



# MAHARANI



**CHAMAN LAL SETIA EXPORTS LTD.**

**Board of Director**

Chaman Lal Setia  
Vijay Setia  
Rajeev Setia  
Inder Dev Kukkar

**Chairman Cum Managing Director**

Executive Director  
Executive Director  
Director

**Auditors**

M/s Vivek Kapoor & company  
Chartered Accountants  
B-26, Majitha Road,  
Amritsar.

**Bankers**

Punjab National Bank,  
IBB, The Mall Road,  
Amritsar..

**Registered Office**

344-A, Green Avenue,  
Amritsar..

**Works**

- Meerankot, Rajasansi Road, Amritsar.
- Kaithal Road, Karnal.

**Registrar & Share Transfer Agent**

BEETAL Financial & Computer Services (P) Ltd.  
321-S, Chirag Delhi,  
(Near Shaheed Bhagat Singh College)  
New Delhi-110017

**CONTENTS**

S. No.	Description	Page No.
1.	NOTICE TO THE MEMBERS	1
2.	DIRECTORS REPORT	2
3.	AUDITORS REPORT	4
4.	BALANCE SHEET	6
5.	PROFIT & LOSS ACCOUNT	7
6.	SCHEDULES	8
7.	CASH FLOW STATEMENT	15

# CHAMAN LAL SETIA EXPORTS LTD.

## NOTICE TO THE MEMBERS

Notice is hereby given that the Fifth Annual General Meeting of CHAMAN LAL SETIA EXPORTS LTD. will be held on Wednesday, the 29th September 1999 at 9.00 A.M at the Factory premises at Meran Kot Road Amritsar, to transact the following business:

### (A) ORDINARY BUSINESS

1. To consider and adopt the Directors Report and audited Balance Sheet and the profit & Loss Account as at and for the year ended 31.03.99 and the Auditors Report thereon.
2. To appoint a Director in place of Mr. Rajeev Setia, who retires by rotation but being eligible, offers himself for re-appointment.
3. To appoint Auditors for the next year and to fix their remuneration. M/s Vivek Kapoor & Co are eligible and available for reappointment.
4. To declare dividend.

### (B) SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification the following Resolution as an ordinary resolution:-  
"Resolved that in accordance with the provision of Sec 198,269,309 read with Sch. XIII and all other applicable provisions if any of Companies Act 1956 and subject to such other approvals as may be necessary the company hereby approves the re-appointment of Mr Chaman Lal Setia as managing director of the Company for a period of five years w.e.f 21.9.99 on the existing terms & conditions and remunerations as approved in General Meeting dt 5.11.94.

## NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member.
2. The instrument of proxy must be deposited at the Company's Registered Office not less than 48 hours before the time for holding the aforesaid meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed From Thursday Sep.23,1999 to Wednesday Sept 29,1999.(Both Days inclusive)
4. Cases of Transfer of Shares may be referred to the Registrar, Whose address has been given at title page.
5. Shareholders are requested to intimate to the Company, changes, if any, in their registered address including PIN CODE number.
6. Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.
7. Enquiries, if any, about the Annual Accounts, may please be intimated to the Company, at least Seven days in advance of the date of Annual General Meeting.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956.

8. In terms of section 198,269,309 and Sch XIII of Companies Act 1956 Sh Chaman Lal Setia is eligible for re-appointment as managing director for a term of 5 years. As he has forty five years' experience in running the rice industry and as such it is desirable that Company should continue to avail of his services.

By Order of  
the Board

Place : Amritsar  
Dated: 30.07.1999

Vijay Setia  
Director

# M/S.CHAMAN LAL SETIA EXPORTS LTD.

## DIRECTORS' REPORT

To The Members,

Yours Directors have pleasure in presenting the Vth Annual Report together with the audited Accounts of the Company for the year ended 31st March 1999.

### 1. FINANCIAL RESULTS :

Particulars	Amount(In Lacs) Y.E.31.3.1999	Amount (in lacs) Y.E.31.3.1998
Export turnover	3216.14	3433.26
Domestic turnover	1249.55	1298.29
Other Income	10.32	14.17
Profit before Intt.&dep	392.02	586.08
Intt	82.68	80.65
Provision for Depreciation	58.20	69.53
Profit before Tax	251.14	435.90
Provision for Tax	10.00	15.00
Profit After Tax	241.14	420.90
Proposed Dividend including	206.81	354.53
Dividend percentage	21%	36%
Transfer To General Reserve	24.11	42.09
Carried to Balance sheet	180.15	170.05
Share Capital	914.14	909.24
Reserve & Surplus	1233.08	1184.17
EPS	2.70	4.71
Book Value	26.29	25.83

Export turnover decreased a little during the year ending 31.3.99 ,Due to fierce competition in the overseas market and bottlenecks in despatch,because of congestion at Port and mainly because of cylcon at Kandla Port which affected the port for more than two months.There was also a little decrease in the domestic turnover, due to tight money market and overall world wide slump.

### 3. Deposits

The company has not accepted any deposits falling within the purview of Sec 58A of the Companies Act 1956 and as such no deposits were overdue as on 31.03.99.

### 4. Personnel

Relation with man force of the Company have remained cordial,through out the Year .

