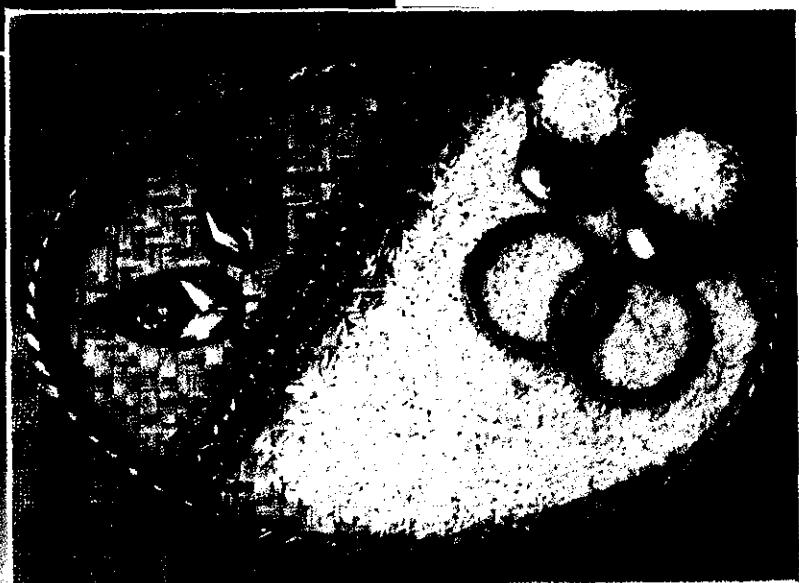




MAHARANI



Annual Report

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 & Co.
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

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CHAMAN LAL SETIA EXPORTS LTD.

NOTICE TO THE MEMBERS

Notice is hereby given that the Sixth Annual General Meeting of CHAMAN LAL SETIA EXPORTS LTD. will be held on Friday, the 29th September 2000 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 31.03.2K and the Auditors Report thereon.
2. To appoint a Director in place of Mr. Inder Dev Kukkar who retires by rotation but being eligible, offers himself for reappointment.
3. To appoint Auditors for the next year and to fix their remuneration. M/s Vivek Kapoor & Co are eligible and available for reappointment.

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. Cases of Transfer of Shares may be referred to the Registrar, Whose address has been given at title page.
4. Shareholders are requested to intimate to the Company, changes, if any, in their registered address including PIN CODE number.
5. Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.
6. 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.

By Order of the Board

Place: Amritsar
Dtd: 16.08.2K

Rajeev Setia
Director

M/S.CHAMAN LAL SETIA EXPORTS LTD.

DIRECTORS' REPORT

To The Members,

Yours Director have pleasure in presenting the VIth Annual Report together with the audited Accounts of the Company for the year ended 31st March 2000.

1. FINANCIAL RESULTS:

Particulars	Amount(In Lacs) Y.E.31.3.2000	Amount (in lacs) Y.E.31.3.1999
Export turnover	3042.59	3216.14
Domestic turnover	1863.54	1249.55
Other Income	29.84	10.32
Profit before Intt.&dep	387.47	392.02
Intt	165.31	82.68
Provision for Depreciation	69.75	58.20
Profit before Tax	152.41	251.14
Provision for Tax	5.00	10.00
Profit After Tax	147.41	241.14
Interim Dividend incl.Tax	119.67	206.81
Dividend percentage	12%	21%
Transfer To General Reserve	14.74	24.11
Carried to Balance sheet	191.28	180.15
Share Capital	915.50	914.14
Reserve & Surplus	1263.05	1233.08
EPS	1.64	2.70
Book Value	24.24	23.98

Export turnover decreased a little during the year ending 31.3.2K ,Due to fierce competition in the overseas market and bottlenecks in despatch,because of congestion at Port and mainly because of very costly raw material in domestic market resulting in stiff competition with other rice producing countries.On the other hand there was a tremendous rise in domestic sale due to special efforts put in by the management.

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 31.03.2K.

4. Personnel

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

5. Directors

Sh.Inder Dev Kukkar Director of the company retires by rotation at the Annual General Meeting and being eligible offers himself for reelection.

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 reappointment.

