per equity share) |
| **Issue Size** | Up to 20000.00 Lakhs *<br><br>* Assuming full subscription. Subject to finalization of the Basis of Allotments. |
| **Voting Rights and Dividend** | The Equity Shares issued pursuant to this Issue shall rank pari pasu in all respects with the Equity Shares of our Company. |
| **Equity Shares issued, subscribed and paid-up prior to the Issue** | 23,45,59,430 Equity Shares |
| **Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Equity Shares) and having made fully paid-up** | [●] Equity Shares |
| **Use of Issue Proceeds** | For details, see "Objects of the Issue" on page 49 of the Draft Letter of Offer |
| **Terms of the Issue** | For details, see "Terms of the Issue" on page 180 of the Draft Letter of Offer |
| **Security Code** | ISIN: **INE190H01024**;<br>BSE Script Code & Id: **532713 & SAKUMA;**<br>NSE Symbol: SAKUMA |

For details in relation fractional entitlements, see "***Terms of the Issue-Fractional Entitlements***" beginning on page 197 of this Draft Letter of Offer.

**Payment Schedule of Rights Equity Share is as follows:**

The Issue Price of [●] per Rights Equity Share (including premium of [●] per Rights Equity Share) shall be payable on application.

## GENERAL INFORMATION

Our Company was formed as a partnership firm in the name of Sakuma Exports on December 1, 1998 at Mumbai and was subsequently converted into a Public Limited Company and duly incorporated on August 31, 2005 with the Registrar of Companies, Maharashtra. The Partnership Firm was converted into Company under Part IX of the Companies Act, 1956 under the name of Sakuma Exports Limited vide Certificate of Incorporation dated August 31, 2005.

**Registered Office**

| | |
|---|---|
| **CIN** | : **L51909MH2005PLC155765** |
| **Address** | : Aurus Chamber, A 301, Near Mahindra Tower, S S Amrutwar Lane, Worli-400013, Mumbai, Maharashtra, India |
| **Tel No.** | : +91 22 24999021/ 22 |
| **Email Id** | : companysecretary@sakumaexportsltd.com/ sakumaex@mtnl.net.in |
| **Website** | : www.sakumaexportltd.com |
| **Contact Person** | : Ms. Khyati Bipin Jobanputra |

**Corporate Office-T**he Company does not have a separate corporate office. Hence, the registered office and corporate office is one and same.

**Address of the RoC**

Our Company is registered with the Registrar of Companies, Maharashtra, which is situated at the following address:

| | |
|---|---|
| **Address** | : 100, Everest, Marine Drive, Mumbai – 400 002, Maharashtra, India |
| **Tel No.** | : +91 22 22812627/ 22020295 /22846954 |
| **Email Id** | : roc.mumbai@mca.gov.in |

**DESIGNATED STOCK EXCHANGE**

**BSE Limited** located at P. J. Towers, Dalal Street, Fort, Mumbai 400 001, Maharashtra, India is the Designated Stock Exchange for the proposed Rights Issues of the Company.

**Change in Registered Office Address:**

As on the date of filing this Draft Letter of Offer, Our Company's Registered Office is situated at Aurus Chamber, A 301, Near Mahindra Tower, S S Amrutwar Lane, Worli-400013, Mumbai, Maharashtra, India.

Following are the details of the change in the address of the registered office of our Company since incorporation:

| Date | From Address | To Address | Reasons for Change |
|---|---|---|---|
| 28-01-2011 | 17-Chemox House, 5th Floor, Barrack Road, Nr. Bombay Hospital Lane, Mumbai 400020 | Aurus Chamber, A 301, Near Mahindra Tower, S S Amrutwar Lane, Worli-400013, Mumbai, Maharashtra, India | For Administrative Purpose |

**OUR BOARD OF DIRECTORS**

The following table sets out details regarding our Board as on the date of this Draft Letter of Draft:

| Name and Designation | Age | DIN | PAN Card No. | Address |
|---|---|---|---|---|
| Mr. Saurabh Malhotra; Managing Director | 46 years | 00214500 | AAEPM3935G | RNA Mirage, Flat No. 2502, Sudam Kalu Ahire Marg, Worli , Mumbai – 400 030 |
| Ms. Shipra Malhotra; Non-Executive Director | 49 years | 01236811 | ABQPM4423N | T-37,603/604, Beverly Hills, Royal Empire Chsl, Lokhandwala Road |

| Name and Designation | Age | DIN | PAN Card No. | Address |
|---|---|---|---|---|
| | | | | Complex, Andheri, Mumbai-400 058 |
| Mr. Vivek Madanlal Grover; Non-Executive Director | 48 years | 03594740 | AEQPG2550M | 11 D, B Wing, White Spring Rivali Park, Western Express Highway ,Near Sai Baba Mandir, Boriwali (East), Mumbai 400066 |
| Mr. Amit Shankar Amist; Non-Executive Independent Director | 47 years | 05305256 | AFOPA0950J | H.NO, 49, Duplex-1, Swarnim Vihar, Sector 82, Noida, Gautam Budh Nagar,Pin-201304,Uttar Pradesh |
| Mr. Radhe Shyam; Non-executive Independent Director | 79 years | 00648805 | AACPR7441L | 4/801, Seawoods Estate, NRI Complex, Palm Beach Road, Navi Mumbai, Pin Code- 400 706 |
| Mr. Om Parkash Singal; Non-executive Independent Director | 76 years | 02585264 | AALPS0284P | B-1205, Dosti Aster, Dosti Acres Complex SM Road Wadala (East) – Mumbai- 400037, Maharashtra |

For detailed profile of our Board of Directors, refer to chapter titled ***'Our Management'*** on page no. 81 of this Draft Letter of Offer.

**CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR**

**Name** : **MR. SAURABH MALHOTRA**
**Address** : Aurus Chamber, A 301, Near Mahindra Tower, S S Amrutwar Lane, Worli-400013, Mumbai, Maharashtra, India
**Tel No.** : +91 22 24999021/ 22
**Email Id** : companysecretary@sakumaexportsltd.com
**Website** : www.sakumaexportltd.com

**CHIEF FINANCIAL OFFICER**

**Name** : **MR. DEVESH MISHRA**
**Address** : Aurus Chamber, A 301, Near Mahindra Tower, S S Amrutwar Lane, Worli-400013, Mumbai, Maharashtra, India
**Tel No.** : +91 22 24999021/ 22
**Email Id** : companysecretary@sakumaexportsltd.com
**Website** : www.sakumaexportltd.com

**COMPANY SECRETARY & COMPLIANCE OFFICER**

**Name** : **MS. KHYATI BIPIN JOBANPUTRA**
**Address** : Aurus Chamber, A 301, Near Mahindra Tower, S S Amrutwar Lane, Worli-400013, Mumbai, Maharashtra, India
**Tel No.** : +91 22 24999021/ 22
**Email Id** : companysecretary@sakumaexportsltd.com
**Website** : www.sakumaexportltd.com

**LEAD MANAGER TO THE ISSUE**

**Name** : **FIRST OVERSEAS CAPITAL LIMITED**
**Address** :1-2 Bhupen Chambers, Ground Floor,Dalal Street, Mumbai-400 001
**Tel No.** :+91 22 40509999
**Email Id** : rushabh@focl.in/mala@focl.in
**Contact Person** : Mr. Rushabh Shroff / Ms. Mala Soneji
**Website** : www.focl.in
**SEBI Registration No.** : INM000003671
**CIN** : U67120MH1998PLC114103

**Investor Grievances**

Investors are advised to contact the Company Secretary and Compliance Officer or Registrar to the Issue for any pre-Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer / CAF / letter of allotment, Split Application Forms, Share Certificate(s) or refund orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the CAF, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the CAF, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process as well as for non- ASBA process, see "Terms of the Issue" on page 180.

**PEER REVIEW AND STATUTORY AUDITORS**

| | |
|---|---|
| **Name** | **: M/s M. L. SHARMA & CO.,CHARTERED ACCOUNTANTS** |
| **Address** | : 107 Chartered House, 297-299 Dr. C H Street, Behind Dolours Church, Marine Lines, Mumbai: 400002, Maharashtra |
| **Tel No.** | : +91 22 68525202 / 68525200 |
| **Email Id** | : mlsharma@mlsharma.in |
| **Contact Person** | : Mr. Shailesh M. Bandi |
| **Membership No.** | : 109101 |
| **Firm Registration No.** | : 109963W |

M/s. **M. L. Sharma & Co.**, Chartered Accountant, holds valid Peer Review Certificate Number 013619 dated 24-09-2021 issued by Peer Review Board of the Institute of Chartered Accountants of India. The certificate is valid till 24-09-2024.

**INTERNAL AUDITOR OF OUR COMPANY**

| | |
|---|---|
| **Name** | : **MEHTA SINGHVI & ASSOCIATES, Chartered Accountants** |
| **Address** | : 410, 4th floor, Kewal Industrial Estate, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 |
| **Tel No.** | : +91 6609 6060 / 2493 6060 |
| **Email Id** | : mehtasinghvi@gmail.com |
| **Contact Person** | : Mr. Manoj Jain |
| **Membership No.** | : 191063 |
| **Firm Registration No.** | : 122217W |

**LEGAL ADVISOR TO THE ISSUE AS TO LIMITED CHAPTERS**

| | |
|---|---|
| **Name** | **: RAJANI ASSOCIATES, SOLICITORS** |
| **Address** | : Krishna Chambers, 59 New Marine Lines, Mumbai 400020 |
| **Tel No.** | :+91 22 40961000/ 1002; +91 84240 30160 |
| **Email Id** | : sangeeta@rajaniassociates.net |
| **Contact Person** | : Mrs. Sangeeta Lakhi |

**LEGAL CONSULTANT TO THE COMPANY**

| | |
|---|---|
| **Name** | : **RAJEEV BHAMBRI & ASSOCIATES** |
| **Address** | : SCO No.9, 2nd Floor, Jandu Towers, Miller ganj, Ludhiana - 141003 |
| **Tel No.** | : +91 11 4626033/ +91 9915710010 |
| **Email Id** | : rajeev@bhambri.co.in |
| **Contact Person** | : Rajeev Bhambri |

**REGISTRAR TO THE ISSUE and COMPANY**

| | |
|---|---|
| **Name** | : **BIGSHARE SERVICES PRIVATE LIMITED** |
| **Address** | : Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, Maharashtra |

| | |
|---|---|
| **Tel No.** | : +91 22 6263 8200 |
| **Email Id** | : rightsissue@bigshareonline.com |
| **Investor Grievance Email** | : investor@bigshareonline.com |
| **Contact Person** | : Mr. Vijay Surana |
| **Website** | : www.bigshareonline.com |
| **SEBI Registration No.** | : INR000001385 |

**BANKERS TO THE COMPANY**

| | |
|---|---|
| **Name** | **: BANK OF MAHARASHTRA** |
| **Address** | :Worli Branch (50),Mumbai Zone, Shiv Smruti,49-A,Dr A.B Road, Worli, Mumbai: 400018 |
| **Tel No.** | :+91 22 24940046 |
| **Email Id** | : bom50@mahabank.com |
| **Contact Person** | : Mr. Shreyansh Bapna |
| **Website** | : www.bankofmaharashtra.in |

| | |
|---|---|
| **Name** | **: INDUSIND BANK** |
| **Address** | :Tower 1,India bulls centre 841,Senapati Bapat marg, Elphinstone Road, Mumbai: 400013 |
| **Tel No.** | : +91 22 26343201 |
| **Email Id** | : rajib.sensharma@indusind.com |
| **Contact Person** | : Mr. Rajib Sensharma |
| **Website** | : www.indusind.com |

| | |
|---|---|
| **Name** | **: SVC BANK** |
| **Address** | : 3rd Floor, SVC Tower, Nehru Road, Vakola, Santacruz (East), Mumbai: 400055 |
| **Tel No.** | : +91 22 66999999 |
| **Email Id** | : nairgj@svcbank.com |
| **Contact Person** | : Ms. Gayatri Nair |
| **Website** | : www.svcbank.com |

| | |
|---|---|
| **Name** | **: DEUTSCHE BANK AG, INDIA (INTERNATIONAL PRIVATE BANK, INDIA)** |
| **Address** | : Nirlon Knowledge Park, Goregaon, Mumbai 400063 |
| **Tel No.** | : +91 22 71804503 |
| **Email Id** | : anish.shah@db.com |
| **Contact Person** | : Mr. Anish Shah |
| **Website** | : www.db.com |

**BANKER TO THE ISSUE/ REFUND BANK**

The Banker to the Issue/ the Refund Bank shall be appointed prior to filing of the Letter of Offer.

**Self-Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

**Registered Brokers**

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 04, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with the Registered Brokers at the Broker Centers, CDPs at Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone numbers, are available at the

websites of the NSE at www.nseindia.com and BSE at www.bseindia.com respectively, as updated from time to time.

**Registrar and Share Transfer Agents**

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchanges at https://www1.nseindia.com/products/content/equities/ipos/asba_procedures.htm and https://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 , as updated from time to time.

**Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchanges.

**Inter se allocation of responsibilities**

Since only one Lead Manager has been appointed for purposes of the Issue, there is no requirement of an inter-se allocation of responsibilities.

**Credit Rating**

As the proposed Issue is of Rights Equity Shares, the appointment of a credit rating agency is not required.

**Debenture Trustee**

As the proposed Issue is of Rights Equity Shares, the appointment of debenture trustee is not required.

**Monitoring Agency**

Our Company has appointed ICRA Limited as monitoring agency to monitor the utilization of the Net Proceeds in terms of Regulation 82 of the SEBI ICDR Regulations. The details of the Monitoring Agency are as follows:

| | |
|---|---|
| **Name** | **: ICRA LIMTIED** |
| **Address** | : 3rd Floor, Electric Mansion Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025 |
| **Tel No.** | : +91 22 61693300/ 61693337 |
| **Email Id** | : rahul.patni@icraindia.com |
| **Contact Person** | : Mr. Rahul Patni - Senior Group Manager |
| **Website** | : www.icra.in |
| **CIN** | : L74999DL1991PLC042749 |

**Appraising Entity**

None of the purposes for which the Net Proceeds are proposed to be utilized have been appraised by any banks or financial institution or any other independent agency.

**Expert Opinion**

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated February 14, 2023 from M/s. M. L. Sharma & Co., Chartered Accountants to include their name as required under Section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Letter of Offer and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of their (i) Unaudited Consolidated Financial Results and (ii) the statement of special tax benefits available to the Company and its shareholders dated February 14, 2023, included in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, the term "expert" shall not be construed to mean an "Expert" as defined under the U.S. Securities Act.

Our Company has received consent dated February 14, 2023, from Independent Chartered Accountants, namely, M/s Avinash More, Chartered Accountant, to include its name in this Draft Letter of Offer, as an "expert" as defined under section 2(38) of the Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, the term "expert" shall not be construed to mean an "Expert" as defined under the U.S. Securities Act.

**Changes in Auditors during the last three years**

There has been no change in the Statutory Auditor of our Company in last three years immediately preceding the date of this Draft Letter of Offer**.**

**Underwriting**

This Issue is not underwritten.

**Filing**

This Draft Letter of Offer is being filed with Stock Exchanges and SEBI, as per the provisions of the SEBI ICDR Regulations. Further, in terms of the SEBI ICDR Regulations, our Company will simultaneously while filing this Draft Letter of Offer with the Designated Stock Exchange, do an online filing with SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the SEBI circular bearing reference no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, and with the Stock Exchanges. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Draft Letter of Offer to the e-mail address: cfddil@sebi.gov.in.

**Minimum Subscription**

If our Company does not receive the minimum subscription of 90% of the Issue Size, or the subscription level falls below 90% of the Issue Size our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is any delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period, at such rates as prescribed under the applicable laws.

If our Company does not receive the minimum subscription of at least 90% of the Equity Shares being offered under this Issue, on an aggregate basis, of the Issue Size, or the subscription level falls below 90% of the Issue Size, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is any delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period, at such rates as prescribed under the applicable laws.

**Issue Schedule**

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

| PARTICULARS | SCHEDULE |
|---|---|
| Last Date for Credit of Rights Entitlements | **: [●]** |
| Issue Opening Date | **: [●]** |
| Last Date for On Market Renounciation of Rights Entitlements# | **: [●]** |
| Issue Closing Date* | **: [●]** |
| Finalization of Basis of Allotment (on or about) | **: [●]** |
| Date of Allotment (on or about) | **: [●]** |
| Date of Credit (on or about) | **: [●]** |
| Date of Listing (on or about) | **: [●]** |

#*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

**Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., **[●]** to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., **[●]**.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be liable for any loss on account of non- submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, see **"*Terms of the Issue*"** beginning on page 180.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.bigshareonline.com after keying in their respective details along with other security control measures implemented there at. For further details, see "***Terms of the Issue – Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders***" on page 192.

## CAPITAL STRUCTURE

The share capital of our Company as of the date of this Draft Letter of Offer (before and after the Issue) is set forth below:

**(Amount in Rs.)**

| Particulars | Aggregate Value At Nominal Value | Aggregate Value At Issue Price |
|---|---|---|
| **Authorized Share Capital** | | |
| 40,00,00,000 Equity Shares of Re. 1.00/- each | 40,00,00,000 | - |
| | | |
| **Issued, Subscribed And Paid Up Share Capital Before The Issue** | | |
| 23,45,59,430 Equity Shares of Re. 1.00/- each | 23,45,59,430 | - |
| | | |
| **Present Issue In Terms Of This Draft Letter Of Offer** (1) | | |
| [●] Equity Shares of face value Re. 1.00 /- each for Cash price of Rs. [●] per Share including premium of Rs. [●] per share | [●] | [●] |
| | | |
| **Issued, Subscribed And Paid Up Share Capital After The Issue** | | |
| [●] Equity Shares of Re. 1.00 /- each (3) | [●] | |
| | | |
| **Securities Premium Account** | | |
| Before the Issue (2) | 85,45,43,430 | |
| After the Issue (3) | [●] | |

*(1) The Issue has been authorized by the Board of Directors of our Company under Section 62(1)(a) and other applicable provisions of the Companies Act, 2013 at their meeting held on June 21, 2022. The terms of the Issue including the Record Date and Rights Entitlement Ratio, have been approved by a resolution passed by the Board at its meeting held on [●].*
*(2) As on March 31, 2022.*
*(3) Assuming full subscription for and Allotment of Equity Shares. Subject to finalisation of Basis of Allotment, Allotment and deduction of Issue related expenses..*

**Notes to Capital Structure**

1) There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer.

2) Except as mentioned below, no Equity Shares have been acquired by the other Promoters or members of Promoter Group in the last (1) one year immediately preceding the date of filing of this Draft Letter of Offer:

| Name of the Promoter & Promoter Group | Category of the Shareholder | Date of Acquisition | No. of Equity Shares | Mode of Acquisition |
|---|---|---|---|---|
| Sakuma Infrastructure and Realty Private Limited | Promoter Group | 30-03-2022 | 9,00,000 | Open Market |

3) No Equity Shares held by our Promoter or Promoter Group have been pledged or encumbered as of the date of this Draft Letter of Offer.

4) 2,13,00,000 equity shares allotted to one of our Promoter Group- Sakuma Infrastructure and Realty Private Limited under preferential basis as approved by the shareholders at AGM held on 10th December, 2020 are under lock-in with NSDL for 3 years w.e.f. 18-03-2021 and shall be released on 31-03-2024. Further, as of the

date of this Draft Letter of Offer, none of the other Equity Shares held by our Promoter or Promoter Group are under lock-in.

5) **Intention and extent of participation by our Promoters and Promoter Group**

Our Promoters and Promoter Group vide their letters (the "**Subscription Letters**") have agreed that they may: (a) subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoters, member(s) of the Promoter Group of our Company; and (b) subscribe to, either individually or jointly and/ or severally with any other Promoters or member of the Promoter Group, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue; (c) subscribe to, either individually or jointly and/ or severally with any other Shareholder for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue; and (d) the eligible members of our Promoter Group reserve the right to subscribe either itself and/or through third party(ies) by renouncing their Rights Entitlement in the Issue, including in an event of under-subscription in this Issue, subject to the post issue aggregate shareholding of our Promoter and members of our Promoter Group not resulting in the minimum public shareholding of the issuer falling below the level prescribed in LODR/ SCRR.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10 (4) (b) of the Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations.

6) The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of the SEBI SAST Regulations is Rs. **[●]**.

7) At any given time, there shall be only one denomination of the Equity Shares of our Company.

8) Except as disclosed in this Draft Letter of Offer, all Equity Shares are fully paid up and there are no partly paid up Equity Shares as on the date of this Draft Letter of Offer. Further, the Equity Shares to be allotted pursuant to the Issue, shall be fully paid up. For further details on the terms of Issue, please see section titled "***Terms of the Issue***" beginning on page 180 of the Draft Letter of Offer.

9) **Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchanges in compliance with the SEBI Listing Regulations:**

a. The shareholding pattern of our Company as on December 31, 2022, can be accessed on the website of the BSE at: https://www.bseindia.com/stock-share-price/sakuma-exports-ltd/sakuma/532713/shareholding-pattern/ and on the website of NSE at: https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern;

b. The statement showing holding of Equity Shares of the person belonging to the category "**Promoter and Promoter Group**" including details of lock- in, pledge of and encumbrance thereon, as on December 31, 22 can be accessed on the website of the BSE at: https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=532713&qtrid=116.00&QtrName=December%202022 and on the website of NSE at: https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern;

c. The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public" including Equity Shareholders holding more than 1% of the total number of Equity Shares as on December 31, 2022 can be accessed on the website of the BSE at: https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=532713&qtrid=116.00&QtrName=December%202022 and on the website of NSE at: https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern;

10) **Details of the Shareholders holding more than 1% of the issued and paid-up equity share capital as on December 31, 2022 is as follows**:

| Sr. No. | Name of the Shareholder | Category of the Shareholder | No. of shares held | % of no. of shares |
|---|---|---|---|---|
| 1. | Sakuma Infrastructure And Realty Private Limited | Promoter Group (Corporate Bodies) | 4,88,72,450 | 20.84 |
| 2. | Kusum Chandermohan Malhotra | Promoter (Individual) | 4,64,31,190 | 19.80 |
| 3. | Saurabh Malhotra | Promoter (Individual) | 3,24,85,077 | 13.85 |
| 4. | Vanitha Malhotra | Promoter Group (Individual) | 1,03,50,000 | 4.41 |
| 5. | Sakuma Finvest Pvt Ltd | Promoter Group (Corporate Bodies) | 69,87,200 | 2.98 |
| 6. | Al Malaki Foodstuff Trading LLC | Public (Foreign Company) | 39,72,821 | 1.69 |
| 7. | Chandurkar Investments Private Limited | Public (Corporate Bodies) | 35,53,997 | 1.52 |
| 8. | Bhartula Vjk Sharma | Public (Individual) | 26,40,000 | 1.13 |

## OBJECTS OF THE ISSUE

Our Company intends to utilize the proceeds of the Issue, after deducting Issue related expenses ("Net Proceeds") towards the following objects:

1. To meet Working Capital requirement of the Company; and
2. General corporate purposes

(Collectively, referred to herein as the "Objects").

The objects set out in the Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

**Utilization of Net Proceeds**

The details of the estimated Net Proceeds are set out below:

| Particulars | Amount (Rs. In Lakhs) |
|---|---|
| Gross Proceeds of the Issue * | **[●]** |
| Less: Issue related expenses | **[●]** |
| **Net Proceeds** | **[●]** |

** Assuming full subscription and Allotment in the Issue. Subject to finalization of the Basis of Allotment and the Allotment of the Equity Shares. The issue size will not exceed Rs. 2000.00 Lakhs.*

**Utilization of Net Proceeds**

Our Company proposes to deploy the Net Proceeds in the aforesaid objects as set forth in the below table:

**(Rs. In Lakhs)**

| Particulars | Amount |
|---|---|
| To meet Working Capital requirement of the Company | [●] |
| General Corporate Purposes # | [●] |
| **Total #** | [●] |

*# Assuming full subscription and Allotment in the Issue. Subject to finalization of the Basis of Allotment and the Allotment of the Equity Shares. While the amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall amount utilization towards general corporate purposes shall not exceed 25% of the Gross Proceeds.*

In case of variations in the actual utilization of funds earmarked for the purposes set forth below, the requirements of Regulation 32 and 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be complied with.

**Deployment of Net Proceeds and Schedule of Implementation**

As certified by M/s Avinash More, Chartered Accountants, vide their certificate dated February 14, 2022 our Company has incurred the following expenditure on the Objects:

**(Rs. in Lakhs)**

| Particulars | Amount spent till January 31, 2023 |
|---|---|
| Internal Accruals | 34.28 |
| Public Issue Expenses | - |
| **Total** | **34.28** |

The above funds were deployed from the Company's internal accruals.

**Details of balance fund deployment and Schedule of Implementation**

**(Rs. In Lakhs)**

| Particulars | Expenses incurred till 31-01-2023 | Utilization of Issue Proceeds in FY 2023-24 | Amount |
|---|---|---|---|
| To meet Working Capital requirement of the Company | [●] | [●] | [●] |
| General Corporate Purposes # | [●] | [●] | [●] |
| To meet issue related expenses | 34.28 | [●] | [●] |
| **Total #** | **34.28** | [●] | [●] |

*# Assuming full subscription and Allotment in the Issue. Subject to finalization of the Basis of Allotment and the Allotment of the Equity Shares. While the amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall amount utilization towards general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during Fiscal 2023-24.

The fund requirement and deployment are based on our management estimates and has not been appraised by any bank or financial institution or any other independent agencies. The fund requirement above is based on our current business plan and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest or exchange rate fluctuations. Consequently, our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our management. If the actual utilization towards any of the Objects is lower than the proposed deployment, then such balance will be used for future growth opportunities including funding other existing objects, if required and towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations.

**Means of Finance**

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue and existing identifiable internal accruals.

**Details of utilization of Net Proceeds**

**1. To meet Working Capital requirement of the Company**

We fund a majority of our working capital requirements in the ordinary course of business from various banks facilities and internal accruals. Our Company requires additional working capital for funding its working capital requirements in Fiscal year 2023-24.

**a) Existing Working Capital:**

Our Company's existing working capital based on the consolidated audited financial statement is stated below:

**(Rs. In Lakhs)**

| Particulars | 31-03-22 Audited | No. of Days | 31-12-22 Unaudited | No. of Days |
|---|---|---|---|---|
| ***Current Assets*** | | | | |
| Inventories | 8,132.06 | 9 | 17299.82 | 24 |
| Trade Receivables | 43,417.24 | 45 | 40102.73 | 70 |
| Short Term Loans & Advances and Deposits | 96.04 | – | 934.75 | - |
| Cash & Bank Balances | 961.88 | | 460.68 | - |
| Other Current Assets | 11,151.18 | - | 10162.01 | - |

| Particulars | 31-03-22 Audited | No. of Days | 31-12-22 Unaudited | No. of Days |
|---|---|---|---|---|
| **Total Current Assets (A)** | **63.758.40** | | **68959.99** | - |
| | | | | |
| ***Current Liabilities*** | | | | |
| Sundry Creditors | 6,903.94 | 7 | 10019.32 | 16 |
| Borrowings (From Banks) | 6982.38 | | 10537.26 | - |
| Borrowings (from Related parties) | 1416.86 | | 2517.93 | |
| Other Current Liabilities | 10,816.89 | _ | 5009.56 | - |
| **Total Current Liabilities (B)** | **26,120.07** | **_** | **28084.07** | - |
| | | | | |
| **Working Capital Gap (A-B)** | **37,638.33** | **_** | **40875.92** | - |
| | | | | |
| **Funding Pattern** | | | | |
| a) Working Capital Facilities from Banks & other Financial Institutions (1) | 6,982.38 | - | 10,537.26 | - |
| b) Unsecured Loans | 1,416.86 | - | 2,517.93 | - |
| c) Internal Accruals / Owned Funds | **29,239.09** | **-** | **27820.73** | - |

*(1) our outstanding borrowings is Rs. 10537.26 Lakhs as on 31-12-2022. For details on our borrowings for FY 2021-22, please refer to* Note 18 and 21 *on page no. 120 of the Draft Letter of Offer and see "**Management's Discussion and Analysis of Financial Condition and Results of Operations- Financial Indebtedness**" on page no. 151 of the Draft Letter of Offer.*

As verified, confirmed and certified by our Independent Auditor, M/s Avinash More, Chartered Accountants via its certificate dated February 14, 2022.

b) **Future Working Capital Requirements**

Our Company proposes to utilize Rs. **[●]** Lakhs of the Net Proceeds to meet its estimated working capital requirements. This will be utilized during Fiscal Year 2023-24 towards our Company's additional working capital requirements. The balance portion of our Company working capital requirement shall be met from the internal accruals, borrowings and/ or own funds.

The incremental and proposed working capital requirements as approved by the Board pursuant to a resolution dated **[●]**, and key assumptions with respect to the determination of the same are mentioned below. Our Company's expected working capital requirements for Fiscal year 2023-24 and the proposed funding of such working capital requirements are as set out in the table below:

**(Rs. In Lakhs)**

| Particulars | 31-03-24 Estimated | No. of Days |
|---|---|---|
| ***Current Assets*** | | |
| Inventories | [●] | [●] |
| Trade Receivables | [●] | [●] |
| Short Term Loans & Advances and Deposits | [●] | [●] |
| Other Current Assets | [●] | [●] |
| **Total Current Assets (A)** | [●] | [●] |
| | | |
| ***Current Liabilities*** | | |
| Sundry Creditors | [●] | [●] |
| Borrowings | [●] | [●] |
| Other Current Liabilities | [●] | [●] |
| **Total Current Liabilities (B)** | [●] | [●] |
| | | |
| **Working Capital Gap (A-B)** | [●] | [●] |
| | | |
| **Funding Pattern** | | |

| Particulars | 31-03-24 | No. of Days |
|---|---|---|
| | Estimated | |
| a) Working Capital Facilities from Banks & other Financial Institutions (1) | [●] | [●] |
| b) Unsecured Loans | [●] | [●] |
| c) Internal Accruals / Owned Funds | [●] | [●] |
| d) Funding through Rights Issue | [●] | [●] |

*(1) our outstanding borrowings is Rs. 10537.26 Lakhs as on 31-12-2022. For details on our borrowings for FY 2021-22, please refer to* Note 18 and 21 *on page no. 120 of the Draft Letter of Offer and see "**Management's Discussion and Analysis of Financial Condition and Results of Operations- Financial Indebtedness**" on page no. 151 of the Draft Letter of Offer.*

**The working capital projections made by the Company are based on certain key assumptions, as set out below:**

| Sr. No. | Particulars | Assumptions |
|---|---|---|
| **Current Assets** | | |
| 1 | *Revenues:* | The revenues from FY 2020-21 to FY 2021-22 have increased by 114.80% this increase was mainly a) due to positive Impact of covid 19 on our business and b) The Company increase in turnover because of bulk vessel transactions. In the FY 20-21, our company doing business based on container basis i.e. dispatching goods through container in small quantities whereas in FY 2021-22, our company started business on bulk vessel transactions Bulk vessel transactions means entire vessel of around 45,000 Mts to 60,000 Mts is booked in the name of our company and our company is able to dispatch goods on huge quantity to overseas buyers resulting increase in revenue. |
| 2 | *Inventories:* | There is increase in inventory in FY 2021-22 as compared FY 2020-21 due to the reason that company's turnover has been increased to double fold. We have estimated [●] days of finished inventory for the fiscal year ended March 31, 2024 to adequate availability of products at a more competitive price. As explained above in Revenue in point no.1 due to that there is also impact in the inventory level in March FY 2021-22 as compared to FY 2020-21. |
| 3 | Trade receivables | There is substantial increase in Turnover of company for the year ended March, 2022 as compare to previous year as of March, 2021 which was more than double than previous year and hence comparatively their trade receivable in March 2022 is higher than previous year of March, 2021.<br><br>There is decrease in holding period of debtors as compared to March 2021 from 163 days to 45 days in March 2022. The reason is realization of debtors proportionately reduced in March 2022 as compared to March 2021. There is no recovery in trade receivables in March 2021 due to covid pandemic globally effecting business widely which results decrease in period of holding in March 2022 as compare to March 2021 Our general business credit cycle is 45 days for customer. The reason for huge period of holding in March 2021 is covid pandemic effecting globally to business units to do normal business transactions.<br>Due to the business growth and need for increasing the sales volume we estimate the receivable at levels to [●] days for fiscal year ended March 31, 2024 respectively. |
| **Current Liabilities** | | |
| 4 | Trade payables | Our trade payables have been 104 days and 7 days for fiscal 2021 and 2022 respectively. However, going forward we estimate to maintain payables at [●] days for fiscal year ended March 31, 2024 respectively to avail best pricing and also buy from large suppliers. |
| 5 | Other current liabilities | Other current liabilities include current maturities of long-term debts, provisions statutory dues, expenses payables etc. |

*Assuming full subscription and Allotment of the Rights Equity Shares in the Issue, our Company proposes to utilize part amount Rs. **[●]** Lakhs of the Net Proceeds in Fiscal 2024 towards our working capital requirements. The*

*balance portion of our working capital requirement will be arranged from existing equity, internal accruals and short-term borrowings.*

2. **General corporate purposes**

Our Company intends to deploy the balance Net Proceeds aggregating to Rs. [●] Lakhs towards general corporate purposes, subject to such utilization not exceeding 25% of the Issue Proceeds, in compliance with applicable laws, to drive our business growth, including, amongst other things, (a) funding growth opportunities, including strategic initiatives; (b) acquiring assets, such as plant and machinery, furniture and fixtures, and intangibles; (c) meeting any expenses incurred in the ordinary course of business by our Company including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties; (d) meeting of exigencies which our Company may face in course of any business, (e) brand building and other marketing expenses and (f) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object i.e., the utilization of Net Proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options including utilizing our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the next Fiscal.

3. **Issue Related Expenses**

The expenses for this Issue include issue management fees, registrar fees, legal advisor fees, monitoring agency fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. **[●]** Lakhs.

| Particulars | Estimates expenses (Rs. In Lakhs) | As a % of total estimated Issue related expenses | As a % of Issue size * # |
|---|---|---|---|
| Fees of Lead Manager, Monitoring agency, Banker to the Issue, Registrar to the Issue, Legal Advisor, Auditor's Fees, etc. including out of pocket expenses | [●] | [●] | [●] |
| Advertising, printing, distribution, marketing and stationery expenses | [●] | [●] | [●] |
| Regulatory fees, filing fees, listing fees and other miscellaneous expenses | [●] | [●] | [●] |
| **Total estimated Issue expenses *^** | [●] | [●] | [●] |

**Amount will be finalised at the time of filing of the Letter of Offer and determination of Issue Price and other details.*
** Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards General Corporate Purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the subscription amount to the Rights Issue.*
*^Excluding taxes*
*#Assuming full subscription*

**Bridge Financing Facilities**

Our Company has not availed any bridge loans from any banks or financial institutions as on the date of this Draft

Letter of Offer, which are proposed to be repaid from the Net Proceeds.

**Interim use of Net Proceeds**

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company will temporarily keep the Net Proceeds in deposits in one or more scheduled commercial banks (as included in the second schedule to the Reserve Bank of India Act, 1934) or in any such other manner as permitted under the SEBI ICDR Regulations or as may be permitted by the SEBI.

In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

**Monitoring of Utilization of Funds**

Our Company has appointed **ICRA Limited**, as the Monitoring Agency for the Issue. Our Board and the Monitoring Agency shall monitor the utilisation of the proceeds of the Issue and the Monitoring Agency shall submit a report to our Board as required under the relevant SEBI ICDR Regulations. Pursuant to Regulation 82(4) of the SEBI ICDR Regulations and Regulation 32 of the SEBI Listing Regulations, our Company shall, within 45 days from the end of each quarter, publicly disseminate the report of the Monitoring Agency on our website as well as submit the same to the Stock Exchange(s), including the statement indicating deviations, if any, in the use of proceeds from the objects stated above. Such statement of deviation shall be placed before the Audit Committee for review on an annual basis. Pursuant to the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee, the uses and applications of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if necessary.

Further, according to the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on material deviations and variations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. Our Company will disclose the utilization of the Net Proceeds under an appropriate separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilized clearly specifying the purpose for which such Net Proceeds have been utilized. This information will also be published in newspapers simultaneously with the interim or annual financial results after review by the Audit Committee and its explanation in the director's report.

**Appraising Agency**

None of the Objects for which the Net Proceeds will be utilised, require appraisal from any agency, in accordance with applicable law.

**Strategic or Financial Partners**

There are no strategic or financial partners to the Objects of the Issue.

**Key Industry Regulations for the Objects of the Issue**

No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

**Other Confirmations**

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, associates or Key Management Personnel, except as stated above and in the normal course of business and in compliance with applicable.

## STATEMENT OF SPECIAL TAX BENEFITS

## STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SAKUMA EXPORTS LIMITED ("THE COMPANY") AND THE SHAREHOLDERS OF THE COMPANY UNDER THE DIRECT AND INDIRECT TAX LAWS IN INDIA

To,
**The Board of Directors**
**Sakuma Exports Limited**
Aurus Chamber, A 301, Near Mahindra Tower,
S S Amrutwar Lane, Worli-400013,
Mumbai, Maharashtra, India

Dear Sir,

**Re: Proposed Rights Issue of Equity Shares of face value of Re. 1.00 each (the "Equity Shares" and such offering, the "Issue") of Sakuma Exports Limited (the "Company") pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI Regulations") and the Companies Act, 2013, as amended (the 'Act').**

We report that the enclosed statement in the **Annexure**, states the possible special tax benefits under direct tax laws i.e. Income tax Rules, 1962 including amendments made by the Finance Act, 2022 (hereinafter referred to as "**Income Tax Laws**"), and indirect tax laws i.e. the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India, available to the Company and its shareholders. Several of these benefits are dependent on the Company, its shareholders as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its shareholders faces in the future, the Company and its shareholders may or may not choose to fulfill.

We confirm that while providing this certificate, we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

The benefits discussed in the enclosed **Annexure** are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his/her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest in the Issue based on this statement.

We do not express any opinion or provide any assurance as to whether:

i. the Company or its shareholders will continue to obtain these benefits in future; or
ii. the conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We also consent to the references to us as "Experts" as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the Letter of Offer "(**Offer Documents**") of the Company or in any other documents in connection with the Issue.

We hereby give consent to include this statement of special tax benefits in the Offer Documents and in any other material used in connection with the Issue.

This certificate is issued for the sole purpose of the Issue, and can be used, in full or part, for inclusion in the Offer Documents and any other material used in connection with the Issue, and for the submission of this certificate as may be necessary, to any regulatory / statutory authority, recognized stock exchange, any other authority as may be required and/or for the records to be maintained by the Lead Manager in connection with the Issue and in accordance with applicable law, and for the purpose of any defense the Lead Manager may wish to advance in any claim or proceeding in connection with the contents of the offer documents.

This certificate may be relied on by the Company, Lead Manager, their affiliates and the legal counsel in relation to the Issue.

We undertake to immediately update you, in writing, of any changes in the abovementioned information until the date the Equity Shares issued pursuant to the Issue commence trading on the recognized stock exchange. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate until the date the Equity Shares commence trading on the recognized stock exchange.

**For M. L. Sharma & Co.**
**Chartered Accountants**
**Firm's Registration Number: 109963W**

**J. D. Jain**
**Partner**
**Mem Number:140827**

**UDIN: 23140827BFMFQ5042**
**Place of Signature: Mumbai**
**Date: February 14, 2023**

**ANNXEXURE**
**STATEMENT OF SPECIAL TAX BENEFITS**

To,
**The Board of Directors**
**SAKUMA EXPORTS LIMITED**
A-301, Aurus Chambers,
S.S. Amrutwar Lane,
Worli, Mumbai - 400 013.

