



Sakuma Exports Limited

12th Annual Report 2016 -2017



SAKUMA EXPORTS LIMITED

BOARD OF DIRECTORS

Mr. Chander Mohan– Executive Chairman
Mr. Saurabh Malhotra -Managing Director
Mr. Ashok Kumar Doda
Mr. Radhe Shyam
Mr. Om Parkash Singal
Ms. Shipra Malhotra

AUDIT COMMITTEE

Mr. Radhe Shyam
Mr. Ashok Kumar Doda
Mr. Om Parkash Singal

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Ashok Kumar Doda
Ms. Shipra Malhotra
Mr. Radhe Shyam

NOMINATION & REMUNERATION COMMITTEE

Mr. Radhe Shyam
Mr. Om Parkash Singal
Ms. Shipra Malhotra

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR).

Mr. Chander Mohan
Ms. Shipra Malhotra
Mr. Om Parkash Singal

STATUTORY AUDITOR

M/s. M.L. Sharma & Co.
Chartered Accountants
107, Chartered House, 297-299,
Dr. C.H. Street, Behind Dolours Church,
Marine Lines, Mumbai – 400002

INTERNAL AUDITOR

M/s Mehta Singhvi & Associates
410, Kewal Industrial Estate, Senapati Bapat Marg,
Lower Parel (West). Mumbai- 400013.

BANKERS

Corporation Bank
Axis Bank Limited
Indian Overseas Bank
Union Bank of India
Ratnakar Bank Limited
Rabo Bank International

REGISTERED OFFICE

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

SHARE TRANSFER AGENTS

Big Share Services Private Limited
E-2, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (E), Mumbai – 400072
Tel: 022 40430200 Fax: 022 28525207
Email: info@bigshareonline.com
bss@bigshareonline.com

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NOTICE

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

ORDINARY BUSINESS:

1. To consider and adopt the
 - Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017 and the Reports of the Board of Directors and the Auditors' thereon; and
 - Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017, and the Report of the Auditors' thereon.
2. To declare dividend @ 10 % i.e. Re. 1/- per equity share for the financial year 2016 – 17.
3. To appoint a Director in place of Ms. Shipra Malhotra (DIN No.: 01236811), who retires by rotation and being eligible, offers herself for re-appointment.
4. Appointment of Statutory Auditors

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Audit and Auditors) Rules, 2014 (“the Rules”), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) M/s M. L. Sharma & Co., Chartered Accountants, Mumbai having ICAI Firm Registration No. 109963W, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the Company's financial year 2017 – 18, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to Goods & Service Tax and re-imbursment of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.”

SPECIAL BUSINESS:

5. To appoint Mr. Vivek Grover (DIN: 03594740) as a Director and in this regard, to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

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

NOTES:

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



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

4. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
5. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
8. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours upto the date of the Meeting.
9. Pursuant to the provisions of Section 91 of the Act, the Register of Members and Share Transfer Books of the Company shall remain closed on all days from Tuesday, 19th September, 2017 to Tuesday, 26th September, 2017, both days inclusive.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
11. Members desiring any relevant information on the Accounts at the Annual General Meetings are requested to write to the Company at least seven days in advance, so as to enable the company to keep the information ready. Members can also email their queries at the email address of the Compliance Officer, Mr. Raju Pillai(companysecretary@sakumaexportsltd.com)
12. Members holding shares in physical form are requested to notify/send the following to the Company's Registrar and Transfer Agents to facilitate better service:
 - i. Any change in their address;
 - ii. Particulars of their bank accounts in case the same have not been sent earlier, for dividend payment through ECS mode and
 - iii. Share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of the names for consolidation of such holdings into one account.
13. Members holding shares in electronic form are advised that address / bank details as furnished to the Company by the respective Depositories, viz. NSDL and CDSL will be printed on the dividend warrants. Members are requested to inform the concerned Depository Participants of any change in address, dividend mandate, etc.
14. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Act, are requested to submit details to the Registrar and Transfer Agents of the Company, in the prescribed Form SH – 13 for this purpose.
15. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses with the Company's Registrar and Transfer Agents for receiving communication from the Company in electronic form.
16. Pursuant to the provisions of Section 124(5) and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred on due dates, the unpaid or unclaimed dividends for the financial year ended 31st March, 2009 and to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 1st September, 2016 (date of the last Annual General Meeting) on the website of the Company (www.sakumaexportsltd.com), as also on the website of the Ministry of Corporate Affairs (www.mca.gov.in).

For Equity Shareholders:

| Financial Year | Date of Declaration of Dividend | Last Date of claiming Unpaid Dividend |
|------------------------------|---------------------------------|---------------------------------------|
| Final Dividend 2011 – 2012 | 27.09.2012 | 31.10.2019 |
| Final Dividend 2012 – 2013 | 29.07.2013 | 02.09.2020 |
| Final Dividend 2013 – 2014 | 28.08.2014 | 02.10.2021 |
| Final Dividend 2014 – 2015 | 11.08.2015 | 16.09.2022 |
| Interim Dividend 2015 – 2016 | 11.03.2016 | 15.04.2023 |

For Preference Shareholders:

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

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

17. Information required under Regulation 36 (3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard 2 on General Meeting relating to Documents & Information to Shareholders with respect to the Director retiring by rotation and being eligible, seeking re-appointment are as under:

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

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

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

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

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

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

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

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

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



PROCESS FOR MEMBERS OPTING FOR E-VOTING

Voting through electronic means

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, Secretarial Standard 2 on General Meeting and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide shareholders facility to exercise their right to vote on resolutions proposed to be considered at the 12th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the shareholders using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
2. The facility for voting through ballot papers shall also be made available at the venue of the AGM and the shareholders attending the meeting who have not cast their votes by remote e-voting shall be able to exercise their right at the meeting through ballot papers at the venue.
3. The remote e-voting period commences on Saturday, 23rd September, 2017 (9:00 am) and ends on Monday, 25th September, 2017 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-Off Date of Tuesday, 19th September, 2017 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the shareholder casts his vote on a resolution, the shareholder shall not be allowed to change it subsequently.
4. The process and manner for remote e-voting are as under:
 - A. In case a shareholder receives an Email from NSDL [for shareholders whose Email IDs are registered with the Company/ Depository Participant(s)] :
 - a) Open Email and open PDF file viz. “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - b) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - c) Click on Shareholder – Login
 - d) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - e) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - f) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - g) Select “EVEN” of “**Sakuma Exports Limited**”.
 - h) Now you are ready for remote e-voting as Cast Vote page opens.
 - i) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - j) Upon confirmation, the message “Vote cast successfully” will be displayed.
 - k) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - l) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to noticetome@gmail.com with a copy marked to evoting@nsdl.co.in.
 - B. In case a shareholder receives physical copy of the Notice of AGM (for shareholders whose Email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy):
 - a) Initial password is provided as below/ at the bottom of the Attendance Slip of the AGM:

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

5. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and remote e-voting user manual for shareholders available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
6. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
7. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s) related to e-voting process.
8. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 19th September, 2017.
9. Any person, who acquires shares of the Company and become shareholder of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Tuesday, 19th September, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

10. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
11. A person, whose name is recorded in the Register of Shareholders or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
12. Mr. Punit Shah, Practicing Company Secretary (Membership No. A20536) and Partner of M/s. P. P. Shah & Co., Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
13. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” or “Polling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
14. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
15. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE and NSE, Mumbai.
16. Route Map showing directions to reach to the venue of the 12th AGM is given at the end as per the requirement of the Secretarial Standards 2 on General Meetings.

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

**Place: Mumbai
Date: 29th May, 2017**

**Saurabh Malhotra
Managing Director**

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

The Directors take pleasure in presenting the Twelfth Annual Report together with the Audited Financial Statements for the year ended 31st March, 2017. The Management Discussion and Analysis has also been incorporated into this report.

1. FINANCIAL RESULTS

Key highlights of standalone and consolidated financial results for Sakuma Exports Limited for the financial year 2016 – 17 are tabulated below:

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

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

2. HIGHLIGHTS OF PERFORMANCE

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

3. BUSINESS OPERATIONS REVIEW AND FUTURE PROSPECTS

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

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

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

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

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

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

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

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

• **Working of Subsidiaries:**

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

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

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

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

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

4. DIVIDEND

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

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

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

6. TRANSFER TO RESERVES

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

7. CAPITAL EXPENDITURE

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

8. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company and its subsidiaries are prepared in accordance with applicable provisions of the Companies Act, 2013, Accounting Standard (AS-21) and other Accounting Standards issued by the Institute of Chartered Accountants of India as well as the SEBI (LODR) Regulations, 2015 together with Auditors' Report thereon form part of this Annual Report.

9. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2017 was Rs. 16.43 Crores. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. There was no change in the Company's share capital during the year under review.

10. DEPOSITS

The Company has not accepted deposit from the public and shareholders falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement for furnishing details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

12. SUBSIDIARY COMPANIES

As on 31st March, 2017, the Company has following four subsidiaries:

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

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

Audited Financial statement of the Company's Subsidiaries

The Statement containing the salient features of financial statement of Subsidiaries in **Form AOC-1** pursuant to Section 129(3) read with Rule 5 of the Companies (Accounts) Rules, 2014 are given below:

(Rs. in Lacs)

| Sr. No. | Particulars | Sakuma Exim DMCC | Sakuma Exports Pte Limited | Sakuma Exports (Ghana) Ltd | Sakuma Exports Tanzania Pvt. Ltd |
|---------|--------------------|------------------|----------------------------|----------------------------|----------------------------------|
| 1. | Reporting Period | Apr - Mar | Apr - Mar | Apr - Mar | Apr - Mar |
| 2. | Reporting Currency | AED | USD | GHC | TZS |
| 3. | Country | U.A.E | Singapore | Ghana | Tanzania |
| 4. | Exchange Rate | 17.617 | 64.723 | 15.066 | 64.723 |

| Sr. No. | Particulars | Sakuma Exim DMCC | Sakuma Exports Pte Limited | Sakuma Exports (Ghana) Ltd | Sakuma Exports Tanzania Pvt. Ltd |
|---------|--|------------------|----------------------------|----------------------------|----------------------------------|
| 5. | Share Capital | 8.81 | 106.79 | - | 97,085 |
| 6. | Reserves and Surplus | 5,234.44 | 771.77 | (0.89) | (97,085) |
| 5. | Total Assets | 27,649.29 | 16,759.14 | - | - |
| 8. | Total Liabilities | 22,406.04 | 15,880.58 | - | - |
| 9. | Investment other than Investment in subsidiary | - | 0.97 | - | - |
| 10. | Turnover | 101,481.71 | 85,504.49 | - | - |
| 11. | Profit before Taxation | 1,937.58 | 509.16 | 63.97 | - |
| 12. | Provision for Taxation | - | 69.78 | - | - |
| 13. | Profit after Taxation | 1,937.58 | 439.38 | 63.97 | - |
| 14. | Dividend Paid | - | - | - | - |

13. DIRECTORS

13.1 Demise of Executive Chairman

Mr. Chander Mohan, one of the founder promoters of the Company left for heavenly abode on 4th May, 2017. As Executive Chairman of the Company from 2005 to 2017, Mr. Chander Mohan played a pivotal role in the progress, growth and development of the Company. His contribution in the growth and development of the Company will always be remembered and cherished. The Board placed on record his rich tributes for the unparalleled and precious contribution made by Mr. Chander Mohan to the Company in particular and society at large.

13.2 Appointment of Director

Pursuant to Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company, Mr. Vivek Grover was appointed as an Additional Director of the Company at the Board Meeting held on 29th May, 2017. In terms of provisions of Section 161(1) of the Act, Mr. Vivek Grover would hold office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing from member along with a deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Vivek Grover for the office of Director of the Company. It is proposed to appoint Mr. Vivek Grover as a Director under Section 152 of the Act, liable to retire by rotation and resolution has been proposed at Item No. 5 of the Notice of 12th Annual General Meeting.

13.3 Retirement by Rotation

Pursuant to Section 152 (6) of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Ms. Shipra Malhotra (DIN No.: 01236811), Director, retires by rotation at the forthcoming Annual General Meeting. Being eligible, she offers herself for re-appointment.

13.4 Declaration by Independent Directors

The Company has received declarations from the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both, under Section 149(6) of the Companies Act, 2013 and under Regulation 17 of the SEBI (LODR) Regulations, 2015.

13.5 Familiarisation Programme for Independent Directors

The Program intends to provide insights into the Company so that the Independent Directors can understand the Company's business in depth and the roles, rights, responsibility that they are expected to perform/enjoy in the Company to keep them updated on the operations and business of the Company thereby facilitating their active participation in managing the affairs of the Company. In addition to the above, Directors are periodically advised about the changes effected in the Corporate Law, SEBI (LODR) Regulations, 2015 with regards to their roles, rights and responsibilities as Directors of the Company.

13.6 Annual Board Evaluation

According to Regulation of 25(3) of the SEBI (LODR) Regulations, 2015 and Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 05th January, 2017 issued by SEBI on Guidance Note on Board Evaluation, a meeting of the Independent Directors was held on 10th February, 2017 to inter alia, evaluate the performance of the Non-Independent



Directors, including the Chairman. The Board thereafter in its meeting held on the same day evaluated the performance of the Independent Directors.

13.7 Key Managerial Personnel

The following persons have been designated as Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Act, read with Rule 8(5)(iii) of the Companies (Accounts) Rules, 2014 framed thereunder.

1. *Mr. Chander Mohan, Executive Chairman – WTD
2. Mr. Saurabh Malhotra, MD

**Ceased to be Director w.e.f 4th May, 2017*

None of the Key Managerial Personnel has resigned during the year under review.

13.8 Remuneration Policy

The Board has in accordance with the provisions of Section 178(3) of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management Employees. The detail of the same has been disclosed in the Corporate Governance Report.

13.9 Board Meetings

A calendar of Board Meetings is prepared and circulated in advance to the Directors.

During the year the Company has held 4 (Four) Board Meetings which were held on 28th May, 2016; 11th August, 2016; 8th November, 2016 and 10th February, 2017. The maximum interval between any two meetings did not exceed 120 days.

14. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Note 2 of the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

15. PLEDGE OF SHARES

Following promoters have pledged the shares with the Banks and Financial Institutions:

| Name of the Promoter | No. of Shares pledged | As a % of total shares held |
|-----------------------------|------------------------------|------------------------------------|
| Chander Mohan | 3,10,000 | 20.22 |
| Saurabh Malhotra | 9,10,000 | 28.19 |
| Total | 12,20,000 | 7.43 |

16. RELATED PARTY TRANSACTIONS

A Related Party Policy has been adopted by the Board of Directors at its meeting held on 14th August, 2014 for determining the materiality of transactions with related parties and dealings with them. The said policy may be referred to, at the Company's official website at the web link <http://www.sakumaexportsltd.com/policies.html>. The Audit Committee reviews all related

party transactions quarterly.

Further, the members may note that the Company has not entered into the following kinds of related party transactions:

- Contracts/arrangement/transactions which are not at arm's length basis
- Any Material contracts/arrangement/transactions

17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

18. DISCLOSURES UNDER SECTION 134 (3) (I) OF THE COMPANIES ACT, 2013

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

19. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your Company has in place a Policy for Prevention of Sexual Harassment of Women at Work Place and constituted an Internal Complaints Committees (ICC). No complaint has been raised during the year ended 31st March, 2017.

20. COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

During the year, GKM General Trading LLC have been wound up and ceased to become the subsidiary of the Company. Further, there are no companies which have become or ceased to be its Joint Venture or Associate Companies during the financial year 2016 – 17.

21. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

A Corporate Social Responsibility (CSR) Committee has been constituted in accordance with Section 135 of the Companies Act, 2013. The details required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in CSR Report appended as "Annexure A" to this Report.

22. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The nature of business is export and trading in commodities. The inheritant risks to the business of the company are as follows:

- a. Foreign Exchange risk
- b. Commodity Price risk
- c. Risk elements in business transactions
- d. Physical risk to cargo

All the above risk have been discussed in the Management Discussion and Analysis Report. The Executive Chairman & Managing Director mitigate the risk with the help of their depth of knowledge of market, assistance of senior management and forecast based on various data available with the Company. The Company has developed the analysis of market data which helps in decision making and to ensure the mitigation of the risk.

The Company has not formed Risk Management Committee as it is not applicable under Regulation 21 of the SEBI (LODR) Regulations, 2015.

23. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Company monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.



24. INFORMATION SYSTEM

In a business where information is critical, Information Technology plays a vital role, facilitating informed decision making to grow the business. Over the years, the Company has invested extensively in infrastructure, people and processes with the objective to capture, protect and transmit information with speed and accuracy.

25. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy are explained in the Corporate Governance Report.

26. AUDITORS

26.1 Statutory Auditors

The Company's Auditors, M/s. M. L. Sharma & Co., Chartered Accountants, who retire at the forthcoming Annual General Meeting of the Company, are eligible for re-appointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for re-appointment as Auditors of the Company. As required under Regulation 33 of the SEBI (LODR) Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

26.2 Statutory Auditors' Observations

The notes on financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report is an Un-modified report and does not contain any qualification, reservation, adverse remark or disclaimer.

26.3 Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. P. P. Shah & Co., Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as "Annexure B" to this Report.

26.4 Qualifications in Secretarial Audit Report

A. Appointment of Company Secretary & Chief Financial Officer:

As per Section 203 (1) (ii) & (iii), the Company is required to appoint Company Secretary & Chief Financial Officer. *The Company has not appointed Company Secretary & Chief Financial Officer, consequently the Annual Audited Financial Statements are not signed by Company Secretary & Chief Financial Officer.* In this regard the management of the Company has provided the following reply:

- (i) The Company has appointed Mr. Raju Pillai as Compliance Officer of the Company who looks after the compliance of the Companies Act, 2013 and the SEBI Act and rules made thereunder.
- (ii) The Company has availed the services of Practicing Company Secretary for advising on compliance of the Companies Act, 2013 and the SEBI Act and rules made thereunder.
- (iii) The Volume and Scope of work for the Company Secretary & Chief Financial Officer are less and it is not a full time work and the job of Company Secretary & Chief Financial Officer are not attractive commensurate with the scope of work and salary.

B. Corporate Social Responsibility :

As per Section 135 of the Companies Act, 2013, the CSR is applicable to the Company. The Company is required to spend approximately Rs. 28.19 Lacs for the year 2016 – 17, Rs. 19.37 Lacs for the year 2015 – 16 and Rs. 17.79 Lacs for the year 2014 – 15. *During the financial year ended 31st March, 2017, the Company has not spent the said amount on eligible CSR activities for the year 2016 – 17 as well as 2015 – 16 and 2014 – 15.* In this regard the management of the Company has provided the following reply:

The company has decided to spend accumulated CSR amounting to Rs. 65,36,233/- in financial year 2017-18 and has identified some projects for the purpose of contribution towards CSR activity.

27. CORPORATE GOVERNANCE

Your Company attaches considerable significance to good Corporate Governance as an important step towards building investor confidence, improving investors' protection and maximizing long-term shareholders value. The certificate from M/s.

M. L. Sharma & Co., Chartered Accountants confirming compliance of conditions of Corporate Governance as stipulated under Schedule V (E) of the Securities and Exchange Board of India (LODR) Regulations, 2015 of the Stock Exchanges is annexed.

28. MANAGEMENT DISCUSSION AND ANALYSIS

As required under the Schedule V (B) of SEBI (LODR) Regulations, 2015, report on “Management Discussion and Analysis” is attached and form part of this Annual Report.

29. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given below:

A. Conservation of Energy

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

B. Technology absorption, adaptation and innovation

No expenditure has been incurred by the Company on research and Development activities during the year under review.

C. Foreign Exchange Earning & Outgo

| (Amount in Rs.) | | |
|--------------------------------------|----------------|----------------|
| Particulars | 2016-17 | 2015-16 |
| (a) Expenditure in Foreign Currency | | |
| - Professional and Consultation Fees | 7,30,430 | 6,26,491 |
| - Travelling Expenses | 31,29,960 | 18,80,403 |
| - Ocean Freight | 1,94,48,774 | 10,26,56,158 |
| - Import | 5,67,78,20,015 | 180,42,46,356 |
| (b) Earnings in Foreign Currency | | |
| - Export of Goods on FOB basis. | 1,50,95,45,268 | 1,45,08,97,028 |

30. LISTING WITH STOCK EXCHANGES

Your Company is listed with BSE Limited and National Stock Exchange of India Limited and the Company has paid the listing fees to each of the Exchanges.

31. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as “Annexure C”.

32. PARTICULARS OF EMPLOYEES

During the year, there was no employee in receipt of remuneration in excess of limit as prescribed in the Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The prescribed particulars of Employees as required under Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as “Annexure D” and form part of this Report.

However, in accordance with the provisions contained in the proviso to Section 136(1) of the Companies Act, 2013, the Annual Report and accounts excluding the aforesaid information are being sent to the shareholders of the Company. Any member interested in obtaining such particulars may write to the Compliance Officer at the Registered Office of the Company for the same.

33. HUMAN RESOURCES

The relations of the employees of the Company have been cordial during the year. Employees are considered to be team members being one of the most critical resources in the business which maximize the effectiveness of the Organization. Human resources build the Enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst



them towards strengthening the Company's Policies and Systems. The Company maintains healthy, cordial and harmonious relations with all personnel and thereby enhancing the contributory value of the Human Resources.

34. ENVIRONMENT AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

35. ENHANCING SHAREHOLDERS VALUE

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

36. GREEN INITIATIVES

Electronic copies of the Annual Report 2016 – 17 and Notice of the 12th Annual General Meeting are sent to all members whose email addresses are registered with the Company/ Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2016 – 17 and Notice of the 12th Annual General Meeting under Section 101 of the Companies Act, 2013 are sent in the permitted mode. Members requiring physical copies can send a request to the Company.

Your Company provides e-voting facility to all its members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to the Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015.

37. ACKNOWLEDGEMENTS

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

38. CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 29th May, 2017

Saurabh Malhotra
Managing Director

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Economic Overview

Indian economic overview:

The Indian economy moderated to 7.1%, down from 7.9% recorded in financial year 2015-16. India's consumer confidence index stood at 136 in 4th Quarter of 2016, which stands highest in the world. The Economic Survey 2017 tabled in the parliament predicts an agricultural growth of 4.1% in 2016-17 vis-à-vis 1.2% in 2015-16. Although, it notes the impact of demonetization and its impact of liquidity in agri supply chain.

The growth of the industrial sector remained lackluster with the IIP registering a growth of 0.3% during the April-December period of financial year 2016-17, compared to 3.2% during the same period of financial year 2015-16. Average inflation for financial year 2016-17 was pegged at 5.5% and is expected to further decline to 5.2% in financial year 2017-18. (Source: Nielsen, IMF)

Overall, this year witnessed some of the landmark economic policy initiatives taken by Government of India such as Demonetization of large currency notes, long awaited Goods and Services tax (GST) and overhauling of bankruptcy law. These steps may have long term transformational impact of indian economy by helping in creating common Indian markets, improving compliances and Boosting investments and growth.

Global economic overview:

Global economic growth was sluggish around 3.1% in 2016 following a deceleration and political uncertainties in western economies. Consumers continued to spend cautiously as expenditure increased by 2.4% in real terms over 2015, well below the corresponding increase in disposable incomes in the Asia Pacific. Global growth is estimated to rise from 2.3% in 2016 to 2.7% in 2017. Growth in emerging and developing economies too, is expected to revive in 2017 on the back of a removal of a number of obstacles for commodity exporters and sustained demand from commodity importers. (Source: World Bank, Euromonitor, IMF)

1. Industry Structure and Developments:

Trading in general and agri commodities in particular have been constantly evolving over the last few years. With consolidation in global trading behemoths, global shipping and transportation sectors along with long term policy changes in both industrial and emerging world, the trading activity has become both dynamic and influenced by global developments & techniques, patterns and size of business transactions.

With opening of emerging market economies, the linkage between domestic and global economies are becoming more protuberant which has hugely impacted the trading techniques and risk management of all market players involved in trading activities i.e Traders, Producers and Consumers.

Greater economic activities and economic growth have not only brought opportunities with the country but also have presented opportunities in third country trade, high seas trade along with outright, OTC and futures trade through commodity exchanges worldwide.

Participation in global commodity exchanges have emerged as one of the most important risk management tool which provides various options to cover the potential risk in underlying trade opportunity. Trading have become so dynamic that clear & quick understanding and interpretation of has become the new norm which requires continuous research and analysis to take well informed trading decisions.

Historically, trading is divided into 3 components, domestic trade, exports and imports. In the present context of increasing links in the global trade & access to global markets, it has become extremely important and necessary to remain participant in value chain and activities in all domains to capture the best available opportunities. Your company is fundamentally been following this policy in all the commodities businesses i.e sugar, oil, pulses etc to successfully translate opportunities presented into fruitful results for the company.

2. Opportunities and Threats:

Being the bulging agrarian economy, our country provides strong opportunities for trading business in commodities. The general population, large middle class consumer base and economic growth over the last many years have been providing ready consumer base. The general "DEMAND" has provided the continuous Y-O-Y organic growth to agri trading companies.

Additionally, democratic political set up, rule of law and provides long terms stability and economic growth despite different political parties ruling from time to time.



The Indian economy is heavily dependent on agriculture and the livelihood of the Indian farmer largely depends on the monsoon rains. Vagaries of nature present one of the major threat to Indian economy.

Weaker monsoon adversely affects agriculture production leading to shortage of agriculture produce impacting inflation & making exports un-remunerative. At the same time, continuous good monsoon Y-O-Y surplus crops situation some years.

While Government role and financial support in this regard brings some relief in this kind of situation but most of the times Government ends up support remains insufficient, uncertain & untimely which is a hindrance in achieving continued desired results. For example, Changing the import or exports duty in major exportable/importable commodities, introduction of stock limit for traders to control inflation adversely impacts the trade and brings force majeure situation & instability in international trade.

Due to lack of understanding, retrospective implementation of the sudden policy changes by the local administration, the importers/exporters who try to bridge the gap between demand & supply to reduce the inflationary pressure ultimately gets adversely affected.

Another threat to global trade being un-abating hostilities in some of the Middle East & North African countries making global trade risky. Unprecedented migration of population to the neighboring & European countries also build additional pressure on their resources.

It has also been Company's continuous endeavor to explore opportunities in logistics & support services area to contain cost of operations & achieve economies of scale.

2. Segment –wise or product – wise performance:

As mentioned in para 1, presently traders can function successfully only if they have agility to switch operations between products, markets & sectors i.e. from exports to imports & domestic market operations hence segment-wise performance will vary from time to time.

Your company was primarily engaged in the exports and imports exploiting the opportunities in bringing the expertise and economies of scale into the trading operations of major bulk commodities such as sugar, edible oil and pulses. Though imports and exports have been major activity, however changing with times, the company has been diversifying its business activities and are also exploiting the third country trade opportunities fulfilling the demand of its global client base from goods from other origins.

4. Outlook

Company continued to strive not only to maintain topline but also was successful in achieving higher growth by innovation & tapping new markets and adding new commodities in the basket . The company also continued its focus on domestic markets and attained better sales than last year to maintain the growth in this segment of business.

We expect the profitability ratios to improve in the coming years as profit margins of subsidiary companies are better and their share of overall business are increasing.

Risk and Concerns:

a. Foreign Exchange Risk

The Company is exposed to risk from market fluctuations of Foreign Exchange. We try to minimize the risk of foreign exchange fluctuation by entering into forward contracts immediately on booking the export orders.

b. Commodity Price Risk

To take care of commodities price risk, export orders are immediately tied up with suppliers for procurement. However, this risk cannot be eliminated in case of imports because there is a time lag between the date of placing order and receiving delivery. Further, for the sake of economy, size of import contracts is too big to achieve back to back tie up with local buyers.

c. Risk elements in business transactions

The buyers and suppliers are selected after due diligence. Advance of 10-20% from overseas buyers, irrevocable letters of credit, payment at sight documents, ECGC cover, etc. are obtained, wherever considered necessary. As regards domestic trade delivery is released on receipt of full payment.

d. Physical risks to cargo

All our warehouses are adequately insured. For imports on CIF basis the supplier obtains insurance cover and for import on C& F basis insurance cover is obtained by the Company. For export shipments made on C&F basis, insurance is covered by the buyer and in case of orders on CIF basis, insurance is obtained by the Company. Warehouse to Warehouse insurance cover is obtained for domestic trade.