10. Dividend

Although the Export market remained sliggish & money market remained tight and lower margins even then Keeping in view the aspirations of shareholders,your directors feel pleasure in declaring an interim dividend of 12% on prorata basis.

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:16.08.2K

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'Report for the year ended 31.03.2000.

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.

Rs.7862/

(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) In our opinion the Balance Sheet & Profit & Loss a/c for the period ended 31.03.2K complies with the Accounting Standards referred in section 211 (3)(c) of the Companies Act 1956.
- (d) The balance sheet and profit and loss account dealt with by this report are in agreement with the books of accounts, and
- (e) 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 '1' 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 31.3.2K 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

(VIVEK KAPOOR)
Prop.

PLACE: AMRITSAR

DATED: 16.08.2000

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 byproduct 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 31.3.2K 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 subsection (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

(VIVEK KAPOOR)
Prop.

Place: Amritsar
Dated: 16/08/2K

CHAMAN LAL SETIA EXPORTS LIMITED

REGD.OFFICE
344A GREEN AVENUE, AMRITSAR

CONSOLIDATED BALANCE SHEET AS ON MARCH 31,2000

SOURCES OF FUNDS	SCHEDULE	THIS YEAR AMOUNT (RS). 31.03.2000	LAST YEAR AMOUNT (RS). 31.03.1999
SHAREHOLDERS FUNDS			
(a) SHARE CAPITAL	1	91550347.00	91414468.00
(b) RESERVES AND SURPLUS	2	126304669.00	123308941.00
LOAN FUNDS			
(a) SECURED LOAN	3	129816487.00	119559085.00
(b) UNSECURED LOAN	4	38255000.00	23250000.00
<u>TOTAL</u>		<u>385926503.00</u>	<u>357532494.00</u>
FIXED ASSETS			
(a) GROSS BLOCK		67396896.00	64379869.00
(b) LESS DEPRECIATION		28772786.00	22171239.00
(c) NET BLOCK	5	38624110.00	42208630.00
INVESTMENT	6	500000.00	500000.00
CURRENT ASSETS, LOANS & ADVANCES			
(a) INVENTORIES	7	363035353.00	332493429.00
(b) SUNDRY DEBTORS	8	19010969.00	33113362.00
(c) CASH & BANK BALANCES	9	10911434.00	6261325.00
(d) LOANS AND ADVANCES	10	6090798.00	7022718.00
LESS : CURRENT LIABILITIES AND PROVISIONS	11	56349926.00	69096617.00
NET CURRENT ASSETS		342698628.00	309794217.00
MISC. EXPENDITURE (To the extent not written off or adjusted)	12	4103765.00	5029647.00
<u>TOTAL</u>		<u>385926503.00</u>	<u>357532494.00</u>

ACCOUNTING POLICIES AND
NOTES ON ACCOUNTS 20
SIGNED IN TERMS OF OUR REPORT OF EVEN DATE

VIVEK KAPOOR CHAMAN LAL SETIA CHAIRMAN CUM MANAGING DIRECTOR
PROP.

FOR VIVEK KAPOOR & CO.

CHARTERED ACCOUNTANT RAJEEV SETIA --EXECUTIVE DIRECTOR

PLACE : AMRITSAR
DATE : 16.08.2000

CHAMAN LAL SETIA EXPORTES LIMITED

REGD. OFFICE

344A GREEN AVENUE, AMRITSAR

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2000

INCOME	SCHEDULE	THIS YEAR AMOUNT (RS). 31.03.2000	LAST YEAR AMOUNT (RS). 31.03.1999
SALES & OTHER INCOME			
INCREASE/(DECREASE) IN STOCK	13	493598025.00	447601158.00
	14	23334616.00	68439741.00
EXPENDITURE		516932641.00	516040899.00
MANUFACTURING EXPENSES	15	438847966.00	436877184.00
PERSONAL EXPENSES	16	4843808.00	4166322.00
ADMINISTRATIVE EXP.	17	7488442.00	6662560.00
FINANCIAL EXPENSES	18	16531155.00	9898508
SELLING & DISTRIBUTION	19	27004302.00	27501409.00
DEPRECIATION	5	6975612.00	5820162.00
TOTAL		501691285.00	490926145.00
PROFIT FOR THE YEAR BEFORE TAX			
PROVISION FOR TAXATION		15241356.00	25114754.00
PROFIT AFTER TAXES		500000.00	1000000.00
PRIOR YEAR TAX ADJUSTMENTS		14741356.00	24114754.00
PRIOR YEAR DIVIDED ADJUSTMENT		82604.00	-17118.00
WEALTH TAX		-267918.00	10000.00
PROFIT/LOSS B/F FROM BALANCE SHEET		0.00	-4476.00
AMOUNT AVAILABLE FOR APPROPRIATION		18014873.00	17005080.00
PROPOSED DIVIDED (INCLUDING INCOME TAX)		32570915.00	41108240.00
		11967953.00	20681892.00
TRANSFERRED TO GENERAL RESERVE			
		1474136.00	2411475.00
BALANCE CARRIED TO BALANCE SHEET		19128826.00	18014873.00

