



# MAHARANI



**CHAMAN LAL SETIA EXPORTS LTD.**

**Board of Directors**

**Chaman Lal Setia**  
(Chairman Cum Mg. Director.)  
**Rajeev Setia**  
(Whole Time Director.)  
**Vijay Setia.**  
(Whole Time Director.)  
**Inder Dev Kukkar**  
(Director.)  
**Sukarn Setia**  
(Director.)  
**Naresh Suneja**  
(Director.)

**Registered Office**  
Meeran Kot Road,  
P.O. Central Jail.  
Ajnala Road, Amritsar.

- Works**
- Meerankot Road, Amritsar.
  - Kaithal Road, Karnal.

**Bankers**  
Punjab National Bank.  
International Banking Branch.  
46, The Mall, Amritsar.

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

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

**ANNUAL GENERAL MEETING**  
On 28th Sept. At 4:30 a.m at  
Hotel Royal Castle, Albert Road,  
Amritsar.

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# CHAMAN LAL SETIA EXPORTS LTD.

## NOTICE TO THE MEMBERS

Notice is hereby given that the Seventh Annual General Meeting of CHAMAN LAL SETIA EXPORTS LTD. Will be held on Friday, the 28th Sept, 2001 at 4.30 P.M at Hotel Royal Castle, Albert Road, Amritsar. to transact the following business:

### (A) ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and audited Balance Sheet and the Profit & Loss Account as at and for the year ended 31.03.01 and the Auditors Report thereon.
2. To appoint a Director in place of Mr. Vijay 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 re-appointment.
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 Sh. Sukarn Setia who was appointed as an additional Director under Section 260 of the Companies Act 1956 and in respect of whom the Company has received a notice in writing from a member, proposing him as a Candidate for the office of the Director under the provisions of Section 257 of the Companies Act 1956 be and is hereby appointed a Director of the Company, liable to retire by rotation".

Sh. Chaman Lal, Sh. Vijay Setia and Sh. Rajeev Setia be deemed to be interested in passing of the resolution being relatives of Sh. Sukarn Setia.

### 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 to 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 23.9.2001 to 29.9.2001 (both days inclusive.)
4. Cases of Transfer of Shares may be referred to the Registrar, Whose address has been given at Inner Title
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.

By Order of the Board  
For Chaman Lal Setia Exports Ltd.

Place : Amritsar  
Dated : 11.08.2001

**Rajeev Setia**  
Whole Time Director

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

In terms of Section 257 of Companies Act 1956, Notice has been received from a member signifying his intention to propose Sh. Sukarn Setia as a candidate for the office of Director. As Sh. Sukarn Setia is a Commerce Graduate & Diploma holder in Import & Export from Schilling University, London and it is desirable that Company should avail of his services as a member of the Board on the following terms & conditions. Yours Director recommend his appointment on the following terms & conditions;

1. Salary : Rs 20000/- P.M.
2. Commission : 1% Commission on Sales
3. Allowances Perquisites : In addition to the salary and commission, the appointee shall be entitled to perquisites like accommodation (furnished or not) or house Rent allowance in lieu thereof; house maintenance allowance together with re-imbursement of expenses or allowances for utilities such as gas, electricity, water, furnishing and repairs, medical re-imbursement, leave travel concession for appointee and his family, club fees, medical insurance and such other perquisites/allowances in accordance with the Rules of the Company or as agreed to by the Board from time to time. Provisions for use of Company's Car for official duties and telephone at residence.
4. Provident Fund, Super annuation Fund.  
Company's Contribution to Provident Fund and Super annuation Fund. Gratuity payable as per the rules of the Company and encashment of leave at the end of their tenures.



## M/s CHAMAN LAL SETIA EXPORTS LTD.

### DIRECTORS' REPORT

To The Members,

Yours Director have pleasure in presenting the 7th Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2001.