### 5. Directors

Sh.Rajeev Setia whole Time Director of the company retires by rotation at the Annual General Meeting and being eligible offers himself for re-election.

### 6. Statement u/s 217 (1) (e) of the Companies Act

The requirements for disclosure of particular with respect to conservation of energy are not applicable to the company.A statement giving details of technology absorption,foreign exchange earning and outgo in accordance with the above provisions is annexed here to as Annexure 'A' and forms parts of this report.

7. **Particulars of employees**

The Company has no employee of the category specified in sub section (2A) of section 217 of the Companies Act 1956.

8. **Auditors' Report**

The notes on accounts referred to in the Auditor's Report are self explanatory and therefore do not call for any further Comments.

9. **Auditors**

M/s Vivek Kapoor & company, retire at the conclusion of the Forthcoming Annual General meeting and are available for re-appointment.

10. **Dividend**

Although the Export market remained sluggish & money market remained tight even then, Keeping in view the aspirations of shareholders, your directors feel pleasure in recommending a dividend of 21% on pro-rata basis subject to adjustment of 1/2 of the dividend payable to partly paid-up shares towards their calls in arrears.

**Appreciation**

Yours Directors place on record their sincere appreciation of the services rendered by the employees of the company. They are thankful to shareholder, bankers, customers, suppliers.

FOR & ON BEHALF OF BOARD

Place :- Amritsar

Dated :- 30.07.99

**CHAMAN LAL SETIA**

*Mg. Director*

**ANNEXURE A**

Particular as requires under Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 and forming part of the Director's Report for the year ended 31.03.1999.

**A. CONSERVATION OF ENERGY**

The Company is not required to give particular in respect of provisions mentioned in Form A. However, the Company is making efforts to improve methods of energy conversation and its utilization.

**B. TECHNOLOGY ABSORPTION**

(i) — Research And Development (R AND D)

1. Specific areas in which R And D carried out by the Company.  
No separate R & D unit exists.

2. Benefits derived as a result of the R And D.  
NOT APPLICABLE.

3. Future plan of action.  
The Company will try to assists any R & D Unit of any academy/University in this line.

4. Expenditure on R and D.  
N - I - L

(ii) Technology absorption, adoption and innovation.

The Company has completely indigenous technology & has not imported any technology from abroad.

## AUDITORS' REPORT

We have audited the attached Balance Sheet of Chaman Lal Setia Exports Limited and also the Profit and loss account of the Company for the year ended on that date annexed there to, and report that:

As required by the manufacturing and other Companies (Auditors Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) Of the Companies Act, 1956, we enclose in the annexure in paragraph 4 and 5 of the order.

- (a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books.
- (c) The balance sheet and profit and loss account dealt with by this report are in agreement with the books of accounts, and
- (d) In our opinion and to the best of our information and according to the explanation given to us, the said balance sheet and profit and loss account read with Schedule 'I' to '20' and subject to the notes, shows a true & fair view:-
  - (i) in the case of the balance sheet, of the state of affairs of the company as at 31.3.99 and
  - (ii) in the case of the profit and loss account, of the profit for the year ended on that date.

**FOR VIVEK KAPOOR & CO.**  
*Chartered Accountants*

PLACE : AMRITSAR  
DATED : 30.07.1999

**(VIVEK KAPOOR)**  
*Prop.*

### **ANNEXURE TO THE AUDITORS REPORT OF EVEN DATE**

1. The Company is maintaining proper record showing full particulars including quantitative details and situation of fixed assets. As per the information and explanation given to us, these assets have been physically verified by the management in accordance with the programme of verification and the frequency of verification of fixed assets by the management is at reasonable interval having regard to the size of the Company and the nature of assets. No material discrepancies between the book records and the physical inventory have been noticed in respect of the assets physically verified.
2. None of the fixed assets have been revalued during the year.
3. Physical verification has been conducted by the management during the year in respect of finished goods, stores, spare parts and raw materials. In our opinion, the frequency of verification is reasonable.
4. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management were found reasonable and adequate in relation to the size of the company and nature of its business.
5. No material discrepancies were noticed on verification between the physical stocks and book records.
6. In our opinion, the valuation of the stocks is fair and proper in accordance with the normally accepted accounting principle and there is no change in the basis of valuation in comparison to last year.
7. The Company has not taken any loans, secured or unsecured, from Companies under the same management or firms or other parties listed in the Register maintained under section 301 of the Companies Act 1956.
8. The Company has not granted any loans, secured or unsecured, to Companies under the same management or firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956.
9. No loans or advances in the nature of loans have been given by the Company.
10. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipments and other assets and for the sale of goods.
11. In our opinion and according to the information and explanations given to us, the transaction of purchase of goods and materials and sale of goods, and services, made in pursuance of contracts or arrangement entered in the registers maintained under section 301 and aggregating during the year to Rs.50,000/- or more in respect of each party, have been made at prices for such goods, materials or services as available with the Company, or the prices at which transaction for similar good or services have been made with other parties.
12. As explained to us, the procedure for the determination of unserviceable or damaged stores, raw materials and finished goods is adequate and adequate provision for the same has been made in the books.
13. The Company has not accepted any deposit from the public to which section 58A of the Companies Act, 1956, and the rules framed there under apply.
14. As explained to us the Company's operations generate rice bran & phoose/phuck as the by-product which have been duly accounted for.
15. The Company has a system of internal audit. Further the Company is in the process of strengthening its internal audit system to make it commensurate with its size and nature of its business.
16. The maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956.
17. The Company is in general depositing Provident Fund dues with the appropriate authorities regularly. We have been informed that Employees State Insurance Act, 1948 is not applicable to the Company.
18. According to information and explanation given to us, there were no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty which have remained outstanding as at 31.3.99 for a period of more than six months from the date they became payable, Except as mentioned in notes.
19. According to the information and explanations given to us and the records of the Company examined by us, no personal expenses have been charged to revenue account.
20. The Company is not a sick industrial Company within the meaning of Clause (o) of sub-section (1) of the Section (3) of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. In respect of Company's trading activities, we are informed that there are no damaged stocks.

