



# Sakuma Exports Limited

8th Annual Report 2012-2013



# SAKUMA EXPORTS LIMITED.

## BOARD OF DIRECTORS

Chander Mohan – Executive Chairman  
Saurabh Malhotra – Managing Director  
Ashok Kumar Doda  
Radhe Shyam  
Om Prakash Singal (Appointed w.e.f 05.11.2012)  
Shipra Mediratta  
Satyendra Sonar (Resigned w.e.f 27.09.2012)

## AUDITORS

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

## BANKERS

Corporation Bank

## REGISTERED OFFICE

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

## 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 Eighth Annual General Meeting of the members of **SAKUMA EXPORTS LIMITED** will be held on Monday 29<sup>th</sup> July 2013 at 10.30 A.M. at P L Deshpande Kala Academy, Ravindra Natya Mandir, Third Floor, Mini Theatre, Sayani Road, Prabhadevi, Mumbai: 400 025 to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013, Audited Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares (@ 10 % (i.e ₹ 1 per Equity share).
3. To appoint a Director in place of Ms. Shipra S. Mediratta, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint M/s. S N K & Co., Chartered Accountants as statutory auditors in place of M/s. A. R. Sodha & Co., Chartered Accountants, the outgoing auditors and to fix their remuneration.

### Special Business:

5. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:  
**“RESOLVED THAT** Mr. Om Prakash Singal, who was appointed w.e.f. 5<sup>th</sup> November, 2012 as an Additional Director under Article 98 of Articles of Association of the Company, and by virtue of Section 260 of the Companies Act, 1956, holds office upto the commencement of this Annual General Meeting in pursuant to a Notice received in writing from a member of the Company under Section 257 of the Companies Act, 1956, proposing Mr. Om Prakash Singal’s candidature for the office of Director, be and is hereby re-appointed as Director of the Company and shall be liable to retire by rotation.”
6. To Consider and if, thought fit, to pass with or without modification, the following resolution as a Special Resolution.  
**“RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, including Schedule XIII of the said Act as amended up-to-date, consent and approval be and is hereby accorded to the re-appointment of and payment of remuneration and perquisites to Mr. Chander Mohan as the Executive Chairman of the Company for a period of three years with effect from 1<sup>st</sup> September, 2013 till 31<sup>st</sup> August, 2016.  
**RESOLVED FURTHER THAT** Mr. Chander Mohan shall be paid remuneration and perquisites up to ₹.4,00,000/- per month or 5% of net profits whichever is higher and shall be eligible for monthly increments as may be decided by the Board of Directors from time to time annually, if permissible as per the provisions of the Act.  
**RESOLVED FURTHER THAT** the terms and conditions of the letter of appointment which is placed before the meeting and signed by Mr. Radhe Shyam, Independent Director of the company for the purpose of identification is approved.  
**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration and perquisites to the extent the Board of Directors may consider appropriate and as may be authorised in accordance with any provision under the Act for the time being in force provided, however, that the remuneration and perquisites payable to Mr. Chander Mohan shall be within the limits set out in the said Act including the said Schedule XIII to the Act or any amendments thereto or any modification(s) or statutory re-enactment(s) thereof and/or any rules or regulations framed there under provided that the terms of the letter of appointment between the company and Mr. Chander Mohan shall be suitably modified to give effect to such variation or increase as the case may be.  
**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year of the Company during the term of office of Mr. Chander Mohan as the Executive Chairman, the remuneration and perquisites set out in the aforesaid letter of appointment be paid or granted to Mr. Chander Mohan as minimum remuneration provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the ceiling provided in Part II Section II(B)(vi) of Schedule XIII to the said Act or such other amount and perquisites as may be provided in the said Schedule XIII whether or not amended from time to time or any equivalent statutory re-enactment(s) thereof.”
7. To Consider and if, thought fit, to pass with or without modification, the following resolution as a Special Resolution.  
**“RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, including Schedule XIII of the said Act as amended up-to-date, consent and approval be and is hereby accorded to the re-appointment of and payment of remuneration and perquisites to Mr. Saurabh Malhotra as the Managing Director of the Company for a period of three years with effect from 1<sup>st</sup> September, 2013 till 31<sup>st</sup> August, 2016.



**RESOLVED FURTHER THAT** Mr. Saurabh Malhotra shall be paid remuneration and perquisites up to ₹. 4,00,000/- per month or 5% of net profits whichever is higher and shall be eligible for monthly increments as may be decided by the Board of Directors from time to time annually, if permissible as per the provisions of the Act.

**RESOLVED FURTHER THAT** the terms and conditions of the letter of appointment which is placed before the meeting and signed by Mr. Radhe Shyam, Independent Director of the company for the purpose of identification is approved.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration and perquisites to the extent the Board of Directors may consider appropriate and as may be authorised in accordance with any provision under the Act for the time being in force provided, however, that the remuneration and perquisites payable to Mr. Saurabh Malhotra shall be within the limits set out in the said Act including the said Schedule XIII to the Act or any amendments thereto or any modification(s) or statutory re-enactment(s) thereof and/or any rules or regulations framed there under provided that the terms of the letter of appointment between the company and Mr. Saurabh Malhotra shall be suitably modified to give effect to such variation or increase as the case may be.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year of the Company during the term of office of Mr. Saurabh Malhotra as the Managing Director, the remuneration and perquisites set out in the aforesaid letter of appointment be paid or granted to Mr. Saurabh Malhotra as minimum remuneration provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the ceiling provided in Part II Section II(B)(vi) of Schedule XIII to the said Act or such other amount and perquisites as may be provided in the said Schedule XIII whether or not amended from time to time or any equivalent statutory re-enactment(s) thereof.”

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

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

**Place: Mumbai**

**Dated: 29<sup>th</sup> May, 2013**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM IS ENCLOSED ALONG WITH THIS NOTICE.
2. The Proxy Form, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Explanatory Statement for item no 5 to 7 pursuant to section 173(2) of the Companies Act, 1956 are annexed.
4. For the convenience of the shareholders, Attendance Slip is annexed to this notice. Shareholders/Proxy Holders are requested to fill in and affix their signatures at the space provided therein and surrender the same at the venue.
5. The Register of Members and Share Transfer Register of the Company will remain closed from 23<sup>rd</sup> July, 2013 to 29<sup>th</sup> July, 2013 (both the days inclusive).
6. M/s. S N K & Co., have expressed their intention to act as statutory auditors in the Company in place of M/s. A R Sodha & Co., the outgoing auditors. Accordingly a suitable resolution is proposed at item no. 4 of the notice.
7. Corporate Members intending to send their authorized representatives at the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
8. 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.
9. Dividend on equity shares, if declared at the Meeting, will be paid to those shareholders whose names shall appear on the Company's Register of Members as on 29<sup>th</sup> July, 2013; in respect of shares held in dematerialized form, the dividend will be paid to those shareholders whose names are furnished by Central Depository Services (India) Limited and National Securities Depository Limited as beneficial owners as on that date.

10. Members who hold shares in dematerialized form may kindly note that their Bank Account details, as furnished by their depositories to the company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for deletion of or change in such Bank Account details. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account. Members holding shares in dematerialized form as well as in physical are requested to intimate instructions pertaining to those shares to their respective Depository Participant and for shares held in physical form to intimate instructions pertaining to those shares to the Company's Registrar and Share Transfer Agent.
11. To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrar and Share Transfer Agent i.e. M/s. Big Share Services Private Limited.
12. Members are requested to immediately notify any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and to the Secretarial department at the Registered Office of the company or to the Registrar and Shares Transfer Agents in respect of their holding in physical form.
13. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report.
14. 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, Mrs. Jyoti Deshpande: [jyoti@sakumaexportsltd.com](mailto:jyoti@sakumaexportsltd.com)
15. Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, dividend for the financial year March 31, 2006 and dividends declared thereafter, which remain unclaimed for a period of seven years, will be transferred by the Company to the IEPF pursuant to Section 205C of the Companies Act, 1956.

For Equity Shareholders:

Financial Year	Date of Declaration of Dividend	Last Date of claiming un- paid Dividend
Final Dividend 2005- 2006	26.07.2006	30.08.2013
Final Dividend 2006- 2007	09.07.2007	13.08.2014
Final Dividend 2007- 2008	20.08.2008	24.09.2015
Final Dividend 2010- 2011	18.08.2011	22.09.2018
Final Dividend 2011-2012	27.09.2012	31.10.2019

For Preference Shareholders:

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

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

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



## ANNEXURE TO NOTICE EXPLANATORY STATEMENT

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

That following explanatory statement sets out the material facts referring to resolution proposed at Item No. 5 to 7 of the Notice convening 8<sup>th</sup> Annual General Meeting of the Company.

#### Item No. 5

The Board of Directors at its meeting held on 05.11.2012 appointed Mr. Om Prakash Singal as an Additional Director of the Company with effect from 05.11.2012. Pursuant to Section 260 of the Companies Act 1956, Mr. Om Prakash Singal holds office of the Director up to the date of this Annual General Meeting. The Company has received a notice under the provision of Section 257 of the Companies Act 1956 from a member proposing the candidature of Mr. Om Prakash Singal for the office of Director. Your Director consider it desirable and in the interest of the Company to avail the services of Mr. Om Prakash Singal as Director and accordingly recommend reappointment of Mr. Om Prakash Singal as Director on your Company's Board.

Mr. Om Prakash Singal is a graduate of BA (Hon's), LLB, CAIIB, ACS (Inter). He has been associated with the IDBI Bank from April 1978 to December, 2004 as legal officer. He is an advocate and permanent member of the Bombay Bar Association, Bombay High Court since February, 2005 till date. He is associated with M/s Singhania & Partners (Solicitors & Advocates) as senior consultants since March, 2009 till date.

None of the Directors of the Company are concerned or interested in this resolution.

#### **ITEM NO. 6 AND 7**

The present tenure of appointment of Mr. Chander Mohan, Executive Chairman and Mr. Saurabh Malhotra, Managing Director is expiring on 31<sup>st</sup> August, 2013. The Board of Directors has decided to re-appoint Mr. Chander Mohan as Executive Chairman and Mr. Saurabh Malhotra as Managing Director w.e.f. 1<sup>st</sup> September, 2013 for a period of 3 years. The terms and conditions of their re-appointment are given below:

Sr. No.	Name of Director	Designation	Responsibility
1	Mr. Chander Mohan	Executive Chairman	Day to day management with focus on corporate planning, growth and finance.
2	Saurabh Malhotra	Managing Director	Day to day management with focus on Marketing, Procurement and Logistics

As per the said sub-clause B (iv) of Part II Section II (B) of Schedule XIII, the company is required to furnish the following information in the Explanatory Statement;

#### **I. GENERAL INFORMATION:**

No	PARTICULARS		
1.	Nature of Industry	Export Trading House	
2.	Date or expected date of commencement of Commercial Production.	Not Applicable	
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable	
4.	Standalone Financial performance based on given indications.	31-3-2013 (₹ in lakhs)	31-3-2012 (₹. in lakhs)
	Sales (Net of Excise)	61882.57	96560.31
	Net Profit before Tax	605.75	1010.73
	Net Profit After Tax	418.55	668.76
5.	Export performance.	FOB Value of Exports: ₹. 516,784,1786/-	
6.	Foreign investments or collaborators, if any.	SAKUMA EXIM DMCC ₹ 7,00,581/- GKM GENERAL TRADING LLC ₹ 4,30,877/-	



## II. INFORMATION ABOUT THE APPOINTEE:

No	PARTICULARS	
1.	Background Details	<b>Chander Mohan:</b> Post Graduate in Economics from Delhi School of Economics with professional qualification in Banking, Management etc. Retired as a senior executive from IDBI. Promoter of Sakuma Exports Ltd and associated with Sakuma since its inception. <b>Saurabh Malhotra:</b> Post Graduate in Business Management. Promoter of Sakuma Exports Ltd and associated with Sakuma since its inception.
2.	Past Remuneration / Perquisites	<b>Chander Mohan:</b> ₹.3,50,000/- per month including perquisites <b>Saurabh Malhotra:</b> ₹.3,50,000/- per month including perquisites
3.	Recognition or Awards	Saurabh Malhotra, Managing Director of Company has got “Hall of Fame Platinum award 2006 from Welingkar Institute of Management. Under the leadership of Mr.Chander Mohan and Mr.Saurabh Malhotra company has got awards from Indian Oilseeds and Produce Exporters Association in the year 2005-2006 for excellance in export of Castor Oil and Ground Nut. In the year 2011-12, Company has also received competitive awards as Best Trader Exporters (Large) from ECGC D&B Indian Exports Excellence Awards 2012.
4.	Job Profile and His Suitability	<b>Chander Mohan:</b> Managing Sakuma Exports Ltd since its inception. <b>Saurabh Malhotra:</b> Managing Sakuma Exports Ltd since its inception.
5.	Remuneration / perquisites proposed	Not exceeding ₹.4,00,000/- per month including perquisites if any or 5% of net profits whichever is higher to each director.
6.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any,	Mr. Chander Mohan, Executive Chairman and Mr. Saurabh Malhotra, Managing Director has no pecuniary relationship with the Company except as employees of the Company and promoter shareholder.

## III. OTHER INFORMATION:

1.	Reasons of loss or inadequate profits	Company never incurred losses.
2.	Steps taken or proposed to be taken for improvement.	However with a view to improve the performance, the company has been reviewing and diversifying the products and markets as well as adding activities as warranted by the circumstances.
3.	Expected increase in productivity and profits in measurable terms	Improvement in profits for companies engaged in agricultural commodities can not be predicted in measurable terms in view of the fast changing national and global economic scenario.

The remuneration and perquisites payable to Mr. Chander Mohan as Executive Chairman and Mr. Saurabh Malhotra, Managing Director are as follows:

The Company proposes to pay following remuneration and perquisites w.e.f. 1<sup>st</sup> September, 2013.



**A. REMUNERATION:**

Sr. No.	Name of Director	Designation	Remunerations & Perquisites
1	Chander Mohan	Executive Chairman	Not exceeding ₹. 4,00,000/- per month including perquisites if any or 5% of net profits whichever is higher
2	Saurabh Malhotra	Managing Director	Not exceeding ₹. 4,00,000/- per month including perquisites if any or 5% of net profits whichever is higher

**B. INCREMENTS:**

The Board of Directors shall decide the increments payable to each Directors at the end of March, every year within the overall ceiling laid down in the Schedule XIII so that the total remuneration by way of salary, perquisites and other allowances including increments shall not exceed the ceiling provided in Part II Section II of Schedule XIII to the said Act based on the effective capital for the respective financial year or such other amount and perquisites as may be provided in the said Schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.

**C. MINIMUM REMUNERATION**

1. The above remuneration and perquisites has been fixed on the basis of inadequate profits as per the audited balance sheet as on 31<sup>st</sup> March, 2013 and has been fixed as provided in Part II Section II(B)(vi) of Schedule XIII to the said Act based on the effective capital for the respective financial year or such other amount and perquisites as may be provided in the said Schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof and shall be considered as minimum remuneration.
2. During the tenure of their appointments, if the Company earns profits in excess of the limits prescribed under Schedule XIII or if the profits are adequate in any financial year, as per the provisions of Section 198, 309 and any other applicable provisions of the Companies Act, 1956, then the remuneration of Mr. Chander Mohan and Mr. Saurabh Malhotra shall be paid as per the profits earned by the Company in that particular financial year.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the appointments and memorandum of concern or interest under Section 302 of the Companies Act, 1956.

The special resolutions are being recommended for the approval of the members.

None of the Directors except Mr. Chander Mohan, Mr. Saurabh Malhotra and Ms. Shipra Mediratta (daughter of Mr. Chander Mohan and sister of Mr. Saurabh Malhotra) are concerned or interested to the extent remuneration payable to the respective directors.

**BY ORDER OF THE BOARD**  
**For Sakuma Exports Ltd.**  
**Sd/-**

**(Saurabh Malhotra)**  
**Managing Director**

**Place: Mumbai**

**Dated: 29<sup>th</sup> May, 2013**



**Information required under Clause 49 IV G of the Listing Agreement relating to Corporate Governance with respect to the Director being appointed and Directors retiring by rotation and being eligible, seeking re-appointment is as under:**

Particulars	Mr. Om Prakash Singal	Ms. Shipra S Mediratta
Date of Birth	05/04/1946	02/08/1972
Date of Appointment	05/11/2012	25/01/2007
Qualifications	BA (Hon's), LLB, CAIIB, ACS (Inter)	Ms. Shipra Mediratta, M.Com Part (I) is also a Post Graduate with specialization in Human Resource Management (HRM).
Expertise in specific functional areas	Wide experience in legal affairs of Corporate Finances from Project Appraisal Stage till Recovery of Loans, Legal advice, including documentation, title investigation and Security creation.  Expertise in Litigation for recovery of dues in Courts / DRTs, High Courts and Supreme Courts	She has been conducting seminars/workshops on HRM Communication skill, Negotiation skills and other soft skills in the corporate world. She is also accredited for her talent in fine arts.
Directorships in other Public Limited Companies*	NIL	Nil
Memberships of Committees in other Public Limited Companies* (includes only Audit & Shareholders / Investors Grievances Committee)	Sakuma Exports Limited	Sakuma Exports Limited



## Directors' Report

Your Directors take pleasure in presenting their Eighth Annual Report on the business and operations of your Company together with audited statement of accounts for the year ended 31<sup>st</sup> March 2013.