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

RAJEEV SETIA

-EXECUTIVE DIRECTOR

PLACE : AMRITSAR
DATE : 16.08.2000

SCHEDULE 1

SCHEDULE FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31,2000

SHARE CAPITAL	THIS YEAR AMOUNT (RS.) 31.03.2000	LAST YEAR AMOUNT (RS.) 31.03.1999
AUTHORISED		
1,20,00,000 Equity Shares of Rs. 10/- each	120000000.00	120000000.00
ISSUED, SUBSCRIBED AND PAID UP		
9498300 Equity Shares (PRV Year 9498300) of Rs. 10/- each.	94983000.00	94983000.00
LESS CALLS IN ARREARS	3432653.00	3568532.00
TOTAL	91550347.00	91414468.00

SCHEDULE 2

RESERVES & SURPLUS	THIS YEAR AMOUNT (RS.) 31.03.2000	LAST YEAR AMOUNT (RS.) 31.03.1999
SHRI GANESH JI & LAKSHMI JI CAPITAL SUBSIDY	340000	32.00
LESS TRF TO GENERAL RESERVE	120000	
GENERAL RESERVE	220000.00	340000.00
BALANCE AS PER LAST BALANCE SHEET	11910634.00	
ADD : AMOUNT TRANSFERRED FROM P & L A/C	1474136.00	11910634.00
ADD : AMOUNT FROM SUBSID	120000.00	93043402.00
SHARE PREMIUM	19128826.00	18014873.00
PROFIT & LOSS ACCOUNT		
TOTAL	126304669.00	123308941.00

SCHEDULE 3

SECURED LOAN	THIS YEAR AMOUNT (RS.) 31.03.2000	LAST YEAR AMOUNT (RS.) 31.03.1999
I. CASH CREDIT	5482129.00	7078273.00
II. PACKING CREDIT	124334358.00	112480812.00
TOTAL	129816487.00	119559085.00

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

UNSECURED LOAN	THIS YEAR AMOUNT (RS.) 31.03.2000	LAST YEAR AMOUNT (RS.) 31.03.1999
LOAN FROM DIRECTOR	38255000.00	23250000.00
	38255000.00	23250000.00

SCHEDULE 5

S. NO.	FIXED ASSETS PARTICULAR	OPENING BALANCE AS AT 1.2.99	ADDITIONS DURING THE YEAR (Rs.)	LESS DURING THE YEAR (Rs.)	CLOSING BALANCE AS AT 31.3.00	UP TO 1.4.99	DEPRECIATION DURING THE YEAR (Rs.)	DEPRECIATION LESS DURING THE YEAR (Rs.)	TOTAL UP TO AT 31.3.00	AS AT 31.3.00 (Rs.)	AS AT 31.3.99 (Rs.)
1	LAND & BUILDING	16476512.00	386105.00	57940.00	16804677.00	3177927.00	1011997.00	0.00	4189924.00	12614753.00	13298585.00
2	PLANT MACHINERY	30117568.00	1112757.00	0.00	31230325.00	11583462.00	3260331.00	0.00	14843793.00	16386532.00	18534106.00
3	ACCESSORIES	11338007.00	2229882.00	946266.00	12621623.00	3270040.00	1673781.00	0.00	4943821.00	7677802.00	8067967.00
4	WOODEN CRATES	1202972.00	284113.00	0.00	1487085.00	1202972.00	284113.00	0.00	1487085.00	0.00	0.00
5	CAR/VEHICLES	4294610.00	363885.00	513128.00	4145367.00	2004925.00	601857.00	374063.00	2232719.00	1912648.00	2289685.00
6	FURNITURE & FIXTURE	159452.00	24860.00	0.00	184312.00	141195.00	10742.00	0.00	151937.00	32375.00	18257.00
7	TARPAL	790718.00	132789.00	0.00	923507.00	790718.00	132789.00	0.00	923507.00	0.00	0.00
	TOTAL	64379839.00	4534391.00	1517334.00	67396896.00	22171239.00	6975610.00	374063.00	28772786.00	38624110.00	42208600.00