**FOR VIVEK KAPOOR & CO**  
**CHARTERED ACCOUNTANTS**

PLACE : AMRITSAR  
DATED : 30.07.1999

**(VIVEK KAPOOR)**  
Prop.

# CHAMAN LAL SETIA EXPORTS LTD.

Regd. Office :  
344-A, GREEN AVENUE, AMRITSAR

## BALANCE SHEET AS ON MARCH 31, 1999

SOURCES OF FUNDS	SCHEDULE	THIS YEAR AMOUNT (RS.) 31.03.1999	LAST YEAR AMOUNT (RS.) 31.03.1998
<b>SHAREHOLDERS FUNDS</b>			
(a) SHARE CAPITAL	1	91414468.00	90924300.00
(b) RESERVES AND SURPLUS	2	123308941.00	118417161.30
<b>LOAN FUNDS</b>			
(a) SECURED LOAN	3	119559085.00	42373810.00
(b) UNSECURED LOAN	4	2,32,50,000.00	0.00
<b>TOTAL</b>		<b>357532494.00</b>	<b>251715271.00</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
(a) GROSS BLOCK		64379869.00	49729198.00
(b) LESS DEPRECIATION		22171239.00	16468393.00
(c) NET BLOCK	5	42208630.00	33260805.00
<b>INVESTMENT</b>	6	500000.00	500000.00
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
(a) INVENTORIES	7	332493429.00	208579905.00
(b) SUNDRY DEBTORS	8	33113362.00	38323748.00
(c) CASH & BANK BALANCES	9	6261325.00	17990312.00
(d) LOANS AND ADVANCES	10	7022718.00	6123366.00
		378890834.00	304778136.00
<b>LESS : CURRENT LIABILITIES AND PROVISIONS</b>	11	69096617.00	59018396.00
<b>NET CURRENT ASSETS</b>		<b>309794217.00</b>	<b>245759740.00</b>
<b>B.O. BALANCES</b>			
<b>MISC. EXPENDITURE</b>	12	5029647.00	5955532.00
(To the extent not written off or adjusted)			
<b>TOTAL</b>		<b>357532494.00</b>	<b>251715272.00</b>
<b>ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>	20		

SIGNED IN TERMS OF OUR REPORT OF EVEN DATE

VIVEK KAPOOR  
PROP.

CHAMAN LAL SETIA  
CHAIRMAN CUM MANAGING DIRECTOR

FOR VIVEK KAPOOR & CO.  
CHARTERED ACCOUNTANTS

VIJAY SETIA  
- EXECUTIVE DIRECTOR

PLACE : AMRITSAR  
DATE : 30.7.1999



# CHAMAN LAL SETIA EXPORTS LTD.

Regd. Office :  
344-A, GREEN AVENUE, AMRITSAR

## CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 1999

INCOME	SCHEDULE	THIS YEAR AMOUNT (RS.) 31.03.1999	LAST YEAR AMOUNT (RS.) 31.03.1998
SALES & OTHER INCOME	13	447601158.00	474572743.00
INCREASE/(DECREASE) IN STOC IN PROGRESS & FINISHED GOODS	14	68439741.00	4010155.00
		516040899.00	478582898.00
EXPENDITURE			
MANUFACTURING EXPENSES	15	436877184.00	384839311.00
PERSONAL EXPENSES	16	4166322.00	3185025.00
ADMINISTRATIVE EXP.	17	6662560.00	4350381.00
FINANCIAL EXPENSES	18	9898508.00	9691926.00
SELLING & DISTRIBUTION	19	27501409.00	25472709.00
DEPRECIATION	5	5820162.00	6953927.00
<b>TOTAL</b>		<b>490926145.00</b>	<b>434993279.00</b>
PROFIT FOR THE YEAR BEFORE TAX		25114754.00	43589619.00
PROVISION FOR TAXATION		1000000.00	1500000.00
PROFIT AFTER TAXES		24114754.00	42089619.00
PRIOR YEAR TAX ADJUSTMENTS		17118.00	741015.00
WEALTH TAX		10000.00	288933.00
WEALTH TAX		4476.00	0.00
PROFIT/LOSS B/F FROM BALANCE SHEET		17005080.00	15029594.00
AMOUNT AVAILABLE FOR APPROPRIATION		41108240.00	56667131.00
PROPOSED DIVIDEND (INCLUDING INCOME TAX)		20681892.00	35453088.00
TRANSFERRED TO GENERAL RESERVE		2411475.00	4208962.70
BALANCE CARRIED TO BALANCE SHEET		18014873.00	17005080.30

SIGNED IN TERMS OF OUR REPORT OF EVEN DATE

VIVEK KAPOOR  
PROP.