### Financial Highlights

#### FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lacs)

	Standalone		Consolidated	
	2012-13	2011-12	2012-13	2011-12
Sales & Other Income	62,189.26	96,560.30	81,576.11	97,837.45
Profit before depreciation & Tax	694.32	1093.53	954.48	1180.62
Depreciation	88.56	82.80	88.81	82.91
Profit before Tax	605.76	1010.73	865.67	1097.70
Provision for Tax				
- Current Tax	181.21	333.00	181.21	333.00
- Deferred Tax	(15.70)	(22.03)	(15.70)	(22.03)
- Income Tax of Earlier years	21.69	31.00	21.69	31.00
Minority Interest and share of loss of associate			35.74	19.93
Net Profit after tax	418.56	668.76	642.73	735.81
Add: Surplus from previous period	899.42	420.30	957.17	420.30
Profit Available for Appropriation	1317.98	1089.05	1,599.90	1156.10
Appropriation				
Dividend on Equity Shares	164.26	164.26	164.26	164.26
Dividend Tax	26.65	26.65	26.65	26.65
Excess provision of Reversed back	0	(1.27)	0	(1.27)
Transfer to Statutory Reserve	0	-	9.22	9.29
<b>Balance carried to Balance Sheet</b>	<b>1,127.07</b>	<b>899.42</b>	<b>1,399.77</b>	<b>957.17</b>

### Operations Review and Future Prospects

The year was full of difficulties for the company. Delayed and deficient rainfall during the year affected the sugar crop adversely, particularly in the state of Maharashtra, our main procurement centre. This not only led to shrinkage of domestic supply of sugar but also to increase in sugar prices making exports in-competitive. Alarmed by the situation, government of India put restrictions on export of sugar. Though later these restrictions were relaxed. Fast changing government policies resulted in high volatility in sugar prices making it difficult and risky to enter into contracts with extended periods which affected the trade adversely. Another problem faced by International Trade was volatile exchange rates. Owing to above reasons working of Mumbai Office had a setback. Due to global factors namely melt down of few European economies after effects of sub-prime also affected the international trade adversely. These conditions also led to fluctuations in commodity prices. To cope with the above developments, our company diversified its business by promoting export of other agricultural commodities mainly Cotton, Maize and Rice. Lot of efforts and time were spent in identifying the sources, the logistics devices, export markets, brokers and clients for diversification of our exports. As a result the turnover of company (standalone) during the second and third quarter was very low. It improved in the fourth quarter when export of new commodities as mentioned above started picking up. Later, in the year restrictions on sugar were also removed / relaxed and we undertook export of sugar in smaller quantities whenever viable. Despite all above adversaries the company (standalone) achieved turnover of **618.82** Crores and profit before tax of **6.06** Crores.

### **The Future Prospects:**

Working of our subsidiaries in Dubai has been encouraging. Our subsidiaries made substantial progress in their business by undertaking local sales and third country exports. The turnover of SAKUMA EXIM DMCC during the financial year 2012- 2013 was AED **584,06,848** . The turnover of G.K.M. General Trading LLC increased from AED **218,77,710** in the preceding year to AED **869,28,024** during the financial year 2013.

As a result of good performance of the subsidiaries, we were able to maintain the bottom-line for the company as a whole with profit after tax of **6.43 Crores** though there was decline in overall sales from ₹ **978.37 Crores** to ₹ **812.16 Crores**.

Last year's deficient rain will have an adverse impact on production of sugar cane during the year 2013-14 as well. We propose to strengthen and diversify the export of the other commodities and for the purpose we also propose to open few more offices abroad. During the year, we opened our office by promoting our subsidiary company namely SAKUMA EXPORTS PTE.LTD. in Singapore, which is a commercial hub.

### **Dividend**

The Board of Directors has recommended dividend of 10% on equity shares (i.e. ₹ 1 per equity share) for the financial year ended 31<sup>st</sup> March, 2013 amounting to ₹. 164,25,943/-. The dividend tax liability on equity shares to be borne by your Company is ₹.26,64,700/-.

### **Directors:**

Ms. Shipra S. Mediratta, Non-Executive Director retires by rotation and being eligible, offers herself for re-appointment.

Mr. Om Prakash Singal is inducted as an additional director w.e.f 5<sup>th</sup> November, 2012 and holds office up to ensuing Annual General Meeting of the Company. The Company has received notice from the members pursuant to Section 257 of the Companies Act, 1956, signifying their intention to propose the candidature of Mr. Om Prakash Singal for the office of director.

Item No. 5 of the notice convening Annual General Meeting of the Company contains the resolutions for the re-appointment of respective Directors.

Mr. Satyendra Sonar resigned as Director of the Company w.e.f. 27<sup>th</sup> September, 2012. The Board of Directors placed on record the valuable contribution made by Mr. Satyendra Sonar during his tenure.

Shri. Chander Mohan and Shri. Saurabh Malhotra, have been re-appointed as Executive Chairman and Managing Director respectively w.e.f. 1<sup>st</sup> September, 2013. The necessary resolution for their re-appointment is given at item no 6 and 7 of the notice.

### **Investment in Subsidiary Companies.**

During the financial year the Company has incorporated a wholly owned subsidiary in Singapore named as Sakuma Exports Pte Ltd. The company was incorporated on 25th January 2013. During the financial year 2012-13 there is no operation in the company.

### **Subsidiary Companies**

In terms of Section 212(a) of the Companies Act, 1956, the Central Government, Ministry of Corporate Affairs vide its General Circular 2/2011 dated 8<sup>th</sup> February, 2011 has granted a general exemption to the Company from the requirement of attaching to its annual report, the Balance Sheet, Profit and Loss Account and the report of the Directors and Auditors thereon of its subsidiary. Accordingly the same is not attached to the Balance Sheet of the Company. Shareholders who wish to obtain a copy of Annual Accounts of subsidiary company may write to the Compliance Officer at the registered office of the Company. Members can also email their request at the email address of the Compliance Officer, Mrs. Jyoti Deshpande; [jyotip@sakumaexportsltd.com](mailto:jyotip@sakumaexportsltd.com).



**Statement pursuant to general exemption received under section 212(8) of the Companies Act, 1956 relating to subsidiary companies**

(₹ in Lacs)

Sr. No	Particulars	GKM General Trading LLC (in ₹)	Sakuma Exim DMCC (in ₹)
	<b>Reporting Currency</b>	AED	AED
	<b>Country</b>	U.A.E	U.A.E
	<b>Exchange Rate</b>	14.78	14.78
i)	<b>Share Capital</b>	4.31	7.00
ii)	<b>Reserves and Surplus</b>	278.37	69.62
iii)	<b>Total Assets</b>	7259.97	2070.65
iv)	<b>Total Liabilities</b>	6977.29	1994.03
v)	<b>Investment other than Investment in subsidiary</b>	Nil	Nil
vi)	<b>Turnover</b>	12796.94	8614.71
vii)	<b>Profit before taxation</b>	178.72	69.79
viii)	<b>Provision for Taxation</b>	Nil	Nil
ix)	<b>Profit after taxation</b>	178.72	69.79
x)	<b>Proposed Dividend</b>	Nil	Nil

**Public Deposits**

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

**Directors' Responsibility Statement**

Pursuant to section 217 (2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief confirm that

- In the preparation of the annual accounts for the financial year ended March 31, 2013, all the applicable accounting standards have been followed along with proper explanations relating to material departures.
- Appropriate accounting policies have been selected and applied consistently, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profit of the Company for the said period;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- The annual accounts have been prepared on a 'going concern' basis.

**Auditors**

M/s A. R. Sodha & Co. Chartered Accountants, will retire as Auditors of the Company at the conclusion of the Annual General Meeting. M/s. A. R. Sodha & Co., has expressed their inability to act as statutory auditors of the Company.

It is proposed to appoint M/s. S N K & Co., Chartered Accountants, as statutory auditors of the Company in place of M/s. A. R. Sodha & Co. The Company has received a letter from M/s. S N K & Co., Chartered Accountants, to the effect that their appointment if made would be within the prescribed limit under Section 224(1B) of the Companies Act, 1956 and that they are willing to act as statutory auditors of the Company.

Audit Committee of the Board has recommended their appointment

**Corporate Governance**

A Report on the Corporate Governance Code along with a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as also the Management Discussion and Analysis Report, stipulated under Clause 49 of the Listing Agreement are annexed to this Report.

### Conservation of Energy, Research & Development, Technology Absorption, Foreign Exchange Earning and Outgo.

In pursuance of the provisions of section 217(2)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, the particulars relating to conservation of energy, technology absorption and foreign exchange earning and outgo is given below:

A. Conservation of Energy

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

B. Technology absorption, adaptation and innovation

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

C. Foreign Exchange Earning & Outgo:

(Amount in ₹.)

Particulars	2012-13	2011-12
(a) Expenditure in Foreign Currency		
- Professional and Consultation Fees	88400	-
- Travelling Expenses	14,50,175	9,20,976
- Commision	Nil	97,671
- Import	431,392,054	600,439,150
(b) Earnings in Foreign Currency		
- Export of Goods on FOB basis.	516,78,41,786	729,76,83,203

### Particulars of Employees

There is no employee in the Company drawing monthly remuneration of ₹.5,00,000/- per month Or ₹.60,00,000/- per annum. Hence the Company is not required to disclose any information as per Companies (Particulars of Employees) Rules, 1975.

### Acknowledgements

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

For and on behalf of the Board of Directors

Mumbai  
Date: 29<sup>th</sup> May, 2013

(Chander Mohan)  
Chairman

(Saurabh Malhotra)  
Managing Director



## CORPORATE GOVERNANCE REPORT

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

**\*(For The Financial Year 31<sup>st</sup> March, 2013)**

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

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

### II. BOARD OF DIRECTORS

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

The Board consists of 7 Directors, out of which 4 are Independent Directors. Composition of the Board and category of Directors are as follows:

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

\* Resigned on 27<sup>th</sup> September, 2012

# Appointed on 5<sup>th</sup> November, 2012

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

Date of Board Meetings	Chander Mohan	Saurabh Malhotra	Shipra Mediratta	Ashok Kumar Doda	Radhe Shyam	* Satyendra J Sonar	# Om Prakash Singal
15 <sup>th</sup> May, 2012	Present	Present	Present	Present	Present	Present	-
13 <sup>th</sup> August, 2012	Present	Present	Present	Present	Present	Absent	-
5 <sup>th</sup> November, 2012	Present	Present	Present	Present	Present	-	Present
11 <sup>th</sup> February, 2013	Present	Present	Present	Present	Present	-	Present
Total Attendance (out of 4 Board Meetings)	4	4	4	4	4	1	2
Attendance at Last AGM	Present	Present	Present	Present	Absent	Absent	Absent

\* Resigned on 27<sup>th</sup> September, 2012

# Appointed on 5<sup>th</sup> November, 2012



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

Name of Director	No. of Other Co.s where Dir	Number & Name of Committee Memberships / Chairmanships			
		Chairman	No.	Member	No.
Mr. Chander Mohan	0	Nil	0	Nil	0
Mr. Saurabh Malhotra	0	Nil	0	Nil	0
Ms. Shipra Mediratta	0	Nil	0	SIGC- SEL	1
Mr. Ashok Kumar Doda	2	SIGC – SEL	1	AC – SEL	1
Mr. Radhe Shyam	0	AC – SEL	1	SIGC – SEL	1
*Mr. Satyendra J Sonar	1	Nil	0	AC – SEL	1
#Mr. Om Prakash Singal	0	Nil	0	AC -SEL	1

\* Resigned on 27<sup>th</sup> September, 2012

# Appointed on 5<sup>th</sup> November, 2012

AC – SEL	Audit Committee – Sakuma Exports Limited
SIGC – SEL	Shareholders / Investors Grievance Committee – Sakuma Exports Limited

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

iv) **Code of Conduct:**

The Board has formulated a code of conduct for the Board Members and Senior Management Personnel of the Company. All Board Members and Senior Management Personnel have affirmed their compliance with the code for the financial year ended 31<sup>st</sup> March, 2013. A declaration to this effect signed by the Chairman of the Company is given elsewhere in the Annual Report.

**III. AUDIT COMMITTEE**

The Composition of the Audit Committee and the attendance of the members of Audit Committee at the meetings of the Audit Committee are as follows:

Date of Meeting	Radhe Shyam*	Ashok Kumar Doda#	Satyendra J Sonar\$@	Mr. Om Prakash Singal%
15 <sup>th</sup> May, 2012	Present	Present	Present	-
13 <sup>th</sup> August, 2012	Present	Present	Absent	-
5 <sup>th</sup> November, 2012	Present	Present	-	Present
11 <sup>th</sup> February, 2013	Present	Present	-	Present
Total (out of 4 meetings)	4	4	1	2

\* Chairman & Non Executive Independent Director

# Member & Non- Executive Independent Director

\$ Member & Non- Executive Independent Director

@ Resigned on 27<sup>th</sup> September, 2012

% Appointed on 5<sup>th</sup> November, 2012

The Board of Directors of the Company has framed a Terms of Reference for the Audit Committee. The Terms of Reference is based on Clause 49 (II) (D) of the Listing Agreement. The Audit Committee performs its functions in accordance with its terms of reference. In addition, it exercises its powers and reviews information as specified under Clause 49 (II) (C) and (E) of the Listing Agreement.



#### IV. REMUNERATION COMMITTEE

The Company does not have a formal Remuneration Committee. However, the Board of Directors takes all decisions regarding the remuneration and sitting fees of Directors.

##### i) Remuneration Policy

The remuneration of Executive Directors was approved by the shareholders of the company at its 5<sup>th</sup> Annual General Meeting held on 15<sup>th</sup> September, 2010.

##### ii) Details of Remuneration paid to all Directors

A. The Company does not have any pecuniary relationship or transactions with the non-executive directors. During the year, the Company has paid sitting fees to non-executive directors.

B. The aggregate remuneration paid to the Directors for the year ended 31<sup>st</sup> March, 2013, is as under;

Name of Director	Salary & Perqs (in ₹)	Commission (in ₹)	Sitting Fees (in ₹)	Total (in ₹)
Chander Mohan	42,00,000	-	-	42,00,000
Saurabh Malhotra	42,00,000	-	-	42,00,000
Shipra Mediratta	-	-	1,36,000	1,36,000
Ashok Kumar Doda	-	-	2,04,000	2,04,000
Radhe Shyam	-	-	2,04,000	2,04,000
*Mr. Satyendra J Sonar	-	-	34,000	34,000
#Om Prakash Singal	-	-	68,000	68,000

\* Resigned on 27<sup>th</sup> September, 2012

# Appointed on 5<sup>th</sup> November, 2012

C. The Company has not issued any stock options or paid any performance linked incentives or fixed component incentives to the Directors.

##### D. DETAILS OF SERVICE CONTRACTS:

Name and Designation	Current tenure	From	To
Mr. Chander Mohan Executive Chairman	3 years	1 <sup>st</sup> September, 2010	31 <sup>st</sup> August, 2013
Mr. Saurabh Malhotra Managing Director	3 years	1 <sup>st</sup> September, 2010	31 <sup>st</sup> August, 2013

E. 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 <sup>st</sup> March, 2013	No. of shares held as on 31 <sup>st</sup> March, 2012
Shipra Mediratta	Nil	Nil
Ashok Kumar Doda	Nil	Nil
Radhe Shyam	68053	50,001
*Mr. Satyendra J Sonar	Nil	Nil
#Om Prakash Singal	Nil	Nil

\* Resigned on 27<sup>th</sup> September, 2012

# Appointed on 5<sup>th</sup> November, 2012

#### V. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

A) The Composition of the Shareholders/Investors Grievance Committee and their attendance at the Shareholders/Investors Grievance Committee Meetings are as follows:

Date of Meeting	Ashok Kumar Doda*	Shipra Mediratta#	Radhe Shyam\$
15 <sup>th</sup> May, 2012	Present	Present	Present
13 <sup>th</sup> August, 2012	Present	Present	Present
5 <sup>th</sup> November, 2012	Present	Present	Present
11 <sup>th</sup> February, 2013	Present	Present	Present
Total (out of 4 meetings)	4	4	4

\* Chairman & Non Executive Independent Director

# Member & Non- Executive Relative of Promoter Director

\$ Member & Non-Executive Independent Director

## B. COMPLIANCE OFFICER :

As required by the Listing Agreement, the Company has appointed Ms. Jyoti Deshpande as the Compliance Officer.