#### 1. RICE BUSINESS ——— Performance At A Glance

Particulars	Amount (in Lacs) Y.E. 31.3.2001	Amount (in Lacs) Y.E. 31.3.2000	% change
Export turnover	3129.66	3042.59	2.86
Domestic turnover	2449.80	1863.54	31.46
Profit before Intt. & Depreciation	691.37	387.47	78.55
Interest	136.83	165.31	
Provision for Depreciation	60.21	69.75	
Profit before Tax	494.33	152.41	224.34
Provision for Tax	15.00	5.00	
Profit after Tax	479.33	147.41	225.85
Proposed Dividend including Tax	207.92	119.67	9.00
Transfer To General Reserve	47.93	14.74	
Carried to Balance Sheet	430.53	191.28	125.13
Current Assets	3897.14	3990.48	
Current Liabilities	1362.97	1861.65	
Working Capital	2534.17	2128.83	19.08
Capital Employed	2902.84	2520.06	15.16
Return on Capital Employed	16.53%	5.85%	
EPS	5.34	1.64%	
Book Value	27.09	23.78	

#### Highlights of Performance:

1. Rice Sales Volume was set up by 17 % and Operating Income registered an increase of 14% during the year despite Industry recording negative growth.
2. Operating Profits were up by 78% at Rs.691.37lacs
3. Net Profits before Exceptional items & Tax was Rs.494.33lacs as against a profits of Rs.152.41 lacs in previous year.
4. Turnaround in profitability is mainly on account of improvement in operational efficiencies which had resulted in noteworthy reductions in Cost of Raw Material Consumed and increase in better quality yield especially of Sella Rice.
5. Your Company has broken fresh ground by taking up domestic marketing in fresh light. During the year, your company has achieved a turnover of Rs.2449.80 lacs for 14243 MT against Rs.1863.54 lacs for 12325 MT for the FY 99-00 showing an increase by 31% in value terms. The company's distribution strength has been increased and existing network consolidated. Even though the prices were depressed throughout the year, a mix of proper planning and allocation of sales to better markets have yielded higher Net sales Realization contributing to the bottom line. Fresh life was breathed in with new and attractive packing, branding exercises, improving customer relation, concentration on product strength (Parboiled products) and creating new markets. General outlook for the next year is on similar lines.

#### 2. 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 31.03.01.

3. **Personnel**  
Relations with work force of the Company have remained cordial, through out the Year.
4. **Directors**  
ShVijay Setia whole Time Director of the Company retires by rotation at the Annual General Meeting and Being Eligible offers himself for re-election.
5. **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.
6. **Particulars of employees**  
The Company has no employee of the category specified in sub section (2A) of section 217 of the Companies Act 1956.
7. **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.
8. **Auditors**  
M/s Vivek Kapoor & Company, retire at the conclusion of the Forthcoming Annual General Meeting and are available for re-appointment.
9. **Dividend**  
During the year ended March 31, 2001 your Company's working results have improved substantially in view of the Management Thrust on Cost reduction in all areas of Company's operations, productivity improvement and improvement in the quality of yield. Yours Directors, therefore recommend dividend payment @ 21% pro-rata as compared to 12% in the previous year.
10. **Director's Responsibility**  
Pursuant to section 217 (2AA) of the Companies Act 2000 the directors confirm that:
  - (i) In the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
  - (ii) Appropriate accounting policies have been selected and applied Consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company as at March 31, 2001 and of the profit of the Company for the said period.
  - (iii) 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.
  - (iv) The annual accounts have been prepared on a going concern basis.
11. **Audit Committee**  
Audit committee of Board of directors of the company was Constituted on 06.08.2001 in terms of Section 292A of Companies Act 1956. The following are the members of Audit Committee :
 