6. Internal control systems and their adequacy:

The Company has well, structured internal control mechanisms and internal Audit department is headed by a senior executive which reviews all transactions independently on continuous basis. Internal audit department regularly briefs the management and necessary steps are taken wherever, necessary. Besides the Company has retained outside audit firm to conduct Internal Audit on continuous basis.

7. Discussion on financial performance with respect to operational performances:

There has been substantial increase during the year 2016-17 in financial and operational performance of the company. Topline increased by 24.97% and bottom line increased 23.02% over the previous years.

8. Material development in Human Resources / Industrial Relations front, including number of people employed.

The Company provides a challenging, open and professional satisfying work environment to its employees. Necessary steps are taken for boosting their motivation and active involvement in the organization. The Company also encourages its employees to continuously upgrade and improve their skills and qualifications.

For and on behalf of the Board of Directors

Place: Mumbai

Date: 29th May, 2017

Saurabh Malhotra
Managing Director

**ANNEXURE 'A' TO BOARD'S REPORT****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1. **A brief outline of the Company's CSR policy including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

The Company has adopted CSR policy on 13th February, 2016. The said policy has been formulated as per Section 135 read with Schedule VII of the Companies Act, 2013.

2. **Composition of the CSR Committee:**

- a. *Mr. Chander Mohan Chairman
b. Ms. Shipra Malhotra Member
c. Mr. Om Parkash Singal Member

**Ceased to be Director w.e.f. 4th May, 2017*

3. **Average net profit of the Company for last three financial years:**

The Profit of Sakuma for 3 immediately preceding financial year

| Financial Years | Net Profit Before Tax (In Rs.) |
|-----------------|--------------------------------|
| 2015 – 16 | 19,29,30,061 |
| 2014 – 15 | 12,46,43,003 |
| 2013 – 14 | 10,53,31,740 |
| Total | 42,29,04,804 |
| Average | 14,09,68,268 |
| 2% | 28,19,365 |

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):**

The Company is required to spend Rs. 28,19,365/- towards CSR. The carried forward amount of CSR spending for the financial year 2014 – 15 is Rs. 17,79,866/- and 2015 – 16 is Rs. 19,37,002/-.

5. **Details of CSR spend for the financial year:**

- a. Total amount spent for the financial year: Rs. Nil
b. Amount to be spent, if any: Financial year 2016 – 17: Rs. 28,19,365/-
Financial year 2015 – 16: Rs. 19,37,002/-
Financial year 2014 – 15: Rs. 17,79,866/-
Total amount to be spend: Rs. 65,36,233/-

- c. Manner in which the amount spent during the financial year is detailed below:

| S No. | CSR project or activity identified | Sector in which the Project is covered | Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: | Cumulative expenditure upto to the reporting period | Amount spent: Direct or through implementing agency * |
|-------|------------------------------------|--|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | | | | | | | |

*Give details of implementing agency

6. **In case the company has failed to spend the two percent of the average net profit of the last 3 financial years or any part thereof, the Company shall provide the reasons for not spending the amount of in its Board report:**

During the financial year 2016 – 17, the Company has decided to start spending the accumulated CSR amounting to Rs. 65,36,233/- in the financial year 2017 – 18. The company has identified some projects for the purpose of contribution towards CSR activity.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:**

The CSR Committee will develop, implement and monitor the CSR Policy in compliance with the CSR Objectives and Policy of the Company.

Place: Mumbai

Date: 29th May, 2017

Saurabh Malhotra
Managing Director



ANNEXURE 'B' TO BOARD'S REPORT

SECRETARIAL AUDIT REPORT

FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Sakuma Exports Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sakuma Exports Limited** (hereinafter called 'the company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

1. The Companies Act, 2013 ('the Act') and the rules made thereunder;
2. The Securities Contracts ('Regulation') Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during audit period).**
 - e) The Securities Exchange Board of India (Issue and Listing of Debt Securities), Regulations, 2008. **(Not Applicable to the Company during audit period).**
 - f) The Securities Exchange Board of India (Registrar to an Issue and Share Transfer Agent), Regulations, 1993 regarding the Companies Act, 2013 and dealing with the clients.
 - g) The Securities Exchange Board of India (Delisting of Equity Shares), Regulations, 2009. **(Not Applicable to the Company during audit period).**
 - h) The Securities Exchange Board of India (Buyback of Securities), Regulations, 1998. **(Not Applicable to the Company during audit period).**

I have also examined compliance with the applicable clauses of the following:

- 1) Secretarial Standards issued by the Institute of Company Secretaries of India i.e. Secretarial Standards – 1 for Board Meetings and Secretarial Standards – 2 for General Meetings.
- 2) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015].

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above subject to the following qualifications:

A. Appointment of Company Secretary & Chief Financial Officer:

As per Section 203 (1) (ii) & (iii), the Company is required to appoint Company Secretary & Chief Financial Officer. *The Company has not appointed Company Secretary & Chief Financial Officer, consequently the Annual Audited Financial Statements are not signed by Company Secretary & Chief Financial Officer.* In this regard the management of the Company has provided the following reply:

- (i) The Company has appointed Mr. Raju Pillai as Compliance Officer of the Company who looks after the compliance of the Companies Act, 2013 and the SEBI Act and rules made thereunder.
- (ii) The Company has availed the services of Practicing Company Secretary for advising on compliance of the Companies Act, 2013 and the SEBI Act and rules made thereunder.
- (iii) The Volume and Scope of work for the Company Secretary & Chief Financial Officer are less and it is not a full time work and the job of Company Secretary & Chief Financial Officer are not attractive commensurate with the scope of work and salary.

B. Corporate Social Responsibility :

As per Section 135 of the Companies Act, 2013, the CSR is applicable to the Company. The Company is required to spend approximately Rs. 28.19 Lacs for the year 2016 – 17, Rs. 19.37 Lacs for the year 2015 – 16 and Rs. 17.79 Lacs for the year 2014 – 15. *During the financial year ended 31st March, 2017, the Company has not spent the said amount on eligible CSR activities for the year 2016 – 17 as well as 2015 – 16 and 2014 – 15.* In this regard the management of the Company has provided the following reply:

- (i) The company has identified some projects for the purpose of contribution towards CSR activity based on the object of the CSR policy of the company. The company will soon start the spending in form of contribution to the implementing agency.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no instances of:

1. Public/Right/Preferential issue of Shares / Debentures / Sweat Equity, etc.
2. Redemption / Buy-Back of Securities
3. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013
4. Merger / Amalgamation / Reconstruction, etc.
5. Foreign Technical Collaborations

Place: Mumbai

Date: May 29, 2017

Signature:

Pradip Shah
For P. P. Shah & Co.,
Practicing Company Secretaries
FCS No. 1483, C P No.: 436

**ANNEXURE 'C' TO BOARD'S REPORT****EXTRACT OF ANNUAL RETURN****As on the financial year ended 31.03.2017***[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]***FORM NO. MGT – 9****I. REGISTRATION AND OTHER DETAILS**

| | |
|--|--|
| CIN | L51909MH2005PLC155765 |
| Registration Date | 31 st August, 2005 |
| Name of the Company | SAKUMA EXPORTS LIMITED |
| Category of the Company | Company Limited by Shares |
| Sub-Category of the Company | Indian Non – Government Company |
| Address of the Registered Office and Contact Details | Aurus Chamber, A 301, Near Mahindra Tower, S S Amrutwar Lane, Worli, Mumbai – 400 013 Tel. No.: 022 2499 9021/ 2499 9022 Fax No.: 022 2499 9024/ 2499 9027 Email : companysecretary@sakumaexportsltd.com |
| Whether Listed Company | Yes. Listed on BSE Limited and National Stock Exchange of India Limited |
| Name, Address and Contact Details of Registrar and Transfer Agent, if any | Big Share Services Private Limited E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072. Tel. No.: 022 4043 0200 Fax No.: 022 2852 5207 Email: info@bigshareonline.com bss@bigshareonline.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

| Sr. No. | Name and Description of main Products / Services | NIC Code of the Product / Service | % to total turnover of the Company |
|----------------|---|--|---|
| 1. | Imports and Export Commodities Trading | 46209 | 100 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and address of the Company | CIN / GLN | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|----------------|--|------------------|---|-------------------------|---------------------------|
| 1. | Sakuma Exim DMCC | DMCC 32027 | Subsidiary | 100% | 2(87) |
| 2. | Sakuma Exports Pte Limited | 201302691Z | Subsidiary | 100% | 2(87) |
| 3. | Sakuma Exports (Ghana) Ltd. | CB-1174 | Step down Subsidiary | 100% | 2(87) |
| 4. | Sakuma Exports Tanzania Pvt. Ltd. | CI100993 | Step down Subsidiary | 100% | 2(87) |

During the year, GKM General Trading LLC have been wound up and ceased to be the subsidiary of the Company*IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Shareholding**

| Category of Shareholders | No. of Shares held at the beginning of the year (As on 01.04.2016) | | | | No. of Shares held at the end of the year (As on 31.03.2017) | | | | % Change during the year |
|---|--|-------------|-----------------|-------------------|--|------------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total shares | Demat | Physical | Total | % of Total shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 7882460 | 0 | 7882460 | 47.99 | 7882460 | 0 | 7882460 | 47.99 | 0.00 |
| b) Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) State Govt.(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Bodies Corporate | 3455965 | 0 | 3455965 | 21.04 | 3455965 | 0 | 3455965 | 21.04 | 0.00 |
| e) Bank/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Any other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-Total(A) (1): | 11338425 | 0 | 11338425 | 69.03 | 11338425 | 0 | 11338425 | 69.03 | 0.00 |
| (2) Foreign | | | | | | | | | |
| a) NRIs-Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Other-Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Bodies Corporate | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Banks/ FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Any Other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub- Total (A) (2): | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2) | 11338425 | 0 | 11338425 | 69.03 | 11338425 | 0 | 11338425 | 69.03 | 0.00 |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds / UTI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Banks/FI | 12169 | 0 | 12169 | 0.07 | 11483 | 0 | 11483 | 0.07 | 0.00 |
| c) Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) State Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| g) FIIs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-Total (B)(1): | 12169 | 0 | 12169 | 0.07 | 11483 | 0 | 11483 | 0.07 | 0.00 |
| (2) Non-Institutions | | | | | | | | | |
| a) Bodies Corporate | | | | | | | | | |
| i) Indian | 254870 | 0 | 254870 | 1.55 | 275527 | 0 | 275527 | 1.68 | +0.13 |
| ii) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital up to Rs. 2 Lacs | 3438487 | 1287 | 3439774 | 20.94 | 3258354 | 637 | 3258991 | 19.84 | -1.10 |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lacs | 1064082 | 0 | 1064082 | 6.48 | 1239832 | 0 | 1239832 | 7.55 | +1.07 |
| c) Others (specify) | | | | | | | | | |
| i) NRI / OCBs | 223418 | 0 | 223418 | 1.36 | 209452 | 0 | 209452 | 1.27 | -0.09 |
| ii) Clearing Members | 25152 | 0 | 25152 | 0.15 | 24180 | 0 | 24180 | 0.15 | 0.00 |
| iii) Directors / Relatives | 68053 | 0 | 68053 | 0.41 | 68053 | 0 | 68053 | 0.41 | 0.00 |
| Sub-Total (B)(2): | 5074062 | 1287 | 5075349 | 30.89 | 5075398 | 637 | 5076035 | 30.90 | 0.01 |
| Total Public Shareholding Public Group (B)= (B)(1)+(B)(2) | 5086231 | 1287 | 5087518 | 30.96 | 5086881 | 637 | 5087518 | 30.97 | 0.01 |
| Total (A) + (B) | 16424656 | 1287 | 16425943 | 100.00 | 16425306 | 637 | 16425943 | 100.00 | 100.00 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Grand Total (A+B+C) | 16424656 | 1287 | 16425943 | 100.00 | 16425306 | 637 | 16425943 | 100.00 | 100.00 |



ii) Shareholding of Promoters

| Sr. No. | Shareholders Name | Shareholding at the beginning of the year (As on 01.04.2016) | | | Shareholding at the end of the year (As on 31.03.2017) | | | % change in shareholding during the year |
|---------|--|--|----------------------------------|--|--|----------------------------------|--|--|
| | | No. of Shares | % of total shares of the Company | % of Shares Pledged/encumbered to total shares | No. of Shares | % of total shares of the Company | % of Shares Pledged/encumbered to total shares | |
| 1. | Saurabh Malhotra | 32,28,341 | 19.65 | 28.19 | 32,28,341 | 19.65 | 28.19 | 0.00 |
| 2. | Kusum Chander Mohan Malhotra | 31,10,000 | 18.93 | 0.00 | 31,10,000 | 18.93 | 0.00 | 0.00 |
| 3. | Chander Mohan Malhotra | 15,33,119 | 9.33 | 20.22 | 15,33,119 | 9.33 | 20.22 | 0.00 |
| 4. | Vanitha Malhotra | 10,000 | 0.06 | 0.00 | 10,000 | 0.06 | 0.00 | 0.00 |
| 5. | Shipra Malhotra | 500 | 0.00 | 0.00 | 500 | 0.00 | 0.00 | 0.00 |
| 6. | Tanya Mediratta | 500 | 0.00 | 0.00 | 500 | 0.00 | 0.00 | 0.00 |
| 7. | Sakuma Finvest Pvt. Ltd. | 6,98,720 | 4.25 | 0.00 | 6,98,720 | 4.25 | 0.00 | 0.00 |
| 8. | GМК System And Logistics Private Ltd. | 90,000 | 0.55 | 0.00 | 90,000 | 0.55 | 0.00 | 0.00 |
| 9. | Sakuma Infrastructure And Realty Private Limited | 26,67,245 | 16.24 | 0.00 | 26,67,245 | 16.24 | 0.00 | 0.00 |
| | Total | 1,13,38,425 | 69.03 | 10.76 | 1,13,38,425 | 69.03 | 10.76 | 0.00 |

iii) Change in Promoters' Shareholding (Please specify, if there is no change)

| | Shareholding at the beginning of the year (As on 01.04.2016) | | Cumulative Shareholding during the year (As on 31.03.2017) | |
|---|--|----------------------------------|--|----------------------------------|
| | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| At the beginning of the year | No change during the year | | | |
| Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | No change during the year | | | |
| At the end of the year | No change during the year | | | |

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

| Sr. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year (As on 01.04.2016) | | Shareholding at the end of the year (As on 31.03.2017) | |
|---------|-------------------------------------|--|----------------------------------|--|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1. | Ashok Mittal | 4,44,725 | 2.71 | 1,50,712 | 0.92 |
| 2. | Sangeetha S | 1,28,590 | 0.78 | 0 | 0.00 |
| 3. | Gouresh H Sinari HUF | 53,701 | 0.32 | 53,701 | 0.32 |
| 4. | Sreenivas Vemulapalli | 47,942 | 0.29 | 48,942 | 0.30 |
| 5. | Mahendra Girdharilal | 46,987 | 0.28 | 46,987 | 0.28 |
| 6. | Daksha Vishanji Kotak | 42,112 | 0.25 | 42,112 | 0.25 |
| 7. | Dr. Ramesh Chimanlal Shah | 40,000 | 0.24 | 25,000 | 0.15 |
| 8. | Vidhi Ramesh Shah | 40,000 | 0.24 | 0 | 0.00 |
| 9. | Maria De Fatima Do Nascimento Lobo | 39,315 | 0.23 | 34,989 | 0.21 |
| 10. | Dhirajlal S. Mehta | 36,595 | 0.22 | 36,595 | 0.22 |
| 11. | Subramanian P | 0 | 0.00 | 1,94,500 | 1.18 |
| 12. | Pankaj Lata Nigam | 0 | 0.00 | 1,26,999 | 0.77 |
| 13. | Kamad Prakash Nigam | 0 | 0.00 | 1,04,882 | 0.64 |
| 15. | Ajay Kumar Pandey | 0 | 0.00 | 56,169 | 0.34 |

| | | | | | |
|-----|-------------------------|---|------|--------|------|
| 16. | Amit Vijay Prabhu | 0 | 0.00 | 55,250 | 0.33 |
| 17. | Amit Dhansukhlal Mayani | 0 | 0.00 | 55,154 | 0.33 |
| 18. | Nilesh A Shah | 0 | 0.00 | 50,000 | 0.30 |

v) Shareholding of Directors and Key Managerial Personnel

| | Shareholding at the beginning of the year (As on 01.04.2016) | | Cumulative Shareholding during the year (As on 31.03.2017) | |
|--|--|----------------------------------|---|----------------------------------|
| | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| A. DIRECTORS | | | | |
| At the beginning of the year | Promoter directors’ shareholding and their changes has already been given in earlier table. Mr. Radhe Shyam (Independent Director) is holding 68,053 shares at the beginning and at the end of the year and Mr. Om Parkash Singal (Independent Director) is holding 500 shares at the beginning and at the end of the year. Mr. Ashok Doda (Independent Director) is holding 100 shares at the beginning and at the end of the year. | | | |
| Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity etc) | | | | |
| At the end of the year | | | | |
| B. KEY MANAGERIAL PERSONNEL | | | | |
| At the beginning of the year | Not Applicable | | | |
| Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity etc) | | | | |
| At the end of the year | | | | |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Rs.)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|---------------------|-------------|-----------------------|
| Indebtedness at the beginning of the financial year (01.04.2016) | | | | |
| i) Principal Amount | 1,31,51,55,828 | 4,47,00,000 | 0.00 | 1,35,98,55,828 |
| ii) Interest due but not paid | 0.00 | 0.00 | 0.00 | 0.00 |
| iii) Interest accrued but not due | 0.00 | 0.00 | 0.00 | 0.00 |
| Total (i+ii+iii) | 1,31,51,55,828 | 4,47,00,000 | 0.00 | 1,35,98,55,828 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 43,88,82,03,715 | 7,31,81,505 | 0.00 | 43,96,13,85,220 |
| Reduction | 44,00,89,63,760 | 96,29,295 | 0.00 | 44,01,85,93,055 |
| Net Change | (12,07,60,045) | 6,35,52,210 | 0.00 | (57207835) |
| Indebtedness at the end of the financial year (31.03.2017) | | | | |
| i) Principal Amount | 1,19,43,95,783 | 10,82,52,210 | 0.00 | 1,30,26,47,993 |
| ii) Interest due but not paid | 0.00 | 0.00 | 0.00 | 0.00 |
| iii) Interest accrued but not due | 0.00 | 59,84,078 | 0.00 | 59,84,078 |
| Total (i+ii+iii) | 1,19,43,95,783 | 11,42,36,288 | 0.00 | 1,30,86,32,071 |



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

| Sr. No. | Particulars of Remuneration | Name of MD / WTD / Manager | | Total Amount (In Rs.) |
|---------|---|--|--|-----------------------|
| | | *Chander Mohan Executive Chairman & WTD | Saurabh Malhotra MD | |
| 1. | Gross Salary | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 72,00,000 | 72,00,000 | 1,44,00,000 |
| | (b) Value of perquisites under Section 17(2) income Tax Act, 1961 | 0.00 | 0.00 | 0.00 |
| | (c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961 | 0.00 | 0.00 | 0.00 |
| 2. | Stock Options | 0.00 | 0.00 | 0.00 |
| 3. | Sweat Equity | 0.00 | 0.00 | 0.00 |
| 4. | Commission | 0.00 | 0.00 | 0.00 |
| | - as % of profit | 0.00 | 0.00 | 0.00 |
| | - others, specify | 0.00 | 0.00 | 0.00 |
| 5. | Others, please specify | 0.00 | 0.00 | 0.00 |
| | TOTAL (A) | 72,00,000 | 72,00,000 | 1,44,00,000 |
| | Ceiling As Per The Act | Minimum Remuneration upto Rs. 14,00,000 per month | Minimum Remuneration upto Rs. 14,00,000 per month | -- |

*Ceased to be Director m.e.f. 4th May, 2017

B. Remuneration to other Directors

1. Independent Directors

| | Particulars of Remuneration | Ashokkumar Doda | Radhe Shyam | Om Parkash Singal | Total Amount (In Rs.) |
|--|--|-----------------|-------------|-------------------|-----------------------|
| | - Fee for attending Board / Committee Meetings | 2,00,000 | 2,00,000 | 2,00,000 | 6,00,000 |
| | - Commission | 0.00 | 0.00 | 0.00 | 0.00 |
| | - Others, please specify | 0.00 | 0.00 | 0.00 | 0.00 |
| | Total (B)(1) | | | | 6,00,000 |

2. Other Non Executive Directors

| | Particulars of Remuneration | Shipra Malhotra | Total Amount (In Rs.) |
|--|--|-----------------|--------------------------------------|
| | - Fee for attending Board / Committee Meetings | 2,00,000 | 2,00,000 |
| | - Commission | 0.00 | 0.00 |
| | - Others, please specify | 0.00 | 0.00 |
| | Total (B)(2) | | 2,00,000 |
| | Total (B)= (B)(1)+(B)(2) | | 8,00,000 |
| | Overall Ceiling as per the Act | | Upto Rs. 1,00,000 per meeting |

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

| Sr. No. | Particulars of Remuneration | Name of KMP | | Total Amount (In Rs.) |
|---------|-----------------------------|--------------------|-------------------------|-----------------------|
| | | Raju Pillai | -- | |
| | | Compliance Officer | Chief Executive Officer | |

| | | | | |
|----|---|---------------------|-------------|---------------------|
| 1. | Gross Salary | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 16,67,064.00 | 0.00 | 16,67,064.00 |
| | (b) Value of perquisites under Section 17(2) income Tax Act, 1961 | 0.00 | 0.00 | 0.00 |
| | (c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961 | 0.00 | 0.00 | 0.00 |
| 2. | Stock Options | 0.00 | 0.00 | 0.00 |
| 3. | Sweat Equity | 0.00 | 0.00 | 0.00 |
| 4. | Commission | 0.00 | 0.00 | 0.00 |
| | - as % of profit | 0.00 | 0.00 | 0.00 |
| | - others, specify | 0.00 | 0.00 | 0.00 |
| 5. | Others, please specify | 0.00 | 0.00 | 0.00 |
| | TOTAL (C) | 16,67,064.00 | 0.00 | 16,67,064.00 |

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

| Type | Sections of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding Fees imposed | Authority (RD/NCLT/ COURT) | Appeal made, if any (give details) |
|------------------------------|-------------------------------|-------------------|--|----------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | None | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | None | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | None | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

**ANNEXURE 'D' TO BOARD'S REPORT****DISCLOSURES PERTAINING TO REMUNERATION AND OTHER DETAILS AS REQUIRED UNDER SECTION 197(12) READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

PARTICULAR OF EMPLOYEES

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197 (12) of the Companies Act, 2013 read with Rule (5) (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

| Sr. No. | Requirements | Details |
|----------------|--|---|
| 1. | The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year | 30.43 times |
| 2. | The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year | Key Managerial Personnel *Mr. Chander Mohan – Executive Chairman – Nil% Mr. Saurabh Malhotra – MD – Nil% |
| 3. | The percentage increase in the median remuneration of employees in the financial year | 5% |
| 4. | The number of permanent employees on the rolls of company as on 31 st March, 2017 | 56 Employees |
| 5. | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration | Nil |
| 6. | Affirmation that the remuneration is as per the remuneration policy of the Company | Remuneration paid during the year ended 31 st March, 2017 is as per the Remuneration Policy of the Company |

*Ceased to be Director *m.e.f.* 4th May, 2017

CORPORATE GOVERNANCE REPORT

Under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

For The Financial Year 31st March, 2017

The Directors' Report on the compliance of the Corporate Governance Code is given below.

1. CORPORATE GOVERNANCE

1.1 Company's Philosophy on Corporate Governance

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

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our place of work, transparency in decision making process, fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices being followed since the inception have contributed to the Company's sustained growth. The Company also believes that its operations should ensure that the precious natural resources are utilized in a manner that contributes to the "Triple Bottom Line".

The Company believes that sound corporate governance is critical to enhance and retain investors' trust. The Company's corporate governance philosophy is based on the following principles:

1. Primary responsibility of a good corporate entity is maximizing shareholders value.
2. Be transparent and maintain a high degree of disclosures level.
3. Sound system of risk management and internal control.
4. Principles of integrity, transparency, disclosures, accountability and fairness.
5. Upholding the highest standards of professionalism.
6. Management is the trustee of the shareholders' capital and not the owner.

A Report on compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations") is given below:

1.2 The Governance Structure

Sakuma's Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

- a. **Board of Directors** – The Sakuma Board plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company; ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders.
- b. **Committee of Directors** – With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee. Each of these Committees has been mandated to operate within a given framework.



- c. **Management Structure** – Management structure for running the business as whole is in place with appropriate delegation of powers and responsibilities to the functional heads. The Executive Chairman and Managing Director is in overall control and responsible for day-to-day working of the Company. They give strategic direction, lay down policy guidelines and ensure implementation of the Board of Directors and its various committees.

2. BOARD OF DIRECTORS

2.1 Composition and Category of Directors

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

| Name | Executive/ Non Executive | Promoter/ Independent | Relationship with Directors |
|-----------------------|-----------------------------|--------------------------|---|
| *Mr. Chander Mohan | Executive | Promoter | Father of Mr. Saurabh Malhotra and Ms. Shipra Malhotra |
| Mr. Saurabh Malhotra | Executive | Promoter | Son of Late Mr. Chander Mohan and brother of Ms. Shipra Malhotra |
| Ms. Shipra Malhotra | Non Executive | Promoter | Daughter of Late Mr. Chander Mohan and Sister of Mr. Saurabh Malhotra |
| Mr. Ashok Kumar Doda | Non Executive | Independent | Not Related to any Directors |
| Mr. Radhe Shyam | Non Executive | Independent | Not Related to any Directors |
| Mr. Om Parkash Singal | Non Executive | Independent | Not Related to any Directors |

**Ceased to be Director m.e.f. 4th May, 2017*

The Company has received declaration from Independent Directors that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The Company is also compliant with composition of Board of Directors with minimum two Independent Directors as prescribed under Section 149(4) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of SEBI Regulations.

2.2 Board Training and Induction

At the time of appointing a Director, a formal letter of appointment is given to him / her, which inter alia explains the role, function, duties and responsibilities expected of him / her as a Director of the Company. The Director is also explained in detail the compliances required from him / her under the Companies Act, SEBI Regulations and other relevant regulations and his / her affirmation taken with respect to the same. The Executive Chairman & MD also has a one-to-one discussion with the newly appointed Director. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him / her to effectively fulfill his / her role as a Director of the Company.