Email address of Compliance Officer is [jyotip@sakumaexportsltd.com](mailto:jyotip@sakumaexportsltd.com)

## C. Complaint Status for the year 01/04/2012 to 31/03/2013

Category	No.of Compl. Received	No.of Compl. Resolved	No.of Compl. Pending
Non receipt of demat rejection documents	-	-	-
Non receipt of dividend warrant	1	1	0
SEBI	-	-	-
Stock Exchange	-	-	-
Non Receipt Of Annual Report	1	1	0
Total:	2	2	0

## VI. GENERAL BODY MEETINGS

### A. 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
31.03.2011	5 <sup>th</sup> AGM	Note 1	15.09.2010 3.00 P.M	P L Deshpande Kala Academy, Ravindra Natya Mandir, Third Floor, Mini Theatre, Sayani Road, Prabhadevi, Mumbai: 400 025
	EGM	Note 2	22.09.2010 11.00 A.M.	
31.03.2012	6 <sup>th</sup> AGM	Note 3	18.08.2011 11.00 A.M.	P L Deshpande Kala Academy, Ravindra Natya Mandir, Third Floor, Mini Theatre, Sayani Road, Prabhadevi, Mumbai: 400 025
31.03.2013	7 <sup>th</sup> AGM	Note 4	27.09.2012 10.30 A.M.	P L Deshpande Kala Academy, Ravindra Natya Mandir, Third Floor, Mini Theatre, Sayani Road, Prabhadevi, Mumbai: 400 025

### Note 1

1. Special Resolution for Re-appointment and payment of remuneration of Mr. Chander Mohan as Executive Chairman for a period of three years w.e.f 1<sup>st</sup> September, 2010.
2. Special Resolution for Re-appointment and payment of remuneration of Mr. Saurabh Malhotra as Executive Managing Director for a period of three years w.e.f 1<sup>st</sup> September, 2010.



#### **Note 2**

1. Special Resolution under Section 81(1A) of the Companies Act, 1956 for issue of 24,00,000 equity shares on preferential basis.

#### **Note 3**

1. Resolution was passed under Section 31 of the Companies Act, 1956 for altering the capital clause (Article 5) of the Articles of Association of the Company. At the same meeting, a resolution was passed to re-classify the authorized share capital by converting the entire authorized preference share capital into authorized equity share capital. In order to reflect the change in authorized share capital in the capital clause of Articles of Association, Article 5 was altered.

#### **Note 4**

1. There were no resolutions passed through postal ballot last year.
2. No special resolution is proposed to be passed during the 7<sup>th</sup> Annual General Meeting.

### **VII. DISCLOSURES**

- i. The Company has not entered into any materially significant related party transactions during the year that may have potential conflict with the interests of the Company at large.
- ii. There has been no incidence of non-compliance by the Company of any statutory regulations nor any penalty or stricture imposed by the Stock Exchange or any other Statutory Authority, on any matter relating to the capital market over the last three years.
- iii. The details of all transactions with related parties are placed before the Audit Committee on quarterly basis.
- iv. In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.
- v. The constitution of whistle blower policy is a non mandatory requirement. However the Company affirms that no employee has been denied access to the Audit Committee during the financial year 2012 – 2013.
- vi. The Company has complied with all mandatory requirements of clause 49 of Listing Agreement.

### **VIII. MEANS OF COMMUNICATION**

- i. Quarterly Results are communicated through a press release and newspaper advertisements.
- ii. The financial results, official news releases and presentations are also displayed on the websites of the company ([www.sakumaexportsltd.com](http://www.sakumaexportsltd.com)).
- iii. Annual Report is circulated to all shareholders and all others like auditors, equity analysts, etc.
- iv. Management Discussion and Analysis forms a part of the Annual Report which is mailed to the shareholders of the company.
- v. All the shareholders are requested to register their e-mail address with the M/s. Bigshare Services Private Limited for the purpose of service of documents under Section 53 of the Companies Act, 1956 by E-mode instead of under posting certificate (UPC) in view of Circular No. 17/95/2011 CL-V.

### **X. GENERAL SHAREHOLDER INFORMATION**

AGM Date, Time & Venue

Date: 29<sup>th</sup> July 2013  
Time: 10. 30 A.M  
Venue: at P L Deshpande Kala Academy,  
Ravindra Natya Mandir,  
Third Floor, Mini Theatre,  
Sayani Road, Prabhadevi  
Mumbai: 400 025

Financial Year:

1<sup>st</sup> April to 31<sup>st</sup> March

Book Closure Date:	23 <sup>rd</sup> July, 2013 to 29 <sup>th</sup> July, 2013
Dividend Payment Date:	On or before 28 <sup>th</sup> August 2013
Listing on Stock Exchanges:	The Bombay Stock Exchange Limited National Stock Exchange of India Limited
Stock Code & Demat Scrip Code (ISIN)	Bombay Stock Exchange Scrip Code: 532713 ISIN: INE 190H01016
Registrar & Transfer Agents	Bigshare Services Private Limited, <u>Address:</u> E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai – 400 072 <u>Tel:</u> 40430200 Fax: 28475207 <u>E mail:</u> <a href="mailto:rutika@bigshareonline.com">rutika@bigshareonline.com</a> <u>Website:</u> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>

Shareholders / investors are requested to forward share transfer documents, dematerialization request, correspondence regarding change of address, non – receipt of dividend or share certificates and other related queries to the company's registrar i.e. Bigshare Services Private Limited at the address mentioned above.

#### Share Transfer System and Dematerialisation of Shares:

Equity Shares which are held in Dematerialised form are transferable through the Depository. The Company has appointed M/s Big Share Services Private Limited as its Registrar and Share Transfer Agent to carry out the transfers of Equity shares which are held in physical form.

As on March 31, 2013 1,64,24,756 equity shares (99.99%) of the Company are dematerialized. All this shares are electronically transferred through the demat facility. 1,187 equity shares (0.01%) are in physical mode. The Company has assigned the job of transfer of physical equity shares to its Registrar and Share Transfer Agent, Bigshare Services Private Limited. The Shareholders and Investors Grievances Committee takes on record all the physical share transfers, request for consolidation / split of shares, etc from time to time.

Transfers Lodged & Transferred	No. of Transfer Deeds Processed	No. of Shares Transferred
1 – 30 days	-	
30 – 60 days	-	-
Above 60 days	-	-
<b>Total</b>	<b>NIL</b>	<b>NIL</b>

#### Distribution of Shareholding as on 31<sup>st</sup> March, 2013:

Range (In Rs.)	No. of Shareholders	% to total holders	Total Shareholding (In Rs.)	% to capital
1 – 5000	6808	83.04	13018490	7.92
5001 - 10000	856	10.44	6759300	4.12
10001 - 20000	275	3.35	4147920	2.53
20001 - 30000	85	1.04	2173540	1.32
30001 - 40000	41	0.50	1463050	0.89
40001 - 50000	39	0.48	1833920	1.12
50001 - 100000	45	0.55	3255580	1.98
100001 & Above	49	0.60	131607630	80.12
<b>Total</b>	<b>8198</b>	<b>100.00</b>	<b>164259430</b>	<b>100.00</b>

#### Nomination Facility:

Individual shareholders of physical shares can nominate any person for the shares held by them. This will save the nominee from going through the lengthy process of getting the shares later on transferred to his name. For further details, shareholders may write to the Registrar and Share Transfer Agent of the Company.

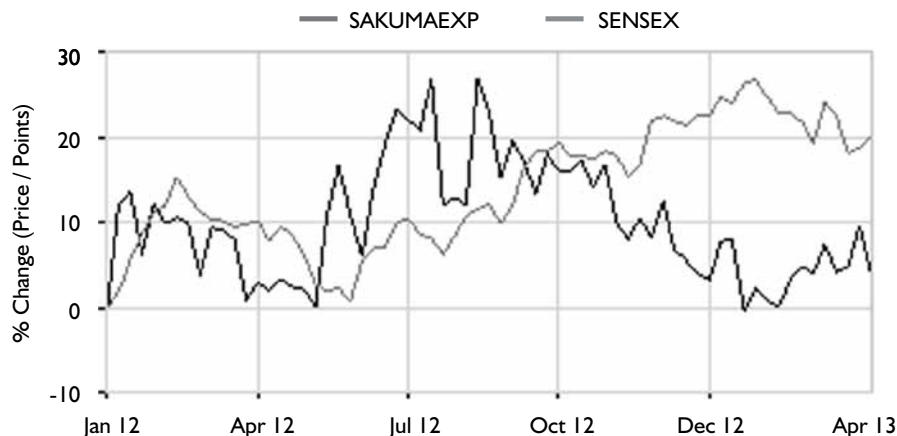


### Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:

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

### 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](http://www.bseindia.com))

#### Index Comparison



#### \*Monthly High and Low Prices of the Equity Shares of the Company for the year ended 31<sup>st</sup> March, 2013:

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (₹.)	* Spread (₹.)	
								H-L	C-O
Apr 12	12.89	13.4	12.4	12.73	28019	253	357960	1	-0.16
May 12	12.7	15.5	12.01	13.31	72211	754	973205	3.49	0.61
Jun 12	13.85	16.1	13.11	15.4	48808	1381	711050	2.99	1.55
Jul 12	15.85	16	13.75	13.9	60182	1598	904779	2.25	-1.95
Aug 12	14.5	16.4	13.8	14.39	103943	1348	1547365	2.6	-0.11
Sep 12	14.1	15.45	13.4	14.75	78722	1438	1147101	2.05	0.65
Oct 12	14.75	15.25	14.01	14.79	59685	871	867729	1.24	0.04
Nov 12	14.7	14.94	12.51	13.52	69877	1260	963895	2.43	-1.18
Dec 12	14.25	14.25	12.8	12.9	33304	874	437455	1.45	-1.35
Jan 13	12.99	13.95	12.15	12.23	50294	999	646045	1.8	-0.76
Feb 13	12.72	14.15	12.21	12.99	270096	1946	3500235	1.94	0.27
Mar 13	12.65	15.15	12.65	13.69	190031	1022	2480209	2.5	1.04

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

#### Shareholding Pattern as on 31<sup>st</sup> March, 2013 (Equity Shares):

	Category	No of Shares Held	% Of Share Holding
<b>A.</b>	<b>Promoter (S) Holding</b>		
	Promoter (s)		
	- Indian Promoters	1,09,53,965	66.69
	- Foreign Promoters	0	0.0
	<b>Sub – Total(A)</b>	<b>1,09,53,965</b>	<b>66.69</b>



<b>B.</b>	<b>Non-Promoters Holding</b>		
	<b>Institutional Investors</b>		
i.	Mutual Funds & UTI	0.0	0.0
ii.	Banks, Financial Inst, Insurance Company (Central/State Govt Inst/	3,00,279	1.83
iii.	Non-Govt INST)	0	0.0
	FII (S)		
	<b>Others</b>		
i.	Private Corporate Bodies	1,80,421	1.10
ii.	Indian Public	48,30,152	29.41
iii.	NRI/OCBS	59,587	0.36
iv.	Directors / Relatives	68,053	0.41
v.	Clearing Members	32,748	0.20
vi.	Trust	738	0.00
	<b>Sub-Total (B)</b>	<b>54,71,978</b>	<b>33.31</b>
	<b>GRAND TOTAL (A+B)</b>	<b>1,64,25,943</b>	<b>100.00</b>

#### **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.

#### **Registered Office & Correspondence Address**

##### **Sakuma Exports Limited**

301-A, Aarus Chamber,

S.S. Amrutwar Lane,

Near Mahindra Tower,

Worli, Mumbai-400013

Ph.No: 022 249.99028 / 022 249.99025

Fax: 022 249.99024

Website: www.sakumaexportsltd.com

**Contact Person: Mrs. Jyoti Deshpande, Compliance Officer**

**Email Address: jyotip@sakumaexportsltd.com**

#### **Auditors Certificate on Corporate Governance**

The Auditors certificate on compliance of conditions of clause 49 of the Listing Agreement relating to Corporate Governance is published as an annexure to the Director's Report.

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

**Mumbai**

**Date: 29<sup>th</sup> May, 2013**

**Sd/-  
(Chander Mohan)  
Chairman**

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



## Management Discussion & Analysis Report

### (A) Industry Overview and Future Outlook

Income demand elasticity for foodstuff is generally high in developing economies. This is particularly so in the poorer sections of the society; as the incomes grow due to economic growth, exportable surplus of agricultural commodities gradually declines. The position worsens if in any year weather conditions become hostile leading to draughts or floods. For consistent growth in business of trading of agricultural commodities there is need to continuously widen the sources of supply as also finding out new markets where there is strong demand for these commodities. Our company realized this two years back when it decided to open its office at Dubai. This proved to be beneficial in the current year. For the purpose, for widening sources of supply, we need to have access to new centers for procurement. We are studying availability of exportable surplus in some African countries as well as to centres having strong demand in Asian Region. In this direction, we are studying possibilities of opening offices near new procurement centres as also in commercial hubs to access new markets with a view to expand our business including local sales and third country export through our subsidiaries.

### (B) Risk and Risk Management:

#### 1. 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.

#### 2. 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.

#### 3. 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.

#### 4. 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.

### [C] Internal Controls 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.

### [D] Quality Control

The Company maintains high standards of quality. For exports before shipment and for imports on receipt of shipment the cargo is tested for quality by company's field staff, brokers' representatives and by reputed quality testing, S G S India, Geo Chem Laboratories, Caleb Bret etc, Our field staff are well trained and have been provided with necessary testing equipments viz., moisture testing machine, electronic weight machines, scales, caliper and any other instruments to test various commodities. Services of recognized reputed laboratories are also hired whenever necessary. This has enabled the Company to earn reputation, attract and retain clients.

## **[E] Human Resource / Industrial Relations**

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.

## **(F) Material Financial and Commercial Transactions**

There are no material financial and commercial transactions.

### **Cautionary Statement:**

*This section contains forward-looking statements, which may be identified by their use of words, like 'plans', 'expects', 'wills', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the company's strategy for growth, product development, market position, expenditures and financial results are forward-looking statements. Forward-Looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.*

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

**Mumbai.**  
**Date: 29<sup>th</sup> May, 2013**

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

## **Management Certificate on clause 49 (1D) of the Listing Agreement**

To,  
The Members,  
Sakuma Exports Limited

This is to affirm that the Board of Directors of Sakuma Exports Limited has adopted a Code of Conduct for its Directors and Senior Management Personnel in compliance with the provisions of Clause 49 (D) of the Listing Agreement with the Stock Exchange. The Board Members and Senior Management Personnel of the Company have confirmed the compliance of provisions of the said code for the financial year ended 31<sup>st</sup> March, 2013.

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

**Place: Mumbai**  
**Date: 29<sup>th</sup> May, 2013**



## **AUDITOR'S REPORT ON 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 year ended 31<sup>st</sup> March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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 conditions of 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 Clause 49 of the Listing Agreement and that no investor grievance(s) is/are pending for a period exceeding one month against the Company.