**Re: Proposed rights issue of equity shares of face value of ₹1 each (the "Equity Shares" and such offering, the "Issue") of SAKUMA EXPORTS LIMITED (the "Company") pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI Regulations") and the Companies Act, 2013, as amended (the 'Act').**

We hereby report that the enclosed Statement prepared by SAKUMA EXPORTS LIMITED (the "**Company**") states the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by Finance Act 2022 (hereinafter referred to as "**Income Tax Laws**"), the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations there under, Foreign Trade Policy, presently in force in India under the respective tax laws of their country as on the signing date, for inclusion in the Letter of Offer for the proposed rights issue of the Company to the existing shareholders. These benefits are dependent on the Company or the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or the shareholders of the Company to derive the special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or the shareholders of the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

Further, the preparation of the enclosed Statement and its contents was the responsibility of the management of the Company. We were informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer.

We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements.

We do not express any opinion or provide any assurance as to whether:

a. the Company or the shareholders of the Company will continue to obtain these benefits in future; or
b. the conditions prescribed for availing the benefits, where applicable, have been / would be met with.

The contents of the enclosed Statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume

responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

This statement is solely for your information and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than for inclusion of extracts of this statement in the Letter of Offer and submission of this statement to the Securities and Exchange Board of India, the stock exchange where the Equity Shares of the Company are proposed to be listed, in connection with the proposed Issue, as the case may be.

**For M. L. Sharma & Co.**
**Chartered Accountants**
**Firm's Registration Number: 109963W**

**J. D. Jain**
**Partner**
**Mem Number:140827**

**UDIN: 23140827BFMFQ5042**
**Place of Signature: Mumbai**
**Date: February 14, 2023**

## ANNEXURE I

**I. Statement of Special Tax Benefits available to SAKUMA EXPORTS LIMITED (The "Company") and its shareholders, under the INCOME-TAX ACT, 1961 (hereinafter referred to as 'the Act')**

1. **Special tax benefits available to the Company under the Act**
   There are no special tax benefits available to the Company.

2. **Special tax benefits available to the shareholders under the Act**
   There are no special tax benefits available to the shareholders of the Company.

**Notes:**

a. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

b. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

c. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2023-24.

d. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

e. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

f. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

**ANNEXURE 2**

**Statement of indirect tax benefits available to SAKUMA EXPORTS LIMITED (The "Company") and its shareholders, under the Indirect Taxes**

**II. The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act")**
*(collectively referred to as "indirect tax")*

1. **Special tax benefits available to the Company under the Indirect Tax**
   There are no special indirect tax benefits available to the Company.

2. **Special tax benefits available to the shareholders under the Indirect Tax**
   There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

**Notes:**

a. The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

b. The above statement covers only above-mentioned tax laws benefits and does not cover any direct tax law benefits or benefit under any other law.

c. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.

d. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

## SECTION IV: ABOUT OUR COMPANY

## INDUSTRY OVERVIEW

*Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.*

***Introduction***

India is one of the top producers of a large numbers of commodities, and also has a long history of trading in commodities and related derivatives. The commodities derivatives market has seen ups and downs, but seems to have finally arrived now. The market has made growth enormous in terms of technology, transparency and the trading activity. Interestingly, this has happened only after the government protection was removed from a number of the commodities, and the market forces were allowed to play their role. This should act as a major lesson for the policy makers in developing countries, that pricing and price risk management should be left to market forces rather.

***Economic outlook***

**Global Economy**

Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022—half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast markdowns in the two largest economies. A revised assumption removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages produced a downward 1.2 percentage-points revision for the United States. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade. Global growth is expected to slow to 3.8 percent in 2023. Although this is 0.2 percentage point higher than in the previous forecast, the upgrade largely reflects a mechanical pickup after current drags on growth dissipate in the second half of 2022. The forecast is conditional on adverse health outcomes declining to low levels in most countries by end-2022, assuming vaccination rates improve worldwide and therapies become more effective.

Source: https://www.imf.org

**Indian Economy**

Right when the global economy seemed to be at the cusp of witnessing green shoots of recovery after leaving the worst of the COVID-19 pandemic behind the Russia-Ukraine crisis escalated. Consequently, prices of crude oil and gas, food grains such as wheat and corn, and several other commodities have shot up. It is, therefore, no surprise that the war in Ukraine and its potential economic impact have forced several economic forecasters to go back to their drawing boards and revise their growth projections for this year—most now point to less-than-expected growth in 2022. Understandably, the crisis has clouded India's growth outlook as well. Crude oil prices are lingering above US$100 per barrel, wheat has gone up by 50% in the last two weeks, and edible oil prices are up 20%—all of which are critical imports from the two warring nations. which has been battling inflation for a while now, this situation is making matters worse. Higher fuel and fertilizer prices will reduce government revenues and increase subsidy costs. Furthermore, capital outflows and rising import bills will weigh on the current account balance and currency valuation. We, however, believe that India's underlying economic fundamentals are strong and despite the short-term turbulence, the impact on the long-term outlook will be marginal. The results of growth-enhancing policies and schemes (such as production-linked incentives and government's push toward self-reliance) and increased infrastructure spending will start kicking in from 2023, leading to a stronger multiplier effect on jobs and income, higher productivity, and more efficiency—all leading to accelerated economic growth. various government incentives such as lower taxes, and rising services exports on the back of stronger digitization and technology transformation drive across the world will aid in growth. On the health front, a large, vaccinated population will likely help contain the impact of subsequent infections waves, if any. On the back of these factors, we expect India

to grow at 8.3–8.8% during FY2021–22, followed by equally strong growth of more than 7.5% and 6.5% in the next two fiscal years, respectively

Source: https://www2.deloitte.com/xe/en/insights/economy/asia-pacific/india-economic-outlook.html

| Employment to low-wage jobs worrying from medium term perspective | | | | | | |
|---|---|---|---|---|---|---|
| | Urban (employment change) | | Rural (employment change) | | Total (employment change) | |
| | Pre-Pandemic | Pre-Second Wave | Pre-Pandemic | Pre-Second Wave | Pre-Pandemic | **Pre-Second Wave** |
| Agriculture | (0.1) | (0.4) | 12.3 | (2.1) | 12.2 | **(2.5)** |
| Manufacturing | (3.9) | 0.8 | 0.7 | 3.7 | (3.2) | **4.5** |
| Real Estate/ Construction | 1.5 | (1.0) | 3.8 | 4.8 | 5.3 | **3.8** |
| Mining | (0.2) | 0.4 | 0.3 | (0.1) | 0.1 | **0.3** |
| Services | 0.3 | 3.9 | (13.5) | (0.8) | (13.2) | **3.1** |
| Others | (0.1) | (0.2) | (0.1) | (0.1) | (0.2) | **(0.3)** |
| Total | (2.5) | 3.5 | 3.5 | 5.3 | 1.0 | **8.8** |

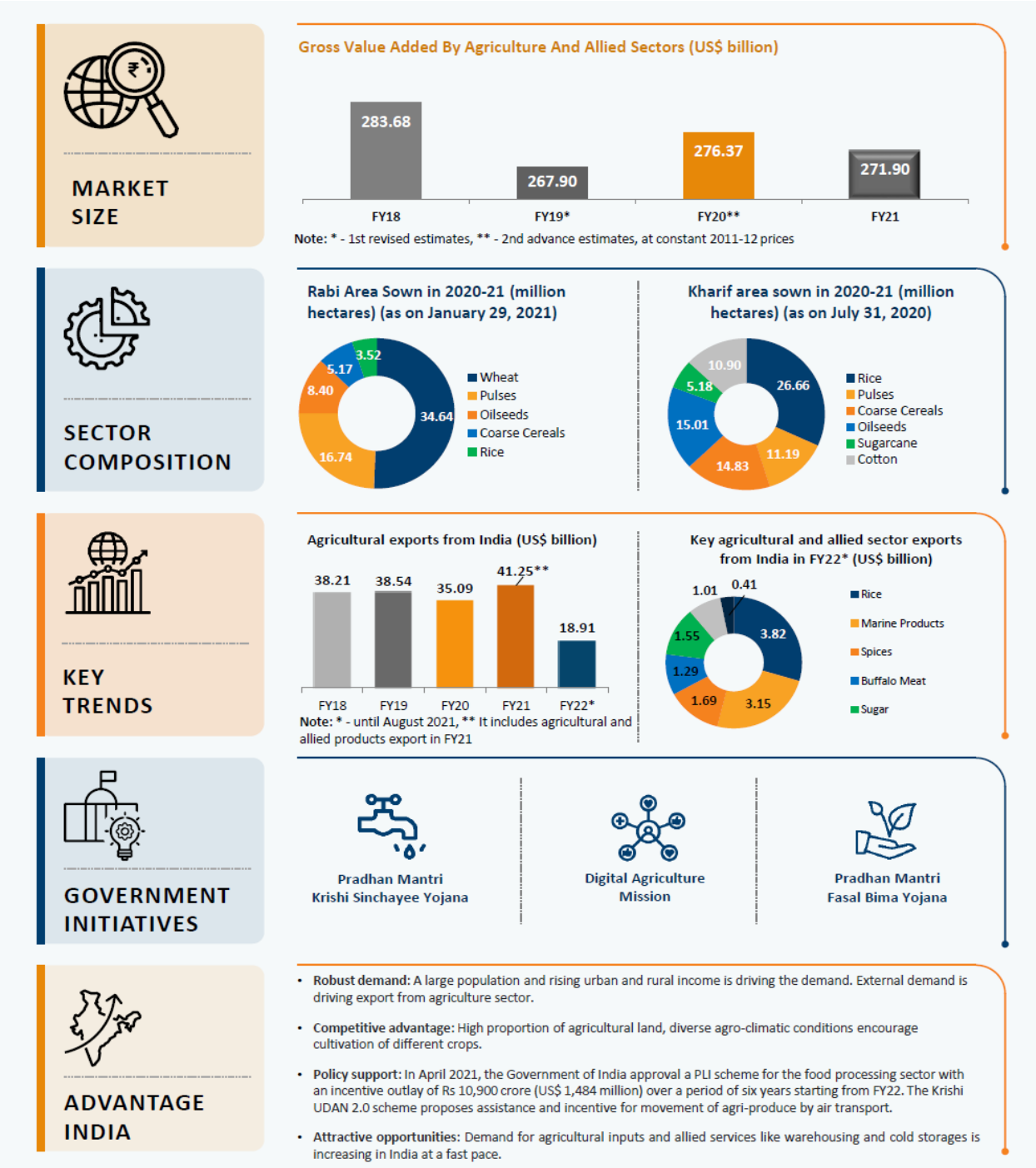
Source: *Kotak Institutional Equities*

***The Impact of the War in Ukraine on Commodity Markets***

The Russian invasion of Ukraine has been a major shock to commodity markets. The war has led to significant disruptions to the production and trade of commodities for which Russia and Ukraine are key exporters. Prices have risen sharply for all energy commodities and some food commodities, including wheat and oilseeds. This, in turn, has raised energy and food security concerns, especially for the poorest households. In response to price hikes, policymakers have often sought to provide relief to consumers via subsidies or lower taxes; however, these are generally ineffective remedies and may exacerbate supply shortages. Policymakers can better mitigate the impact of higher prices on low-income households through targeted measures, including cash transfers. Past commodity price shocks induced policy and market responses that led to increased sources of supply and, for oil price shocks, greater consumption efficiency and substitution away from oil. Over time, the recent spike in prices will likely once again spur more efficient energy consumption and a faster transition away from fossil fuels, particularly if supported by appropriate policy responses. Food production, at the global level, will also respond to changes in relative prices. However, the uncertainties for food supply availability stemming from the war are high, and low-income countries may have urgent needs for international assistance for a prolonged period.

Source: https://reliefweb.int/sites/reliefweb.int/files/resources/CMO-April-2022.pdf

***Indian agricultural Industry***




India has the second-largest arable land resources in the world. With 20 Agri-climatic regions, all the 15 major climates in the world exist in India. The country also has 46 of the 60 soil types in the world. India is the largest producer of spices, pulses, milk, tea, cashew, and jute, and the second largest producer of wheat, rice, fruits and vegetables, sugarcane, cotton, and oilseeds. During 2019-20 crop year, food grain production reached a record of 296.65 million tonnes. For FY 2021-22, the government has set a target to increase production by 3.9%. Consumer spending in India will return to growth in 2022 post the pandemic-led contraction, expanding by as much as 7%. Private consumption expenditure (at constant prices) was estimated at Rs. 80.8 trillion (US$ 1.08 trillion) in FY22 against Rs. 75.6 trillion (US$ 1.01 trillion) in FY20.

**India can be among the top five exporters of Agro-commodities by shifting its focus on cultivation and effectively handholding farmers, according to the World Trade Centre. The total agricultural and allied products exports stood at US$ 41.25 billion in FY21. The principal commodities that posted significant positive growth in exports between FY20 and FY21 were the following:**

- Wheat and Other Cereals: 727% from Rs. 3,708 crore (US$ 505 million) to Rs. 5,860 crore (US$ 799 million)
- Non-Basmati Rice: 132% from Rs. 13,130 crore (US$ 1,789) to Rs. 30,277 crore (US$ 4,126 million)
- Soya Meal: 132% from Rs. 3,087 crore (US$ 421 million) to Rs. 7,224 crore (US$ 984 million)
- Raw Cotton: 68% from Rs. 6,771 crore (US$ 923 million) to Rs. 11,373 crore (US$ 1,550 million)
- Sugar: 39.6% from Rs. 12,226 crore (US$ 1,666 million) to Rs. 17,072 crore (US$ 2,327 million)
- Spices: 11.5% from Rs. 23,562 crore (US$ 3,211 million) to Rs. 26,257 crore (US$ 3,578 million)
- The Agriculture Export Policy, 2018 aimed to increase India's agricultural export to Rs. 4,19,340 crore (US$ 60 billion) by 2022. Government aims to raise fishery export from India to Rs. 1 lakh crore (US$ 14.31 billion) by 2024-25**.**

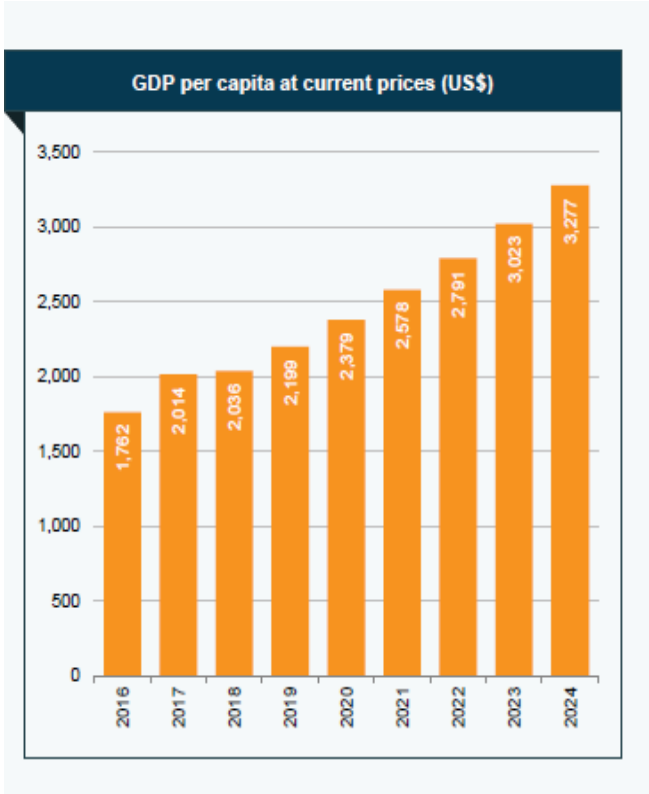
In 2021, India witnessed growth in agriculture product exports:

- In June 2021, India exported 24 metric tonnes of groundnuts to Nepal from West Bengal, boosting groundnut exports from Eastern India.
- In FY21, India exported 1.91 lakh tonnes of banana worth Rs. 619 crore (US$ 82.90 million).

**Growth Drivers of Indian Agricultural**

**1. Rising income and growing middle class to drive demand for processed food**

- Strong growth in per capita income has resulted in greater demand for food items.
- Per capita GDP of India is expected to reach US $ 3,2777i n 2024 from US$ 2,036 in 2018.
- Packaged food industry in India is expected to cross US$ 65 billion by 2020 and become the third-largest market for packaged foods globally.
- The Ministry of Food Processing has been allocated Rs. 1,308 .66 crore (US$ 180 .26 million) in the Union Budget2021 -22.
- There has also been a shift in demand:
  • from carbohydrates to meat products (in line with the various phases of economic growth)
  • and to convenience foods, and organic and diet foods




**2. Supply side drivers**

There has been a strong growth in the use of hybrid seeds due to their high yield and resistance to biotic and abiotic stress. Farm mechanization helps in raising farm income by increasing productivity and limiting post-harvest losses. There has been consistent support from the government to push Kisan Credit Cards, and agriculture loans are kept under the category of priority sector lending. Concerted efforts have been made to insulate these rain-fed areas from the vagaries of rainfall through creation of irrigation infrastructure such as canals, minor irrigation support as well as micro irrigation implements**.**

**3. Policy Supports**

The Government of India has introduced several projects to assist the agriculture sector which are follows

- **Pradhan Mantri Kisan Samman Nidhi Yojana (PM-Kisan)**

Prime Minister of India launched the Pradhan Mantri Kisan Samman Nidhi Yojana (PM PM-Kisan) Benefits under the PM Kisan plan have been delivered to about 11.78 crore farmers as of February 22, 2022, and Rs. 1.82 lakh crore (US$ 23.97 billion) have been released to qualified recipients across India in various payments.

- **Pradhan Mantri Krishi Sinchai Yojana (PMKSY)**

As per the Union Budget 2021-22, Rs. 11,588 crore (US$ 1.5 billion) was allocated to Pradhan Mantri Krishi Sinchai Yojana (PMKSY).

- **Pradhan Mantri Kisan Samman Nidhi Yojana (PM-Kisan)**

Prime Minister of India launched the Pradhan Mantri Kisan Samman Nidhi Yojana (PM PM-Kisan) Benefits under the PM Kisan plan have been delivered to about 11.78 crore farmers as of February 22, 2022, and Rs. 1.82 lakh crore (US$ 23.97 billion) have been released to qualified recipients across India in various payments.

- **Pradhan Mantri Kisan Maan-Dhan Yojana (PM-KMY)**

A minimum fixed pension of Rs. 3,000 (US$ 42.92) will be provided to eligible small and marginal farmers on attaining the age of 60 years, subject to certain exclusion clauses. The beneficiary is required to make a monthly contribution between Rs. 55 to Rs. 200 (US$ 0.78 to 2.86) to the Pension Fund depending on the age of entry into the scheme and a provision of equal contribution by the Central Government.

- **Pradhan Mantri Fasal Bima Yojana (PMFBY)**

Aims to support sustainable production in agriculture by providing financial support to farmers who have incurred crop losses/damages due to unforeseen events. This will help stabilise the income of farmers, ensure continuance in farming, encourage them to adopt innovative and modern agricultural practices and ensure flow of credit to the agriculture sector.

- **Agricultural Pump Power Policy**

Announced in December 2020., As of March 2021, a total of 582,114 farmers in Maharashtra have paid the arrears of agricultural pump electricity bills amounting to Rs. 511.26 crore (US$ 63.37 million).

- **Krishi UDAN 2.0**

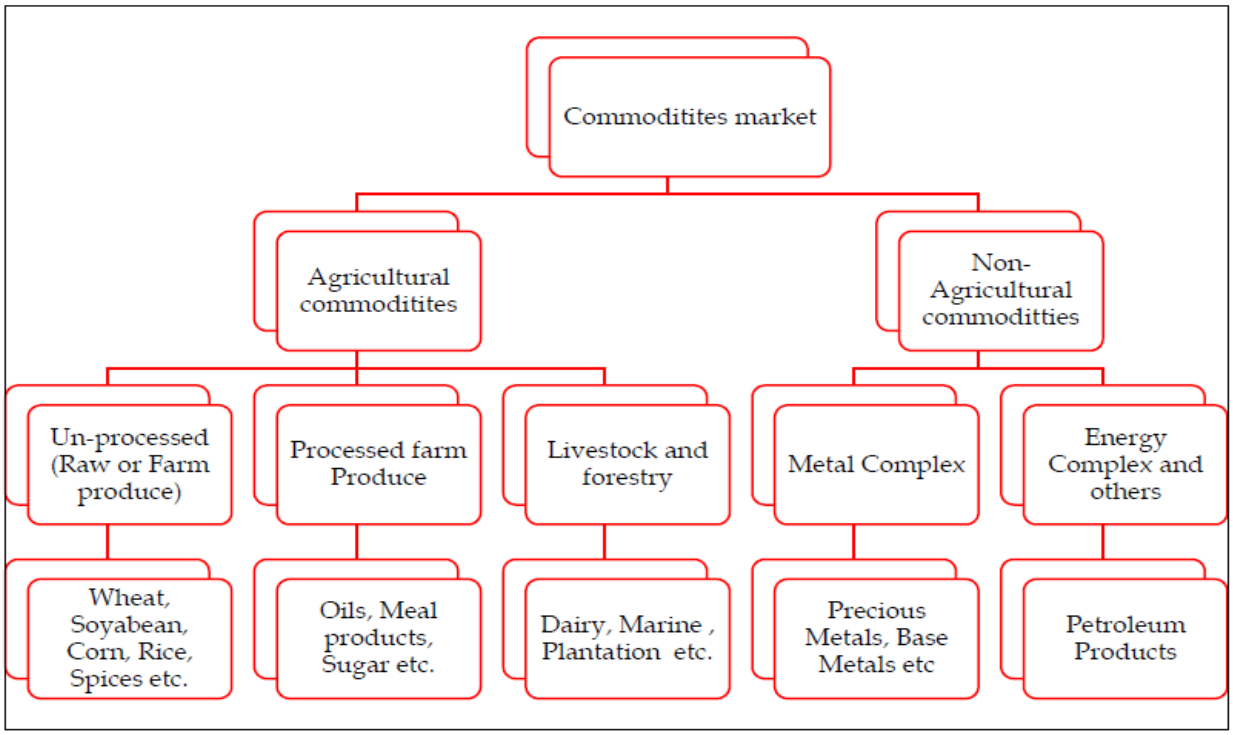
Ministry of Civil Aviation launched the Krishi UDAN 2.0 scheme in October 2021. The scheme proposes assistance and incentive for movement of Agri-produce by air transportation. The Krishi UDAN 2.0 will be implemented at 53 airports across the country largely focusing on Northeast and tribal regions and is expected to benefit farmers, freight forwarders and airlines.

Source: https://www.ibef.org/industry/agriculture-india

**Commodity market**

In general, a commodity may be defined as a product or material that it bought and sold. It can be classified as every kind of movable property, except actionable claims, money and Securities. Commodities are split into two types: hard and soft commodities. Hard Commodities are typically Natural resources that must be mined and extracted (Gold, Oil, Petrol, Rubber etc) whereas soft commodities are agricultural products and livestock (Wheat, Sugar, Cotton, Corn, Pork, etc)

*Figure 1: Commodity Classification*




Source: https://dea.gov.in/sites/default/files/ReportCommodityDerivativeMarkets042018.pdf

**History of commodity Market**

India has a long-standing, enriching history in commodity markets. However, years of foreign rule, droughts, famines, and poor government policies reduced the importance and popularity of commodity markets in India. But with India becoming stronger in the global economy, the Indian commodity markets have witnessed substantial growth. Commodity derivatives trading began in India way before financial derivatives trading. Commodity derivatives trading began around the same time as that of the U.K and U.S.A.

In India, commodity trading began with the set-up of the first organised commodity trading centre, i.e the Bombay Cotton Trade Association in 1875 which laid the foundation of futures trading in India. Gradually, derivatives were developed for a broad basket of commodities. After the establishment of the Bombay Cotton trade association, many cotton merchants and mill owners were not happy with the functioning of the association. This led to the establishment of the Bombay Cotton Exchange ltd in 1893 by a group of unsatisfied cotton merchants and mill owners. This was later followed by the establishment of futures markets in edible oilseeds complex, raw jute and jute products and bullion.

The Gujarati Vyapari Mandli was created in 1900 to conduct futures trading in groundnut, castor seed and cotton.

Calcutta Hessian Exchange was created in 1919 for futures trading in raw jute and jute products. However, organised trading in jute started only with the set-up of East India Jute Association Ltd in 1927. These two associations merged to establish East Indian Jute and Hessian Ltd in 1945.

However, futures trading in Raw Jute was suspended in 1964 by the insistence of the West Bengal government.

In 1920, futures trading began in gold and silver in Bombay, and later it spread to Kanpur, Jaipur, etc. The Bombay commodity exchange was established and registered on October 12, 1938 for trading in oil seed complex. Before the second world war broke in 1939, there were several future markets trading oil seeds in Gujarat and Punjab. The most exemplary of them was the Chamber of Commerce at Hapur, established in 1913.

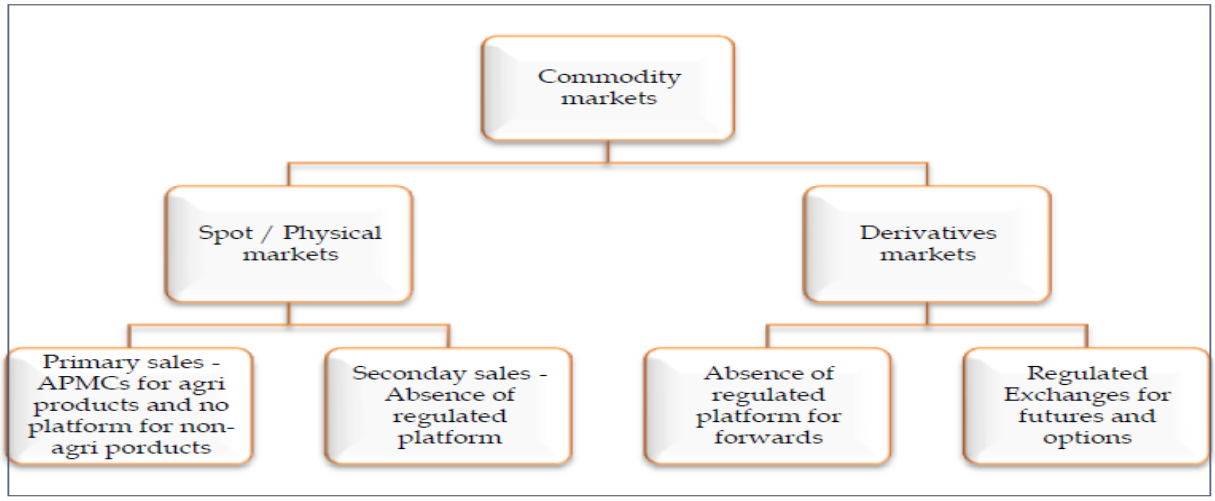
In 1939, the government banned the trading of cotton derivatives. Further, Forward trading was disallowed or prohibited in oilseed, and many other commodities including food grains, spices, vegetable oils, sugar and cloth in 1943.

However, commodities trading again picked up steam, after India's independence in the early 1960s. But future trading was limited only to minor commodities such as pepper and turmeric.

The commodity future market remained dismantled, and dormant for almost four decades. With the turn of the new millennium, the Government started actively encouraging commodities markets in India. In 1992, futures trading in hessian was allowed. In April 1999, future trading in various edible oilseed complexes was permitted. In May 2001, futures trading in sugar was allowed. Since April 2003, future trading has been allowed in all commodities by the Government of India.

***Structure of Commodity Market in India***

Commodity market is a place where trading in commodities takes place. These are the markets where raw and primary products are exchanged. These raw commodities are traded on regulated commodity exchanges, in which they are bought and sold in standardized contracts. It is similar to an equity market, but instead of buying or selling shares one buys or sells commodities.




a) **Spot market:** The regulation of spot markets for agricultural commodities is decentralized, with state governments independently regulating these markets through Agricultural Produce Market Committee (APMCs) (which are mostly physical yards) for primary sale by farmers while the secondary sales between parties other than farmers operate in unregulated domain. Central Government and some
state governments have initiated steps for developing electronic recording systems at APMCs.

Unlike APMCs for the agricultural markets, there is no organized physical market for non-agricultural commodities. There are also no specific laws with respect to the trading of the non-agricultural commodities. There are numerous laws governing various activities involved in the primary production of these commodities. The secondary market, which represents mostly the recycled or scrap market, is highly unorganized and is dispersed amongst large number of tiny units spread across the country which are generally not amenable to enforcement of any laws/regulations applicable to such commodities.

b) **Derivatives Market:** The derivatives market is governed by a central legislation, viz., Securities Contracts Regulation Act, 1956 (SCRA), which provides for the legal framework for organized derivatives trading. The derivatives market for the commodities is regulated by SEBI. The pricing of the derivatives contracts of agricultural commodities is anchored on domestic spot prices while the pricing of non-agricultural commodities, except for gold and silver derivatives, are mostly aligned with the global pricing of such contracts.

There are two kinds of participation in Derivatives market. Hedgers and Speculators. Hedgers do not usually seek a profit by trading commodities future but rather to seek to stabilize revenues or cost of their business operations. Speculators are usually not interested in taking possession of the underlying assets. They essentially place bets on the future price of certain commodities. Speculators are often blamed for big price swing in Derivatives Markets, but they also provide lot of liquidity to the Derivatives Market.

***Commodity Exchange***

The development of the commodity derivatives market is one of the SEBI's main agendas. In Fiscal 2019 as well, SEBI took various measures for integration and harmonious development of this segment with an aim to build a regulatory ecosystem as advanced as the securities market. Additionally, during Fiscal 2019, the Government of India raised the Minimum Support Price ("**MSP**") to provide 50% return over the cost of production. To support the agricultural sector, the Government also launched PM-KISAN scheme during the year, which aims to provide direct monetary support to farmers.

At the regulatory front, SEBI permitted eligible foreign entities having actual exposure to Indian commodity markets to hedge their price risk by participating in commodity derivatives trading. The market was further broadened by permitting mutual funds to participate in commodity derivatives market. During the year, the universal exchange principle was operationalized when BSE and NSE commenced their commodity derivatives trading platform. On the other hand, NMCE which had presence in agricultural space was merged with ICEX on September 24, 2018. Another notable development was introduction of new products, such as, steel long (ICEX) and Oman Crude Oil (BSE).

MCX Comdex and the Exchange Nkrishi, are the two benchmark indices in Indian commodities derivatives market, which reflect the broad movement in the commodity prices, recorded an uptrend in Fiscal 2019. While MCX Comdex is a composite index of three sub- indices such as MCX Metal (6 commodities), MCX Energy (2 commodities), and MCX Agriculture (4 commodities), the Exchange Nkrishi is represented by 10 agricultural commodities. During Fiscal 2019, MCX COMDEX increased by 2.1%, while, NKrishi - the agricultural commodity index, moved up by 12.4%. During Fiscal 2019, NKrishi Index increased as seven out of 10 constituent commodities, being, Chana, Guar Seed, Castor Seed, Cotton Seed Oilcake Coriander and Barley, recorded rise in futures prices.

**Apart from numerous regional exchanges, India had Six national commodity exchanges namely, Multi Commodity Exchange (MCX), National Commodity and Derivatives Exchange (NCDEX), Indian Commodity Exchange (ICEX), National Multi Commodity Exchange (NMCE), ACE Derivatives Exchange (ACE) and Universal Commodity.**

| Commodities: Year to Date Performance | | | | |
|---|---|---|---|---|
| **Commodity** | **Last Price** | **YTD gain/loss (%)** | **Deviation from high** | **Deviation from low** |
| **Precious Metals** | | | | |
| COMEX gold (USD/oz) | 1785.5 | -5.70 | 9.02 | 6.71 |
| MCX Gold (Rs/10 gram) | 48239 | -3.81 | 7.01 | 11.36 |
| COMEX Silver (USD/oz) | 22.25 | -16.27 | 26.69 | 3.92 |
| MCX Silver (Rs/kg) | 61425 | -9.81 | 17.47 | 5.63 |
| **Base Metals** | | | | |
| LME Copper (USD/ton) | 9452.5 | 20.45 | 12.05 | 22.68 |
| MCX Copper (Rs/kg) | 732.65 | 21.93 | 9.84 | 25.26 |
| LME Aluminium (USD/ton) | 2648 | 32.43 | 17.99 | 36.14 |
| MCX Aluminium (Rs/kg) | 216.65 | 27.44 | 16.46 | 36.09 |
| LME Lead (USD/ton) | 2291.5 | 14.80 | 6.56 | 20.10 |
| MCX Lead (Rs/kg) | 185.3 | 20.48 | 5.46 | 19.39 |
| LME Nickel (USD/ton) | 19590 | 16.75 | 8.56 | 25.06 |
| MCX Nickel (Rs/kg) | 1542.2 | 26.32 | 6.06 | 34.67 |
| LME Zinc (USD/ton) | 3337.5 | 19.86 | 15.38 | 31.06 |
| MCX Zinc (Rs/kg) | 279.05 | 29.64 | 14.61 | 38.52 |
| **Energy** | | | | |
| NYMEX crude oil (USD/bbl) | 71.68 | 48.10 | 16.08 | 51.93 |
| MCX Crude oil (USD/bbl) | 5443 | 54.46 | 16.32 | 57.45 |
| NYMEX natural gas (USD/mmBtu) | 3.809 | 57.27 | 41.09 | 57.79 |
| MCX Natural gas (USD/mmBtu) | 290 | 59.25 | 40.21 | 64.59 |
| **Agri** | | | | |
| ICE Cotton (USDc/pound) | 106.67 | 36.81 | 12.33 | 38.32 |
| MCX Cotton (Rs/bale) | 31300 | 52.86 | 7.53 | 55.33 |
| CBOT Soybean (USDc/bushel) | 1241 | -4.81 | 26.01 | 5.96 |
| NCDEX Soybean (Rs/qintal) | 6361 | 38.10 | 40.44 | 44.17 |
| BMD Palm Oil (MYR/ton) | 5154 | 32.90 | 6.29 | 50.09 |
| MCX CPO (Rs/10 kg) | 6361 | 38.10 | 0.44 | 44.17 |
| CBOT Soyoil (USDc/pound) | 53.43 | 25.22 | 27.54 | 30.29 |
| NCDEX Soyoil (Rs/10 kg) | 1194.5 | 0.37 | 20.51 | 16.29 |

***Commodity Market Outlook***

- Commodities edged up in 2021 amid supply issues and improving demand outlook; gold and silver fall on stronger dollar
- The best performer was natural gas as prices almost doubled amid tightness in the global market.
- Copper touched a record high level above $10000/ton on robust demand outlook.
- Energy crisis in China and Europe pushed commodities like Aluminium and Zinc to 2008 and 2007 highs respectively.

- Cotton rallied to decade high on strong demand recovery against lower stocks.
- BMD CPO hit record high level on supply disruption in Malaysia, against higher Indian and Chinese demand.
- Weather challenges associated with la Nina supported edible oils.
- Inflation pressure rising globally aggravated by rising energy prices and commodity prices; US inflation reached to a decade high.
- From Nov.2021, Fed announced tapering of bond purchases to control inflation.
- Brazil central bank has increased interest rates this year, by 575 basis points from 2% to 7.75%
- LME intervened in the copper market, as cash-3month spread widened to record high level.
- China crackdown on coal prices amid rally to record high level.
- For the first time ever, US and other consumers coordinated to release crude oil stocks from emergency reserves.
- Indian government reduced import duty on edible oils to tackle higher prices; Mustard seed and Chana trading were restricted to curb speculation.
- A new variant of coronavirus termed Omicron was reported in late November in a reminder that virus concerns are far from over.
- Increasing emphasis on booster shots across the globe set to increase vaccine inequity.

Source: Kotak Securities Annual report 2021

***The following is a list of some of the most traded commodities in the world***

**Crude Oil:** One of the most important commodities in the world, crude oil is an unrefined petroleum product that occurs naturally. It is used to produce different products including gasoline and petrochemicals. The price for crude oil generally reported in the U.S. is based on the NYMEX futures price. Contracts are based on 1,000 barrels and trade in U.S. dollars per barrel. The third business day before the 25th calendar day of the month preceding the delivery month is the last trading day for crude oil.

**Gold:** This is one of the world's most widely-traded precious metals. While investors can buy and sell the physical commodities, traders typically trade gold futures contracts on commodities exchanges. Contracts are generally sized at 100 troy ounces, and are priced in U.S. dollars per troy ounce. The last trading day for gold is the third last business day of the delivery month.

**Lumber:** This industry has two main products for the end user—softwood and hardwood. Softwood is used primarily in construction, while hardwood is used in flooring and furniture construction, and to make panels and cabinets. Contract sizes for lumber are generally 110,000 nominal board feet and are traded in U.S. dollars per pound. The business day immediately preceding the 16$^{th}$ calendar day of the contract month is the last trading day for lumber.

**Natural Gas:** This commodity is used to heat homes, help generate electricity, and also has other uses in the commercial and industrial industries. Natural gas contracts are sold by 10,000 million British thermal units (mmBtu). All contracts are traded in U.S. dollars per mmBtu. The final trading day of the month for natural gas is three business days prior to the first day of the delivery month.

**Cotton:** Cotton is the most widely-used fiber in the world. Cotton fibers are collected and made into yarn and other textiles for clothing and other household goods. Cotton contracts are sized at 50,000 pounds, and trade in U.S. dollars per pound. The very last day of trading for cotton is 17 business days from end of spot month. Other commodities that trade on commodities exchanges include silver, platinum, rice, sugar, orange juice, oats, cattle, corn, copper, cocoa, soybeans, and coffee.

Source: https://www.investopedia.com/

***Objectives of Commodity Market***

- Hedging with the objective of transferring risk related to the possession of physical assets through any adverse moments in price. Liquidity and Price discovery to ensure base minimum volume in trading of a commodity

through market information and demand supply factors that facilitates a regular and authentic price discovery mechanism.

- Maintaining buffer stock and better allocation of resources as it augments reduction in inventory requirement and thus the exposure to risks related with price fluctuation declines. Resources can thus be diversified for investments.
- Price stabilization along with balancing demand and supply position. Futures trading leads to predictability in assessing the domestic prices, which maintains stability, thus safeguarding against any short-term adverse price movements. Liquidity in Contracts of the commodities traded also ensures in maintaining the equilibrium between demand and supply.
- Flexibility, certainty and transparency in purchasing commodities facilitate bank financing. Predictability in prices of commodity would lead to stability, which in turn would eliminate the risks associated with running the business of trading commodities. This would make funding easier and less stringent for banks to commodity market players.

***Benefits of Commodity Futures Markets***

The primary objectives of any futures exchange are authentic price discovery and an efficient price risk management. The beneficiaries include those who trade in the commodities being offered in the exchange as well as those who have nothing to do with futures trading. It is because of price discovery and risk management through the existence of futures exchanges that a lot of businesses and services are able to function smoothly.

**Price Discovery:** Based on inputs regarding specific market information, the demand and supply equilibrium, weather forecasts, expert views and comments, inflation rates, Government policies, market dynamics, hopes and fears, buyers and sellers conduct trading at futures exchanges. This transforms in to continuous price discovery mechanism. The execution of trade between buyers and sellers leads to assessment of fair value of a particular commodity that is immediately disseminated on the trading terminal.

**Price Risk Management**: Hedging is the most common method of price risk management. It is strategy of offering price risk that is inherent in spot market by taking an equal but opposite position in the futures market. Futures markets are used as a mode by hedgers to protect their business from adverse price change. This could dent the profitability of their business. Hedging benefits who are involved in trading of commodities like farmers, processors, merchandisers, manufacturers, exporters, importers etc.

**Import- Export competitiveness:** The exporters can hedge their price risk and improve their competitiveness by making use of futures market. A majority of traders which are involved in physical trade internationally intend to buy forwards. The purchases made from the physical market might expose them to the risk of price risk resulting to losses. The existence of futures market would allow the exporters to hedge their proposed purchase by temporarily substituting for actual purchase till the time is ripe to buy in physical market. In the absence of futures market, it will be meticulous, time consuming and costly physical transactions.

