



First Overseas Capital Limited

— Your growth partner —

Date: 23-02-2023

To,
Corporate Finance Department,
The Securities and Exchange Board of India
SEBI Bhavan, Plot No.C4-A,
'G' Block Bandra-Kurla Complex,
Bandra (East), Mumbai - 400051,
Maharashtra, India

Sub: Proposed Rights Issue of Sakuma Exports Limited (Issuer Company) (Script Code: 532713 and Script Id: SAKUMA).

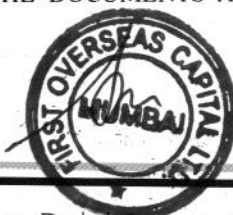
Ref: ISSUE OF UP TO [●] EQUITY SHARES WITH A FACE VALUE OF RE. 1.00 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF [●] EACH INCLUDING A SHARE PREMIUM OF [●] PER RIGHTS EQUITY SHARE ("ISSUE PRICE") FOR AN AGGREGATE AMOUNT UP TO Rs. 200.00 CRORES ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY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

Dear Sir/Madam,

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THIS DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, FIRST OVERSEAS CAPITAL LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 23, 2023, WHICH READS AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THE DRAFT LETTER OF OFFER OF THE SUBJECT ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:





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- a. THE DRAFT LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;
- b. ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
- c. THE MATERIAL DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. BESIDE OURSELVES, ALL INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE, SUCH REGISTRATION IS VALID – COMPLIED WITH.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE.
5. WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING DRAFT LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER – NOT APPLICABLE.
6. ALL APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, WHICH RELATE TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE LETTER OF OFFER – NOT APPLICABLE.
7. ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO RECEIPT OF PROMOTERS' CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT THE AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE ISSUE – NOT APPLICABLE.
8. NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERSTO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE.



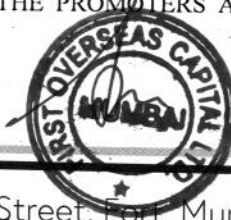


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9. THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN THE LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION – COMPLIED WITH TO THE EXTENT APPLICABLE.
10. FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:
 - a. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER, EXCLUDING SUPERIOR RIGHTS EQUITY SHARES, WHERE AN ISSUER HAS OUTSTANDING SUPERIOR RIGHTS EQUITY SHARES – COMPLIED WITH (THE COMPANY HAS NOT ISSUED ANY SUPERIOR RIGHTS EQUITY SHARES); AND
 - b. AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI –COMPLIED WITH.
11. WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 – NOTED FOR COMPLIANCE WITH THE SEBI CIRCULAR SEBI/HO/CFD/DIL2/CIR/P/2020/78 DATED MAY 6, 2020, READ WITH SEBI CIRCULAR SEBI/HO/CFD/DIL1/CIR/P/2020/136 DATED JULY 24, 2020, SEBI CIRCULAR SEBI/HO/CFD/DIL1/CIR/P/2021/13 DATED JANUARY 19, 2021 AND SEBI CIRCULAR SEBI/HO/CFD/DIL2/CIR/P/2021/552 DATED APRIL 22, 2021.
12. IF APPLICABLE, THE COMPANY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF THE SEBI ICDR REGULATIONS, 2018 – NOT APPLICABLE.
13. NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY – COMPLIED WITH.
14. THE ABRIDGED LETTER OF OFFER CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 – COMPLIED WITH.
15. ALL MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN –NOTED FOR COMPLIANCE.
16. AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY – COMPLIED WITH.

WE ENCLOSE A NOTE EXPLAINING THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US INCLUDING IN RELATION TO THE BUSINESS OF THE ISSUER, THE RISKS IN RELATION TO THE BUSINESS, EXPERIENCE OF THE PROMOTERS AND THAT THE RELATED





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PARTY TRANSACTIONS ENTERED INTO FOR THE PERIOD DISCLOSED IN THE OFFER DOCUMENT HAVE BEEN ENTERED INTO BY THE ISSUER IN ACCORDANCE WITH APPLICABLE LAWS.

WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THESE REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT OFFER DOCUMENT/ DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCE AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT LETTER OF OFFER.

Thanking you,

Yours truly,

For First Overseas Capital Limited

Authorised Signatory





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Date: 23-02-2023

To,
Corporate Finance Department,
The Securities and Exchange Board of India
SEBI Bhavan, Plot No.C4-A,
'G' Block Bandra-Kurla Complex,
Bandra (East), Mumbai - 400051,
Maharashtra, India

Sub: Proposed Rights Issue of Sakuma Exports Limited (Issuer Company) (Script Code: 532713 and Script Id: SAKUMA).

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NOTE ON DUE DILIGENCE

Dear Sir/Madam,

We have been appointed as the Lead Manager for the proposed Rights Issue by Sakuma Exports Limited ('Sakuma' or 'the Company'). Further, the Company has also appointed M/S RAJANI ASSOCIATES, SOLICITORS as the legal advisor for the proposed Rights Issue. As mandated under the ICDR Regulations, 2018, we herewith submit a brief note on the diligence process adopted by us:

The due diligence process carried out by us commenced with interactions with the senior management of the Company for gaining an understanding of the business of the Company, including key risks involved, and financial overview, among other matters. In this regard, we provided the Company with a due diligence questionnaire and information request list prepared in consultation with the legal counsels. The Company provided us the supporting documents in accordance with the questionnaire for our review and provided us with explanations with respect to our queries.