SCHEDULE 6		THIS YEAR	LAST YEAR
INVESTMENT		AMOUNT (RS.)	AMOUNT (RS.)
50,16.5% Unsecured redeemable bonds of PNB of the face value of Rs. 10000/- each.		31.03.2000 500000.00	31.03.1999 500000.00
TOTAL		500000.00	500000.00
SCHEDULE 7		THIS YEAR	LAST YEAR
INVENTORIES		AMOUNT (RS.)	AMOUNT (RS.)
STOCK IN TRADE (Valuted at cost or Net realisable value which ever is less & as per inventories taken and certified by management)		31.03.2000	31.03.1999
RAW MATERIAL & COMPONENTS		168455566.00	161571894.00
FINISHED GOODS		194579787.00	170921535.00
		363035353.00	332493429.00
SCHEDULE 8		THIS YEAR	LAST YEAR
SUNDRY DEBTORS		AMOUNT (RS.)	AMOUNT (RS.)
UNSECURED CONSIDERED GOOD FOR A PERIOD EXCEEDING SIX MONTHS		31.03.2000 1989186.00	31.03.1999 3532653.00
OTHER		17021783.00	29580709.00
TOTAL		19010969.00	33113362.00
SCHEDULE 9		THIS YEAR	LAST YEAR
CASH & BANK BALANCES		AMOUNT (RS.)	AMOUNT (RS.)
CASH & CHEQUES IN HAND		31.03.2000 499026.00	31.03.1999 166368.00
CASH WITH SCHEDULED BANKS			
-IN CURRENT ACCOUNT		9973806.00	4556263.00
-IN SHARE APPLICATION MONEY/DIVIDED ACCOUNT		0.00	365020.00
-IN FIXED DEPOSIT/MARGIN MONEY ACCOUNT		381482.00	1151349.00
-INTEREST ACCURED ON DEPOSITS		0.00	0.00
-CASH IMPREST ACCOUNT		57120.00	22325.00
TOTAL		10911434.00	6261325.00
SCHEDULE 10		THIS YEAR	LAST YEAR
LOANS AND ADVANCES		AMOUNT (RS.)	AMOUNT (RS.)
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED :		31.03.2000	31.03.1999
UNSECURED CONSIDERED GOOD :-		504555.00	502555.00
SECURITY AND OTHER DEPOSITS		771050.00	597359.00
STAFF & WORKERS		708800.00	672800.00
FOR PURCHASE OF MACHINERY		748430.00	2212461.00
FOR EXPENSES & OTHERS		3357963.00	3037543.00
ADVANCE TAX/TDS			
TOTAL		6090798.00	7022718.00
SCHEDULE 11		THIS YEAR	LAST YEAR
CURRENT LIABILITIES AND PROVISIONS		AMOUNT (RS.)	AMOUNT (RS.)
SUNDRY CREDITORS		31.03.2000 35905418.00	31.03.1999 40004081.00
OTHER LIABILITIES		4391466.00	3920587.00

DIVIDEND/REFUND PAYABLE	510696.00	382680.00
PROVISIONS		
INCOME TAX	4500000.00	4000000.00
DIVIDEND (INCLUDING INCOME TAX)	10789631.00	20681892.00
T.D.S. PAYABLE	252715.00	107377.00
<u>TOTAL</u>	56349926.00	69096617.00