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

**For A R Sodha & Co.,  
Chartered Accountants**

**Mumbai  
Date: 29<sup>th</sup> May, 2013**

**A R Sodha  
Partner  
Membership No. 31878  
FRN: 110324W**

## INDEPENDENT AUDITOR'S REPORT

**To the Members of  
Sakuma Exports Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Sakuma Exports Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and 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 Financial Statements**

Management is responsible for the preparation of these 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 Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
  - a. we have 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 Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act;
- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

**For A. R. SODHA & CO.**  
**Chartered Accountants,**

**A. R. Sodha**  
**Partner.**  
**M. No. 31878**  
**FRN: 110324W**

Place: Mumbai.  
Date: 29<sup>th</sup> May, 2013



## ANNEXURE TO THE AUDITORS REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

### Annexure referred to in Paragraph 3 of our report of even date

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

1.
  - a. According to information and explanations given to us by the management and records furnished before us, the Company has generally 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. According to information and explanations given to us by the management and records furnished before us, during the year the company has not disposed off a substantial part of its fixed assets and accordingly it has no effect on the going concern of the company.
2.
  - a. According to information and explanation given to us by the management and records furnished before us, Inventories have been physically verified by the management at reasonable intervals.
  - b. In our opinion procedure of physical verification is reasonable and adequate with regards to size of the company and nature of its business.
  - c. According to information and explanations given to us by the management and records furnished before us, the Company has generally maintained proper records of Inventories and no material discrepancies have been noticed.
3.
  - a. According to the information and explanations given to us and on the basis of records furnished before us, the company has not granted any loans to parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly Clause 4(iii)(a), (b), (c), and (d) of Companies (Auditor's Report) Order, 2003 is not applicable.
  - b. According to the information and explanation given to us and records furnished before us for verification, during the year under consideration the company has taken loan from one party covered in the register maintained under section 301 of the Act. The maximum amount involved during the year is Rs.175 Lacs and the year end balance is Nil.
  - c. In our opinion and according to information and explanation given to us, the rate of interest and other terms and conditions on which loans have been taken are prima facie not prejudicial to interest of the company
  - d. According to records examined by us, in our opinion payment of interest is regular and with respect to principal, according to information and explanation given to us the said loan is repayable on demand and has been repaid as and when demanded.
4. According to the information & explanations given to us, in our opinion there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of Fixed Assets, Inventory and sale of goods. On the basis of our examination of books and records of the company, we have neither come across nor have been informed of any continuing failure to correct major weakness in the internal control.
5.
  - a. In our opinion and according to the information and explanation given to us, the particulars of contract or arrangements that were required to be entered in the register maintained under Section 301 of the Companies Act 1956 have been so entered in the said register.
  - b. In respect of the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year, in our opinion, are made at price which is reasonable having regard to the prevailing market prices at the relevant time.



6. The company has not accepted any deposits from the public hence Clause 4(vi) of Companies (Auditor's Report) Order, 2003 is not applicable.
7. According to information and explanations given to us the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the products dealt with by the company.
9.
  - a. According to the information and explanations given to us and records examined by us, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, service tax, cess and other dues with the appropriate authorities except few delays in payment of tax deducted at source.
  - b. No statutory dues are outstanding beyond six months from the date they become payable at the end of the year.
  - c. According to information & explanation given to us and the records of the Company, the dues of Sales tax, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess that have not been deposited on account of dispute or are partially deposited under protest.

Statute & Nature of dues	Amount in Dispute Rs.	Amount not Deposited Rs.	Forum where dispute is pending	Period
Income Tax	14.60 Lacs	NIL	1 <sup>st</sup> Appellate Authority	A.Y 2009-10

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the current and immediately preceding financial year.
11. As per the information and explanations given to us, the Company has not defaulted in repayment of dues to banks or financial institutions during the year.
12. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not chit fund, nidhi, mutual fund, and societies. Accordingly clause 4(xiii) of Companies (Auditor's Report) Order, 2003 is not applicable.
14. According to Information and explanation given to us and records examined by us, in our opinion the company has maintained proper records and contracts with respect to investments and has made timely entries therein of investment in Mutual Funds, Gold and other investments. Investments are held in the name of the company.

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15. According to information and explanations provide to us, the company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly Clause 4(xv) of Companies (Auditor's Report) Order, 2003 is not applicable.
  16. According to information and explanations given to us by the management and records furnished before us, during the year company has not taken any term loan. Accordingly clause 4(xvi) of Companies (Auditor's Report) Order, 2003 is not applicable.
  17. According to the information and explanations given to us and overall examination of records furnished before us, funds raised on short-term basis have not been prima-facie used for long-term investment.
  18. During the period, the company has not made allotment of shares on preferential basis to parties and companies covered in the registered maintained under section 301 of the Act hence Clause 4(xviii) of Companies (Auditor's Report) Order, 2003 is not applicable.
  19. During the period, the Company has not issued any debentures. Accordingly Clause 4(xix) of Companies (Auditor's Report) Order, 2003 is not applicable.
  20. The company has not raised any money by public issue during the year under audit. Accordingly Clause 4(xx) of Companies (Auditor's Report) Order, 2003 is not applicable.
  21. During the course of our examination of the books and records of the company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company noticed or reported during the period nor we have been informed of such instances by the management.

**For A. R. SODHA & CO.**  
**Chartered Accountants,**

**A. R. Sodha**  
**Partner.**

**M. No. 31878**  
**FRN : 110324W**

Place: Mumbai.

Date: 29<sup>th</sup> May,2013



## BALANCE SHEET AS AT 31ST MARCH, 2013

(in ₹)

Particulars	Note No.	As at 31st March, 2013	As at 31st March, 2012
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's funds</b>			
(a) Share capital	3	164,259,430	164,259,430
(b) Reserves and surplus	4	479,455,463	424,739,818
		<u>643,714,893</u>	<u>588,999,248</u>
<b>2 Non-current liabilities</b>			
Deferred tax liabilities (net)	29.1	8,630,320	10,200,348
		<u>8,630,320</u>	<u>10,200,348</u>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	5	194,254,468	636,754,902
(b) Trade payables	6	26,647,605	116,215,243
(c) Other current liabilities	7	66,268,618	365,053,954
(d) Short-term provisions	8	27,024,174	25,969,073
		<u>314,194,865</u>	<u>1,143,993,172</u>
<b>TOTAL</b>		<u><u>966,540,078</u></u>	<u><u>1,743,192,768</u></u>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9.A	41,080,688	47,150,436
(b) Non-current investments	10	2,806,281	2,806,281
(c) Long-term loans and advances	11	13,356,920	17,421,768
(d) Other non-current assets	12	9,622,314	9,622,314
		<u>66,866,203</u>	<u>77,000,799</u>
<b>2 Current assets</b>			
(a) Inventories	13	574,046,391	920,424,287
(b) Trade receivables	14	161,607,869	283,176,162
(c) Cash and cash equivalents	15	80,925,392	33,203,135
(d) Short-term loans and advances	16	76,628,932	427,471,129
(e) Other current assets	17	6,465,291	1,917,256
		<u>899,673,875</u>	<u>1,666,191,969</u>
<b>TOTAL</b>		<u><u>966,540,078</u></u>	<u><u>1,743,192,768</u></u>
See accompanying 'Notes forming part of the financial statements			

In terms of our report attached.

For A.R Sodha & Co.

Chartered Accountants

A.R.Sodha  
Partner  
M.No. 31878  
FRN: 110324W

For and on behalf of the Board of Directors

Mr ChanderMohan  
Chairman

Mr Saurabh Malhotra  
Managing Director

Mr. Radhe Shyam  
Director

Place : Mumbai

Date : 29th May 2013

Place : Mumbai

Date : 29th May 2013

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2013

(in ₹)

Particulars	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
1 Revenue from operations (gross)	18	6,188,257,631	9,656,030,998
Less: Excise duty		-	-
Revenue from operations (net)		<u>6,188,257,631</u>	<u>9,656,030,998</u>
2 Other income	19	<u>30,668,645</u>	<u>43,057,767</u>
3 <b>Total revenue (1+2)</b>		<u><b>6,218,926,276</b></u>	<u><b>9,699,088,765</b></u>
4 <b>Expenses</b>			
(a) Purchases of stock-in-trade	20.a	4,984,736,592	8,592,995,229
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20.b	346,377,896	(438,300,562)
(c) Employee benefits expense	21	21,085,838	18,952,233
(d) Finance costs	22	36,436,769	47,417,815
(e) Depreciation and amortisation expense	9.B	8,856,303	8,280,110
(f) Other expenses	23	760,857,363	1,368,671,271
<b>Total expenses</b>		<u><b>6,158,350,761</b></u>	<u><b>9,598,016,096</b></u>
5 <b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		<u><b>60,575,515</b></u>	<u><b>101,072,669</b></u>
6 Exceptional items		-	-
7 <b>Profit / (Loss) before extraordinary items and tax (5 ± 6)</b>		<u><b>60,575,515</b></u>	<u><b>101,072,669</b></u>
8 Extraordinary items		-	-
9 <b>Profit / (Loss) before tax (7 ± 8)</b>		<u><b>60,575,515</b></u>	<u><b>101,072,669</b></u>
10 <b>Tax expense:</b>			
(a) Current tax expense for current year		18,121,415	33,300,000
(b) Current tax expense relating to prior years		2,168,620	3,100,000
Net current tax expense		<u>20,290,035</u>	<u>36,400,000</u>
(c) Deferred tax		<u>(1,570,028)</u>	<u>(2,202,867)</u>
		<u><b>18,720,007</b></u>	<u><b>34,197,133</b></u>
11 <b>Profit / (Loss) from continuing operations (9 ± 10)</b>		<u><b>41,855,508</b></u>	<u><b>66,875,536</b></u>
12.i <b>Earnings per share (of ₹ 10/- each):</b>	28.1		
(a) Basic			
(i) Continuing operations		2.55	4.07
(ii) Total operations		2.55	4.07
(b) Diluted			
(i) Continuing operations		2.55	4.07
(ii) Total operations		2.55	4.07
12.ii <b>Earnings per share (excluding extraordinary items) (of ₹ 10/- each):</b>			
(a) Basic			
(i) Continuing operations		2.55	4.07
(ii) Total operations		2.55	4.07
(b) Diluted			
(i) Continuing operations		2.55	4.07
(ii) Total operations		2.55	4.07
<b>See accompanying 'Notes forming part of the financial statements</b>			

**In terms of our report attached.**

**For A.R Sodha & Co.**

**Chartered Accountants**

**A.R.Sodha**

**Partner**

**M.No. 31878**

**FRN: 110324W**

**Place : Mumbai**

**Date : 29th May 2013**

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

**Mr ChanderMohan**

**Chairman**

**Mr Saurabh Malhotra**

**Managing Director**

**Mr. Radhe Shyam**

**Director**

**Place : Mumbai**

**Date : 29th May 2013**



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013

(in ₹)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	60,575,515	101,072,669
<b><u>Adjustments for:</u></b>		
Depreciation and amortisation	8,856,303	8,280,110
Finance costs	36,436,770	47,417,815
Interest income	(6,704,180)	(6,800,886)
Dividend income	(9,030,694)	(1,301,630)
Net (gain) / loss on sale of investments	(456,079)	-
<b>Operating profit / (loss) before working capital changes</b>	89,677,635	148,668,078
<b><u>Changes in working capital:</u></b>		
<b><u>Adjustments for (increase) / decrease in operating assets:</u></b>		
Inventories	346,377,896	(438,300,562)
Trade receivables	119,171,399	(144,353,434)
Short-term loans and advances	350,842,197	(362,883,456)
Long-term loans and advances	-	7,000,000
Other current assets	(4,548,035)	6,626,016
Other non-current assets	-	-
<b><u>Adjustments for increase / (decrease) in operating liabilities:</u></b>		
Trade payables	(89,567,638)	41,867,465
Other current liabilities	(264,535,214)	308,725,242
Short-term provisions	1,055,101	5,167,755
	548,473,341	(427,482,896)
<b>Net income tax (paid) / refunds</b>	(15,501,614)	(38,275,000)
<b>Net cash flow from / (used in) operating activities (A)</b>	532,971,727	(465,757,896)
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(2,786,554)	(8,966,211)
Current investments not considered as Cash and cash equivalents		
- Purchased	(1,443,699,273)	(524,800,000)
- Proceeds from sale	1,453,186,046	524,800,000
Purchase of long-term investments		
- Subsidiaries	-	(1,131,458)
- Others	-	(5,000)
Interest received	5,980,607	6,800,886
Dividend received	-	1,301,630
<b>Net cash flow from / (used in) investing activities (B)</b>	12,680,826	(2,000,153)



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013

(in ₹)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>C. Cash flow from financing activities</b>		
Net increase / (decrease) in working capital borrowings	(428,000,434)	236,832,720
Proceeds from other short-term borrowings	140,507,974	222,392,616
Repayment of other short-term borrowings	(155,007,974)	(207,892,616)
Finance cost	(36,436,769)	(47,417,815)
Dividends paid	(16,328,392)	(16,425,943)
Tax on dividend	(2,664,700)	(2,664,700)
<b>Net cash flow from / (used in) financing activities (C)</b>	(497,930,296)	184,824,262
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	47,722,257	(282,933,787)
Cash and cash equivalents at the beginning of the year	33,203,135	316,136,922
<b>Cash and cash equivalents at the end of the year</b>	80,925,392	33,203,135
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 15)	80,925,392	33,203,135
<b>Cash and cash equivalents at the end of the year *</b>	<u>80,925,392</u>	<u>33,203,135</u>
* Comprises:		
(a) Cash on hand	26,258	33,343
(b) Balances with banks		
(i) In current accounts	14,722,530	12,705,626
(ii) In deposit accounts with original maturity of less than 3 months	65,069,362	19,276,694
(iii) In earmarked accounts (give details) (Refer Note (ii) below)	1,107,242	976,667
(c) Others	-	210,805
	<u>80,925,392</u>	<u>33,203,135</u>

### 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.

**In terms of our report attached.  
For A.R Sodha & Co.  
Chartered Accountants**

**A.R.Sodha  
Partner  
M.No. 31878  
FRN: 110324W**

**Place : Mumbai  
Date : 29th May 2013**

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

**Mr ChanderMohan  
Chairman**

**Mr Saurabh Malhotra  
Managing Director**

**Mr. Radhe Shyam  
Director**

**Place : Mumbai  
Date : 29th May 2013**



## Notes forming part of the financial statements

### 1 Corporate information

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

### 2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention for categories of fixed assets. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for those stated below.

#### Summary of Significant Accounting Policies

### 2.2 Use of estimates

The preparation of the financial statements 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 these estimates are based on management's 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 realisable 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 has been provided on the Written Down Value method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. The company has used the following rates to provide depreciation on its Fixed Assets

Lease Hold Land @5%  
Office Equipment 40%  
Plant & Equipement 15.33%  
Furniture & Fixtures 18.10%  
Vehicles @25.89%

## **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 Duty Entitlement Pass Book (DEPB)/ Target Plus Lisences(DFCE) 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 investmenst are recognized on receipt basis.

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 and translations**

### **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 the rate at the date of the transaction.

### **b) Conversion**

At the year end ,monetary item denominated in foreign currencies, other than those covered by forward contract ,are converted into rupee equivalents at the year end exchange rates.

### **c) Treatment of exchange differences**

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

### **d) Measurement of foreign currency monetary items at the Balance Sheet date**

In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

## **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 investmenst 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 include 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 cost directly attributable to development of qualifying assets are capitalized till the date qualifying asset 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**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

## **2.13 Leases**

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

## **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 for their realisability.

## **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 “Accounting Standard 30 Financial Instruments: Recognition and Measurement”. 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 “Hedging reserve account” under Reserves and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the “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 contracts

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 Commodities & Stock 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 31 March, 2013		As at 31 March, 2012	
	Number of shares	₹	Number of shares	₹
(a) <b>Authorised</b>				
Equity shares of ₹ 10/- each with voting rights	30,000,000	300,000,000	30,000,000	300,000,000
(b) <b>Issued</b>				
Equity shares of ₹ 10/- each with voting rights	16,425,943	164,259,430	16,425,943	164,259,430
(c) <b>Issued, Subscribed and fully paid up</b>				
Equity shares of ₹ 10/- each with voting rights	16,425,943	164,259,430	16,425,943	164,259,430
<b>Total issued, Subscribed and fully paid -up share capital</b>	<b>16,425,943</b>	<b>164,259,430</b>	<b>16,425,943</b>	<b>164,259,430</b>

### Note 3 A Share Capital

Particulars								
<b>Notes:</b>								
<b>(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:</b>								
Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Buy back	Other changes (give details)	Closing Balance
Equity shares with voting rights								
Year ended 31 March, 2013								
- Number of shares	16,425,943	-	-	-	-	-	-	16,425,943
- Amount (₹ 10 each)	164,259,430	-	-	-	-	-	-	164,259,430
Year ended 31 March, 2012								
- Number of shares	16,425,943	-	-	-	-	-	-	16,425,943
- Amount (₹ 10 each)	164,259,430	-	-	-	-	-	-	164,259,430
<b>Terms/Rights attached to Equity Shares</b>								

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.

During the year ended 31 March 2013, the amount of per share recognised as distributions to equity shareholders was ₹ 1 per share (31st March 2012 ₹ 1 per share).