CHAMAN LAL SETIA  
CHAIRMAN CUM MANAGING DIRECTOR

FOR VIVEK KAPOOR & CO.  
CHARTERED ACCOUNTANTS

VIJAY SETIA  
- EXECUTIVE DIRECTOR

PLACE : AMRITSAR  
DATE : 31.07.1999

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED MARCH 31, 1999.**

**SCHEDULE 1**

<b>SHARE CAPITAL</b>	<b>THIS YEAR AMOUNT (RS.) 31.03.1999</b>	<b>LAST YEAR AMOUNT (RS.) 31.03.1998</b>
<b>AUTHORISED</b>		
1,20,00,000 Equity Shares of Rs. 10/- each	120000000.00	120000000.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
9498300 Equity Shares (PRV Year 9498300) of Rs. 10/- each.	94983000.00	94983000.00
LESS CALLS IN ARREARS	3568532.00	-4058700.00
<b><u>TOTAL</u></b>	<b><u>91414468.00</u></b>	<b><u>90924300.00</u></b>

**SCHEDULE 2**

<b>RESERVES &amp; SURPLUS</b>		
SHRI GANESH JI & LAKSHMI JI	32.00	22.00
CAPITAL SUBSIDY	470000	
LESS TRF TO GENERAL RESERVE	<u>130000</u>	470000.00
<b>GENERL RESERVE</b>		
BALANCE AS PER LAST BALANCE SHEET	9369159.00	
ADD: AMOUNT TRANSFERRED FROM P & L A/C	2411475.00	
ADD AMOUNT FROM SUBSIDY	<u>130000.00</u>	11910634.00
		9369159.00
<b>SHARE PREMIUM</b>	93043402.00	91572900.00
<b>PROFIT &amp; LOSS ACCOUNT</b>	18014873.00	17005080.30
<b><u>TOTAL</u></b>	<b><u>123308941.00</u></b>	<b><u>118417161.30</u></b>

**SCHEDULE 3**

<b>SECURED LOAN</b>		
I CASH CREDIT	7078273.00	5025214.00
II PACKING CREDIT	112480812.00	37348596.00
<b><u>TOTAL</u></b>	<b><u>119559085.00</u></b>	<b><u>42373810.00</u></b>

**SECURITIES**

[I, II} From Banks against hypothecation of goods including raw materials, goods in process, finished goods and book debts (all Present and future)  
The above loans are also personally guaranteed by Three Indian Directors

**SCHEDULE 4**

<b>UNSECURED LOAN</b>		
LOAN FROM DIRECTOR	23250000.00	0.00

### SCHEDULE 5

S.N. FIXED ASSETS	GROSS BLOC					DEPRECIATION			NET BLOC	
PARTICULAR	OPENING BALANCE AT 1.4.98	ADDITIONS DURING THE YEAR (RS.)	LESS DURING THE YEAR (RS.)	CLOSING BALANCE AS AT 31.3.99	UP TO 1.4.98	DEPRECIATION DURING THE YEAR (RS.)	LESS DURING THE YEAR (RS.)	TOTAL UPTO AT 31.3.99	AS AT 31.3.99 (RS.)	AS AT 31.3.98 (RS.)
1 LAND	3196148.00	28900.0	0.00	3225048.00	61500.00	0.00	0.00	61500.00	3163548.00	3134648.00
2 FACTORY BUILDING	10494157.00	2598756.00	0.00	13092913.00	2241395.00	873040.00	0.00	3114435.00	9978478.00	8252762.00
2 PLANT MACHINERY	30671931.00	10624764.00	32000.00	41264695.00	11298885.00	3589640.00	2596.00	14865929.00	26416236.00	19375541.00
4 WOODEN CRATES	896735.00	306237.00	0.00	1202972.00	896735.00	306237.00	0.00	1202972.00	0.00	0.00
5 CAR	3641443.00	868167.00	215000.00	4294610.00	1429537.00	689795.00	117296.00	2002036.00	2275104.00	2211906.00
6 FURNITURE & FIXTURE	113933.00	37973.00	0.00	151906.00	98832.00	34817.00	0.00	133649.00	18257.00	15101.00
7 TARPAL	444085.00	346633.00	0.00	790718.00	444085.00	346633.00	0.00	790718.00	0.00	0.00
8 BUILDING IN PROGRESS	0.00	357007.00	0.00	357007.00	0.00	0.00	0.00	0.00	357007.00	0.00
<b>TOTAL</b>	<b>49458432.00</b>	<b>15168437.00</b>	<b>247000.00</b>	<b>64379696.00</b>	<b>16470969.00</b>	<b>5820162.00</b>	<b>119892.00</b>	<b>22171239.00</b>	<b>42208630.00</b>	<b>32989958.00</b>