2.3 Board Meetings held during the Year

| Dates on which the Board Meetings were held | Total Strength of the Board | No. of Directors Present |
|---|-----------------------------|--------------------------|
| 28 th May, 2016 | 6 | 6 |
| 11 th August, 2016 | 6 | 5 |
| 8 th November, 2016 | 6 | 6 |
| 10 th February, 2017 | 6 | 6 |

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

| Dates of Board Meetings | *Chander Mohan | Saurabh Malhotra | Shipra Malhotra | Ashok Kumar Doda | Radhe Shyam | Om Parkash Singal |
|--------------------------------|----------------|------------------|-----------------|------------------|-------------|-------------------|
| 28 th May, 2016 | Present | Present | Present | Present | Present | Present |
| 11 th August, 2016 | Present | Absent | Present | Present | Present | Present |
| 8 th November, 2016 | Present | Present | Present | Present | Present | Present |

| | | | | | | |
|--|---------|---------|---------|---------|---------|---------|
| 10 th February, 2017 | Present | Present | Present | Present | Present | Present |
| Total Attendance (out of 4 Board Meetings) | 4 | 3 | 4 | 4 | 4 | 4 |
| Attendance at Last AGM | Present | Present | Present | Present | Present | Present |

*Ceased to be Director *m.e.f.* 4th May, 2017

- 2.4 a. Number of other Companies where director (of SEL) hold memberships on the Board of Directors:
b. Number of Committees in which the Directors (of SEL) hold Memberships or Chairmanships:

| Name of Directors | No. of Directorship held in Indian public limited Companies (including SEL) | **Number of Committee Memberships / Chairmanships (including SEL) | |
|-----------------------|---|---|--------|
| | | Chairman | Member |
| *Mr. Chander Mohan | 1 | 0 | 0 |
| Mr. Saurabh Malhotra | 1 | 0 | 0 |
| Ms. Shipra Malhotra | 1 | 0 | 1 |
| Mr. Ashok Kumar Doda | 2 | 2 | 1 |
| Mr. Radhe Shyam | 1 | 1 | 1 |
| Mr. Om Parkash Singal | 2 | 0 | 1 |

*Ceased to be Director *m.e.f.* 4th May, 2017

**Only Public Limited Companies (Listed and Unlisted) have been taken into consideration while calculating Other Directorships, Committee Memberships and Committee Chairmanships.

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly/half yearly unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance, and reviews such other items which require Board's attention. It directs and guides the activities of the Management towards the set goals and seeks accountability. It also sets standards of corporate behavior, ensures transparency in corporate dealings and compliance with laws and regulations. The Agenda for the Board Meeting covers items set out as guidelines in SEBI Regulations to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

3. COMMITTEES OF THE BOARD

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following *mandatory* committees viz. *Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee*. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

3.1 Audit Committee

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Committee is governed by Terms of Reference which is in line with the regulatory requirements mandated by the Companies Act, 2013 and SEBI Regulations. Some of the important functions performed by the Committee are:

3.1.1 Financial Reporting and Related Processes

- Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.



- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgement by the Management, significant adjustments made in the financial statements and / or recommendation, if any, made by the Statutory Auditors in this regard.
- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditor its judgement about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India (IGAAP).
- Review the investments made by the Company.

3.1.2 Internal Controls and Governance Processes

- Review the adequacy and effectiveness of the Company's system and internal controls.
- Review and discuss with the Management the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
- To oversee and review the functioning of a vigil mechanism (implemented in the Company as a Whistle Blower Policy) and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.

3.1.3 Audit

- Review the scope of the Statutory Auditors, the annual audit plan and the Internal Audit Plan with a view to ensure adequate coverage.
- Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and Cost Auditors considering their independence and effectiveness and their replacement and removal.
- Approve such additional services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.
- To recommend to the Board the remuneration of the Statutory Auditors/Cost Auditors.
- To discuss with the Statutory Auditors/Chief Internal Auditors any significant difficulties encountered during the course of the Audit.
- Review annual Cost Audit Report submitted by the Cost Auditor.

3.1.4 Other Duties

- To approve the appointment, removal and terms of remuneration of the Chief Internal Auditor and to approve the appointment of the Chief Financial Officer.
- To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board.

The composition of the Audit Committee as at 31st March, 2017 and details of the Members participation at the Meetings of the Committee are as under:

| Dates of Meeting | Radhe Shyam* | Ashok Kumar Doda[#] | Om Parkash Singal[§] |
|-------------------------------|---------------------|-------------------------------------|--------------------------------------|
| 28 th May, 2016 | Present | Present | Present |
| 11 th August, 2016 | Present | Present | Present |

| | | | |
|---------------------------------|---------|---------|---------|
| 8 th November, 2016 | Present | Present | Present |
| 10 th February, 2017 | Present | Present | Present |
| Total (out of 4 meetings) | 4 | 4 | 4 |

*Chairman & Non – Executive Independent Director

#Member & Non – Executive Independent Director

§Member & Non – Executive Independent Director

The present constitution of the Audit Committee is compliant with Section 177(2) of the Companies Act, 2013. The Company has adopted at its Board meeting held on 15th May, 2014 the terms of reference of Audit Committee as prescribed under Section 177(4) of the Companies Act, 2013 w.e.f. 1st April, 2014. All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

M/s. M. L. Sharma & Co., Statutory Auditors are invited to attend the Audit Committee Meetings.

The minutes of the meetings of the Audit Committee are circulated to all the members of the Board.

The Chairman of the Audit Committee will be present at the Annual General Meeting, to answer the shareholders queries, if any.

3.2 Stakeholders' Relationship Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the SEBI Regulations, the Stakeholders' Relationship Committee comprises three Members of which two Members are Independent Directors.

3.2.1 Terms of Reference of the Committee

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non receipt of annual reports, notices, non receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors/ stakeholders grievances;
- all other matters incidental or related to shares, debentures and other securities of the Company.

The composition of the Stakeholders' Relationship Committee as at 31st March, 2017 and details of the Members participation at the Meetings of the Committee are as under:

| Dates of Meeting | Ashok Kumar Doda* | Shipra Malhotra [#] | Radhe Shyam [§] |
|-------------------------------|-------------------|------------------------------|--------------------------|
| 28 th May, 2016 | Present | Present | Present |
| 11 th August, 2016 | Present | Present | Present |



| | | | |
|---------------------------------|---------|---------|---------|
| 8 th November, 2016 | Present | Present | Present |
| 10 th February, 2017 | Present | Present | Present |
| Total (out of 4 meetings) | 4 | 4 | 4 |

*Chairman & Non – Executive Independent Director

#Member & Non – Executive Promoter Director

§Member & Non – Executive Independent Director

3.2.2 Compliance Officer

As required by the Listing Agreement, the Company has appointed Mr. Raju Pillai as the Compliance Officer. Email address of Compliance Officer is companysecretary@sakumaexportsltd.com

3.2.3 Status of Transfers

During the year ended 31st March, 2017, no shares in physical form were processed for transfer. There were no pending share transfers as on 31st March, 2017.

3.2.4 Complaints

During the year ended 31st March, 2017, the Company had received three complaints and no complaints were pending for redressal either at the beginning or at the end of the year.

3.3 Nomination and Remuneration Committee (NRC)

In compliance with Section 178 of the Companies Act, 2013 and SEBI Regulations, the Nomination and Remuneration Committee (NRC) comprise three Members of which two Members are an Independent Directors.

3.3.1 Terms of Reference

- The Committee shall identify the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board their appointment and removal and shall carry out evaluation of every directors performance.
- Lay down the criteria for determining the qualifications, positive attributes and independence of a Director and further recommend to the Board the policy for remuneration of Director, Key Managerial Personnel and Employees.

3.3.2 Remuneration Policy

While formulating the policy the Committee has to ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Remuneration to directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The composition of the Nomination and Remuneration Committee as at 31st March, 2017 and the details of Members participation at the Meetings of the Committee are as under:

| Date of Meeting | Radhe Shyam* | Om Parkash Singal [#] | Shipra Malhotra [§] |
|----------------------------|--------------|--------------------------------|------------------------------|
| 28 th May, 2016 | Present | Present | Present |
| Total | 1 | 1 | 1 |

*Chairman & Non – Executive Independent Director

Member & Non – Executive Independent Director

§Member & Non – Executive Promoter Director

3.4 Corporate Social Responsibility (CSR) Committee

3.4.1 Terms of Reference

Pursuant to the requirement of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Corporate Social Responsibility Policy was adopted by the Board of Directors at its meeting held on 13th February, 2016. This Policy has been placed in the Website of the Company at the web link <http://www.sakumaexportsltd.com/policies.html>

The composition of the Corporate Social Responsibility Committee as at 31st March, 2017 and the details of Members' participation at the Meetings of the Committee are as under:

| Date of Meeting | Chander Mohan [*] | Shipra Malhotra [#] | Om Parkash Singal [§] |
|---------------------------------|----------------------------|------------------------------|--------------------------------|
| 10 th February, 2017 | Present | Present | Present |
| Total | 1 | 1 | 1 |

^{*}Chairman & Executive Director (*Ceased to be Director w.e.f. 4th May, 2017*)

[#]Member & Non – Executive Promoter Director

[§]Member & Non – Executive Independent Director

3.5 Risk Management Committee (Non-Mandatory)

The nature of business is export and trading in commodities. The inheritant risk to the business of the company is as follows:

- Foreign Exchange risk
- Commodity Price risk
- Risk elements in business transactions
- Physical risk to cargo

All the above risk has been discussed in the Management Discussion and Analysis Report. The Executive Chairman & MD mitigate the risk with the help of their depth of knowledge of market, assistance of senior management and forecast based on various data available with the Company. The Company has developed the analysis of market data which helps in decision making and to ensure the mitigation of the risk.

The Company has not formed Risk Management Committee as it is not applicable under Regulation 21 of the SEBI (LODR) Regulations, 2015.

3.6 Independent Directors' Meeting

As per the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Independent Directors are required to hold at least one meeting in a year to discuss the following:

- Review the performance of non-independent directors and the Board as a whole.
- Review the performance of the Chairperson of the Company taking into account the views of executive directors and non-executive directors.
- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Nomination and Remuneration Committee in its meeting held on 10th February, 2015 had adopted the performance evaluation criteria for the Independent Directors and the same had been applied by the Board in its meeting held on 10th February, 2017 for evaluating the performance of the Independent Directors. All the Independent Directors attended the meeting held on 10th February, 2017 and discussed the above points.

3.7 Policy for Selection and Appointment of Directors and their Remuneration

The Nomination and Remuneration Committee (NRC) has adopted a Policy which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. The said Policy has been outlined below:



3.7.1 Criteria of Selection of Non Executive Directors

- The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- In case of appointment of Independent Directors, the NRC shall satisfy itself with regard to the independent nature of the Directors vis-a-vis the Company so as to enable the Board to discharge its function and duties effectively.
- The NRC shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- The NRC shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
 - Qualification, expertise and experience of the Directors in their respective fields;
 - Personal, Professional or business standing;
 - Diversity of the Board.
- In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

3.7.2 Remuneration

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

- A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

3.7.3 Executive Chairman & Managing Director - Criteria for Selection / Appointment

For the purpose of selection of the Executive Chairman & MD, the NRC shall recommend the Promoter Directors as Executive Chairman & Managing Director who are persons of integrity who possess relevant expertise, experience and leadership qualities required for the position.

Remuneration for the Executive Chairman & Managing Director

- At the time of appointment or re-appointment, the Executive Chairman & MD shall be paid such remuneration as may be mutually agreed between the Company (which includes the NRC and the Board of Directors) and the Executive Chairman & MD within the overall limits prescribed under the Companies Act, 2013.
- The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- The remuneration of the Executive Chairman & MD is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises performance bonus.

3.7.4 Remuneration Policy for the Senior Management Employees

- In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the NRC shall ensure / consider the following:
 - the relationship of remuneration and performance benchmark is clear;
 - the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;

- the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
- the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-a-vis the annual budget achievement, individuals performance vis-a-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.
- The MD will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the NRC for its review and approval.

3.8 Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Board Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as Managing Relationships, Leadership, Strategy Formulation and execution, financial planning / performance, Relationships with the Board, External Relations, Human Resources Management/Relations, Succession, Product/Service Knowledge, and Personal Qualities etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

3.9 Details of Remuneration paid to all Directors

The aggregate remuneration paid to the Directors for the year ended 31st March, 2017 is as under:

| Name of Directors | Designation | Salary & Perquisites (In Rs.) | Commission (In Rs.) | Sitting Fees (In Rs.) | Total (In Rs.) |
|-------------------|--------------------------|-------------------------------|---------------------|-----------------------|----------------|
| *Chander Mohan | Executive Chairman | 72,00,000 | - | - | 72,00,000 |
| Saurabh Malhotra | Managing Director | 72,00,000 | - | - | 72,00,000 |
| Shipra Malhotra | Non – Executive Director | - | - | 2,00,000 | 2,00,000 |
| Ashok Kumar Doda | Independent Director | - | - | 2,00,000 | 2,00,000 |
| Radhe Shyam | Independent Director | - | - | 2,00,000 | 2,00,000 |
| Om Parkash Singal | Independent Director | - | - | 2,00,000 | 2,00,000 |

**Ceased to be Director m.e.f. 4th May, 2017*

Note: The Company does not pay any allowances, perquisites, performance bonus, sign-on amount to Executive and Non – Executive Directors.

Details of Service Contracts:

| Name and Designation | Current Tenure | From | To |
|---|----------------|---------------------------------|-------------------------------|
| *Mr. Chander Mohan Executive Chairman | 3 years | 1 st September, 2016 | 31 st August, 2019 |
| Mr. Saurabh Malhotra Managing Director | 3 years | 1 st September, 2016 | 31 st August, 2019 |

**Ceased to be Director m.e.f. 4th May, 2017*



Equity Shares of Sakuma Exports Limited held by the Non – Executive Directors are as follows:

| Non – Executive Directors | No. of shares held as on 31 st March, 2017 | No. of shares held as on 31 st March, 2016 |
|---------------------------|--|--|
| Shipra Malhotra | 500 | 500 |
| Ashok Kumar Doda | 100 | 100 |
| Radhe Shyam | 68,053 | 68,053 |
| Om Parkash Singal | 500 | 500 |

Details of Remuneration paid to the Directors are given in Form MGT-9

4. SUBSIDIARY COMPANIES

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year. Accordingly, a policy on material subsidiaries has not been formulated.

The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meetings.

The copies of the Minutes of the Audit Committee / Board Meetings of Subsidiary Companies are individually given to all the Directors and are tabled at the subsequent Board Meetings.

5. DISCLOSURES

5.1 Related Party Transactions

Transactions with related parties, as per requirements of Accounting Standard – 18, are disclosed in notes to accounts annexed to the financial statements.

There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or Subsidiaries that had potential conflict with the Company's interest. Suitable disclosure as required by the Accounting Standard (AS – 18) has been made in the Annual Report.

The Board has approved a policy for related party transactions.

5.2 Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the SEBI or by any statutory authority on any matters related to capital markets during the last three years.

5.3 Compliance with Accounting Standards

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

5.4 Internal Controls

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances. The Company has a strong monitoring and reporting process resulting in financial discipline and accountability.

5.5 MD Certification

The MD have issued certificate pursuant to the provisions of the SEBI Regulations certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

5.6 Code of Conduct for the Board Members and Senior Management

The Company had formulated a Code of Business Conduct for the employees, including the Directors, for dealing with all the stakeholders of the Company and the same was first adopted by the Board in its meeting held on 15th May, 2014.

The Code inter alia covers conduct of employees, environment, health & safety, anti-trust / competition laws, anti-bribery & anti-corruption, proper accounting and internal controls. The updated Code is also available on the Company's official website at the web link <http://www.sakumaexportsltd.com/policies.html>

In terms of the resolution passed by the Board of Directors in their meeting held on 29th May, 2017, the Board has authorized Mr. Saurabh Malhotra, Managing Director to sign all Certificates as may be required, to comply with the statutory requirements.

Accordingly, a declaration from the Managing Director that all Board Members and Senior Management personnel have duly complied with the Code of Conduct for the financial year ended 31st March, 2017 forms part of the Annual report.

5.7 Vigil Mechanism / Whistle Blower Policy

During the financial year 2016 – 17, in accordance with the Regulation 22 of the SEBI Regulations and pursuant to Section 177 (9) read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the company has adopted a Whistle Blower Policy. The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. As per the Whistle Blower Policy, the employees are free to report violations of laws, rules, regulations or un-ethical conduct to their immediate superior. The confidentiality of those reporting / violations is maintained and they are not subjected to any discriminatory practice.

5.8 Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Compliance Officer is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

5.9 Communication with the Members/ Shareholders

- The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year as per the requirements of the SEBI Regulations. The aforesaid financial results are sent to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board. The results are published within forty-eight hours in leading English and Marathi daily newspapers. The Audited Financial Statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.
- The Company also informs by way of intimation to BSE and NSE all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members and subsequently issues a Press Release in regard to the same.

The Annual Report of the Company, the quarterly / half yearly and the Annual Financial Statements and the press releases of the Company are also placed on the Company's website www.sakumaexportsltd.com and can be downloaded.

- In compliance with SEBI Regulations, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication is filed electronically on BSE's Online Portal – BSE Corporate Compliance & Listing Centre (Listing Centre) and on NSE Electronic Application Processing System (NEAPS), the on-line portal of National Stock Exchange of India Limited. The Company has complied with filing submissions through BSE's Online Portal and NSE's Online Portal.



6. GENERAL INFORMATION TO SHAREHOLDERS

Financial Year Ended: 31st March, 2017

6.1 Investor Services

Pursuant to the directive of SEBI, whereby all work related to share register in terms of both physical and electronic mode for maintenance had to be carried out at a single point, the Company has appointed M/s. Big Share Services Private Limited as its Registrar & Share Transfer Agent, to handle its entire share related activities, both for physical shares and shares in demat form.

Big Share Services Private Limited

E-2, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (E), Mumbai – 400 072.

Tel. No.: 022 4043 0200

Fax No.: 022 2852 5207

Email: info@bigshareonline.com

bss@bigshareonline.com

Website: www.bigshareonline.com

6.2 Address for correspondence with Depositories

National Securities Depository Limited
Trade World, 4th & 5th Floor,
Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013

Tel. No.: 022 2499 4200

Fax No.: 022 2497 2993/6351

E-mail : info@nsdl.co.in

Website : www.nsdl.co.in

Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers, 17th Floor,
Dalal Street,

Mumbai – 400 001

Tel. No.: 022 2272 3333

Fax No.: 022 2272 3199/2072

E-mail : investors@cdslindia.com

Website : www.cdslindia.com

6.3 Registered Office & Correspondence Address

Sakuma Exports Limited

Aurus Chamber, A 301, Near Mahindra Tower, S S Amrutwar Lane, Worli, Mumbai – 400 013

Tel. No.: 022 2499 9021/ 2499 9022

Fax No.: 022 2499 9024 / 2499 9027

Website: www.sakumaexportsltd.com

Contact Person: Mr. Raju Pillai, Compliance Officer

Email Address: companysecretary@sakumaexportsltd.com

Members who hold shares in dematerialized form should correspond with the Depository Participant with whom they maintain Demat Account(s), for their queries relating to shareholding, change of address, credit of dividend through NECS. However, queries relating to non-receipt of dividend, non-receipt of annual reports, or on matters relating to the working of the Company should be sent to the Company.

Members who hold shares in physical form should address their queries to the Company.

Members are requested to ensure that correspondence for change of address, change in bank details, processing of unclaimed dividend, sub – division of shares, renewals / split / consolidation of share certificates, issue of duplicate share certificates should be signed by the first named Member as per the specimen signature registered with the Company. The Company may also, with a view to safeguard the interest of its Members and that of the Company, request for additional supporting documents such as certified copies of PAN Cards and other proof of identity and/or address.

Members are requested to indicate their DP ID & Client ID/ Ledger Folio number in their correspondence with the Company and also to provide their Email addresses and telephone numbers/FAX numbers to facilitate prompt response from the Company.

6.4 Plant Location

The processing of paper is being done on job work basis from outside sources by outsourcing. The Company does not have its own manufacturing or processing unit.

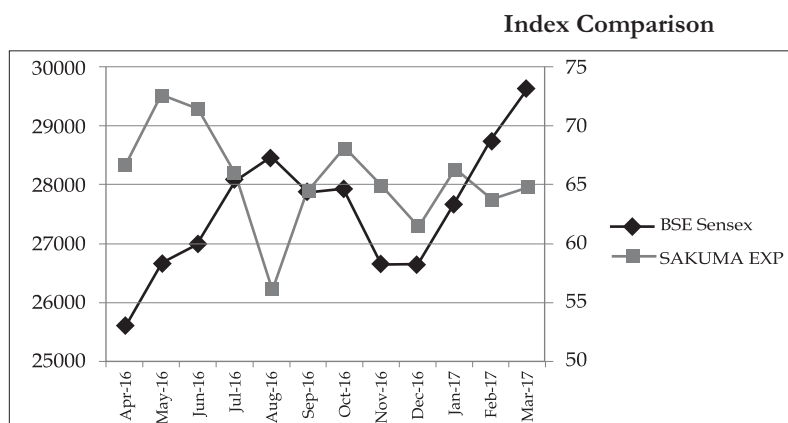
6.5 Market Information

Listing on Stock Exchanges

The Company's shares are listed on the following Stock Exchanges and the Listing Fees have been paid to the each Exchange:

| Name & Address of the Stock Exchanges | Stock Code/ Scrip Code | ISIN Number for CDSL (Dematerialised shares) |
|--|---------------------------|---|
| BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 | 532713 | INE 190H01016 |
| The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 | SAKUMA | |

Performance of Equity Shares of the company in comparison to BSE Sensex, (Chart as per the website of Bombay Stock Exchange Limited i.e. (www.bseindia.com))



***Monthly High and Low Prices of the Equity Shares of the Company for the year ended 31st March, 2017:**

| Month | Open Price | High Price | Low Price | Close Price | No. of Shares | No. of Trades | Total Turnover (Rs.) | * Spread (Rs.) | |
|--------|------------|------------|-----------|-------------|---------------|---------------|----------------------|----------------|-------|
| | | | | | | | | H-L | C-O |
| Apr-16 | 63.40 | 74.40 | 63.00 | 66.70 | 253487 | 5446 | 17310877 | 11.40 | 3.30 |
| May-16 | 67.00 | 82.70 | 60.40 | 72.60 | 507838 | 7566 | 37687498 | 22.30 | 5.60 |
| Jun-16 | 71.80 | 82.90 | 65.00 | 71.45 | 475576 | 6374 | 35764692 | 17.90 | -0.35 |
| Jul-16 | 72.15 | 72.65 | 64.35 | 66.00 | 122048 | 1441 | 8347429 | 8.30 | -6.15 |
| Aug-16 | 64.65 | 68.00 | 49.80 | 56.05 | 199864 | 2365 | 11314081 | 18.20 | -8.60 |
| Sep-16 | 55.50 | 79.90 | 52.95 | 64.50 | 788810 | 8658 | 54978765 | 26.95 | 9.00 |
| Oct-16 | 65.85 | 72.85 | 60.55 | 68.00 | 244060 | 3141 | 16135267 | 12.30 | 2.15 |
| Nov-16 | 68.10 | 70.80 | 56.00 | 64.90 | 310495 | 3457 | 19999173 | 14.80 | -3.20 |
| Dec-16 | 67.00 | 70.00 | 58.30 | 61.50 | 169846 | 1473 | 10651665 | 11.70 | -5.50 |
| Jan-17 | 64.30 | 71.50 | 61.45 | 66.25 | 267100 | 2689 | 17575748 | 10.05 | 1.95 |
| Feb-17 | 65.30 | 74.00 | 60.25 | 63.75 | 363336 | 3692 | 24219740 | 13.75 | -1.55 |
| Mar-17 | 63.65 | 68.90 | 60.10 | 64.75 | 236940 | 1932 | 15428150 | 8.80 | 1.10 |

*Spread H-L: High-Low C-O: Close-Open



Annual Custody Fees to Depositories

The Company has paid Annual Custody Fees for the year 2015 – 16 and 2016 – 17 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within the stipulated time.

7. SHARE TRANSFER SYSTEM / DIVIDEND AND OTHER RELATED MATTERS

7.1 Share transfers

Share transfers in physical form are processed and the share certificates are generally returned to the transferees within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects.

7.2 Nomination facility for shareholding

As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain nomination form, from the Share Department of the Company. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

7.3 Permanent Account Number (PAN)

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

7.4 Dividend

➤ Payment of dividend through National Electronic Clearing Service (NECS):

The Company provides the facility for remittance of dividend to the Members through NECS. To facilitate dividend payment through NECS, members who hold shares in demat mode should inform their Depository Participant and such of the Members holding shares in physical form should inform the Company of the core banking account number allotted to them by their bankers. In cases where the core banking account number is not intimated to the Company / Depository Participant, the Company will issue dividend warrants to the Members.

➤ Unclaimed Dividends:

The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Central Government. The Company has in December 2016 transferred to the said fund, the dividends for the year ended 31st March, 2009 for the Preference Shares which have remained unclaimed / unpaid.

For Equity Shareholders:

| Financial Year | Date of Declaration of Dividend | Last Date of claiming Unpaid Dividend |
|------------------------------|---------------------------------|---------------------------------------|
| Final Dividend 2011 – 2012 | 26.09.2012 | 31.10.2019 |
| Final Dividend 2012 – 2013 | 29.07.2013 | 02.09.2020 |
| Final Dividend 2013 – 2014 | 28.08.2014 | 02.10.2021 |
| Final Dividend 2014 – 2015 | 11.08.2015 | 15.09.2022 |
| Interim Dividend 2015 – 2016 | 11.03.2016 | 15.04.2023 |

For Preference Shareholders:

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

Individual reminders are sent each year to those Members whose dividends have remained unclaimed for a period of seven years from the date they became due for payment, before transferring the monies to the Investor Education & Protection Fund (IEPF). The information on unclaimed dividend is also placed on the website of the Company as aforesaid.

➤ Dividend History (last 5 Years)

| Sr. No. | Financial Year | Final / Interim | Dividend % | Total Dividend (In Rs.) |
|---------|----------------|-----------------|------------|-------------------------|
| 1. | 2015 - 16 | Interim | 10% | 1,64,25,943 |
| 2. | 2014 – 15 | Final | 10% | 1,64,25,943 |
| 3. | 2013 – 14 | Final | 10% | 1,64,25,943 |
| 4. | 2012 – 13 | Final | 10% | 1,64,25,943 |
| 5. | 2011 – 12 | Final | 10% | 1,64,25,943 |

7.5 Transfer of ‘Underlying Shares’ into Investor Education and Protection Fund (IEPF) (in cases where unclaimed dividends have been transferred to IEPF for a consecutive period of seven years)

Members attention is invited to Regulation 39(4) and Schedule VI of the SEBI Regulations. As per the said Regulations, in cases where unclaimed dividends have been transferred to Investor Education and Protection Fund (IEPF) for a consecutive period of seven years, the underlying shares are also required to be transferred to IEPF. The said Regulation has come into effect from 1st December, 2015.

7.6 Dealing with securities which have remained unclaimed

Members are hereby informed that as per Regulation 39(4) read with Schedule VI of the SEBI Regulations, the Company is in the process of dematerializing unclaimed shares which are retained with the Company. These shares would be held by the Company on behalf of the holders of such shares in an “Unclaimed Suspense Account” to be opened with a depository. At the end of seven years, hereof, these shares shall be transferred by the Company to the IEPF. Dividends remaining unclaimed in respect of such shares shall also be held in a separate suspense account and would likewise be transferred to IEPF at the end of seven years.

The Company has sent out reminders to those Members whose share Certificate have remained unclaimed, to contact the Company immediately in the matter.

Members may note that the lawful claimant in respect of these shares / dividend will be able to claim such shares dividend from the Company till such time they remain in the Unclaimed Suspense Account as aforesaid.

7.7 Pending Investors’ Grievances

Any Member / Investor whose grievance has not been resolved satisfactorily may kindly write to the Compliance Officer at the Registered Office with a copy of the earlier correspondence.

7.8 Dematerialization of Shares and Liquidity

As per notification issued by SEBI, with effect from 26th June, 2000, it has become mandatory to trade in the Company’s shares in the electronic form. The Company’s shares are available for trading in the depository systems of both NSDL and CDSL.

As on 31st March, 2017, 99.99% of the Company’s total paid up capital representing 1,64,25,306 equity shares were held in dematerialised form and the balance 0.01% representing 637 equity shares were held in physical form.

7.9 Disclosure with respect to demat suspense account/unclaimed suspense account

As on 31st March, 2017, there are 637 outstanding shares lying in the demat suspense account/unclaimed suspense account.