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. At present there are no preferential amount. 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 31 March, 2013		As at 31 March, 2012	
	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 Chandermohan Malhotra	3310000	20.15%	3310000	20.15%
Mr. Saurabh Malhotra	3020000	18.39%	3020000	18.39%
Mr. Chandermohan Malhotra	1388965	8.46%	1386710	8.43%
M/s Sakuma Infrastructure and Realty Pvt Ltd	2436280	14.83%	1882609	11.47%
Mr. Ashok Mittal	901725	5.48%	901725	5.48%

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 No 4 Reserves And Surplus

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b>(a) Capital redemption reserve</b>		
Opening balance	100,009,200	100,009,200
Add: Additions during the year		
Transferred from surplus in Statement of Profit and Loss	-	-
Others (give details)	-	-
Less: Utilised during the year (give details)	-	-
<b>Closing balance</b>	<b>100,009,200</b>	<b>100,009,200</b>
<b>(b) Securities premium account</b>		
Opening balance	267,418,430	267,418,430
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year for:		
Issuing bonus shares	-	-
Writing off preliminary expenses	-	-
Writing off shares / debentures issue expenses	-	-
Premium on redemption of redeemable preference shares / debentures	-	-
Buy back of shares	-	-
Others (give details)	-	-
<b>Closing balance</b>	<b>267,418,430</b>	<b>267,418,430</b>
<b>(c) Hedging reserve</b>		
Opening balance	(32,629,834)	-
Add / (Less): Net Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year	31,950,780	(32,629,834)
<b>Closing balance</b>	<b>(679,054)</b>	<b>(32,629,834)</b>
<b>(d) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	89,942,022	42,030,238
<b>Add: Profit / (Loss) for the year</b>	<b>41,855,508</b>	<b>66,875,536</b>
<b>Less: Appropriations</b>		
Dividends proposed to be distributed to equity shareholders (₹1 per share) ( 31st March 2012: ₹1 per share)	(16,425,943)	(16,425,943)
Tax on dividend	(2,664,700)	(2,664,700)
Prior year excess provision for dividend tax	-	126,891
<b>Closing balance</b>	<b>112,706,887</b>	<b>89,942,022</b>
<b>Total Reserves and Surplus (a to d)</b>	<b>479,455,463</b>	<b>424,739,818</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 5 Short-Term Borrowings

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Loans repayable on demand		
From banks	194,254,468	622,254,902
Secured	194,254,468	622,254,902
(b) Loans and advances from related parties (Refer Note 27.2)		
Unsecured:- Considered Good		
Sakuma Infrastructure and Realty Pvt Ltd	-	14,500,000
	-	14,500,000
<b>Total</b>	<b>194,254,468</b>	<b>636,754,902</b>

#### Notes:

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

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b>Loans repayable on demand from banks:</b>		
Cash Credit	170,900,468	122,264,783
Packing Credit	23,354,000	499,990,119
Total - from banks	194,254,468	622,254,902

- i) Cash Credit and Packing Credit 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 @14.50% p.a . Packing credit is repayable within period from 90 days to 180 days and carries interest rate @ 11.15% p.a upto the period of Credit.

- (ii) Details of short-term borrowings guaranteed by some of the directors or others:

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
Loans repayable on demand from banks	194,254,468	622,254,902

### Note 6 Trade Payables

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
Trade payables:		
Other than Acceptances	26,647,605	116,215,243
<b>Total</b>	<b>26,647,605</b>	<b>116,215,243</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 7 Other Current Liabilities

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Unpaid dividends	660,661	563,110
(b) Unpaid Share Application Money	-	210,805
(c) Other Payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	836,592	2,865,460
(ii) Advances from customers	53,792,226	326,014,475
(iii) Others		
Unpaid Redemption Preference Shares Proceeds	422,506	422,506
Reimbursable Expenses	73,335	125,900
Fair Value of Forward Contract	504,025	34,851,698
M2M Gain/Loss Unrealised	9,979,273	-
<b>Total</b>	<b>66,268,618</b>	<b>365,053,954</b>

### Note 8 Short-Term Provisions

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Provision for employee benefits:		
(i) Provision for bonus	181,921	288,350
(ii) Provision for compensated absences	154,038	129,910
(iii) Provision for gratuity (net) (Refer Note 25.2.)	536,134	445,334
	<b>872,093</b>	<b>863,594</b>
(b) Provision - Others:		
(i) Provision for proposed equity dividend	16,425,943	16,425,943
(ii) Provision for tax on proposed dividends	2,664,700	2,664,700
(iii) Provision - others	7,061,438	6,014,836
	<b>26,152,081</b>	<b>25,105,479</b>
<b>Total (a+b)</b>	<b>27,024,174</b>	<b>25,969,073</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 9 A Fixed Assets

#### Tangible assets

Tangible assets	Balance as at 1 April, 2012	Additions	Gross block			Other adjustments	Balance as at 31 March, 2013
			Disposals	Borrowing cost capitalised			
	₹	₹	₹	₹		₹	₹
(a) Land							
Leasehold	1,270,000	-	-	-	-	-	1,270,000
(b) Plant and Equipment							
Owned	74,417,284	-	-	-	-	-	74,417,284
(c) Furniture and Fixtures							
Owned	157,642	-	-	-	-	-	157,642
(d) Vehicles							
Owned	15,614,723	2,626,739	-	-	-	-	18,241,462
(e) Office equipment							
Owned	1,736,111	159,815	-	-	-	-	1,895,926
<b>Total</b>	<b>93,195,760</b>	<b>2,786,554</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,982,314</b>
<b>Previous year</b>	<b>84,229,550</b>	<b>8,966,210</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>93,195,760</b>

Tangible assets	Accumulated depreciation and impairment			Net block		
	Balance as at 1 April, 2012	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2013	Balance as at 31 March, 2013	Balance as at 31 March, 2012
	₹	₹	₹	₹	₹	₹
(a) Land						
Leasehold	287,299	49,135	-	336,434	933,566	982,701
(b) Plant and Equipment						
Owned	38,956,878	5,436,080	-	44,392,958	30,024,326	35,460,406
(c) Furniture and Fixtures						
Owned	95,531	11,242	-	106,773	50,869	62,111
(d) Vehicles						
Owned	5,665,647	3,114,276	-	8,779,923	9,461,539	9,949,076
(e) Office equipment						
Owned	1,039,969	245,569	-	1,285,538	610,388	696,142
<b>Total</b>	<b>46,045,324</b>	<b>8,856,303</b>	<b>-</b>	<b>54,901,627</b>	<b>41,080,688</b>	<b>47,150,436</b>
<b>Previous year</b>	<b>37,765,214</b>	<b>8,280,110</b>	<b>-</b>	<b>46,045,324</b>	<b>47,150,436</b>	<b>54,907,904</b>

### Note 9 B Fixed Assets

#### Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	₹	₹
Depreciation and amortisation for the year on tangible assets as per Note 9 A	8,856,303	8,280,110
	<u>8,856,303</u>	<u>8,280,110</u>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 10 Non Current Investments

Particulars	As at 31 March, 2013			As at 31 March, 2012		
	Quoted ₹	Unquoted ₹	Total ₹	Quoted ₹	Unquoted ₹	Total ₹
Investments (At cost):						
<b>A. Trade @</b>						
(a) Investment in equity instruments (give details separately for fully / partly paid up instruments)						
(i) of subsidiaries						
50 (As at 31 March, 2012: 50) shares of AED 1000 each fully paid up in Sakuma Exim DMCC	-	700,581	700,581	-	700,581	700,581
147 (As at 31 March, 2012: 147) shares of AED 1000 partly paid @ AED 200 per share in GKM General Trading LLC	-	430,877	430,877	-	430,877	430,877
	-	1,131,458	1,131,458	-	1,131,458	1,131,458
<b>B. Other investments</b>						
(a) Investment in government or trust securities						
(i) government securities - NSC	-	16,100	16,100	-	16,100	16,100
(b) Other non-current investments -Gold	-	1,658,723	1,658,723	-	1,658,723	1,658,723
<b>Total - Other investments (B)</b>		1,674,823	1,674,823		1,674,823	1,674,823
<b>Total (A+B)</b>		2,806,281	2,806,281	-	2,806,281	2,806,281
<b>Total</b>			2,806,281			2,806,281
<b>Aggregate amount of unquoted investments</b>			2,806,281			2,806,281

### Note 11 Long-Term Loans And Advance

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Security deposits		
Unsecured, considered good ( Refer note below)	9,000,000	9,000,000
(b) Advance income tax (net of provisions)	4,356,920	8,421,768
<b>Total (a+b)</b>	<b>13,356,920</b>	<b>17,421,768</b>

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

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b>Private companies in which any director is a director or member</b>		
M/s Sakuma Infrastructure and Realty Pvt Ltd	7,470,000	7,470,000
<b>Relative of Director</b>		
Mrs Kusum Malhotra ( Wife of Director)	1,530,000	1,530,000
	<b>9,000,000</b>	<b>9,000,000</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 12 Other Non-Current Assets

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Long-term trade receivables Unsecured, considered good	9,622,314	9,622,314
<b>Total</b>	<b>9,622,314</b>	<b>9,622,314</b>

### Note 13 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Stock-in-trade (acquired for trading)	574,046,391	920,424,287
<b>Total</b>	<b>574,046,391</b>	<b>920,424,287</b>

### Note No. 14 Trade Receivables

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment Unsecured, considered good	1,117,266	1,052,805
b) Other Trade receivables ( Refer Note below) Unsecured, considered good	160,490,603	282,123,357
<b>Total</b>	<b>161,607,869</b>	<b>283,176,162</b>

**Note: Trade receivables include debts due from:**

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b>Private companies in which any director is a director or member (give details per company)</b>		
GKM General Trading LLC	-	20,585,720
	-	20,585,720



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 15 Cash And Cash Equivalents

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Cash on hand	26,258	33,343
(b) Balances with banks		
(i) In current accounts	14,722,530	12,705,626
(ii) In earmarked accounts		-
Unpaid dividend accounts	1,107,242	976,667
Share application money received for allotment of securities and due for refund	-	210,805
Balances held as margin money or security against borrowings, guarantees and other commitments	65,069,362	19,276,694
<b>Total</b>	<b>80,925,392</b>	<b>33,203,135</b>

### Note 16 Short-Term Loans And Advances

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Loans and advances to related parties (Refer Note below)		
Unsecured, considered good	31,050	31,050
	<b>31,050</b>	<b>31,050</b>
(b) Security deposits		
Unsecured, considered good	5,352,074	6,908,150
	<b>5,352,074</b>	<b>6,908,150</b>
(c) Loans and advances to employees		
Unsecured, considered good ( Refer Note below)	545,000	225,000
	<b>545,000</b>	<b>225,000</b>
(d) Advance recoverable in cash or kind		
Unsecured, considered good	17,803,309	224,327,038
	<b>17,803,309</b>	<b>224,327,038</b>
(e) Other Loans and Advances		
Prepaid expenses - Unsecured, considered good	709,522	136,402,902
Balances with government authorities-		
Unsecured, considered good		
(i) Duty Drawback Receivable	14,118,190	43,727,265
(ii) VAT credit receivable	7,849,377	1,414,763
(iii) Service Tax Refund receivable	30,220,410	14,434,961
	<b>52,897,499</b>	<b>195,979,891</b>
<b>Total</b>	<b>76,628,932</b>	<b>427,471,129</b>

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

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b><u>Loans and advances to employees</u></b>		
Dues from officers	545,000	225,000
<b><u>Loans and advances to related parties includes</u></b>		
Sakuma Exim DMCC - Subsidiary Company	31,050	31,050
	<b>576,050</b>	<b>256,050</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 17 Other Current Assets

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Accruals		
(i) Interest accrued on deposits	6,465,291	1,917,256
<b>Total</b>	<b>6,465,291</b>	<b>1,917,256</b>

### Note 18 Revenue From Operations

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
(a) Sale of products (Refer Note (i) below)	6,062,773,958	9,445,760,693
(b) Sale of services (Refer Note (ii) below)	1,914,596	-
(c) Other operating revenues (Refer Note (iii) below)	123,569,077	210,270,305
	<b>6,188,257,631</b>	<b>9,656,030,998</b>
<b>Total</b>	<b>6,188,257,631</b>	<b>9,656,030,998</b>

Note	Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
i)	<u>Traded goods</u>		
	Sugar	5,045,512,851	8,392,580,945
	Papers	28,836,915	274,218,959
	Power	6,487,640	6,665,201
	Gold	302,110,000	-
	Silver	55,001,648	-
	Raw Cotton	98,297,175	-
	<i>Other Agriculture commodities</i>	526,527,729	772,295,588
	<b>Total - Sale of traded goods</b>	<b>6,062,773,958</b>	<b>9,445,760,693</b>
	<b>Total - Sale of products</b>	<b>6,062,773,958</b>	<b>9,445,760,693</b>
(ii)	Sale of services comprises		
	Business Auxilliary Services	1,914,596	-
	<b>Total - Sale of services</b>	<b>1,914,596</b>	<b>-</b>
iii)	Other operating revenues comprise:		
	Duty drawback and other export incentives	105,941,849	217,997,756
	Gain/(Loss) on Commodity Forwards	17,627,228	(7,727,451)
	<b>Total - Other operating revenues</b>	<b>123,569,077</b>	<b>210,270,305</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 19 Other Income

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
(a) Interest income (Refer Note (i) below)	15,716,254	6,800,886
(b) Dividend income: others	9,030,694	1,301,630
(c) Net gain on sale of: current investments	456,079	-
(d) Net gain on foreign currency transactions and translation (other than considered as finance cost)	-	29,893,732
(e) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	5,465,618	5,061,519
<b>Total</b>	<b>30,668,645</b>	<b>43,057,767</b>

Note	Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
(i)	Interest income comprises: Interest from banks on: deposits	5,980,607	6,800,886
	Interest on loans and advances	9,012,074	-
	Interest on income tax refund	723,573	-
	<b>Total - Interest income</b>	<b>15,716,254</b>	<b>6,800,886</b>
(ii)	Other non-operating income comprises: a) Liabilities / provisions no longer required written back	4,641,499	-
	b) Miscellaneous income	824,119	5,061,519
	<b>Total - Other non-operating income</b>	<b>5,465,618</b>	<b>5,061,519</b>
	<b>Total</b>	<b>21,181,872</b>	<b>11,862,405</b>

### Note 20A Purchase Of Traded Goods

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
Sugar	3,700,077,863	7,900,144,288
Paper	-	247,349,937
Silver	380,593,869	-
Gold	305,288,993	-
Raw Cotton	175,265,220	-
Other Agriculture Commodities	423,510,647	445,501,004
<b>Total</b>	<b>4,984,736,592</b>	<b>8,592,995,229</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 20 B Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
<u>Inventories at the end of the year:</u>		
Stock-in-trade	574,046,391	920,424,287
	574,046,391	920,424,287
<u>Inventories at the beginning of the year:</u>		
Stock-in-trade	920,424,287	482,123,725
	920,424,287	482,123,725
<b>Net (increase) / decrease</b>	<b>346,377,896</b>	<b>(438,300,562)</b>

### Note 21 Employee Benefits Expense

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
Salaries and wages	10,706,997	7,761,685
Directors Remuneration	8,400,000	8,400,000
Contributions to provident and other funds (Refer Note 25.1)	244,243	265,981
Contribution to Gratuity Fund ( Refer Note 25.2)	328,270	507,740
Staff welfare expenses	1,406,328	2,016,827
<b>Total</b>	<b>21,085,838</b>	<b>18,952,233</b>

### Note 22 Finance Costs

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
(a) Interest expense on:		
(i) Borrowings	27,451,207	47,417,815
(b) Other borrowing costs	8,985,562	-
<b>Total</b>	<b>36,436,769</b>	<b>47,417,815</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 23 Other Expenses

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
Bank Charges	4,086,147	7,554,443
Power and fuel	476,241	331,973
Rent including lease rentals	6,741,600	6,777,561
Repairs and maintenance - Buildings	373,316	-
Repairs and maintenance - Machinery	1,001,691	1,540,696
Repairs and maintenance - Others	169,214	143,975
Insurance	2,373,129	936,154
Rates and taxes	1,637,649	1,547,616
Communication	2,098,088	2,970,602
Travelling and conveyance	6,240,632	4,434,608
Printing and stationery	815,242	1,324,845
Freight and forwarding	239,157,594	363,198,720
Sales commission	2,834,253	629,851
Business promotion	143,612	133,043
Donations and contributions	25,000	82,001
Legal and professional	2,035,513	5,831,818
Payments to auditors (Refer Note (i) below)	660,676	502,384
Labour Charges	1,953,929	6,751,887
Loading and Unloading Charges	3,763,002	6,399,902
Terminal and Handling Charges	11,254,590	24,283,214
Transport Charges	135,331,187	178,413,626
Warehouse Charges	4,114,137	17,956,711
Custom Duty	89,673	50,917,805
Demmurage Charges	15,056,628	4,228,033
Detention Charges	10,868,344	4,687,777
Warfage Charges	2,839,140	-
Transaction Charges for trading in Commodities & Securities Exchange	459,427	1,112,185
Brokerage on trading in Commodities & Securities Exchange	11,264,397	15,443,467
Custodian Expenses	-	3,623,957
ECGC Premium	1,804,977	2,628,930
Lodging & Boarding	1,491,837	1,596,896
MBPT Charges	-	2,923,125
License & Quota Charges	140,680,914	639,499,329
Foreign Exchange Difference	140,393,972	-
Ground Rent Charges	686,098	-
Directors Sitting Fees	646,000	629,000
Bad trade and other receivables, loans and advances written off	-	2,508,364
Prior period items (net) (Refer Note (ii) below)	542,559	25,000
Miscellaneous expenses	6,746,956	7,101,773
<b>Total</b>	<b>760,857,363</b>	<b>1,368,671,271</b>