### SCHEDULE 6

INVESTMENT	THIS YEAR AMOUNT (RS.) 31.03.1999	LAST YEAR AMOUNT (RS.) 31.03.1998
50, 16.5% Unsecured redeemable bonds of PNB of the face value of Rs. 10000/- each.	500000.00	500000.00
<b>TOTAL</b>	<b>500000.00</b>	<b>500000.00</b>

### SCHEDULE 7

<b>INVENTORIES</b>		
<b>STOCK IN TRADE</b>		
(Valued at cost or Net realisable value which ever is less & as per inventories taken and certified by management)		
<b>RAW MATERIAL &amp; COMPONENTS</b>	161571894.00	106307474.00
<b>FINISHED GOODS</b>	170921535.00	102272431.00
<b>TOTAL</b>	<b>332493429.00</b>	<b>208579905.00</b>

### SCHEDULE 8

<b>SUNDRY DEBTORS</b>		
<b>UNSECURED CONSIDERED GOOD FOR A PERIOD EXCEEDING SIX MONTHS</b>	3532653.00	401495.00
<b>OTHERS</b>	29580709.00	37922253.00
<b>TOTAL</b>	<b>33113362.00</b>	<b>38323748.00</b>

### SCHEDULE 9

<b>CASH &amp; BANK BALNCE</b>		
<b>CASH &amp; CHEQUES IN HAND</b>	166368.00	200747.00
<b>CASH WITH SCHEDULED BANKS</b>		
-IN CURRENT ACCOUNT	4556263.00	13993048.00
-IN SHARE APPLICATION MONEY/DIVIDEND ACCOUNT	365020.00	391000.00
-IN FIXED DEPOSIT/MARGIN MONEY ACCOUNT	1151349.00	3363545.00
-CASH IMPREST ACCOUNT	22325.00	10342.00
<b>INTEREST ACC. ON DEPOSITS</b>	0.00	31630.00
<b>TOTAL</b>	<b>6261325.00</b>	<b>17990312.00</b>

**SCHEDULE 10****LOANS AND ADVANCES**

	THIS YEAR AMOUNT (RS.) 31.03.1999	LAST YEAR AMOUNT (RS.) 31.03.1998
ADVANCES REDOVERTABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED ::		
UNSECURED CONSIDERED GOOD :-		
SECURITY AND OTHER DEPOSITS	502555.00	967751.00
STAFF & WORKERS	597359.00	558802.00
FOR PURCHASE OF MACHINERY	672800.00	791340.00
FOR EXPENSES & OTHERS	2212461.00	818240.00
ADVANCE TAX/TDS	3037543.00	2987233.00
<b>TOTAL</b>	<b>7022718.00</b>	<b>6123366.00</b>

**SCHEDULE 11**

CURRENT LIABILITIES AND PROVISIONS		
SUNDRY CREDITORS	40004081.00	7177420.00
OTHER LIABILITIES	3920587.00	12385021.00
DIVIDEND/REFUND PAYABLE	382680.00	38315.00
PROVISIONS		
INCOME TAX	4000000.00	3907508.00
DIVIDEND (INCLUDING INCOME TAX)	20681892.00	35453088.00
T.D.S. PAYABLE	107377.00	57044.00
<b>TOTAL</b>	<b>69096617.00</b>	<b>59018396.00</b>

**SCHEDULE 12**

MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)		
A) PRELIMINARY EXPENSES		
AS PER LAST BALANCE SHEET	224222.00	261588.00
LESS : 1/10TH WRITTEN OFF	37365.00	37365.00
<b>SUB TOTAL</b>	<b>186857.00</b>	<b>224223.00</b>
B) PUBLIC ISSUE EXPENSES		
AS PER LAST BALANCE SHEET	4128781.00	4816912.00
	688130.00	688130.00
<b>SUB-TOTAL</b>	<b>3440651.00</b>	<b>4128782.00</b>
DEFERRED REVENUE EXPENSES	1602527.00	1802915.00
LESS : 1/10TH WRITTEN OFF	200388.00	200388.00
<b>SUB-TOTAL</b>	<b>1402139.00</b>	<b>1602527.00</b>
	<b>5029647.00</b>	<b>5955532.00</b>

**SCHEDULE 13**

SALES AND OTHER INCOME		
SALES :-		
* EXPORT	321614215.00 ✓	343326049.00
* LOCAL	124955194.00	129829321.00
<b>SUB-TOTAL</b>	<b>446569409.00</b>	<b>473155370.00</b>

	THIS YEAR AMOUNT (RS.) 31.03.1999	LAST YEAR AMOUNT (RS.) 31.03.1998
OTHER INCOME :		
INTEREST RECEIVED/ACCRUED		
* ON FIXED DEPOSIT WITH BANKS	826646.00	1232652.00
* OTHERS	48002.00	113127.00
SALE OF LICENES	72715.00	0.00
MISC. RECEIPTS	84386.00	71594.00
SUB-TOTAL	1031749.00	1417373.00
<b>TOTAL</b>	<b>447601158.00</b>	<b>474572743.00</b>

#### SCHEDULE 14

INCREASE (DECREASE) IN STOCKS OF WORK IN PROGRESS AND FINISHED GOODS		
OPENING STOCK		
-FINISHED GOODS	99406431.00	95396276.00
CLOSING STOCK		
-FINISHED GOODS	167846172.00	99406431.00
INCREASE / DECREASE IN STOCKS	<u>68439741.00</u>	4010155.00