7.10 Reconciliation of Share Capital Audit

As required by SEBI quarterly audit of the Company’s share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors’ Certificate in regard to the same is submitted to BSE Limited and the National Stock Exchange of India Limited and is also placed before Stakeholders’ Relationship Committee and the Board of Directors.



Distribution of Shareholding as on 31st March, 2017

| Range (In Shares) | No. of Shareholders | % to capital | Total Shareholding (In Shares) | % to capital |
|-------------------|---------------------|---------------|--------------------------------|---------------|
| 1 – 500 | 7,013 | 82.91 | 11,81,475 | 7.19 |
| 501 – 1000 | 785 | 9.28 | 6,23,817 | 3.80 |
| 1001 – 2000 | 344 | 4.07 | 5,21,106 | 3.17 |
| 2001 – 3000 | 107 | 1.26 | 2,78,524 | 1.70 |
| 3001 – 4000 | 59 | 0.70 | 2,10,991 | 1.28 |
| 4001 – 5000 | 45 | 0.53 | 2,06,461 | 1.26 |
| 5001 – 10000 | 55 | 0.65 | 3,91,554 | 2.38 |
| 10001 & Above | 51 | 0.60 | 1,30,12,015 | 79.22 |
| Total | 8,459 | 100.00 | 1,64,25,943 | 100.00 |

The Company has entered into agreements with Central Depository Services (India) Limited (CDSL) whereby Members have an option to dematerialize their shares with either of the depositories.

Shareholding Pattern as on 31st March, 2017 (Equity Shares)

| | Category | No. of Shares Held | % Of Share Holding |
|-----------|---|--------------------|--------------------|
| A. | Promoter (s) Holding | | |
| | Promoter (s) | | |
| | - Indian Promoters | 78,81,460 | 47.99 |
| | - Relatives of Directors | 1,000 | 0.00 |
| | - Group Companies | 34,55,965 | 21.04 |
| | Sub – Total(A) | 1,13,38,425 | 69.03 |
| B. | Non-Promoters Holding | | |
| | Institutional Investors | | |
| i. | Mutual Funds & UTI | 0 | 0.00 |
| ii. | Banks, Financial Inst, Insurance Company (Central/State | 11,483 | 0.07 |
| iii. | Govt Inst/Non-Govt Inst) FII (s) | 0 | 0.00 |
| | Others | | |
| i. | Corporate Bodies | 2,75,527 | 1.68 |
| ii. | Indian Public | 44,98,823 | 27.39 |
| iii. | NRI/OCBS | 2,09,452 | 1.27 |
| iv. | Directors / Relatives | 68,053 | 0.41 |
| v. | Clearing Members | 24,180 | 0.15 |
| | Sub – Total (B) | 50,87,518 | 30.97 |
| | GRAND TOTAL (A+B) | 1,64,25,943 | 100.00 |

Statement showing Shareholding of more than 1% of the Capital as on 31st March, 2017

| Sr. No. | Names of the shareholders | No. of Shares | % of Capital |
|-----------|--|---------------|----------------------|
| 1. | Promoters | | |
| | Saurabh Malhotra | 32,28,341 | 1,13,38,425 69.03 |
| | Kusum Chander Mohan Malhotra | 31,10,000 | |
| | Sakuma Infrastructure And Realty Private Limited | 26,67,245 | |
| | Chander Mohan Malhotra | 15,33,119 | |
| | Vanitha Malhotra | 10,000 | |
| | Shipra Malhotra | 500 | |
| | Tanya Mediratta | 500 | |
| | Sakuma Finvest Pvt Ltd | 6,98,720 | |
| | GMK System And Logistics Private Ltd | 90,000 | |

| Sr. No. | Names of the shareholders | | No. of Shares | % of Capital |
|---------|---------------------------|--|--------------------|--------------|
| | Others | | | |
| 2. | Subramanian P | | 1,94,500 | 1.18 |
| | Total | | 1,15,32,925 | 70.21 |

Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:

There are no outstanding GDRs/ ADRs/ Warrants or any Convertible instruments. Hence there will not be any impact on the equity of the company.

Particulars of Past Three Annual General Meetings

- Date, time and venue for the Annual General Meetings and Extra Ordinary General Meeting held during the last 3 financial years and nature of special resolutions passed thereat are given below:

| Financial Year Ending | Nature of Meeting | Nature of Special Resolution Passed | Date & Time | Location |
|-----------------------|----------------------|-------------------------------------|--------------------------|--|
| 31.03.2014 | 9 th AGM | Note 1 | 28.08.2014 10.30 a.m. | P. L. Deshapande Kala Academy, Ravindra Natyamandir, Third Floor, Sayani Road, Prabhadevi, Mumbai – 400 025 |
| 31.03.2015 | 10 th AGM | Note 2 | 11.08.2015 10.30 a.m. | Nehru Planetarium (Basement), Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 |
| 31.03.2016 | 11 th AGM | Note 3 | 01.09.2016 10.30 a.m. | Hall of Quest, Nehru Planetarium (Basement), Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 |

Note 1:

1. Special Resolution under Section 180(1)(c) and Section 180(1)(a) of the Companies Act, 2013 in respect of Borrowing powers in respect of excess of paid up capital and free reserves and creation of Charge.
2. Special Resolution under Section 149, 152 of the Companies Act, 2013 in respect of appointment of Mr. Ashok Kumar Doda and Mr. Radhe Shyam as Independent Directors.

Note 2:

1. Special Resolution under Section 149, 152 of the Companies Act, 2013 in respect of appointment of Mr. Om Parkash Singal as Independent Director.

Note 3:

1. Special Resolution under Section 196, 197 and 203 of the Companies Act, 2013 in respect of re-appointment of Mr. Chander Mohan as Executive Chairman and payment of remuneration for a period of three years with effect from 1st September, 2016 till 31st August, 2019.
2. Special Resolution under Section 196, 197 and 203 of the Companies Act, 2013 in respect of re-appointment of Mr. Saurabh Malhotra as Managing Director and payment of remuneration for a period of three years with effect from 1st September, 2016 till 31st August, 2019.

Note 4:

1. There were no resolutions passed through postal ballot last year.
2. No resolutions are proposed to be passed through postal ballot.



DECLARATIONS
FINANCIAL CALENDAR 2017

| | |
|--|---|
| Board Meeting for consideration of Accounts for the financial year ended 31 st March, 2017 and recommendation of dividend | 29 th May, 2017 |
| Posting of Annual Reports | On or before 31 st August, 2017 |
| Book Closure Dates | Tuesday, 19 th September, 2017 to Thursday, 26 th September, 2017 (both days inclusive) |
| Last date for receipt of Proxy Forms | Sunday, 24 th September, 2017 by 10.30 a.m.. |
| Date, Time & Venue of the 12 th Annual General Meeting | 26 September, 2017, Tuesday, at 10.30 a.m. at Hall of Quest, Nehru Planetarium (Basement), Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 |
| Dividend Payment Date | On or before 10 th October, 2017 |
| Probable date of dispatch of warrants | On or before 10 th October, 2017 |
| Board Meeting for consideration of unaudited quarterly results for the financial year ended 31 st March, 2017 | Within Forty Five days from the end of the quarter, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges |
| Audited results for the current financial year ending 31 st March, 2017 | Within Sixty days from the end of the last quarter, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges |

For and on behalf of the Board of Directors

Place: Mumbai
Date: 29th May, 2017

Saurabh Malhotra
Managing Director

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY

This is to state that the Company had duly adopted a Code of Conduct in the meeting of the Board of Directors held on 15th May, 2014. After adoption of the Code of Conduct, the same was circulated to all the Board of Members and senior management personnel for compliance. The Code of Conduct has also been posted on the website of the Company. The Company has since received declaration from all the Board Members and senior management personnel affirming compliance of the Code of Conduct of the Company in respect of the financial year 31st March, 2017. The same has been duly noted by the Board in its meeting held on 29th May, 2017.

Place: Mumbai

Date: 29th May, 2017

Saurabh Malhotra
Managing Director



MANAGING DIRECTOR CERTIFICATION

Certificate under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I the undersigned, in my capacity as Managing Director of Sakuma Exports Limited ("the Company") to the best of my knowledge and belief certify that:

- A. I have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2017 and that to the best of my knowledge and belief, I state that:
1. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. I further state that to the best of my knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. I am responsible for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or proposed to take to rectify these deficiencies.
- D. I have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
1. significant changes, if any, in internal control over financial reporting during the year;
 2. significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

Yours Sincerely

Saurabh Malhotra
Managing Director

Place: Mumbai

Date: 29th May, 2017

AUDITOR'S CERTIFICATE

AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To The Members Of Sakuma Exports Limited

We have examined the compliance of conditions of Corporate Governance by Sakuma Exports Limited, for the financial year ended 31st March, 2017 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of Sub – Regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as “SEBI (LODR) Regulations, 2015”).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above referred SEBI (LODR) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For M. L. Sharma & Co.,
Chartered Accountants**

**S M BANDI
Partner**

**Membership No. 109101
FRN: 109963W**

**Place: Mumbai
Date: 29th May, 2017**



INDEPENDENT AUDITOR'S REPORT

To The Members of Sakuma Exports Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SAKUMA EXPORTS LIMITED** ("the company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company 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 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2017 (the order); issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure - A, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

As required by section 143 (3) of the Act, we report that:

- (a) We 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.
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the Written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 Company and the operating effectiveness of such controls, refer to our separate report in Annexure - B.
- (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 in our opinion and to the best of our information and according to the explanations given to us:
 - a. The company has disclosed the impact of pending litigations on its financial position in its financial statement – Refer Note 25.1 to the financial statement.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d. The Company has provided requisite disclosures in the financial Statements as to holding as well as dealing in specified Bank Notes during the period from 08th November, 2016 to 30th December, 2016 and the same is in accordance with the Books of accounts maintained by the company (Refer note no. 16 of the Financial Statements)

For M. L. SHARMA & CO.
FIRM REG. NO. 109963W
CHARTERED ACCOUNTANTS

(S. M. BANDI) PARTNER
Membership No.109101

Place of Signature: Mumbai
Date: 29th May, 2017

**ANNEXURE - A TO THE INDEPENDENT AUDITORS REPORT**

The Annexure - A referred to in our Report of even date to the Members of SAKUMA EXPORTS LIMITED for the year ended 31st March, 2017. We report that:

1. (a) According to information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) We have been informed that, the fixed assets have been physically verified by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable with regard to the size of the company and nature of assets. According to information and explanations given to us by the management, no material discrepancy was noticed on such verification.
- (c) The Company does not own any immovable property (Except leasehold properties) accordingly provision of clause 1 (iii) is not applicable to the company.
2. According to information and explanations given to us by the management, the physical verification of the Inventories has been Conducted by the management at reasonable intervals. In our opinion, procedure of physical verification is reasonable and adequate with regards to size of the company and nature of its business.
3. The Company has not granted any loans, secured or unsecured to the Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the companies Act, 2013 and Accordingly, provision of clause 3 (iii), (iii) (a), (iii) (b) & (iii) (c) of the order, are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the company has not granted any loans or provided any guarantees or security in respect of any loans to any party covered under section 185 of the Act. In respect of loans granted to, guarantees or security in respect of any loan and Investments made in body corporate by the Company, the provisions of Section 186 of the Act has been complied with.
5. The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and any other relevant provision of the Companies Act, 2013 and the rules framed there under apply.
6. In our opinion and according to the information and explanations given to us the Company is not required to maintain cost records specified by the central government under section 148 (1) of the Companies Act, 2013.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, income tax, sales tax, duty of customs, value added tax, cess and other material statutory dues (except TDS & Service tax) as applicable, with the appropriate authorities. There are following undisputed amounts outstanding as at 31st March, 2017 for a period exceeding six months from the date they became payable.

| Nature of Statutory Dues | Period | Amount |
|---------------------------------|-------------------------|---------------|
| Tax Deduction at source | April 2016 to Sept 2016 | 3,14,693/- |

- (b) According to information and explanations given to us and the books and records examined by us, there are no disputed amounts payables for Statutory dues except for Income Tax as mentioned below.

| Statute & Nature of dues | Pending Amount of Dispute | Period | Forum where dispute is pending |
|--|----------------------------------|-------------------------|---|
| Income Tax Act, 1961 (Income Tax) | Rs. 2,13,014/- | AY 2009-10 | CPC |
| Income Tax Act, 1961 (Income Tax) | Rs. 5,25,523/- | AY 2012-13 | CIT(Appeals) |
| Income Tax Act, 1961 (Income Tax) | Rs. 3,65,300/- | AY 2014-15 | CPC |
| Income Tax Act, 1961 (Tax deduction at source) | Rs. 2,060/- | AY 2013-14, Prior Years | TDS Officer, Mumbai |
| West Bengal VAT Act, 2003 | Rs. 59300/- | AY 2010-11 | Sales Tax Appellate and Revisional Board. |

8. According to information and explanations given to us the company has not defaulted in repayment of loans or borrowings to a financial institution or bank and company does not have any outstanding loans or borrowing from Government or dues to debenture holders during the year.
9. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and the Company has not availed any term loans during the current year and accordingly the provision of clause 3 (ix) of the order is not applicable to the Company.
10. According to the information and explanations given to us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion, and according to the information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the companies Act, 2013.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the order are not applicable to the Company.
13. In our opinion, and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the companies Act, 2013 where applicable. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard "18", Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
14. In our opinion, and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the and accordingly the provisions of clause 3 (xiv) of the order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any Non-Cash transaction with directors or persons connected with the directors.
16. In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For M. L. SHARMA & CO.
FIRM REG. NO. 109963W
CHARTERED ACCOUNTANTS

(S. M. BANDI) PARTNER
Membership No.109101

Place of Signature: Mumbai
Date: 29th May, 2017



ANNEXURE – B TO THE INDEPENDENT AUDITORS REPORT

The Annexure – B referred to in our Report of even date to the Members of SAKUMA EXPORTS LIMITED for the year ended 31st March, 2017. 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”)

We have audited the internal financial controls over financial reporting of **Sakuma Exports Limited** (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is 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 to 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 applicable to an audit of Internal Financial Controls and, 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 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 Company has, 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 March 31, 2017, 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.

**For M. L. SHARMA & CO.
FIRM REG. NO. 109963W
CHARTERED ACCOUNTANTS**

**Place of Signature: Mumbai
Date: 29th May, 2017**

**(S. M. BANDI) PARTNER
Membership No.109101**



Balance Sheet as at 31st March, 2017

(in ₹)

| Particulars | Note No | As at March 31, 2017 | As at March 31, 2016 |
|--|---------|------------------------------|------------------------------|
| A EQUITY AND LIABILITIES | | | |
| 1 Shareholder's funds | | | |
| (a) Share capital | 3 | 16,42,59,430 | 16,42,59,430 |
| (b) Reserves & Surplus | 4 | 88,02,54,267 | 72,41,00,995 |
| | | <u>1,04,45,13,697</u> | <u>88,83,60,425</u> |
| 2 Non-current liabilities | | | |
| (a) Deferred tax liabilities (net) | 31 | 38,83,334 | 47,11,398 |
| (b) Other long-term liabilities | 5 | 1,20,26,139 | 9,47,41,985 |
| | | <u>1,59,09,473</u> | <u>9,94,53,383</u> |
| 3 Current liabilities | | | |
| (a) Short-term borrowings | 6 | 1,30,86,32,071 | 1,36,74,95,269 |
| (b) Trade payables | 7 | 2,30,29,39,601 | 1,38,91,50,274 |
| (c) Other current liabilities | 8 | 58,46,21,594 | 74,03,50,618 |
| (d) Short-term provisions | 9 | 7,20,20,715 | 3,85,51,137 |
| | | <u>4,26,82,13,981</u> | <u>3,53,55,47,298</u> |
| TOTAL | | <u><u>5,32,86,37,151</u></u> | <u><u>4,52,33,61,106</u></u> |
| B ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 10.A | 2,57,58,956 | 3,05,91,035 |
| (ii) Intangible assets | 10.A | 5,47,260 | 2,39,809 |
| (b) Non-current investments | 11 | 1,05,52,825 | 1,09,99,802 |
| (c) Long-term loans and advances | 12 | 93,10,592 | 2,94,34,004 |
| (d) Other non-current assets | 13 | 1,45,03,895 | 13,99,195 |
| | | <u>6,06,73,528</u> | <u>7,26,63,845</u> |
| 2 Current assets | | | |
| (a) Inventories | 14 | 92,30,39,751 | 61,92,47,691 |
| (b) Trade receivables | 15 | 3,77,14,09,052 | 2,62,72,43,654 |
| (c) Cash and cash equivalents | 16 | 27,12,71,400 | 36,16,15,566 |
| (d) Short-term loans and advances | 17 | 26,18,70,690 | 83,02,97,230 |
| (e) Other current assets | 18 | 4,03,72,730 | 1,22,93,120 |
| | | <u>5,26,79,63,623</u> | <u>4,45,06,97,261</u> |
| TOTAL | | <u><u>5,32,86,37,151</u></u> | <u><u>4,52,33,61,106</u></u> |
| Corporate Information & Significant Accounting Policies | 1 & 2 | | |

The accompanying notes form an integral part of the standalone financial statements.

In terms of our report attached.

For M.L.SHARMA & CO.

Chartered Accountants

FRN: 109963W

For and on behalf of the Board of Directors

S M BANDI
Partner
M.No. 109101

Mr. Saurabh Malhotra
Managing Director

Mr. Radhe Shyam
Director

Place : Mumbai
Date : May 29, 2017

Place : Mumbai
Date : May 29, 2017

Statement of Profit and Loss for the year ended March 31, 2017

(in ₹)

| Particulars | Note No | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|---------|-----------------------------------|-----------------------------------|
| 1 Revenue from operations (gross) | 19 | 20,16,88,23,154 | 17,98,29,02,196 |
| Less: Excise duty | | 69,95,709 | - |
| Revenue from operations (net of excise duty) | | 20,16,18,27,445 | 17,98,29,02,196 |
| 2 Other income | 20 | 11,57,45,259 | 7,74,29,637 |
| 3 Total revenue (1+2) | | 20,27,75,72,704 | 18,06,03,31,833 |
| 4 Expenses | | | |
| (a) Purchases of stock-in-trade | 21.A | 19,77,97,18,800 | 16,99,64,91,561 |
| (b) Changes in inventories of stock-in-trade | 21.B | (30,37,92,059) | (27,84,89,891) |
| (c) Employee benefits expense | 22 | 5,18,01,875 | 4,37,37,537 |
| (d) Finance costs | 23 | 11,23,88,451 | 8,74,53,260 |
| (e) Depreciation and amortisation expenses | 10.B | 59,50,789 | 70,82,982 |
| (f) Other expenses | 24 | 40,97,85,442 | 1,01,11,26,323 |
| Total expenses | | 20,05,58,53,298 | 17,86,74,01,772 |
| 5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4) | | 22,17,19,406 | 19,29,30,061 |
| 6 Exceptional items | | - | - |
| 7 Profit / (Loss) before extraordinary items and tax (5 ± 6) | | 22,17,19,406 | 19,29,30,061 |
| 8 Extraordinary items | | - | - |
| 9 Profit / (Loss) before tax (7 ± 8) | | 22,17,19,406 | 19,29,30,061 |
| 10 Tax expense: | | | |
| (a) Current tax expense for current year | | 7,50,00,000 | 6,35,00,000 |
| (b) Current tax expense relating to prior years | | 15,97,176 | (2,61,630) |
| (c) Net current tax expense | | 7,65,97,176 | 6,32,38,370 |
| (d) Deferred tax | | (8,28,064) | (10,14,335) |
| | | 7,57,69,112 | 6,22,24,035 |
| 11 Profit / (Loss) from continuing operations (9 ± 10) | | 14,59,50,294 | 13,07,06,026 |
| 12.i Earnings per share (of ₹ 10/- each): | 30 | | |
| (a) Basic | | | |
| (i) Continuing operations | | 8.89 | 7.96 |
| (ii) Total operations | | 8.89 | 7.96 |
| (b) Diluted | | | |
| (i) Continuing operations | | 8.89 | 7.96 |
| (ii) Total operations | | 8.89 | 7.96 |
| 12.ii Earnings per share (excluding extraordinary items) (of ₹ 10/- each): | | | |
| (a) Basic | | | |
| (i) Continuing operations | | 8.89 | 7.96 |
| (ii) Total operations | | 8.89 | 7.96 |
| (b) Diluted | | | |
| (i) Continuing operations | | 8.89 | 7.96 |
| (ii) Total operations | | 8.89 | 7.96 |
| Corporate Information & Significant Accounting Policies | 1 & 2 | | |

The accompanying notes form an integral part of the standalone financial statements.

In terms of our report attached.

For M.L.SHARMA & CO.

Chartered Accountants

FRN: 109963W

For and on behalf of the Board of Directors

S M BANDI

Partner

M.No. 109101

Mr. Saurabh Malhotra

Managing Director

Mr. Radhe Shyam

Director

Place : Mumbai

Date : May 29, 2017

Place : Mumbai

Date : May 29, 2017



Cash Flow Statement for the year ended 31 March, 2017

(in ₹)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--|--------------------------------------|--------------------------------------|
| A. Cash flow from operating activities | | |
| Net Profit / (Loss) before extraordinary items and tax | 22,17,19,406 | 19,29,30,061 |
| Adjustments for: | | |
| Depreciation and amortisation | 59,50,789 | 70,82,982 |
| (Profit) / loss on sale / write off of assets | - | (6,72,277) |
| Finance costs | 11,23,88,451 | 8,74,53,261 |
| Interest income | (3,64,00,589) | (2,00,63,534) |
| Dividend income | (46,31,609) | (1,54,88,668) |
| Net (gain) / loss on sale of investments | (83,66,021) | 4,001 |
| Operating profit / (loss) before working capital changes | 29,06,60,427 | 25,12,45,826 |
| Changes in working capital: | | |
| Adjustments for (increase) / decrease in operating assets: | | |
| Inventories | (30,37,92,060) | (27,84,89,891) |
| Trade receivables | (1,14,41,65,398) | 41,57,06,210 |
| Short-term loans and advances | 56,84,26,540 | (48,34,88,193) |
| Long-term loans and advances | 2,01,23,412 | (1,19,30,851) |
| Other current assets | (1,78,76,632) | 9,93,738 |
| Non-current Investments | 4,46,977 | |
| Other non-current assets | (1,31,04,700) | 82,23,119 |
| Adjustments for increase / (decrease) in operating liabilities: | | |
| Trade payables | 91,37,89,327 | (40,02,24,836) |
| Other current liabilities | (14,80,89,582) | 57,77,86,456 |
| Other long-term liabilities | (8,27,15,846) | 9,47,41,985 |
| Short-term provisions | 1,93,10,230 | 3,67,459 |
| | 10,30,12,695 | 17,49,31,022 |
| Net income tax (paid) / refunds | (6,24,37,830) | (6,61,52,621) |
| Net cash flow from / (used in) operating activities (A) | 4,05,74,865 | 10,87,78,401 |
| B. Cash flow from investing activities | | |
| Capital expenditure on fixed assets, including capital advances | (14,26,160) | (60,35,767) |
| Proceeds from sale of fixed assets | - | 8,47,777 |
| Current investments not considered as Cash and cash equivalents | | |
| - Purchased | (4,85,45,43,228) | (78,52,99,889) |
| - Proceeds from sale | 4,86,75,40,858 | 78,59,45,079 |
| Interest received | 3,64,00,589 | 2,00,63,534 |
| Dividend received from Subsidiary | - | 1,45,79,476 |
| Net cash flow from / (used in) investing activities (B) | 4,79,72,059 | 3,01,00,210 |

Cash Flow Statement for the year ended 31 March, 2017

(in ₹)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--|--------------------------------------|--------------------------------------|
| C. Cash flow from financing activities | | |
| Net increase / (decrease) in working capital borrowings | (12,83,99,486) | 4,52,44,388 |
| Proceeds from other short-term borrowings | 7,06,68,836 | 3,73,93,341 |
| Repayment of other short-term borrowings | (11,32,548) | (72,93,341) |
| Finance cost | (11,23,88,451) | (8,74,53,260) |
| Dividends paid | - | (2,77,01,444) |
| Tax on dividend | - | - |
| Net cash flow from / (used in) financing activities (C) | (17,12,51,649) | (3,98,10,316) |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | (8,27,04,725) | 9,90,68,295 |
| Cash and cash equivalents at the beginning of the year | 35,39,76,125 | 25,49,07,830 |
| Cash and cash equivalents at the end of the year | 27,12,71,400 | 35,39,76,125 |
| Reconciliation of Cash and cash equivalents with the Balance Sheet: | | |
| Cash and cash equivalents at the end of the year * | 27,12,71,400 | 35,39,76,125 |
| * Comprises: | | |
| (a) Cash on hand | 4,61,586 | 4,55,891 |
| (b) Balances with banks | | |
| (i) In current accounts | 56,04,435 | 5,00,59,354 |
| (ii) In current accounts bank overdraft | - | (76,39,441) |
| (ii) In EEFC accounts | 304 | 1,837 |
| (ii) In deposit accounts | 26,39,07,182 | 30,47,94,515 |
| (iii) In earmarked accounts (give details) (Refer Note (ii) below) | 12,97,893 | 63,03,969 |
| | 27,12,71,400 | 35,39,76,125 |

Notes:

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
- (ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

Corporate Information & Significant Accounting Policies as per Note No. 1 & 2

The accompanying notes form an integral part of the standalone financial statements.

In terms of our report attached.

For M.L.SHARMA & CO.

Chartered Accountants

FRN: 109963W

S M BANDI

Partner

M.No. 109101

Place : Mumbai

Date : May 29, 2017

For and on behalf of the Board of Directors

Mr. Saurabh Malhotra

Managing Director

Mr. Radhe Shyam

Director

Place : Mumbai

Date : May 29, 2017



Notes forming part of the financial statements

1 Corporate information

Sakuma Exports Limited (Government of India recognised Star Trading House) is a public limited company domiciled in India and incorporated under the provisions of Companies Act 1956. Its shares are listed on Bombay Stock Exchange(BSE) and National Stock Exchange (NSE). The company is engaged in exports of commodities like Sugar, Rice, Maize, Sesame Seeds, Ground Nuts, Pulses, Oil Meal, Raw Cotton etc. and Import of commodities like Sugar, Coal and Oil .The company caters to both domestic and international markets.

2.1 Basis of accounting and preparation of financial statements

The financial statements are prepared under historical cost convention on an accrual basis of accounting to comply in all material respects with mandatory accounting standards as notified under section 133 of the Companies Act, 2013 (the Act) read with rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 as applicable to the company.

Summary of Significant Accounting Policies

2.2 Use of estimates

The preparation of the financial statements are in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of revenues ,expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although this estimates are based on managements best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustments to the carrying amounts of assets or liabilities in future period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

2.3 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 point of sale.

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

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flow statement

Cash flows are reported using the indirect method as prescribed by the Securities Exchange Board of India and in accordance with the provisions of Accounting Standard-3 issued by the Institute of Chartered Accountant of India 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. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.5 Depreciation and amortisation

Depreciation is provided on the written down value method ("WDV") unless otherwise stated, pro-rata to the period of use of assets based on useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013 and Amortisation of Leased Assets are provided over the use full life of lease assets.

2.6 Revenue recognition

a) Sale of goods

Revenue from Sale of goods are recognised, on transfer of significant risks and rewards of ownership to the buyer i.e. on shipment or dispatch of goods to customers and is recorded net of Duties and Taxes. Revenue from Sale of Services rendered are recognised on Completion of Service.