**Predictable Pricing:** The demand for certain commodities is highly price elastic. The manufacturers have to ensure that the prices should be stable in order to protect their market share with the free entry of imports. Futures contracts will enable predictability in domestic prices. The manufacturers can, as a result, smooth out the influence of changes in their input prices very easily. With no futures market, the manufacturer can be caught between severe short-term price movements of oils and necessity to maintain price stability, which could only be possible through sufficient financial reserves that could otherwise be utilized for making other profitable investments.

**Benefits for farmers/Agriculturalists**: Price instability has a direct bearing on farmers in the absence of futures market. There would be no need to have large reserves to cover against unfavorable price fluctuations. This would reduce the risk premiums associated with the marketing or processing margins enabling more returns on produce. Storing more and being more active in the markets. The price information accessible to the farmers determines the extent to which traders/processors increase price to them. Since one of the objectives of futures exchange is to make available these prices as far as possible, it is very likely to benefit the farmers. Also, due to the time lag between planning and production, the market-determined price information disseminated by futures exchanges would be crucial for their production decisions.

**Credit accessibility:** The absence of proper risk management tools would attract the marketing and processing of commodities to high-risk exposure making it risky business activity to fund. Even a small movement in prices can eat up a huge proportion of capital owned by traders, at times making it virtually impossible to pay back the loan. There is a high degree of reluctance among banks to fund commodity traders, especially those who do not manage price risks. If in case they do, the interest rate is likely to be high and terms and conditions very stringent. This possesses a huge obstacle in the smooth functioning and competition of commodities market. Hedging, which is possible through futures markets, would cut down the discount rate in commodity lending.

**Improved product quality**: The existence of warehouses for facilitating delivery with grading facilities along with other related benefits provides a very strong reason to upgrade and enhance the quality of the commodity to grade that is acceptable by the exchange. It ensures uniform standardization of commodity trade, including the terms of quality standard: the quality certificates that are issued by the exchange-certified warehouses have the potential to become the norm for physical trade.

Source: https://www.mbaknol.com/investment-management/commodity-futures-meaning-objectives-and-benefits /

## BUSINESS OVERVIEW

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Letter of Offer, including the information contained in the section titled '**Risk Factors**', beginning on page no.20 of this Draft Letter of Offer.*

*This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled '**Risk Factors**' and the chapters titled '**Financial Statement**' and '**Management Discussion and Analysis of Financial Conditions and Results of Operations**' beginning on page no. 20, 84 and 144 respectively, of this Draft Letter of Offer.*

*Unless the context otherwise requires, in relation to business operations, in this section of this Draft Letter of Offer, all references to "we", "us", "our" and "our Company" are to Sakuma Exports Limited and Group Entities as the case may be.*

**Overview**

Sakuma Exports Limited (SEL) is based out of Mumbai and was established as a partnership firm in 1998 and subsequently reconstituted as a public limited company in August 2005 and a fresh certificate of incorporation was issued by RoC. The Company is involved in business of trading of agro-commodities like sugar, pulses, maize, cotton and rice and other agricultural commodities. Trading of Sugar by our Company contributes to the major part of Company's revenue. SEL majorly imports and exports to USA, Asia Continental, Africa Region, Far East Asia, Europe, Australia and Middle East. However, since the last 3 financial years, SEL is purchasing the agro commodity products such as sugar, maize and rice and other agricultural commodities from Indian Domestic Market and has not imported any of the products from outside India. SEL conducts its business activities and operations from a number of ports like Mundra, Nhava Sheva, Kandla, Mumbai, Haldia, Chennai, Kakinada and Vizag.

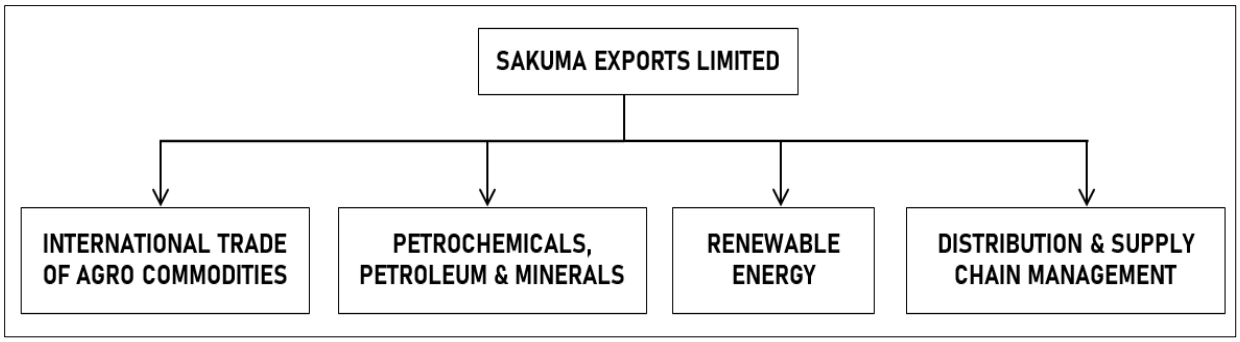
The Company has established its presence in agro commodity trading business under the leadership of Late Mr. Chander Mohan Malhotra and the current operations are managed by his son Mr. Saurabh Malhotra. Sakuma Group consist of SEL along with its six subsidiaries located at Dubai, Singapore, Ghana, Tanzania, Canada and Bahrain. For details on our subsidiaries, please refer to page no. ___ of the Draft Letter of Offer.

SEL is a GOI recognized Trading House and its share are listed in NSE & BSE. The Company was conferred with the Certificate of Recognition as an Export House in 2002 by the Joint Director General of Foreign Trade, Ministry of Commerce, GOI. The company is also awarded with Certificate for Excellence in Export of Castor Oil and Groundnut Kernels for FY 2005-2006 and ECGC-D & B Indian Exporters Excellence award in 2012. Owing to over 2 decades of experience in the agro commodity trading business, SEL has an established track record of operations and longstanding relationships with its customers. We have multinational import clients namely Tate & Lyle, Cargill, Louis Dreysus, Czarnikow, ED & F Man importing sugar from them. The Company's promoters have rich experience of two decades in this industry.

Mr. Saurabh Malhotra, aged 46 years, is the Promoter and Chairman Managing Director of our Company holds Post Graduate Diploma in Business Administration (Specialized in Finance) from Prin. L N Welingkar Institute of Management and Research, Mumbai. Responsible for developing exports and imports of number of commodities, keep himself updated by participating in business related summits, seminars, conventions, conference and extensive travelling. He keenly follows the global market conditions on day to day basis to identify, conceptualize and develop business strategies of the Company. He has an experience of 20 years of managing the agro commodity trading business..

Ms. Kusum Malhotra, aged 46 years, is the Promoter and Managing Director of our Company and holds Bachelor of Arts degree with 25 years of experience in the field of real estate and agro commodities industry. She is also the Director of Sakuma Infrastructure and Realty Pvt Ltd, Sakuma Finvest Pvt Ltd, MS Port Terminal Pvt Ltd, LT Sagar Coastal Transport Pvt Ltd, MKG Infra and Realty Pvt Ltd and Marwar Consultancy Pvt Ltd.

**Business Verticals of our Company**




SEL is primarily engaged in trading of Agro commodities of which Sugar and its by-products are the major products contributing to around 99.05 of its consolidated revenue in FY 2021-22. The balance of the business is contributed through the other agro commodities like grains and petroleum & minerals and Renewable Energy. SEL provides its customers and suppliers with tailor-made distribution solutions. SEL serves as one-stop-shop for hundreds of customers active in diverse end-market industries.

**Brief on our Consolidated Financials:**

**(Rs. In Lakhs)**

| Particulars | As on 31-12-2023 (Unaudited) | FY 2021-22 |
|---|---|---|
| Revenue | 217185.96 | 286032.21 |
| EBITDA | 3076.79 | 3808.76 |
| PAT | 1833.15 | 2758.23 |

**The following table sets forth our product wise and location wise sales as derived from the Audited Consolidated Financial Statements for FY 2021-22:**

**(Rs. In Lakhs)**

| Products | Country | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | USA | Europe | South & South East Asia including Malaysia & Singapore | Middle East Country Including UAE | Africa Region | India | Total | Product % |
| Sugar & by products | - | 34,821.50 | 92,566.52 | 61,578.52 | 3,427.63 | 90,231.10 | **2,82,625.27** | **99.05%** |
| Other Agro Commodities | - | - | 238.95 | 1,806.62 | 561.75 | 62.40 | **2,669.72** | **0.94%** |
| Renewable Energy | - | - | - | - | - | 48.81 | **48.81** | **0.02%** |
| **Total** | **-** | 34,821.50 | **92,805.47** | **63,385.14** | **3,989.38** | **90,342.31** | **2,85,343.80** | **100.00%** |
| **Country %** | **0.00%** | **12.21%** | **32.52%** | **22.21%** | **1.40%** | **31.66%** | **100.00%** | |

**Details on our Subsidiary Companies**

Sakuma Group consist of SEL along with its six subsidiaries. Details on our six subsidiaries are mentioned below:

**A) Sakuma Exim DMCC** bearing Registration Number: DMCC2991 was incorporated on 03-01-2012 having its registered office at Unit No: 2208 DMCC Business Centre Level No 1 Jewellery & Gemplex 3 Dubai United Arab Emirates. The main objects of the Sakuma Exim DMCC is a) To carry on all such business as the Dubai

Multi Commodities Centre Authority (the Authority) may permit under the terms of the license to be issued to it by Authority (the License). For this purpose the license shall be an integral part of Memorandum of Association; b) To carry on any other trade or business which can in the opinion of its Board of Directors and subject to the Authority's approval be advantageously carried on in connection with or as ancillary to any of the business or activity set out in the license; c) Notwithstanding the generality of the foregoing. the Company may not- (i) Carry on any banking or any business of financials brokerage or financials advisory services useless it is duly licensed by the competent UAE Authorities and (ii) Carry on business as an insurance or reinsurance agent or insurance broker useless it is duly licensed to do so by competent UAE Authorities. The capital of the Sakuma Exim DMCC is AED 50000 divided in to 50 shares of AED 1000.00**.** The brief financial details of Sakuma Exim DMCC derived from its audited financial statements, for Fiscals 2022, 2021 and 2020 are set forth below:

**(Amount in Lakhs)**

| Particulars | 2022 | 2021 | 2020 |
|---|---|---|---|
| **Exchange rate** | **20.635** | **19.905** | **20.60** |
| Equity Capital | 10.32 | 9.95 | 10.30 |
| Reserves (excluding revaluation reserve) and Surplus | 12842.87 | 12395.75 | 12459.57 |
| **Net Worth** | **12853.19** | **12405.70** | **12469.87** |
| Revenue Including other income | 35806.63 | 26010.00 | 98596.91 |
| Less: Expenses | 35401.42 | 25653.45 | 97879.38 |
| Profit before tax | 405.21 | 356.54 | 717.54 |
| Less: Tax Expenses | 0.00 | 0.00 | 0.00 |
| **Profit/ (Loss) after tax** | **405.21** | **356.54** | **717.54** |
| Note: We have taken exchange rate as on 31st March of respective years in order to convert in Indian rupees | | | |

**B) Sakuma Exports PTE Limited** bearing Company Number: 201302691Z was incorporated on 25-01-2013 having its registered office at 10 Jalan Besar #10-12, Sil Lim Tower Singapore (208787). The main objects of the Company is to carry on business of wholsesale of a general line (Wide Range) of groceries (E.G. Cereals, Sugar, Edible oils, Sauces and Dairy Products). The share capital of Sakuma Exports PTE Limited is 3165004 US $ divided in to 402530 shares. he brief financial details of Sakuma Exports PTE Limited derived from its audited financial statements, for Fiscals 2022, 2021 and 2020 are set forth below:

**(Amount in Lakhs)**

| Particulars | 2022 | 2021 | 2020 |
|---|---|---|---|
| Exchange Rate | 75.8071 | 73.505 | 75.39 |
| Equity Capital | 2399.30 | 2326.44 | 2386.10 |
| Reserves (excluding revaluation reserve) and Surplus | 1867.50 | 1763.38 | 1738.95 |
| **Net Worth** | **4266.79** | **4089.81** | **4125.04** |
| Revenue Including other income | 1297.46 | 4583.83 | 12626.48 |
| Less: Expenses | 1243.37 | 4517.30 | 12584.97 |
| Profit before tax | 54.09 | 66.53 | 41.51 |
| Less: Tax Expenses | 5.20 | -1.37748 | 2.78 |
| Profit/ (Loss) after tax | 48.89 | 67.91 | 38.73 |
| Note: We have taken exchange rate as on 31st March of respective years in order to convert in Indian rupees | | | |

**C) GK Exim W.L.L.** bearing Registration Number: 134167 was incorporated on 17-10-2019 having its registered office at Flat / Shop 101, Building 1900 , Road, Block 255 Qalali, Bahrain. The main objects of the Company is goods, re- exports and other logistics value added services. The share Capital is BHD 20,000 divided in to 400 shares of BHD 50 each. The brief financial details of GK Exim W.L.L. derived from its audited financial statements, for Fiscals 2022, 2021 and 2020 are set forth below:

**(Amount in Lakhs)**

| Particulars | 2022 | 2021 | 2020 |
|---|---|---|---|
| **Exchange Rate** | **201.04** | **193.89** | **200.69** |
| Equity Capital | 40.21 | 38.78 | 40.14 |
| Reserves (excluding revaluation reserve) and Surplus | -12.05 | -9.36 | -7.33 |

| Particulars | 2022 | 2021 | 2020 |
|---|---|---|---|
| **Net Worth** | 28.16 | 29.42 | 32.80 |
| Revenue Including other income | 0.00 | 0.00 | 0.00 |
| Less Expenses | 2.35 | 2.27 | 7.33 |
| Profit before tax | -2.35 | -2.27 | -7.33 |
| Less Tax Expenses | 0.00 | 0.00 | 0.00 |
| **Profit/ (Loss) after tax** | -2.35 | -2.27 | -7.33 |
| Note: We have taken exchange rate as on 31st March of respective years in order to convert in indian rupees | | | |

**D) Sakuma Exports Canada Ltd** bearing COI BC1085465 was incorporated on 09-06-2016 having its registered office at P O Box 49130, 2900-595, Burrard Street Vancouver BC V7X1J5, Canada. The main objects of the Company is trading of agro commodities. The share capital of Sakuma Exports Canada Ltd is 100 CAD divided into 100 shares. Due to the global pandemic leading to lockdown and worsening economic instability in the region, Sakuma Exports Canada Ltd was not able to carry any business activities and thus financials are not available.

**E) Sakuma Exports (Ghana) Limited** bearing COI CB-1,174 was incorporated on 06-06-2013 having its registered office at P M B No: 10 community IPO, No: 1 /F 33, Site 4 community 1 Tema, Ghana West Africa. The main objects of the Company is General wholesale trade and Importer and Exporter of goods. The share capital of Sakuma Exports (Ghana) Limited is 500,000,000 GHC divided into 500,000,000 shares. Due to the global pandemic leading to lockdown and worsening economic instability in the region, Sakuma Exports (Ghana) Limited was not able to carry any business activities and thus financials are not available.

**F) Sakuma Exports Tanzania Pvt. Ltd** bearing COI 100993 was incorporated on 22-07-2013 having its registered office at 5th Floor, Red Cross Building, Junction of Morogoro Road / Bibititi Road, P o Box 7141, Dar Es Salaam, Tanzania. The main objects of the Company is General wholesale trade and Importer and Exporter of goods. The share capital of Sakuma Exports Tanzania Pvt. Ltd is Tanzania Shrilling Three Hundred twenty million only (T.sh 320,000,000) only divided in to Three hundred twenty (320) ordinary shares of Tanzanian Shilingi One Million (T.shs.100000) Each. Due to the global pandemic leading to lockdown and worsening economic instability in the region, Sakuma Exports Tanzania Pvt. Ltd was not able to carry any business activities and thus financials are not available.

**OUR COMPETITIVE STRENGTHS:**

**Establish Track record and experience management**

SEL was promoted by Late Mr. Chander Mohan Malhotra and is currently managed by the second generation, Mr. Saurabh Malhotra, the promoters of the group have been engaged in the same industry for more than two decades. SEL along with its six subsidiaries has two decades of operational track record in trading of Agro commodity products. The extensive experience of the promoters is also reflected through the established relationship with its customers and suppliers. The key customers of SEL along with its six subsidiaries include reputed names like COFCO International Singapore Pte Ltd, Wilmar Sugar PTE Limited, Viterra BV, EDF & MAN Commodities and other international agro commodities traders with no major concentration in revenues. Also, under the leadership of experienced Promoters and their established network, SEL has demonstrated the ability to sustain their liquidity during the pandemic, aided by diversified product profile and wide geographical presence. SEL's geographical outreach spans to countries in the Middle East, South and South-East Asia, Far East, Australia, Europe, Commonwealth Independent States and Africa. The senior management team is supported by a strong line of mid-level managers. SEL will continue to leverage its established position, long track record of operations and established relations with its customers and suppliers.

**Highly diversified product range and product specific**

SEL has wide list of agro commodities thereby enabling it to strategize and switch over exports/imports from one commodity to another in accordance with change in demand or inconsistency in pricing for any commodity during any season. Our procurement team continuously monitors and undertakes deep research of the current trends and demand of agricultural produce and commodities in the market and accordingly it easily switches over to the

agricultural produce or commodity in demand. This policy adopted by the management ensures that the Company does not pass through a lean period during the year.

**Quality Standards**

We believe that qualitative products are the bed-rock for successful business growth. We follow stringent quality standards in our trade for all the goods before dispatching the same to our customers. We are FSSAI, RCMC, APEDA certified for our areas of operations.

**Well Established Supply and Logistic Chain**

Being in the industry of import export since decades, we have established a strong supply chain for smooth, easy process and timely delivery of our goods internationally. Besides due to reputation gained and maintaining of the long term relationships, we have been easily able to procure our products domestically.

**Strong Risk Management**

In today‘s volatile markets, our clients look for a steady expertise to help them manage their exposure to price risk. Over the years, we have been identifying, measuring and managing our own exposure to risk and are well aware of the operating and financial risks in our businesses. We work closely with all departments to measure our exposure to risk and quantify our risk tolerance. Then we develop and execute sound strategies that diminish the volatility. By managing our risk, we help our keep costs within an established range and preserve the potential to capture the upside of an opportunity. Our ability to provide risk-managed supply chains makes us a reliable supplier to clients and dealers across businesses.

**Long term relationship with clients and repeat business**

SEL enjoys a good reputation and despite increase in competition, have received repeat orders from several of our prominent clients. Our clients are spread across the country and overseas and have been associated with us for a long term period. We constantly try to address our clients' requirements which help us to maintain a long-term working relationship with our clients and improve our retention strategy. The portfolio of our existing clients gives us a competitive advantage in gaining new clients and increasing our business.

**Experience of Promoters in trading of agricultural commodities**

SEL was incorporated by its Promoter and founder chairman, the Late Chandan Mohan Malhotra and his son, Mr. Saurabh Malhotra, in 1998. The promoters have been involved in the trading of agricultural commodities for around two decades. Over the years, hawse has established strong relationships with customers and suppliers across the globe.

**OUR BUSINESS STRATEGY**

**Increase Geographical Presence**

We are currently operating out of our registered and corporate office based in Mumbai. Currently, we export to USA, Asia Continental, Africa Region, Far East Asia, Europe, Australia and Middle East. Going forward we plan to expand our scale of operations as well as growing our supply chain network which we believe will provide attractive opportunities to grow our client base and revenues in the future.

We also intend to adopt a very calculative and aggressive marketing strategy which is essential in the expanding Import-Export Business in newer markets. Our management intends to support this marketing effort with the activities that are done at the grass root level and through field works thereby maintaining regular communications and meetings.

**Focus on Increase in Volume of Sales**

As part of our business strategy, we intend to focus on increasing the volume of sales in the markets we are currently catering too. As an import-export, trading and distribution company we want to focus on larger volume of sales by extending our market segments and by further addition of new products in our current portfolio to achieve our targeted sales.

**Continue to develop client and supplier relationships**

We plan to grow our business primarily by growing the number of client and supplier relationships; as we believe that increased client and supplier relationships will add stability to our business. We seek to build on existing relationships and also focus on bringing into our portfolio more clients and supplier. Our Company believes that business is a by-product of relationship. Our Company believes that a long-term client relationship as large clients reap fruitful returns. Long-term relations are built on trust and continuous meeting with the requirements of the customers.

**Impact of COVID-19 on our business operations**

The current outbreak of COVID-19 pandemic has adversely impacted the global economy. The World Health Organization declared the outbreak of COVID-19 as a public health emergency of international concern on January 30, 2020 and a pandemic on March 11, 2020. The Government of India announced a nation-wide lockdown on March 24, 2020 and imposed several restrictions. Subsequently in view of the second wave of COVID-19, various state governments had imposed a complete lockdown on or about the beginning of May, 2021. However, as we are engaged in import/export and trading of agricultural produce and commodities which are 'essential goods', our operations were not shut down during this pandemic. However, due to limited availability of labour, logistics and supply chain constraints, our business was impacted during the initial period of the lockdown. We continued our operations and business activities after making arrangements to meet the government's requirements on santization, people movement and social distancing.

**Marketing Approach**

We have a strong sales and marketing team which is headed by Associate Directors Mr. Tarun Malhotra and Mr. Sanjay Upadhyay. Our marketing network and relationship with the customers is critical for success of our Company. Our team through their vast experience and good rapport with clients owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company. Our relationship with the clients is strong and established. To retain our customers, our team regularly interacts with them and focuses on gaining an insight into the additional needs of customers. We intend to expand our existing customer base by expanding to other geographies.

**Warehousing Facility**

Our Company imports and exports the procured agricultural produce and commodities both directly and through other merchants and brokers. The logistics set up and the nature of commodities being dealt by the Company does not necessitate a need of permanent warehousing facilities. The Company presently exports its consignments from a number of Indian ports like Bombay Port Trust, Mundra, Jawaharlal Nehru Port Trust, Kandla, Chennai, Kakinaka and Visakhapatnam.

**Competition**

Our competitors include both large and small, local and other international players, organized and unorganized importer, exporter, traders and distributors in the regions and areas where we operate. We also face competition from various small unorganized operators in the regional segment. However, we expect that our commitment to quality, past record of timely execution and transparency will provide us with an edge over our competitors.

**Utilities and Infrastructure**

Our registered office and Rented warehouse are well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly.

**Insurance**

Our Company maintains insurance against various risks inherent in our business activities, including property damage caused by fire, earthquake, flood, burglary, explosion and similar catastrophic events that may result in physical damage to or destruction of our stocks. Our Insurance Coverage risk from the factory till the destination port. Although we consider our insurance coverage to be of a type and level that is economically prudent, we cannot assure you that we will be able to maintain insurance at rate which we consider commercially reasonable or that such coverage will be adequate to cover any claims that may arise. Overall, we generally maintain insurance covering our assets and operations at levels that we believe to be appropriate for our business.

**Plant & Machinery**

As on date of Draft Letter of Offer, Our Company does not possess any major plant & machinery.

**Collaborations**

We have not entered into any technical or financial or any other collaboration agreement as on the date of filing the Draft Letter of Offer.

**Import-Export Obligations**

There are no Import-Export Obligations as on date of filing this Draft Letter of Offer.

**Manpower**

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business. All our employees are permanent employees and on the payroll of our Company. The table below shows the functional breakdown of our employees as on December 31, 2023:

| Function / Department | Number of Employees |
|---|---|
| Senior Management | 10 |
| Purchase Management Team | 10 |
| Sales & Marketing Team | 12 |
| Logistics Team | 45 |
| Finance, Internal Audit and Accountant | 15 |
| Legal Team | 2 |
| HR and Admin Team | 2 |
| **Total** | **96** |

**OUR PROPERTIES**

The detail of our property is as follows:

| Sr. No. | Lease Date & term of lease | Name of the Lessor | Name of the Lessee | Location of the Property | Lease Fee | Usage Purpose |
|---|---|---|---|---|---|---|
| 1) | 01-7-2020; 5 years w.e.f. 01-07-2020 | Ms. Kusum Malhotra & Sakuma Infrastructure & Realty Pvt. Ltd | Sakuma Exports Ltd | Aurus Chamber, A 301-302, Near Mahindra Tower, S S Amrutwar Lane, Worli-400013, Mumbai, Maharashtra, India | Rs. 5.25 Lakhs p.m. | Used as Registered office |

| Sr. No. | Lease Date & term of lease | Name of the Lessor | Name of the Lessee | Location of the Property | Lease Fee | Usage Purpose |
|---|---|---|---|---|---|---|
| 2) | 31-012023; 11 months 29 days w.e.f. 31-012023 | Mr. Karan Nitinbhai Bhat | Sakuma Exports Ltd | Shop No. 603, 6th Floor, Rashmi Growth Hub, Opp. Shreeya Residency, Nr. 200 Ft. S.P. Rong Road Circle, Odhav, Ahmedabad, Gujarat 382415 | Rs. 6,000 p.m. | Used as Branch office |
| 3) | 27-07-2022; 24 months w.e.f. 01-08-2022 | Mr. N. Kamalakannan- | Sakuma Exports Ltd | 2nd Door No. 70-3-48/2C, Penthouse, Vaidyanagar-1, Road No. 1, Ramanayyapet, East Godavari, Andhra Pradesh 533005 | Rs. 4,500 p.m. | Used as Branch office |
| 4) | 27-07-2022; 24 months w.e.f. 27-07-2022 | Mr. Subhash Agarwal | Sakuma Exports Ltd | A-295, Shastri Nagar, Jodhpur, Rajasthan 342001 | Rs. 5,500 p.m. | Used as Branch office |
| 5) | 06 08 2022; 11 months w.e.f. 01-05-2022 | Mrs. Khusbhu Sipani | Sakuma Exports Ltd | Room No. 426, 4th Floor, 545, G.T. Road (South), P.S. & District, Howarh 711101 | Rs. 6,600 p.m. | Used as Branch office |
| 6) | 27-07-2022; 22 months w.e.f. 01-08-2022 | Mr. DB Khona | Sakuma Exports Ltd | 6/25/2412/38 Shradhanand Gunj, Nizamabad, Telangana 503002 | Rs. 5,000 p.m. | Used as Branch office |
| 7) | 16-02-2023; 22 months w.e.f. 01-01-2023 | Mrs. P.S. M. Fariha | Sakuma Exports Ltd | Door No. 47, Old No. 23, Armenian Street, Chennai 600001 | Rs. 6,500 p.m. | Used as Branch office |

**INTELLECTUAL PROPERTY**

As on the date of this Draft Letter of Offer, Our Company has registered its logo with the Trade Mark Registry, Mumbai. Beside this, our company confirms that it has not made any other applications nor has it registered any other type of intellectual property including trademarks/copyrights/patents etc.

| | |
|---|---|
| **TM Name** | SAKUMA EXPORTS LIMITED SA KU MA |
| **TM/ Application No.** | 2423229 |
| **TM Type** | CLASS 35 |
| **Date of Registration/ Application** | 06-11-2012 |
| **Validity/ Renewal Date** | Renewed for a period of 10 years from 06-11-2022 |
| **Status** | Active |

**Corporate Social Responsibility**

Sakuma Group is also closely working with societies which it operates by touching upon some basic but most necessary needs such as EDUCATION and HEALTH CARE to ultimately address fundamental ethical issues such as inclusion, dignity and equality. Our CSR policy defines the framework for implementing CSR activities in compliance with Section 135 of the Companies Act, 2013 and rules framed thereunder. The CSR committee has been constituted as per the applicable act. We demonstrate our commitment towards our communities by committing our resources and energies to social development and we have aligned our CSR programs with legal requirements under the applicable Indian laws. We have spent an amount of Rs. 54.40 Lakhs and Rs. 67.90 Lakhs towards our CSR initiatives during FY 2022 and 2021 respectively.

## OUR MANAGEMENT

As per the Articles of Association and subject to the provisions of the Companies Act, our Company is required to have not less than (3) three Directors and not more than (15) fifteen Directors, unless otherwise determined by our Company through a special resolution. As on the date of this Draft Letter of Offer, our Board comprises of 6 (Six) Directors, of which 1 (One) Director is Managing Director, 3 (Three) Non-Executive Director out of which 1 (One) is a woman Director and 2 (Two) Non-executive Independent Directors. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act and the SEBI Listing Regulations.

**Our Board of Directors**

The following table sets forth the details regarding our Board as on the date of this Draft Letter of Offer**:**

| Name, Designation/Occupation, Address, Din No., Date of Birth, Occupation, Nationality | Date Of Appointment/ Re-appointment & Term | Other Directorships |
|---|---|---|
| **Mr. Saurabh Malhotra**<br>**S/o.** Mr. Chander Mohan<br>**Date of Birth:** 17-02-1976<br>**Age:** 46 years<br>**Designation:** Chairman cum Managing Director<br>**Address:** RNA Mirage, Flat No. 2502, Sudam Kalu Ahire Marg, Worli , Mumbai – 400 030<br>**DIN:** 00214500<br>**Occupation:** Business<br>**Nationality:** Indian | Appointed as Promoter Director w.e.f. 31-08-2010.<br><br>Re-appointed as Managing Director w.e.f. 01-09-2019 for a term of 5 years | • G. M. K. System And Logistics Private limited<br>• Samavama Infra And Realty Private limited<br>• Sakuma Finvest Private Limited<br>• Kuma Infra And Realty Private Limited |
| **Ms. Shipra Malhotra**<br>**D/o.** Mr. Chander Mohan<br>**Date of Birth:** 02-08-1972<br>**Age**: 49 years<br>**Designation:** Non-Executive Director<br>**Address:** T-37,603/604, Beverly Hills, Royal Empire CHSL, Lokhandwala Road Complex, Andheri, Mumbai-400 058<br>**DIN:** 01236811<br>**Occupation:** Business<br>**Nationality:** Indian | Appointed as Additional Director w.e.f. 25-01-2007;<br><br>Re-appointed as Non-Executive Director on w.e.f. 29-09-2021 and is liable to retire by rotation | Nil |
| **Mr. Vivek Madanlal Grover**<br>**S/o.** Mr. Mandanlal Thakurdas Grover<br>**Date of Birth:** 24-03-1974<br>**Age:** 48 years<br>**Designation:** Non- Executive Director<br>**Address:** 11 D, B Wing, White Spring Rivali Park, Western Express Highway ,Near Sai Baba Mandir, Borivali (East), Mumbai 400066<br>**DIN:** 03594740<br>**Occupation:** Business<br>**Nationality:** Indian | Appointed as Additional Director w.e.f. 29-05-2017.<br><br>Regularization Non-Executive Director w.e.f. 26-09-2017 and is liable to retire by rotation | • Ria International India Private Limited<br>• Organosynth Chemicals And Pharmaceuticals Private Limited |
| **Mr. Amit Shankar Amist**<br>**S/o.** Mr. Durga Shankar Amist<br>**Date of Birth:** 13-01-1974<br>**Age:** 47 years<br>**Designation:** Non-Executive Independent Director<br>**Address:** H.NO, 49, Duplex-1, Swarnim Vihar, Sector 82, Noida, Gautam Budh Nagar,Pin- | Appointed as Non-Executive Independent Director w.e.f. 13-02-2021;<br><br>Regularized w.e.f. 29-09-2021 for a term of 5 years | NIL |

| Name, Designation/Occupation, Address, Din No., Date of Birth, Occupation, Nationality | Date Of Appointment/ Re-appointment & Term | Other Directorships |
|---|---|---|
| 201304,Uttar Pradesh<br>**DIN:** 05305256<br>**Occupation:** Business<br>**Nationality:** Indian | | |
| **Mr. Radhe Shyam**<br>**S/o.** Mr. Madan Lal<br>**Date of Birth:** 12-06-1943<br>**Age:** 79 Years<br>**Designation:** Non-Executive Independent Director<br>**Address:** 4/801, Seawoods Estate, NRI Complex, Palm Beach Road, Navi Mumbai, Pin Code- 400 706<br>**DIN:** 00648805<br>**Occupation:** Service<br>**Nationality:** Indian | Appointed as Non-Executive Independent Director w.e.f. 08-09-2005 and is liable to retire by rotation<br><br>Re-appointed as Non-Executive Independent Director w.e.f. 01-04-2019 for a term of 5 years. | NIL |
| **Mr. Om Parkash Singal**<br>**S/o.** Mr. Tej Ram Singal<br>**Date of Birth:** 05-04-1946<br>**Age**: 76 years<br>**Designation:** Non-executive Independent Director<br>**Date of Appointment:**<br>**Address:** B-1205, Dosti Aster, Dosti Acres Complex SM Road Wadala (East) – Mumbai-400037, Maharashtra<br>**DIN:** 02585264<br>**Occupation:** Business<br>**Nationality:** Indian | Appointed as Additional Director w.e.f. 05-11-2012<br><br>Re-appointed as Non-Executive Independent Director w.e.f. 01-04-2019 for a term of 5 years. | • Elegant Marbles And Grani Industries Limited |

**Confirmations**

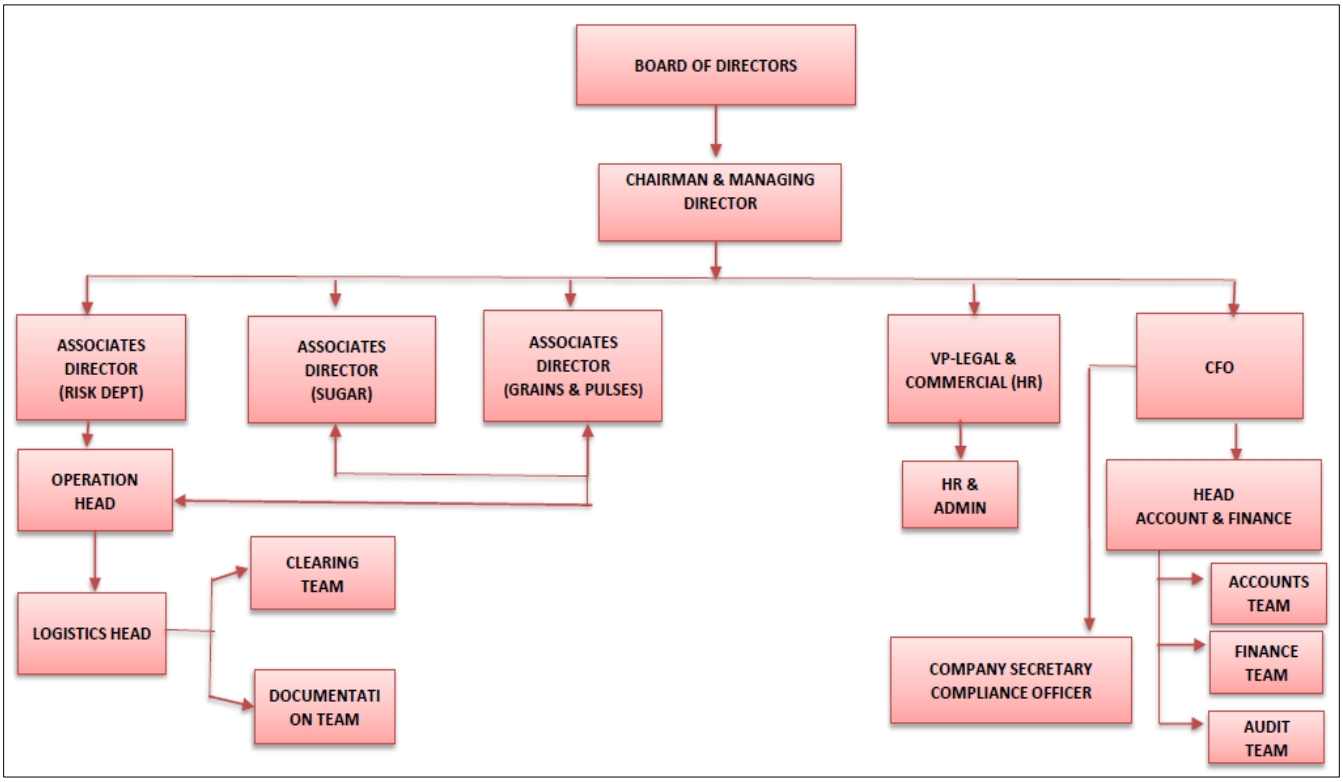
- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.
- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors is categorized or are on the RBI List of wilful defaulters.
- None of the Directors is categorized or are on the RBI List of fraudulent borrowers.
- None of our Directors are declared Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.
- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Letter of Offer, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such company:
- None of our Directors is or was a director of any listed company whose shares have been or were delisted from the Stock Exchange(s), during the term of their directorship in such company in the past 10 years.
- None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

For details on legal cases, please refer to the chapter titles "***Outstanding Litigations And Material Information and Developments***" beginning on page 194 of this Draft Letter of Offer.

**Our Key Management Personnel and Senior Management Personnel**

| Name | Designation | Date of Appointment/ Re-Appointment (as the case may be) |
|---|---|---|
| **Key Management Personnel** | | |
| Mr. Saurabh Malhotra | MD | 01-09-2019 |
| Mr. Devesh Sureshchandra Mishra | CFO | 07-02-2019 |
| Ms. Khyati Bipin Jobanputra | CS & Compliance Officer | 14-02-2022 |
| Mr. Tarun Malhotra | Associate Director | 14-02-2022 |
| Mr. Sanjay Upadhyay | Associate Director | 14-02-2022 |

**Organization Structure of our Company**



## SECTION V: FINANCIAL INFORMATION

## FINANCIAL STATEMENTS


| Sr. No. | Particulars | Page Number |
|---|---|---|
| 1. | Limited Review Report for 9 months ending on December 31, 2022 | 85 |
| 2. | Audited Consolidated Financial Statements of our Company as at and for the financial year ended March 31, 2022 | 92 |


**Material changes and commitments, if any, affecting our financial position**

There are no material changes and commitments, which are likely to affect our financial position since December 31, 2022 till date of this Draft Letter of Offer. We have not given Restated Financials because we fall under Part B of SEBI (ICDR), 2018.

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# M. L. SHARMA & CO. (Regd.)
CHARTERED ACCOUNTANTS

1107, The Summit Business Bay, Behind Guru Nanak Petrol Pump, Off. Andheri Kurla Road, Andheri (East), Mumbai - 400 069.
☎ : (022) 6852 5200 / 6852 5202 • E-mail : mlsharma@mlsharma.in


**Independent Auditor's Limited Review Report on Unaudited Standalone Financial results of the Company for the Quarter Ended on December 31, 2022, and year to date results for the period from April 01, 2022, to December 31, 2022, pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors**
**Sakuma Exports Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results ('the Statement') of **Sakuma Exports Limited** ('the Company') for the quarter ended on December 31, 2022 and year to date from April 01, 2022 to December 31, 2022 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"), as amended, read with SEBI Circular No. CIR/CFD/CMD1/80/2019 dated July 19, 2019 ('the Circular'), including other relevant circulars issued by the SEBI from time to time.

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act') as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India.Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For M. L. Sharma & Co.,**
**Firm Reg. No. 109963W**
**Chartered Accountants**

M. L. SHARMA & CO. CHARTERED ACCOUNTANTS

**Place of Signature: Mumbai**
**Date: 14th February 2023**

**(Jinendra D. Jain) Partner**
**Membership No. 140827**
**UDIN – 23140827BGPMFN4168**

# M. L. SHARMA & CO. (Regd.)
CHARTERED ACCOUNTANTS

1107, The Summit Business Bay, Behind Guru Nanak Petrol Pump, Off. Andheri Kurla Road, Andheri (East), Mumbai - 400 069.
☎ : (022) 6852 5200 / 6852 5202 • E-mail : mlsharma@mlsharma.in


**Independent Auditor's Limited Review Report on Unaudited Consolidated Financial results of the Company for the Quarter Ended on December 31,2022, and year to date results for the period from April 01, 2022, to December 31, 2022, Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

**To the Board of Directors**
**Sakuma Exports Limited**

We have reviewed the accompanying statement of unaudited Consolidated financial results ('the Statement') of **Sakuma Exports Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') for the quarter ended on December 31,2022 and year to date from April 01, 2022 to December 31, 2022 ("the Statement"), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended read with SEBI Circular No. CIR/CFD/CMD1/80/2019 dated July 19, 2019 ('the Circular') ("the Regulation"), including relevant circulars issued by the SEBI from time to time.