SCHEDULE 12

MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)	THIS YEAR AMOUNT (RS.) 31.03.2000	LAST YEAR AMOUNT (RS.) 31.03.1999
A) PRELIMINARY EXPENSES		
AS PER LAST BALANCE SHEET	186857.00	224222.00
LESS : 1/10TH WRITTEN OFF	37365.00	37365.00
SUB-TOTAL	149492.00	186857.00
B) PUBLIC ISSUE EXPENSES		
AS PER LAST BALANCE SHEET	3440652.00	4128781.00
LESS : 1/10TH WRITTEN OFF	688130.00	688130.00
SUB-TOTAL	2752522.00	3440651.00
DEFERRED REVNUUE EXPENSES	1402139.00	1602527.00
LESS : 1/10 WRITTEN OFF	200388.00	200388.00
SUB-TOTAL	1201751.00	1402139.00
	4103765.00	5029647.00

SCHEDULE 13

SALES AND OTHER INCOME	THIS YEAR AMOUNT (RS.) 31.03.2000	LAST YEAR AMOUNT (RS.) 31.03.1999
SALES :-		
* EXPORT	304259703.00	321614215.00
* LOCAL	186354089.00	124955194.00
SUB TOTAL	490613792.00	446569409.00
OTHER INCOME :-		
INTEREST RECEIVED/ACCRUED		
* ON FIXED DEPOSIT WITH BANKS	0.00	826646.00
* OTHERS	115906.00	48002.00
SALE OF LICENCES	2765562.00	72715.00
MISC. RECEIPTS	102765.00	84386.00
SUB TOTAL	2984233.00	1031749.00
<u>TOTAL</u>	493598025.00	447601158.00

SCHEDULE 14

INCREASE (DECREASE) IN STOCKS OF WORK IN PROGRESS AND FINISHED GOODS	THIS YEAR AMOUNT (RS.) 31.03.2000	LAST YEAR AMOUNT (RS.) 31.03.1999
OPENING STOCK		
-FINISHED GOODS	167846172.00	99406431.00
CLOSING STOCK		
-FINISHED GOODS	191180788.00	167846172.00
INCREASE/ DECREASE IN STOCKS	23334616.00	68439741.00

SCHEDULE 15

EXPENSES	THIS YEAR AMOUNT (RS.) 31.03.2000	LAST YEAR AMOUNT (RS.) 31.03.1999
MANUFACTURING EXPENSES		
RAW MATERIAL AND COMPONENTS CONSUMED	403771107.00	405494105.00
ELECTRICITY EXPENSES	5988959.00	5159508.00
MACHINERY REPAIR & MAINTENANCE	3221663.00	3464636.00
SHELLER LEASE	300000.00	300000.00
BARDANA REPAIRS	654173.00	565830.00
PACKING EXPENSES	2472460.00	2131266.00
STACKING,WEIGHING LOADING,UNLOADING,SORTING&BUNAI	5437633.00	6028428.00
OIL & GREASE	106239.00	160093.00
GENRATOR EXPENSES	3128036.00	2884051.00

PACKING MATERIAL / EMPTY COST	14603060.00	10579979.00
FUMIGATION	156774.00	108988.00
RESEARCH & DEVELOPMENT	7862.00	0.00
<u>TOTAL</u>	<u>439847966.00</u>	<u>436877184.00</u>

SCHEDULE 16

PERSONAL EXPENSES *	THIS YEAR	LAST YEAR
	AMOUNT (RS.)	AMOUNT (RS.)
	31.03.2000	31.03.1999
SALARIES/WAGES	2276027.00	2097704.00
ALLOWANCES TO STAFF/WORKERS	289709.00	152725.00
DIRECTORS REMUNERATION	1013538.00	926347.00
EMPLOYEES PROVIDENT/FAMILY PENSION	750174.00	554165.00
BONUS	275474.00	235390.00
STAFF WELFARE & MEDICAL EXPENSES	238886.00	199991.00
<u>TOTAL</u>	<u>4843808.00</u>	<u>4166322.00</u>