Export Incentive in the form of credit earned on exports made during the year, under DFIA /Duty Entitlement Pass Book (DEPB)/Target Plus Licenses(DFCE), Focus Product Market are accounted for at the time of sale/utilization of license due to uncertainty associated with respect to Sale/Utilization. Duty Drawback is accounted on Accrual Basis

b) Other income

Dividend Income from investments are recognized as and when right to receive payment is established.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

2.7 Tangible fixed assets

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets direct/indirect and incidental expenses incurred to bring them into their present location and conditions. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

2.8 Foreign currency transactions

a) Initial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate to the rate at the date of the transaction.

b) Conversion

At the year end, monetary item denominated in foreign currencies, other than the disputed receivables or payables, are retranslated into rupee equivalents at the year-end exchange rates. Non-monetary items, which are measured in terms of historical cost denominated in foreign currency, are reported using the exchange rates at the date of transaction.

c) Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss in the period in which they arise.

2.9 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.

2.10 Employee benefits

Employee benefits include provident fund, gratuity fund and compensated absences.

a) Defined contribution plans

The Company'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 Accounting Standard 15(Revised)- "Employee Benefits"

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional units of employee benefit entitlement and measures each unit separately to build up the final obligation. The particulars under the AS 15(Revised) are furnished in Disclosure

c) Short-term employee benefits

Short Term Employee Benefit payable within one year is provided on accrual basis at actual value.



2.11 Borrowing costs

Borrowing costs includes interest, amortization of ancillary costs incurred in connection with the arrangements of borrowings. 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.”

2.12 Segment reporting

As permitted by paragraph – 4 of Accounting Standard – 17, “Segment Reporting”, if a single financial report contains both consolidated financial statements and the separate financial statements of the parent, segment information is required to be presented only on the basis of the consolidated financial statements.

2.13 Leases

As per Accounting Standard - 19, “Lease”, company being a lessee, leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss over the lease term. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

2.14 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.15 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date.

2.16 Impairment of assets

The carrying values of assets / cash generating units 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 recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and

their 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 that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.17 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.18 Hedge accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in “GN(A) - 33 Guidance Note on accounting for Derivative Contracts” issued by Institute of Chartered Accountants of India. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in “Cash Flow Hedging reserve account” under Reserves and surplus, and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the “Cash Flow Hedging reserve account” are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in “Hedging reserve account” is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in “Hedging reserve account” is immediately transferred to the Statement of Profit and Loss.

2.19 Derivative accounting

The Company enters into derivative contracts in the nature of foreign currency forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations. Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting. All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

2.20 Commodity Futures

Commodities futures are marked to market on a daily basis. Debit or Credit balance disclosed under loans and advances or current liabilities respectively, in the “Mark to Market Margin Account” represents the net amount paid or received on the basis of movement in the prices of commodities futures till the balance sheet date. As on balance sheet date, profit/ loss on open position in commodities futures are accounted as follows

- Credit Balance in the “Mark to Market Margin Account” being anticipated profit is ignored and no profit for the same is taken in the profit and loss account.
- Debit balance in the “Mark to Market Margin Account” being anticipated loss is charged to profit and loss account. Settlement and Squaring up of contract is accounted as follows
- On final delivery settlement the difference between the settlement price and contract price is added/reduced from/to sale/purchase
- On squaring up of the contract the difference between the squared up price and contract price is recognized in profit and loss account When more than one contract in respect of the relevant series of commodity future contract to which the settled/squared up contract pertains is outstanding at the time of settlement/squaring up of the contract, the contract price is determined using weighted average method for calculating the difference/ profit/loss on settlement/ squaring up.



Notes forming part of the financial statements

Note 3 Share Capital

| Particulars | As at March 31, 2017 | | As at March 31, 2016 | |
|--|----------------------|---------------------|----------------------|---------------------|
| | Number of shares | ₹ | Number of shares | ₹ |
| (a) Authorised | | | | |
| Equity shares of ₹10/- each with voting rights | 3,00,00,000 | 30,00,00,000 | 3,00,00,000 | 30,00,00,000 |
| (b) Issued | | | | |
| Equity shares of ₹10/- each with voting rights | 1,64,25,943 | 16,42,59,430 | 1,64,25,943 | 16,42,59,430 |
| (c) Issued, Subscribed and fully paid up | | | | |
| Equity shares of ₹10/- each with voting rights | 1,64,25,943 | 16,42,59,430 | 1,64,25,943 | 16,42,59,430 |
| Total issued, Subscribed and fully paid -up share capital | <u>1,64,25,943</u> | <u>16,42,59,430</u> | <u>1,64,25,943</u> | <u>16,42,59,430</u> |

Note 3 A Share Capital

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

| Particulars | Opening Balance | Fresh issue | Bonus | ESOP | Conversion | Buy back | Other changes (give details) | Closing Balance |
|-------------|-----------------|-------------|-------|------|------------|----------|------------------------------|-----------------|
|-------------|-----------------|-------------|-------|------|------------|----------|------------------------------|-----------------|

Equity shares with voting rights

Year ended March 31, 2017

| | | | | | | | | |
|---------------------|--------------|---|---|---|---|---|---|--------------|
| - Number of shares | 1,64,25,943 | - | - | - | - | - | - | 1,64,25,943 |
| - Amount (₹10 each) | 16,42,59,430 | - | - | - | - | - | - | 16,42,59,430 |

Year ended March 31, 2016

| | | | | | | | | |
|---------------------|--------------|---|---|---|---|---|---|--------------|
| - Number of shares | 1,64,25,943 | - | - | - | - | - | - | 1,64,25,943 |
| - Amount (₹10 each) | 16,42,59,430 | - | - | - | - | - | - | 16,42,59,430 |

Terms/Rights attached to Equity Shares

The Company has one class of equity shares having par value of ₹ 10 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.

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.

Note 3 B Share Capital

(i) Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of shareholder | As at March 31, 2017 | | As at March 31, 2016 | |
|--|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights | | | | |
| Mrs. Kusum Chander mohan Malhotra | 31,10,000 | 18.93% | 31,10,000 | 18.93% |
| Mr. Saurabh Malhotra | 32,28,341 | 19.65% | 32,28,341 | 19.65% |
| Mr. Chandermohan Malhotra | 15,33,119 | 9.33% | 15,33,119 | 9.33% |
| M/s Sakuma Infrastructure and Realty Pvt Ltd | 26,67,245 | 16.24% | 26,67,245 | 16.24% |

Note:- 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.

Notes forming part of the financial statements

Note 4 Reserves And Surplus

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|--|------------------------------|------------------------------|
| (a) Capital redemption reserve | | |
| Opening balance | 10,00,09,200 | 10,00,09,200 |
| Closing balance | 10,00,09,200 | 10,00,09,200 |
| (b) Securities premium account | | |
| Opening balance | 26,74,18,430 | 26,74,18,430 |
| Closing balance | 26,74,18,430 | 26,74,18,430 |
| (c) Cash Flow Hedging reserve | | |
| Opening balance | 78,59,587 | 53,94,554 |
| Add / (Less): Net Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year | 1,02,02,978 | 24,65,033 |
| Closing balance | 1,80,62,565 | 78,59,587 |
| (d) Surplus / (Deficit) in Statement of Profit and Loss | | |
| Opening balance | 34,88,13,778 | 23,49,09,945 |
| Add: Profit / (Loss) for the year | 14,59,50,294 | 13,07,06,026 |
| Interim Dividend distributed to equity shareholders (₹1 per share) | - | (1,64,25,943) |
| Tax on Interim dividend | - | (3,76,250) |
| Closing balance | 49,47,64,072 | 34,88,13,778 |
| Total Reserves and Surplus (a to d) | 88,02,54,267 | 72,41,00,995 |

Note 5 Other Long-Term Liabilities

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|-----------------------------|------------------------------|------------------------------|
| (a) Trade Payables: | | |
| (i) Acceptances | - | 9,20,65,030 |
| (b) Others: | | |
| (i) Advances from customers | 1,20,26,139 | 26,76,955 |
| Total | 1,20,26,139 | 9,47,41,985 |

Note 6 Short-Term Borrowings

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|--------------------------------------|------------------------------|------------------------------|
| (a) Loans repayable on demand | | |
| From banks | | |
| Secured | 1,19,43,95,783 | 1,32,27,95,269 |
| | 1,19,43,95,783 | 1,32,27,95,269 |
| From other parties | | |
| Unsecured | 11,42,36,288 | 4,47,00,000 |
| | 11,42,36,288 | 4,47,00,000 |
| Total | 1,30,86,32,071 | 1,36,74,95,269 |

**Notes forming part of the financial statements**

Notes:

(i) Details of security for the secured short-term borrowings:

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|--|------------------------------|------------------------------|
| Loans repayable on demand | | |
| From banks: | | |
| Cash Credit Facilities | 75,10,62,248 | 1,32,27,95,269 |
| Packing Credit Rupees Loan | 18,72,21,065 | - |
| Packing Credit Foreign Currency | 25,61,12,470 | - |
| Total - From banks | 1,19,43,95,783 | 1,32,27,95,269 |
| Loans repayable on demand from others: | | |
| From others | 11,42,36,288 | 4,47,00,000 |
| Total - From Others | 11,42,36,288 | 4,47,00,000 |

Note 6 Short-term borrowings (contd.)

- i) Cash Credit and Packing Credit from Corporation Bank are secured against Hypothecation of Inventory, Book debts, Current assets, Fixed assets other than vehicles and Leasehold land, Lien on Term Deposits and pledge of shares of promoters of the company. Cash Credit is repayable on demand and carries interest at Maximum cost of lending rate (MCLR) of the bank + 4.65 %. Packing credit Loan is repayable within 90 days and carries interest rate @ 10.15% p.a up to the period of Credit and carries interest rate prevailing on the date of withdrawals.
- ii) Cash Credit and Packing Credit from Axis Bank are secured against charge on the entire current assets, Hypothecation of Fixed assets other than vehicles and Leasehold land, Lien on Term Deposits, personal guarantees of Directors and pledge of shares of promoters of the company. Cash Credit is repayable on demand and carries interest as Axis Bank Base Rate + 3% p.a. Packing credit Loan is repayable within period up to 120 days and carries interest rate prevailing on the date of withdrawals.
- iii) Cash Credit and Packing Credit from Indian Overseas Bank are secured against Hypothecation of Inventory, Book debts, Lien on Term Deposits, personal guarantees of Directors and pledge of shares of promoters of the company. Packing credit Loan is repayable within period up to 120 days and carries interest rate as per the circular in force on the date of withdrawals.
- iv) Cash Credit and Packing Credit from Union Bank of India are secured against Hypothecation of Inventory, Book debts, Fixed assets other than vehicles and Leasehold land, Lien on Term Deposits, personal guarantees of Directors and pledge of shares of promoters of the company. Packing credit Loan is repayable depending upon the contract and carries interest rate prevailing on the date of withdrawals.
- v) Short Term Borrowing of Rs 10 Crore from RBL Bank Limited are secured paripassu with existing bankers against Current Assets, Stocks, Book Debts and Hypothecation of Fixed assets of the company excluding Vehicles and Windmill landed property Lien on Term Deposits and personal guarantees of Directors . During the year company has availed packing credit rupee loan against enhanced limit at rate of interest as prevailing on date of withdrawals.
- vi) Unsecured Short Term Borrowings of the company are repayable on demand and carrying interest rate @ 10% p.a.

Note 7 Trade Payables (other than Micro Small and Medium Enterprises):-

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|-----------------|------------------------------|------------------------------|
| Trade payables: | | |
| (a) For Goods | 2,24,38,79,044 | 1,30,89,83,286 |
| (b) For Others | 5,90,60,557 | 8,01,66,988 |
| Total | 2,30,29,39,601 | 1,38,91,50,274 |

Notes forming part of the financial statements

Note: Trade Payables include debts due to:

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|----------------------------|------------------------------|------------------------------|
| Due to Related Parties: | | |
| Sakuma Exim DMCC | 32,909 | - |
| Sakuma Exports Pte Limited | 29,46,33,083 | - |
| | <u>29,46,65,992</u> | <u>-</u> |

Note 8 Other Current Liabilities

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|--|------------------------------|------------------------------|
| (a) Unpaid dividends | 8,77,251 | 58,83,162 |
| (i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.) | 37,57,976 | 75,26,745 |
| (ii) Advances from customers (Refer note below) | 51,00,51,341 | 64,83,83,289 |
| (iii) Others | | |
| Unpaid Redemption Preference Shares Proceeds | 4,22,506 | 4,22,506 |
| Claims Payable | 6,95,12,520 | 7,81,34,916 |
| Total | <u>58,46,21,594</u> | <u>74,03,50,618</u> |

Note: Advances from Customer includes:-

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|-----------------------------------|------------------------------|------------------------------|
| <u>Advance from related party</u> | | |
| Due to Subsidiary Company | | |
| Sakuma Exim DMCC | - | 26,76,955 |
| | <u>-</u> | <u>26,76,955</u> |

Note 9 Short-Term Provisions

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|---|------------------------------|------------------------------|
| (a) Provision for employee benefits: | | |
| (i) Provision for bonus | 7,46,800 | 7,46,795 |
| (ii) Provision for compensated absences | 2,10,801 | 1,28,107 |
| (iii) Provision for gratuity (net) (Refer Note 26.2.) | 13,74,944 | 7,32,912 |
| | <u>23,32,545</u> | <u>16,07,814</u> |
| (b) Provision - Others: | | |
| (i) Provision - for Taxation (Net of Advance Tax) | 9,60,021 | - |
| (ii) Provision - others | 6,87,28,149 | 3,69,43,323 |
| | <u>6,96,88,170</u> | <u>3,69,43,323</u> |
| Total (a+b) | <u>7,20,20,715</u> | <u>3,85,51,137</u> |



Notes forming part of the financial statements

Note:

The Company has proposed dividend of 10% as recommended by the Board. Provision for the proposed dividend has not been recognised in the financial statements as per the provisions of Para 8.5 of the “Revised AS - 4 on Contingencies and Events occurring After the Balance Sheet Date”.

Note 10 A Fixed Assets

| Tangible & Intangible Assets | Gross block | | | | | |
|------------------------------|---|--|----------------------------------|------------------------------|------------------------------|------------------------------|
| | Balance as at April 01, 2016 | Additions | Disposals | Borrowing cost capitalised | Other adjustments | Balance as at March 31, 2017 |
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| (a) Land | | | | | | |
| Leasehold | 12,70,000 | - | - | - | - | 12,70,000 |
| (b) Plant and Equipment | | | | | | |
| Owned | 7,44,17,284 | - | - | - | - | 7,44,17,284 |
| (c) Plant and Equipment | | | | | | |
| Owned (Packing Machine) | 18,81,739 | 39,468 | - | - | - | 19,21,207 |
| (d) Furniture and Fixtures | | | | | | |
| Owned | 3,62,859 | 1,45,176 | - | - | - | 5,08,035 |
| (e) Vehicles | | | | | | |
| Owned | 2,24,57,930 | - | - | - | - | 2,24,57,930 |
| (f) Office equipment | | | | | | |
| Owned | 44,55,938 | 6,26,923 | - | - | - | 50,82,861 |
| (g) Computer Software | | | | | | |
| Owned | 6,63,485 | 6,14,594 | - | - | - | 12,78,079 |
| Total | 10,55,09,235 | 14,26,161 | - | - | - | 10,69,35,396 |
| Previous year | 10,32,17,000 | 60,35,767 | 37,43,532 | - | - | 10,55,09,235 |
| | | | | | | |
| Tangible & Intangible Assets | Accumulated depreciation and impairment | | | Net block | | |
| | Balance as at April 01, 2016 | Depreciation / amortisation expense for the year | Eliminated on disposal of assets | Balance as at March 31, 2017 | Balance as at March 31, 2017 | Balance as at March 31, 2016 |
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| (a) Land | | | | | | |
| Leasehold | 6,61,727 | 1,04,417 | - | 7,66,144 | 5,03,856 | 6,08,273 |
| (b) Plant and Equipment | | | | | | |
| Owned | 5,45,64,369 | 23,06,281 | - | 5,68,70,650 | 1,75,46,634 | 1,98,52,915 |
| (c) Plant and Equipment | | | | | | |
| Owned | 79,836 | 2,06,465 | - | 2,86,301 | 16,34,906 | 18,01,903 |
| (d) Furniture and Fixtures | | | | | | |
| Owned | 2,26,680 | 66,454 | - | 2,93,134 | 2,14,901 | 1,36,179 |
| (e) Vehicles | | | | | | |
| Owned | 1,51,88,863 | 23,40,976 | - | 1,75,29,839 | 49,28,091 | 72,69,067 |
| (f) Office equipment | | | | | | |
| Owned | 35,33,240 | 6,19,053 | - | 41,52,293 | 9,30,568 | 9,22,698 |
| (g) Computer Software | | | | | | |
| Owned | 4,23,676 | 3,07,143 | - | 7,30,819 | 5,47,260 | 2,39,809 |
| Total | 7,46,78,391 | 59,50,789 | - | 8,06,29,180 | 2,63,06,216 | 3,08,30,844 |
| Previous year | 7,11,63,440 | 70,82,982 | 35,68,031 | 7,46,78,391 | 3,08,30,844 | 3,20,53,560 |

Notes forming part of the financial statements

Note 10 B Fixed Assets (Contd.)

Depreciation and amortisation relating to continuing operations:

| Particulars | For the year ended March 31, 2017 ₹ | For the year ended March 31, 2016 ₹ |
|--|---|---|
| Depreciation and amortisation for the year on tangible assets and Intangible Assets as per Note 10 A | 59,50,789 | 70,82,982 |
| | <u>59,50,789</u> | <u>70,82,982</u> |

Note 11 Non Current Investments

| Particulars | As at March 31, 2017 | | | As at March 31, 2016 | | |
|---|----------------------|--------------------|--------------------|----------------------|--------------------|--------------------|
| | Quoted ₹ | Unquoted ₹ | Total ₹ | Quoted ₹ | Unquoted ₹ | Total ₹ |
| Investments (At cost): | | | | | | |
| A. Trade Investments | | | | | | |
| (a) Investment in equity instruments of subsidiaries | | | | | | |
| i) 50 (As at 31 March, 2016: 50) shares of AED 1000 each fully paid up in Sakuma Exim DMCC, UAE | - | 7,00,581 | 7,00,581 | - | 7,00,581 | 7,00,581 |
| ii) Nil (As at 31 March, 2016: 147) shares of AED 1000 partly paid @ AED 200 per share in GKM General Trading LLC, UAE (Refer note below) | - | - | - | - | 4,30,877 | 4,30,877 |
| iii) 1000 shares fully paid up @ USD 1 each in Sakuma Exports Pre Limited Singapore | - | 95,92,244 | 95,92,244 | - | 95,92,244 | 95,92,244 |
| Total - Trade (A) | <u>-</u> | <u>1,02,92,825</u> | <u>1,02,92,825</u> | <u>-</u> | <u>1,07,23,702</u> | <u>1,07,23,702</u> |
| B. Other investments | | | | | | |
| (a) Investment in government securities - NSC | - | - | - | - | 16,100 | 16,100 |
| (b) Investment in government securities - Gold Bond | - | 2,60,000 | 2,60,000 | - | 2,60,000 | 2,60,000 |
| Total - Other investments (B) | <u>-</u> | <u>2,60,000</u> | <u>2,60,000</u> | <u>-</u> | <u>2,76,100</u> | <u>2,76,100</u> |
| Total (A+B) | <u>-</u> | <u>1,05,52,825</u> | <u>1,05,52,825</u> | <u>-</u> | <u>1,09,99,802</u> | <u>1,09,99,802</u> |
| Aggregate amount of unquoted investments | | <u>1,05,52,825</u> | <u>1,05,52,825</u> | | <u>1,09,99,802</u> | <u>1,09,99,802</u> |

Note:

The company has wound up the subsidiary company, GKM General Trading LLC, Dubai and has applied before the Appropriate Authority for the same.

Note 12 Long-Term Loans And Advances

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|--|------------------------------|------------------------------|
| (a) Security deposits | | |
| Unsecured, considered good (Refer note below) | 90,00,000 | 90,00,000 |
| (b) Advance recoverable in cash or in kind | 3,10,592 | 2,04,34,004 |
| Unsecured, considered good | | |
| Total (a+b) | <u>93,10,592</u> | <u>2,94,34,004</u> |

Note: Security Deposits include amounts due from:

**Notes forming part of the financial statements**

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|--|------------------------------|------------------------------|
| Private companies in which any director is a director or member | | |
| M/s Sakuma Infrastructure and Realty Pvt Ltd | 74,70,000 | 74,70,000 |
| Relative of Director | | |
| Mrs Kusum Malhotra (Wife of Director) | 15,30,000 | 15,30,000 |
| | <u>90,00,000</u> | <u>90,00,000</u> |

Note 13 Other Non-Current Assets

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|---------------------------------|------------------------------|------------------------------|
| (a) Long-term trade receivables | | |
| Unsecured, considered good | 1,45,03,895 | 13,99,195 |
| Total | <u>1,45,03,895</u> | <u>13,99,195</u> |

Note 14 Inventories

(At lower of cost and net realisable value)

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|---|------------------------------|------------------------------|
| (a) Stock-in-trade (acquired for trading) | 92,30,39,751 | 61,92,47,691 |
| Total | <u>92,30,39,751</u> | <u>61,92,47,691</u> |

Note 15 Trade Receivables

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|--|------------------------------|------------------------------|
| a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment | | |
| Unsecured, considered good | 35,96,164 | 9,42,38,193 |
| b) Other Trade receivables | | |
| Unsecured, considered good | 3,76,78,12,888 | 2,53,30,05,461 |
| Total | <u>3,77,14,09,052</u> | <u>2,62,72,43,654</u> |

Notes forming part of the financial statements

Note 16 Cash And Cash Equivalents

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|---|------------------------------|------------------------------|
| (a) Cash on hand | 4,61,586 | 4,55,891 |
| (b) Balances with banks | | |
| (i) In current accounts | 56,04,435 | 5,00,59,354 |
| (ii) In EEFC accounts | 304 | 1,837 |
| (iii) In earmarked accounts | | |
| Unpaid dividend accounts | 8,70,389 | 58,76,465 |
| Unpaid Preference Shareholders Accounts | 4,27,504 | 4,27,504 |
| Balances held as margin money or security against borrowings, guarantees and other commitments | 26,39,07,182 | 30,47,94,515 |
| Total | 27,12,71,400 | 36,16,15,566 |

As per the Notification of Ministry of Corporate Affairs dated March 30, 2017, the details of Specified Bank Notes (SBN) as required pursuant to clause (X) of Para (6) of part I of Schedule III are as under:

| Particulars | SBNs | Other Denomination Notes | Total |
|---|----------|--------------------------------|-----------------|
| Closing Cash in Hand as on November 8, 2016 | 37,000 | 3,76,496 | 4,13,496 |
| Add: Permitted Receipts (Bank Withdrawal) | - | 4,00,000 | 4,00,000 |
| Less: Permitted Payments | - | 3,64,412 | 3,64,412 |
| Less: Amount deposited in Banks | 37,000 | - | 37,000 |
| Closing Cash in Hand as on December 30, 2016 | - | 4,12,084 | 4,12,084 |

Note 17 Short-Term Loans And Advances

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|--|------------------------------|------------------------------|
| (a) Security deposits | | |
| Unsecured, considered good | 23,66,870 | 31,43,936 |
| | 23,66,870 | 31,43,936 |
| (b) Loans and advances to employees | | |
| Unsecured, considered good (Refer Note below) | 61,29,190 | 29,18,400 |
| | 61,29,190 | 29,18,400 |
| (c) Advance recoverable in cash or kind | | |
| Unsecured, considered good | 23,10,50,531 | 80,12,63,262 |
| | 23,10,50,531 | 80,12,63,262 |
| (d) Other Loans and Advances | | |
| Prepaid expenses - Unsecured, considered good | 1,09,52,127 | 12,52,330 |
| Balances with government authorities- | | |
| Unsecured, considered good | | |
| (i) Duty Drawback Receivable | 19,36,664 | 77,80,613 |
| (ii) VAT credit receivable | 44,37,268 | 16,98,608 |
| (iii) Service Tax Refund receivable | 49,98,040 | 1,22,40,081 |
| | 2,23,24,099 | 2,29,71,632 |
| Total | 26,18,70,690 | 83,02,97,230 |

**Notes forming part of the financial statements****Note: Short-term loans and advances include amounts due from:**

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|---|------------------------------|------------------------------|
| <u>Loans and advances to employees</u> | | |
| Dues from officers | 61,29,190 | 29,18,400 |
| | <u>61,29,190</u> | <u>29,18,400</u> |

Note 18 Other Current Assets

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|------------------------------------|------------------------------|------------------------------|
| (a) Accruals | | |
| (i) Interest accrued on deposits | 7,55,027 | 5,08,190 |
| (b) Others | | |
| (i) Claims Receivable | 2,01,94,713 | 39,25,343 |
| (ii) Mark to Market Margin Account | 1,94,22,990 | 78,59,587 |
| Total | <u>4,03,72,730</u> | <u>1,22,93,120</u> |

Note 19 Revenue From Operations

| Particulars | For the year ended March 31, 2017 ₹ | For the year ended March 31, 2016 ₹ |
|--|---|---|
| (a) Sale of products (Refer Note (i) below) | 20,16,45,59,661 | 17,94,29,92,293 |
| (b) Other operating revenues (Refer Note (ii) below) | 42,63,493 | 3,99,09,903 |
| Total | <u>20,16,88,23,154</u> | <u>17,98,29,02,196</u> |

| Note | Particulars | For the year ended March 31, 2017 ₹ | For the year ended March 31, 2016 ₹ |
|------|---|---|---|
| i) | <u>Traded goods</u> | | |
| | Sugar | 8,71,13,37,636 | 10,14,19,78,548 |
| | Oil | 9,91,87,41,974 | 7,32,99,91,666 |
| | Other commodities | 1,53,44,80,051 | 47,10,22,079 |
| | Total - Sale of traded goods | <u>20,16,45,59,661</u> | <u>17,94,29,92,293</u> |
| ii) | Other operating revenues comprise: | | |
| | Duty drawback and other export incentives | 42,63,493 | 3,99,09,903 |
| | Total - Other operating revenues | <u>42,63,493</u> | <u>3,99,09,903</u> |

Notes forming part of the financial statements

Note 20 Other Income

| Particulars | For the year ended March 31, 2017 ₹ | For the year ended March 31, 2016 ₹ |
|---|---|---|
| (a) Interest Income (Refer Note (i) below) | 3,64,00,589 | 2,00,63,534 |
| (b) Dividend income: | | |
| From Non current investments | | |
| Subsidiaries | - | 1,45,79,476 |
| From Current investments | | |
| others | 46,31,609 | 9,09,192 |
| (c) Net gain on sale of: | | |
| Current investments | 74,62,698 | - |
| Non-Current investments | 9,03,323 | - |
| (d) Net gain on foreign currency transactions and translation (Other than considered as finance cost) | 4,73,57,806 | 3,08,99,099 |
| (e) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below) | 1,89,89,234 | 1,09,78,336 |
| Total | 11,57,45,259 | 7,74,29,637 |

| Note | Particulars | For the year ended March 31, 2017 ₹ | For the year ended March 31, 2016 ₹ |
|------|--|---|---|
| (i) | Interest income comprises: | | |
| | Interest from banks on: | | |
| | deposits | 2,62,27,715 | 1,94,94,102 |
| | Other interest | 1,01,72,874 | 5,69,432 |
| | Total - Interest income | 3,64,00,589 | 2,00,63,534 |
| ii) | Liabilities / provisions no longer required written back | 1,78,45,473 | 80,50,836 |
| | Total - Other non-operating income | 1,78,45,473 | 80,50,836 |
| | Total | 5,42,46,062 | 2,81,14,370 |

Note 21A Purchase Of Traded Goods

| Particulars | For the year ended March 31, 2017 ₹ | For the year ended March 31, 2016 ₹ |
|-------------------|---|---|
| Sugar | 7,91,32,31,742 | 9,40,62,87,419 |
| Oil | 10,35,67,03,857 | 7,07,15,25,894 |
| Other Commodities | 1,50,97,83,201 | 51,86,78,248 |
| Total | 19,77,97,18,800 | 16,99,64,91,561 |