This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34"Interim Financial Reporting"('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act') as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29th March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

The Statement includes the results of the following entities:

i. Sakuma Exports Pte. Ltd.
ii. Sakuma Exim DMCC
iii. GK Exim FZE S.P.C.

Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, as amended, read with relevant rules issued thereunder and other accounting

principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)read with SEBI Circular No. CIR/CFD/CMD1/80/2019 dated July 19, 2019 ('the Circular'), including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Other Matters**

We did not audit the financial statement / financial information of One subsidiary included in the consolidated financial results, whose financial statement / financial information reflect Group's share of total revenues of Rs.4,251.57 Lakhs and Rs. 16,252.01 Lakhs, Group's share of total net profit after tax of Rs. 37.53 Lakhs and Rs. 214.92 Lakhs, Group's share of total comprehensive profit of Rs. Rs. 37.53 Lakhs and Rs. 214.92 Lakhs, for the quarter ended December 31, 2022, and for the period from April 01, 2022 to December 31, 2022, respectively as considered in the consolidated financial results. This financial statement / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiary is based solely on the reports of the other auditor and the procedures performed by us as stated in paragraph above.

Our opinion on the Statement is not modified in respect of the above matters

The accompanying Statement of unaudited consolidated financial results include unaudited interim financial results and other unaudited financial information in respect of **Two** subsidiaries which have not been reviewed by their auditors, whose interim financial results (before eliminating inter-company transactions) reflect Group's share of total revenues of Rs. NIL Lakhs and Rs. 9.559.47 Lakhs, Group's share of total net profit (loss) after tax of Rs. (3.73) Lakhs and Rs. 15.76 Lakhs, Group's share of total comprehensive profit (loss) of Rs. (3.73) Lakhs and Rs. 15.76 Lakhs, for the quarter ended December 31,2022, and for the period from April 01, 2022, to December 31, 2022, respectively, as considered in the Statement. These unaudited interim financial results and other unaudited financial information have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of these subsidiaries is based solely on such unaudited interim financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our conclusion is not modified in respect of this matter.

**For M. L. Sharma & Co.,**
**Firm Reg. No. 109963W**
**Chartered Accountants**

M. L. SHARMA & CO. CHARTERED ACCOUNTANTS

**Place of Signature: Mumbai**
**Date: 14th February 2023**

**(Jinendra D. Jain) Partner**
**Membership No. 140827**
**UDIN – 23140827BGPMFO8725**

**Sakuma Exports Limited**

**CIN: L51909MH2005PLC155765**

**Consolidated Balance Sheet as at December 31, 2022**

| | Particulars | Note No | For the period ended Dec 31, 2022 | For the period ended Dec 31, 2021 |
|---|---|---|---|---|
| A | **ASSETS** | | | |
| 1 | **Non-current assets** | | | |
| | (a) Property, plant and equipment | 3 | 263.24 | 363.10 |
| | (b) Right-of-use Asset | | 114.81 | - |
| | (c) Intangible assets | 4 | 0.48 | 0.56 |
| | (d) Financial Assets | | | |
| | (i) Investment in Subsidiaries | | - | - |
| | (ii) Investment - Others | 5 | 2.60 | 2.60 |
| | (iii) Loans, Advances and Deposits | 6 | 75.75 | 90.00 |
| | (e) Other Non - Current Assets | 7 | 2,825.72 | 10.10 |
| | (f) Deffered Tax Assets (Net) | | - | 324.08 |
| | | | 3,282.39 | 790.44 |
| 2 | **Current assets** | | | |
| | (a) Inventories | 8 | 17,299.82 | 19,141.74 |
| | (b) Financial Assets | | - | - |
| | (i) Trade receivables | 9 | 40,102.73 | 29,339.81 |
| | (ii) Cash and cash equivalents | 10 | 427.35 | 1,224.51 |
| | (iii) Balances with Banks other than (ii) above | 11 | 33.34 | 628.07 |
| | (iv) Investment - Others | 12 | - | - |
| | (v) Loans, Advances and Deposits | 7 | 934.75 | 51.79 |
| | (vi) Other financial assets | 13 | 3.14 | 551.80 |
| | (c) Other current assets | 14 | 9,925.98 | 5,442.38 |
| | (d) Income Tax (Net of Provisions) | 15 | 232.90 | - |
| | | | 68,959.59 | 56,380.09 |
| | **TOTAL - ASSETS (A)** | | 72,242.39 | 57,170.53 |
| B | **EQUITY AND LIABILITIES** | | | |
| 1 | **Shareholder's funds** | | | |
| | (a) Equity Share Capital | 16 | 2,345.59 | 2,345.59 |
| | (b) Other Equity | 17 | 38,532.01 | 34,283.45 |
| | | | 40,877.60 | 36,629.05 |
| 2 | **Non-current liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Long Term Borrowings | 18 | 172.56 | 207.43 |
| | (b) Deferred tax liabilities (net) | | 2,886.67 | 2,539.27 |
| | (ii) Lease Liabilities | 19 | 46.43 | 66.18 |
| | (b) Provisions | 20 | 175.06 | - |
| | | | 3,280.72 | 2,812.88 |
| 3 | **Current liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 21 | 13,055.19 | 6,624.37 |
| | (ii) Trade payables | 22 | - | - |
| | (a) total outstanding dues of micro enterprises and small enterprises | | 1,247.43 | - |
| | (b) total outstanding dues of creditors other than micro enterprises and small enterprises | | 8,771.89 | 2,618.34 |
| | (iii) Other financial liabilities | 23 | 84.75 | 1,066.85 |
| | (b) Other current liabilities | 24 | 4,913.33 | 7,219.86 |
| | (c) Current Provisions | 20 | 11.48 | 15.88 |
| | (b) Income Tax Provisions (Net) | 21 | - | 183.30 |
| | | | 28,084.07 | 17,728.60 |
| | **TOTAL - EQUITY AND LIABILITIES (B)** | | 72,242.39 | 57,170.53 |
| | **Corporate Information & Significant Accounting Policies** | 1 &2 | | |

**For Sakuma Exports Limited**

**Authorised Signatory**
**Devesh Mishra**
**Chief Financial Officer**

SAKUMA EXPORTS LTD. MUMBAI

**Sakuma Exports Limited**

**CIN: L51909MH2005PLC155765**

**Consolidated Statement of Profit and Loss for the preiod ended December 31, 2022**

| | Particulars | Note No | For the period ended Dec 31, 2022 | For the period ended Dec 31, 2021 |
|---|---|---|---|---|
| 1 | Revenue from operations | 22 | 216,720.83 | 166,788.93 |
| 2 | Other income | 23 | 465.13 | 203.24 |
| 3 | **Total revenue (1+2)** | | **217,185.96** | **166,992.17** |
| 4 | **Expenses** | | | |
| | (a) Purchases of Stock-in-trade | | 198,824.65 | 159,494.39 |
| | (b) Changes in inventories of stock-in-trade | 24 | (9,167.76) | (14,492.30) |
| | (c) Employee benefits expense | 25 | 485.55 | 428.83 |
| | (d) Finance costs | 26 | 425.10 | 221.01 |
| | (e) Depreciation and amortisation expenses | 27 | 110.02 | 142.14 |
| | (f) Other expenses | 28 | 23,966.74 | 19,378.06 |
| | **Total expenses** | | **214,644.29** | **165,172.13** |
| 5 | **Profit / (Loss) before exceptional items and tax (3 - 4)** | | 2,541.67 | 1,820.04 |
| 6 | Exceptional items | | - | - |
| 7 | **Profit / (Loss) before tax (5 + 6)** | | **2,541.67** | **1,820.04** |
| 8 | **Tax expense:** | 29 | | |
| | (a) Current tax | | 598.24 | 615.93 |
| | (b) Prior period tax | | 0.19 | - |
| | (c) Deferred tax | | 110.08 | (217.33) |
| | Total Tax Expenses | | **708.51** | **398.59** |
| | **Profit / (Loss) for the Year (7 + 8)** | | **1,833.15** | **1,421.45** |
| 10 | **Other Comprehensive Income** | | | |
| | **Items that will not be reclassified subsequently to statement of profit and loss** | | - | - |
| | Remeasurements gains/(losses) on defined benefit plans | | 21.69 | 10.16 |
| | Income tax relating to above | | (5.46) | (2.56) |
| | **Total Other Comprehensive Income transferred to P&L** | | **16.23** | **7.61** |
| | **Items that will be reclassified subsequently to statement of profit and loss** | | | |
| | Remeasurements gains/(losses) on cash flow hedge | | 8.30 | 230.10 |
| | Income tax relating to above | | (2.09) | - |
| | | | 6.21 | 230.10 |
| | **Total Other Comprehensive transferred to reserve** | | (6.21) | (230.10) |
| 11 | **Total Comprehensive Income for the year(9+10)** | | 1,849.38 | 1,429.05 |
| 12 | **Earnings per share (Face Value of ` 1/- each):** | | | |
| | (a) Basic | | 0.79 | 0.61 |
| | (b) Diluted | | 0.79 | 0.61 |
| | **Corporate Information & Significant Accounting Policies** | 1 &2 | | |

**For Sakuma Exports Limited**

**Authorised Signatory**
**Devesh Mishra**
**Chief Financial Officer**

SAKUMA EXPORTS LTD MUMBAI

**SAKUMA EXPORTS LTD.**

**SAKUMA EXPORTS LIMITED**

**Statements of Standalone Unaudited Financial Results for the Quarter and Period ended December 31, 2022**

₹ in Lakhs

| Sr. No. | PARTICULARS | Standalone | | | Standalone | | Standalone |
|---|---|---|---|---|---|---|---|
| | | Quarter Ended | | | Nine Month Ended | | Year Ended |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| | | 31-Dec-22 | 30-Sep-22 | 31-Dec-21 | 31-Dec-22 | 31-Dec-21 | 31-Mar-22 |
| 1 | **Income** | | | | | | |
| a) | Revenue from operations | 76,431.50 | 30,700.95 | 60,438.93 | 193,091.90 | 146,199.69 | 252,616.13 |
| b) | Other Operating Revenue | 140.23 | 182.08 | 50.57 | 565.28 | 124.15 | 549.05 |
| c) | Other Income | 164.87 | 243.21 | (149.73) | 465.13 | 210.88 | 700.93 |
| | **Total Income** | **76,736.60** | **31,126.24** | **60,339.77** | **194,122.31** | **146,534.72** | **253,866.11** |
| 2 | **Expenditure** | | | | | | |
| a) | Cost of Materials Consumed | - | - | - | - | - | - |
| b) | Purchase of Stock-in-trade | 83,064.65 | 18,402.68 | 60,375.31 | 178,243.04 | 140,571.98 | 226,419.11 |
| c) | Change in Inventories of Finished goods, WIP & Stock in trade | (15,801.51) | 6,438.75 | (9,046.04) | (9,167.76) | (14,492.30) | (3,482.62) |
| d) | Employee benefits expense | 152.59 | 152.16 | 121.18 | 455.14 | 373.69 | 531.37 |
| e) | Finance Cost | 197.16 | 67.92 | 102.00 | 421.38 | 202.95 | 351.25 |
| f) | Depreciation and Amortization expenses | 36.90 | 36.74 | 48.88 | 110.02 | 142.14 | 190.38 |
| g) | Other expenses | 8,157.50 | 5,600.11 | 8,097.31 | 21,788.53 | 18,057.25 | 26,939.61 |
| | **Total Expenditure** | **75,827.29** | **30,698.36** | **59,698.64** | **191,850.35** | **144,855.71** | **250,949.10** |
| 3 | **Profit From Operation before Exceptional Items (1-2)** | **909.31** | **427.88** | **641.13** | **2,271.96** | **1,679.01** | **2,917.01** |
| 4 | Exceptional Items | - | - | - | - | - | - |
| 5 | **Profit from Ordinary activities before tax (3+4)** | **909.31** | **427.88** | **641.13** | **2,271.96** | **1,679.01** | **2,917.01** |
| 6 | Tax expenses | | | | | | |
| | Current Tax | 236.32 | 123.92 | 179.20 | 598.24 | 615.11 | 793.04 |
| | Prior Period Tax | - | - | - | | - | (21.57) |
| | Deffered Tax | (1.87) | 11.37 | (84.58) | 110.08 | (217.33) | (127.12) |
| | **Total Tax Expenses** | **234.45** | **135.29** | **94.62** | **708.32** | **397.78** | **644.35** |
| 7 | **Net Profit from ordinary activities after tax (5-6)** | **674.86** | **292.59** | **546.51** | **1,563.64** | **1,281.23** | **2,272.66** |
| 8 | Extraordinary items (net of Tax expenses) | | | | | | |
| 9 | **Net Profit (+) / Loss (-) for the period (8-9)** | **674.86** | **292.59** | **546.51** | **1,563.64** | **1,281.23** | **2,272.66** |
| 10 | Other Comprehensive Income / (Expenses) (Net Of Tax) | | | | | | |
| | Items that will not be reclassified subsequently to statement of profit and loss | | | | | | |
| | Remeasurements gains/(losses) on defined benefit plans (Net) | 6.49 | 8.95 | (1.55) | 16.23 | 7.61 | 13.89 |
| | **Total Other Comprehensive Income for the period** | **6.49** | **8.95** | **(1.55)** | **16.23** | **7.61** | **13.89** |
| 11 | **Total Comprehensive Income (9+10)** | **681.35** | **301.54** | **544.96** | **1,579.87** | **1,288.84** | **2,286.55** |
| 12 | Paid-up equity share capital (FV of ₹1 per share) | 2,345.59 | 2,345.59 | 2,345.59 | 2,345.59 | 2,345.59 | 2,345.59 |
| | Weighted Average Equity Share Capital (FV of ₹1 per sh) | 2,345.59 | 2,345.59 | 2,345.59 | 2,345.59 | 2,345.59 | 2,345.59 |
| | Other Equity | - | - | - | - | - | 23,107.24 |
| 13 | **Earnings Per Share (EPS)** | | | | | | |
| | **Basic and diluted EPS before and after Extraordinary items for the period (not to be annualised) (In ₹)** | **0.29** | **0.13** | **0.23** | **0.67** | **0.55** | **0.97** |

**Notes**

1. The above Unaudited Standalone financial results for the Quarter / Period ended December 31, 2022 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on Febuary 14, 2023. The Auditors have issued an unqualified Audit opinion on these results.

2. The Financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with relevant rules of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment ) Rules, 2016.

3. Companys' business activity falls within a single primary business segment i.e. trading in agro products, hence no separate information is disclosed.

4. Previous Years figures have been regrouped / rearranged wherever considered necessary to confirm to the current period classification and grouping.

Place: Mumbai
Date: February 14, 2023

Mr. Saurabh Malhotra
Chairman and Managing Director
(DIN : 0214500)

SAKUMA EXPORTS LTD. MUMBAI

**SAKUMA EXPORTS LTD.**

**SAKUMA EXPORTS LIMITED**

**Statements of Consolidated Unaudited Financial Results for the Quarter and Period ended December 31, 2022**

₹ in Lakhs

| Sr. No. | PARTICULARS | Consolidated Quarter Ended | | | Consolidated Nine Month Ended | | Consolidated Year Ended |
|---|---|---|---|---|---|---|---|
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| | | 31-Dec-22 | 30-Sep-22 | 31-Dec-21 | 31-Dec-22 | 31-Dec-21 | 31-Mar-22 |
| 1 | Income | | | | | | |
| a) | Revenue from operations | 80,953.07 | 32,809.62 | 66,598.60 | 216,155.55 | 166,664.78 | 284,794.75 |
| b) | Other Operating Revenue | 140.23 | 182.08 | 50.57 | 565.28 | 124.15 | 549.05 |
| c) | Other Income | 164.87 | 243.21 | (157.38) | 465.13 | 203.24 | 688.41 |
| | **Total Income** | **81,258.17** | **33,234.91** | **66,491.79** | **217,185.96** | **166,992.17** | **286,032.21** |
| 2 | **Expenditure** | | | | | | |
| a) | Cost of Materials Consumed | - | - | - | - | - | - |
| b) | Purchase of Stock-in-trade | 87,348.67 | 20,348.31 | 65,582.83 | 198,824.65 | 159,494.39 | 255,452.93 |
| c) | Change in Inventories of Finished goods, WIP & Stock in trade | (15,801.51) | 6,438.75 | (9,046.04) | (9,167.76) | (14,492.30) | (3,482.62) |
| d) | Employee benefits expense | 166.35 | 160.62 | 142.37 | 485.55 | 428.83 | 569.03 |
| e) | Finance Cost | 197.87 | 68.58 | 102.76 | 425.10 | 221.01 | 371.30 |
| f) | Depreciation and Amortization expenses | 36.90 | 36.74 | 48.88 | 110.02 | 142.14 | 190.38 |
| g) | Other expenses | 8,366.78 | 5,725.89 | 8,964.04 | 23,966.74 | 19,378.06 | 29,537.30 |
| | **Total Expenditure** | **80,315.06** | **32,778.89** | **65,794.84** | **214,644.30** | **165,172.13** | **282,638.32** |
| 3 | **Profit From Operation before Exceptional Items (1-2)** | **943.11** | **456.02** | **696.95** | **2,541.66** | **1,820.04** | **3,393.89** |
| 4 | Exceptional items | - | - | - | - | - | - |
| 5 | **Profit from Ordinary activities before tax (3+4)** | **943.11** | **456.02** | **696.95** | **2,541.66** | **1,820.04** | **3,393.89** |
| 6 | Tax expenses | | | | | | |
| | Current Tax | 236.32 | 123.92 | 179.20 | 598.24 | 615.11 | 799.08 |
| | Prior Period Tax | - | 0.19 | - | 0.19 | 0.83 | (22.40) |
| | Deffered Tax | (1.87) | 11.37 | (84.58) | 110.08 | (217.33) | (127.12) |
| | **Total Tax Expenses** | **234.45** | **135.48** | **94.62** | **708.51** | **398.61** | **649.56** |
| 7 | **Net Profit from ordinary activities after tax (5-6)** | **708.66** | **320.54** | **602.33** | **1,833.15** | **1,421.43** | **2,744.33** |
| 8 | Extraordinary items (net of Tax expenses) | | | | | | - |
| 9 | **Net Profit (+) / Loss (-) for the period (8-9)** | **708.66** | **320.54** | **602.33** | **1,833.15** | **1,421.43** | **2,744.33** |
| 10 | Other Comprehensive Income / (Expenses) (Net Of Tax) | - | - | - | - | - | - |
| | Items that will not be reclassified subsequently to statement of profit and loss | - | - | - | - | - | - |
| | Remeasurements gains/(losses) on defined benefit plans (Net) | 6.49 | 8.95 | (1.55) | 16.23 | 7.61 | 13.89 |
| | **Total Other Comprehensive Income for the period** | **6.49** | **8.95** | **(1.55)** | **16.23** | **7.61** | **13.89** |
| 11 | **Total Comprehensive Income (9+10)** | **715.15** | **329.49** | **600.78** | **1,849.38** | **1,429.04** | **2,758.22** |
| 12 | Paid-up equity share capital (FV of ₹1 per share) | 2,345.59 | 2,345.59 | 2,345.59 | 2,345.59 | 2,345.59 | 2,345.59 |
| | Weighted Average Equity Share Capital (FV of ₹1 per sh) | 2,345.59 | 2,345.59 | 2,345.59 | 2,345.59 | 2,345.59 | 2,345.59 |
| | Other Equity | - | - | - | - | - | 35,685.88 |
| 13 | **Earnings Per Share (EPS)** | | | | | | |
| | Basic and diluted EPS before and after Extraordinary items for the period (not to be annualised) (in ₹) | **0.30** | **0.14** | **0.26** | **0.79** | **0.61** | **1.18** |

**Notes**

1. The above Unaudited Consolidated financial results for the Quarter / Period ended December 31, 2022 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on February 14, 2023. The Auditors have issued an unqualified Audit opinion on these results.

2. The Financial results of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with relevant rules of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment ) Rules, 2016.

3. Group's business activity falls within a single primary business segment i.e. trading in agro products, hence no separate information is disclosed.

4. Previous Years figures have been regrouped / rearranged wherever considered necessary to confirm to the current period classification and grouping.

**Place: Mumbai**
**Date: February 14, 2023**

**Mr. Saurabh Malhotra**
**Chairman and Managing Director**
**(DIN : 0214500)**

SAKUMA EXPORTS LTD. MUMBAI

# M. L. SHARMA & CO. (Regd.)
CHARTERED ACCOUNTANTS

1107, The Summit Business Bay, Behind Guru Nanak Petrol Pump, Off. Andheri Kurla Road, Andheri (East), Mumbai - 400 069.
☎ : (022) 6852 5200 / 6852 5202 • E-mail : mlsharma@mlsharma.in


## INDEPENDENT AUDITOR'S REPORT
## TO THE MEMBERS OF
## SAKUMA EXPORTS LIMITED

**Report on the Consolidated IND AS Financial Statements**

We have audited the accompanying Consolidated Ind AS Financial Statements of **SAKUMA EXPORTS LIMITED** ("the Holding Company), and its Subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Company" or "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Statement of Profit & Loss (Including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended and notes to the financial statements including a Summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements / consolidated financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31st March 2022, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

**Basis of Opinion**

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements for the financial year ended 31st March, 2022. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Ind AS financial statements. The results of our audit procedures, including the

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procedures performed provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

| Key Audit Matters | How our audit addressed the key audit matter |
|---|---|
| **1. Revenue Recognition** (Refer to the accounting policies in Note 2 to the Ind AS Financial statements) | |
| Revenue from the sale of goods is recognised upon the transfer of control of the goods to the customer. The Company uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. There is a risk that revenue could be recognised in the incorrect period for sales transactions occurring on and around the year-end, therefore revenue recognition has been identified as a key audit matter. | a) Our audit procedures included reading the Groups revenue recognition accounting policies to assess compliance with Ind AS 115 "Revenue from contracts with customers".<br>b) We performed test of controls of management's process of recognizing the revenue from sales of goods with regard to the timing of the revenue recognition as per the sales terms with the customers.<br>c) We performed test of details of the sales transactions testing based on a representative sampling of the sales orders to test that the related revenues and trade receivables are recorded taking into consideration the terms and conditions of the sale orders, including the shipping terms.<br>d) We also performed audit procedures relating to revenue recognition by agreeing deliveries occurring around the year end to supporting documentation to establish that sales and corresponding trade receivables are properly recorded in the correct period.<br>e) Assessing and testing the adequacy of presentation and disclosures. |

**Other Information**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate

accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible

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for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements for the financial year ended 31st March, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

We did not audit the financial statements of **Three** subsidiaries, whose financial statements reflects total assets of Rs. 23,083.83 Lakhs (before eliminating inter-company balances) as at 31st March 2022, total revenues of Rs. 36,466.56 Lakhs (before eliminating inter-company balances) total net profit after tax of Rs.440.13 Lakhs (before eliminating inter-company balances), total comprehensive income of Rs. 440.13 Lakhs (before eliminating inter-company balances) and net cash inflow of Rs. 51.06 Lakhs (before eliminating inter-company balances) for the year ended on that date, as considered in the consolidated financial statements, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we report that there are no qualifications or adverse remarks included in the CARO report in respect of the standalone financial statements of the Holding Company which are included in these Consolidated Financial Statements.

In our opinion, and according to the information and explanations given to us, CARO 2020 is not applicable to the subsidiary companies included in these Consolidated Financial Statements, hence, this report does not contain a statement on the matter specified in paragraph 3(xxi) of CARO 2020 in relation to the subsidiary companies.

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As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements / consolidated financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:

(a) We/the other auditor whose report we have relied upon have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

(c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.

(e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company covered under the Act, are disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in **'Annexure A'**;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and:

a. The Consolidated Ind AS financial statements disclose the impact of pending litigations on the Consolidated Ind AS financial position of the Group. Refer Note No. 38 to the Consolidated Ind AS financial statements;

b. Provision has been made in the Consolidated Ind AS financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts to the consolidated Ind AS financial statements in respect of such items as it relates to the Group;

c. There is no amount to be transferred to the Investor Education Undertaking Protection Fund by the Holding Company during the year.

d. (i) The Management of the Holding Company, have represented to us to the best of their knowledge and belief , no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company, to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

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(ii) The Management of the Holding Company have represented to us to the best of their knowledge and belief, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

e. (i) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
(ii) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

**For M. L. Sharma & Co.,**
**Firm Reg. No. 109963W**
**Chartered Accountants**

M. L. SHARMA & CO. Firm Reg. No. 109963W 1107, The Summit Business Bay, Andheri (E), Mumbai-69 CHARTERED ACCOUNTANTS

**Place of Signature: Mumbai**
**Date: 28th May, 2022**

**(Jinendra. D. Jain)**
**Partner**
**Membership No. 140827**
**UDIN: 22140827AJUGYG8415**

THE ANNEXURE – "A" REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF SAKUMA EXPORTS LIMITED FOR THE YEAR ENDED 31ST MARCH, 2022. WE REPORT THAT:

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

In conjunction with our audit of the consolidated Ind AS financial statement of the Company as of and for the year ended 31st March, 2022, We have audited the internal financial controls over financial reporting of **SAKUMA EXPORTS LIMITED** ("the Holding Company") as of that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and

M. L. SHARMA & CO. MUMBAI (Firm Reg. No. 109963W) Chartered Accountants

expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, the Holding Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For M. L. Sharma & Co.,**
**Firm Reg. No. 109963W**
**Chartered Accountants**

M. L. SHARMA & CO. Firm Reg. No. 109963W 1107, The Summit Business Bay, Andheri (E), Mumbai-69 CHARTERED ACCOUNTANTS

**Place of Signature: Mumbai**
**Date: 28th May, 2022**

**(Jinendra. D. Jain)**
**Partner**
**Membership No. 140827**
**UDIN: 22140827AJUGYG8415**

**Sakuma Exports Limited**

**CIN:L51909MH2005PLC155765**

**Consolidated Balance Sheet as at March 31, 2022**

₹ in lakhs

| | Particulars | Note No. | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| A | **ASSETS** | | | |
| 1 | **Non-current assets** | | | |
| | (a) Property, plant and equipment | 3 | 330.28 | 456.94 |
| | (b) Right to use Asset | | 154.32 | 27.91 |
| | (c) Intangible assets | 4 | 0.48 | 0.70 |
| | (d) Financial Assets | | | |
| | (i) Investment - Others | 5 | 2.60 | 2.60 |
| | (ii) Loans, Advances and Deposits | 6 | 72.03 | 88.49 |
| | (e) Other Non - Current Assets | 7 | 2,612.71 | 37.65 |
| | | | 3,172.42 | 614.29 |
| 2 | **Current assets** | | | |
| | (a) Inventories | 8 | 8,132.06 | 4,649.44 |
| | (b) Financial Assets | | | |
| | (i) Trade receivables | 9 | 43,417.24 | 26,853.60 |
| | (ii) Cash and cash equivalents | 10 | 630.57 | 324.04 |
| | (iii) Balances with Banks other than (ii) above | 11 | 331.31 | 228.04 |
| | (iv) Investment - Others | 12 | - | 1,000.04 |
| | (v) Loans, Advances and Deposits | 7 | 96.04 | 23.64 |
| | (vi) Other financial assets | 13 | 623.47 | 403.94 |
| | (c) Other current assets | 14 | 10,421.05 | 8,854.46 |
| | (d) Income Tax (Net of Provisions) | 15 | 106.66 | 47.05 |
| | | | 63,758.40 | 42,384.25 |
| | **TOTAL - ASSETS (A)** | | 66,930.82 | 42,998.54 |
| B | **EQUITY AND LIABILITIES** | | | |
| 1 | **Shareholder's funds** | | | |
| | (a) Equity Share Capital | 16 | 2,345.59 | 2,345.59 |
| | (b) Other Equity | 17 | 35,685.88 | 32,569.02 |
| | | | 38,031.47 | 34,914.61 |
| 2 | **Non-current liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Long Term Borrowings | 18 | 154.17 | 225.41 |
| | (ii) Lease Liabilities | 19 | 81.22 | - |
| | (b) Deferred tax liabilities (net) | 31d | 2,476.02 | 2,358.00 |
| | (c) Provisions | 20 | 67.87 | 61.96 |
| | | | 2,779.28 | 2,645.37 |
| 3 | **Current liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 21 | 8,399.24 | 272.15 |
| | (ii) Trade payables | 22 | | |
| | (a) total outstanding dues of micro enterprises and small enterprises | | 272.17 | 635.88 |
| | (b) total outstanding dues of creditors other than micro enterprises and small enterprises | | 6,631.77 | 2,172.18 |
| | (iii) Other financial liabilities | 23 | 100.36 | 262.09 |
| | (b) Other current liabilities | 24 | 10,617.93 | 2,087.12 |
| | (c) Current Provisions | 20 | 98.60 | 9.13 |
| | | | 26,120.07 | 5,438.56 |
| | **TOTAL - EQUITY AND LIABILITIES (B)** | | 66,930.82 | 42,998.54 |
| | **Corporate Information & Significant Accounting Policies** | 1 &2 | | |

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

As per our report of even date
**For M.L.SHARMA & CO.**
**Chartered Accountants**
**FRN: 109963W**

**Jinendra. D. Jain**
**Partner**
**M. No. 140827**

**Place : Mumbai**
**Date : May 28, 2022**

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

**Mr. Saurabh Malhotra**
**Chairman & Managing Director**
**DIN - 00214500**

**Khyati Jobanputra**
**Company Secretary**

**Devesh Mishra**
**Chief Financial Officer**

**Sakuma Exports Limited**

**CIN: L51909MH2005PLC155765**

**Consolidated Statement of Profit and Loss for the year ended March 31, 2022**

₹ in lakhs

| | Particulars | Note No | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|---|
| 1 | Revenue from operations | 25 | 285,343.80 | 132,840.98 |
| 2 | Other income | 26 | 688.41 | 507.02 |
| 3 | **Total revenue (1+2)** | | 286,032.21 | 133,347.99 |
| 4 | **Expenses** | | | |
| | (a) Purchases of Stock-in-trade | | 255,452.93 | 117,330.93 |
| | (b) Changes in inventories of stock-in-trade | 27 | (3,482.62) | (1,240.69) |
| | (c) Employee benefits expense | 28 | 569.03 | 580.99 |
| | (d) Finance costs | 29 | 371.30 | 474.89 |
| | (e) Depreciation and amortisation expenses | 30 | 190.38 | 240.90 |
| | (f) Other expenses | 31 | 29,537.30 | 14,555.82 |
| | **Total expenses** | | 282,638.32 | 131,942.84 |
| 5 | **Profit / (Loss) before exceptional items and tax (3 - 4)** | | 3,393.89 | 1,405.16 |
| 6 | Exceptional items | | - | - |
| 7 | **Profit / (Loss) before tax (5 + 6)** | | 3,393.89 | 1,405.16 |
| 8 | **Tax expense:** | 32 | | |
| | (a) Current tax | | 798.24 | 347.58 |
| | (b) Prior period tax | | (21.56) | - |
| | (b) Deferred tax | | (127.12) | (45.52) |
| | | | 649.56 | 302.06 |
| | **Profit / (Loss) for the Year (7 + 8)** | | 2,744.33 | 1,103.09 |
| 10 | **Other Comprehensive Income** | | | |
| | **Items that will not be reclassified subsequently to statement of profit and loss** | | | |
| | Remeasurements gains/(losses) on defined benefit plans | | 18.56 | 10.16 |
| | Income tax relating to above | | (4.67) | (2.56) |
| | | | - | |
| | **Total Other Comprehensive Income transferred to P&L** | | 13.89 | 7.60 |
| | **Items that will be reclassified subsequently to statement of profit and loss** | | - | |
| | Remeasurements gains/(losses) on cash flow hedge | | 227.77 | 6.22 |
| | Income tax relating to above | | (57.33) | (1.57) |
| | | | 170.44 | 4.66 |
| | **Total Other Comprehensive transferred to reserve** | | 170.44 | 4.66 |
| | FCTR Balance related to OCI | | 987.72 | 502.43 |
| | Income tax relating to above | | (169.49) | (86.22) |
| | Net Balance of FCTR | | 818.23 | 416.21 |
| | Net Balance of FCTR transferred to Other Equity | | (818.23) | (416.21) |
| | | | - | - |
| 11 | **Total Comprehensive Income for the year(9+10)** | | 2,758.22 | 1,110.69 |
| 12 | **Earnings per share (Face Value of ` 1/- each):** | 36 | | |
| | (a) Basic | | 1.18 | 0.51 |
| | (b) Diluted | | 1.18 | 0.51 |
| | **Corporate Information & Significant Accounting Policies** | 1 &2 | | |

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

As per our report of even date
**For M.L.SHARMA & CO.**
**Chartered Accountants**
**FRN: 109963W**

**Jinendra. D. Jain**
**Partner**
**M. No. 140827**

**Place : Mumbai**
**Date : May 28, 2022**

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

**Mr. Saurabh Malhotra**
**Chairman & Managing Director**
**DIN - 00214500**

**Khyati Jobanputra**
**Company Secretary**

**Devesh Mishra**
**Chief Financial Officer**

**Sakuma Exports Limited**

**Consolidated Statement of Cash Flows for the year ended March 31, 2022**

₹ in lakhs

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **A. Cash flow from operating activities** | | |
| Profit Before Tax | 3,393.89 | 1,405.16 |
| **Adjustments to reconcile profit before tax to net cash flows:** | | |
| Depreciation and amortisation | 190.38 | 240.90 |
| Finance costs | 371.30 | 474.89 |
| Interest income | (39.69) | (72.05) |
| Provision for Doubtful Debts | 7.51 | 151.63 |
| Net unrealised exchange (gain) / loss | 493.25 | (491.81) |
| Net (gain) / loss on sale of investments | (54.73) | (124.67) |
| Operating profit / (loss) before working capital changes | 4,361.91 | 1,584.04 |
| **Changes in working capital:** | | |
| **Adjustments for (increase) / decrease in operating assets:** | | |
| Inventories | (3,482.62) | (1,240.69) |
| Trade receivables | (16,555.88) | 65,151.86 |
| Loans, Advances and Deposits - Current | (72.40) | (22.31) |
| Loans, Advances and Deposits - Non Current | (4.88) | 31.39 |
| Other financial assets | (219.53) | (156.30) |
| Other current assets | (1,336.58) | (4,817.16) |
| Balances with Banks other than Cash and Cash Equivalents | (103.27) | 3,573.10 |
| Other non-current assets | 4.31 | (0.78) |
| **Adjustments for increase / (decrease) in operating liabilities:** | | |
| Trade payables | 4,095.87 | (61,408.50) |
| Other Financial liabilities | (237.85) | (1,075.23) |
| Other current liabilities | 8,530.81 | (9,060.97) |
| Provisions | 5.91 | 2.65 |
| Short-term provisions | 108.03 | (2.22) |
| | (4,906.18) | (7,441.12) |
| **Net income tax (paid) / refunds** | (836.29) | (233.46) |
| Net cash flow from / (used in) operating activities (A) | (5,742.47) | (7,674.58) |
| **B. Cash flow from investing activities** | | |
| Capital expenditure on fixed assets, including capital advances | (2,586.00) | (7.62) |
| - Purchased | (41,564.02) | (90,696.94) |
| - Proceeds from sale | 42,618.79 | 95,374.53 |
| Interest received | 14.54 | 60.77 |
| Net cash flow from / (used in) investing activities (B) | (1,516.69) | 4,730.74 |
| **C. Cash flow from financing activities** | | |
| Net increase / (decrease) in working capital borrowings | 8,127.10 | 206.79 |
| Finance cost | (371.30) | (528.88) |
| Net increase / (decrease) in Long Term borrowings | (71.24) | (65.35) |
| Proceeds from Issue of Shares | - | 1,331.25 |
| Dividends paid | (118.87) | (228.49) |
| Tax on dividend | - | - |
| Net cash flow from / (used in) financing activities (C) | 7,565.69 | 716.33 |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | 306.53 | (2,228.51) |
| Cash and cash equivalents at the beginning of the year | 324.04 | 2,552.56 |
| Cash and cash equivalents at the end of the year | 630.57 | 324.04 |

M. L. SHARMA & CO. MUMBAI Firm Reg. No. 106063W Chartered Accountants

SAKUMA EXPORTS LTD. MUMBAI

**Sakuma Exports Limited**

**Consolidated Statement of Cash Flows for the year ended March 31, 2022**

₹ in lakhs

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **Reconciliation of Cash and cash equivalents with the Balance Sheet:** | | |
| Cash and cash equivalents as per Balance Sheet (Refer Note 16) | | |
| **Cash and cash equivalents at the end of the year *** | 630.57 | 324.04 |
| * Comprises: | | |
| (a) Cash on hand | 34.73 | 8.38 |
| (b) Cheques, drafts on hand | - | - |
| (c) Balances with banks | - | - |
| (i) In current accounts | 595.84 | 315.66 |
| (ii) In Deposit Accounts | - | - |
| | 630.57 | 324.04 |

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

**Notes:**

(i) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Cash Flow Statements".

As per our report of even date

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

**Jinendra. D. Jain**
**Partner**
**M. No. 140827**

M. L. SHARMA & CO. Firm Reg. No. 109963W 1107, The Summit Business Bay, Andheri (E), Mumbai-69 CHARTERED ACCOUNTANTS

**Place : Mumbai**
**Date : May 28, 2022**

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

SAKUMA EXPORTS LTD. MUMBAI

**Mr. Saurabh Malhotra**
**Chairman & Managing Director**
**DIN - 00214500**

**Khyati Jobanputra**
**Company Secretary**

**Devesh Mishra**
**Chief Financial Officer**

**Sakuma Exports Limited**

**Consolidated Statement of Cash Flows for the year ended March 31, 2022**

₹ in lakhs

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **Reconciliation of Cash and cash equivalents with the Balance Sheet:** | | |
| Cash and cash equivalents as per Balance Sheet (Refer Note 16) | | |
| **Cash and cash equivalents at the end of the year *** | **630.57** | 324.04 |
| * Comprises: | | |
| (a) Cash on hand | **34.73** | 8.38 |
| (b) Cheques, drafts on hand | - | - |
| (c) Balances with banks | - | - |
| (i) In current accounts | **595.84** | 315.66 |
| (ii) In Deposit Accounts | - | - |
| | 630.57 | 324.04 |

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

**Notes:**

(i) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Cash Flow Statements".