#### Notes:

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	401,687	365,170
For taxation matters	182,585	84,270
For other services	76,404	52,944
<b>Total</b>	<b>660,676</b>	<b>502,384</b>
(ii) Details of Prior period items (net)		
Professional Fees	-	25,000
Bank Charges	42,559	-
Tender Fees	500,000	-
<b>Total</b>	<b>542,559</b>	<b>25,000</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(i) <b>Contingent liabilities</b>		
(a) Claims against the Company not acknowledged as debt with respect to		
i) Sugar Import Consignment pertaining to year 2009-10	USD 11,23,425 & Rs.60,43,987/- and Interest @8%	USD 11,23,425 & Rs.60,43,987/- and Interest @8%
ii) Quality issue of Goods Supplied	1,587,450	1,587,450
(b) Disputed Income Tax Demands for AY 2009-10	1,460,411	1,985,242
(ii) <b>Commitments</b>		
(a) Uncalled liability		
i) Share Subscription Money payable for GKM General Trading LLC	AED 117600	AED 117600
ii) Share Subscription Money payable for Sakuma Exim DMCC	AED 55	-
(b) Other commitments		
i) Outstanding Currency Forward Contracts	USD 58,29,899	USD 4,39,73,000

### 24.3 Details on derivatives instruments and unhedged foreign currency exposures

The following derivative positions are open as at 31 March, 2013. 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 of for receivables.
- (i) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2013

Currency	Amount	Buy / Sell
USD	5,829,899	Sell
USD	(4,39,73,000)	Sell

Note: Figures in brackets relate to the previous year

### 24.4 Value of imports calculated on CIF basis @:

	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
Traded Goods	431,392,054	600,497,800

### 24.5 Expenditure in foreign currency #:

	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
Professional and consultation fees	88,400	-
Travelling Expenses	1,450,175	920,976
Commission	-	97,671
Import of Goods	431,392,054	600,439,150



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 24.6 Earnings in foreign exchange

	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
Export of goods calculated on FOB basis	5,167,841,786	7,297,683,203

### Note 25 Disclosures under Accounting Standards

#### 25 Employee benefit plans

##### 25.1 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 ₹ 2,44,243/- (year ended 31 March, 2012 ₹ 2,45,676) 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.

##### 25.2 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	Year ended 31 March, 2013 Gratuity	Year ended 31 March, 2012 Gratuity
<b>Components of employer expense</b>		
Current service cost	301,907	263,262
Interest cost	71,870	26,982
Expected return on plan assets	(45,272)	(11,856)
Past service cost	-	4,464
Actuarial losses/(gains)	(235)	224,888
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>328,270</b>	<b>507,740</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	(23,885)	-
Actual contributions	237,470	395,213
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	1,231,060	871,150
Fair value of plan assets	694,926	425,816
Funded status [Surplus / (Deficit)]	(536,134)	(445,334)
Unrecognised past service costs	-	-
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(536,134)</b>	<b>(445,334)</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note	Particulars	Year ended 31 March, 2013 Gratuity	Year ended 31 March, 2012 Gratuity
25.2	<b>Change in defined benefit obligations (DBO) during the year</b>		
	Present value of DBO at beginning of the year	871,150	337,271
	Current service cost	301,907	263,262
	Interest cost	71,870	26,982
	Actuarial (gains) / losses	10,018	243,635
	Benefits paid	(23,885)	-
	Present value of DBO at the end of the year	1,231,060	871,150
	<b>Change in fair value of assets during the year</b>		
	Plan assets at beginning of the year	425,816	-
	Expected return on plan assets	45,272	11,856
	Actual company contributions	237,470	395,213
	Actuarial gain / (loss)	10,253	18,747
	Benefits paid	(23,885)	-
	Plan assets at the end of the year	694,926	425,816
	<b>Actuarial assumptions</b>		
	Discount rate	8.25%	8%
	Expected return on plan assets	8.50%	6%
	Salary escalation	6.50%	5%
	Attrition	10% at younger age and 4% at older age.	11%
	Mortality tables	Indian Assured Lives Mortality (2006-08)	LIC (1994-96) Ultimate

### Note 26 Disclosures under Accounting Standards (contd.)

#### 26.1 Segment information

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Trading in Commodities and Windmill Operation. As windmill operation is not meeting any of the criteria hence forth, we are not providing the primary segment information.

#### 26.2 The geographic bifurcation of the Company's revenues and segment assets are as Under:

Geographic Segment	Revenues For the year ended 31 March, 2013 ₹	Segment assets As at 31 March, 2013 ₹	Capital expenditure incurred during the year ended 31 March, 2013 ₹
With in India	820,054,335 (1,211,283,629)	23,172,768 (2,055,695)	2,786,554 (8,966,210)
Rest of the World	5,244,634,219 (8,234,477,064)	138,435,102 (281,120,467)	- (-)

Note: Figures in bracket relates to the previous year



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 27 Disclosures under Accounting Standards (contd.)

#### 27.1 Related party transactions

##### Details of related parties:

##### Description of relationship

Holding Company

Subsidiaries

Subsidiaries

Key Management Personnel (KMP)

Relatives of KMP

Company in which KMP / Relatives of KMP can exercise significant influence

##### Names of related parties

Sakuma Exports Limited

Sakuma Exim DMCC

GKM General Trading LLC

Mr.Chander Mohan

Mr. Saurabh Malhotra

Mrs.Shipra Medirrata

Mrs Kusum Malhotra

Sakuma Finvest Private Limited

GMK System and Logistics Pvt Ltd

Sakuma Infrastructure and Realty Private Limited

#### 27.2 Details of related party transactions during the year ended 31 March, 2013 and balances outstanding as at 31 March, 2013:

Particulars	Subsidiaries	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total (in ₹)
Sale of goods	207,816,154 (173,691,054)	-	-	112,606,000	320,422,154 (173,691,054)
Directors Sitting Fees	-	-	136,000 (136,000)	-	136,000 (136,000)
Rent Paid	-	-	1,146,072 (1,125,060)	5,595,528 (5,492,940)	6,741,600 (6,618,000)
Finance Expenses (Interest Paid)	-	-	-	687,945 (841,753)	687,945 (841,753)
Management contracts including for deputation of employees	-	8,400,000	-	-	8,400,000
	-	(8,400,000)	-	-	(8,400,000)
Other Receipts	-	-	-	9,543,347	9,543,347
	-	-	-	-	-
<b>Balance as at 31st March 2013</b>					
Investment	1,131,458 (1,131,458)	-	-	-	1,131,458 (1,131,458)
Trade Receivable	-	-	-	-	-
	(20,585,720)				(20,585,720)
Short Term Loan and Advances	31,050 (31,050)	-	1,530,000 (1,530,000)	7,871,004 (7,470,000)	9,432,054 (9,031,050)
Other Current Liabilities	4,391,500	-	-	-	4,391,500
	-	-	-	-	-
Provision ( Directors Remuneration Payable)	-	1,154,000 (700,000)	-	-	1,154,000 (700,000)
Short Term Borrowings	-	-	-	-	-
	-	-	-	(14,500,000)	(14,500,000)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 28 Disclosures under Accounting Standards (contd.)

Note	Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
28.1	<b>Earnings per share</b>		
	<b><u>Basic &amp; Diluted</u></b>		
	Net profit / (loss) for the year	41,855,508	66,875,536
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year attributable to the equity shareholders	41,855,508	66,875,536
	Weighted average number of equity shares	16,425,943	16,425,943
	Par value per share	10	10
	Earnings per share	2.55	4.07

### Note 29 Disclosures under Accounting Standards (contd.)

Note	Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
29.1	<b>Deferred tax (liability) / asset</b>		
	<b><u>Tax effect of items constituting deferred tax liability</u></b>		
	On difference between book balance and tax balance of fixed assets	(8,863,293)	(10,427,056)
	Tax effect of items constituting deferred tax liability	(8,863,293)	(10,427,056)
	<b><u>Tax effect of items constituting deferred tax assets</u></b>		
	Provision for compensated absences, gratuity and other employee benefits	173,949	137,608
	Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	59,024	89,100
	Tax effect of items constituting deferred tax assets	232,973	226,708
	<b>Net deferred tax (liability) / asset</b>	<b>(8,630,320)</b>	<b>(10,200,348)</b>

The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax (or) The Company has recognised deferred tax asset on unabsorbed depreciation and brought forward business losses based on the Management's estimates of future profits considering the non-cancellable customer orders received by the Company.

### Note 30 Previous year's figures

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



## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Sakuma Exports Limited

### Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Sakuma Exports Limited ("the Company"), and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. 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 control relevant to the Group's preparation and presentation 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
  - (b) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
  - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

### Other Matters

6. We did not audit the financial statements of Dubai subsidiaries, whose financial statements reflect total assets of Rs 9,332 Lacs as at March 31, 2013, total revenue of Rs 21,412 Lacs and profit of Rs 249 Lacs for the year ended on that date. The financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of other matters.

For A. R. SODHA & CO.  
Chartered Accountants,

A. R. Sodha  
Partner.

M. No. 31878  
FRN : 110324W

Place: Mumbai.

Date: 29<sup>th</sup> May, 2013



## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2013

(in ₹)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	164,259,430	164,259,430
(b) Reserves and surplus	4	<u>508,577,151</u>	<u>431,444,719</u>
		672,836,581	595,704,149
<b>2 Minority Interest</b>		5,567,493	1,993,083
<b>3 Non-current liabilities</b>			
Deferred tax liabilities (net)	28.1	<u>8,630,320</u>	<u>10,200,348</u>
		8,630,320	10,200,348
<b>4 Current liabilities</b>			
(a) Short-term borrowings	5	194,254,468	636,754,902
(b) Trade payables	6	923,262,887	124,994,747
(c) Other current liabilities	7	61,877,118	365,053,954
(d) Short-term provisions	8	<u>27,641,461</u>	<u>25,969,073</u>
		1,207,035,934	1,152,772,676
<b>TOTAL</b>		<u>1,894,070,328</u>	<u>1,760,670,256</u>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9A	41,181,749	47,262,381
(b) Non-current investments	10	1,674,823	1,674,823
(c) Long-term loans and advances	11	13,356,920	17,421,768
(d) Other non-current assets	12	<u>9,622,314</u>	<u>9,622,314</u>
		65,835,806	75,981,286
<b>2 Current assets</b>			
(a) Inventories	13	639,054,317	927,882,217
(b) Trade receivables	14	1,017,434,539	281,945,386
(c) Cash and cash equivalents	15	88,376,347	44,588,871
(d) Short-term loans and advances	16	76,904,028	428,355,240
(e) Other current assets	17	<u>6,465,291</u>	<u>1,917,256</u>
		1,828,234,522	1,684,688,970
<b>TOTAL</b>		<u>1,894,070,328</u>	<u>1,760,670,256</u>

See accompanying notes forming part of the financial statements

In terms of our report attached.  
For A.R Sodha & Co.  
Chartered Accountants

A.R.Sodha  
Partner  
M.No. 31878  
FRN: 110324W

Place : Mumbai  
Date : 29th May'2013

For and on behalf of the Board of Directors

Mr ChanderMohan  
Chairman

Mr. Radhe Shyam  
Director  
Place : Mumbai  
Date : 29th May'2013

Mr Saurabh Malhotra  
Managing Director



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars		Note No.	For the year ended 31st March, 2013 ₹	For the year ended 31st March, 2012 ₹
1	Revenue from operations (gross)	18	8,121,606,756	9,783,744,807
	Less: Excise duty		-	-
	Revenue from operations (net)		8,121,606,756	9,783,744,807
2	Other income	19	36,003,945	40,211,300
3	<b>Total revenue (1+2)</b>		<b>8,157,610,701</b>	<b>9,823,956,107</b>
4	<b>Expenses</b>			
(a)	Purchases of stock-in-trade	20.a	6,881,463,613	8,696,047,970
(b)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	20.b	288,827,900	(445,758,492)
(c)	Employee benefits expense	21	30,836,866	19,651,956
(d)	Finance costs	22	36,436,769	47,417,815
(e)	Depreciation and amortisation expense	9.B	8,881,095	8,291,443
(f)	Other expenses	23	824,597,745	1,388,534,762
	<b>Total expenses</b>		<b>8,071,043,989</b>	<b>9,714,185,454</b>
5	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		<b>86,566,712</b>	<b>109,770,653</b>
6	Exceptional items		-	-
7	<b>Profit / (Loss) before extraordinary items and tax (5 ± 6)</b>		<b>86,566,712</b>	<b>109,770,653</b>
8	Extraordinary items		-	-
9	<b>Profit / (Loss) before tax (7 ± 8)</b>		<b>86,566,712</b>	<b>109,770,653</b>
10	<b>Tax expense:</b>			
(a)	Current tax expense for current year		18,121,415	33,300,000
(b)	Current tax expense relating to prior years		2,168,620	3,100,000
(c)	Net current tax expense		20,290,035	36,400,000
(d)	Deferred tax		(1,570,028)	(2,202,867)
			<b>18,720,007</b>	<b>34,197,133</b>
11	<b>Profit / (Loss) from continuing operations (9 ± 10)</b>		<b>67,846,704</b>	<b>75,573,520</b>
12	<b>Less : Share of Profit of Minority Interest</b>		<b>(3,574,410)</b>	<b>(1,993,083)</b>
13	<b>Profit / (Loss) from continuing operations (11 ± 12)</b>		<b>64,272,294</b>	<b>73,580,437</b>
14.i	<b>Earnings per share (of ` 10/- each):</b>	27		
(a)	Basic			
(i)	Continuing operations		3.91	4.48
(ii)	Total operations		3.91	4.48
(b)	Diluted			
(i)	Continuing operations		3.91	4.48
(ii)	Total operations		3.91	4.48
14.ii	<b>Earnings per share (excluding extraordinary items) (of ` 10/- each):</b>			
(a)	Basic			
(i)	Continuing operations		3.91	4.48
(ii)	Total operations		3.91	4.48
(b)	Diluted			
(i)	Continuing operations		3.91	4.48
(ii)	Total operations		3.91	4.48

See accompanying notes forming part of the financial statements

In terms of our report attached.  
For A.R Sodha & Co.  
Chartered Accountants

A.R.Sodha  
Partner  
M.No. 31878  
FRN: 110324W

Place : Mumbai  
Date : 29th May'2013

For and on behalf of the Board of Directors

Mr ChanderMohan  
Chairman

Mr Saurabh Malhotra  
Managing Director

Mr. Radhe Shyam  
Director  
Place : Mumbai  
Date : 29th May'2013

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013

(in ₹)		
Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	86,566,712	109,770,653
<b><u>Adjustments for:</u></b>		
Depreciation and amortisation	8,881,095	8,291,443
Finance costs	36,436,769	47,417,815
Interest income	(6,704,180)	(6,800,886)
Dividend income	(9,030,694)	(1,301,630)
Net (gain) / loss on sale of investments	(456,079)	860,183
<b>Operating profit / (loss) before working capital changes</b>	<b>115,693,623</b>	<b>158,237,578</b>
<b><u>Changes in working capital:</u></b>		
<b><u>Adjustments for (increase) / decrease in operating assets:</u></b>		
Inventories	288,827,900	(445,758,492)
Trade receivables	(737,886,044)	(163,708,379)
Short-term loans and advances	351,451,212	(363,767,567)
Long-term loans and advances	-	7,000,000
Other current assets	(4,548,035)	6,626,016
<b><u>Adjustments for increase / (decrease) in operating liabilities:</u></b>		
Trade payables	798,268,140	70,372,505
Other current liabilities	(268,926,714)	308,725,242
Short-term provisions	1,672,388	5,167,755
	<b>544,552,470</b>	<b>(417,105,342)</b>
<b>Net income tax (paid) / refunds</b>	<b>(15,501,614)</b>	<b>(38,275,000)</b>
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>529,050,856</b>	<b>(455,380,342)</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(2,800,464)	(9,089,488)
Current investments not considered as Cash and cash equivalents		
- Purchased	(1,443,699,273)	(524,800,000)
- Proceeds from sale	1,453,186,046	524,800,000
- Others	-	(5,000)
Interest received	5,980,607	6,800,886
Dividend received	-	1,301,630
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>12,666,916</b>	<b>(991,972)</b>



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013

(in ₹)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>C. Cash flow from financing activities</b>		
Net increase / (decrease) in working capital borrowings	(428,000,434)	236,832,720
Proceeds from other short-term borrowings	140,507,974	222,392,616
Repayment of other short-term borrowings	(155,007,974)	(207,892,616)
Finance cost	(36,436,769)	(47,417,815)
Dividends paid	(16,328,392)	(16,425,943)
Tax on dividend	(2,664,700)	(2,664,700)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(497,930,296)</b>	<b>184,824,262</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>43,787,475</b>	<b>(271,548,052)</b>
Cash and cash equivalents at the beginning of the year	44,588,871	316,136,923
<b>Cash and cash equivalents at the end of the year</b>	<b>88,376,347</b>	<b>44,588,871</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 15)	88,376,347	44,588,871
<b>Cash and cash equivalents at the end of the year *</b>	<b>88,376,347</b>	<b>44,588,871</b>
* Comprises:		
(a) Cash on hand	723,973	97,163
(b) Cheques, drafts on hand		
(c) Balances with banks		
(i) In current accounts	21,475,770	24,027,542
(ii) In deposit accounts with original maturity of less than 3 months	65,069,362	19,276,694
(iii) In earmarked accounts (give details) (Refer Note (ii) below)	1,107,242	976,667
(d) Others	-	210,805
	<b>88,376,347</b>	<b>44,588,871</b>

### 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.

In terms of our report attached.