SCHEDULE 17

ADMINISTRATIVE EXPENSES	THIS YEAR	LAST YEAR
	AMOUNT (RS.)	AMOUNT (RS.)
	31.03.2000	31.03.1999
INSURANCE	2200270.00	1621648.00
LEGAL EXPENSES	903973.00	791221.00
POSTAGE, TELEPHONE & COURIER EXPS.	1164569.00	1142352.00
VEHICLES REPAIR & MAINTENANCE	270890.00	216576.00
STATIONERY & PRINTING	194467.00	178024.00
TRAVELING EXPENSES	737257.00	785294.00
AUDITORS REMUNERATION		
* STATUTORY AUDIT	20000.00	
* TAX AUDIT	10000.00	
* TAXATION MATTERS		
* COMPANY LAW MATTERS		
MISC. EXPENSE/SHOP EXPENSES	162514.00	137459.00
PRELIMINARY & PUBLIC ISSUE EXP. WRITTEN OFF	925883.00	925883.00
DONATION	85173.00	31704.00
RENT	28984.00	62984.00
BUSINESS PROMOTION		
BUILDING REPAIR/GENERAL REPAIR	730792.00	679455.00
<u>TOTAL</u>	<u>7488352.00</u>	<u>6662560.00</u>

SCHEDULE 18

FINANCIAL EXPENSES *	THIS YEAR	LAST YEAR
	AMOUNT (RS.)	AMOUNT (RS.)
	31.03.2000	31.03.1999
BANK CHARGES	1765050.00	1630520.00
INTEREST		
* TO BANKS	14766105.00	7458858.00
* OTHERS	0.00	809130.00
<u>TOTAL</u>	<u>16531155.00</u>	<u>9898508.00</u>

SCHEDULE 19

FINANCIAL EXPENSES *	THIS YEAR	LAST YEAR
	AMOUNT (RS.)	AMOUNT (RS.)
	31.03.2000	31.03.1999
EXPORT COMMISSION	3224670.00	3347895.00
E. C. G. C EXPENSES	593453.00	345247.00
ADVERTISEMETY	243276.00	254258.00
DIRECT EXPORT EXPENSES	20767636.00	21590459.00
CONSIGNMENT EXPENSES	163798.00	252788.00
BROKERAGE	1287108.00	870832.00
BILL DISCOUNT	484396.00	756243.00
MISC EXPENSES	39965.00	83687.00
<u>TOTAL</u>	<u>27004302.00</u>	<u>27501409.00</u>

SCHEDULE 20

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 31.3.2K 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 prorata 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**
 - (i) 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.
 - (ii) Export sale are recorded as on the date of bill of lading Realisation are taken on actual basis as and when realised difference arising on realisation is charged to "Difference in exchange rates" then to Export Sale.
 - (iii) 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.
 - (iv) In respect of export sale in \$ terms where realisation is pending \$ rate is taken as prevailing as on 31 March 2000.
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 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 been duly accounted for by the company by taking group gratuity scheme from LIC of India during the Year.
10. Provident fund of Employees is accounted for on accrual 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 prorata basis.
16. Accrued Gratuity liability has been duly 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 = 387203/ Directors = 626335/
 18. Contingent liabilities as at 31.03.2K in respect of:
 - i) Bill discounted with bank Rs. 70227672/
 - 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 regrouped & rearranged wherever 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.
Karnal	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 undertaken.

ADDITIONAL INFORMATION

(1) Calculation Of Managerial Remuneration u/s 198

	PROFIT BEFORE TAX	15241356
	ADD : DEPRECIATION	6975612
	LESS: DEPRECIATION U/S 350	6975612
	NET PROFIT U/S 350	15241356
	ADD: DIRECTOR REMUNERATION	1013538
	PROFIT U/S 198	16254894
	MANAGERIAL REMUNERATION	1788038
	@11% OF PROFIT U/S 198	
	MANAGERIAL REMUNERATION GIVEN	1013538
(2)	EARNING IN FOREIGN EXCHANGE	290133095
	FOB VALUE OF EXPORT	
(3)	CIF VALUE OF IMPORTS	NIL
(4)	EXPENDITURE IN FOREIGN CURRENCY	600485
	* ON TRAVELING	
(5)	CAPACITY (RICE)	
	LICENSED	8 MT.PER HOUR
	INSTALLED	8 MT.PER HOUR
(6)	PRODUCTION RAW MATERIAL CONSUMED	
	PADDY	
	IN QUINTALS	347288
	IN VALUES	403771107
(7)	RICE	
	OPENING	75400
	PRODUCTION	217105
	PURCHASES	3803
(8)	SALES / SHOTAGE	212796
(9)	CLOSING	83512

CHAMAN LAL SETIA EXPORTS LTD.