As per our report of even date

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

**Jinendra. D. Jain**
**Partner**
**M. No. 140827**

M. L. SHARMA & CO. Firm Reg. No. 109963W 1107, The Summit Business Bay, Andheri (E), Mumbai-69 CHARTERED ACCOUNTANTS

**Place : Mumbai**
**Date : May 28, 2022**

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

SAKUMA EXPORTS LTD. MUMBAI

**Mr. Saurabh Malhotra**
**Chairman & Managing Director**
**DIN - 00214500**

**Khyati Jobanputra**
**Company Secretary**

**Devesh Mishra**
**Chief Financial Officer**

**Sakuma Exports Limited**

**Consolidated Statement of Changes in Equity for the year ended March 31, 2022**

**Note:16**

| Equity Share Capital | Balance as at April 01, 2021 | Changes in equity share capital during the year | Balance as at March 31, 2022 |
|---|---|---|---|
| Paid up Capital (Equity shares of Rs. 1 each issued, subscribed and fully paid-up) | 2,132.59 | - | 2,132.59 |

**OTHER EQUITY -**

[ ₹ in Lakhs]

| Particulars | Other equity | | | | | | |
|---|---|---|---|---|---|---|---|
| | Securities premium [refer note 17(b)] | Capital redemption reserve [refer note 17(a)] | Retained earnings [refer note 17(d)] | Items of Other Comprehensive Income [refer note 31(b)] | Cash Flow Hedging Reserve [refer note (17.c)] | Foreign Currency Translation Reserve [refer note (17.e)] | Total other equity |
| **As at April 1, 2020** | 7,427.18 | 1,000.09 | 21,650.58 | 10.21 | (34.94) | 926.08 | 30,979.20 |
| Profit for the year | - | - | 1,103.09 | - | - | | 1,103.09 |
| Other comprehensive income | - | - | - | 7.60 | - | (502.43) | (494.83) |
| Premium Received during the year | 1,118.25 | - | - | - | - | | 1,118.25 |
| Others | - | - | - | - | 39.58 | 84.99 | 124.57 |
| **Total comprehensive income** | 1,118.25 | - | 1,103.09 | 7.60 | 39.58 | (417.44) | 1,851.08 |
| Payment of dividend | - | - | (213.26) | - | - | - | (213.26) |
| Transfer from retained earnings | - | - | (48.01) | - | - | - | (48.01) |
| **As at March 31, 2021** | **8,545.43** | **1,000.09** | **22,492.40** | **17.81** | **4.64** | **508.64** | **32,569.01** |
| Profit for the year | - | - | 2,744.33 | - | - | - | 2,744.33 |
| Other comprehensive income | - | - | | 13.89 | 165.7968 | (987.7200) | (808.03) |
| Others | - | - | - | - | - | 1,387.3800 | 1,387.38 |
| **Total comprehensive income** | - | - | 2,744.3300 | 13.8900 | 165.7968 | 399.6600 | 3,323.68 |
| Payment of dividend | - | - | (117.28) | - | - | - | (117.28) |
| Transfer from retained earnings | - | - | (89.52) | - | - | - | (89.52) |
| **As at March 31, 2022** | **8,545.43** | **1,000.09** | **25,029.93** | **31.70** | **170.44** | **908.30** | **35,685.89** |

The accompanying notes are an integral part of the financial statements

As per our report of even date
**For M.L.SHARMA & CO.**
**Chartered Accountants**
**FRN: 109963W**

M.L. SHARMA & CO. Firm Reg. No. 109963W 1107, The Summit Business Bay, Andheri (E), Mumbai-69 CHARTERED ACCOUNTANTS

**Jinendra. D. Jain**
**Partner**
**M. No. 140827**

**Place : Mumbai**
**Date : May 28, 2022**

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

**Mr. Saurabh Malhotra**
**Chairman & Managing Director**
**DIN - 00214500**

**Khyati Jobanputra**
**Company Secretary**

**Devesh Mishra**
**Chief Financial Officer**

SAKUMA EXPORTS LTD. MUMBAI

Sakuma Exports Limited
Notes forming part of the Consolidated financial statements

| Note | Particulars |
|---|---|
| 1 | **Group Information**<br><br>Sakuma Exports Limited, a Government of India recognised Star Trading House, is a public limited company domiciled in India and incorporated on August 31, 2005, CIN - L51909MH2005PLC155765. The registered office of the Company is located at 301-A, Aurus Chambers, S.S. Amrutwar Lane, Near Mahindra Tower, Worli, Mumbai - 400013. The shares of the company are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).<br><br>The Company along with its subsidiaries ("The Group") is primarily engaged in the in trading of Agro Commodities. The Consolidated financial statements were authorised for issue in accordance with a resolution of the directors on 28th May, 2022. |
| 2.1 | **Basis of preparation of consolidated financial statements**<br><br>The consolidated financial statements are prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the other relevant provisions of the Act and rules thereunder.<br><br>The Consolidated Financial Statements have been prepared under historical cost convention basis except :<br>a. Certain financial assets and financial liabilities measured at fair value (refer accounting policies for financial instruments).<br>b. Defined Benefits plans –Plan assets measured at Fair Value<br><br>The accounting policies are applied consistently to all the periods presented in the financial statements except where a newly issued Accounting Standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. |
| 2.2 | **Basis of Consolidation**<br><br>Subsidiaries include all the entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns through its involvement in the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.<br><br>The Consolidated financial statements of the Group incorporate the assets, liabilities, equity, income, expenses and cash flows of the company and its subsidiaries and are presented as those of a single economic entity. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:<br>- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)<br>- Exposure, or rights, to variable returns from its involvement with the investee, and<br>- the ability to use its power over the investee to affect its returns<br><br>Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:<br><br>- The contractual arrangement with the other vote holders of the investee<br>- Rights arising from other contractual arrangements<br>- The Group's voting rights and potential voting rights<br>- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders<br><br>The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.<br><br>Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31.<br><br>**Consolidation Procedure**<br><br>- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.<br><br>- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill. |

M.L. SHARMA & CO. MUMBAI Firm Reg. No. 109963W Chartered Accountants

SAKUMA EXPORTS LTD. MUMBAI

- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as Inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3 **Fair Value Remeasurements:**

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The group used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.

2.4 **Cash Flow Statements:**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated.

2.5 **Property, Plant and Equipment**

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment, if any.
The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition of the concerned assets and are further adjusted by the amount of Input Credit of taxes availed wherever applicable.
Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet date are disclosed as "Capital work-in-progress".
An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset.

The residual values are not more than 5% of the original cost of the Asset. The Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.
The group has applied principles of Ind AS 16 retrospectively from date of acquisition and considered the same as deemed cost in accordance with Ind AS 101 First Time adoption. On transition to Ind-AS, the group has elected to continue with the carrying value of intangible assets recognised as at April 01, 2016 measured as per IGAAP as the deemed cost of assets.
The estimated useful lives considered of Property, Plant and Equipment of the group are as follows:

| Block of Assets | Useful Life |
|---|---|
| Wind Turbine | 22 Years |
| Leasehold Land | Shorter of lease period or estimated useful lives |
| Plant and Equipment | 25 Years |
| Furniture and Fixtures | 10 Years |
| Computer software | 3 Years |
| Vehicles | 8 Years |
| Office Equipment | 5 Years |

2.6 **Intangible Assets**

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

2.7 **Depreciation and amortisation**

Depreciation of these assets commences when the assets are ready for their intended use. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a written down value basis except Lease Hold Land on which straight line basis depreciation is charged.

2.8 **Investments**

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made ,are classified as current investments. All other investments are classified as non current investments.
Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

2.9 **Leases**

At inception of Contract, the Company assesses whether the Contract is or contains a Lease. A Contract is, or contains, a lease if the Contract conveys the right
**As a Lessee**

**i) Right of use assets**
The Group recognizes right of use assets at the commencement date of the lease .Right of use assets are measured at cost less any accumulated depreciation and impairment Losses and adjusted for any remeasurement of Lease Liabilities .The Cost of right to use assets include the amount of lease Liabilities recognized, initial direct cost incurred, Lease payments made at or before commencement date less any lease incentives received. Right of use assets are depreciated on a straight Line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Group presents right to use assets that do not meet the definition of Investment property in "Property, Plant and Equipment"

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**ii) Lease Liabilities**

At the Commencement date of the Lease , the Group recognizes Lease Liabilities measured at the present value of lease payments to be made over the Lease term .In Calculating the present Value of lease payments , the Group generally uses its incremental borrowing rate at the Lease Commencement date if the discount rate implicit in the lease is not readily determinable.

Lease payments included in the measurement of the Lease Liability are made up of fixed payments (including in substance, fixed) and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses .It is re measured to reflect any reassessment or modification.

The Group presents lease Liabilities under Financial Liabilities in the Balance sheet.

The Group has elected to account for short term leases and Leases of Low Value assets using the exemption given under Ind AS 116, Leases .Instead of recognizing a right of use asset and Lease Liability, the payments in relation to these are recognized as an expense in the profit or loss on a straight Line basis over the Lease term or on another systematic basis if that basis is more representative of the pattern of the Group benefit.

**iii) Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.10 **Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost of inventories have been computed to include all cost of purchase, and other cost incurred in bringing the goods to the present location and condition.

The cost is determined using the First in First Out Basis (FIFO) .

2.11 **Cash & Cash Equivalents**

The group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

2.12 **Income Tax**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

**Current Tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset only if, the group:

- has a legally enforceable right to set off the recognized amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**Deferred tax**

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilized.

Deferred tax assets and liabilities are offset only if:

- Entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- Deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

2.13 **Financial Assets**

**(a) Initial recognition and measurement**

On initial recognition, a financial asset is recognised at fair value. In case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

**(b) Subsequent measurement**

Subsequent measurement is determined with reference to the classification of the respective financial assets. The group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

**(i) Debt Instruments**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit & Loss. The losses arising from impairment are recognised in the Statement of Profit & Loss.

**(ia) Debt instruments at Fair value through Other Comprehensive Income (FVOCI)**

A 'debt instrument' is measured at the fair value through other comprehensive income if both the following conditions are met:
- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the Statement of Profit & Loss. Other net gains and losses are recognised in other comprehensive income.

**(ib) Debt instruments at Fair value through profit or loss (FVTPL)**

Fair value through profit or loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL.

**(ii) Equity Instruments**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the group decides to classify the same either as at FVOCI or FVTPL. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

**(c) Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the group's Balance Sheet) when:

(i) The rights to receive cash flows from the asset have expired, or

(ii) The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
- The group has transferred substantially all the risks and rewards of the asset, or
- The group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**(d) Impairment of financial assets**

The group measures the expected credit loss associated with its assets based on historical trend, industry practices and the Business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**(e) Income Recognition**

Interest Income from debt instruments is recognised using the effective interest rate method.

2.14 **Financial Liabilities**

**(a) Initial recognition and measurement**

All financial liabilities are recognised initially at fair value net of transaction costs that are attributable to the respective liabilities.

**(b) Subsequent measurement**

Subsequent measurement is determined with reference to the classification of the respective financial liabilities. The measurement of Financial liabilities depends on their classification, as described below:

**(i) Financial Liabilities at fair value through profit or loss (FVTPL)**

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit & Loss.

**(ii) Financial Liabilities measured at amortised cost**

After initial recognition, financial liabilities other than those which are classified as fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method ("EIR").

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit & Loss.

**(c) Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit & Loss.

2.15 **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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2.16 **Fair Value of Financial Instruments**

In determining the fair value of its financial instruments, the group uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

**Fair Value Hierarchy**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.17 **Classification of Assets and Liabilities as Current and Non-Current:**

All assets and liabilities are classified as current or non-current as per the group's normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act.

2.18 **Revenue recognition**

2.18 **A. Revenue from contract with customer**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

**(a) Sale of Goods**

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods The

**(b) Variable Consideration**

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale provide customers with discounts. The discounts give rise to variable consideration.

**(c) Discounts**

Discounts includes target and growth rebates, price reductions, incentives to customers or retailers. To estimate the amount of discount, the Group applies accumulated experience using the most likely method. The Group determines that the estimates of discounts are not constrained based on its historical experience, business forecast and the current economic conditions. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected discount. No element of financing is deemed present as the sales are made with credit terms largely ranging between 7 days to 120 days.

**(d) Contract Balances**

(i) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(ii) Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

(iii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

Contract liabilities are recognised as revenue when the Group performs under the contract.

(iv) Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

2.18 **(B) Measurement of revenue**

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are inclusive of excise duty and net of, any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government which are levied on sales such as sales tax, value added tax, goods and service tax (GST) etc. Revenue is recorded net of Duties and Taxes. Discounts given include rebates, price reductions and other incentives given to customers. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. No element of financing is deemed present as sales are made with a credit term which is consistent with market practice.

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2.18 **(C) Other Income**

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends are recognized in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

2.19 **Foreign currency Translations**

**(a) Functional and presentation currency**

The financial statements are presented in Indian rupee (INR), which is group's functional and presentation currency.

**(b) Transactions and Balances**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

**(c) Monetary Items**

Transactions denominated in foreign currency are normally accounted for at the exchange rate prevailing at the time of transaction.

- Monetary assets (including loans to subsidiaries) and Liabilities in foreign currency transactions remaining unsettled at the end of the year (other than forward contract transactions) are translated at the year-end rates and the corresponding effect is given to the respective account.
- Exchange differences arising on account of fluctuations in the rate of exchange are recognized in the statement of Profit & Loss.
- Exchange rate difference arising on account of conversion/translation of liabilities incurred for acquisition of Fixed Assets is recognized in the Statement of Profit & Loss.

**(d) Non - Monetary Items**

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.

2.20 **Employee benefits**

Employee benefits include provident fund, gratuity fund and compensated absences.

**(a) Defined contribution plans**

The group's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

**(b) Defined benefit plans**

Defined Benefit Plan i.e. gratuity is recognised on accrual basis based on the actuarial valuation in accordance with the requirement of Ind AS 19.

Payment for present liability of future payment of gratuity is being made to approve gratuity fund, which fully covers the same under Cash Accumulation Policy and Debt fund of the PNB Met Life Insurance group Ltd. However, any deficit in plan assets managed by PNB Met Life Insurance as compared to the liability on the basis of an independent actuarial valuation is recognized as a liability. The liability or asset recognized in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method in conformity with the principles and manner of computation specified in Ind AS 19. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

**(c) Privilege leave entitlements**

Privilege leave entitlements are recognized as a liability, in the calendar year of rendering of service, as per the rules of the group. As accumulated leave can be availed and/or encashed at any time during the tenure of employment, subject to terms and conditions of the scheme, the liability is recognized on the basis of an actual working based on balance days of accumulated leave.

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**2.21 Borrowing costs**

Borrowing cost directly attributable to development of qualifying assets are capitalized till the date qualifying assets is ready for put to use for its intended purpose as part of cost of that assets .Other borrowing cost are recognised as expenses in the period in which they are incurred.

**2.22 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

**2.23 Earnings per share**

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

**2.24 Impairment of Non-financial assets**

The carrying values of assets/cash generating unit at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and therein value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication than an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the statement of profit and loss except in case of revalued assets.

**2.25 Provisions**

The group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.
If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

**2.26 Contingent Liabilities**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

**2.27 Significant accounting judgments, estimates and assumptions:**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise Judgement in applying the Company's accounting policies.
The estimates and judgements involves a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed .Detailed information about each of these estimates and judgements is included in relevant notes.

**Critical estimates and judgements**
The areas involving critical estimates or judgements are:
a. Estimation of current tax expenses and payable
b. Estimated useful life of Intangible assets
c. Estimation of defined benefit obligation
d. Estimation of Provisions and Contingencies
e. Estimation of Incremental Borrowing rate –Leases

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**Sakuma Exports Limited**

**Notes to the Consolidated Financial Statements for the year ended March 31, 2022**

**Note 3: Property, Plant and Equipment**

(₹ in lakhs)

| Particulars | Leasehold Land | Windmill | Plant and Machinery | Furniture and Fixtures | Motor Vehicle | Office Equipment | | Right to Use of Assets Leasehold Building | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Computer & Computer Equipments | Others | | |
| **Gross Carrying Amount** | | | | | | | | | |
| **As at March 31, 2021** | 6.08 | 198.53 | 18.41 | 12.32 | 561.96 | 10.78 | 25.32 | 139.45 | 972.85 |
| Additions | | | | | | **2.34** | **4.24** | **167.52** | 174.10 |
| Deduction / Adjustment | - | - | - | **0.30** | - | - | **(0.30)** | **(139.45)** | (139.45) |
| Disposals | - | - | - | - | - | - | - | - | - |
| **As at March 31, 2022** | **6.08** | **198.53** | **18.41** | **12.62** | **561.96** | **13.12** | **29.26** | **167.52** | **1,007.50** |
| | | | | | | | | | |
| **Accumulated Depreciation** | | | | | | | | | |
| **As at March 31, 2021** | 3.27 | 99.41 | 8.73 | 8.04 | 230.94 | 8.93 | 17.13 | 111.54 | 487.99 |
| Depreciation for the year | **0.61** | **16.02** | **1.35** | **1.62** | **106.96** | **1.93** | **4.76** | **56.86** | 190.11 |
| Deduction / Adjustment | - | - | - | - | - | - | - | **(155.20)** | (155.20) |
| Disposals | - | - | - | - | - | - | - | | - |
| **As at March 31, 2022** | **3.88** | **115.43** | **10.08** | **9.66** | **337.90** | **10.86** | **21.89** | **13.20** | **522.90** |
| | | | | | | | | | |
| **Net Book Value:** | | | | | | | | | |
| **As at March 31, 2022** | **2.20** | **83.10** | **8.33** | **2.96** | **224.06** | **2.26** | **7.37** | **154.32** | **484.60** |
| As at March 31, 2021 | 2.81 | 99.12 | 9.68 | 4.28 | 331.02 | 1.85 | 8.19 | 27.91 | 484.86 |

**Note:**

(i) For information of pledges and securities to lenders on Property, Plant and Equipment Refer Note 18 & 21.

(ii) For Property, Plant and Equipment existing as on the date of transition to the Ind AS, the company has used Indian GAAP carrying value as the deemed

(iii) All Property ,Plant and equipment are held in the name of the Company.

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Sakuma Exports Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2022

**Note 4 : Intangible assets**

₹ in lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2022 |
|---|---|---|
| **Year Ended March 31, 2022** | | |
| **Gross Carrying Amount** | | |
| Opening Gross Carrying Amount as at April 01, 2021 | 9.62 | 9.62 |
| Additions during the year | 0.05 | 0.05 |
| **Closing Gross Carrying Amount** | 9.67 | 9.67 |
| **Accumulated Amortisation** | | |
| Opening Accumulated Amortisation | 8.92 | 8.92 |
| Amortisation charge for the year | 0.27 | 0.27 |
| **Closing Accumulated Amortisation** | 9.19 | 9.19 |
| **Closing Net Carrying Amount** | 0.48 | 0.48 |

| Particulars | As at March 31, 2021 | As at March 31, 2021 |
|---|---|---|
| **Year Ended March 31, 2021** | | |
| **Gross Carrying Amount** | | |
| Opening Gross Carrying Amount | 9.27 | 9.27 |
| Additions during the year | 0.35 | 0.35 |
| **Closing Gross Carrying Amount** | 9.62 | 9.62 |
| **Accumulated Amortisation and Impairment** | | |
| Opening Accumulated Amortisation | 8.81 | 8.81 |
| Amortisation Charge for the year | 0.11 | 0.11 |
| **Closing Accumulated Amortisation and Impairment** | 8.92 | 8.92 |
| **Closing Net Carrying Amount** | 0.70 | 0.70 |

* Computer Software includes expenditure on computer software which is not an integral part of hardware

**Note - 5 : Investment Others**

₹ in lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Investment (At Cost)** | | |
| **Unquoted** | | |
| - Investment in Gold Bond [Refer note (i)] | 2.60 | 2.60 |
| **Total** | 2.60 | 2.60 |

**Note:**

(i) The company is the registered holder of 100units of the Sovereign Gold bonds 2015-16 bearing interest at the rate of 2.75% p.a. payable at half yearly intervals every year.

**Note 6 : Loans Advances & Deposits**

₹ in lakhs

| Particulars | As at March 31, 2022 | |
|---|---|---|
| | Current | Non Current |
| **Unsecured, considered Good** | | |
| Security deposits - to related parties [ Refer Note (i) ] | - | 67.31 |
| Security deposits - to others [ Refer Note (i) ] | 1.97 | 4.72 |
| Loans and Advances to Employees | 92.92 | - |
| Loans and Advances to Others | 1.15 | - |
| Less: Provision for doubtful Loans | - | - |
| | 96.04 | 72.03 |
| **Unsecured, considered Doubtful** | - | |
| Deposits with Others | - | 13.94 |
| Loans and Advances to Others | - | 50.21 |
| Less: Provision for doubtful deposits | - | (64.15) |
| | - | - |
| **Total Loans Advances & Deposits** | 96.04 | 72.03 |

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| Particulars | As at March 31, 2021 | |
|---|---|---|
| | Current | Non Current |
| **Unsecured, considered Good** | | |
| Security deposits - to related parties [ Refer Note (i) ] | - | 84.78 |
| Security deposits - to others [ Refer Note (i) ] | 7.53 | 5.63 |
| Loans and Advances to Employees | - | 3.71 |
| Loans and Advances to Others | 1.10 | - |
| Less: Provision for doubtful Loans | - | - |
| | 8.63 | 94.12 |
| **Unsecured, considered Doubtful** | - | |
| Deposits with Others | 15.00 | 13.94 |
| Loans and Advances to Others | 39.83 | 13.38 |
| Less: Provision for doubtful deposits | (39.83) | (27.32) |
| | 15.00 | - |
| **Total Loans Advances & Deposits** | 23.64 | 94.12 |

**(i) Sub Classification of Loans & Advances**

₹ In lakhs

| Particulars | As at March 31, 2022 | |
|---|---|---|
| | Current | Non Current |
| Loans Receivables considered good - Secured | - | - |
| Loans Receivables considered good - Unsecured | 96.04 | 72.03 |
| Loans Receivables which have significant increase in Credit Risk; and | - | 64.15 |
| Loans Receivables - credit impaired | - | - |
| **Total** | 96.04 | 136.18 |
| Less: Allowance for Doubtful Loans | - | (64.15) |
| **Total Loans & Advances** | 96.04 | 72.03 |

| Particulars | As at March 31, 2021 | |
|---|---|---|
| | Current | Non Current |
| Loans Receivables considered good - Secured | - | - |
| Loans Receivables considered good - Unsecured | 23.64 | 94.12 |
| Loans Receivables which have significant increase in Credit Risk; and | - | - |
| Loans Receivables - credit impaired | 39.83 | 27.32 |
| **Total** | 63.47 | 121.43 |
| Less: Allowance for Doubtful Loans | (39.83) | (27.32) |
| **Total Loans & Advances** | 23.64 | 94.12 |

**Note - 7 : Other Non Current Assets**

₹ In lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Fair Value of Plan Assets - Gratuity | 10.15 | 10.72 |
| Income accrued But not Due | 23.18 | 26.93 |
| Capital Advance | 2,579.38 | - |
| **Unsecured considered doubtful** | | |
| Advance receivable in kind or for value to be received | 98.19 | 98.19 |
| Less: Provision for doubtful balances | (98.19) | (98.19) |
| **Total Other Non Current Assets** | 2,612.71 | 37.65 |

**Note 8: Inventories**

₹ In lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Stock in Trade | 8,132.06 | 4,649.44 |
| **Total Inventories** | 8,132.06 | 4,649.44 |

- For details of inventories given as security to lenders refer Note 21

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**Note 9 : Trade receivables**

₹ In lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Trade Receivables considered good – Secured [Refer Note (i)] | - | - |
| Trade Receivables considered good – Unsecured | 43,417.24 | 26,853.60 |
| Trade Receivables having significant increase in Credit Risk; and | 57.31 | 46.78 |
| Trade Receivables - credit impaired | - | |
| Total | 43,474.55 | 26,900.38 |
| Less : Allowance for expected credit loss | (57.31) | (46.78) |
| **Total Trade Receivables** | 43,417.24 | 26,853.60 |
| Current Portion | 43,417.24 | 26,853.60 |
| Non - Current Portion | | - |

(i) These debts are secured to the extent of Letter of Credits obtained from the customers.

(ii) Trade receivables are non interest bearing in nature. The company maintains the policy of dispatches against payments except in case of merchant trade transactions, wherein the terms of payment is six months.

(iii) The above Trade Receivables are hypothecated to banks against Cash Credit and Packing Credit facilities. (Refer note no.21)

(iv) Refer Note no . 33 for ageing & 45 for information about credit risk and market risk factors.

**Note 10 : Cash and cash equivalents**

₹ In lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Balances with Banks - In current accounts | 595.84 | 315.66 |
| Cash on Hand | 34.73 | 8.38 |
| **Total Cash and Cash Equivalents** | 630.57 | 324.04 |

**Note 11 : Balances with Banks other than Note 10 above**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| In Unclaimed Dividend Accounts | 7.38 | 8.73 |
| Balance with banks held as margin money deposits against guarantee | 323.93 | 219.31 |
| **Total Other Bank Balances** | 331.31 | 228.04 |

**Note - 12 : Investment Others**

₹ In lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Investment (At Cost)** | | |
| Unquoted | | |
| - Investment in Mutual Funds | - | 1,000.04 |
| **Unquoted Investment** | - | 1,000.04 |
| Total Investments - Others | - | - |
| Agregate amount of quoted Investment at market value | - | 1,000.04 |
| Agregate amount of unquoted Investments | - | - |
| Agregate amount of Impairment in value of Investments | - | - |
| **Agregate amount of Market Value** | - | 1,000.04 |

**Note 13 : Other Financial Assets**

₹ In lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Income accrued But not Due | 3.00 | - |
| Margin Money on Derivative contracts | 620.47 | 403.94 |
| Claims Receivable | 188.27 | 188.27 |
| Less: Allowance for Doubtful Receivables | (188.27) | (188.27) |
| **Total Other Financial Assets** | 623.47 | 403.94 |

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**Note 14 : Other Current Assets**

₹ in lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Unsecured, considered good | | |
| (a) Advance recoverable in cash or kind | 7,572.69 | 6,371.04 |
| (b) Prepaid expenses | 48.03 | 27.28 |
| (c) Advance to Employees | 9.05 | 6.86 |
| (d) Security Deposit to Others | - | 690.40 |
| (e) Balances with government authorities - | | |
| - Export Incentives Receivable | 85.87 | 66.71 |
| - Sales tax Deposit | 37.22 | 37.22 |
| - GST Authorities | 2,324.87 | 1,643.24 |
| (f) GST Credit Receivable | 115.55 | 5.50 |
| (g) Fair Value of Forward Contract | 227.77 | - |
| (h) Unrealised Gain/loss for CDS- Securities | - | 6.22 |
| **Total Other Current Assets** | 10,421.05 | 8,854.46 |

**Note 15 : Income Tax (Net of Provisions)**

₹ in lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Provision For Taxation (Net of Advances) | 106.66 | 47.05 |
| **Total Current Tax Asset (Net)** | 106.66 | 47.05 |

**Note - 16 : Equity Share Capital & Other Equity**

**Note 16(a) : Equity Share Capital**

₹ in lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Authorised** | | |
| 40,00,00,000 equity shares of ₹1 each (40,00,00,000 equity shares of ₹ 1 each) | 4,000.00 | 4,000.00 |
| | 4,000.00 | 4,000.00 |
| **Issued, Subscribed and Fully Paid Up** | | |
| 23,45,59,430 equity shares of ₹ 1 each (23,45,59,430 equity shares of ₹ 1 each) | 2,345.59 | 2,345.59 |
| | 2,345.59 | 2,345.59 |

**b). Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period :**

₹ in lakhs

| Particulars | Equity Shares As at March 31, 2022 | |
|---|---|---|
| | Number | ₹ in lakhs |
| Shares outstanding at the beginning of the year | 234,559,430 | 2,345.59 |
| Shares Issued during the year | - | - |
| Shares bought back during the year | - | |
| Shares outstanding at the end of the year | 234,559,430 | 2,345.59 |

| Particulars | Equity Shares As at 31st March 2021 | |
|---|---|---|
| | Number | ₹ in lakhs |
| Shares outstanding at the beginning of the year | 213,259,430 | 2,132.59 |
| Shares Issued during the year | 21,300,000 | 213.00 |
| Shares bought back during the year | - | |
| Shares outstanding at the end of the year | 234,559,430 | 2,345.59 |

**c) Terms / rights attached to equity shares**

(i) The Company has one class of equity shares having par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting except in case of Interim Dividend.

(ii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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d). Details of Shareholders holding more than 5% shares in the company:

| Name of the Shareholder | Equity Shares As at March 31, 2022 | |
|---|---|---|
| | No. of Shares held | % Holding |
| Mrs. Kusum Chander Mohan Malhotra | 46,431,190 | 19.80% |
| Mr. Saurabh Malhotra | 32,485,077 | 13.85% |
| M/s Sakuma Infrastructure and Realty Pvt Ltd | 47,972,450 | 20.45% |
| AL Malaki Foodstuff Trading LLC | 5,343,721 | 2.28% |

| Name of the Shareholder | Equity Shares As at 31st March 2021 | |
|---|---|---|
| | No. of Shares held | % Holding |
| Mrs. Kusum Chander Mohan Malhotra | 46,431,190 | 19.80% |
| Mr. Saurabh Malhotra | 32,485,077 | 13.85% |
| M/s Sakuma Infrastructure and Realty Pvt Ltd | 47,972,450 | 20.45% |
| AL Malaki Foodstuff Trading LLC | 14,204,228 | 6.06% |

(e) As per records of the company, including register of shareholders and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**f) Shareholding of Promoters :**

| Name of the Promoter | No. of Shares held at the Beginning | % of shares held at the Beginning |
|---|---|---|
| Saurabh Malhotra | 32,485,077 | 13.85% |
| Kusum Chandermohan Malhotra | 46,431,190 | 19.80% |
| Shipra Malhotra | 5,000 | 0.00% |
| Vanitha Malhotra | 10,350,000 | 4.41% |
| Tanya Mediratta | 5,320 | 0.00% |
| Sakuma Finvest Pvt Ltd | 6,987,200 | 2.98% |
| G M K System And Logistics Private Limited | 900,000 | 0.38% |
| Sakuma Infrastructure And Realty Private Limited | 47,972,450 | 20.45% |
| **Total Shareholding** | **145,136,237** | **61.88%** |

| Name of the Promoter | No. of Shares held at the End | % of shares held at the End |
|---|---|---|
| Saurabh Malhotra | 32,485,077 | 13.85% |
| Kusum Chandermohan Malhotra | 46,431,190 | 19.80% |
| Shipra Malhotra | 5,000 | 0.00% |
| Vanitha Malhotra | 10,350,000 | 4.41% |
| Tanya Mediratta | 5,320 | 0.00% |
| Sakuma Finvest Pvt Ltd | 6,987,200 | 2.98% |
| G M K System And Logistics Private Limited | 900,000 | 0.38% |
| Sakuma Infrastructure And Realty Private Limited | 47,972,450 | 20.45% |
| **Total Shareholding** | **145,136,237** | **61.88%** |

₹ in lakhs

| Name of the Promoter | No. of Shares transferred/ gifted/ Issued, if any | % of change in the shareholding, if any |
|---|---|---|
| **Equity :** | | |
| Saurabh Malhotra | - | - |
| Kusum Chandermohan Malhotra | - | - |
| Shipra Malhotra | - | - |
| Vanitha Malhotra | - | - |
| Tanya Mediratta | - | - |
| Sakuma Finvest Pvt Ltd | - | - |
| G M K System And Logistics Private Limited | - | - |
| Sakuma Infrastructure And Realty Private Limited | - | - |
| **Total** | - | - |

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**Note 17 : Other Equity**

₹ In lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| (a) Capital Redemption Reserve [Refer note (i)] | 1,000.09 | 1,000.09 |
| (b) Securities Premium [Refer note (ii)] | 8,545.43 | 8,545.43 |
| (c) Cash Flow Hedging Reserve [Refer note (iii)] | 170.44 | 4.64 |
| (d) Retained Earnings [Refer note (iv)] | 25,061.62 | 22,510.21 |
| (e) Foreign Translation Reserve [Refer note (v)] | 908.30 | 508.64 |
| **Total Other Equity** | 35,685.88 | 32,569.02 |

**(a) Capital Redemption Reserve [Refer note (i)]**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Opening Balance | 1,000.09 | 1,000.09 |
| Add: Transfer From General Reserve | - | - |
| **Closing Balance** | 1,000.09 | 1,000.09 |

**(b) Securities Premium [Refer note (ii)]**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Opening Balance | 8,545.43 | 7,427.18 |
| Add: Received during the period | - | 1,118.25 |
| **Closing Balance** | 8,545.43 | 8,545.43 |

**(c) Cash Flow Hedging Reserve [Refer note (iii)]**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Opening Balance | 4.64 | (34.94) |
| Add / (Less): Net Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year | 165.80 | 39.58 |
| **Closing Balance** | 170.44 | 4.64 |

**(d) Retained Earnings [Refer note (iv)]**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Opening Balance | 22,510.20 | 21,660.79 |
| Add : Total Comprehensive Income for the year after tax | 2,758.22 | 1,110.69 |
| Less : Dividend distributed to equity shareholders (₹1 per share) | (117.28) | (213.26) |
| Less: Deferred Tax Liability on Net worth | (89.52) | (48.01) |
| **Closing Balance** | 25,061.62 | 22,510.21 |

**(e) Foreign Translation Reserve [Refer note (v)]**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Opening Balance** | 508.64 | 926.08 |
| Add / (Less): Net Effect of foreign exchange rate variations | 600.88 | (312.06) |
| Less: Transfer to other comprehensive income | (987.72) | (502.43) |
| Less: Deferred Tax Liability on Equity | (31.73) | (19.15) |
| Add: Transfer from Other Comprehensive Income | 818.23 | 416.22 |
| **Closing Balance** | 908.30 | 508.64 |

Notes:

(i) The Company has transferred amount from Statement of profit or loss to capital redemption reserve on redemption of preference shares issued by the company.

(ii) Securities premium is created on the premium on issue of shares. This same will be utilised in accordance with the provisions of the Companies Act 2013.

(iii) Retained earnings represents profits that the Company has earned till March 31, 2022, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(iv) Cash Dividends paid on equity shares declared and paid

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₹ in lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Final dividend for the year ended March 31, 2021 of ₹ 0.05 per share (March 31, 2020 of ₹ 1 per share) | 117.28 | 213.26 |
| **Closing Balance** | 117.28 | 213.26 |

(v) Proposed dividend on Equity Shares

₹ in lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Final Cash dividend for the year ended on March 31, 2022: ₹ 0.05 per share (March 31, 2021: ₹ 0.05 per share) | 117.28 | 117.28 |
| **Closing Balance** | 117.28 | 117.28 |

(vi) The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting except in case of Interim Dividend and are not recognised as a liability in the year in which it is proposed.

**Note 18 : Long Term Borrowings**

₹ in lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Secured** | | |
| Car Loan | 154.17 | 225.41 |
| **Closing Balance** | 154.17 | 225.41 |

**Note:**
The company has taken car loan from Axis Bank during the financial year carrying interest rate @ of 8.65% per annum.The loan is secured against the Hypothication of subject car.

**Note 19 : Lease Liabilities**

₹ in lakhs

| Particulars | As at 31st March 2022 | As at March 31, 2021 |
|---|---|---|
| | Non - Current | Non - Current |
| Lease Liabilities | 81.22 | - |
| **Total Lease Liabilities** | 81.22 | - |

**Note 20 : Provisions**

₹ in lakhs

| Particulars | As at March 31, 2022 | |
|---|---|---|
| | Current | Non Current |
| Provision for Bonus | 5.85 | - |
| Provision for Gratuity | 4.95 | 67.87 |
| Salary Payable | 87.80 | - |
| **Total Provisions** | 98.60 | 67.87 |

* Also refer Note No 40 of Employee Benefits

₹ in lakhs

| Particulars | As at March 31, 2021 | |
|---|---|---|
| | Current | Non Current |
| Provision for Bonus | 1.48 | - |
| Provision for Gratuity | 4.27 | 61.96 |
| Directors Remuneration Payable | 3.38 | - |
| **Total Provisions** | 9.13 | 61.96 |

**Note 21 : Current Borrowings**

₹ in lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Secured** | | |
| ***From banks*** | | |
| - Cash Credit : BOM | 2,417.56 | 206.79 |
| - PCFC -INDUSIND BANK | 1,929.52 | - |
| - PCL - SVC Bank | 2,300.93 | - |
| - OD from ICICI Bank | 263.13 | - |
| Current Maturities of Long Term Borrowings | 71.24 | 65.35 |
| **Unsecured** | | |
| - From Related Parties | | |
| - Sakuma Infrastructure and Realty Private Limited | 1,416.86 | - |
| **Total Current Borrowings** | 8,399.24 | 272.15 |

**Nature of Security**

I) The Company has entered into the banking arrangement for credit facilities with multiple banks, i.e. Bank of Maharashtra, Indusind Bank, SVC Co-operative Bank Limited and ICICI Bank.

a) **Bank of Maharashtra:** The credit facilities comprises of Cash Credit and Packing credit which is secured against Hypothecation of Inventory, Book debts and Current Assets of the company alongwith the collateral security against Fixed Assets (other than vehicles and Leasehold Land).
Credit Facilities for Bank of Maharashtra is repayable on demand and carries interest of 10.30% p.a. i.e one year Maximum Cost of Lending Rate (MCLR) of the bank + 2.50% + BSS 0.5%.

b )**Indusind Bank:** The credit facilities comprises of Cash Credit and Packing credit which is secured againts Hyptheocation of Inventory, Books debts and Current Assests of the company in paripassu with other banks alongwith the collateral security against .Credit Facilities from Indusind Bank is repayable on demand and carries interest of 9.25 p.a. i.e one year Maximum Cost of Lending Rate (MCLR) of the bank i.e 8.45%+ 0.80% .

c) **SVC Cooperarive Bank Ltd:** The credit facilities comprises of Cash Credit and Packing credit which is secured againts Hyptheocation of Inventory, Books debts and Current Assests of the company in paripassu with other banks alongwith the collateral security against Fixed Assets (other than vehicles and Leasehold Land) .Credit Facilities from SVC Cooperarive Bank Ltd is repayable on demand and carries interest of 9.50 p.a. i.e (PLR) of the bank i.e 8.55%+ 0.95% .

d) **ICICI Bank Ltd:** The credit facilities comprises of Overdraft facility againts Fixed Deposit..Credit Facilities from ICICI Bank Ltd is repayable on demand and carries interest of 4% p.a..

(ii) Unsecured Short Term Borrowings of the company are repayable on demand and carrying interest rate @ 10% p.a.

**Note 22 : Trade payables**

₹ in lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Current** | | |
| (a) total outstanding dues of micro enterprises and small enterprises | 272.17 | 635.88 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| *- From Related Parties* | 1,301.29 | - |
| *- From Others* | 5,330.48 | 2,172.18 |
| **Total Trade Payables** | 6,903.94 | 2,808.06 |

(i) The above information has been provided as available with the company to the extent such parties could be identified on the basis of the information available with the Company regarding the status of the suppliers under the MSMED Act.