Notes forming part of the financial statements

Note 21B Changes in inventories of finished goods, work-in-progress and stock-in-trade

| Particulars | For the year ended March 31, 2017 ₹ | For the year ended March 31, 2016 ₹ |
|--|---|---|
| <u>Inventories at the end of the year:</u> | | |
| Stock-in-trade | 92,30,39,751 | 61,92,47,691 |
| | <u>92,30,39,751</u> | <u>61,92,47,691</u> |
| <u>Inventories at the beginning of the year:</u> | | |
| Stock-in-trade | 61,92,47,692 | 34,07,57,800 |
| | <u>61,92,47,692</u> | <u>34,07,57,800</u> |
| Net (increase) / decrease | <u>(30,37,92,059)</u> | <u>(27,84,89,891)</u> |

Note 22 Employee Benefits Expense

| Particulars | For the year ended March 31, 2017 ₹ | For the year ended March 31, 2016 ₹ |
|--|---|---|
| Salaries and wages | 3,45,46,554 | 2,92,88,089 |
| Directors Remuneration | 1,44,00,000 | 1,16,00,000 |
| Contributions to provident and other funds (Refer Note 26.1) | 5,78,295 | 4,51,726 |
| Contribution to Gratuity Fund (Refer Note 26.2) | 6,42,032 | 7,32,912 |
| Staff welfare expenses | 16,34,994 | 16,64,810 |
| Total | <u>5,18,01,875</u> | <u>4,37,37,537</u> |

Note 23 Finance Costs

| Particulars | For the year ended March 31, 2017 ₹ | For the year ended March 31, 2016 ₹ |
|--|---|---|
| (a) Interest expense on: | | |
| (i) Borrowings | 9,97,19,620 | 7,23,82,323 |
| (ii) Trade payables | - | 2,70,823 |
| (iii) Others | | |
| - Interest on delayed / deferred payment of income tax | 1,63,906 | 24,204 |
| - Interest on Service Tax /Others | 81,666 | 1,98,182 |
| (b) Other borrowing costs | 1,24,23,259 | 1,45,77,728 |
| Total | <u>11,23,88,451</u> | <u>8,74,53,260</u> |

Note 24 Other Expenses

| Particulars | For the year ended March 31, 2017 ₹ | For the year ended March 31, 2016 ₹ |
|-------------------------------------|---|---|
| Bank Charges | 30,96,368 | 72,11,013 |
| Power and fuel | 8,57,568 | 8,55,441 |
| Rent including lease rentals | 72,62,525 | 69,90,083 |
| Repairs and maintenance - Buildings | 5,38,795 | 5,10,160 |

Notes forming part of the financial statements

| Particulars | For the year ended March 31, 2017 ₹ | For the year ended March 31, 2016 ₹ |
|---|---|---|
| Repairs and maintenance - Machinery | 19,96,032 | 15,36,788 |
| Repairs and maintenance - Others | 89,037 | 7,38,144 |
| Insurance | 92,79,738 | 57,97,240 |
| Rates and taxes | 9,08,299 | 25,53,157 |
| Communication | 19,79,175 | 28,43,075 |
| Travelling and conveyance | 88,25,321 | 90,55,039 |
| Printing and stationery | 4,75,227 | 13,16,223 |
| Freight and forwarding | 15,30,38,617 | 47,92,28,339 |
| Claims Expenses | - | 7,81,34,916 |
| Sales commission | 1,26,67,534 | 1,34,97,897 |
| Business promotion | 15,56,454 | 13,77,430 |
| Legal and professional | 1,48,48,759 | 1,33,89,662 |
| Payments to auditors (Refer Note (i) below) | 8,49,176 | 5,72,500 |
| Prior Period Expense (Refer Note (ii) below) | 55,335 | 3,95,333 |
| Labour Charges | 2,10,342 | 3,50,513 |
| Loading and Unloading Charges | 55,64,043 | 22,97,724 |
| Terminal and Handling Charges | 68,94,580 | 3,18,89,551 |
| Transport Charges | 5,74,02,506 | 19,60,22,112 |
| Warehouse Charges | 4,63,99,006 | 3,16,91,749 |
| Demmurage Charges | - | 77,44,854 |
| Detention Charges | 27,05,854 | 55,39,772 |
| Brokerage on trading in Commodities & Securities Exchange | 80,14,474 | 65,06,469 |
| ECGC Premium | 40,81,553 | 35,56,807 |
| Lodging & Boarding | 23,65,830 | 27,27,045 |
| Ground Rent Charges | 5,50,153 | 2,49,644 |
| Directors Sitting Fees | 8,00,000 | 7,75,000 |
| Bad trade and other receivables, loans and advances written off | - | 1,07,34,127 |
| Miscellaneous Expenses | 1,33,24,556 | 75,99,696 |
| Loss on Commodities derivative Trading | 4,31,48,585 | 7,74,38,820 |
| Total | 40,97,85,442 | 1,01,11,26,323 |



Notes forming part of the financial statements

| Particulars | For the year ended March 31, 2017 ₹ | For the year ended March 31, 2016 ₹ |
|--|---|---|
| (i) Payments to the auditors comprises (net of service tax input credit, where applicable): | | |
| Audit Fess | 5,75,000 | 5,72,500 |
| Tax Audit Fess | 1,15,000 | 1,14,500 |
| Other Matters | 1,59,176 | 1,60,300 |
| | <u>8,49,176</u> | <u>8,47,300</u> |
| (ii) Prior Period Expenses | | |
| Professional fees | 16,047 | - |
| Office expense | 13,388 | - |
| Brokerage | - | 2,83,884 |
| Printing Stationery | 25,900 | 1,11,449 |
| | <u>55,335</u> | <u>3,95,333</u> |
| Total | <u>9,04,511</u> | <u>12,42,633</u> |

Note 25 Additional information to the financial statements

25.1 Contingent liabilities and commitments (to the extent not provided for)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|---|---|
| (i) Contingent liabilities | | |
| (a) Claims against the Company not acknowledged as debt with respect to | | |
| i) Short Delivery of Good to Buyer, | Quantity Short delivered 192.996MTN Value of Dispute 1,15,80,657/-and Interest @ 24% | Quantity Short delivered 192.996MTN Value of Dispute 1,15,80,657/-and Interest @ 24% |
| ii) Income Tax Demand for A.Y 2014-15 | 3,65,300 | 3,65,300 |
| iii) Disputed Income tax demands for AY 2009-10 | 2,13,014 | 2,13,014 |
| iv) Income Tax Demand in repsect of TDS for AY (2013-14,Prior years) | 2,060 | 5,30,550 |
| v) Income Tax Demand for A.Y 2012-2013 | 5,25,523 | - |
| v) West Bengal VAT Act,2003 for AY (2010-11) | 59,300 | - |
| (ii) Commitments | | |
| (a) Uncalled liability | | |
| i) Share Subscription Money payable for GKM General Trading LLC | - | AED 117,600 |
| ii) Share Subscription Money payable for Sakuma Exim DMCC | AED 55 | AED 55 |
| (b) Other commitments | | |
| i) Outstanding Currency Forward Contarcts (Sale) | USD 1,70,85,612 | USD (9,808,220) |
| ii) Outstanding Currency Forward Contarcts (Buy) | USD 50,55,000 | USD (50,960) |

Notes forming part of the financial statements

25.2 Details on derivatives instruments and unhedged foreign currency exposures

The following derivative positions are open as at March 31, 2017. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments. The accounting for these transactions is stated in Notes 2.8, 2.18 and 2.19.

- (a) Forward exchange contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date for receivables.
- (i) Outstanding forward exchange contracts entered into by the Company as on March 31, 2017

| Currency | Amount | Buy / Sell |
|----------|-----------------|------------|
| USD | USD 1,70,85,612 | Sell |
| | USD 50,55,000 | Buy |
| | USD(9808220) | Sell |
| USD | USD(50960) | Buy |

Note: Figures in brackets relates to the previous year

25.3 Foreign exchange earnings and outgo

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|------------------------------------|--------------------------------------|--------------------------------------|
| a. Foreign exchange earnings | 1,50,95,45,268 | 1,45,08,97,028 |
| b. CIF Value of imports | 5,67,78,20,015 | 1,80,42,46,356 |
| c. Expenditure in foreign currency | 2,33,09,164 | 10,51,63,052 |

25.4 The Balance of Sundry Debtors , Sundry Creditors , Loans and Advances have been taken as per books awaiting respective confirmation and Reconciliation.

25.5 The Company has not received any Memorandum (As required to be filled by the Supplier with the notified authority under the Micro Small and Medium Enterprises Development Act 2006) claiming their status as Micro Small and Medium Enterprises. Accordingly the amount paid/ payable together with the interest if any have not been given.

Note 26 Disclosures under Accounting Standards

Employee benefit plans

26.1 Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹4,83,135/- (Year ended 31 March, 2016 ₹ 4,51,726) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.



Notes forming part of the financial statements

26.2 Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

i. Gratuity

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

| Particulars | For the year ended March 31, 2017 Gratuity ₹ | For the year ended March 31, 2016 Gratuity ₹ |
|---|---|---|
| Components of employer expense | | |
| Current service cost | 7,45,869 | 7,52,075 |
| Interest cost | 1,73,953 | 1,74,926 |
| Expected return on plan assets | - | (1,30,689) |
| Actuarial losses/(gains) | (2,77,790) | (63,400) |
| Total expense recognised in the Statement of Profit and Loss | 6,42,032 | 7,32,912 |
| Net asset / (liability) recognised in the Balance Sheet | | |
| Present value of defined benefit obligation | 31,14,335 | 24,16,009 |
| Fair value of plan assets | 17,39,391 | 15,48,244 |
| Funded status [Surplus / (Deficit)] | (13,74,944) | (8,67,765) |
| Unrecognised past service costs | - | - |
| Net asset / (liability) recognised in the Balance Sheet | (13,74,944) | (8,67,765) |

26.3 Change in defined benefit obligations (DBO) during the year

| Particulars | For the year ended March 31, 2017 Gratuity ₹ | For the year ended March 31, 2016 Gratuity ₹ |
|---|---|---|
| Present value of DBO at beginning of the year | 24,16,009 | 22,42,641 |
| Current service cost | 7,45,869 | 7,52,075 |
| Interest cost | 1,73,953 | 1,74,926 |
| Actuarial (gains) / losses | (2,21,496) | (1,64,583) |
| Benefits paid | - | (5,89,050) |
| Present value of DBO at the end of the year | 31,14,335 | 24,16,009 |
| Change in fair value of assets during the year | | |
| Plan assets at beginning of the year | 15,48,244 | 15,56,288 |
| Expected return on plan assets | - | 1,30,689 |
| Actual company contributions | - | 5,51,500 |
| Actuarial gain / (loss) | 1,91,147 | (1,01,183) |
| Benefits paid | - | (5,89,050) |
| Plan assets at the end of the year | 17,39,391 | 15,48,244 |
| Actuarial assumptions | | |
| Discount rate | 7.20% | 7.80% |
| Expected return on plan assets | 8.50% | 8.50% |
| Salary escalation | 7.00% | 7.00% |

Notes forming part of the financial statements

Attrition

**10% at younger age
and 1% at older age.**

10% at younger age
and 1% at older age.

Mortality tables

**Indian Assured
Lives Mortality
(2006-08)Ult**

Indian Assured Lives
Mortality (2006-08)
Ult

Note 27 Segment Reporting

As permitted by paragraph 4 of Accounting Standard-17 (AS - 17), 'Segment Reporting', if a single financial report contains both consolidated financial statements and the separate financial statements of the parent, segment information need be presented only on the basis of the consolidated financial statements. Thus, disclosures required by AS 17 are given in consolidated financial statements.

Note 28 Disclosures under Accounting Standards

| | | |
|------|--|--|
| 28.1 | Details of related parties: | |
| | Description of relationship | Names of related parties |
| | Subsidiaries | Sakuma Exim DMCC (UAE) GKM General Trading LLC (UAE) Sakuma Exports Pte Ltd (Singapore) Sakuma Exports (Ghana) Ltd (Subsidiary of Sakuma Exports Pte Ltd) Sakuma Exports (Tanzania) Pvt Ltd (Subsidiary of Sakuma Exports Pte Ltd) |
| | Key Management Personnel (KMP) | Mr. Chander Mohan Mr. Saurabh Malhotra |
| | Relatives of KMP | Mrs. Shipra Medirrata Mrs. Kusum Malhotra |
| | Company in which KMP / Relatives of KMP can exercise significant influence | Sakuma Finvest Pvt Ltd GMK System and Logistics Pvt Ltd Sakuma Infrastructure and Realty Pvt Ltd C.K.K Exports Pvt Ltd |

**Notes forming part of the financial statements**

28.2 Details of related party transactions during the year ended March 31, 2017 and balances outstanding as at March 31, 2017

| Particulars | Subsidiaries | KMP | Relatives of KMP | Entities in which KMP / relatives of KMP have significant influence | Total |
|--|----------------|---------------|------------------|---|----------------|
| | ₹ | ₹ | ₹ | ₹ | ₹ |
| Sale of goods | - | - | - | - | - |
| | (14,42,96,661) | - | - | - | (14,42,96,661) |
| Purchase of Goods | 37,80,94,128 | - | - | - | 37,80,94,128 |
| | (5,95,81,895) | - | - | - | (5,95,81,895) |
| Dividend Received | - | - | - | - | - |
| | (1,45,79,476) | - | - | - | (1,45,79,476) |
| Directors Sitting Fees | - | - | 2,00,000 | - | 2,00,000 |
| | - | - | (1,68,000) | - | (1,68,000) |
| Rent Paid | - | - | 12,30,315 | 60,06,819 | 72,37,134 |
| | - | - | (11,86,021) | (57,90,579) | (69,76,600) |
| Management contracts including for deputation of employees | - | 1,38,00,000 | - | - | 1,38,00,000 |
| | - | - | - | - | (1,16,00,000) |
| | | (1,16,00,000) | | | |
| Sakuma Infra & Realty Pvt Ltd Loan Taken | - | - | - | 11,00,000 | 11,00,000 |
| | - | - | - | - | - |
| Sakuma Infra & Realty Pvt Ltd Loan Repaid | - | - | - | 11,00,000 | 11,00,000 |
| | - | - | - | - | - |
| Interest - Sakuma Infra & Realty Pvt Ltd | - | - | - | 32,548 | 32,548 |
| Repatriation of Capital from Subsidiary | 13,34,200 | - | - | - | 13,34,200 |
| | - | - | - | - | - |
| Balance as at 31st March 2017 | | | | | |
| Trade Payable | 29,46,65,992 | - | - | - | 29,46,65,992 |
| | - | - | - | - | - |
| Long Term Loan and Advances | - | - | 15,30,000 | 74,70,000 | 90,00,000 |
| | - | - | (15,30,000) | (74,70,000) | (90,00,000) |
| Other Current Liabilities | - | - | - | - | - |
| | (26,76,955) | - | - | - | (26,76,955) |
| Provision (Directors Remuneration Payable) | - | 6,00,000 | - | - | 6,00,000 |
| | - | (12,00,000) | - | - | (12,00,000) |

Note 29 Disclosures under Accounting Standards

The Company has taken premises under non-cancellable operating lease agreements. The renewal is at the option of lessee. The lease rental expense under non-cancellable operating leases during the period was Rs 63 lacs (Rs. 61.50 lacs) and maximum obligations on long-term non-cancellable operating lease payable as per the rentals stated in respective agreement are as follows:

| Obligation on non-cancellable operating leases | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|---|------------------------------|------------------------------|
| Not later than one year | 63,00,000 | 61,50,000 |
| Later than one year and not later than five years | 2,25,75,000 | 2,88,75,000 |
| Later than five years | Nil | Nil |

Note 30 Disclosures under Accounting Standards

| Note | Particulars | For the year ended March 31, 2017 ₹ | For the year ended March 31, 2016 ₹ |
|------|--|---|---|
| 30 | Earning Per Share Basic & Diluted | | |
| | Net profit / (loss) for the year | 14,59,50,294 | 13,07,06,025 |
| | Less: Dividend and tax thereon | - | - |
| | Net profit / (loss) for the year attributable to the equity shareholders | 14,59,50,294 | 13,07,06,025 |
| | Weighted average number of equity shares | 1,64,25,943 | 1,64,25,943 |
| | Par value per share | 10 | 10 |
| | Earnings per share | 8.89 | 7.96 |

Note 31 Disclosures under Accounting Standards

In Compliance with the Accounting Standard 22 “Accounting for Taxes on Income” issued by ICAI which has become mandatory. The Company has reversed Defferd Tax Liability (Net) amounting to ₹ 8,28,064/- for the Current year (Previous year reversal of Deferred Tax Liability (Net) amounting to ₹ 10,14,335/-) and the same has been transferred to Statement of Profit and Loss.

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|--|------------------------------|------------------------------|
| Deferred tax (Liability)/Assets are the Tax Effect of the following Item <u>Tax effect of items constituting reversal of deferred tax liability</u> | | |
| On Account of Depreciation | 8,28,064 | 10,14,335 |
| Net Impact of deferred tax (liability) / asset | 8,28,064 | 10,14,335 |
| Deferred tax (Liability)/Assets <u>Tax effect of items constituting deferred tax liability</u> | | |
| On difference between book balance and tax balance of fixed assets | (38,83,334) | (47,11,398) |
| Net deferred tax (liability) / asset | (38,83,334) | (47,11,398) |

Note 32 Previous year's figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification or disclosure



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SAKUMA EXPORTS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SAKUMA EXPORTS LIMITED** ("the Holding Company") and its subsidiaries (collectively referred to as "the Company" or "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statement 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making, those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraph of the other matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31st March, 2017, and their consolidated **Profit** and their consolidated cash flows for the year ended on that date.

Other Matters

- i. The Consolidated Financial Statements includes 4 financial statements of foreign subsidiaries (including 1 step down subsidiary), whose total assets of Rs.4,03,54,34,280/- as at 31st March 2017 and total revenues of Rs. 18,98,82,47,320 /- for the year then ended. These financial statements and other financial information have been AUDITED by the other auditors whose reports have been furnished to us by the Management and our opinion is based solely on the report of other auditors.
- ii. The Consolidated Financial Statements includes 1 financial statements of foreign step down subsidiary, whose total assets of Rs. Nil/- as at 31st March 2017, and total revenue of Rs. Nil/- for the year then ended. These financial statements and other financial information are based on the Management's estimates and are therefore UNAUDITED and our opinion is based solely on the Management's estimates.

Our opinion on the consolidated financial statements, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report that:

- (a) We 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 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.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement 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 financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the Written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31st March, 2017 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 Group 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 in our opinion and to the best of our information and according to the explanations given to us:
 - a. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 25.1 to the consolidated financial statements.
 - b. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
 - d. The Holding Company has provided requisite disclosures in its consolidated financial Statements as to holding as well as dealing in specified Bank Notes during the period from 08th November, 2016 to 30th December, 2016 and the same is in accordance with the Books of accounts maintained by the holding company (Refer note no. 16 of the Consolidated Financial Statements).

For M. L. SHARMA & CO.
FIRM REG. NO. 109963W
CHARTERED ACCOUNTANTS

Place of Signature: Mumbai
Date: 29th May, 2017

(S. M. BANDI) PARTNER
Membership No.109101



ANNEXURE – A TO THE INDEPENDENT AUDITORS REPORT

The Annexure – A referred to in our Report of even date to the Members of SAKUMA EXPORTS LIMITED for the year ended 31st March, 2017. 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 financial statement of the Company as of and for the year ended March 31, 2017, We have audited the internal financial controls over financial reporting of Sakuma Exports Limited (“the Holding Company”) as of March 31, 2017.

Management’s Responsibility for Internal Financial Controls

The 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 holding 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 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 has, 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 March 31, 2017, 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

Place of Signature: Mumbai
Date: 29th May, 2017

(S. M. BANDI) PARTNER
Membership No.109101

Consolidated Balance Sheet as at 31st March, 2017

| | | (in ₹) | | |
|----------|--|---------|-----------------------|-----------------------|
| | Particulars | Note No | As at March 31, 2017 | As at March 31, 2016 |
| A | EQUITY AND LIABILITIES | | | |
| 1 | Shareholder's funds | | | |
| | (a) Share capital | 3 | 16,42,59,430 | 16,42,59,430 |
| | (b) Reserves & Surplus | 4 | 1,48,63,51,419 | 1,09,29,40,236 |
| | | | <u>1,65,06,10,849</u> | <u>1,25,71,99,666</u> |
| | Minority Interest | | - | 1,36,59,915 |
| 2 | Non-current liabilities | | | |
| | (a) Deferred tax liabilities (net) | 31 | 38,83,334 | 47,11,398 |
| | (b) Other long-term liabilities | 5 | 1,20,26,139 | 9,20,65,030 |
| | | | <u>1,59,09,473</u> | <u>9,67,76,428</u> |
| 3 | Current liabilities | | | |
| | (a) Short-term borrowings | 6 | 1,30,86,32,071 | 1,35,98,55,828 |
| | (b) Trade payables | 7 | 5,69,64,01,623 | 4,12,76,72,555 |
| | (c) Other current liabilities | 8 | 61,01,37,230 | 78,10,62,241 |
| | (d) Short-term provisions | 9 | 8,23,80,185 | 4,07,49,586 |
| | | | <u>7,69,75,51,109</u> | <u>6,30,93,40,210</u> |
| | TOTAL | | <u>9,36,40,71,431</u> | <u>7,67,69,76,219</u> |
| B | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Fixed assets | | | |
| | (i) Tangible assets | 10.A | 2,57,58,956 | 3,06,34,805 |
| | (ii) Intangible assets | 10.A | 5,47,260 | 2,39,809 |
| | (b) Non-current investments | 11 | 2,60,000 | 2,76,100 |
| | (c) Long-term loans and advances | 12 | 93,10,592 | 2,55,29,867 |
| | (d) Other non-current assets | 13 | 1,45,03,895 | 13,99,195 |
| | | | <u>5,03,80,703</u> | <u>5,80,79,776</u> |
| 2 | Current assets | | | |
| | (a) Inventories | 14 | 92,30,39,751 | 61,92,47,692 |
| | (b) Trade receivables | 15 | 7,76,56,59,747 | 5,73,19,95,856 |
| | (c) Cash and cash equivalents | 16 | 30,93,10,551 | 41,69,80,251 |
| | (d) Short-term loans and advances | 17 | 26,23,94,332 | 83,09,09,147 |
| | (e) Other current assets | 18 | 5,32,86,347 | 1,97,63,497 |
| | | | <u>9,31,36,90,728</u> | <u>7,61,88,96,443</u> |
| | TOTAL | | <u>9,36,40,71,431</u> | <u>7,67,69,76,219</u> |
| | Corporate Information & Significant Accounting Policies | 1 & 2 | | |

The accompanying notes form an integral part of the Consolidated financial statements.

In terms of our report attached.

For M. L. SHARMA & CO.

Chartered Accountants

FRN: 109963W

For and on behalf of the Board of Directors

S M BANDI

Partner

M.No. 109101

Mr. Saurabh Malhotra

Managing Director

Mr. Radhe Shyam

Director

Place : Mumbai

Date : 29th May'2017

Place : Mumbai

Date : 29th May'2017



Consolidated Statement of Profit and Loss for the year ended March 31, 2017

(in ₹)

| Particulars | Note No | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|---------|-----------------------------------|-----------------------------------|
| 1 Revenue from operations (gross) | 19 | 39,15,08,04,772 | 31,32,83,29,823 |
| Less: Excise duty | | 69,95,709 | - |
| Revenue from operations (net) | | 39,14,38,09,063 | 31,32,83,29,823 |
| 2 Other income | 20 | 12,20,10,961 | 6,28,93,470 |
| 3 Total revenue (1+2) | | 39,26,58,20,024 | 31,39,12,23,293 |
| 4 Expenses | | | |
| (a) Purchases of stock-in-trade | 21.A | 37,92,59,09,775 | 29,58,19,77,226 |
| (b) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 21.B | (30,37,92,059) | (26,92,70,192) |
| (c) Employee benefits expense | 22 | 8,56,65,710 | 6,97,93,676 |
| (d) Finance costs | 23 | 15,53,99,240 | 8,74,53,260 |
| (e) Depreciation and amortisation expenses | 10.B | 59,50,789 | 70,98,859 |
| (f) Other expenses | 24 | 94,29,19,422 | 1,54,53,24,994 |
| Total expenses | | 38,81,20,52,877 | 31,02,23,77,823 |
| 5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4) | | 45,37,67,147 | 36,88,45,470 |
| 6 Exceptional items | | - | - |
| 7 Profit / (Loss) before extraordinary items and tax (5 ± 6) | | 45,37,67,147 | 36,88,45,470 |
| 8 Extraordinary items | | - | - |
| 9 Profit / (Loss) before tax (7 ± 8) | | 45,37,67,147 | 36,88,45,470 |
| 10 Tax expense: | | | |
| (a) Current tax expense for current year | | 8,21,01,755 | 5,21,74,185 |
| (b) Current tax expense relating to prior years | | 15,97,176 | (2,61,630) |
| (c) Net current tax expense | | 8,36,98,931 | 5,19,12,555 |
| (d) Deferred tax | | (8,28,064) | (10,14,335) |
| | | 8,28,70,867 | 5,08,98,220 |
| 11 Profit / (Loss) from continuing operations (9 ± 10) | | 37,08,96,280 | 31,79,47,250 |
| Less: Share of Profit of Minority Interest | | - | (46,11,583) |
| Profit / (Loss) from continuing operations | | 37,08,96,280 | 32,25,58,833 |
| 12.i Earnings per share (of ₹ 10/- each): | 30 | | |
| (a) Basic | | | |
| (i) Continuing operations | | 22.58 | 19.64 |
| (ii) Total operations | | 22.58 | 19.64 |
| (b) Diluted | | | |
| (i) Continuing operations | | 22.58 | 19.64 |
| (ii) Total operations | | 22.58 | 19.64 |
| 12.ii Earnings per share (excluding extraordinary items) (of ₹ 10/- each): | | | |
| (a) Basic | | | |
| (i) Continuing operations | | 22.58 | 19.64 |
| (ii) Total operations | | 22.58 | 19.64 |
| (b) Diluted | | | |
| (i) Continuing operations | | 22.58 | 19.64 |
| (ii) Total operations | | 22.58 | 19.64 |
| Corporate Information & Significant Accounting Policies | 1 & 2 | | |

The accompanying notes form an integral part of the Consolidated financial statements.

In terms of our report attached.

For M. L. SHARMA & CO.