#### SCHEDULE 15

<b>EXPENSES</b>		
<b>MANUFACTURING EXPENSES</b>		
RAW MATERIAL AND COMPONENTS CONSUNED	405494105.00	349826480.00
ELECTRICITY EXPENSES	5159808.00	5180736.00
MACHINERY REPAIR & MAINTENANCE	3464636.00	2836805.00
SHELLER LEASE	300000.00	300000.00
BARDANA REPAIRS	565830.00	542252.00
PACKING EXPENSES	2131266.00	2426250.00
STACKING, WEIGHING LOADING, UNLOADING, SORTING&BUNAI	6028428.00	5236301.00
OIL & GREASE	160093.00	39869.00
GENERATOR EXPENSES	2884051.00	2083195.00
PACKING MATERIAL / EMPTY COST	10579979.00	16265343.00
FUMIGATION	108988.00	82929.00
RESEARCH & DEVELOPMENT	0.00	19151.00
<b>TOTAL</b>	<b>436877184.00</b>	<b>384839311.00</b>

#### SCHEDULE 16

<b>PERSONNEL EXPENSES *</b>		
SALARIES / WAGES	2097704.00	1516129.00
ALLOWANCES TO STAFF/ WORKERS	152725.00	111265.00
DIRECTORS REMUNERATION	926347.00	898501.00
EMPLOYEES PROVIDENT/FAMILY PENSION	554165.00	361068.00
BONUS	235390.00	163375.00
STAFF WELFARE & MEDICAL EXPENSES	199991.00	134687.00
<b>TOTAL</b>	<b>4166322.00</b>	<b>3185025.00</b>

	THIS YEAR AMOUNT (RS.) 31.03.1999	LAST YEAR AMOUNT (RS.) 31.03.1998
<b>SCHEDULE 17</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
INSURANCE	1621648.00	1085414.00
LEGAL EXPENSES	791221.00	415698.00
POSTAGE, TELEPHONE & COURIER	1142352.00	762416.00
VEHICLES REPAIR & MAINTENANCE	216576.00	285611.00
STATIONERY & PRINTING	178024.00	185362.00
TRAVELLING EXPENSES	785294.00	333688.00
* DOMESTIC	230535.00	
* FOREIGN	554759.00 ✓	
SUBSCRIPTION	59960.00	27675.00
AUDITOR'S REMUNERATION		
* STATUTORY AUDIT	20000.00	20000.00
* TAX AUDIT	10000.00	10000.00
* TAXATION MATTERS	0.00	
* COMPANY LAW MATTERS	0.00	
MISC. EXPENSES/SHOP EXPENSES	137459.00	300500.00
PRELIMINARY & PUBLIC ISSUE EXP. WRITTEN OFF	925883.00	925883.00
DONATION	31704.00	18663.00
RENT	62984.00	109874.00
BUSINESS PROMOTION	0.00	16425.00
BUILDING REPAIR/GENERAL REPAIR	679455.00	353172.00
<b>TOTAL</b>	<b>6662560.00</b>	<b>4850381.00</b>
<b>SCHEDULE 18</b>		
<b>FINANCIAL EXPENSES *</b>		
BANK CHARGES	1630520.00	1627332.00
INTEREST		
* TO BANKS	7458858.00	8064594.00
* OTHERS	809130.00	0.00
<b>TOTAL</b>	<b>9898508.00</b>	<b>9691926.00</b>
<b>SCHEDULE 19</b>		
<b>SELLING &amp; DISTRIBUTION EXP.</b>		
EXPORT COMMISSION	3347895.00	2189825.00
E.C.G.C. EXPENSES	345247.00 ✓	272572.00
ADVERTISEMENT	254258.00	354981.00
DIRECT EXPORT EXPENSES	21590459.00	21290832.00
CONSIGNMENT EXPENSES	252788.00	204091.00
BROKERAGE	870832.00	754493.00
BILL DISCOUNT	756243.00	331042.00
MISC EXPENSES	83687.00	74873.00
<b>TOTAL</b>	<b>27501409.00</b>	<b>25472709.00</b>

## SCHEDULE 19

The Company generally follows the Mercantile System of Accounting recognizing both Income & Expenditure on accrual basis.

The accounts are prepared on historical cost basis and as a going concern. Accounting policies not specifically referred to otherwise, are consistent with generally accepted accounting principles.