₹ in lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Principal amount remaining unpaid to any supplier as at the end of the year | 272.17 | 635.88 |
| Interest due on the above amount | - | - |
| Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Act, 2006 | - | - |
| Amounts of payment made to the suppliers beyond the appointed day during the year | - | - |
| Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act | - | - |
| Amount of interest accrued and remaining unpaid at the end of the year | - | - |
| Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise | - | - |

" Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

(ii) Trade payables are non-interest bearing and normally settled within 120 days.
(iii) Refer Note 34 for ageing analysis

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**Note 23 : Other financial liabilities**

₹ in lakhs

| Particulars | As at March 31, 2022 | |
|---|---|---|
| | Current | Non - Current |
| Unclaimed dividends | 7.15 | - |
| Lease Liability | 48.94 | - |
| Other Provisions | 44.27 | - |
| **Total Other Financial Liabilities** | 100.36 | - |

₹ in lakhs

| Particulars | As at March 31, 2021 | |
|---|---|---|
| | Current | Non - Current |
| Unclaimed dividends | 8.73 | - |
| Lease Liability | 30.43 | - |
| Other Provisions | 222.94 | - |
| **Total Other Financial Liabilities** | 262.09 | - |

**Note 24 : Other Current Liabilities**

₹ in lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Advance From Customers | 10,357.31 | 1,233.62 |
| Statutory Dues to Government | 126.47 | 58.21 |
| Claims Payable | - | 690.40 |
| Other Liabilities | 0.01 | 104.89 |
| Unrealised Gain/loss for CDS- Securities | 134.14 | - |
| **Total Other Current Liabilities** | 10,617.93 | 2,087.12 |

**Note 25 : Revenue From Operations**

₹ in lakhs

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Sale of Traded Goods | 284,794.75 | 132,698.66 |
| Other Operating Revenue | 549.05 | 142.32 |
| **Total Revenue from Continuing Operations** | 285,343.80 | 132,840.98 |

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Sugar | 282,625.27 | 132,710.26 |
| Other commodities | 2,718.53 | 130.72 |
| **Total Revenue from Continuing Operations** | 285,343.80 | 132,840.98 |

**A. Disaggregation Revenue Information**

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **I. Revenue based on Geography** | | |
| Revenue from Operations within the Country | 90,345.31 | 11,900.41 |
| Revenue from Operations outside the Country | 194,998.49 | 120,940.57 |
| **Total** | 285,343.80 | 132,840.98 |

**II. Timing of Revenue Recognition**

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Goods Transferred at a point in time | 285,343.80 | 132,840.98 |
| Services transferred over time | - | - |
| **Total** | 285,343.80 | 132,840.98 |

**B. Segment Reconciliation**

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Sale of Agro Products | 285,232.60 | 132,710.26 |
| Sale Others | 111.20 | 130.72 |
| **Total** | 285,343.80 | 132,840.98 |

**C. Contract Balances**

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Trade Receivables | 43,417.24 | 26,853.60 |
| Total Other Current Liabilities | 10,357.31 | 1,233.62 |

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D. Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted prices

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Revenue as per Contracted Prices | 286,828.94 | 132,840.98 |
| Less : Sales Returns, Discounts, Rebate etc | (1,485.14) | (26.86) |
| **Total Revenue from Continuing Operations** | 285,343.80 | 132,814.12 |

**Note 26 : Other Income and Other Gains/(Losses)**

₹ in lakhs

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Interest Income | 39.70 | 72.05 |
| Net gain on sale of investments: | 54.73 | 124.67 |
| Mark-to-market gain on forward contracts | 574.66 | 180.58 |
| Other non-operating income (net of expenses directly attributable to such income) | 19.32 | 129.72 |
| **Total Other Income** | 688.41 | 507.02 |

**Note 27 : Changes in Inventories of finished goods, Stock - in -Trade**

₹ in lakhs

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **Opening Balances** | | |
| Finished Goods | 4,649.44 | 3,408.75 |
| **Total Opening Balances** | 4,649.44 | 3,408.75 |
| **Closing Balances** | | |
| Finished Goods | 8,132.06 | 4,649.44 |
| **Total Closing Balances** | 8,132.06 | 4,649.44 |
| **Total Changes in inventories of finished goods, Stock-in -Trade and work-in-progress** | (3,482.62) | (1,240.69) |

**Note 28 : Employee benefits expenses**

₹ in lakhs

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Salaries, Wages, Bonus Etc. | 410.76 | 436.35 |
| Contribution To Provident Fund & Other Funds | 9.55 | 7.57 |
| Gratuity Expenses (Also Refer Note No 40 of Employee Benefits ) | 25.72 | 14.29 |
| Staff Welfare Expenses | 8.90 | 8.96 |
| Directors Remuneration | 114.10 | 113.82 |
| **Total Employee Benefits Expenses** | 569.03 | 580.99 |

**Note 29 : Finance costs**

₹ in lakhs

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **Interest** | | |
| Interest Expenses on Borrowings | 224.49 | 110.53 |
| Other Finance Cost | 146.81 | 364.36 |
| **Finance Cost expensed in Profit or Loss** | 371.30 | 474.89 |

**Note 30 : Depreciation and amortisation expenses**

₹ in lakhs

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Depreciation on Property, Plant and Equipment | 133.52 | 185.14 |
| Amortisation of Intangible Assets | 56.86 | 55.76 |
| **Total Depreciation and amortisation expenses** | 190.38 | 240.90 |

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**Note 31 : Other expenses**

₹ in lakhs

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Power and fuel | 3.96 | 4.72 |
| Rent including lease rentals | 10.23 | 30.19 |
| Repairs and maintenance - Buildings | 1.25 | 5.24 |
| Repairs and maintenance - Machinery | 32.11 | 24.81 |
| Repairs and maintenance - Others | 29.04 | 1.01 |
| Insurance | 82.12 | 70.71 |
| Rates and taxes | 37.55 | - |
| Communication | 12.34 | 13.15 |
| Travelling and conveyance | 45.77 | 31.98 |
| Freight and forwarding | 14,811.55 | 7,637.99 |
| Business promotion | 153.63 | 3.41 |
| Legal and professional | 170.89 | 163.76 |
| Payments to auditors | 19.82 | 24.69 |
| Terminal and Handling Charges | 728.81 | 693.26 |
| Other Clearing Charges | 799.85 | 496.33 |
| Transport Charges | 11,374.37 | 4,228.92 |
| Warehouse Charges | 220.15 | 174.63 |
| Demurrage & Detention Charges | 20.77 | 44.69 |
| Brokerage on trading in Commodities & Securities Exchange | 679.50 | 320.84 |
| Lodging & Boarding | 73.86 | 28.65 |
| Corporate Social Responsibilities Expenses | 121.61 | - |
| Directors Sitting Fees | 7.50 | 13.50 |
| Provision for doubtful debts and other advances | 7.51 | 151.63 |
| Miscellaneous Expenses | 93.11 | 391.37 |
| **Total Other expenses** | 29,537.30 | 14,555.82 |

**Note 32 : Tax Expenses**

**(a) Amounts recognised in profit or loss**

₹ in lakhs

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **Current tax expense (A)** | | |
| Current year | 799.08 | 347.58 |
| Short / ( Excess ) Provision of Taxation of Earlier Years | (22.40) | - |
| **Deferred tax expense (B)** | | |
| Origination and reversal of temporary differences | (127.12) | (45.52) |
| | - | |
| **Tax expense recognised in the income statement (A+B)** | 649.56 | 302.06 |

**(b) Amounts recognised in other comprehensive income**

₹ in lakhs

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **Items that will not be reclassified to profit & loss** | | |
| Remeasurements of the defined benefit plans | 18.56 | 10.16 |
| Income Tax on Above | (4.67) | (2.56) |
| | 13.89 | 7.60 |

**(c) Reconciliation of effective tax rate**

₹ in lakhs

| Particulars | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|---|---|---|
| **Profit before tax** | 3,393.89 | 1,405.16 |
| Tax using the domestic tax rate (Current year 25.168% and Previous Year 25.168%) | 854.17 | 353.65 |
| **Tax effect of :** | | |
| Tax effect of non deductible expenses | 85.05 | 129.33 |
| Income Tax Incentives | | |
| Income Exempt From Income Tax Law | (113.98) | (99.95) |
| Deductions under various sections of Income Tax Act | (26.09) | (35.44) |
| Tax at concessional rate than stated above | | |
| Others | (0.07) | - |
| **Tax expenses as per Statement of Profit & Loss** | 799.08 | 347.59 |
| **Effective tax rate** | 23.54% | 24.74% |

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**(d) Movement in deferred tax balances**

| Particulars | As at April 1, 2021 Deferred Tax Asset / (Liabilities) | Credit / (Charge) in Statement of profit or loss | Credit / (Charge) in Equity | Credit / (Charge) in OCI | As at March 31, 2022 Deferred Tax Asset / (Liabilities) |
|---|---|---|---|---|---|
| **Deferred tax Asset/(Liabilities)** | | | | | |
| Property, Plant & Equipment | (11.36) | 7.36 | - | - | (4.00) |
| Amortisation of leased asset | 1.66 | (1.54) | | | 0.12 |
| Restatemnt of Hedge Items | 1.59 | 55.72 | | | 57.31 |
| Remeasurements of defined benefit plans | 16.67 | | | 1.66 | 18.33 |
| Provision for Doubtful Debts and Advances | 100.74 | 1.92 | | | 102.66 |
| DTL on FCTR | (97.57) | | (12.57) | (83.27) | (193.41) |
| DTL on Fair Value of Investments | (2,369.73) | | (87.30) | | (2,457.03) |
| **Deferred Tax Assets/(Liabilities) - Net** | (2,358.00) | 63.46 | (99.87) | (81.61) | (2,476.02) |

**(d) Movement in deferred tax balances**

| Particulars | As at April 1, 2020 Deferred Tax Asset / (Liabilities) | Credit / (Charge) in Statement of profit or loss | Credit / (Charge) in Equity | Credit / (Charge) in OCI | As at March 31, 2021 Deferred Tax Asset / (Liabilities) |
|---|---|---|---|---|---|
| **Deferred tax Asset/(Liabilities)** | | | | | |
| Property, Plant & Equipment | (13.20) | 1.84 | - | - | (11.36) |
| Amortisation of leased asset | 3.67 | (2.01) | - | - | 1.66 |
| Restatemnt of Hedge Items | 11.75 | - | - | (10.16) | 1.59 |
| Remeasurements of defined benefit plans | 15.43 | 1.24 | - | - | 16.67 |
| Provision for Doubtful Debts and Advances | 62.01 | 38.73 | - | - | 100.74 |
| DTL on FCTR | (184.03) | | 10.33 | 76.13 | (97.57) |
| DTL on Fair Value of Investments | (2,312.19) | | (57.54) | | (2,369.73) |
| **Deferred Tax Assets/(Liabilities) - Net** | (2,416.56) | 39.80 | (47.21) | 65.97 | (2,358.00) |

i) The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

i) The Group has opted for reduced tax rate as per Section 115BAA of the Income Tax Act, 1961 (introduced by the Taxation Laws (Amended) Ordinance, 2019) for the current financial year. Accordingly the Group has recognised Provision for Income Tax for the year and re-measured its Deferred tax Liability basis at the rate prescribed in the said section.

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**Sakuma Exports Limited**
**Notes forming part of the consolidated financial statements**
**Note 33 Ageing for Trade Receivables**
**a Trade Receivable ageing schedule as at March 31, 2022 (Rs. in lakhs)**

₹ in lakhs

| Particulars | Unbilled receivables | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 Months | 6 Months - 1 Year | 1 - 2 Years | 2 - 3 Years | More than 3 Years | |
| Undisputed Trade Receivables | | | | | | | | |
| (i) Considered good | - | - | 41,934.22 | 753.21 | 409.20 | 7.74 | - | 43,104.37 |
| (ii) which have significant increase in Credit Risk | - | - | - | - | - | - | - | - |
| (ii) Credit Impaired | - | - | - | - | - | - | - | - |
| Disputed Trade Receivables | | | | | | | | - |
| (i) Considered good | - | - | 336.75 | - | - | - | - | 336.75 |
| (ii) which have significant increase in Credit Risk | - | - | - | - | - | - | 33.42 | 33.42 |
| (ii) Credit Impaired | - | - | - | - | - | - | - | - |
| **Total** | - | - | 42,270.97 | 753.21 | 409.20 | 7.74 | 33.42 | 43,474.54 |

**b Trade Receivable ageing schedule as at March 31, 2021 (Rs. in lakhs)**

₹ in lakhs

| Particulars | Unbilled receivables | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 Months | 6 Months - 1 Year | 1 - 2 Years | 2 - 3 Years | More than 3 Years | |
| Undisputed Trade Receivables | | | | | | | | |
| (i) Considered good | - | - | 26,072.62 | - | 456.15 | - | - | 26,528.78 |
| (ii) which have significant increase in Credit Risk | - | - | - | - | - | - | - | - |
| (iii) Credit Impaired | - | - | - | - | - | - | - | - |
| | | | | | | | | |
| Disputed Trade Receivables | - | - | - | - | - | - | - | - |
| (i) Considered good | - | - | - | 341.31 | - | - | - | 341.31 |
| (ii) which have significant increase in Credit Risk | - | - | - | - | - | - | 30.31 | 30.31 |
| (ii) Credit Impaired | - | - | - | - | - | - | - | - |
| **Total** | - | - | 26,072.62 | 341.31 | 456.15 | - | 30.31 | 26,900.39 |

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**Sakuma Exports Limited**
**Notes forming part of the consolidated financial statements**
**Note 34 Ageing for Trade Payables**
**a Trade Payables ageing schedule as at March 31, 2022**

₹ in lakhs

| Particulars | Unbilled payables | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 Months | 6 Months - 1 Year | 1 - 2 Years | 2 - 3 Years | More than 3 Years | |
| a) MSME | - | - | 272.17 | - | - | - | - | 272.17 |
| b) Others | 897.64 | - | 4,672.70 | 985.12 | 28.74 | - | - | 6,584.21 |
| c) Disputed dues - MSME | - | - | - | - | - | - | - | - |
| d) Disputed dues - Others | - | - | - | - | 47.56 | - | - | 47.56 |
| Total | 897.64 | - | 4,944.87 | 985.12 | 76.30 | - | - | 6,903.94 |

**b Trade Payables ageing schedule as at March 31, 2021**

₹ in lakhs

| Particulars | Unbilled payables | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 Months | 6 Months - 1 Year | 1 - 2 Years | 2 - 3 Years | More than 3 Years | |
| a) MSME | - | - | 635.88 | - | - | - | - | 635.88 |
| b) Others | 144.85 | - | 1,821.74 | 133.44 | 72.15 | - | - | 2,172.18 |
| c) Disputed dues - MSME | - | - | - | - | - | - | - | - |
| d) Disputed dues - Others | - | - | - | - | - | - | - | - |
| Total | 144.85 | - | 2,457.62 | 133.44 | 72.15 | - | - | 2,808.06 |

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**Note No. 35: Operating Leases**

i) The Company's lease asset primarily consist of leases for land and buildings for offices. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset at an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised.

(ii) The following is the summary of practical expedients elected on initial application:

(a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

(b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

(c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

(d) Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17

(e) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

(iii) Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2022

₹ in lakhs

| Particulars | 2021-22 | 2020-21 |
|---|---|---|
| | Amount | Amount |
| Opening Balance | 27.91 | 83.67 |
| **Total Right of Use on the date of transition** | 27.91 | 83.67 |
| Additions during the year | 167.52 | - |
| Deletion during the year | 15.75 | - |
| Depreciation of Right of use assets (refer note 24) | (56.86) | 55.76 |
| **Closing Balance** | 154.32 | 27.91 |

(iv) The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2022:

₹ in lakhs

| Particulars | 2021-22 | 2020-21 |
|---|---|---|
| | Amount | Amount |
| Transition impact on account of adoption of Ind AS 116 "Leases" | - | |
| Opening Balance | 30.43 | 86.09 |
| Additions during the year | 158.93 | - |
| Finance cost accrued during the year | 3.80 | 7.34 |
| Deletions | - | - |
| Payment of Lease Liabilities | (63.00) | (63.00) |
| **Closing Balance** | 130.16 | 30.43 |

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| With respect to non - cancellable operating lease, the future minimum lease payment as at Balance Sheet date is as under: | | |
| For a period not later than one year | 63.00 | 31.50 |
| For a period later than one year and not later than five years | 120.75 | - |
| For a period later than five years | - | - |
| **Total** | 183.75 | 31.50 |

(v) The maturity analysis of lease liabilities are disclosed in Note 41

(vi) Rental expense recorded for short-term leases was ₹ 10.23 lakhs for the year ended March 31,2022

(vii) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**Note 36 : Earnings per equity share: (in ₹)**

| Particular | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|---|---|---|
| **Earnings Per share has been computed as under :** | | |
| Net Profit after tax attributable to the Equity Shareholders (₹ in Lakhs) | 2,758.22 | 1,110.69 |
| Total Average No of shares Outstanding during the year | 2,345.59 | 2,345.59 |
| Weighted Average No of shares Outstanding during the year | 2,345.59 | 2,193.28 |
| Earnings per Share -Basic & Diluted ( Face Value of ₹ 1/- per Share) | 1.18 | 0.51 |

**Note 37 Contingent liabilities and commitments (to the extent not provided for)**

₹ in lakhs

| Particulars | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|---|---|---|
| **(i) Contingent liabilities** | | |
| **Direct and Indirect taxation matters** | | |
| TDS Default | 0.31 | - |
| Income tax | 1,494.02 | 354.45 |
| Sales tax | 803.84 | 841.08 |
| Claims against the Company not acknowledged as debts | 10.97 | 186.22 |

**Note 38 Segment Reporting**

The Holding company and its Chief Operating Decision Maker (CODM) reviews agro business as the only segment and takes decision based on the demand and supply in agro business. Thus, as per Ind AS 108, the business activities falls within a single primary segment i.e. trading in Agri Products and accordingly segment reporting is not applicable.

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**Sakuma Exports Limited**

**Notes forming part of the consolidated financial statements**

**Note 39 Related party Disclosures**

The related parties as per the terms of Ind AS - 24, "Related Party Disclosures". Specified under section 133 of the Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2015) are disclosed below -

| Note | Particulars | |
|---|---|---|
| | Names of Related parties and description of the relationship | |
| | Description of relationship | Names of related parties |
| | Key Management Personnel (KMP) | Mr. Saurabh Malhotra (Chairman & Managing Director)<br>Mr. Radhe Shyam (Non-Executive Director)<br>Mr. O P Singal (Non-Executive Director)<br>Ms. Shipra Malhotra (Non-Executive Director)<br>Mr. Vivek Grover (Non-Executive Director)<br>Mr. Amit Amist Shanker (Non-Executive Director) |
| | Relatives of KMP | Mrs. Kusum Malhotra<br>Mrs. Vanita Malhotra |
| | Companies in which Directors, KMP or their relatives are interested | Sakuma Finvest Private Limited<br>GMK System and Logistics Private Limited<br>Sakuma Infrastructure and Realty Private Limited<br>C.K.K Exports Private Limited<br>Marwar Consultancy Private Limited<br>Sukriti Trading LLP<br>LT Sagar Coastal Transport Private Limited<br>MS Port Terminal Private Limited<br>Kuma Infra and Realty Private Limited<br>Samavama Infra and Realty Privatte Limited |
| | Key Management Personnel (KMP) | Mr. Saurabh Malhotra (Chairman & Managing Director)<br>Mr. Radhe Shyam (Non-Executive Director)<br>Mr. O P Singal (Non-Executive Director)<br>Ms. Shipra Malhotra (Non-Executive Director)<br>Mr. Vivek Grover (Non-Executive Director)<br>Mr. Amit Amist Shanker (Non-Executive Director) |
| | Relatives of KMP | Mrs. Kusum Malhotra |
| | Companies in which Directors, KMP or their relatives are interested | Sakuma Infrastructure and Realty Private Limited<br>C.K.K Exports Private Limited |

(III) Details of related party transactions during the year ended March 31, 2022

₹ in lakhs

| Relationship | Transactions | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|
| Key Management Personnel | Director's Sitting Fees | 7.50 | 13.50 |
| Relatives of KMP | Rent paid | 10.71 | 10.71 |
| Companies in which Directors, KMP or their relatives are interested | | 52.29 | 52.29 |
| Companies in which Directors, KMP or their relatives are interested | Sales | 1,233.70 | - |
| Companies in which Directors, KMP or their relatives are interested | Purchase | 9,160.47 | - |
| Key Management Personnel | Director's Remuneration | 108.00 | 108.00 |
| Companies in which Directors, KMP or their relatives are interested | Subscription of Shares | - | 1,331.25 |
| Companies in which Directors, KMP or their relatives are interested | Interest Paid | 46.03 | 14.34 |
| Companies in which Directors, KMP or their relatives are interested | Loan Taken | 3,047.00 | 3,277.40 |
| Companies in which Directors, KMP or their relatives are interested | Loan Repaid | 1,640.00 | 3,277.40 |

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(iv) Details of balances outstanding of the Related Parties

| Relationship | Outstanding Balance | As at March 31,2022 | As at March 31, 2021 |
|---|---|---|---|
| Relatives of KMP | Security Deposit | 15.30 | 15.30 |
| Companies in which Directors, KMP or their relatives are interested | | 74.70 | 74.70 |
| | | | |
| Key Management Personnel | Director's Remuneration Payable | - | 3.38 |
| | | | |
| Companies in which Directors, KMP or their relatives are interested | Trade Payable | 1,301.29 | - |
| | | | |
| Companies in which Directors, KMP or their relatives are interested | Unsecured Borrowings | 1,416.86 | - |

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. The company has not recorded any impairment of receivables relating to the amounts owned by the related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which related party exists.

The remuneration to the key managerial personnel does not include the provisions made for gratuity as they are determined on an actuarial basis for the Company as a whole.
Managerial remuneration is computed as per the provisions of section 197 of the Companies Act, 2013.

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**Sakuma Exports Limited**
**Notes forming part of the consolidated financial statements**
**Note 40 Post-retirements benefit plan**

| Note | Particulars |
|---|---|
| (i) | **Defined contribution plans** |

The group has recognised and included in Note 29 "Contribution to Provident and other funds" expenses towards the defined contribution plan as under:

₹ in lakhs

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---|---|
| Contribution to Provident fund (Government) | 9.55 | 7.57 |

(ii) **Defined benefit plans**

The group offers the following employee benefit schemes to its employees:

**Gratuity**

The group has a defined benefit gratuity plan which is funded with an Insurance group in the form of qualifying Insurance policy. The group's defined benefit gratuity plan is a salary plan for employees which requires contributions to be made to a separate administrative fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, every employee who has completed five years of service gets a gratuity on separation @ 15 days of last drawn salary for each completed year of service rounded to nearest integer. The scheme is funded with an insurance group in the form of qualifying insurance policy.

The Management have appointed PNB MetLife to manage its funds. The management aim to keep annual contributions relatively stable at a level such that no plan deficits

The disclosure in respect of the defined Gratuity plan are given below:

₹ in lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **(a) Net Assets / (Liability) of Defined Benefit Plans -** | | |
| Present Value of Funded obligation | 72.82 | 62.23 |
| Fair value of plan assets | 10.15 | 10.72 |
| Net Asset / (Liability) recognised | (62.67) | (51.51) |
| | | |
| (b) Change in present value of the defined benefit obligation are as follows - | | |
| Opening Defined Benefit Obligation | 66.24 | 61.32 |
| Service cost for the year | 22.97 | 10.53 |
| Past service cost | | |
| Interest cost for the year | 4.62 | 4.46 |
| Benefits paid | (2.46) | (2.22) |
| Actuarial losses (gains) | (18.54) | (7.85) |
| Closing defined benefit obligation | 72.82 | 66.24 |
| | | |
| (c) Changes in Fair value of Plan Assets during the year - | | |
| Opening fair value of plan assets | 10.72 | 9.94 |
| Expected return | 0.69 | 0.69 |
| Benefits paid | (1.27) | (2.22) |
| Actuarial gains and (losses) | 0.01 | 2.30 |
| Closing balance of fund | 10.15 | 10.72 |
| | | |
| (d) Expenses recognised during the period - | | |
| In Income Statement | 26.91 | 14.49 |
| In Other Comprehensive Income | (18.56) | (9.84) |
| Total Expenses recognised during the period | 8.36 | 4.65 |
| | | |
| (e) Amount recognised as expenses the Statement of Profit and Loss | | |
| Current Service Cost | 9.00 | 10.53 |
| Net Interest on net Defined Liability/(Asset) | 1.04 | 3.76 |
| Total | 10.03 | 14.29 |
| | | |
| (f) Amount recognised as other comprehensive income the Statement of Profit and Loss | | |
| Actuarial gains and (losses) | (8.52) | (7.84) |
| Return on plan assets, excluding amount included in 'Net Interest on net Deferred Liability/(Asset)' above | 0.13 | (1.02) |
| Total | (8.39) | (8.86) |
| | | |
| (g) Actual return on plan assets - | | |
| Expected return on plan assets | 0.69 | 0.69 |
| Actuarial gain / (loss) on plan assets | 0.01 | 2.30 |
| Actual return on plan assets | 0.70 | 2.99 |

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(h) The principal assumptions used in determining gratuity and leave encashment for the group's plan are shown below:

**Description of Risk Exposures -**

Valuations are performed on certain basic set of predetermined assumptions and other regulatory frame work which may vary overtime. Thus, the group is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk

The plan exposes the group to the risk of all in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Salary Escalation Risk**

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Regulatory Risk**

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ` 20 lakhs).

**Investment Risk**

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Discount Rates (per annum) | 0.07 | 0.07 |
| Expected return on plan assets | 0.07 | 0.07 |
| Salary growth rate (per annum) | 0.07 | 0.07 |
| Attrition Rate | 5% to 1% | 5% to 1% |
| Mortality | Indian Assured Lives Mortality (2012-2014) Ult. | Indian Assured Lives Mortality (2006-2008) Ult. |

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and

(i) Sensitivity Analysis of Defined Benefit Obligation with reference to Key Assumptions

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Discount Rate** | | |
| One percent increase | 64.86 | 58.77 |
| One percent decrease | 82.22 | 75.09 |
| **Salary Escalation Rate** | | |
| One percent increase | 82.11 | 74.98 |
| One percent decrease | 64.81 | 58.72 |
| **Withdrawal Rate** | | |
| One percent increase | 72.77 | 66.18 |
| One percent decrease | 72.67 | 66.28 |
| | | |

The group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance group carries out a fund valuation based on the The following payments are expected contributions to the defined benefit plan in future years:

**Expected(Undiscounted) Benefit Payments in Future Years**

(Projections are for current members and their currently accumulated benefits)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Year 1 | 5.29 | 4.27 |
| Year 2 | 2.27 | 2.08 |
| Year 3 | 2.19 | 2.01 |
| Year 4 | 2.12 | 1.94 |
| Year 5 | 5.78 | 1.87 |
| Year 6 to 10 | 12.86 | 14.10 |
| Total | 30.52 | 26.27 |

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**Sakuma Exports Limited**

**Notes forming part of the consolidated financial statements**

**41 Hedging Activities and Derivatives**

**Derivatives designated as hedging instruments**

The Group uses derivative financial instruments such as foreign currency forward contracts to hedge foreign currency risk arising from future transactions in respect of which firm commitments are made or which are highly probable forecast transactions. All these instruments are designated as hedging instruments and the necessary documentation for the same is made as per Ind AS 109.

**Cash flow hedges - Foreign currency Risk**

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of recognized purchase payables, committed future purchases, recognized sales receivables, forecast sales in US dollar. The forecast sales transactions are highly probable.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

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**Notes forming part of the consolidated financial statements**

**42 Fair Value Measurements**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not valued at fair value if the carrying amount is a reasonable approximation of the fair value.

| As at March 31, 2022 | Carrying Value | | | | Fair Value | | | |
|---|---|---|---|---|---|---|---|---|
| | Mandatorily at FVTPL | FVTOCI - designated as such | At amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | | | | |
| Non Current Assets | | | | | | | | |
| Investment in Subsidiaries | - | - | 2,224.53 | 2,224.53 | - | - | - | - |
| Investment - Others | - | - | 2.60 | 2.60 | | | | |
| Loans, Advances and Deposits | 72.03 | - | - | 72.03 | - | 72.03 | - | 72.03 |
| | | | | | | | | |
| Current Assets | | | | | | | | |
| Trade receivables | - | - | 29,197.16 | 29,197.16 | - | - | - | - |
| Cash and cash equivalents | - | - | 528.75 | 528.75 | - | - | - | - |
| Balances with Banks other than above | - | - | 331.31 | 331.31 | - | - | - | - |
| Investments-Others | - | - | - | - | - | - | - | - |
| Loans, Advances and Deposits | - | - | 92.92 | 92.92 | - | - | - | - |
| Other financial assets | - | - | 623.47 | 623.47 | - | - | - | - |
| **Total Financial Assets** | 72.03 | - | 33,000.74 | 33,072.77 | - | 72.03 | - | 72.03 |
| | | | | | | | | |
| Financial Liabilities | | | | | | | | |
| Non-Current Liabilities | | | | | | | | |
| Borrowings | - | - | 154.17 | 154.17 | - | - | - | - |
| Lease Liabilities | - | - | 81.22 | 81.22 | | | | |
| Current Liabilities | | | | | | | | |
| Borrowings | - | - | 8,399.24 | 8,399.24 | - | - | - | - |
| Trade payables | - | - | 5,808.60 | 5,808.60 | - | - | - | - |
| Lease Liabilities | 48.94 | - | - | 48.94 | - | 48.94 | - | 48.94 |
| Other financial liabilities | - | - | 51.42 | 51.42 | - | - | - | - |
| **Total Financial Liabilities** | 48.94 | - | 14,494.65 | 14,543.59 | - | 48.94 | - | 48.94 |

₹ in lakhs

| As at March 31, 2021 | Carrying Value | | | | Fair Value | | | |
|---|---|---|---|---|---|---|---|---|
| | Mandatorily at FVTPL | FVTOCI - designated as such | At amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | | | | |
| Non Current Assets | | | | | | | | |
| Investment in Subsidiaries | - | - | 2,224.53 | 2,224.53 | - | - | - | - |
| Investment - Others | - | - | 2.60 | 2.60 | | | | - |
| Loans, Advances and Deposits | 72.03 | - | - | 72.03 | - | 72.03 | - | 72.03 |
| | | | | - | | | | |
| Current Assets | | | | | | | | |
| Trade receivables | - | - | 10,337.31 | 10,337.31 | - | - | - | - |
| Cash and cash equivalents | - | - | 273.28 | 273.28 | - | - | - | - |
| Investment - Others | - | - | 228.04 | 228.04 | - | - | - | - |
| Balances with Banks other than above | 1,000.04 | - | - | 1,000.04 | 1,000.04 | - | - | 1,000.04 |
| Loans, Advances and Deposits | - | - | 15.00 | 15.00 | - | - | - | - |
| Other financial assets | - | - | 403.94 | 403.94 | - | - | - | - |
| **Total Financial Assets** | 1,072.07 | - | 13,484.69 | 14,556.76 | 1,000.04 | 72.03 | - | 1,072.07 |
| | | | | | | | | |
| Financial Liabilities | | | | | | | | |
| Non-Current Liabilities | | | | | | | | |
| Borrowings | - | - | 225.41 | 225.41 | - | - | - | - |
| Lease Liabilities | - | - | - | - | - | - | - | - |
| Current Liabilities | | | | - | | | | |
| Borrowings | - | - | 272.15 | 272.15 | - | - | - | - |
| Trade payables | - | - | 2,223.53 | 2,223.53 | - | - | - | - |
| Lease Liabilities | 30.43 | - | - | 30.43 | - | 30.43 | - | 30.43 |
| Other financial liabilities | - | - | 226.36 | 226.36 | - | - | - | - |
| **Total Financial Liabilities** | 30.43 | - | 2,947.45 | 2,977.87 | - | 30.43 | - | 30.43 |

During the reporting period ended March 31, 2022 and March 31, 2021, there have been no transfers between Level 1 and Level 2 fair value measurements.

The management assessed that fair values of cash and cash equivalents, trade receivables, trade payables less than 1 year, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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**Sakuma Exports Limited**
**Notes forming part of the consolidated financial statements**
**43 Capital Risk Management**

For the purpose of the Company capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.
The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

₹ in lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| | | |
| Borrowings | 8,553.41 | 497.56 |
| Trade Payables | 6,903.94 | 2,808.06 |
| Less: Cash and Cash Equivalents | (630.57) | (324.04) |
| **Net Debt** | **14,826.78** | **2,981.58** |
| | | |
| Total Equity | 38,031.47 | 34,914.61 |
| | | |
| Total Equity and Net Debt | 52,858.25 | 37,896.19 |
| | | |
| **Gearing Ratio** | **0.28** | **0.08** |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.
No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

**Sakuma Exports Limited**
**Notes forming part of the consolidated financial statements**
**44 Group Information**
The Consolidated financial statement of the Group includes subsidiaries are mentioned below :-

₹ in lakhs

| Name of Entity in the Group | Year | Net Asset | | Share in Profit or Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|---|
| | | As a % of Consolidated | Amount | As a % of Consolidated | Amount | As a % of Consolidated | Amount | As a % of Consolidated | Amount |
| **(I) Parent** | | | | | | | | | |
| Sakuma Exports Limited | 31/Mar/22 | 53.83 | 20,470.64 | 86.88 | 2,948.56 | 100.00 | 13.89 | 86.93 | 2,962.45 |
| | 31/Mar/21 | 58.32 | 23,117.78 | 64.49 | 709.95 | 100.00 | (7.60) | 64.24 | 702.35 |
| **(II) Foreign Subsidiaries having no Non controlling Interest** | | | | | | | | | |
| (1) Sakuma Exim DMCC | 31/Mar/22 | 34.88 | 13,265.88 | 11.72 | 397.61 | - | - | 11.67 | 397.61 |
| | 31/Mar/21 | 31.29 | 12,405.69 | 29.68 | 326.75 | - | - | 29.89 | 326.75 |
| (2) Sakuma Exports Pte Ltd. | 31/Mar/22 | 11.22 | 4,266.79 | 1.55 | 52.44 | - | - | 1.54 | 52.44 |
| | 31/Mar/21 | 10.32 | 4,089.80 | 6.04 | 66.45 | - | - | 6.08 | 66.45 |
| **(III)Step Down Foreign Subsidiaries having no Non controlling interest** | | | | | | | | | |
| (1) GK Exim FZE W.L.L. | 31/Mar/22 | 0.07 | 28.16 | (0.14) | (4.72) | - | - | (0.14) | (4.72) |
| | 31/Mar/21 | 0.07 | 29.42 | (0.21) | (2.29) | - | - | (0.21) | (2.29) |
| **Total** | 31/Mar/22 | 100.00 | 38,031.47 | 100.00 | 3,393.89 | 100.00 | 13.89 | 100.00 | 3,407.78 |
| | 31/Mar/21 | 100.00 | 39,642.69 | 100.00 | 1,100.86 | 100.00 | (7.60) | 100.00 | 1,093.26 |

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**Sakuma Exports Limited**
**Notes forming part of the consolidated financial statements**
**45 Financial Risk Management**

**Risk Management Framework**

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents that derive directly from its operations. The Company also enters into derivative transactions.
The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Board of Directors through its risk management committee reviews and agrees policies for managing each of these risks, which are summarised below.

The Company's has exposure to the following risks arising from financial instruments:
(i) Market Risk
(ii) Commodity Price Risk
(iii) Credit Risk
(iv) Liquidity Risk
(v) Excessive risk Concentration

**(i) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2022 and March 31, 2021
The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2022.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022 and March 31, 2021 including the effect of hedge accounting.

***Interest Rate Risk***
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.
The Company manages its interest rate risk by having a short term working capital loans which are reviewed on yearly basis. The following table provides a break-up of Company's fixed and floating rate borrowing:

₹ in lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Fixed rate borrowings | 1,642.27 | 290.76 |
| Floating rate borrowings | 6,911.14 | 206.79 |
| Total Borrowings | 8,553.41 | 497.56 |

***Interest rate sensitivity***
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other

₹ in lakhs

| Particulars | Increase / decrease in basis points | Effect on profit before tax |
|---|---|---|
| March 31, 2022 | | |
| `6911.14 | +/- 100 bps | -69.11/69.11 |
| March 31, 2021 | | |
| `206.79 | +/- 100 bps | -0.21/0.21 |

Note: The above analysis is prepared for floating rate liabilities assuming the amount of the Liability outstanding at the end of the reporting Period was outstanding for the whole year.

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years

***Derivatives designated as hedging instruments***

The Company uses derivative financial instruments such as foreign currency forward contracts to hedge foreign currency risk arising from future transactions in respect of which firm commitments are made or which are highly probable forecast transactions. All these instruments are designated as hedging instruments and the necessary documentation for the same is made as per Ind AS 109.

***Cash flow hedges - Foreign currency Risk***

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of recognized purchase payables, committed future purchases, recognized sales receivables, forecast sales in US dollar. The forecast sales transactions are highly probable.
The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

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(Amount in USD in lakhs)

| Unhedged Foreign Currency Exposure | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| | | |
| FCY Receivables | 1,004.92 | 358.41 |
| FCY Payables | (167.50) | (16.70) |
| Net FCY Receivables / (Payables) | 837.42 | 341.71 |
| Financial Hedge | 837.39 | 341.76 |
| Unhedged Foreign Currency Exposure | 0.03 | (0.05) |
| | | |

***Foreign currency sensitivity***

The following tables demonstrate the sensitivity to a reasonably possible change in USD rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

₹ in lakhs

| Particulars | Change in Currency | Effect on profit before tax |
|---|---|---|
| **March 31, 2022** | | |
| **Recognized net receivables / (payables)** | **+ 1 /- 1** | **+ 0.03/ -0.03** |
| March 31, 2021 | | |
| Recognized net receivables / (payables) | + 1 /- 1 | + 0.05 / - 0.05 |

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

**(ii) Commodity Price Risk**

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of oil and other traded commodities. Due to the significantly increased volatility of the prices of the commodities, the Company also entered into various derivative contracts.
The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

***(iii) Credit Risk***

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

**Trade receivables**

Customer credit risk is managed by the management subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing. Generally the company operates on advance against delivery order principle except for merchant trade transactions wherein the sales is executed on credit terms up to six months. Also, Export customers are secured against Letter of Credit, bank guarantees and payments against documents. Credit risk on receivables is also mitigated by securing the same against security deposit, letter of credit and advance payment.
An impairment analysis is performed at each reporting date on an individual basis for major clients. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

**Ageing of Account receivables** ₹ in lakhs

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **0 - 90 days** | 39,805.09 | 25,232.52 |
| **91 - 180 days** | 2,465.90 | 840.10 |
| **181 - 270 days** | - | 341.31 |
| **270 - 365 days** | 753.21 | - |
| **More than 365 days** | 450.34 | 486.46 |
| | **43,474.54** | **26,900.39** |

**Other financial assets and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval as per the Investment policy. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

**(iv) Liquidity Risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company prepares cash flow on a daily basis to monitor liquidity. Any shortfall is funded out of short term loans. Any surplus is invested in liquid mutual funds and short term bank deposits. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

| **Liquidity exposure as at March 31, 2022** | | | | ₹ in lakhs |
|---|---|---|---|---|
| **Particulars** | **< 1 year** | **1-5years** | **>5 years** | **Total** |
| Financial Assets | | | | |
| Non-Current Assets | | | | |
| Investment in Subsidiaries | - | - | - | - |
| Investment - Others | - | **2.60** | - | **2.60** |
| Loans, Advances and Deposits | - | **72.03** | - | **72.03** |

| | | | | |
|---|---|---|---|---|
| Current Assets | | | | - |
| Trade receivables | 43,024.18 | 393.05 | - | 43,417.23 |
| Cash and cash equivalents | 630.57 | - | - | 630.57 |
| Balances with Banks other than above | 331.31 | - | - | 331.31 |
| Investment - Others | - | | | - |
| Loans, Advances and Deposits | 96.04 | - | - | 96.04 |
| Other financial assets | 623.47 | - | - | 623.47 |
| **Total Financial Assets** | 44,705.57 | 467.68 | - | 45,173.25 |
| | | | | |
| Financial Liabilities | | | | |
| Non-Current Liabilities | | | | |
| Borrowings | - | 154.17 | - | 154.17 |
| Lease Liabilities | - | 81.22 | - | 81.22 |
| Current Liabilities | | | | - |
| Borrowings | 8,399.24 | - | - | 8,399.24 |
| Trade payables | 6,827.64 | 76.30 | - | 6,903.94 |
| Other financial liabilities | 100.36 | - | - | 100.36 |
| **Total Financial Liabilities** | 15,327.24 | 311.69 | - | 15,638.93 |

| **Liquidity exposure as at March 31, 2021** | | | | ₹ in lakhs |
|---|---|---|---|---|
| **Particulars** | **< 1 year** | **1-5years** | **>5 years** | **Total** |
| | | | | |
| Financial Assets | | | | |
| Non-Current Assets | | | | |
| Investment in Subsidiaries | - | - | - | - |
| Investment - Others | - | 2.60 | - | 2.60 |
| Loans, Advances and Deposits | - | 88.49 | - | 88.49 |
| Current Assets | | | | - |
| Trade receivables | 26,413.93 | 439.68 | - | 26,853.61 |
| Investment - Others | 1,000.04 | - | - | - |
| Cash and cash equivalents | 324.04 | - | - | 324.04 |
| Balances with Banks other than above | 228.04 | - | - | 228.04 |
| Loans, Advances and Deposits | 23.64 | - | - | 23.64 |
| Other financial assets | 623.47 | - | - | 623.47 |
| **Total Financial Assets** | 28,613.15 | 530.77 | - | 29,143.91 |
| | | | | |
| Financial Liabilities | | | | |
| Non-Current Liabilities | | | | |
| Borrowings | 225.41 | - | - | 225.41 |
| Lease Liabilities | - | - | - | - |
| Current Liabilities | - | - | - | - |
| Borrowings | 272.15 | - | - | 272.15 |
| Trade payables | 2,591.06 | 72.15 | - | 2,663.21 |
| **Other financial liabilities** | 262.09 | - | - | 262.09 |
| **Total Financial Liabilities** | 3,350.71 | 72.15 | - | 3,422.86 |

**(v) Excessive risk Concentration**

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels.