For and on behalf of the Board of Directors

Chartered Accountants

FRN: 109963W

S M BANDI
Partner
M.No. 109101

Mr. Saurabh Malhotra
Managing Director

Mr. Radhe Shyam
Director

Place : Mumbai
Date : 29th May'2017

Place : Mumbai
Date : 29th May'2017

Consolidated Cash Flow Statement for the year ended March 31, 2017

(in ₹)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|--------------------------------------|--------------------------------------|
| A. Cash flow from operating activities | | |
| Net Profit / (Loss) before extraordinary items and tax | 45,37,67,147 | 36,88,45,470 |
| Adjustments for: | | |
| Depreciation and amortisation | 59,50,789 | 70,98,859 |
| (Profit) / loss on sale / write off of assets | 59,869 | (8,23,301) |
| Finance costs | 15,53,99,240 | 8,74,53,260 |
| Interest income | (3,64,00,589) | (2,00,63,534) |
| Dividend income | (46,31,609) | (9,09,192) |
| Net (gain) / loss on sale of investments | (83,66,021) | 4,001 |
| Net unrealised exchange (gain) / loss | (3,58,95,928) | 92,74,340 |
| Operating profit / (loss) before working capital changes | 52,98,82,898 | 45,08,79,903 |
| Changes in working capital: | | |
| Adjustments for (increase) / decrease in operating assets: | | |
| Inventories | (30,37,92,060) | (26,90,83,482) |
| Trade receivables | (2,03,36,63,891) | (1,58,58,08,098) |
| Short-term loans and advances | 56,85,14,814 | (47,44,79,241) |
| Long-term loans and advances | 1,62,19,275 | (1,19,30,851) |
| Other current assets | (2,19,59,447) | (64,76,639) |
| Other non-current assets | (1,31,04,700) | 82,23,119 |
| Adjustments for increase / (decrease) in operating liabilities: | | |
| Trade payables | 1,56,87,29,068 | 1,19,78,44,037 |
| Other current liabilities | (17,09,25,011) | 72,71,26,594 |
| Other long-term liabilities | (8,00,38,891) | 9,20,65,030 |
| Short-term provisions | 6,12,07,721 | (1,81,59,489) |
| | 12,10,69,776 | 11,02,00,883 |
| Net income tax (paid) / refunds | (6,24,37,830) | (6,61,52,621) |
| Net cash flow from / (used in) operating activities (A) | 5,86,31,946 | 4,40,48,262 |
| B. Cash flow from investing activities | | |
| Capital expenditure on fixed assets, including capital advances | (14,26,160) | (60,35,767) |
| Proceeds from sale of fixed assets | - | 8,47,777 |
| Current investments not considered as Cash and cash equivalents | | |
| - Purchased | (4,85,45,43,228) | (78,52,99,889) |
| - Proceeds from sale | 4,86,75,40,858 | 78,59,45,078 |
| Purchase of long-term investments | | |
| - Subsidiaries | - | - |
| Interest received | 3,64,00,589 | 2,00,63,534 |
| Net cash flow from / (used in) investing activities (B) | 4,79,72,059 | 1,55,20,733 |
| C. Cash flow from financing activities | | |



Consolidated Cash Flow Statement for the year ended March 31, 2017

(in ₹)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|--------------------------------------|--------------------------------------|
| Net increase / (decrease) in working capital borrowings | (12,07,60,045) | 4,52,44,388 |
| Proceeds from other short-term borrowings | 7,06,68,836 | 3,73,93,341 |
| Repayment of other short-term borrowings | (11,32,548) | (72,93,341) |
| Finance cost | (15,53,99,240) | (8,74,53,260) |
| Dividends paid | - | (1,31,21,968) |
| Net cash flow from / (used in) financing activities (C) | (20,66,22,997) | (2,52,30,840) |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | (10,00,18,992) | 3,43,38,155 |
| Cash and cash equivalents at the beginning of the year | 40,93,29,543 | 37,49,91,388 |
| Cash and cash equivalents at the end of the year | 30,93,10,551 | 40,93,29,543 |
| Reconciliation of Cash and cash equivalents with the Balance Sheet: | | |
| Cash and cash equivalents at the end of the year * | 30,93,10,551 | 40,93,29,543 |
| * Comprises: | | |
| (a) Cash on hand | 17,26,939 | 24,30,209 |
| (b) Balance with Banks | | |
| (i) In current accounts | 4,23,78,233 | 10,34,49,721 |
| (ii) In current accounts bank overdraft | - | (76,50,708) |
| (iii) In EEFC accounts | 304 | 1,837 |
| (iv) In deposit accounts with original maturity of less than 3 months | 26,39,07,182 | 30,47,94,515 |
| (v) In earmarked accounts (give details) (Refer Note (ii) below) | 12,97,893 | 63,03,969 |
| | 30,93,10,551 | 40,93,29,543 |

Notes:

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

Corporate Information & Significant Accounting Policies

The accompanying notes form an integral part of the Consolidated financial statements.

In terms of our report attached.

For M. L. SHARMA & CO.

For and on behalf of the Board of Directors

Chartered Accountants

FRN: 109963W

S M BANDI

Partner

M.No. 109101

Mr. Saurabh Malhotra

Managing Director

Mr. Radhe Shyam

Director

Place : Mumbai

Date : 29th May'2017

Place : Mumbai

Date : 29th May'2017

Corporate Information and Significant Accounting Policies

Forming Part of consolidated Financial Statements

1. **CORPORATE INFORMATION: -**

Sakuma Exports Limited (Government of India recognised Star Trading House) is a public limited company domiciled in India and incorporated under the provisions of Companies Act 1956. Its shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The company is engaged in trading of commodities like Sugar, Rice, Maize, Sesame Seeds, Ground Nuts, Pulses, Raw Cotton etc. and Import of commodities like Sugar, Coal, Pulses and Oil. The company caters to both domestic and international markets.

2. **PRINCIPLES OF CONSOLIDATION**

i. The financial statements are prepared under historical cost convention on an accrual basis of accounting to comply in all material respects with mandatory accounting standards as notified under section 133 of the Companies Act, 2013 (the Act) read with rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 as applicable to the company. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

ii. **CONSOLIDATED FINANCIAL STATEMENTS** relates to Sakuma Exports Limited, the Company, and its Subsidiaries. The Consolidated Financial Statements are in conformity with the AS -21 issued by ICAI and are prepared on the following basis:

- a) The financial statements of the Company and its Subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating inter-company balances and transactions including Unrealized Profits/Losses in year-end Assets, such as inventories, Fixed Assets etc.
- b) The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statement except otherwise stated elsewhere in this Note.
- c) The excess of cost to the Company of its investments in the subsidiaries over its portion of equity of subsidiaries at the dates they become subsidiaries is recognized in the financial statement as Goodwill.
- d) The excess of Company's portion of equity of the subsidiaries over cost to the Company of its investments at the dates they become subsidiaries is recognized in the financial statement as Capital reserve.
- e) Minority Interests in the consolidated financial statements is identified and recognized after taking in to consideration:
 - The amount of equity attributable to minorities at the date on which investments in a subsidiary is made
 - The Profit or losses attributable to the minorities are adjusted against the minority interest in the equity of the subsidiary
- f) In case of foreign Subsidiaries, being non-integral foreign operations, revenue items are translated at the average rates prevailing during the period. Assets, Liabilities and Equity are translated at the closing rate. Any exchange difference arising on translation is recognized in the "Foreign Currency Translation Reserve".
- g) In Consolidated financial statements, the closing stock goods sold by holding company to its subsidiary companies (as certified by the management) which have been valued at cost by eliminating stock reserve considering gross profit margin of the holding company in respective year.

iii. **ACCOUNTING POLICIES**

Most of the accounting policies of the reporting Company and that of its Subsidiaries are similar and are in line with generally accepted accounting principles in India. Accounting Policies and Notes on Accounts of the financial statements of the company and all the subsidiaries are set out in their respective financial statement.

iv. **FOREIGN SUBSIDIARIES**

In accordance with the requirement of Accounting Standard – 11 (Revised) – "The effects of changes in foreign exchange rates" operations of foreign subsidiaries have been considered as Non- Integral operations and accordingly their financial statements have been converted in Indian Rupees at following exchange rates:



Revenue and Expenses: At the average exchange rate during the period.

(Average rates are taken on the monthly basis of daily exchange rates during the month)

Current Assets and Liabilities: At Exchange rates prevailing at the end of the period.

Fixed Assets: At Exchange rates prevailing at the end of the period instead of exchange rates at the date of transaction.

The resultant translation exchange difference has been transferred to Foreign Currency Translation Reserve Account.

The Consolidated Financial Statements comprises the Financial Statements of Sakuma Exports Limited and its subsidiaries.

| Name of the Company | Year Ended | Status | Extent of Company's Interest | | Country of Incorporation |
|---------------------------------|----------------------|-------------------|------------------------------|---------|--------------------------|
| | | | 2016-17 | 2015-16 | |
| GKM General Trading LLC* | 31 st Mar | Direct Subsidiary | - | 49% | U.A.E |
| Sakuma Exim DMCC | 31 st Mar | Direct Subsidiary | 100% | 100% | U.A.E |
| Sakuma Exports Pte Ltd | 31 st Mar | Direct Subsidiary | 100% | 100% | Singapore |
| Sakuma Exports (Ghana) Ltd | 31 st Mar | Step Subsidiary | 100% | 100% | Ghana |
| Sakuma Exports Tanzania Pvt Ltd | 31 st Mar | Step Subsidiary | 100% | 100% | Tanzania |

*Note –The company has wound up the subsidiary company, GKM General Trading LLC, Dubai and has applied before the Appropriate Authority for the same.

As per our report of even date

For **M. L. SHARMA & CO**

Firm Reg. No.109963W.

Chartered Accountants

SM BANDI

Partner

M. No. 109101

Place: Mumbai

Date: May 29, 2017

For and on Behalf of the Board of Directors

Mr.SaurabhMalhotra

(Managing Director)

Mr.RadheShyam

(Director)

Notes forming part of the Consolidated financial statements

Note 3 Share Capital

| Particulars | As at March 31, 2017 | | As at March 31, 2016 | |
|--|----------------------|---------------------|----------------------|---------------------|
| | Number of shares | ₹ | Number of shares | ₹ |
| (a) Authorised | | | | |
| Equity shares of ₹10/- each with voting rights | 3,00,00,000 | 30,00,00,000 | 3,00,00,000 | 30,00,00,000 |
| (b) Issued | | | | |
| Equity shares of ₹10/- each with voting rights | 1,64,25,943 | 16,42,59,430 | 1,64,25,943 | 16,42,59,430 |
| c) Issued, Subscribed and fully paid up | | | | |
| Equity shares of ₹10/- each with voting rights | 1,64,25,943 | 16,42,59,430 | 1,64,25,943 | 16,42,59,430 |
| Total issued, Subscribed and fully paid -up share capital | 1,64,25,943 | 16,42,59,430 | 1,64,25,943 | 16,42,59,430 |

Note 3 A Share Capital

Notes:

- (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

| Particulars | Opening Balance | Fresh issue | Bonus | ESOP | Conversion | Buy back | Other changes (give details) | Closing Balance |
|----------------------------------|-----------------|-------------|-------|------|------------|----------|------------------------------|-----------------|
| Equity shares with voting rights | | | | | | | | |
| Year ended March 31, 2017 | | | | | | | | |
| - Number of shares | 1,64,25,943 | - | - | - | - | - | - | 1,64,25,943 |
| - Amount (₹10 each) | 16,42,59,430 | - | - | - | - | - | - | 16,42,59,430 |
| Year ended March 31, 2016 | | | | | | | | |
| - Number of shares | 1,64,25,943 | - | - | - | - | - | - | 1,64,25,943 |
| - Amount (₹10 each) | 16,42,59,430 | - | - | - | - | - | - | 16,42,59,430 |

Terms/Rights attached to Equity Shares

The Company has one class of equity shares having par value of ₹10 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.

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.



Notes forming part of the Consolidated financial statements

Note 3 B Share Capital

(i) Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of shareholder | As at March 31, 2017 | | As at March 31, 2016 | |
|--|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights | | | | |
| Mrs. Kusum Chander Mohan Malhotra | 31,10,000 | 18.93% | 31,10,000 | 18.93% |
| Mr. Saurabh Malhotra | 32,28,341 | 19.65% | 32,28,341 | 19.65% |
| Mr. Chander Mohan Malhotra | 15,33,119 | 9.33% | 15,33,119 | 9.33% |
| M/s Sakuma Infrastructure and Realty Pvt Ltd | 26,67,245 | 16.24% | 26,67,245 | 16.24% |

Note:- 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

Note 4 Consolidated Reserves And Surplus

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|--|------------------------------|------------------------------|
| (a) Capital redemption reserve | | |
| Opening balance | 10,00,09,200 | 10,00,09,200 |
| Closing balance | 10,00,09,200 | 10,00,09,200 |
| (b) Securities premium account | | |
| Opening balance | 26,74,18,430 | 26,74,18,430 |
| Closing balance | 26,74,18,430 | 26,74,18,430 |
| (c) Statutory Reserve | | |
| Opening balance | 18,50,892 | 18,50,892 |
| Transferred to Statement of Profit and Loss | (18,50,892) | - |
| Closing balance | - | 18,50,892 |
| (d) Foreign currency translation reserve | | |
| Opening balance | (5,00,35,981) | (3,93,92,954) |
| Add / (Less): Effect of foreign exchange rate variations during the year | 9,65,627 | (92,74,340) |
| Transferred from surplus in Statement of Profit and Loss | 2,59,60,956 | - |
| Add / (Less): Transfer to Minority Interest | (49,62,044) | (13,68,687) |
| Closing balance | (2,80,71,442) | (5,00,35,981) |
| (e) Hedging reserve | | |
| Opening balance | 78,59,587 | 53,94,554 |
| Add / (Less): Net Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year | 1,02,02,978 | 24,65,033 |
| Closing balance | 1,80,62,565 | 78,59,587 |

Notes forming part of the Consolidated financial statements

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|---|------------------------------|------------------------------|
| (f) Surplus / (Deficit) in Statement of Profit and Loss | | |
| Opening balance | 76,58,38,108 | 46,95,23,898 |
| Add: Profit / (Loss) for the year | 37,08,96,280 | 32,25,58,833 |
| Add: Transfer from Statutory Reserve | 1,81,59,234 | - |
| Less: Transfer to Foreign Currency Translation Reserve | (2,59,60,956) | - |
| Less: Adjustment related to Minority Interest | - | (94,42,430) |
| Less: Dividends proposed to be distributed to equity shareholders (₹ 1 per share) | - | (1,64,25,943) |
| Less: Tax on dividend (Refer note below) | - | (3,76,250) |
| Closing balance | 1,12,89,32,666 | 76,58,38,108 |
| Total Reserves and Surplus (a to f) | 1,48,63,51,419 | 1,09,29,40,236 |

Note 5 Consolidated Other Long-Term Liabilities

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|------------------------------|------------------------------|------------------------------|
| (a) Trade Payables: | | |
| (i) Acceptances | - | 9,20,65,030 |
| (ii) Advances from customers | 1,20,26,139 | - |
| Total | 1,20,26,139 | 9,20,65,030 |

Note 6 Consolidated Short-Term Borrowings

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|-------------------------------|------------------------------|------------------------------|
| (a) Loans repayable on demand | | |
| From banks | | |
| Secured | 1,19,43,95,783 | 1,31,51,55,828 |
| | 1,19,43,95,783 | 1,31,51,55,828 |
| From other parties | | |
| Unsecured | 11,42,36,288 | 4,47,00,000 |
| | 11,42,36,288 | 4,47,00,000 |
| Total | 1,30,86,32,071 | 1,35,98,55,828 |

**Notes forming part of the Consolidated financial statements****Notes:**

(i) Details of secured short-term borrowings:

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|---|------------------------------|------------------------------|
| <u>Loans repayable on demand</u> | | |
| <u>from banks:</u> | | |
| Cash Credit Facilities | 75,10,62,248 | - |
| Packing Credit Rupees Loan | 18,72,21,065 | 1,31,51,55,828 |
| Packing Credit Foreign Currency | 25,61,12,470 | - |
| Total - from banks | 1,19,43,95,783 | 1,31,51,55,828 |

Notes:-

- Cash Credit and Packing Credit from Corporation Bank are secured against Hypothecation of Inventory, Book debts, Current assets, Fixed assets other than vehicles and Leasehold land, Lien on Term Deposits and pledge of shares of promoters of the company. Cash Credit is repayable on demand and carries interest at Maximum cost of lending rate (MCLR) of the bank + 4.65 %. Packing credit Loan is repayable within 90 days and carries interest rate @ 10.15% p.a. up to the period of Credit and carries interest rate prevailing on the date of withdrawals.
- Cash Credit and Packing Credit from Axis Bank are secured against charge on the entire current assets, Hypothecation of Fixed assets other than vehicles and Leasehold land, Lien on Term Deposits, personal guarantees of Directors and pledge of shares of promoters of the company. Cash Credit is repayable on demand and carries interest as Axis Bank Base Rate + 3% p.a. Packing credit Loan is repayable within period up to 120 days and carries interest rate prevailing on the date of withdrawals.
- Cash Credit and Packing Credit from Indian Overseas Bank are secured against Hypothecation of Inventory, Book debts, Lien on Term Deposits, personal guarantees of Directors and pledge of shares of promoters of the company. Packing credit Loan is repayable within period up to 120 days and carries interest rate as per the circular in force on the date of withdrawals.
- Cash Credit and Packing Credit from Union Bank of India are secured against Hypothecation of Inventory, Book debts, Fixed assets other than vehicles and Leasehold land, Lien on Term Deposits, personal guarantees of Directors and pledge of shares of promoters of the company. Packing credit Loan is repayable depending upon the contract and carries interest rate prevailing on the date of withdrawals.
- Short Term Borrowing of ₹10 Crore from RBL Bank Limited are secured paripassu with existing bankers against Current Assets , Stocks, Book Debts and Hypothecation of Fixed assets of the company excluding Vehicles and Windmill landed property Lien on Term Deposits and personal guarantees of Directors . During the year company has availed packing credit rupee loan against enhanced limit at rate of interest as prevailing on date of withdrawals.
- Unsecured Short Term Borrowings of the company are repayable on demand and carrying interest rate @ 10% p.a.

Note 7 Consolidated Trade Payables

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|------------------|------------------------------|------------------------------|
| Trade payables: | | |
| (a) For Goods | 5,63,73,41,066 | 4,04,50,69,506 |
| (b) For Expenses | 5,90,60,557 | 8,26,03,049 |
| Total | 5,69,64,01,623 | 4,12,76,72,555 |

Notes forming part of the Consolidated financial statements

Note 8 Consolidated Other Current Liabilities

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|--|------------------------------|------------------------------|
| (a) Unpaid dividends | 8,77,251 | 1,41,41,212 |
| (b) Other payables | | |
| (i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.) | 37,57,976 | 75,26,745 |
| (ii) Advances from customers | 52,90,70,238 | 66,65,51,575 |
| (iii) Others | | |
| Unpaid Redemption Preference Shares Proceeds | 4,22,506 | 4,22,506 |
| Claims Payable | 7,60,09,259 | 8,47,69,495 |
| Bank Overdraft | - | 76,50,708 |
| Total | 61,01,37,230 | 78,10,62,241 |

Note 9 Consolidated Short-Term Provisions

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|--|------------------------------|------------------------------|
| (a) Provision for employee benefits: | | |
| (i) Provision for bonus | 7,46,800 | 7,46,795 |
| (ii) Provision for compensated absences | 2,10,801 | 1,28,107 |
| (iii) Provision for gratuity (net) (Refer Note 26.2) | 13,74,944 | 7,32,912 |
| | <u>23,32,545</u> | <u>16,07,814</u> |
| (b) Provision - Others: | | |
| (i) Provision - for Taxation (Net of Advance Tax) | 9,60,021 | - |
| (ii) Provision for proposed equity dividend | - | - |
| (iii) Provision - others | 7,90,87,619 | 3,91,41,772 |
| | <u>8,00,47,640</u> | <u>3,91,41,772</u> |
| Total (a+b) | 8,23,80,185 | 4,07,49,586 |

The Company has proposed dividend of 10% as recommended by the Board. Provision for the proposed dividend has not been recognised in the financial statements as per the provisions of Para 8.5 of the "Revised AS - 4 on Contingencies and Events occurring After the Balance Sheet Date".



Notes forming part of the Consolidated financial statements

Note 10A Consolidated Fixed Assets

| Tangible & Intangible assets | Gross block | | | | | | | |
|------------------------------|---|---|--|---|----------------------------------|------------------------------|------------------------------|------------------------------|
| | Balance as at April 01, 2016 | Additions- Sakuma Exports Limited | Additions- GKM General Trading LLC | Additions- Sakuma Exports Ghana Limited | Disposals | Borrowing cost capitalised | Other adjustments | Balance as at March 31, 2017 |
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| (a) Land | | | | | | | | |
| Leasehold | 12,70,000 | - | - | - | - | - | - | 12,70,000 |
| (b) Plant and Equipment | | | | | | | | |
| Owned | 7,44,17,284 | - | - | - | - | - | - | 7,44,17,284 |
| (c) Plant and Equipment | | | | | | | | |
| Owned | 18,81,739 | 39,468 | - | - | - | - | - | 19,21,207 |
| (d) Furniture and Fixtures | | | | | | | | |
| Owned | 3,62,859 | 1,45,176 | - | - | - | - | - | 5,08,035 |
| (e) Vehicles | | | | | | | | |
| Owned | 2,24,57,930 | - | - | - | - | - | - | 2,24,57,930 |
| (f) Office equipment | | | | | | | | |
| Owned | 45,95,535 | 6,26,923 | - | - | - | - | 43,771 | 51,78,687 |
| (g) Computer Software | | | | | | | | |
| Owned | 6,63,485 | 6,14,594 | - | - | - | - | - | 12,78,079 |
| Total | 10,56,48,832 | 14,26,161 | - | - | - | - | 43,771 | 10,70,31,222 |
| Previous year | 10,35,31,876 | 60,35,767 | - | - | 39,18,811 | - | - | 10,56,48,832 |
| Tangible & Intangible assets | Accumulated depreciation and impairment | | | | | Net block | | |
| | Balance as at April 01, 2016 | Depreciation / amortisation expense for the year - Sakuma Exports Limited | Depreciation - GKM General Trading LLC | Depreciation - Sakuma Exports Ghana Limited | Eliminated on disposal of assets | Balance as at March 31, 2017 | Balance as at March 31, 2017 | Balance as at March 31, 2016 |
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| (a) Land | | | | | | | | |
| Leasehold | 6,61,727 | 1,04,417 | - | - | - | 7,66,144 | 5,03,856 | 6,08,273 |
| (b) Plant and Equipment | | | | | | | | |
| Owned | 5,45,64,369 | 23,06,281 | - | - | - | 5,68,70,650 | 1,75,46,634 | 1,98,52,915 |
| (c) Plant and Equipment | | | | | | | | - |
| Owned (Packing Machine) | 79,836 | 2,06,465 | - | - | - | 2,86,301 | 16,34,906 | 18,01,903 |
| (d) Furniture and Fixtures | | | | | | | | |
| Owned | 2,26,680 | 66,454 | - | - | - | 2,93,134 | 2,14,901 | 1,36,179 |
| (e) Vehicles | | | | | | | | |
| Owned | 1,51,88,863 | 23,40,976 | - | - | - | 1,75,29,839 | 49,28,091 | 72,69,067 |
| (f) Office equipment | | | | | | | | |
| Owned | 36,29,067 | 6,19,053 | - | - | - | 42,48,120 | 9,30,568 | 9,66,468 |
| (g) Computer Software | | | | | | | | |
| Owned | 4,23,676 | 3,07,143 | - | - | - | 7,30,819 | 5,47,260 | 2,39,809 |
| Total | 7,47,74,218 | 59,50,789 | - | - | - | 8,07,25,007 | 2,63,06,216 | 3,08,74,614 |
| Previous year | 7,12,67,645 | 70,82,983 | 15,876 | - | 35,92,286 | 7,47,74,218 | 3,08,74,614 | 3,22,64,231 |

Notes forming part of the Consolidated financial statements

Note 10 B Consolidated Fixed Assets (Contd.)

Depreciation and amortisation relating to continuing operations:

| Particulars | For the year ended March 31, 2017 ₹ | For the year ended March 31, 2016 ₹ |
|---|---|---|
| Depreciation and amortisation for the year on tangible assets as per Note 10A | 59,50,789 | 70,98,859 |
| | <u>59,50,789</u> | <u>70,98,859</u> |

Note 11 Consolidated Non Current Investments

| Particulars | As at March 31, 2017 | | | As at March 31, 2016 | | |
|---|----------------------|-----------------|-----------------|----------------------|-----------------|-----------------|
| | Quoted ₹ | Unquoted ₹ | Total ₹ | Quoted ₹ | Unquoted ₹ | Total ₹ |
| Investments (At cost): | | | | | | |
| A. Other investments | | | | | | |
| (a) Investment in government securities - NSC | - | - | - | - | 16,100 | 16,100 |
| (b) Investment in government securities - Gold Bond | - | 2,60,000 | 2,60,000 | - | 2,60,000 | 2,60,000 |
| | <u>-</u> | <u>2,60,000</u> | <u>2,60,000</u> | <u>-</u> | <u>2,76,100</u> | <u>2,76,100</u> |
| Total - Other investments (A) | <u>-</u> | <u>2,60,000</u> | <u>2,60,000</u> | <u>-</u> | <u>2,76,100</u> | <u>2,76,100</u> |

Note:

The company has wound up the subsidiary company, GKM General Trading LLC, Dubai and has applied before the Appropriate Authority for the same.