### ACCOUNTING POLICIES :

1. **Fixed Assets :** Fixed assets are recorded at cost of acquisition and other attributable cost of bringing the asset to their working condition for intended use including an appropriate share of interest and incidental expenditure during construction period and are stated at historical cost less depreciation till date.
2. **Depreciation:**
  - i) The depreciation has been charged on fixed Assets as on hand on 31.3.99 on written down value method as specified in Schedule xiv of the Companies Act, 1956, by applying revised rates in terms of the notification dated 16.12.1993.
  - ii) On addition or deletion/sale made during the year, the depreciation has been calculated on pro-rata basis from the day of the month in which such addition, deletion or as the case may be, has been made.
  - iii) Depreciation has been provided on only those new assets which have been put to use in the year.
  - iv) Value of Assets as at 21.09.94 the date of conversion of the firm to the Company under part ix of The Companies Act 1956 has been taken at value shown in books of erstwhile firm Chaman Lal & Sons
3. **INVENTORIES :** Items of inventories are valued on the basis given below:
  - (a) **Raw Material and Work in Progress:-**  
-At cost on FIFO Basis or Net realisable value whichever is less.
  - (b) **Finished Goods**  
-At cost (weighted average) or Net realisable value whichever is less.
4. **FOREIGN CURRENCY TRANSACTIONS :** All Foreign Currency liabilities are stated at the rate prevailing at the end of the year and exchange rate difference arising on such transactions are dealt within the profit and loss account except those relating to acquisition of fixed assets which are adjusted in the cost of assets.  
Export sale are recorded as on date of bill of lading difference on realisation are taken on actual basis as and when realised.  
All other transactions in foreign currency are recorded at the time of transaction. Gains/Losses on the date of realisation/settlement of the transaction are taken to "Difference in exchange rates" and then to the related accounts.  
In respect of export sale in \$ terms where realisation is pending \$ rate is taken as prevailing as on 31.3.99.
5. **REVENUE RECOGNITION :** Revenue in respect of interest on fixed deposit with bank is accounted for on accrual basis except advance licenses & Rep Licenses issued against export obligation, which are accounted for as and when realised/utilized.
6. **ACCOUNTING CONVENTION:** The accompanying financial statements have been prepared in accordance with the historical cost convention except gratuity and insurance claims lodged which the Company intends to account for as and when paid or settled as the case may be.
7. Consignment Sales are recorded as when the sales statement are received from the consignment agents.
8. Export sales are accounted on the basis of date of Bill of lading.
9. Gratuity payable at future date in respect of employees has not been provided for as there is no present liability for the same. However, the Company intends to account for the same on as and when paid basis.
10. Provident fund of Employees is accounted for on cash basis.
11. Confirmation of some of the accounts at year end included under heads 'Sundry Debtors', 'Sundry Creditors' and loans and Advances have yet to be received as at the date of the Auditors Report.
12. Stores, Spares and Labour Wages in respect of internally carried out repair and maintenance of 'Plant and Machinery' and 'Building' are not charged separately but are directly charged to store and spares consumed and wages account.
13. Payment against supplies from small scale and ancillary undertakings are generally made in accordance with agreed credit terms and to the extent ascertained from available information, there was no amount overdue in this regard.
14. The preliminary and share issue expenses are being amortised over a period of ten years and the balance is kept as Miscellaneous Expenditure to the extent not written off.
15. Consequent to the amendment to Schedule xiv of the Companies Act, 1956, vide notification GSR 756(E) dt. 16.12.93 the company has charged depreciation at the new WDV rates prescribed in Schedule xiv to

the original cost of all the assets and on new assets acquired during the year on pro- rata basis.

16. Accrued Gratuity liability is not being accounted for by the company.
17. The managerial remuneration has been paid within the limits of section 198 of the Companies Act, 1956.  
Managing director = 272871/- Directors = 653476/-
18. Contingent liabilities as at 31.03.99 in respect of:-
  - i) Bill discounted with bank Rs.5.99 crores.
  - ii) In respect of Purchase tax the Company has obtained stay order from The Punjab & Haryana High Court in Civil writ petition No 1206 of 1993. The matter being sub judice it is not feasible to quantify the liability in respect of the same.
  - iii) Sales tax amount paid under protest and disputed by the company amount to Rs.135000.
  - iv) The Customs Authorities have imposed the penalty of Rs.210000/- in 1993. However the management hopes for a favorable decision in favour of the Company.
20. Previous Years figure have been re-grouped & re-arranged where-ever consider necessary to present the Balance Sheet as near as possible to the schedule VI .
21. The provisions of the Industries (Development and Regulation) Act, 1951, relating to licensed capacity are not applicable to the Company. The installed capacities in metric tonnes per hour are as under:-
 

Amritsar (Leased)	2 MT Rice per hour.
Kamal	6 Mt Rice per hour
- The installed capacity is as certified by the management and relied upon by the auditors, being a technical matter.
22. Stores & Spares are charged to Profit & Loss at time of Purchase and no inventory in respect of these is being maintained.
23. There was no payment exceeding Rs one Lac due to any small scale industrial undertaking.

#### **ADDITIONAL INFORMATION**

<b>(1) Calculation Of Managerial Remuneration u/s 198</b>	
PROFIT BEFORE TAX	25114754
ADD : DEPRECIATION	5820162
LESS: DEPRECIATION U/S 350	5820162
NET PROFIT U/S 350	25114754
ADD: DIRECTOR REMUNERATION	926347
PROFIT U/S 198	26041101
MANAGERIAL REMUNERATION	2864521
@ 11% OF PROFIT U/S 198	
MANAGERIAL REMUNERATION GIVEN	926347
<b>(2) EARNING IN FOREIGN EXCHANGE</b>	<b>304140054</b>
FOB VALUE OF EXPORT	
<b>(3) CIF VALUE OF IMPORTS</b>	<b>3498000</b>
<b>(4) EXPENDITURE IN FOREIGN CURRENCY</b>	<b>554759</b>
* ON TRAVELING	
<b>(5) CAPACITY (RICE)</b>	
LICENSED	8 MT.PER HOUR
INSTALLED	8 MT.PER HOUR
<b>(6) PRODUCTION</b>	
RAW MATERIAL CONSUMED	
PADDY	
IN QUINTALS	278826
IN VALUE	405494105
<b>(7) RICE</b>	
OPENING	57412
PRODUCTION	174289
PURCHASES	14217
<b>(8) SALES / DESTROYED</b>	<b>170518</b>
<b>(9) CLOSING</b>	<b>75400</b>