**Note-46 Other Accompanying Notes**

**1. Recent Pronouncements:**

Ministry of Corporate Affairs("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

**Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

**Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

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SAKUMA EXPORTS LTD. MUMBAI

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

2. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its Subsidiary Company incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Holding Company or its Subsidiary Company incorporated in India (Ultimate Beneficiaries). The Holding Company or its Subsidiary Company incorporated in India has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

3. **Details of Benami property**: No proceedings have been initiated or are pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

4. **Transactions with Struck off Companies**: No transactions have been carried out during the financial year 2021-22 with Struck off Companies under section 248 of the Companies Act, 2013 by MCA.

5. **Compliance with number of layers of companies**: The Group has complied with the number of layers prescribed clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

6. **Details of crypto currency or virtual currency**: The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

7. **Undisclosed income**: There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

8. The Figures have been rounded off to the nearest lakhs of Rupees upto two decimal Places.

9.Previous Years Figures have been regrouped / rearranged where ever necessary to make them Comparable with the Current year Figures as per revised Schedule III requirments

10.Note 1 to 45 Forms an intergral Part of the Consolidated Financial Statements

As per our report of even date

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

**Jinendra. D. Jain**
**Partner**
**M. No. 140827**

M. L. SHARMA & CO. Firm Reg. No. 109963W 1107, The Summit Business Bay, Andheri (E), Mumbai-69 CHARTERED ACCOUNTANTS

**Place : Mumbai**
**Date : May 28, 2022**

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

**Mr. Saurabh Malhotra**
**Chairman & Managing Director**
**DIN - 00214500**

**Khyati Jobanputra**
**Company Secretary**

**Devesh Mishra**
**Chief Financial Officer**

SAKUMA EXPORTS LTD. MUMBAI

## ACCOUNTING RATIOS

**Statements of Accounting Ratios**

The following tables present certain accounting and other ratios compared on the basis of amounts derived from the Audited Consolidated Financial Statements for FY 2021-22 and Limited Review Report for 9 months ending on December 31, 2022. For details, see "***Financial Statements***" on page no. __ of the Draft Letter of Offer.

***(Rs. in Lakhs, unless otherwise specified)***

| Sr. No. | Particulars | Based on Audited Consolidated Financial Statements | | Based on Unaudited Consolidated Financial Statements | |
|---|---|---|---|---|---|
| | | **FY 2021-22** | **FY 2020-2021** | **As at and for the 9 months ended 31-12-2022** | **As at and for the 9 months ended 31-12-2021** |
| A. | Net worth | 38031.47 | 34914.61 | 40877.6 | 36629.04 |
| B. | Net Profit after Tax | 2758.23 | 1110.69 | 1833.15 | 1421.45 |
| C. | No. of Shares outstanding at the end of the year | 2345.59 | 2345.59 | 2345.59 | 2345.59 |
| | Weighted average number of shares outstanding | | | | |
| D. | - for basic earnings per share | 2345.59 | 2193.28 | 2345.59 | 2345.59 |
| E. | - for diluted earnings per share | 2345.59 | 2193.28 | 2345.59 | 2345.59 |
| F. | **Basic earnings per share (B/D)** | 1.18 | 0.51 | 0.78 | 0.61 |
| G. | **Restated diluted earnings per share (B/E)** | 1.18 | 0.51 | 0.78 | 0.61 |
| H. | **Return on net worth (%) (B/A)** | **7.25** | **3.18** | **4.48** | **3.88** |
| | Net Asset Value per share of Re. 1 each | | | | |
| I. | **- based on weighted average number of shares (A/D)** | **16.21** | **15.92** | **17.43** | **15.62** |
| J. | **- assuming actual number of equity shares with fully diluted capital in prior years (A/E)** | **16.21** | **15.92** | **17.43** | **15.62** |
| K. | **EBITDA** | 3808.76 | 1756.58 | **3076.79** | **2183.19** |
| L. | Face value | 1.00 | 1.00 | 1.00 | 1.00 |

*This includes capital reserves and other reserves

**Net Worth is derived from the Financial Information and comprises of equity share capital and other equity.

*A. The formulae used in the computation of the above ratios are as follows:*

1) Basic Earnings Per Share = $\frac{\text{Net Profit after Tax as per consolidated statement}}{\text{Weighted average number of equity shares outstanding during the Period /year}}$

2) Diluted Earnings Per Share = $\frac{\text{Net Profit after Tax as per consolidated statement}}{\text{Weighted average number of equity shares outstanding during the Period /year for the effects of all dilutive potential equity shares}}$

3) Return on net worth (%) = $\frac{\text{Net Profit after Tax as per consolidated statement}}{\text{Net worth}}$

4) Net Asset Value per share = $\frac{\text{Net Worth}}{\text{Number of Equity Shares subscribed and fully paid outstanding as at the end of the period / year.}}$

B. Earnings per share (EPS) calculation are in accordance with Ind - AS 33 - Earning per share.

C. Weighted average number of shares is the number of equity shares outstanding at the beginning of the period adjusted by the number of equity shares issued during period, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.

D. "EBITDA" means earnings before interest, tax, depreciation and amortization. It has been calculated as follows: Profit before tax (before share of profit of Associate & Joint Venture) – other income + finance cost + depreciation and amortization expense.

## CAPITALIZATION STATEMENT

**(Rs. In Lakhs)**

| Particulars | Pre Issue as on as on March 31, 2022 | Post Issue * |
|---|---|---|
| **Borrowing** | | |
| Short - Term Debt | 8399.24 | [●] |
| Long - Term Debt | 154.17 | [●] |
| **Total Debt** | **8553.14** | [●] |
| **Shareholders' Funds** | | |
| **Share Capital** | | |
| - Equity | 2345.59 | [●] |
| Less: Calls - in – arrears | - | [●] |
| **Share Application money** | | |
| - Preference | - | [●] |
| Reserves & Surplus Including Premium | 35685.88 | [●] |
| **Total Shareholders' Funds** | **38031.47** | [●] |
| **Long - Term Debt / Shareholders Fund** | **0.41%** | [●] |
| **Short - Term Debt / Shareholders Fund** | **22.08%** | [●] |

*To be updated in the Letter of Offer

**Notes:**

1. Non-current borrowings are considered as borrowings other than short term borrowings and include current maturities of long term borrowings.

2. The amounts disclosed above are based on the Consolidated Financial Information of the Company.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our audited consolidated financial statements for the Fiscal 2022 and Limited Review Report for 9 months ending on December 31, 2022 included in this Draft Letter of Offer. Our audited financial statements for Fiscal 2022 and Limited Review Report for 9 months ending on December 31, 2022 are prepared in accordance with Ind AS. Unless otherwise stated, the financial information used in this chapter is derived from the audited consolidated financial statements for the Fiscal 2022 and Limited Review Report for 9 months ending on December 31, 2022 of our Company. For further information, see "Financial Statements" beginning on page no. __ of the Draft Letter of Offer.*

*This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward looking statements as a result of certain factors such as those set forth in the sections titled **"Risk Factors"** and **"Forward-Looking Statements"** on pages 23 and 17 respectively.*

*Our financial year ends on March 31 of each year, so all references to a particular **"financial year"** and **"Fiscal"** are to the twelve (12) month period ended March 31 of that year. References to the "Company", "we", "us" and "our" in this chapter refer to Sakuma Exports Limited on a consolidated basis, as applicable in the relevant period, unless otherwise stated.*

### Overview of the Company

Sakuma Exports Limited (SEL) is based out of Mumbai and was established as a partnership firm in 1998 and subsequently reconstituted as a public limited company in August 2005 and a fresh certificate of incorporation was issued by RoC. The Company is involved in business of trading of agro-commodities like sugar, pulses, maize, cotton and rice and other agricultural commodities. Trading of Sugar by our Company contributes to the major part of Company's revenue. SEL majorly imports and exports to USA, Asia Continental, Africa Region, Far East Asia, Europe, Australia and Middle East. However, since the last 3 financial years, SEL is purchasing the agro commodity products such as sugar, maize and rice and other agricultural commodities from Indian Domestic Market and has not imported any of the products from outside India. SEL conducts its business activities and operations from a number of ports like Mundra, Nhava Sheva, Kandla, Mumbai, Haldia, Chennai, Kakinada and Vizag.

The Company has established its presence in agro commodity trading business under the leadership of Late Mr. Chander Mohan Malhotra and the current operations are managed by his son Mr. Saurabh Malhotra. Sakuma Group consist of SEL along with its six subsidiaries located at Dubai, Singapore, Ghana, Tanzania, Canada and Bahrain. For details on our subsidiaries, please refer to page no. ___ of the Draft Letter of Offer.

SEL is a GOI recognized Trading House and its share are listed in NSE & BSE. The Company was conferred with the Certificate of Recognition as an Export House in 2002 by the Joint Director General of Foreign Trade, Ministry of Commerce, GOI. The company is also awarded with Certificate for Excellence in Export of Castor Oil and Groundnut Kernels for FY 2005-2006 and ECGC-D & B Indian Exporters Excellence award in 2012. Owing to over 2 decades of experience in the agro commodity trading business, SEL has an established track record of operations and longstanding relationships with its customers. We have multinational import clients namely Tate & Lyle, Cargill, Louis Dreysus, Czarnikow, ED & F Man importing sugar from them. The Company's promoters have rich experience of two decades in this industry.

SEL is primarily engaged in trading of Agro commodities of which Sugar and its by-products are the major products contributing to around 99.05 of its consolidated revenue in FY 2021-22. The balance of the business is contributed through the other agro commodities like grains and petroleum & minerals and Renewable Energy. SEL provides its customers and suppliers with tailor-made distribution solutions. SEL serves as one-stop-shop for hundreds of customers active in diverse end-market industries.

For further details, see **"*Business Overview*"** on page 76.

**COVID 19 Pandemic:**

The current outbreak of COVID-19 pandemic has adversely impacted the global economy. The World Health Organization declared the outbreak of COVID-19 as a public health emergency of international concern on January 30, 2020 and a pandemic on March 11, 2020. The Government of India announced a nation-wide lockdown on March 24, 2020 and imposed several restrictions. Subsequently in view of the second wave of COVID-19, various state governments had imposed a complete lockdown on or about the beginning of May, 2021. However, as we are engaged in import/export and trading of agricultural produce and commodities which are 'essential goods', our operations were not shut down during this pandemic. However, due to limited availability of labour, logistics and supply chain constraints, our business was impacted during the initial period of the lockdown. We continued our operations and business activities after making arrangements to meet the government's requirements on santization, people movement and social distancing.

**Significant Developments Subsequent since the last balance sheet date, i.e. December 31, 2022**

Except as stated in this Letter of Offer, and as disclosed below, to our knowledge, no circumstances have arisen since last balance sheet of the Company, i.e., December 31, 2022, which materially affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

- The Board of Directors at meeting held on February 14, 2023 has approved the updation of materiality Policy and related party policy and limited review report for nine months ending on December 31, 2022.

**Significant Factors Affecting Our Results of Operations**

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled ***'Risk Factors'*** on page 23. The following are certain factors that had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Fluctuations in foreign and Indian currency;
- Increasing competition in the Industry;
- Change in exports and imports regulations, policies;
- Change in prices, demand and supply of agro commodities;
- The impact of COVID-19 pandemic;
- Our ability to attract and retain distributors, wholesalers;
- Our ability to attract and retain logistic supply chain;
- Our ability to purchase the agro commodities and the availability of the same at reasonable prices;
- Our ability to attract and retain clients;
- Changes in government regulations, tax regimes, laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India;
- Changes in the SEBI and RBI regulations, interest rates and tax laws in India.

**Significant Accounting Policies**

The accounting policies have been applied consistently to the periods presented in the Financial Statements. For details of our significant accounting policies, please refer to page no. ___ in section titled "Financial Information" beginning on page no. 85 of this Draft Letter of Offer.

**Change in Accounting Policies**

Except as mentioned in chapter **"*Financial Information*"** on page 85 of this Draft Letter of Offer, there has been no change in accounting policies for the period which has been included in this Draft Letter of Offer.

**Revenue and Expenses**

**Our revenue and expenses are reported in the following manner:**

**Total Revenue**

Our Total Revenue comprises of revenue from operations and other income.

- **Revenue from operations** - Our revenue from operations consists of sale of agro- commodities in domestic and export markets, and other operating revenue. Sale of agro- commodities primarily consists of sale of sugar and other agro commodities and renewable energy. Other operating revenue mainly comprises of export incentives and miscellaneous income. For detailed breakup, see chapter titled "Our Business" on page 76 of this Draft Letter of Offer.

- **Other Income** - Other income primarily comprises of forex earnings, interest income, net gain on sale of investments and other non-operating income.

**Expenses**

Our expenses comprise of purchase of stock-in-trade, changes in inventories of Finished Goods, Stock-in-Trade, employee benefit expenses, finance costs, power and fuel expenses, depreciation & amortization expenses and other expenses.

- **Purchase of stock-in-trade** - Purchase of stock-in- trade primarily comprises of agro commodities.

- **Change in Stock-in-Trade and Work-in-Progress –** Change in Stock-in-Trade and Work-in-Progress includes increase and decrease/ opening and closing in the Finished Goods during the year**.**

- **Employee benefit expenses** - Our employee benefit expenses mainly include salaries & wages expense, managerial remuneration, contribution to provident fund and other funds and staff welfare expenses.

- **Finance costs** - Our finance costs mainly include interest cost on term loans, working capital limits and other facilities availed by the company in addition to the bank charges.

- **Depreciation and amortization expenses** - Our depreciation and amortization expenses comprise of depreciation on tangible fixed assets and Right of Use Assets.

- **Power & Fuel expenses** – Power and fuel expenses comprise of consumption of gas and fuel and power expense.

- **Other expenses** - Other expenses mainly include expenses towards Freight & Forwarding Charges, Travelling & Conveyance costs, Advertisement and business promotion Expenses, Rent, Rates & Taxes, Legal & Professional fees, Repairs & Maintenance costs and other miscellaneous administrative expenses.

- **Tax expenses**

  Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws.

  Deferred tax liability or asset is recognized based on the difference between taxable profit and book profit due to the effect of timing differences. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

**OUR RESULTS OF OPERATION**

The following table sets forth certain information with respect to our results of operations for the periods indicated:

***(Rs. in Lakhs, unless otherwise specified)***

| Particulars | As at and for the 9 months ending December 31 (Unaudited Consolidated Financial Statements) | | | |
|---|---|---|---|---|
| | **2022** | **% of Total Income** | **2021** | **% of Total Income** |
| Revenue from Operations | 216155.55 | 99.53 | 166664.78 | 99.80 |
| Other Operating Revenue | 565.28 | 0.26 | 124.15 | 0.07 |
| Other Income | 465.13 | 0.21 | 203.24 | 0.12 |
| **Total Revenue** | **217185.96** | **100** | **166992.17** | **100.00** |
| **Cost of Material Consumed** | | | | |
| Purchase of Stock in trade | 198824.65 | 91.55 | 159494.39 | 95.51 |
| Changes in Inventories of Stock-in-Trade | -9167.76 | -4.22 | -14492.3 | -8.68 |
| Employee Benefit Expense | 485.55 | 0.22 | 428.83 | 0.26 |
| Other Expenses | 23966.74 | 11.04 | 19378.06 | 11.60 |
| Financial Costs | 425.1 | 0.20 | 221.01 | 0.13 |
| Depreciation and Amortization Expense | 110.02 | 0.05 | 142.14 | 0.09 |
| **Total Expenses** | **214644.3** | **98.83** | **165172.13** | **98.91** |
| **Profit Before Exceptional and Extra Ordinary items and Tax** | **2541.66** | - | **1820.04** | - |
| Exceptional Item | 0 | - | 0 | - |
| **Profit Before Tax** | **2541.66** | - | **1820.04** | - |
| Tax expense: | | - | | - |
| - Current Tax | 598.24 | - | 615.93 | - |
| - Prior Period Tax | 0.19 | - | 0 | - |
| - Deferred tax | 110.08 | - | -217.33 | - |
| **Net Tax expenses** | **708.51** | 0.33 | **398.6** | 0.24 |
| **Profit / (Loss) for the period from continuing operation(A)** | **1833.15** | 0.84 | **1421.44** | 0.85 |
| Profit/ (Loss) from discontinuing operation(B) | | - | | - |
| Total other comprehensive Income for the period | 16.23 | - | 7.61 | - |
| **Profit/ (Loss) from continuing and discontinuing operation(C)=(A)+(B)** | **1849.38** | **0.85** | **1429.05** | **0.86** |

**COMPARISON OF DECEMBER 2022 WITH DECEMBER 2021**

**Revenue from Operations**

Our total revenue increased by 30.05% from ₹166992.17 Lakh in Dec 2021 to ₹ 217185.96 lakh in Dec 2022 this is due to high demand of sugar in the international market.

**Other income**

Our other income increased by 128.85% from ₹ 203.24 lakh in Dec 2021 to ₹465.13 lakh in Dec 2022 primarily due to increase in foreign exchange difference.

**Expenses**

Our total expenses increase d by 29.95% from ₹165172.13 lakh in Dec 2021 to ₹214644.30 lakh in Dec 2022. This increase was primarily due to increase in total value of business in comparison for previous year which was half the value of current year turnover. as in line with reduction of the turnover of the company.

**Change in inventories of Stock in Trade**

Our inventories of finished goods changed from ₹19141.74 lakh in Dec 2021 to ₹ 17299.82 lakh in Dec 2022 this is increase in turnover.

**Employee benefit expense**

Our employees benefit expense increased by 13.22% from ₹428.83 lakh in Dec 2021 to ₹485.55 lakh in Dec 2022 this is basically due to incremental increase of staff salary.

**Finance cost**

Our finance cost increased by 92.34% from ₹ 221.01 lakh in Dec 2021 to ₹425.10 lakh in Dec 2022 this is due to bank limits has been increased from Rs 47 Cr to Rs 103 Cr fron different bank as stated and also rate of interest of the bank limits aslo increase with the increase in the repo rate of RBI .

**Depreciation and amortization expense**

Our depreciation and amortization expenses has decreased 22.59% from ₹142.14 lakh in Dec 2021 to ₹ 110.02 lakhs in Dec 2022. The decrease is on account of depreciation being charged on WDV basis.

**Other expenses**

Our other expenses increased from ₹19378.06 lakh in Dec 2021 to ₹23966.74 lakh in Dec 2022. Primarily due to increase in Freight and Forwarding expenses, Transportation expenses as the company revenue has increased i.e doubled in comparison to previous year turnover volume.

**Period ended March 31, 2022 compared to period ended March 31, 2021**

***(Rs. in Lakhs, unless otherwise specified)***

| Particulars | As on March 31 (Audited Consolidated Financial Statements) | | | |
|---|---|---|---|---|
| | **2022** | **% of Total Income** | **2021** | **% of Total Income** |
| Revenue from Operations | 284794.75 | 99.57 | 132698.65 | 99.51 |
| Other Operating Revenue | 549.06 | 0.19 | 142.33 | 0.11 |
| Other Income | 688.42 | 0.24 | 507.02 | 0.38 |
| **Total Revenue** | **286032.21** | **100.00** | **133348** | **100.00** |
| **Cost of Material Consumed** | | | | |
| Purchase of Stock in trade | 255452.93 | 89.31 | 117330.93 | 87.99 |
| Changes in Inventories of Stock-in-Trade | (3482.62) | (1.22) | (1240.69) | (0.93) |
| Employee Benefit Expense | 569.03 | 0.20 | 580.99 | 0.44 |
| Other Expenses | 29537.3 | 10.33 | 14555.82 | 10.92 |
| Financial Costs | 371.30 | 0.13 | 474.89 | 0.36 |
| Depreciation and Amortization Expense | 190.38 | 0.11 | 240.90 | 0.18 |
| **Total Expenses** | **282638.32** | **98.86** | **131942.85** | **98.85** |
| **Profit Before Exceptional and Extra Ordinary items and Tax** | **3393.89** | **-** | **1405.16** | **-** |

| Particulars | As on March 31 (Audited Consolidated Financial Statements) | | | |
|---|---|---|---|---|
| | 2022 | % of Total Income | 2021 | % of Total Income |
| Exceptional Item | - | - | - | - |
| **Profit Before Tax** | **3393.89** | - | **1405.15** | - |
| Tax expense: | | - | | - |
| - Current Tax | 798.25 | - | 347.58 | - |
| - Prior Period Tax | (21.57) | - | | - |
| - Deferred tax | (127.12) | - | (45.52) | - |
| **Net Tax expenses** | **649.56** | 0.23 | **302.06** | 0.23 |
| **Profit / (Loss) for the period from continuing operation(A)** | **2744.33** | 0.96 | **1103.09** | **0.83** |
| Profit/ (Loss) from discontinuing operation(B) | | - | | - |
| Total other comprehensive Income for the period | 13.89 | - | 7.6 | - |
| **Profit/ (Loss) from continuing and discontinuing operation(C)=(A)+(B)** | **2758.22** | **0.96** | **1110.69** | **0.83** |

**COMPARISON OF FY 2022 WITH FY 2021**

**Revenue from Operations**

The revenues from F.Y. 2020-21 to F.Y. 2021-22 have increased by 114.80% this increase was mainly due to a) positive Impact of covid 19 on our business and b) The Company increase in turnover because of bulk vessel transactions. In the financial year, the company doing business based on container basis i.e dispatching goods through container in small quantities whereas in financial year 2021-22 the company started business on bulk vessel transactions Bulk vessel transactions means entire vessel of around 45000 Mts to 60000 Mts is booked in company name and company is able to dispatch goods on huge quantity to overseas buyers resulting increase in revenue.

**Other income**

Our other income increased by 35.78% from ₹ 507.02 lakh in Fiscal 2021 to ₹688.41 lakh in Fiscal 2022 primarily due to an increase in gain on foreign currency transactions. The details are as under:

***(Rs. in Lakhs, unless otherwise specified)***

| Particulars | For the year ended March 31,2022 | For the year ended March 31,2021 |
|---|---|---|
| Interest Income | 39.70 | 72.05 |
| Net gain on sale of Investments | 54.73 | 124.67 |
| Mark-to Market gain on forward contracts | 574.66 | 180.58 |
| Other non-operating income (net of expenses directly attributable to such income) | 19.32 | 129.72 |
| **Total Other Income** | **688.41** | **507.02** |

**Expenses**

Our total expenses increase d by 114.21 % from ₹131942.85 lakh in Fiscal 2021 to ₹282638.32 lakh in Fiscal 2022. This increase was primarily due to increase in total value of business in comparison for previous year which was half the value of current year turnover. as in line with reduction of the turnover of the company.

**Change in inventories of Stock in Trade**

There is increase in inventory in March 2022 as compared to March 2021 due to the reason that company's turnover has been increased to double fold. We have estimated 11 days of finished inventory for the fiscal year ended march 31,2024 to adequate availability of products at a more competitive price.

**Employee benefit expense**

Our employees benefit expense decreased by 2.06% from ₹580.99 lakh in Fiscal 2021 to ₹569.03lakh in Fiscal 2022. The decrease was primarily on account of layoff/reduction of salary of some employees.

**Finance cost**

Our finance cost decreased by 27.9% from ₹ 474.89 lakh in Fiscal 2021 to ₹371.30 lakh in Fiscal 2022 in the year 2021 Company had incurred expenses on avlastion of bills of country Srilanka business which has been discontinued during current year which led to reduction in finance cost .

**Depreciation and amortization expense**

Our depreciation and amortization expenses has decreased 20.97% from ₹240.90lakh in Fiscal 2021 to ₹ 190.38 lakhs in Fiscal 2022. The decrease is on account of depreciation being charged on WDV basis.

**Other expenses**

Our other expenses increased from ₹14555.83 lakh in Fiscal 2021to ₹29537.30lakh in Fiscal 2022. Primarily due to increase in Freight and Forwarding expenses, Transportation expenses as the company revenue has increased i.e. doubled in comparison to previous year turnover volume. The details are as under:

***(Rs. in Lakhs, unless otherwise specified)***

| **Particulars** | **For the year ended March 31,2022** | **For the year ended March 31,2021** |
|---|---|---|
| Freight and forwarding | 14811.55 | 7637.99 |
| Transport Charges | 11374.37 | 4228.92 |

**Tax expenses**

Our total tax expenses increased by ₹347.50 lakh from ₹302.06lakh in Fiscal 2021 to ₹ 649.56 lakh Fiscal 2022 mainly due to an increase in: (i) current tax by ₹450.66 lakh from ₹ 347.58 lakh Fiscal 2021 to ₹798.24 lakh in Fiscal 2022 and; decrease in (ii) deferred tax charge by ₹81.67 lakh from ₹45.52 lakh in Fiscal 2021 to ₹127.12lakh in Fiscal 2022, and a decrease in Prior Period Tax by ₹21.57 lakh from ₹ NIL in Fiscal 2021 to ₹21.57 in Fiscal 2022.

**Profit/(Loss) for the year**

For the foregoing factors, our profit for the year increased from ₹1110.69.lakh in Fiscal 2021 to ₹2758.22 lakh in Fiscal 2022.

**Profit/(Loss) for the year**

For the foregoing factors, our profit for the year increased from ₹1110.69.lakh in Fiscal 2021 to ₹2758.22 lakh in Fiscal 2022.

**Liquidity And Capital Resources**

The table below summaries of our Cash Flow from our Audited Consolidated Financial Information for the financial year ended March 31, 2022 and from limited review report for 9 months ending on December 31, 2022:

***(Rs. in Lakhs, unless otherwise specified)***

| **Particulars** | **As on 31-12-2022 (Unaudited)** | **FY 2021-2022 (Audited)** |
|---|---|---|
| Net cash generated from / (used in) operating activities | (4757.83) | (5742.47) |

| Particulars | As on 31-12-2022 (Unaudited) | FY 2021-2022 (Audited) |
|---|---|---|
| Net cash generated from / (used in) Investing Activities | 422.64 | (1516.69) |
| Net cash generated from / (used in) from financing activities | 4131.96 | 7565.69 |
| Net Increase / (decrease) in Cash & Cash Equivalents | (203.23) | 306.53 |
| Cash and cash equivalents at the beginning of the year | 630.57 | 324.04 |
| Cash and cash equivalents at the end of the year | 427.35 | 630.57 |

For details regarding our Cash Flow for FY 2022, please refer page no. __ of the Draft Letter of Offer.
**FY 2021-22**

**Cash generated from Operating Activities:** Net cash flow from operating activities comprises cash consumed / generated from operations and increase / decrease in working capital. Net cash flow generated from operating activities increased from ₹( 7474.58)lakh in Fiscal 2021 to ₹ (5742.47) lakh in Fiscal 2022 primarily due to repayment of creditor and due to reduction in trade receivable and slight reduction in working capital gap.

**Net Cash used in Investing Activities:** Net cash flow from investing activities comprises purchase of property, plant and equipment (tangible and intangible) and proceeds from the sale and purchase of current investments and interest received. Net cash flow generated from investing activities decreased from ₹4730.74 lakh in Fiscal 2021 to ₹(1516.68) lakh in Fiscal 2021 primarily increased in expenses on capital expenditure

**Net Cash flow used in Financing Activities:** Net cash flow from financing activities comprises proceeds / repayment of long-term borrowing (net), proceeds / repayment of short-term borrowing (net), dividend paid, and interest paid. Net cash used in financing activities increased from ₹715.33lakh in Fiscal 2021 to ₹7565.69 lakh in Fiscal 2022 due to short term borrowing taken during the year from various banks.

**Financial Indebtedness**

The table below summaries of our borrowings from our Audited Consolidated Financial Information for the financial year ended March 31, 2022 and from limited review report for 9 months ending on December 31, 2022:

***(Rs. in Lakhs, unless otherwise specified)***

| Category of Borrowings | As on 31-12-2022 (Unaudited) | FY 2021-22 (Audited) |
|---|---|---|
| **Long Term Borrowings** | | |
| Car Loan | 172.56 | 154.174 |
| **Short Term Borrowings** | | |
| Cash Credit Bank of Maharashtra * | 1910.31 | 2417.56 |
| PCFC Indusind Bank * | 2226.95 | 1929.52 |
| PCFC SVC Bank * | 3000.00 | 2300.93 |
| Overdraft from ICICI Bank | - | 263.13 |
| PCFC Deutsche Bank * | 3,400.00 | - |
| Current Maturities of Car Loan | - | 71.24 |
| | | |
| Unsecured Borrowing | 2517.93 | 1416.86 |
| **Grand Total** | **13227.75** | **8553.41** |

***Kindly refer below table for bifurcation of Bank Limits and Temporary overdraft facility**

***(Rs. in Lakhs, unless otherwise specified)***

| Particulars | Utilization | Sanctioned Limit | Temporary Overdraft (TOD) Sanction Facility | Date of Sanction of TOD | |
|---|---|---|---|---|---|
| | | | | From | To |
| Bank of Maharashtra | **1,910.31** | 2300.00 | - | - | - |
| Indusind Bank | **2,226.95** | 2500.00 | - | - | - |
| SVC Bank | **3,000.00** | 2500.00 | 500.00 | 19-12-2022 | 03-01-2023 |

| | | | | | |
|---|---|---|---|---|---|
| Deutsche Bank | **3,400.00** | 3100.00 | 300.00 | 26-12-2022 | 02-01-2023 |
| | **10,537.26** | **10,400.00** | **800.00** | | |

For details on our borrowings for FY 2021-22, please refer to Note 18 and 21on page no. __ of the Draft Letter of Offer.

**Contingent Liabilities**

The table below summaries of our Contingent Liabilities from our Audited Consolidated Financial Information for the financial year ended March 31, 2022 and from limited review report for 9 months ending on December 31, 2022:

***(Rs. in Lakhs, unless otherwise specified)***

| Particulars | As on 31-12-2022 (Unaudited) | FY 2021-22 (Audited) |
|---|---|---|
| **Direct and indirect taxation matters** | | |
| TDS Default | 10.00 | 0.31 |
| Income Tax | 1314.00 | 1494.02 |
| Sales Tax | 803.84 | 803.84 |
| Claims against the company not acknowledged as debts | 3345.86 | 10.97 |
| Claim by the Company not acknowledged as Income | (4917.43) | - |

For details regarding our contingent liabilities for FY 2022, please refer to note no. 37 on page 128 of the Draft Letter of Offer and Offer and see "***Management's Discussion and Analysis of Financial Condition and Results of Operations- Contingent Liabilities***" on page no. 152 of the Draft Letter of Offer.

**Reservations, Qualifications and Adverse Remarks**

There have been no reservations, qualifications and adverse remarks however there are some key audit matters.

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. The same has been addressed in chapter titled "Financial Statements" beginning on page 85 of this Draft Letter of Offer.

**Related Party Transactions**

For details on related party transactions for FY 2022, see note 39 on page no. __ of the Draft Letter of Offer.

**Off-Balance Sheet Items**

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

**Quantitative And Qualitative Disclosure About Market Risk**

**Commodity price risk**

Commodity price risk is the possibility of impact from changes in the prices of raw materials and components used therein. The costs for these materials and components are subject to fluctuation based on commodity prices. The costs of various components sourced from third party manufacturers may also fluctuate based on their availability from suppliers.

**Credit risk**

We are exposed to credit risk from our operating and financial activities. We manager credit risk in relation to our customers by ensuring that our marketing department follows our establish policies, procedures and controls, and by

reviewing the creditworthiness of our customers on an on-going basis. We estimate expected credit loss on the basis of past experience and data, and provide for doubtful debts accordingly.

**Liquidity risk**

We may experience liquidity risk due to the accumulation of receivables due from our clients which exposes us to the risk of not being able to meet our obligations. The senior management team of our Company oversees our processes and policies are formulated to minimise such risk**.**

**Equity price risk**

Our Company has invested in the equity shares of our Subsidiaries as a part of our overall business strategy and growth policy. Accordingly, we are exposed to risk because of fluctuations to the prices of the equity shares. We manage our exposure to this risk by placing limits on the individual and total equity investment carried out by us in our Subsidiaries based on their respective business plans**.**

**Qualitative Disclosure about Market Risk**

**1. Unusual or infrequent events or transactions**

Except as described in this Draft Letter of Offer, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

**2. Significant economic changes that materially affected or are likely to affect income from continuing Operations**

Other than as described in the section titled "Risk Factors" beginning on page no. 23 of this Draft Letter of Offer respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Other than as described in the section titled *"Risk Factors"* beginning on page no. 23 of this Draft Letter of Offer, in our opinion there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known**

Other than as described in the section titled "Risk Factors" and chapter titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on pages 23 and 185 respectively of this Draft Letter of Offer, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation and government policies.

**5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices**

Increases in our revenues are by and large linked to increases in the volume of activities carried out by the Company.

**6. Total turnover of each major industry segment in which the issuer company operated**

Our Company is in the business of trading of agro-commodities. For details on revenue break-up from each segment, kindly refer the chapter titled "**Our Business**" beginning on Page 76 of this Draft Letter of Offer.

**7. Status of any publicly announced new products or business segment**

Except for Our Company via its BOD held 28-05-2022, approving to enter into the business of trading ethanol, we have not announced and do not expect to announce in the near future any new products or business segments.

**8. The extent to which business is seasonal**

Our Company's business is trading of agro-commodities. However, our business operations and sales of agro commodities is dependent on the availability of the agro commodities which is seasonal nature. However, our Company is not completely dependent on any particular agro commodity which doesn't make it a big threat to the future prospects of the Company. However, the business of the company does depend on growth potential in a particular region, demand and supply of agro commodities and the country's economic policies and import and export policies.

**9. Any significant dependence on a single or few suppliers or customers**

Other than as described in this Draft Letter of Offer, particularly in Risk Factor No. 16 on page 27 of this Draft Letter of Offer, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

**10. Competitive conditions**

We expect competition in the sector from existing and potential competitors to vary. However, on account of our core strengths like quality products, brand loyalty and timely supply, we will be able to stay competitive. For further details, kindly refer the chapter titled "**Our Business**" beginning on page 72 of this Draft Letter of Offer.

## SECTION VI- LEGAL AND OTHER INFORMATION

## OUTSTANDING LITIGATIONS AND DEFAULTS

*Except as disclosed in this section, there is no outstanding (i) criminal proceeding; (ii) action taken by regulatory or statutory authorities; (iii) claim related to direct and indirect taxes; and (iv) other pending litigation as determined to be material pursuant to the Materiality Policy in each case involving our Company, our Directors, our Promoter, and our Subsidiaries ("**Relevant Parties**"). Further, there is no pending litigation involving our Group Companies, the adverse outcome of which may have a material impact on our Company.*

*Pursuant to the SEBI ICDR Regulations and the Materiality Policy adopted by our Board of Directors on June 21, 2022 for the purposes of disclosure, any pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, including outstanding action, and tax matters, would be considered 'material' where:*

(i) *Outcome of any single litigation/dispute determined by courts of law (not below the High Court) or individual matters with similar case of action (which shall be aggregated) and regulatory action having an impact of not less than Rs. 5 Crores; and*
(ii) *the monetary impact is not quantifiable or the amount involved may not exceed the materiality threshold set out under (i) above, but an outcome in any such litigation would materially and adversely affect the Company's business, operations, cash flows, financial position or reputation of the Company.*

*It is clarified that although our Company has adopted a materiality policy, we have disclosed all the pending litigations involving our Company, our Directors, our Promoter, and our Subsidiaries.*

*It is also clarified that pre-litigation notices (other than those issued by governmental, statutory or regulatory authorities) received by our Company, our Directors, our Promoter or our Subsidiaries, shall not be considered as litigation until such time that any of our Company, our Directors or our Subsidiaries, as the case may be, is made a party to proceedings initiated before any court, tribunal or governmental authority or any judicial authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.*

*All terms defined in a particular litigation disclosure pertain to that litigation only.*

### I. Litigation involving our Company

A. *Litigation filed against our Company*

1. **Criminal proceedings**

(i) ***Rai Bahadur Narain Singh Sugar Mills Limited vs. Sakuma Exports Limited and another - Complaint no. 1337 of 2020***

Rai Bahadur Narain Singh Sugar Mill Limited ("**RBNS**") had filed a complaint bearing Complaint no. 1337 of 2020 before the Hon'ble Additional Chief Judicial Magistrate, Haridwar ("**ACJM, Haridwar**") against our Company under section 138 of the Negotiable Instruments Act, 1881. Our Company entered into an agreement with RBNS to procure 12,500 MT Indian white sugar of certain requisite quality preferable with slight moisture content for the purpose of export. Our Company has paid the entire consideration amount of ₹2,200.39 Lakhs to RBNS in advance for supply of the 12,500 MT Indian white sugar along with a postdated cheque amounting to ₹1,306.00 Lakhs dated March 12, 2020 ("**PDC**") to RBNS as security. However, as per a surveyor report RBNS has supplied approximately 8,000 MT Indian white sugar with high moisture content which was not in accordance with specification agreed between our Company and RBNS. The Indian white sugar with high moisture content was ultimately rejected by foreign buyer's surveyor while RBNS had assured our Company that it will provide our Company with monetary compensation. However, once the export was of the Indian white sugar was completed, RBNS backed out on its assurance of monetary compensation. Furthermore, due to ongoing COVID-19 pandemic, the foreign buyer refused to pay the export sales proceeds. This resulted in our Company incurring losses surmounting to the tune of `450 Lakhs. Furthermore, RBNS presented the PDC to the

Our Company to the delivery of 5,291.400 MT raw sugar till November 28, 2013. With regards to the delivery for the rest of the quantity of the raw sugar, the parties through their conduct had waived of the conditions pertaining to the time of delivery of goods and BASSKL vide their letter dated February 6, 2014 had allowed our Company 15 days to lift the raw sugar from BASSKL. Our Company then entered into negotiations with BASSKL for the contract price and our Company agreed to take the delivery of the pending 4,708.600 MT of raw sugar at the contracted price of ₹25,000 per MT and our Company assured BASSKL vide a letter dated March 8, 2014 that the remaining 4,708.600 MT raw sugar will be lifted by our Company by March 23, 2014 which was accepted and acknowledged by BASSKL. However, BASSKL repudiated the contract and sold the balance 4,708.600 MT raw sugar at the rate of ₹23,150 per MT to a third party. BASSKL claimed that due to the delay in taking the delivery of the balance 4,708.600 MT raw sugar and having to sell it to a third party at the lower rate compared to what was agreed between our Company and BASSKL, BASSKL has suffered losses and hence filed this recovery suit praying for recovery of ₹51.43 Lakhs along with a future interest of 18% of the decreetal amount. Further, our Company has filed a counter claim of ₹49.15 lakhs for recovery of balance security deposit against BASSKL. The matter is currently pending. Our Company subsequently filed a counter claim against BASSKL for arbitrarily repudiating the agreement entered between BASSKL and our Company along with the grounds set out above, for the recovery of an amount of ₹49.15 Lakhs from BASSKL before the Court of the Hon'ble Civil Judge, Senior Division, at Osmanabad. The counter claim is presently pending.