CASH FLOW STATEMENT FOR YEAR ENDING 31.03.2000

A.CASH FLOW FROM OPERATING ACTIVITIES	31.3.2000	31.3.1999
NET PROFIT BEFORE TAX AND EXTRAORDINARY	15241356.00	25114754.00
ADJUSTMENT FOR:-		
DEPRECIATION/AMORTISATION	8531666.00	6628729.00
FOREIGN EXCHANGE INVESTMENTS		
INTEREST/DIVIDEND	-115906.00	-874648.00
OPERATING PROFIT BEFORE WORKING CAPITAL	23657116.00	30868835.00
ADJUSTMENT FOR:-		
TRADE & OTHER RECEIVABLES	15390733.00	
INVENTORIES	-30541924.00	-123913524.00
TRADE PAYABLES	-12746691.00	24756925.00
CASH GENERATED FORM OPERATION	-4240766.00	-63976923.00
DIVIDEND PAID/ADJUSTED	267918.00	10000.00
DIRECT TAXES PAID	737816.00	-929102.00
CASH FLOW BEFORE ORDINARY ITEMS	-5246500.00	
EXTRAORDINARY ITEMS	0.00	0.00
NET CASH FROM OPERATING ACTIVITIES:-	-5246500.00	-64896025.00
B) CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	4570391.00	14650671.00
SALE OF FIXED ASSETS	513128.00	0.00
ISSUE EXPENSES	0.00	0.00
PURCHASE OF INVESTMENTS	0.00	0.00
SALE OF INVESTMENTS	0.00	0.00
INTEREST RECEIVED	115906.00	874648.00
DIVIDEND PAID	11967953.00	35453088.00
NET CASH USED IN INVESTING ACTIVITIES	15909310.00	49229111.00
C.CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM ISSUE OF SHARE CAPITAL	543516.00	1960874.00
REPAYMENT OF FINANCE LEASE LIABILITIES		0.00
SUBSIDY RECEIVED		0.00
NET CASH FROM FINANCING ACTIVITIES	25805918.00	102396149.00
NET INCREASE IN CASH AND CASH EQUIVALENT:	4650109.00	
CASH AND CASH EQUIVALENTS AS AT 01.04.1999	6261325.00	17990312.00
CASH AND CASH EQUIVALENTS AS AT 31.03.2000	10911434.00	6261325.00

For and on behalf of Board

Place :-Amritsar
Date:- 16.08.2000

CHAMAN LAL SETIA
Chairman Cum Managing Director

RAJEEV 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,2000 and found the same to be drawn in accordance there with and also with the requirements of the listing agreement with stock exchanges.

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

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

Registration Details

Registration No.	15083	State Code	16
Balance Sheet Date	31.03.2000		

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

Public Issue	Nil	Right issue	Nil
Bouns issue	Nil	Private Placement	Nil

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

Total Liabilities	3859.26	Total Assets	3859.26
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Source of Funds

Paid up capital	915.50	Reserve & Surpl	1263.05
Secured Loans	1298.16	Unsecured Loan	382.50

Application of Funds

Net Fixed Assets	386.24	Investments	5
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Net Current Assets	3426.98	Misc Expenditure	41.03
Accumulated Losses	Nil		

Performance of the Company(Amount in Rs.Lacs)

Turnover	4935.98	Total Expenditure	5016.91
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Profit before tax	152.41	Profit after Tax	147.41
Earnings per shares	Rs. 1.64	Dividend rate %	12%

* Including other income

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

RAJEEV SETIA
EXECUTIVE DIRECTOR

PLACE:-AMRITSAR
DATE : 16.08.2000

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

sub. : Divident Warrant 1999-2000 in the case of CHAMAN LAL SETIA EXPOTERS LIMITED

Dear Sir,

I am sending herewith my bankers particulars to be incorporated in the divided warrant which are as follows :

1. My Banker's Name.....
2. Banker's Address.....
3. Bank A/c No. Ca/SB.....
4. Folio No.

Thanking you,

Yours Fathfully

(Signature of Shareholder)

Name.....

Address.....

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