**CASH FLOW STATEMENT FOR YEAR ENDING 31.03.1999**

	AMOUNT (RS.) 31.03.1999	AMOUNT (RS.) 31.03.1998
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	25114754.00	43589619.00
ADJUSTMENT FOR :-		
DEPRECIATION/AMORTISATION	6628729.00	7833524.00
FOREIGN EXCHANGE INVESTMENTS		
INTEREST/DIVIDEND	-874648.00	288933.00
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	30868835.00	51712076.00
ADJUSTMENT FOR:-		
TRADE AND OTHER RECEIVABLES	4310841.00	1298149.00
INVENTORIES	-123913524.00	-31670917.00
TRADE PAYABLES	24756925.00	6146986.00
CASH GENERATED FORM OPERATION	-63976923.00	29561178.00
DIVIDEND PAID/ADJUSTED	10000.00	0.00
DIRECT TAXES PAID	-929102.00	741015.00
CASH FLOW BEFORE EXTRAORDINARY ITEMS	-64896025.00	28820163.00
NET CASH FROM OPERATING ACTIVITIES :	-64896025.00	28820163.00
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE OF FIXED ASSETS	14650671.00	7884213.00
SALE OF FIXED ASSETS	0.00	0.00
ACQUISITIONS OF COMPANIES	0.00	0.00
ISSUE EXPENSES	0.00	0.00
PURCHASE OF INVESTMENTS	0.00	0.00
SALE OF INVESTMENTS	0.00	0.00
INTEREST RECEIVED	874648.00	0.00
DIVIDEND RECEIVED/PAID	35453088.00	18003011.00
NET CASH USED IN INVESTING ACTIVIES	49229111.00	25887224.00
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
PROCEEDS FROM ISSUE OF SHARE CAPITAL	1960874.00	0.00
PROCEEDS FROM BORROWINGS	100435275.00	4456236.00
SUBSIDY RECEIVED	0.00	500000.00
NET CASH FROM FINANCING ACTIVITIES	102396149.00	3956236.00
NET INCREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS AS AT 01.04.1998 (OPENING BALANCE)	17990312.00	21088492.00
CASH AND CASH EQUIVALENTS AS AT 31.03.1999 (CLOSING BALANCE)	<u>6261325.00</u>	<u>17990312.00</u>

For and on behalf of Board

Place :- Amritsar

Date :- 30.07.1999

**CHAMAN LAL SETIA**  
CHAIRMAN CUM MANAGING DIRECTOR

**VIJAY SETIA**  
DIRECTOR

**Auditor's Certificate**

We have verified the above cash flow statement of CHAMAN LAL SETIA EXPORTS LTD. derived from the audited financial statements for the year ended March 31st, 1999. and found the same to be drawn in accordance there with and also with the requirments of the listing agreement with stock exchanges.

**For Vivek Kapoor & Co.**  
Chartered Accountants

Date:- 30.07.1999

Place :- Amritsar

**VIVEK KAPOOR**  
Prop.

**INFORMATION PURSUANT TO PART IV OF  
SCHEDULE VI TO THE COMPANIES ACT 1956.**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details**

Registration No.	15083	State Code	16
Balance Sheet Date	31.03.99		

**II Capital raised during the year (Amount in Rs. Lacs)**

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

**III. Position of mobilisation and Development of Funds (Amount in Rs. Lacs)**

Total Liabilities	3575.32	Total Assets	3575.32
Source of Funds			
Paid up capital	914.14	Reserve & Surplus	1233.08
Secured Loans	1195.59	Unsecured Loans	232.50

**Application of Funds**

Net Fixed Assets	422.08	Investments	50.29
Net Current Assets	3097.94	Misc Expenditure	50.29
Accumulated Losses	Nil		

**IV. Performance of the Company (Amount in Rs. Lacs)**

Turnover	4476.01	Total Expenditure	4224.87
Profit before tax	251.14	Profit after Tax	241.14
Earning per shares	Rs. 2.70	Dividend rate %	21%

\*Including other income

**V Generic Names of Two Principal Products of Company**

Item Code No.	(ITC CODE)	100630.02
Product Description		Rice Basmati
Item Code No.	(ITC CODE)	100630.01
Product Description		Parboiled Rice

AS PER OUR REPORT OF EVEN DATE

**VIVEK KAPOOR**  
PROP.

**FOR VIVEK KAPOOR & CO.**  
CHARTERED ACCOUNTANTS

**CHAMAN LAL SETIA**  
CHAIRMAN CUM MANAGING DIRECTOR

**VIJAY SETIA**  
EXECUTIVE DIRECTOR

PLACE:- AMRITSAR  
DATE:- 30.07.1999