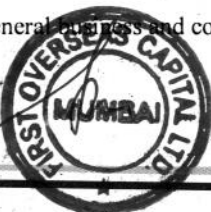
M/S RAJANI ASSOCIATES, SOLICITORS has carried out the legal due diligence and the Lead Manager has carried out due diligence, the drafting of the draft letter of offer dated August 04, 2022 ("DLOF") in compliance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI Regulations"), and other applicable laws, and advised the Lead Manager on other legal matters as appropriate and for the purpose of issuing legal opinions in relation to the Issue to the Lead Manager.

The Lead Manager was also assisted by the statutory auditors of the Company, M/s. M. L. SHARMA & CO., Chartered Accountants (the "Statutory Auditors").

We requested the Company to provide all relevant documents in the data room based on the diligence requirements and requirements under applicable law including the SEBI Regulations, and reviewing those documents along with the Legal Counsels, as is customary in such transactions.

Current Business Background:

The due diligence process in relation to general business and commercial matters included:





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Organizing and attending the transaction kick-off meeting to develop an understanding of the business, history and other matters of the Company, including the industry overview and the regulatory environment. The meeting was attended by the managing director, the senior management of the Company, the Legal Counsel and the Lead Manager. A broad overview of the business of the Company, the industries in which each of them operate and each of their respective financial condition was presented to us during such meeting, following which discussions were held on the same.

We regularly interacted with the senior management of the Company, including the Managing Director, the Chief Financial Officer, senior personnel from the Company's secretarial, operations, legal and finance departments, and the Statutory Auditors of the Company for the purpose of gaining an understanding of the business, the risks involved and a financial overview of the Company, among other matters. These interactions included (i) due diligence meetings, drafting sessions and conference calls to discuss the disclosures in the DLOF, (ii) due diligence calls with the Statutory Auditors; (iii) bring-down due diligence calls to receive updated information from the Company before filing the DLOF; and (iv) seeking appropriate certification from the key managerial personnel and other officers of the Company for key operational data and information. These interactions were conducted with the objective of assisting the Company to prepare disclosures as required under the SEBI Regulations and other applicable laws with regard to the Issue. We shall undertake these interactions and due diligence calls until closure of the Issue.

Obtaining and relying on certificates, formal representations and undertakings from the Company, the Group Companies, the Directors, the key managerial personnel of the Company, its Statutory Auditors, and other documents in support of certain disclosures made in the DLOF, including certain operational data included in the business summary.

Having discussed and understood the Company's business operations, we have depicted the same in the Offer Document.

Risk Factors:

We have studied the sector the Company operates in and the risks associated with it. While risks are an inherent part of any system, we have put forth the risks associated with the Company and its business operations, and other general risks. We believe that the risks (which we are aware of and have been made aware of and have discovered during the diligence process) have been put forth in the Offer Document.

Promoters' background:

We have interacted with the promoters and KMPs and have discussed with them on the past performance of the Company and also how they foresee the business growth more particularly after the Rights Issue. We have as a part of our diligence exercise, have perused through the documents relating to the promoters and directors, which is disclosed in the section 'Our Management'.

Company's history and track record:

Disclosures in the Offer Document on the track record of the Company, its evolution and history is based on the verification of the Memorandum and Articles of association, audited financial statements, annual returns, minutes of meetings, agreements, etc.

Outstanding Litigation

In accordance with the SEBI Regulations, the DLOF contains disclosure with respect to all outstanding criminal proceedings and regulatory and statutory actions involving the Company, the Directors and consolidated disclosure with respect to certain taxation matters involving the Company and the Directors. With respect to all other pending litigation, the Board of Directors has pursuant to a resolution dated October 14, 2021, adopted a





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materiality threshold. All litigation above such threshold has been separately disclosed, while litigation below such threshold has been disclosed in a summary and indicative manner.

The Company has provided supporting documents for cases involving the Company, Directors and Promoter Group. The Company has provided certification received from the relevant lawyers. Further, we have had multiple discussions with the management of the Company on status of various pending cases involving the Company and other entities.

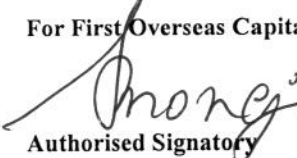
Statutory and/or regulatory related diligence

In connection with diligence of matters relating to statutory and regulatory matters, we have, with the assistance of the Legal Counsels, reviewed the relevant statutory and regulatory records of the Company, including, among other things, relevant corporate records and filings made by the Company and its Subsidiaries with various statutory and regulatory authorities. We have reviewed material licenses, approvals and registrations applied for and/or received by the Company to undertake business activities.

Thanking you,

Yours truly,

For First Overseas Capital Limited


Authorised Signatory