Note 12 Consolidated Long-Term Loans And Advances

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|--|------------------------------|------------------------------|
| (a) Security deposits | | |
| Unsecured, considered good (Refer note below) | 90,00,000 | 90,00,000 |
| (b) Advance recoverable in Cash or in Kind | | |
| Unsecured, considered good | 3,10,592 | 1,65,29,867 |
| Total (a+b) | <u>93,10,592</u> | <u>2,55,29,867</u> |

Note: Long-term loans and advances include amounts due from:

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|--|------------------------------|------------------------------|
| Private companies in which any director is a director or member | | |
| M/s Sakuma Infrastructure and Realty Pvt Ltd | 74,70,000 | 74,70,000 |
| Relative of Director | | |
| Mrs Kusum Malhotra (Wife of Director) | 15,30,000 | 15,30,000 |
| | <u>90,00,000</u> | <u>90,00,000</u> |

Note 13 Consolidated Other Non -Current Asstes

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|---------------------------------|------------------------------|------------------------------|
| (a) Long-term trade receivables | | |
| Unsecured, considered good | 1,45,03,895 | 13,99,195 |
| Total | <u>1,45,03,895</u> | <u>13,99,195</u> |

**Notes forming part of the Consolidated financial statements****Note 14 Consolidated Inventories**

(At lower of cost and net realisable value)

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|---|------------------------------|------------------------------|
| (a) Stock-in-trade (acquired for trading) | 92,30,39,751 | 61,92,47,692 |
| Total | 92,30,39,751 | 61,92,47,692 |

Note No. 15 Consolidated Trade Receivables

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|--|------------------------------|------------------------------|
| a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment Unsecured, considered good | 36,99,878 | 16,04,08,022 |
| b) Other Trade receivables (Refer Note below) Unsecured, considered good | 7,76,19,59,869 | 5,57,15,87,834 |
| Total | 7,76,56,59,747 | 5,73,19,95,856 |

Note 16 Consolidated Cash And Cash Equivalents

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|--|------------------------------|------------------------------|
| (a) Cash on hand | 17,26,939 | 24,30,209 |
| (b) Balances with banks | - | - |
| (i) In current accounts | 4,23,78,233 | 10,34,49,721 |
| (ii) In EEFC accounts | 304 | 1,837 |
| (iii) In earmarked accounts | | |
| Unpaid dividend accounts | 8,70,389 | 58,76,465 |
| Unpaid Preference Shareholders Accounts | 4,27,504 | 4,27,504 |
| Balances held as margin money or security against borrowings, guarantees and other commitments | 26,39,07,182 | 30,47,94,515 |
| Total | 30,93,10,551 | 41,69,80,251 |

As per the Notification of Ministry of Corporate Affairs dated March 30, 2017, the details of Specified Bank Notes (SBN) as required pursuant to clause (X) of Para (6) of part I of Schedule III are as under:

| Particulars | SBNs | Other Denomination Notes | Total |
|---|----------|--------------------------------|-----------------|
| Closing Cash in Hand as on November 8, 2016 | 37,000 | 3,76,496 | 4,13,496 |
| Add: Permitted Receipts (Bank Withdrawal) | - | 4,00,000 | 4,00,000 |
| Less: Permitted Payments | - | 3,64,412 | 3,64,412 |
| Less: Amount deposited in Banks | 37,000 | - | 37,000 |
| Closing Cash in Hand as on December 30, 2016 | - | 4,12,084 | 4,12,084 |

Notes forming part of the Consolidated financial statements

Note 17 Consolidated Short-Term Loans And Advances

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|---|------------------------------|------------------------------|
| (b) Security deposits | | |
| Unsecured, considered good | 26,93,302 | 36,08,433 |
| | <u>26,93,302</u> | <u>36,08,433</u> |
| (c) Loans and advances to employees | | |
| Unsecured, considered good (Refer Note below) | 62,73,543 | 30,65,820 |
| | <u>62,73,543</u> | <u>30,65,820</u> |
| (d) Advance recoverable in cash or kind | | |
| Unsecured, considered good | 23,11,03,388 | 80,12,63,262 |
| | <u>23,11,03,388</u> | <u>80,12,63,262</u> |
| (e) Other Loans and Advances | | |
| Prepaid expenses - Unsecured, considered good | 1,09,52,127 | 12,52,330 |
| Balances with government authorities- Unsecured, considered good | | |
| (i) Duty Drawback Receivable | 19,36,664 | 77,80,613 |
| (ii) VAT credit receivable | 44,37,268 | 16,98,608 |
| (iii) Service Tax Refund receivable | 49,98,040 | 1,22,40,081 |
| Less: Provision for other doubtful loans and advances | - | - |
| | <u>2,23,24,099</u> | <u>2,29,71,632</u> |
| Total | <u><u>26,23,94,332</u></u> | <u><u>83,09,09,147</u></u> |

Note: Short-term loans and advances include amounts due from:

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|--|------------------------------|------------------------------|
| <u>Loans and advances to employees</u> | | |
| Dues from officers | 62,73,543 | 30,65,820 |
| | <u>62,73,543</u> | <u>30,65,820</u> |

Note 18 Consolidated Other Current Assets

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|-----------------------------------|------------------------------|------------------------------|
| (a) Accruals | | |
| (i) Interest accrued on deposits | 7,55,027 | 5,08,190 |
| (b) Others | | |
| Claims Receivable | 3,31,08,330 | 1,13,95,720 |
| (i) Mark to Market Margin Account | 1,94,22,990 | 78,59,587 |
| Total | <u><u>5,32,86,347</u></u> | <u><u>1,97,63,497</u></u> |



Notes forming part of the Consolidated financial statements

Note 19 Consolidated Revenue From Operations

| Particulars | For the year ended March 31, 2017 ₹ | For the year ended March 31, 2016 ₹ |
|--|---|---|
| (a) Sale of products (Refer Note (i) below) | 39,14,65,41,279 | 31,28,84,19,920 |
| (b) Other operating revenues (Refer Note (ii) below) | 42,63,493 | 3,99,09,903 |
| Total | 39,15,08,04,772 | 31,32,83,29,823 |

| Note | Particulars | For the year ended March 31, 2017 ₹ | For the year ended March 31, 2016 ₹ |
|------|---|---|---|
| i) | Traded goods | | |
| | Sugar | 14,49,85,78,286 | 14,61,75,00,443 |
| | Oil | 20,60,41,01,287 | 15,77,70,40,567 |
| | Other commodities | 4,04,38,61,706 | 89,38,78,910 |
| | Total - Sale of traded goods | 39,14,65,41,279 | 31,28,84,19,920 |
| ii) | Other operating revenues comprise: | | |
| | Commission Income | - | - |
| | Duty drawback and other export incentives | 42,63,493 | 3,99,09,903 |
| | Total - Other operating revenues | 42,63,493 | 3,99,09,903 |

Note 20 Consolidated Other Income

| Particulars | For the year ended March 31, 2017 ₹ | For the year ended March 31, 2016 ₹ |
|--|---|---|
| (a) Interest Income (Refer Note (i) below) | 3,64,00,589 | 2,00,63,534 |
| (b) Dividend income: | | |
| From Non current investments | | |
| From others | 46,31,609 | 9,09,192 |
| (c) Net gain on sale of: | | |
| Current investments | 74,62,698 | - |
| (d) Net gain on foreign currency transactions and translation (Other than considered as finance cost) | 4,73,57,806 | 3,09,42,408 |
| (e) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below) | 2,61,58,259 | 1,09,78,336 |
| Total | 12,20,10,961 | 6,28,93,470 |

| Note | Particulars | For the year ended March 31, 2017 ₹ | For the year ended March 31, 2016 ₹ |
|------|--|---|---|
| (i) | Interest income comprises: | | |
| | Interest from banks on: | | |
| | Deposits | 2,62,27,715 | 1,94,94,102 |
| | Other interest | 1,01,72,874 | 5,69,432 |
| | Total - Interest income | 3,64,00,589 | 2,00,63,534 |
| ii) | Liabilities / provisions no longer required written back | 92,32,381 | 80,50,836 |
| | Total - Other non-operating income | 92,32,381 | 80,50,836 |
| | Total | 4,56,32,970 | 2,81,14,370 |

Notes forming part of the Consolidated financial statements

Note 21A Consolidated Purchase Of Traded Goods

| Particulars | For the year ended March 31, 2017 ₹ | For the year ended March 31, 2016 ₹ |
|-------------------|---|---|
| Sugar | 13,22,72,15,600 | 13,49,10,87,155 |
| Oil | 20,79,97,50,492 | 15,19,56,95,349 |
| Other Commodities | 3,89,89,43,683 | 89,51,94,722 |
| Total | 37,92,59,09,775 | 29,58,19,77,226 |

Note 21B Consolidated Changes in inventories of finished goods, work-in-progress and stock-in-trade

| Particulars | For the year ended March 31, 2017 ₹ | For the year ended March 31, 2016 ₹ |
|--|---|---|
| <u>Inventories at the end of the year:</u> | | |
| Stock-in-trade | 92,30,39,751 | 61,92,47,692 |
| | <u>92,30,39,751</u> | <u>61,92,47,692</u> |
| <u>Inventories at the beginning of the year:</u> | | |
| Stock-in-trade | 61,92,47,692 | 34,99,77,500 |
| | <u>61,92,47,692</u> | <u>34,99,77,500</u> |
| Net (increase) / decrease | (30,37,92,059) | (26,92,70,192) |

Note 22 Consolidated Employee Benefits Expense

| Particulars | For the year ended March 31, 2017 ₹ | For the year ended March 31, 2016 ₹ |
|--|---|---|
| Salaries and wages | 6,54,08,925 | 5,29,87,947 |
| Directors Remuneration | 1,49,26,959 | 1,21,34,826 |
| Contributions to provident and other funds (Refer Note 26.1) | 5,78,295 | 4,51,726 |
| Contribution to Gratuity Fund (Refer Note 26.2) | 6,42,032 | 7,32,912 |
| Staff welfare expenses | 41,09,499 | 34,86,265 |
| Total | 8,56,65,710 | 6,97,93,676 |

Note 23 Consolidated Finance Costs

| Particulars | For the year ended March 31, 2017 ₹ | For the year ended March 31, 2016 ₹ |
|--|---|---|
| (a) Interest expense on: | | |
| (i) Borrowings | 14,27,30,409 | 7,23,82,323 |
| (ii) Trade payables | - | 2,70,823 |
| (iii) Others | | |
| - Interest on delayed / deferred payment of income tax | 1,63,906 | 24,204 |
| - Interest on Service Tax /Others | 81,666 | 1,98,182 |
| (b) Other borrowing costs | 1,24,23,259 | 1,45,77,728 |
| Total | 15,53,99,240 | 8,74,53,260 |



Notes forming part of the Consolidated financial statements

Note 24 Consolidated Other Expenses

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|--------------------------------------|--------------------------------------|
| | ₹ | ₹ |
| Bank Charges | 67,40,996 | 3,25,01,868 |
| Power and fuel | 9,17,508 | 10,26,184 |
| Rent including lease rentals | 1,09,85,969 | 1,01,34,518 |
| Repairs and maintenance - Buildings | 5,38,795 | 5,79,211 |
| Repairs and maintenance - Machinery | 19,96,032 | 15,36,788 |
| Repairs and maintenance - Others | 89,037 | 7,53,261 |
| Insurance | 92,79,738 | 58,10,950 |
| Rates and taxes | 19,42,541 | 25,53,157 |
| Communication | 23,67,553 | 37,50,390 |
| Travelling and conveyance | 98,20,598 | 1,04,39,454 |
| Printing and stationery | 9,37,357 | 17,38,671 |
| Freight and forwarding | 55,47,66,002 | 88,22,36,196 |
| Claims | - | 7,81,34,916 |
| Sales commission | 4,51,95,722 | 4,49,36,858 |
| Business promotion | 35,92,573 | 43,70,169 |
| Legal and professional | 1,74,34,489 | 1,53,40,124 |
| Payments to auditors (Refer Note (i) below) | 18,22,427 | 11,46,779 |
| Prior Period Expense (Refer Note (ii) below) | 55,335 | 3,95,333 |
| Labour Charges | 2,10,342 | 3,50,513 |
| Loading and Unloading Charges | 55,64,043 | 23,50,189 |
| Terminal and Handling Charges | 68,94,580 | 3,18,89,551 |
| Transport Charges | 5,79,62,205 | 19,60,22,112 |
| Warehouse Charges | 8,28,29,071 | 6,62,60,630 |
| Custom Duty | - | 1,89,29,592 |
| Demurrage Charges | 2,04,23,782 | 87,38,287 |
| Detention Charges | 27,05,854 | 55,39,772 |
| Brokerage on trading in Commodities & Securities Exchange | 80,14,474 | 65,06,469 |
| ECGC Premium | 40,81,553 | 35,56,807 |
| Lodging & Boarding | 23,65,830 | 27,27,045 |
| Ground Rent Charges | 5,50,153 | 2,49,644 |
| Directors Sitting Fees | 8,00,000 | 7,75,000 |
| Bad trade and other receivables, loans and advances written off | 2,48,07,631 | 1,63,61,044 |
| Miscellaneous Expenses | 1,40,63,133 | 96,69,940 |
| Loss on Sale of Fixed Assets | 15,514 | 41,247 |
| Foreign Exchange Difference | - | 5,33,505 |
| Loss on Commodities derivative Trading | 4,31,48,585 | 7,74,38,820 |
| Total | 94,29,19,422 | 1,54,53,24,994 |

Notes forming part of the Consolidated financial statements

Notes:

| Particulars | For the year ended March 31, 2017 ₹ | For the year ended March 31, 2016 ₹ |
|---|---|---|
| (i) Payments to the auditors comprises (net of service tax input credit, where applicable): | | |
| Audit Fees | 15,48,251 | 11,46,779 |
| Tax Audit Fees | 1,15,000 | 1,14,500 |
| Other Matters | 1,59,176 | 1,60,300 |
| | <u>18,22,427</u> | <u>14,21,579</u> |
| (ii) Prior Period Expenses | | |
| Professional Fees | 16,047 | - |
| | 13,388 | - |
| Brokerage | - | 2,83,884 |
| Printing Stationery | 25,900 | 1,11,449 |
| | <u>55,335</u> | <u>3,95,333</u> |
| Total | <u>18,77,762</u> | <u>18,16,912</u> |

Note 25 Additional information to the financial statements

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|---|---|
| Parent Company | | |
| 25.1 Contingent liabilities and commitments (to the extent not provided for) | | |
| (i) Contingent liabilities | | |
| (a) Claims against the Company not acknowledged as debt with respect to | | |
| i) Short Delivery of Good to Buyer, | Quantity Short delivered 192.996MTN Value of Dispute 1,15,80,657/-and Interest @ 24% | Quantity Short delivered 192.996MTN Value of Dispute 1,15,80,657/-and Interest @ 24% |
| ii) Income Tax Demand for A.Y 2014-15 | 3,65,300 | 3,65,300 |
| iii) Disputed Income tax demands for AY 2009-10 | 2,13,014 | 2,13,014 |
| iv) Income Tax Demand in respect of TDS for FY (2007-08, 2008-09, 2011-12) | 2,060 | 5,30,550 |
| v) Income Tax Demand for A.Y 2012-2013 | 5,25,523 | - |
| vi) West Bengal VAT Act,2003 for AY(2010-11) | 59,300 | - |
| (ii) Foreign Subsidiary:- | | |
| Sakuma Exports Pte Limited | | |
| Bill Discounted granted with right to recourse to Bank | - | 1,96,57,10,421 |

**Notes forming part of the Consolidated financial statements**

| Particulars | | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|--|--------------------------------------|--------------------------------------|
| Parent Company | | | |
| (ii) Commitments | | | |
| (a) Uncalled liability | | | |
| i) Share Subscription Money payable for GKM General Trading LLC | | - | AED 117,600 |
| ii) Share Subscription Money payable for Sakuma Exim DMCC | | AED 55 | AED 55 |
| (b) Other commitments | | | |
| i) Outstanding Currency Forward Contracts (Sale) | | USD 1,70,85,612 | USD 9,808,220 |
| ii) Outstanding Currency Forward Contracts (Buy) | | USD 50,55,000 | USD 50,960 |

25.2 Details on derivatives instruments and unhedged foreign currency exposures

The following derivative positions are open as at March 31, 2017 These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments.

(a) Forward exchange contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date for receivables.

(i) Outstanding forward exchange contracts entered into by the Company as on March 31, 2017

| Currency | Amount | Buy / Sell |
|----------|------------------------|-------------|
| USD | USD 1,70,85,612 | Sell |
| | USD 50,55,000 | Buy |
| | USD (9,808,220) | Sell |
| USD | USD (50,960) | Buy |

Note: Figures in brackets relate to the previous year

25.3 Foreign exchange earnings and outgo

| | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|------------------------------------|--------------------------------------|--------------------------------------|
| a. Foreign exchange earnings | 1,50,95,45,268 | 1,45,08,97,028 |
| b. CIF Value of imports | 5,67,78,20,015 | 1,80,42,46,356 |
| c. Expenditure in foreign currency | 2,33,09,164 | 10,51,63,052 |

25.4 The Balance of Sundry Debtors , Sundry Creditors , Loans and Advances have been taken as per books awaiting respective confirmation and Reconciliation.

25.5 The Company has not received any Memorandum (As required to be filled by the supplier with the notified authority under the Micro Small and Medium Enterprises Development Act 2006) claiming their status as Micro Small and Medium Enterprises. Accordingly the amount paid/ payable together with the interest if any have not been given.

Note 26 Disclosures under Accounting Standards**26 Employee benefit plans****26.1 Defined contribution plans**

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 5,78,295/- (Year ended March 31, 2016 ₹4,51,726) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Notes forming part of the Consolidated financial statements

26.2 Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

i. Gratuity

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

| Particulars | For the year ended March 31, 2017 Gratuity ₹ | For the year ended March 31, 2016 Gratuity ₹ |
|---|---|---|
| Components of employer expense | | |
| Current service cost | 7,45,869 | 7,52,075 |
| Interest cost | 1,73,953 | 1,74,926 |
| Expected return on plan assets | - | (1,30,689) |
| Actuarial losses/(gains) | (2,77,790) | (63,400) |
| Total expense recognised in the Statement of Profit and Loss | 6,42,032 | 7,32,912 |
| Actual contribution and benefit payments for year | | |
| Actual benefit payments | - | - |
| Actual contributions | - | - |
| Net asset / (liability) recognised in the Balance Sheet | | |
| Present value of defined benefit obligation | 31,14,335 | 24,16,009 |
| Fair value of plan assets | 17,39,391 | 15,48,244 |
| Funded status [Surplus / (Deficit)] | (13,74,944) | (8,67,765) |
| Unrecognised past service costs | - | - |
| Net asset / (liability) recognised in the Balance Sheet | (13,74,944) | (8,67,765) |

26.2 Change in defined benefit obligations (DBO) during the year

| Note | Particulars | For the year ended March 31, 2017 Gratuity ₹ | For the year ended March 31, 2016 Gratuity ₹ |
|------|---|---|---|
| | Present value of DBO at beginning of the year | 24,16,009 | 22,42,641 |
| | Current service cost | 7,45,869 | 7,52,075 |
| | Interest cost | 1,73,953 | 1,74,926 |
| | Actuarial (gains) / losses | (2,21,496) | (1,64,583) |
| | Benefits paid | - | (5,89,050) |
| | Present value of DBO at the end of the year | 31,14,335 | 24,16,009 |
| | Change in fair value of assets during the year | | |
| | Plan assets at beginning of the year | 15,48,244 | 15,56,288 |
| | Expected return on plan assets | - | 1,30,689 |
| | Actual company contributions | - | 5,51,500 |
| | Actuarial gain / (loss) | 1,91,147 | (1,01,183) |
| | Benefits paid | - | (5,89,050) |
| | Plan assets at the end of the year | 17,39,391 | 15,48,244 |
| | Actuarial assumptions | | |
| | Discount rate | 7.20% | 7.80% |



Notes forming part of the Consolidated financial statements

| Note | Particulars | For the year ended March 31, 2017 Gratuity ₹ | For the year ended March 31, 2016 Gratuity ₹ |
|------|--------------------------------|---|---|
| | Expected return on plan assets | 8.50% | 8.50% |
| | Salary escalation | 7.00% | 7.00% |
| | Attrition | 10% at younger age and 1% at older age. | 10% at younger age and 1% at older age. |
| | Mortality tables | Indian Assured Lives Mortality (2006-08)Ult | Indian Assured Lives Mortality (2006-08) Ult |

Note 27 Disclosures under Accounting Standards

Note 27

The Group has disclosed geographical segment as the primary segment. Segments have been identified taking into account the nature of the business, the organisation structure and internal reporting system. Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments allocated on a reasonable basis. Inter segment transfers have been carried out at mutually agreed prices. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments. These are as set out in the note on significant accounting policies.

| Particulars | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|---|------------------------------|------------------------------|
| 1 Segment Revenue | | |
| Within India | 27,42,11,70,415 | 18,12,84,11,149 |
| Rest of the World | 12,09,68,29,763 | 13,40,23,74,728 |
| Unallocated | | |
| | <u>39,51,80,00,178</u> | <u>31,53,07,85,877</u> |
| Less: Inter Segment Revenue | (37,41,91,115) | (20,24,56,054) |
| Net Sales / Income from Operations | <u>39,14,38,09,063</u> | <u>31,32,83,29,823</u> |
| 2 Segment Assets | | |
| Within India | 6,01,07,67,310 | 5,26,45,52,109 |
| Rest of the World | 3,75,87,92,450 | 2,42,59,68,814 |
| Unallocated | | |
| Less: Inter Segment Assets | (40,54,88,329) | (1,35,44,704) |
| | <u>9,36,40,71,431</u> | <u>7,67,69,76,219</u> |

Note 28 Disclosures under Accounting Standards**28.1 Details of related parties:**

| Description of relationship | Names of related parties |
|--|---|
| Key Management Personnel (KMP) | Mr. Chander Mohan Mr. Saurabh Malhotra |
| Relatives of KMP | Mrs. Shipra Malhotra Mrs Kusum Malhotra |
| Company in which KMP / Relatives of KMP can exercise significant influence | Sakuma Finvest Pvt Ltd GMK System and Logistics Pvt Ltd Sakuma Infrastructure and Realty Pvt Ltd C.K.K Exports Pvt Ltd |

28.2 Details of related party transactions during the year ended March 31, 2017 and balances outstanding as at March 31, 2017

| Particulars | KMP | Relatives of KMP | Entities in which KMP / relatives of KMP have significant influence | Total (in) |
|--|---------------|-------------------------|--|---------------------|
| | ₹ | ₹ | ₹ | ₹ |
| Directors Sitting Fees | - | 2,00,000 | - | 2,00,000 |
| | - | (1,68,000) | - | (1,68,000) |
| Rent Paid | - | 12,30,315 | 60,06,819 | 72,37,134 |
| | - | (11,86,021) | (57,90,579) | (69,76,600) |
| Management contracts including for deputation of employees | 1,38,00,000 | - | - | 1,38,00,000 |
| | (1,16,00,000) | - | - | (1,16,00,000) |
| Loan Taken | - | - | 11,00,000 | 11,00,000 |
| | - | - | - | - |
| Loan Repaid | - | - | 11,00,000 | 11,00,000 |
| | - | - | - | - |
| Interest on loan taken | - | - | 32,548 | 32,548 |
| | - | - | - | - |
| Balance as at March 31, 2017 | | | | |
| Long Term Loan and Advances | - | 15,30,000 | 74,70,000 | 90,00,000 |
| | - | (15,30,000) | (74,70,000) | (90,00,000) |
| Provision (Directors Remuneration Payable) | 6,00,000 | - | - | 6,00,000 |
| | (12,00,000) | - | - | (12,00,000) |

**Note 29 Disclosures under Accounting Standards**

The Company has taken premises under non-cancellable operating lease agreements. The renewal is at the option of lessee. The lease rental expense under non-cancellable operating leases during the period was Rs 63 lacs (Rs. 61.50 lacs) and maximum obligations on long-term non-cancellable operating lease payable as per the rentals stated in respective agreement are as follows:

| Obligation on non-cancellable operating leases | March 31, 2017 | March 31, 2016 |
|---|----------------|----------------|
| | ₹ | ₹ |
| Not later than one year | 63,00,000 | 61,50,000 |
| Later than one year and not later than five years | 2,25,75,000 | 2,88,75,000 |
| Later than five years | Nil | Nil |

Note 30 Disclosures under Accounting Standards

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--|--------------------------------------|--------------------------------------|
| | ₹ | ₹ |
| Earning Per Share | | |
| Basic & Diluted | | |
| Net profit / (loss) for the year | 37,08,96,280 | 32,25,58,833 |
| Less: Preference dividend and tax thereon | - | - |
| Net profit / (loss) for the year attributable to the equity shareholders | 37,08,96,280 | 32,25,58,833 |
| Weighted average number of equity shares | 1,64,25,943 | 1,64,25,943 |
| Par value per share | 10 | 10 |
| Earnings per share | 22.58 | 19.64 |

Note 31 Disclosures under Accounting Standards

In Compliance with the Accounting Standard 22 “Accounting for Taxes on Income” issued by ICAI which has become mandatory. The Company has reversed Defferd Tax Liability(Net) amounting to ₹ 8,28,064/- for the Current year (Previous year reversal of Deffered Tax Liability (Net) amounting to ₹ 10,14,335/-) and the same has been transferred to Statement of Profit and Loss.

| Note | Particulars | As at March 31, 2017 | As at March 31, 2016 |
|-------------|---|-------------------------|-------------------------|
| | | ₹ | ₹ |
| 31.1 | Deferred tax (Liability)/Assets are the Tax Effect of the following Item | | |
| | Tax effect of items constituting reversal of deferred tax liability | | |
| | On Account of Depreciation | 8,28,064 | 10,14,335 |
| | Net Impact of deferred tax (liability) / asset | 8,28,064 | 10,14,335 |
| 31.1 | Deferred tax (Liability)/Assets | | |
| | Tax effect of items constituting deferred tax liability | | |
| | On difference between book balance and tax balance of fixed assets | (38,83,334) | (47,11,398) |
| | On expenditure deferred in the books but allowable for tax purposes | | |
| | Net deferred tax (liability) / asset | (38,83,334) | (47,11,398) |

Notes forming part of the Consolidated financial statements

Notes 32:- Additional information as required under schedule III to the Companies Act, 2013, of enterprises consolidated.

| Sr. No. | Particulars Name of the Enterprise | Net Assets i.e. total assets minus total liabilities | | | | Share in profit & (Loss) | |
|--------------|---|--|-----------------------|-----------------------|-----------------------|--------------------------|---------------------|
| | | % | Total Assets | Total Liabilities | Amount | % | Amount |
| | | | ₹ | ₹ | ₹ | | ₹ |
| 1 | <u>Parent</u> Sakuma Exports Limited | 63.05 | 5,32,86,37,151 | 4,28,41,23,454 | 1,04,45,13,697 | 39.77 | 14,59,50,293 |
| 2 | <u>Subsidiaries</u> <u>Foreign</u> GKM General Trading LLC | - | - | - | - | (6.89) | (2,52,87,458) |
| | Sakuma Exim DMCC | 31.65 | 2,76,49,93,792 | 2,24,06,56,212 | 52,43,37,580 | 56.42 | 20,70,74,972 |
| | Sakuma Exports Pte Limited | 5.30 | 1,67,59,28,816 | 1,58,80,72,223 | 8,78,56,593 | 9.02 | 3,30,84,496 |
| | Sakuma Exports Ghana Limited | (0.01) | - | 88,557 | (88,557) | 1.68 | 61,70,964 |
| | Sakuma Exports Tanzania Limited | 0.00 | - | - | - | 0.00 | - |
| 3 | <u>Minority Interest</u> <u>Foreign</u> GKM General Trading LLC | - | - | - | - | - | - |
| Total | | 100.00 | 9,76,95,59,759 | 8,11,29,40,447 | 1,65,66,19,312 | 100.00 | 36,69,93,267 |

Note 33 Previous year's figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification or disclosure.

In terms of our report attached.

For M.L.SHARMA & CO.

Chartered Accountants

FRN: 109963W

For and on behalf of the Board of Directors

S M BANDI

Partner

M.No. 109101

Mr. Saurabh Malhotra

Managing Director

Mr. Radhe Shyam

Director

Place : Mumbai

Date : 29th May'2017

Place : Mumbai

Date : 29th May'2017



SAKUMA EXPORTS LIMITED

L51909MH2005PLC155765

Registered Office: Aarus Chamber, A 301, Near Mahindra Tower, S S Amrutwar Lane, Worli, Mumbai – 400 013

ATTENDANCE SLIP

(To be presented at the Entrance)

Twelfth Annual General Meeting of the Company held on Tuesday, 26th September, 2017 at 10.30 A.M. at Hall of Quest, Nehru Planetarium (Basement), Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018

Folio No.: _____

DP ID No.: _____

Client ID No.: _____

Name of the Member: _____ Signature: _____

Name of the Proxyholder: _____ Signature: _____

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.





SAKUMA EXPORTS LIMITED

Registered Office : 301-A, Aurus Chambers, S.S. Amrutwar Lane, Near Mahindra Tower, Worli, Mumbai-400013

FORM NO. MGT – 11

PROXY FORM

[Pursuant to section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

| | |
|-------------------------------|--|
| CIN: | L51909MH2005PLC155765 |
| Name of the Company: | SAKUMA EXPORTS LIMITED |
| Registered Office: | Aurus Chamber, A 301, Near Mahindra Tower, S S Amrutwar Lane, Worli, Mumbai-400013 |
| Email ID: | companysecretary@sakumaexportsltd.com |
| Folio No / Client ID / DP ID: | |

I/We, being the member (s) of _____ shares of the above named company, hereby appoint:

1. Name _____
Address _____
Email Id _____
Signature _____ or failing him
2. Name _____
Address _____
Email Id _____
Signature _____ or failing him
3. Name _____
Address _____
Email Id _____
Signature _____ or failing him

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 12th Annual General Meeting of the Company, to be held on Tuesday, 26th September, 2017 at 10.30 A.M. at Hall of Quest, Nehru Planetarium (Basement), Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 and at any adjournment thereof in respect of such resolutions as indicated below:

| Sr. No. | Resolutions | For | Against |
|---------|---|-----|---------|
| 1 (a). | Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017 and the Reports of the Board of Directors and the Auditors' thereon. | | |
| 1 (b). | Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017, and the Report of the Auditors' thereon. | | |
| 2. | To declare dividend @ 10 % i.e. Re. 1/- per equity share for the financial year 2016 – 17. | | |
| 3. | Re-appointment of Ms. Shipra Malhotra, who retires by rotation. | | |
| 4. | Re-appointment M/s. M. L. Sharma & Co., Chartered Accountants as Statutory Auditors and to fix their remuneration. | | |
| 5. | Appointment of Mr. Vivek Grover as Director of the Company | | |

Signed this _____ day of _____ 2017.

Signature of shareholder : _____

Signature of Proxy Holder (s): _____

Affix a Re
1.00
revenue
stamp

NOTE: The Proxy Form in order to be effective should be completed and deposited at the Registered Office of the Company not less than 48 before the commencement of the Meeting.

ROUTE MAP



Book-Post

If undelivered, please return to:

Sakuma Exports Limited

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