For A.R Sodha & Co.

Chartered Accountants

A.R.Sodha

Partner

M.No. 31878

FRN: 110324W

Place : Mumbai

Date : 29th May 2013

For and on behalf of the Board of Directors

Mr ChanderMohan

Chairman

Mr Saurabh Malhotra

Managing Director

Mr. Radhe Shyam

Director

Place : Mumbai

Date : 29th May 2013

## Notes Forming Part Of The Consolidated Financial Statements

### 1 Corporate information

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

### 2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention for categories of fixed assets. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for those stated below.

#### Principles of Consolidation

The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Parent and its subsidiary companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.
- b) The financial statements of the subsidiary companies are prepared for the same reporting year as the Company, using consistent accounting policies to the extent practicable. Adjustments are made to align any dissimilar accounting policies that may exist where practicable.
- c) The difference between cost of investments in the subsidiary companies over the net assets at the time of acquisition of shares in the subsidiary companies is recognised in the financial statements as Goodwill, and tested for impairment, or Capital reserve, as the case may be.
- d) For the purpose of Consolidation of Foreign subsidiaries Income and expenses are translated at average rate during the month, monetary items are translated using closing rate and non-monetary items are translated using rate of exchange at the date of transactions. The net impact of translation is recognised as expense or income in the statement of profit and loss.
- e) **Particulars of Subsidiary companies are as Under.**

Name of Company	Country of Incorporation	% of Voting Power held	Date of Acquisition
-----------------	--------------------------	------------------------	---------------------

GKM General Trading LLC	UAE	49%	26/09/2011
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Sakuma Exim DMCC	UAE	100%	30/11/2011
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#### Summary of Significant Accounting Policies

### 2.2 Use of estimates

The preparation of the financial statements 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 the estimates are based on management's 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 realisable 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 has been provided on the Written Down Value method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. The company has used the following rates to provide depreciation on its Fixed Assets

Lease Hold Land @5%

Office Equipment 40%

Plant & Equipement 15.33%

Furniture & Fixtures 18.10%

Vehicles @25.89%

Assets of Subsidiary @ 20%

### **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 recognonised on Completion of Service.

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

#### **b) Other income**

Dividend Income from investmenst are recognized on receipt basis.

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 expenses relating to fixed assets are 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 and translations

### 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 the rate at the date of the transaction.

### b) Conversion

At the year end ,monetary item denominated in foreign currencies, other than those covered by forward contract ,are converted into rupee equivalents at the year end exchange rates.

### c) Treatment of exchange differences

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

### d) Measurement of foreign currency monetary items at the Balance Sheet date

In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

## 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 include 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 Benfit 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 cost directly attributable to development of qualifying assets are capitalized till the date qualifying assest 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

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.

## 2.13 Leases

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

## 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 for their realisability.

## **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 “Accounting Standard 30 Financial Instruments: Recognition and Measurement”. 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 “Hedging reserve account” under Reserves and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the “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 contracts**

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 Commodities & Stock 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 31 March, 2013		As at 31 March, 2012	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised</b>				
Equity shares of ₹ 10/- each with voting rights	30,000,000	300,000,000	30,000,000	300,000,000
<b>b) Issued, Subscribed and fully paid up</b>				
Equity shares of ₹ 10/- each with voting rights	16,425,943	164,259,430	16,425,943	164,259,430
<b>Total issued, Subscribed and fully paid -up share capital</b>	<u>16,425,943</u>	<u>164,259,430</u>	<u>16,425,943</u>	<u>164,259,430</u>

### Note 3 A Share Capital

**(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 31 March, 2013								
- Number of shares	16,425,943	-	-	-	-	-	-	16,425,943
- Amount (₹ 10 each)	164,259,430	-	-	-	-	-	-	164,259,430
Year ended 31 March, 2012								
- Number of shares	16,425,943	-	-	-	-	-	-	16,425,943
- Amount (₹ 10 each)	164,259,430	-	-	-	-	-	-	164,259,430

### Terms/Rights attached to Equity Shares

The Company has one class of equity shares having par value of Rs 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

During the year ended 31 March 2013, the amount of per share recognised as distributions to equity shareholders was ₹ 1 per share (31st March 2012 ₹ 1 per share).

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. At present there are no preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

## NOTES FORMING PART OF THE 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 31 March, 2013		As at 31 March, 2012	
	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 Chandermohan Malhotra	3310000	20.15%	3310000	20.15%
Mr. Saurabh Malhotra	3020000	18.39%	3020000	18.39%
Mr. Chandermohan Malhotra	1388965	8.46%	1386710	8.43%
M/s Sakuma Infrastructure and Realty Pvt Ltd	2436280	14.83%	1882609	11.47%
Mr. Ashok Mittal	901725	5.48%	901725	5.48%

**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 No 4 Consolidated Reserves And Surplus

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b>(a) Capital redemption reserve</b>		
Opening balance	100,009,200	100,009,200
Add: Additions during the year		
Transferred from surplus in Statement of Profit and Loss	-	-
Others (give details)	-	-
Less: Utilised during the year (give details)	-	-
<b>Closing balance</b>	<b>100,009,200</b>	<b>100,009,200</b>
<b>(b) Securities premium account</b>		
Opening balance	267,418,430	267,418,430
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year for:		
Issuing bonus shares	-	-
Writing off preliminary expenses	-	-
Writing off shares / debentures issue expenses	-	-
<b>Closing balance</b>	<b>267,418,430</b>	<b>267,418,430</b>
<b>(d) Statutory Reserve</b>		
Opening balance	929,117	-
Add: Transferred from surplus in Statement of Profit and Loss	921,775	929,117
Less: Utilised / transferred during the year (give details)		
<b>Closing balance</b>	<b>1,850,892</b>	<b>929,117</b>
<b>(e) Hedging reserve</b>		
Opening balance	(32,629,834)	-
Add/(Less) : Net Effect of Foreign exchange rate variations on hedging instruments	31,950,780	-
<b>Closing balance</b>	<b>(679,054)</b>	<b>(32,629,834)</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b>(f) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	95,717,806	42,030,238
<b>Add: Profit / (Loss) for the year</b>	<b>64,272,294</b>	<b>73,580,437</b>
Amounts transferred from:	-	
<b>Less: Appropriations</b>		
Dividends proposed to be distributed to equity shareholders (₹1 per share)( 31st March 2012: ₹ 1 per share)	(16,425,943)	(16,425,943)
Tax on dividend	(2,664,700)	(2,664,700)
Prior year excess provision for dividend tax	-	126,891
Transferred to: Statutory Reserve	(921,775)	(929,117)
<b>Closing balance</b>	<b>139,977,682</b>	<b>95,717,806</b>
<b>Total Reserves and Surplus (a to f)</b>	<b>508,577,150</b>	<b>431,444,719</b>

### Note 5 Consolidated Short-Term Borrowings

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Loans repayable on demand		
From banks		
Secured	194,254,468	622,254,902
	<u>194,254,468</u>	<u>622,254,902</u>
(b) Loans and advances from related parties @ (Refer Note 26.2 )		
Unsecured Considered Good		
Sakuma Infrastructure and Realty Pvt Ltd	-	14,500,000
	<u>-</u>	<u>14,500,000</u>
<b>Total</b>	<b>194,254,468</b>	<b>636,754,902</b>

#### Notes:

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

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b><u>Loans repayable on demand</u></b>		
<b><u>from banks:</u></b>		
Cash Credit	170,900,468	122,264,783
Packing Credit	23,354,000	499,990,119
Total - from banks	<u>194,254,468</u>	<u>622,254,902</u>

i) Cash Credit and Packing Credit 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 @14.50% p.a . Packing credit is repayable within period from 90 days to 180 days and carries interest rate @ 11.15% p.a upto the period of Credit.

(ii) Details of short-term borrowings guaranteed by some of the directors or others:

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
Loans repayable on demand from banks	194,254,468	622,254,902

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 6 Consolidated Trade Payables

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
Trade payables:		
Other than Acceptances	923,262,887	124,994,747
<b>Total</b>	<b>923,262,887</b>	<b>124,994,747</b>

### Note 7 Consolidated Other Current Liabilities

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Unpaid dividends	660,661	563,110
(b) Unpaid Share Application Money	-	210,805
(c) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	836,592	2,865,460
(ii) Advances from customers	49,400,726	326,014,475
(iii) Others		
Unpaid Redemption Preference Shares Proceeds	422,506	422,506
Reimbursable Expenses	73,335	125,900
Fair Value of Forward Contract	504,025	34,851,698
M2M Gain/Loss Unrealised	9,979,273	-
<b>Total</b>	<b>61,877,118</b>	<b>365,053,954</b>

### NOTE 8 CONSOLIDATED SHORT-TERM PROVISIONS

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) <b>Provision for employee benefits:</b>		
(i) Provision for bonus	181,921	288,350
(ii) Provision for compensated absences	154,038	129,910
(iii) Provision for gratuity (net) (Refer Note 25.2.)	536,134	445,334
	<b>872,093</b>	<b>863,594</b>
(b) <b>Provision - Others:</b>		
(i) Provision for proposed equity dividend	16,425,943	16,425,943
(ii) Provision for tax on proposed dividends	2,664,700	2,664,700
(iii) Provision - others	7,678,725	6,014,836
	<b>26,769,368</b>	<b>25,105,479</b>
<b>Total (a+b)</b>	<b>27,641,461</b>	<b>25,969,073</b>

### NOTE 9 A CONSOLIDATED FIXED ASSETS

Tangible assets	Gross block					
	Balance as at 1 April, 2012 ₹	Additions ₹	Disposals ₹	Borrowing cost capitalised ₹	Other adjustments ₹	Balance as at 31 March, 2013 ₹
(a) Land						
Leasehold	1,270,000	-	-	-	-	1,270,000
(c) Plant and Equipment						
Owned	74,417,284	-	-	-	-	74,417,284
(d) Furniture and Fixtures						
Owned	157,642	-	-	-	-	157,642
(e) Vehicles						
Owned	15,614,723	2,626,739	-	-	-	18,241,462
(f) Office equipment						
Owned	1,859,388	173,725	-	-	-	2,033,113
<b>Total</b>	<b>93,319,037</b>	<b>2,800,464</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>96,119,501</b>
<b>Previous year</b>	<b>84,229,550</b>	<b>9,089,488</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>93,319,038</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 9 B FIXED ASSETS (contd.)

Tangible assets	Accumulated depreciation and impairment			Net block		
	Balance as at 1 April, 2012	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2013	Balance as at 31 March, 2013	Balance as at 31 March, 2012
	₹	₹	₹	₹	₹	₹
(a) Land Leasehold	287,299	49,135	-	336,434	933,566	982,701
(c) Plant and Equipment Owned	38,956,878	5,436,080	-	44,392,958	30,024,326	35,460,406
(d) Furniture and Fixtures Owned	95,531	20,426	-	115,957	41,685	62,111
(e) Vehicles Owned	5,665,647	3,114,276	-	8,779,923	9,461,539	9,949,076
(f) Office equipment Owned	1,051,302	261,178	-	1,312,480	720,634	808,086
<b>Total</b>	<b>46,056,657</b>	<b>8,881,095</b>	<b>-</b>	<b>54,937,752</b>	<b>41,181,749</b>	<b>47,262,380</b>
<b>Previous year</b>	<b>37,765,214</b>	<b>8,291,443</b>	<b>-</b>	<b>46,056,657</b>	<b>47,262,381</b>	<b>-</b>

### NOTE 9 B CONSOLIDATED FIXED ASSETS (Contd.)

Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
Depreciation and amortisation for the year on tangible assets as per Note 9 A	<u>8,881,095</u>	<u>8,291,443</u>
	<u>8,881,095</u>	<u>8,291,443</u>

### NOTE 10 : NON CURRENT INVESTMENTS

Particulars	As at 31 March, 2013			As at 31 March, 2012		
	Quoted ₹	Unquoted ₹	Total ₹	Quoted ₹	Unquoted ₹	Total ₹
(a) Investment in government or trust securities						
(i) Government securities - NSC	-	16,100	16,100	-	16,100	16,100
(b) (i) Other non-current investments - Gold	-	1,658,723	1,658,723	-	1,658,723	1,658,723
	-	1,674,823	1,674,823	-	1,674,823	1,674,823
<b>Total - Non Current investments</b>	<b>-</b>	<b>1,674,823</b>	<b>1,674,823</b>			

### NOTE 11 CONSOLIDATED LONG-TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Security deposits		
Unsecured, considered good (Refer note (i) below)	9,000,000	9,000,000
(b) Advance income tax (net of provisions)	4,356,920	8,421,768
<b>Total (a+b)</b>	<b>13,356,920</b>	<b>17,421,768</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**Note (i): Long-term loans and advances include amounts due from:**

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b>Private companies in which any director is a director or member</b>		
M/s Sakuma Infrastructure and Realty Pvt Ltd	7,470,000	7,470,000
<b>Relative of Director</b>		
Mrs Kusum Malhotra (Wife of Director)	1,530,000	1,530,000
	<u>9,000,000</u>	<u>9,000,000</u>

### NOTE 12 CONSOLIDATED OTHER NON-CURRENT ASSETS

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Long-term trade receivables		
Unsecured, considered good	9,622,314	9,622,314
<b>Total</b>	<u>9,622,314</u>	<u>9,622,314</u>

### NOTE 13 CONSOLIDATED INVENTORIES

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Stock-in-trade (acquired for trading)	639,054,317	928,272,302
Less : Stock reserve	-	(390,085)
<b>Total</b>	<u>639,054,317</u>	<u>927,882,217</u>

### NOTE NO. 14 CONSOLIDATED TRADE RECEIVABLES

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	1,117,266	1,052,805
b) Other Trade receivables		
Unsecured, considered good	1,016,317,273	280,892,581
<b>Total</b>	<u>1,017,434,539</u>	<u>281,945,386</u>

### NOTE 15 CONSOLIDATED CASH AND CASH EQUIVALENTS

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Cash on hand	723,973	97,163
(b) Balances with banks		
(i) In current accounts	21,475,770	24,027,542
(ii) In earmarked accounts		
Unpaid dividend accounts	1,107,242	976,667
Share application money received for allotment of securities and due for refund	-	210,805
Balances held as margin money or security against borrowings, guarantees and other commitments	65,069,362	19,276,694
<b>Total</b>	<u>88,376,347</u>	<u>44,588,871</u>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 16 CONSOLIDATED SHORT-TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Loans and advances to related parties (give details @) Refer Note No. 26.2		
Unsecured, considered good	31,050	31,050
Less: Provision for doubtful loans and advances	-	-
	<u>31,050</u>	<u>31,050</u>
(b) Security deposits		
Unsecured, considered good	5,627,169	7,243,931
Less: Provision for doubtful deposits	-	-
	<u>5,627,169</u>	<u>7,243,931</u>
(c) Loans and advances to employees		
Secured, considered good		
Unsecured, considered good	545,000	225,000
	<u>545,000</u>	<u>225,000</u>
(d) Advance recoverable in cash or kind		
Unsecured, considered good	17,803,309	224,875,369
Less: Provision	-	-
	<u>17,803,309</u>	<u>224,875,369</u>
e) Other Loans and Advances		
Prepaid expenses - Unsecured, considered good	709,522	136,402,902
Balances with government authorities-`		
Unsecured, considered good		
(i) Duty Drawback Receivable	14,118,190	43,727,265
(ii) VAT credit receivable	7,849,377	1,414,763
(iii) Service Tax Refund receivable	30,220,410	14,434,960
	<u>52,897,499</u>	<u>195,979,890</u>
Less: Provision for other doubtful loans and advances	-	-
	<u>52,897,499</u>	<u>195,979,890</u>
<b>Total</b>	<b><u>76,904,028</u></b>	<b><u>428,355,240</u></b>