(iii) ***M/s Sharda Roadlines vs. Sakuma Exports Limited - Spl. C.S. No. 200046/2015 and Spl.Dkst/4/2022***

M/s Sharda Roadlines ("**Sharda**") has filed a petition bearing number Spl. C.S. No. 200046/2015 against our Company before the Court of the Hon'ble Civil Judge (Senior Division), Latur ("**Latur Court**") for recovery of ₹19.22 Lakhs from our Company. Our Company had placed a work order of 26,000 Qtl. of sugar transport through railway wagons from Unja to Latur to Ssharda which is a transportation company. Sharda raised bill of ₹16.60 Lakhs for transportation and a debit note of ₹17.53 Lakhs for amount paid by Sharda on behalf of the Company to the railway authorities for transportation, both the amounts aggregating to ₹34.13 Lakhs. Sharda alleged that out of the ₹34.13 Lakhs receivable from our Company, and after deducting an advance of `20.00 Lakhs paid by our Company against the above bill, the amount payable to Sharda is ₹14.13 Lakh by the Company, along with interest. However, our Company had paid an excess of ₹1.22 Lakh to Sharda for which our Company had sent a legal notice to Sharda for the recovery of the excess payment. However, Sharda filed this suit against our Company for the recovery of ₹14.13 Lakhs along with interest. In the said suit, Latur Court passed an ex-partite order directing our Company to pay ₹20.30 Lakhs including interest to Sharda. Sharda subsequently filed an order execution petition bearing number Spl.Dkst/4/2022. Our Company has filed a Miscellaneous Application bearing number Misc. Civil Application no. 17/2019 for setting aside the decree before the Latur Court on the grounds of 'audi alteram partem'. The miscellaneous petition and the execution petition are presently pending.

(iv) ***Udagiri Sugar and Power Limited vs. Sakuma Exports Limited - Spl. C.S. 117/2016 and Commercial Suit 02/2020***

Udagiri Sugar and Power Limited ("**USPL**") had filed a suit bearing number Spl. C.S. 117/2016 before the Court of Hon'ble Civil Judge, Senior Division at Sangli against our Company. Our Company had entered into an agreement with USPL for the purchase of 7,800 MT raw sugar at the rate of ₹22,750 aggregating to a total order value of ₹1,774.50 Lakhs from USPL for export. USPL, in its plaint, alleged that our Company delayed the exporting of the raw sugar and once they had been exported, our Company provide the necessary documents of pertaining to the exports on time to USPL. As a result, USPL were not able to avail export subsidies provided by the Government on the export of raw sugar at the time. USPL alleged that USPL could have availed a subsidy of ₹3,300 per MT of raw sugar if the raw sugar had been exported within the Government stipulated timelines by our Company. USPL further alleged that since our Company was unable to export the sugar within the Government stipulated timelines, USPL was unable to procure the above mentioned subsidy from the Government and were only able to claim a subsidy of ₹2,277 per MT of raw sugar resulting in a loss of ₹1,023 per MT of raw sugar to USPL. Hence, USPL instituted this suit and had prayed for an amount of ₹99.02 lakhs (along with further interest at 12% per cent per annum) for the alleged losses suffered by USPL. The Court of Hon'ble Civil Judge, Senior Division at Sangli passed and ex-parte order for "No Written Statement" against our Company. Our Company then filed an application under Order 9 Rule 7 of the Civil Procedure Code 1872 read with section 151 of the Civil Procedure Code for vacating the ex-parte order. The suit has now been

For details, see "***Outstanding Litigations and Defaults - Litigation filed against our Company - Rai Bahadur Narain Singh Sugar Mills Limited vs. Sakuma Exports Limited and another - Complaint no. 1337 of 2020***" beginning on page 155 of this Draft Letter of Offer.

**(iii)** ***Sakuma Exports Limited vs.*** **Sarda Agro Oils Limited –** ***FIR no. 116/2015***

Our Company has filed an FIR bearing number 116/2015 under section 406, and 506 read with 34 of the Indian Penal Code, 1886 against SAOL at the Thimmapuram police station

For further details, see "***Outstanding Litigations and Defaults - Litigation filed against our Company - Sarda Agro Oils Limited vs. Sakuma Exports Limited – Original Suit No. 274/2015***" beginning on page 155 of this Draft Letter of Offer.

**(iv)** ***Sakuma Exports Limited and Raju Sundaram Pille vs. Vijay Thakker and Jyoti Deshpande – FIR no. 154/2015***

Our Company, through Raju Sundaram Pille has filed a FIR bearing number 154/2015 under section 409, 420, 465, 468, 469, 201, 34 of Indian Penal Code, 1860 at the N. M. Marg Police Station, Mumbai against Vijay Thakker and Jyoti Deshpande ("**Accused**"). The Accused were employed with our Company prior to the year 2015. They were the held the position of manager and chief accountant in our Company. During an investigation, our Company discovered that the Accused were involved in various malpractices including forgery, fraud and embezzlement of funds of our Company. This discovery led to our Company filing this FIR. The investigation officer in the matter has filed a charge sheet before the Hon'ble Dadar Bhoiwada Metropolitan Magistrate Court. Accused have filed Criminal Revision Petition bearing number CRI REV APP/0100361/2019. Subsequently, as per the order of the court, the case was transferred to Hon'ble Sessions Court of Mumbai for hearing. The matter is presently pending.

**2. Material civil proceedings**

(i) ***Sakuma Exports Limited vs. Simbhaoli Sugars Limited - C.S. (COMM) No. 389/2017***

Our Company has filed a commercial suit before the Hon'ble High Court at New Delhi against Simbhaoli Sugars Limited ("**SSL**"). Our Company entered into an agreement with SSL for the procurement of 468 MT of white sugar valued at ₹149.19 Lakhs. Our Company received a payment of ₹70.00 Lakhs against the bill amount of ₹149.19 Lakhs while the balance of ₹79.19 Lakhs was pending. Despite following up with SSL, our Company did not receive the balance of ₹79.19 Lakhs. Our Company then filed this commercial suit before the Hon'ble High Court at New Delhi *and* prayed for recovery of ₹117.20 Lakhs (the balance of ₹79.19 Lakhs along with interest amounting to ₹38.01 Lakhs) from SSL. SSL, in its written statement, alleged that the delivery of balance goods was not received by them, and instead were delivered to one of our Company's subsidiary. The matter is presently pending.

(ii) ***Sakuma Exports Limited vs. Shree Ganesh Khand Udyog Sahkari Mandli Limited - Commercial Suit no. 18963 of 2021***

Our Company has filed a Commercial Suit bearing number 18963 of 2021 before the Hon'ble High Court of Judicature at Bombay against **Shree Ganesh Khand Udyog Sahkari Mandli Limited** ("**SGK**") for recovery of ₹179.07 Lakhs. SGK entered into an agreement with our Company for supply of 12,000 MT of sugar to our Company for the purpose export. Our Company had obligations to export the said sugar and supply export related documents to SGK for availing export subsidy from the Government of India. Our Company has duly paid value of 12000 MT sugar to SGK amounting to ₹3,202.97 Lakhs in advance. However, SGK failed to supply 721 MT sugar to our Company. Our Company then filed this suit for recovery of 721 MT sugar from SGK or in the alternative, recovery of ₹179.07 Lakhs paid in advance against the undelivered 721 MT sugar by SGK to our Company. The matter is presently pending.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

In order to operate our business, we require various approvals and/or licenses under various laws, rules and regulations. Our Company has obtained the necessary consents, licenses, registrations, permissions and approvals from the applicable government agencies and other statutory and/ or regulatory authorities required to carry on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

In addition, as on the date of the Draft Letter of Offer, there are no pending regulatory and government approvals and no pending renewals of licenses or approvals in relation to the activities presently undertaken by us or in relation to the Issue.

**I. Material approvals for which applications have been made by our Company, but are currently pending grant: NIL**

**II. Material approvals for which renewal applications have been made by our Company: NIL**

**III. Material approvals which have expired and for which renewal applications are yet to be made by our Company: NIL**

**IV. Material approvals required for which no application has been made by our Company: NIL**

## MATERIAL INFORMATION AND DEVELOPMENTS

There have not arisen, since the date of the last financial statements disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

For further details, please refer to the chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 143 of this Draft Letter of Offer.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The Issue has been authorized by a resolution of the Board passed at its meeting held on June 21, 2022, pursuant to Section 62 and Section 62(1)(a) of the Companies Act, 2013.

The Committee of Directors of our Company has, at its meeting held on [●], determined the Issue Price as [●] per Rights Equity Share (including a premium of [●] per Rights Equity Share) and the Rights Entitlement as [●] Rights Equity Shares for every [●] Equity Shares held on the Record Date. The Issue Price is Rs. [●] per Equity Share and has been arrived at by our Company in consultation with the Lead Manager prior to determination of the Record Date.

On Application, Investors will have to pay Rs. [●] per Rights Equity Share, which constitutes as determined by our Board at its sole discretion.
.

This Draft Letter of Offer has been approved by our Board pursuant to their resolutions dated [●].

Our Company has received 'in-principle' approvals from NSE and BSE for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28 of SEBI Listing Regulations, vide their respective letters dated [●] and [●]. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges- BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see "Terms of the Issue" on page no. 179 of this Draft Letter of Offer.

### Prohibition by SEBI and other Governmental Authorities

Our Company, our Promoters, our Promoter Group, Subsidiaries or our Directors, the persons in control of our Company and the persons in control of our Corporate Promoters have not been debarred and are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

The companies with which the Promoters or the Directors are associated as promoters or directors have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our other Directors or Promoters are associated with the securities market in any manner, except for Mr. Om Parkash Singal bearing DIN: 02585264 is a Non-Executive Independent Director of Elegant Marbles And Grani Industries Limited whose equity shares are listed on BSE Limited. There is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our individual Promoters nor any of our Directors have been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).

### Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market.

### Prohibition by RBI

Neither our Company, nor our Promoters, Subsidiaries, Group Companies and Directors have been categorized or

identified as wilful defaulters and/ or Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium.

**Confirmation under the Companies (Significant Beneficial Ownership) Rules, 2018**

As on the date of this Draft Letter of Offer, our Company, our Promoters and members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, as amended ("SBO Rules"), to the extent applicable.

**Eligibility for the Issue**

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on BSE Limited and NSE. For the purpose of this Issue, the Designated Stock Exchange shall be BSE.

Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI (ICDR) Regulations.

**Compliance with Regulation 61 and 62 of the SEBI ICDR Regulations**

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1) of the SEBI ICDR Regulations, to the extent applicable and our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue. **BSE is the Designated Stock Exchange for the purpose of the Issue.**

**Compliance with Part B of Schedule VI of the SEBI ICDR Regulations**

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with Designated Stock Exchange;

2. The reports, statements and information referred to above are available on the website of Stock Exchanges- NSE and BSE; and

3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Draft Letter of Offer are made in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

**Disclaimer Clause of SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THIS DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS**

**MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, FIRST OVERSEAS CAPITAL LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 23, 2023 WHICH READS AS FOLLOWS:**

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THE DRAFT LETTER OF OFFER OF THE SUBJECT ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**

   a. **THE DRAFT LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;**

   b. **ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

   c. **THE MATERIAL DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **BESIDE OURSELVES, ALL INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE, SUCH REGISTRATION IS VALID – <u>COMPLIED WITH.</u>**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – <u>NOT APPLICABLE</u>.**

5. **WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING DRAFT LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER – <u>NOT APPLICABLE.</u>**

6. **ALL APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, WHICH RELATE TO**

**SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE LETTER OF OFFER – NOT APPLICABLE.**

7. **ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO RECEIPT OF PROMOTERS' CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT THE AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE ISSUE – NOT APPLICABLE.**

8. **NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERSTO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE.**

9. **THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN THE LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION – COMPLIED WITH TO THE EXTENT APPLICABLE.**

10. **FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:**

    a. **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER, EXCLUDING SUPERIOR RIGHTS EQUITY SHARES, WHERE AN ISSUER HAS OUTSTANDING SUPERIOR RIGHTS EQUITY SHARES – COMPLIED WITH (THE COMPANY HAS NOT ISSUED ANY SUPERIOR RIGHTS EQUITY SHARES); AND**

    b. **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI –COMPLIED WITH.**

11. **WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 – NOTED FOR COMPLIANCE.**

12. **IF APPLICABLE, THE COMPANY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF THE SEBI ICDR REGULATIONS, 2018 – NOT APPLICABLE.**

13. **NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY – COMPLIED WITH.**

14. **THE ABRIDGED LETTER OF OFFER CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE**

**SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 – COMPLIED WITH.**

**15. ALL MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN- COMPLIED WITH AND NOTED FOR COMPLIANCE.**

**16. AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY – COMPLIED WITH.**

THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.

**Disclaimer from our Company and Lead Manager**

Our Company and the Lead Manager accept no responsibility for statements made other than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in this Issue will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable law, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice/ evaluation as to their ability and quantum of investment in the Issue. Our Company, the Lead Manager and their directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

**Cautions**

Our Company and the Lead Manager shall make all relevant information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

**Disclaimer with respect to the jurisdiction**

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

**Designated Stock Exchange**

The Designated Stock Exchange for the purposes of the Issue is BSE Limited.

**Listing**

Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

**Disclaimer Clause of the BSE**

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Letter of Offer is set out below:

"BSE Limited ("the **Exchange**") has given, vide its letter reference no. [●] dated [●] permission to this Company to use the Exchange's name in this Draft Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

(i) Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
(ii) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
(iii) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

**Disclaimer of the NSE**

As required, a copy of the Letter of Offer has been submitted to NSE. The Disclaimer Clause as intimated by the NSE to us, post scrutiny of the Draft Letter of Offer, is as follows:

As required, a copy of the letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter reference No. [●] dated [●] permission to the Issuer to use the Exchange's name in the letter of offer as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized the letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the letter of offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

**Selling Restrictions**

The distribution of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form and the issue of Rights Entitlements and Rights Equity Shares on a rights basis to any persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Common Application Form and the Employee Application Form (as applicable) may come are required to inform themselves about and observe such restrictions.

Our Company is making this Issue of Equity Shares: (a) to the Eligible Equity Shareholders who are outside the United States in offshore transactions in reliance on Regulation S located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions; and (b) to the Eligible Employees, and will dispatch the Letter of Offer, Abridged Letter of Offer, Common Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders and the Employee Application Form to the Eligible Employees, who have provided an Indian address to our Company and who have made a request in this regard.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer, Abridged Letter of Offer and Application Form or any other material relating to our Company, the Rights Equity Shares, Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer is being filed with SEBI and the Stock Exchanges.

Accordingly, the Issue Shares and the Rights Entitlement may not be offered or sold, directly or indirectly, and none of this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form or any offering materials or advertisements in connection with the Rights Equity Shares, Rights Entitlement may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form must be treated as sent for information purposes only.

**This Draft Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.**

If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Rights Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the receipt of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information.

**Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.**

**Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have**

**provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.**

**NOTICE TO INVESTORS IN THE UNITED STATES**

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD OR RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS ENTITLEMENTS (INCLUDING THEIR CREDIT) AND THE EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT ("**REGULATIONS**") AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer of securities under this Draft Letter of Offer.

Any person who acquires the Rights Entitlements or the Issue Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Draft Letter of Offer, that it is not and that at the time of subscribing for the Issue Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlements and the Issue Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Issue Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Issue Shares under applicable securities laws and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue and have obtained requisite approvals before applying in this Issue; or (iii) where either a registered Indian address is not provided or our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Issue Shares in respect of any such Application Form.

**NOTICE TO INVESTORS**

**NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS ISSUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS.**

**Filing**

This Draft Letter of Offer is being filed with Stock Exchanges and SEBI, as per the provisions of the SEBI ICDR Regulations. Further, in terms of the SEBI ICDR Regulations, our Company will simultaneously while filing this Draft Letter of Offer with the Designated Stock Exchange, do an online filing with SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the SEBI circular bearing reference no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, and with the Stock Exchanges. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Draft Letter of Offer to the e-mail address: cfddil@sebi.gov.in

**Mechanism for Redressal of Investor Grievances**

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements in compliance with SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. Big Share Services Private Limited is our Registrar and Share Transfer Agent to the Issue. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 30 days from the date of receipt of the complaint.

**Investors may contact the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the Application Form, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, please see "Terms of the Issue" on page 179 of this Draft Letter of Offer.** Investors may contact the Company Secretary and Compliance Officer and/ the Registrar at the below mentioned details for any pre Issue/ post-Issue related matters such as on-receipt of Letters of Allotment / demat credit/ Refund Orders etc.

**Registrar to the Issue**

| | |
|---|---|
| **Name** | : **BIGSHARE SERVICES PRIVATE LIMITED** |
| **Address** | : Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, Maharashtra |
| **Tel No.** | : +91 22 62638200 |
| **Email Id** | : rightsissue@bigshareonline.com |
| **Investor Grievance Email Id** | : investor@bigshareonline.com |
| **Contact Person** | : Mr. Vijay Surana |
| **Website** | : www.bigshareonline.com |
| **SEBI Registration No.** | : INR000001385 |

**Company Secretary and the Compliance Officer of our Company**

| | |
|---|---|
| **Name** | : **MS. KHYATI BIPIN JOBANPUTRA** |
| **Address** | : Aurus Chamber, A 301, Near Mahindra Tower, S S Amrutwar Lane, Worli-400013, Mumbai, Maharashtra, India |
| **Tel No.** | : +91 22 24999021/ 22 |
| **Email Id** | : companysecretary@sakumaexportsltd.com |
| **Website** | : www.sakumaexportltd.com |

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar at www.bigshareonline.com. Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are (rightsissue@bigshareonline.com / +91 91 22 62638200).

## SECTION VII – ISSUE RELATED INFORMATION

## TERMS OF THE ISSUE

*This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI ICDR Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Draft Letter of Offer.*

*Further, SEBI has pursuant to the SEBI Rights Issue Circular stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their Application. For more details, please see 'Making Application by Eligible Equity Shareholders holding Equity Shares in physical form' beginning on page no. 185 of this Draft Letter of Offer.*

*Investors are requested to note that application in this issue can only be made through ASBA.*

*The Rights Entitlement on the Securities, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents /records confirming the legal and beneficial ownership of the Securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Securities to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to Securities pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.*

*Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 ("SEBI – Rights Issue Circular"), all investors (including renouncee) shall make an application for a rights issue only through ASBA facility.*

### OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice.

**Important:**

I. **Dispatch and availability of Issue materials:**

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars, our Company will send/ dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material ("**Issue Materials**") only to the Eligible Equity Shareholders who have

provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Draft Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can access this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

(i) Our Company at www.sakumaexportltd.com;
(ii) The Registrar at www.bigshareonline.com;
(iii) The Lead Manager at www.focl.in;
(iv) The Stock Exchanges at www.bseindia.com and www.nseindia.com;

Eligible Equity Shareholders who have not received the CAF may apply, along with the requisite application money, by using the CAF available on the websites above, or on plain paper, with the same details as per the CAF available online.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.sakumaexportltd.com).

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

**Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.**

Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-

distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided a valid email addresses and an Indian address to our Company.

II. **Process of making an Application in this Issue:**

**In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see "*Procedure for Application through the ASBA Process*" on page no. 182 of this Draft Letter of Offer.**

*The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see **"Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders"** on page* 191.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

**Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see *"Terms of the Issue - Grounds for Technical Rejection"* on page 188. Our Company, the Lead**

**Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see ***"Terms of the Issue - Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process"*** beginning on page 183.

**Options available to the Eligible Equity Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

i. apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or

ii. apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

iii. apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

iv. apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or

v. renounce its Rights Entitlements in full.

**Making of an Application Through The ASBA Process**

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

**Self-Certified Syndicate Banks**

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and

clear demarcated funds should be available in such account for such an Application.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

**Do's for Investors applying through ASBA:**

a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.

b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.

e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

h) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

**Don'ts for Investors applying through ASBA:**

(a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.

(b) Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), and a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

(c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

(d) Do not submit Application Form using third party ASBA account.

(e) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

**Making an Application on Plain Paper under ASBA process**

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges or the Lead Manager. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder, including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Sakuma Exports Limited;

2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);

3. Registered Folio Number/DP and Client ID No.;

4. Number of Equity Shares held as on Record Date;

5. Allotment option – only dematerialised form;

6. Number of Rights Equity Shares entitled to;

7. Number of Rights Equity Shares applied for within the Rights Entitlements;

8. Number of additional Rights Equity Shares applied for, if any;

9. Total number of Rights Equity Shares applied for;

10. Total Application Money paid at the rate of [●] per Rights Equity Share;

11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;

12. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;

13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;

14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;

15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and

16. All such Eligible Equity Shareholders are deemed to have accepted the following:

*"I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the US Securities Act of 1933, as amended (the "US Securities Act"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act ("Regulation S") to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.*

*I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and United States and ineligible to participate in this Issue under the securities laws of their jurisdiction.*

*I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.*

*I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer.*

*I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.*

*I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."*

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.bigshareonline.com.

Our Company, Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

**Making of Application by Eligible Equity Shareholders holding Equity Shares in physical form**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or us Company, Eligible Equity Shareholders should visit www.bigshareonline.com.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;

b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

c) The remaining procedure for Application shall be same as set out in "***Terms of the Issue - Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***" beginning on page 183.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

**Application for Additional Equity Shares**

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "Terms of the Issue - Basis of Allotment" beginning on page 200.

**Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.**

**Additional General instructions for Investors**

a) Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process.

b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein,

and/or which are not completed in conformity with the terms of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "***Terms of the Issue - Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***" on page 183.

d) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

e) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company, Lead Manager or the Registrar.

f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors. Further, in case of Application in joint names, each of the joint Applicants should sign the Application Form.

g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**

h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

j) Investors should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold

Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

l) All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

m) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical application

q) Do not pay the Application Money in cash, by money order, pay order or postal order.

r) Do not submit multiple Applications.

s) No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

t) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

**Grounds for Technical Rejection**

Applications made in this Issue are liable to be rejected on the following grounds:

a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.

b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

c) Sending an Application to the Company, Lead Manager, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.

d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

f) Account holder not signing the Application or declaration mentioned therein.

g) Submission of more than one application Form for Rights Entitlements available in a particular demat account.

h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

l) Application Forms which are not submitted by the Investors within the time periods prescribed in the application Form and this Draft Letter of Offer.

m) Physical Application Forms not duly signed by the sole or joint Investors.

n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, and money order, postal order or outstation demand drafts.

o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

q) Applications which have evidence of being executed or made in contravention of applicable securities laws.

r) Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

s) Payment from third party bank accounts.

**Multiple Applications**

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such

Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in "***Capital Structure – Intention and extent of participation by our Promoter and Promoter Group***" on page 46 of the Draft Letter of Offer.

**Last date for Application**

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, **subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).**

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, **as provided under the heading "Terms of the Issue- Basis of Allotment" on page 200.**

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

**Procedure for Applications by NRIs**

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India **("OCI")** may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid- up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country **("Restricted Investors"),** will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

**Procedure for Applications by Mutual Funds**

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and

such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

**Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")**

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

**Withdrawal of Application**

An Investor who has applied in this Issue may withdraw their application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, may withdraw their application post the Issue Closing Date.

**Disposal of Application and Application Money**

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASB. Wherever an application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

**For further instructions, please read the Application Form carefully.**

III. **Credit of Rights Entitlements in dematerialised account**

***Rights Entitlements***

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.sakumaexports.com).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN all remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing

the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e., www.bigshareonline.com). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "[●] Demat Escrow Account") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

**IV. Renunciation An Trading Of Rights Entitlement**

**Renouncees**

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounce (s) as well.

**Renunciation of Rights Entitlements**

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements

credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

In accordance with SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to Issue Closing Date, will not be able to renounce their Right Entitlements.

**Procedure for Renunciation of Rights Entitlements**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off -market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. **The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.**.

**Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.**

**1. On Market Renunciation**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the StockExchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement. The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement bases, where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stockbroker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

**2. Off Market Renunciation**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time**.**

**V. Mode of payment**

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA.

In case of Application through ASBA facility, the Investor agrees to block the Application Money with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the Application Money, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in the Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the Application Form.

**Payment by stock invest**

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

**Mode of payment for Resident Investors**

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

**Mode of payment for Non-Resident Investors**

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

2. In case Rights Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares.

## VI. Basis for this Issue and Terms of Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see **"The Issue"** beginning on page 37.

**Face Value**

Each Rights Equity Share will have the face value of Re 1.00.

**Issue Price**

The Rights Equity Share is being offered at a price of [●] per Rights Equity Share (including a premium of Rs. [●] per Rights Equity Share) in this Issue. On Application, Investors will have to pay [●] per Rights Equity Share.

The Issue Price for Rights Equity Shares has been arrived at by our Company at its board meeting held on [●] and has been decided prior to the determination of the Record Date.

**Rights Entitlements Ratio**

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] rights Equity Shares for every[●] Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

**Fractional Entitlements**

The Right Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] Right Equity Shares for every [●] Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in the multiple of [●] Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Equity Shareholder will be entitled to [●] Right Equity Shares and will also be given a preferential consideration for the Allotment of [●] additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

**Ranking**

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issue by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue shall rank pari passu with the existing Equity Shares, in all respects including dividends.

**Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue**

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principal approval from the NSE through letter bearing reference number [●] dated [●] and BSE through letter

bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchange for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

For an applicable period, the trading of the Rights Equity Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid -up Rights Equity Shares to the Investors' demat accounts, may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount under the Call Notice.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 540936) and NSE(Script Code: SAKUMA) under the ISIN: INE190H01024. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within seven days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within eight days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

**Subscription to this Issue by our Promoters and our Promoter Group**

For details of the intent and extent of subscription by our Promoters and the Promoter Group, see "Capital Structure – Intention and extent of participation by our Promoters and Promoter Group" on page 46 of the Draft Letter of Offer.

**Rights of Holders of Rights Equity Shares of our Company**

Subject to applicable laws, Rights Equity Shareholders shall have the following rights in proportion to amount paid-up on the Rights Equity Shares:

a) The right to receive dividend, if declared;

b) The right to vote in person, or by proxy, except in case of Rights Equity Shares credited to the demat suspense account for resident Eligible Equity Shareholders holding Equity Shares in physical form;

c) The right to receive surplus on liquidation;

d) The right to free transferability of Rights Equity Shares;

e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law; and

f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

**Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue.**

## VII. GENERAL TERMS OF THE ISSUE

### Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share.

### Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

### Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

### Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

### Notices

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars, our Company will send / dispatch the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue materials ("Issue Materials") only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in (i) one English national daily newspaper; (ii) one Hindi language national daily newspaper; and (iii) one Marathi language daily newspaper (Marathi being the regional language of Mumbai, where our Registered Office is situated) and/or, will be sent by post or electronic transmission or other permissible mode to the addresses of the Eligible Equity Shareholders provided to our Company. This Draft Letter of Offer, the Abridged Letter of Offer and the Application

Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

**Offer to Non-Resident Eligible Equity Shareholders/Investors**

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at rightsissue@bigshareonline.com. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent to the email addresses and Indian addresses of non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. Investors can access this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, Lead Manager and the Stock Exchanges. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and Lead Manager.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc.at rightsissue@bigshareonline.com.

**Allotment of the Rights Equity Shares in Dematerialized Form**

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE. FOR DETAILS, SEE "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" ON PAGE 201.

**Payment Schedule of Rights Equity Shares**

The Issue Price of [●] per Rights Equity Share (including premium of [●] per Rights Equity Share) shall be payable

on application.

**VIII. Issue Schedule**

| | |
|---|---|
| **LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS** | [●] |
| **ISSUE OPENING DATE** | [●] |
| **LAST DATE FOR ON MARKET RENUNCIATION*** | [●] |
| **ISSUE CLOSING DATE#** | [●] |
| **FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)** | [●] |
| **DATE OF ALLOTMENT (ON OR ABOUT)** | [●] |
| **DATE OF CREDIT (ON OR ABOUT)** | [●] |
| **DATE OF LISTING (ON OR ABOUT)** | [●] |

***** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

# Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., Tuesday, March 16, 2021 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e. [●].

**For details, see "General Information - Issue Schedule" on page 38.**

**IX. Basis of Allotment**

Subject to the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.

b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under **(a**) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under **(b)** above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment

c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

e) Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'. Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1.The amount to be transferred from the ASBA Account to the separate bank account opened by us Company for this Issue, for each successful Application;

2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

**X. Allotment Advice or Refund/ Unblocking of ASBA Accounts**

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

**Separate ISIN for Rights Equity Shares**

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, until fully paid-up. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN after each Call for the period as may be applicable under the rules and regulations prior

to the record date for the final Call Notice. The ISIN representing the Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call Money in respect of the Rights Equity Shares, such Rights Equity Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares.

## XI. Payment of Refund

### Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

a) Unblocking amounts blocked using ASBA facility.

b) NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

c) National Electronic Fund Transfer **("NEFT")** – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code **("IFSC Code")**, which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine-digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

d) Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

e) RTGS – If the refund amount exceeds ₹ 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.

g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

### Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form**.**

## XII. Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending receipt

of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

**Receipt of the Rights Equity Shares in Dematerialized Form**

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (**A**) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE, OR (**B**) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (**C**) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated [●] with NSDL and an agreement dated [●] with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

**INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.**

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.

7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

**XIII. Impersonation**

**As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:**

**"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."**

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹1million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud extending upto three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 1 million or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public **interest, then such fraud is** punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakhs or with both.

**XIV. Utilization of Issue Proceeds**

Our Board declares that:

a. All monies received out of this Issue shall be transferred to a separate bank account;

b. Details of all monies utilized out of this Issue referred to under (A) shall be disclosed under an appropriate separate head in the balance of our Company indicating the purpose for which such monies had been utilized; and

**c.** Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested**.**

**XV. Undertakings by our Company**

Our Company undertakes the following:

1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken within the time limit specified by SEBI.

3) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 4 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application

Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

6) Adequate arrangements shall be made to collect all ASBA Applications.

7) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

## XVI. Investor Grievances, Communication And Important Links

1. Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.

2. All enquiries in connection with this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "Sakuma Exports Limited – Rights Issue" on the envelope and postmarked in India or in the email) to the Registrar at the following address:

| | |
|---|---|
| **Name** | : **BIGSHARE SERVICES PRIVATE LIMITED** |
| **Address** | : Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, Maharashtra |
| **Tel No.** | : +91 22 6263 8200 |
| **Email Id** | : rightsissue@bigshareonline.com |
| **Investor Grievance Email** | : investor@bigshareonline.com |
| **Contact Person** | : Mr. Vijay Surana |
| **Website** | : www.bigshareonline.com |
| **SEBI Registration No.** | : INR000001385 |

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.bigshareonline.com). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 22 62638200.

   This Issue will remain open for a minimum 7 days. However, our Board or duly authorized committee thereof, will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment **("FDI")** and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) **("DPIIT"),** Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 **("FDI Policy")** by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company fall under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of our Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (OCBs) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs))Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

### RESTRICTIONS ON PURCHASES AND RESALES

**General Eligibility and Restrictions**

No action has been taken or will be taken to permit a public offering of the Rights Entitlements or the Issue Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer, its accompanying documents or any other material relating to our Company, the Rights Entitlements or the Equity Shares in any jurisdiction where action for such purpose is required, except that this Draft Letter of Offer will be filed with SEBI and the Stock Exchanges.

The Rights Entitlements and Issue Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States (other than to persons in the United States who are U.S. QIBs and QPs).

The Rights Entitlements or the Equity Shares may not be offered or sold, directly or indirectly, and none of this Draft Letter of Offer, its accompanying documents or any offering materials or advertisements in connection with the Rights Entitlements or the Equity Shares may be distributed or published in or from any country or jurisdiction except in accordance with the legal requirements applicable in such jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Equity Shares, applying for excess Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Equity Shares.

This Draft Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Equity Shares, or who purchases the Rights Entitlements, or the Equity Shares shall do so in accordance with the restrictions in their respective jurisdictions.

**United States**

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly within the United States except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Rights Entitlements and Rights Equity Shares referred to in this Draft Letter of Offer are being offered in offshore transactions outside the United States in compliance with Regulations under the US Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. Neither receipt of this Draft Letter of Offer, nor any of its accompanying documents constitutes an offer of the Rights Entitlements or the Rights Equity Shares to any Eligible Equity Shareholder other than the Eligible Equity Shareholder who has received this Draft Letter of Offer and its accompanying documents directly from our Company or the Registrar.

**Representations, Warranties and Agreements by Purchasers**

Each person outside of the United States by accepting the delivery of this Draft Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the "purchaser", which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser (i) is aware that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the US Securities Act and are being distributed and offered outside the United States in

reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/ or the Rights Equity Shares are, outside the United States and eligible to subscribe for Rights Entitlements and Rights Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulations.

2. No offer or sale of the Rights Entitlements or the Rights Equity Shares to the purchaser is the result of any "directed selling efforts" in the United States (as such term is defined in Regulations).
3. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares, and the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
4. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements incompliance with applicable securities and other laws of its jurisdiction of residence.
5. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.
6. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment, and further, that no U.S. federal or state or other agency has made any finding or determination as to the fairness of any such investment or any recommendation or endorsement of any such investment.
7. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of the Letter of Offer with SEBI and the Stock Exchange); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements or the Rights Equity Shares which it may acquire, or any beneficial interests there in, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations. The purchaser agrees to notify any transferee to whom it subsequently reoffers, resells, pledges or otherwise transfers the Rights Entitlements and the Rights Equity Shares of the restrictions set forth in the Letter of Offer under the heading ***"Restrictions on Purchases and Resales***".
8. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.
9. Neither the purchaser nor any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.

   Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Draft Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below), and will have had a reasonable opportunity to ask questions of and receive answers from officers and representatives of our Company concerning the financial condition and results of operations of our Company and the purchase of the Rights Entitlements or the Rights Equity Shares, and any such questions have been answered to its satisfaction; (iv) will have possessed and reviewed all information that it believes is necessary or appropriate in connection with an investment in the Rights Entitlements and the Rights Equity Shares; (v) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment

decisions based upon its own judgment, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company, the Lead Manager or its affiliates (including any research reports) (other than, with respect to our Company and any information contained in this Draft Letter of Offer); and (vi) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.

10. Without limiting the generality of the foregoing, the purchaser acknowledges that (i) the Rights Equity Shares are listed on BSE Limited and the National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited and the National Stock Exchange of India Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "Exchange Information"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; (ii) our Company does not expect or intend to become subject to the periodic reporting and other information requirements of the Securities and Exchange Commission; and (iii) neither our Company nor any of its affiliates, nor the Lead Manager or any of their affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements or the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.
11. The purchaser understands that the Exchange Information and this Draft Letter of Offer have been prepared in accordance with content, format and style which is either prescribed by SEBI, the Stock Exchange or under Indian laws, which differs from the content, format and style customary for similar offerings in the United States. In particular, the purchaser understands that (i) our Company's financial information contained in the Exchange Information and this Draft Letter of Offer have been prepared in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements and not in a manner suitable for an offering registered with the U.S. SEC, and (ii) this Draft Letter of Offer does not include all of the information that would be required if our Company were registering the Issue of the Rights Entitlements and the Rights Equity Shares with the U.S.SEC, such as a description of our business and industry, detailed operational data, our management's discussion and analysis of our financial condition and results of operations and audited financial statements for prior years.
12. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including this Draft Letter of Offer and the Exchange Information (collectively, the "Information"), has been prepared solely by our Company; and (ii) none of the Lead Manager or any of its affiliates has verified such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Lead Manager or its affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by any of them or their affiliates.
13. The purchaser will not hold our Company, the Lead Manager or their affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information.

## SECTION VIII – OTHER INFORMATION

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years prior to the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these documents for inspection referred to hereunder, will be made available at our Registered Office between 10:30 a.m. to 5:00 p.m. on all working days from the date of this Draft Letter of Offer until the Issue Closing Date.

**A. Material Contracts for the Issue**

1. Registrar Agreement dated **[●]** between our Company and the Registrar to the Issue.

2. Issue Agreement dated **[●]** between our Company and the Lead Manager.

3. Bankers to the Issue Agreement dated **[●]** among our Company the Registrar to the Issue and the Bankers to the Issue.

4. Monitoring Agency Agreement dated **[●]** between our Company and the Monitoring Agency.

**B. Material Documents in Relation to the Issue**

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company.

2. Certificate of Incorporation dated August 31, 2005 under the name of "Sakuma Exports Limited".

3. Copy of the Resolutions passed by our Board dated June 21, 2022 approving the Rights Issue and other related matters.

4. Copy of the Resolutions of our Board dated February 23, 2023 approving and adopting the Draft Letter of Offer.

5. Copy of the Resolution of our Committee of Directors dated **[●]**, finalizing the terms of the Issue including approving the Letter of Offer, Issue Price, Record Date and the Rights Entitlement Ratio.

6. Consents of our Promoters, Directors, Company Secretary and Compliance Officer, Internal Auditor, Bankers to our Company, Bankers to the Issue, Lead Manager, Legal Advisor to the Issue, Legal Consultant to the Company, Monitoring Agency and the Registrar to the Issue for inclusion of their names in this Draft Letter of Offer to act in their respective capacities.

7. Consent letter dated February 14, 2023, from Independent Chartered Accountants, namely, M/s Avinash More, Chartered Accountants, to include its name in this Draft Letter of Offer, as an "expert" as defined under section 2(38) of the Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company and such consent has not been withdrawn as on the date of this Draft Letter of Offer.

8. Consent letter dated February 14, 2023, from our Statutory Auditors, namely, M/s M. L. Sharma & Co., Chartered Accountants, to include its name in this Draft Letter of Offer, as an "expert" as defined under section 2(38) of the Companies Act, 2013 in respect of the 2022 Audited Consolidated Financial Statements, the audit reports in respect of the 2022 Audited Consolidated Financial Statements, and the reports issued by them, and the statement of special tax benefits dated February 14, 2023, included in this Draft Letter of Offer.

9. Copy of Audit Consolidated Financial Statement (Report) of our Company for the financial year 2022.

10. Limited Review Report of our Company for 9 months period ending on December 31, 2022.

11. Copy of Annual reports of our Company for the financial years 2022, 2021, 2020, 2019 and 2018.

12. Statement of Tax Benefits dated February 14, 2023 issued by M/s M. L. SHARMA & CO., Chartered Accountants, Chartered Accountants included in this Draft Letter of Offer.

13. Copy of Prospectus in respect of the initial public offering of Equity Shares by our Company.

14. Tripartite Agreement dated October 10, 2005 between our Company, NSDL and the Registrar to the Company.

15. Tripartite Agreement dated December 12, 2005 between our Company, CDSL and Registrar to the Company.

16. In-principal approval issued by the BSE and NSE dated [●] and [●], respectively.

17. Due diligence certificate dated February 23, 2023, addressed to SEBI from the Lead Manager.

18. SEBI interim observation letter number [●] dated [●].

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

## DECLARATION

We/ I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder. We/ I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by Securities and Exchange Board of India, Government of India and any other competent authority in this behalf, have been duly complied with.

We/ I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

| **Name of the Directors** | **Signature** |
|---|---|
| Mr. Saurabh Malhotra<br>**Managing Director**<br>**DIN No.:** 00214500 | Sd/- |
| Ms. Shipra Malhotra<br>**Non-Executive Director**<br>**DIN No.:** 01236811 | Sd/- |
| Mr. Vivek Madanlal Grover<br>**Non- Executive Director**<br>**DIN No.:** 03594740 | Sd/- |
| Mr. Amit Shankar Amist<br>**Non-Executive Independent Director**<br>**DIN No.:** 05305256 | Sd/- |
| Mr. Radhe Shyam<br>**Non-Executive Independent Director**<br>**DIN No.:** 00648805 | Sd/- |
| Mr. Om Parkash Singal<br>**Non-Executive Independent Director**<br>**DIN No.:** 02585264 | Sd/- |

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**

**Mr. Devesh Mishra** Sd/-

**SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER**

**Ms. Khyati Bipin Jobanputra** Sd/-

**Place: Mumbai**
**Date: February 23, 2023**