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

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b><u>Loans and advances to employees</u></b>		
Dues from officers	545,000	225,000

### NOTE 17 CONSOLIDATED OTHER CURRENT ASSETS

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Accruals		
(i) Interest accrued on deposits	6,465,291	1,917,256
<b>Total</b>	<b><u>6,465,291</u></b>	<b><u>1,917,256</u></b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 18 CONSOLIDATED REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
(a) Sale of products (Refer Note (i) below)	7,996,123,083	9,573,474,502
(b) Sale of services @ (Refer Note (ii) below)	1,914,596	-
(c) Other operating revenues (Refer Note (iii) below)	123,569,077	210,270,305
	<u>8,121,606,756</u>	<u>9,783,744,807</u>
<b>Total</b>	<u><b>8,121,606,756</b></u>	<u><b>9,783,744,807</b></u>

Note	Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
(i)	Sale of products comprises :		
	<u>Traded goods</u>		
	Sugar	5,579,340,301	8,407,045,722
	Papers	28,836,915	274,218,959
	Power	6,487,640	6,665,201
	Gold	302,110,000	-
	Silver	55,001,648	-
	Raw Cotton	98,297,175	-
	<i>Other Agriculture commodities</i>	1,926,049,404	885,544,620
	<b>Total - Sale of traded goods</b>	<u>7,996,123,083</u>	<u>9,573,474,502</u>
	<b>Total - Sale of products</b>	<u>7,996,123,083</u>	<u>9,573,474,502</u>
(ii)	Sale of services comprises :		
	Business Auxilliary Services	1,914,596	-
	<b>Total - Sale of services</b>	<u>1,914,596</u>	<u>-</u>
iii)	Other operating revenues comprise:		
	Duty drawback and other export incentives	105,941,849	217,997,756
	Gain/(Loss) on Commodity Forwards	17,627,228	(7,727,451)
	<b>Total - Other operating revenues</b>	<u>123,569,077</u>	<u>210,270,305</u>

### NOTE 19 CONSOLIDATED OTHER INCOME

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
(a) Interest income (Refer Note (i) below)	15,716,254	6,800,886
(b) Dividend income:		
'others	9,030,694	1,301,630
(c) Net gain on sale of:		
current investments	456,079	-
long-term investments		
(d) Net gain on foreign currency transactions and translation (other than considered as finance cost)	5,335,299	27,047,265
(e) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	5,465,618	5,061,519
<b>Total</b>	<u><b>36,003,945</b></u>	<u><b>40,211,300</b></u>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note	Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
(i)	Interest income comprises:		
	Interest from banks on: deposits	5,980,607	6,800,886
	Interest on loans and advances	9,012,074	-
	Interest on income tax refund	723,573	-
	<b>Total - Interest income</b>	<b>15,716,254</b>	<b>6,800,886</b>
Note	Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
ii)	Other non-operating income comprises:		
	a) Liabilities / provisions no longer required written back	4,641,499	-
	b) Miscellaneous Income	824,119	5,061,519
	<b>Total - Other non-operating income</b>	<b>5,465,618</b>	<b>5,061,519</b>
	<b>Total</b>	<b>21,181,873</b>	<b>11,862,405</b>

### NOTE 20A CONSOLIDATED PURCHASE OF TRADED GOODS

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Sugar	4,822,243,805	7,908,403,192
Paper		247,349,937
Silver	380,593,869	-
Gold	305,288,993	-
Raw Cotton	175,265,220	-
Other Agriculture Commodities	1,198,071,726	540,294,841
<b>Total</b>	<b>6,881,463,613</b>	<b>8,696,047,970</b>

### NOTE 20B CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
<u>Inventories at the end of the year:</u>	-	-
Stock-in-trade	639,054,317	927,882,217
	<b>639,054,317</b>	<b>927,882,217</b>
<u>Inventories at the beginning of the year:</u>	-	-
Stock-in-trade	927,882,217	482,123,725
	<b>927,882,217</b>	<b>482,123,725</b>
<b>Net (increase) / decrease</b>	<b>288,827,900</b>	<b>(445,758,492)</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 21 CONSOLIDATED EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Salaries and wages	19,655,339	8,160,523
Directors Remuneration	8,400,000	8,400,000
Contributions to provident and other funds	244,243	265,981
Contribution to Gratuity Fund	328,270	507,740
Staff welfare expenses	2,209,014	2,317,712
<b>Total</b>	<b>30,836,866</b>	<b>19,651,956</b>

### NOTE 22 CONSOLIDATED FINANCE COSTS

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
(a) Interest expense on:		
(i) Borrowings	27,451,207	47,417,815
b) Other Borrowing Cost	8,985,563	-
<b>Total</b>	<b>36,436,769</b>	<b>47,417,815</b>

### NOTE 23 CONSOLIDATED OTHER EXPENSES

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
Bank Charges	7,556,953	7,633,893
Power and fuel	782,251	343,375
Rent including lease rentals	8,111,377	8,723,692
Repairs and maintenance - Buildings	373,316	-
Repairs and maintenance - Machinery	1,001,691	1,540,696
Repairs and maintenance - Others	169,214	149,814
Insurance	2,994,671	1,033,678
Rates and taxes	1,637,649	1,547,616
Communication	3,392,655	3,151,334
Travelling and conveyance	7,182,807	4,521,514
Printing and stationery	1,033,255	1,357,072
Freight and forwarding	259,305,056	373,167,701
Sales commission	4,597,144	1,728,652
Business promotion	1,297,425	1,220,927
Donations and contributions	25,000	82,001
Legal and professional	2,137,691	5,849,690
Payments to auditors (Refer Note (i) below)	734,726	536,691
Labour Charges	1,953,929	6,751,887
Loading and Unloading Charges	11,875,508	7,817,535
Terminal and Handling Charges	11,254,590	24,283,214
Transport Charges	136,602,998	180,545,203



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	₹	₹
Warehouse Charges	24,747,781	18,073,023
Custom Duty	89,673	50,917,805
Demurrage Charges	15,056,628	4,228,033
Detention Charges	10,868,344	4,687,777
Warfare Charges	2,839,140	-
Transaction Charges trading in Commodities & Securities Exchange	459,427	1,112,185
Brokerage on trading in Commodities & Securities Exchange	11,264,397	15,443,467
Custodian Expenses	-	3,623,957
ECGC Premium	1,804,977	2,628,930
Lodging & Boarding	1,491,837	1,886,685
MBPT Charges	-	2,923,125
License & Quota Charges	140,680,914	639,499,329
Foreign Exchange Difference	141,121,306	-
Ground Rent Charges	686,098	-
Directors Sitting Fees	646,000	-
Bad trade and other receivables, loans and advances written off	-	2,508,364
Prior period items (net) (Refer Note (ii) below)	542,559	25,000
Miscellaneous expenses	8,278,759	8,990,897
<b>Total</b>	<b>824,597,745</b>	<b>1,388,534,762</b>

### Notes:

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	₹	₹
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	475,737	399,477
For taxation matters	182,585	84,270
For other services	76,404	52,944
<b>Total</b>	<b>734,726</b>	<b>536,691</b>
(ii) Details of Prior period items (net)		
Professional Fees	-	25,000
Bank Charges	42,559	-
Prior period income (give details)	500,000	-
<b>Total</b>	<b>542,559</b>	<b>25,000</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

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

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(i) <b>Contingent liabilities</b>		
(a) Claims against the Company not acknowledged as debt with respect to		
i) Sugar Import Consignment pertaining to year 2009-10	USD 11,23,425 & Rs.60,43,987/- and Interest @8%	USD 11,23,425 & Rs.60,43,987/- and Interest @8%
ii) Quality issue of Goods Supplied	1,587,450	1,587,450
(b) Disputed Income Tax Demands for AY 2009-10	1,460,411	1,985,242
(ii) <b>Commitments</b>		
(a) Uncalled liability		
Other commitments		
i) Outstanding Currency Forward Contracts	USD 58,29,899	USD 4,39,73,000

#### 24.2 Details on derivatives instruments and unhedged foreign currency exposures

The following derivative positions are open as at 31 March, 2013. 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 of for receivables.
- (i) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2013

Currency	Amount	Buy / Sell
USD	5,829,899	Sell
USD	(4,39,73,000)	Sell

Note: Figures in brackets relate to the previous year.

#### 24.3 Value of imports calculated on CIF basis :

	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
Traded Goods	463,219,580	600,497,800

#### 24.4 Expenditure in foreign currency :

	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
Professional and consultation fees	88,400	-
Travelling Expenses	1,450,175	920,976.00
Commission	-	97,671.00
Import of Goods	463,219,580	600,439,150

#### 24.5 Earnings in foreign exchange

	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
Export of goods calculated on FOB basis	5,271,163,935	7,297,683,203



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 25 Disclosures under Accounting Standards (contd.)

#### 25.1 Segment information

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Trading in Commodities and Windmill Operation. As windmill operation is not meeting any of the criteria hence forth, we are not providing the primary segment information.

The geographic segments individually contributing 10 percent or more of the Company's revenues and segment assets are shown separately.

25.2	<i>Geographic Segment</i>	Revenues For the year ended 31 March, 2013	Segment assets As at 31 March, 2013	Capital expenditure incurred during the year ended 31 March, 2013
		₹	₹	₹
	With in India	820,054,335 (1,211,283,629)	23,172,768 (2,055,695)	2,786,554 (8,966,210)
	Rest of the World	7,177,983,344 (8,362,190,873)	994,261,772 (279,889,691)	13,910 (123,277)

Note: Figures in bracket relates to the previous year

### NOTE 26 DISCLOSURES UNDER ACCOUNTING STANDARDS (CONTD.)

#### 26 Related party transactions

##### 26.1 Details of related parties:

Description of relationship	Names of related parties
Holding Company	Sakuma Exports 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 Private Limited GMK System and Logistics Pvt Ltd Sakuma Infrastructure and Realty Private Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Details of related party transactions during the year ended 31 March, 2013 and balances outstanding as at 31 March, 2013:

26.2	Particulars	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total (in ₹)
	Sale of goods	-	-	112,606,000	112,606,000
		-	-	-	-
	Directors Sitting Fees	-	136,000	-	136,000
		-	(136,000)	-	(136,000)
	Rent Paid	-	1,146,072	5,595,528	6,741,600
		-	(1,125,060)	(5,492,940)	(6,618,000)
	Finance Expenses (Interest Paid)	-	-	687,945	687,945
		-	-	(841,753)	(841,753)
	Management contracts including for deputation of employees	8,400,000	-	-	8,400,000
		(8,400,000)	-	-	(8,400,000)
	Other Receipts	-	-	9,543,347	9,543,347
		-	-	-	-
	<b>Balance as at 31st March 2013</b>				
	Short Term Loan and Advances	-	1,530,000	7,871,004	9,401,004
		-	(1,530,000)	(7,470,000)	(9,000,000)
	Provision ( Directors Remuneration Payable)	1,154,000	-	-	1,154,000
		(700,000)	-	-	(700,000)
	Short Term Borrowings	-	-	-	-
		-	-	(14,500,000)	(14,500,000)

### NOTE 27 DISCLOSURES UNDER ACCOUNTING STANDARDS (contd.)

Note	Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
27	<b>Earnings per share</b>		
	<b><u>Basic &amp; Diluted</u></b>	-	-
	Net profit / (loss) for the year	64,272,294	73,580,437
	Net profit / (loss) for the year attributable to the equity shareholders	64,272,294	73,580,437
	Weighted average number of equity shares	16,425,943	16,425,943
	Par value per share	10	10
	Earnings per share	3.91	4.48



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 28 Disclosures under Accounting Standards (contd.)

Note	Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
28.1	<b>Deferred tax (liability) / asset</b>		
	<b><u>Tax effect of items constituting deferred tax liability</u></b>		
	On difference between book balance and tax balance of fixed assets	<u>(8,863,293)</u>	<u>(10,427,056)</u>
	Tax effect of items constituting deferred tax liability	<u>(8,863,293)</u>	<u>(10,427,056)</u>
	<b><u>Tax effect of items constituting deferred tax assets</u></b>		
	Provision for compensated absences, gratuity and other employee benefits	173,949	137,608
	Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	<u>59,024</u>	<u>89,100</u>
	Tax effect of items constituting deferred tax assets	<u>232,973</u>	<u>226,708</u>
	<b>Net deferred tax (liability) / asset</b>	<u><b>(8,630,320)</b></u>	<u><b>(10,200,348)</b></u>

The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax (or) The Company has recognised deferred tax asset on unabsorbed depreciation and brought forward business losses based on the Management's estimates of future profits considering the non-cancellable customer orders received by the Company.

### Note 29 Previous year's figures

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





## SAKUMA EXPORTS LIMITED

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

### ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the meeting hall

I, hereby record my attendance at the Eighth Annual General Meeting to be held on 29th July, 2013 at 10.30 A.M. at P L Despande Kala Academy, Ravindra Natya Mandir, Third Floor, Mini Theatre, Sayani Road, Prabhadevi, Mumbai: 400 025.

DP ID*	
--------	--

Client ID*	
------------	--

Folio No.**	
-------------	--

No. of Equity Shares held	
---------------------------	--

NAME AND ADDRESS OF THE SHAREHOLDER \_\_\_\_\_

\*To be filled by Shareholders holding shares in dematerialised form

\*\*To be filled by shareholder holding shares in physical form.

Signature of the Shareholder of Proxy



## SAKUMA EXPORTS LIMITED

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

### PROXY FORM

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint Shareholders may obtain additional slip at the venue of the meeting

DP ID*	
--------	--

Client ID*	
------------	--

Folio No.	
-----------	--

No. of Equity Shares held	
---------------------------	--

I/We \_\_\_\_\_ of \_\_\_\_\_ being a Member/

Members of **SAKUMA EXPORTS LIMITED** hereby appoint \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ (or failing him) \_\_\_\_\_ of \_\_\_\_\_ as

my/our Proxy to attend and vote for me/us and on my/our behalf at the Eighth Annual General Meeting to be held on 29th July, 2013 at 10.30 A.M. at P L Despande Kala Academy, Ravindra Natya Mandir, Third Floor, Mini Theatre, Sayani Road, Prabhadevi, Mumbai: 400 025 and at any adjournment thereof.

AS WITNESS my hand/our hands this \_\_\_\_\_ day of \_\_\_\_\_ 2013

\*Applicable for investors holding shares in dematerialised form.

Affix a Re  
1.00  
revenue  
stamp

Note : The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. The Proxy need not be a member of the Company.



## Book-Post

*If undelivered, please return to:*


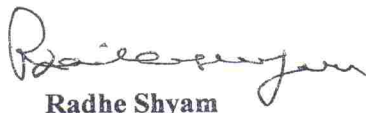

**Sakuma Exports Limited**

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

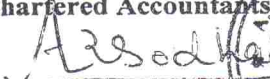
**FORM A**

**ANNUAL AUDIT REPORT**

1	Name of the Company	SAKUMA EXPORTS LIMITED	
2	Annual financial statement for the year ended	31 <sup>st</sup> March, 2013	
3	Type of Audit Observation	<b>Un-qualified* / Matter of Emphasis</b> *All the clauses in the Audit Report alongwith the annexure to the Audit Report, both, dated May 29, 2013 are un-qualified in nature.	
4	Frequency of Observation	Whether appeared first time Whether appeared repetitive ..... Since how long (period)	<b>Not Applicable</b> <b>Not Applicable</b> <b>Not Applicable</b>

5	<b>For Sakuma Exports Limited</b>		
	 Saurabh Malhotra Managing Director	 Radhe Shyam Audit Committee Chairman	 Jyoti Deshpande CFO and Compl Officer

For A R Sodha & Co.  
Chartered Accountants

  
A R Sodha  
Partner  
Membership No. 31878  
FRN: 110324W