1. <b>Rajeev Setia</b>	2. <b>Inder Dev Kukkar</b>	3. <b>Naresh Suneja</b>
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12. **Corporate Governance**  
Your Company and its Board is committed to achieve the highest standards of Corporate Governance. The Corporate Governance practices followed by the Company are indicated separately in the annexure forming part of this report. These conditions are still not mandatory for the Company. A Certificate from the Auditors of the Company regarding not applicability of conditions of Corporate Governance as stipulated under Clause 49 of the listing Agreement is also attached.
13. **Dematerialisation of Shares**  
The Company has entered into agreements with both National Securities Depository Ltd and Central Depository Services Ltd. whereby the Shareholders have an option to dematerialise their shares with either of the depositories.
14. **Social Objectives**  
Company is not only a Profit Oriented Unit, but also meeting its Commitment & Responsibility towards the society by undertaking the following measures:
  - a) Use of Neem as Bio-pesticide for controlling infestation;
  - b) Development of "Heat proof" Roof Systems for Public Housing (project under process);
  - c) Low cost water filters for rural areas (project under process)
  - d) Project for tackling problem of wastewater logging and treatment of sanitary discharge in villages is under process.

#### 15. Pollution Free Environment :- Company's Slogan

During the financial year your Company has saved Rs 20 Lakhs on capital investment alone by development of a low cost, rather "no cost" Parboiling wastewater treatment system. The system was evaluated by a team of senior scientists from HAU (Haryana Agriculture University) and Department of Agriculture, Govt. of India. It was appraised and recommended by the Deputy Commissioner Karnal for National Award Institute by the Science and Technology Development Board.

#### 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 : 11.08.2001

CHAMAN LAL SETIA  
Chairman

#### 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 31.03.2001

#### A. CONSERVATION OF ENERGY

Your Company is using non-conventional, non-fossil Rice Husk fuel for combustion in Loco type Boiler. A unique feed system has been developed for better adaptation to alternatives agri-residues like Baggase, Saw Dust, Chaff. Improved technique for use of secondary air has resulted in better combustion and cleaner effluent. Waste heat from condensation is being used for heating water for captive use. Due to above measures, we are able to run two parboiling plants through the year on one boiler effecting saving of Rs. 25 Lakhs per annum (app.) in fuel cost alone, apart from investment in expensive machinery and valuable land.

#### B. TECHNOLOGY ABSORPTION

##### (i) Research And Development(R&D)

##### 1. Various R&D initiatives were undertaken which have resulted in :

- Improved efficiency of Paddy Husker;
- Improvement in Elevator Working;
- Use of neem as Bio-pesticide;
- Improvement in Parboiling for improvement in quality parameters;
- Use of Plastic Buckets in parboiling plant thus reducing cost.

##### 2. Future plan of action.

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

##### 3. Expenditure on R & D.

Rs 38364/- wages, salaries, stores, spares & consumable used for R&D activities have been debited to Respective Heads, and not to Research & Development.

##### (ii) Technology absorption, adoption and innovation.

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

#### c. EFFLUENT TREATMENT

Your Company has developed a "no cost" water treatment system for its Parboiled Unit thereby Saving a big amount of Rs.20 lacs (approx.).

### **Corporate Governance:**

Corporate Governance essentially deals with how Companies are run and the manner in which the Board of Directors discharge its mission and responsibilities to ensure proper management with accountability in the best interests of Shareholders and other Stakeholders. And in addition the issue of transparency and disclosure of information about the affairs of Company.

The Code on Corporate Governance introduced by the Securities and Exchange Board of India is required to be implemented by your Company in terms of the Listing Agreement with the Stock Exchanges by March 31, 2003. Your Company is fully concerned about the SEBI'S Commitment to the Shareholders of the Nation & outside of transparency of the operations of the Corporates and is desirous to implement the Corporate as soon as possible.

For and on behalf of the Board.  
For Chaman Lal Setia Exports Ltd.

Place : Amritsar  
Date : 11.8.2001

(Rajeev Setia.)  
Whole Time Director.

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

The Members

We have examined the applicability conditions as laid down in Clause 49 of Listing Agreement regarding Corporate Governance. In the Case of Company the said Compliance is required to be implemented till 31 March, 2003 and hence the report.

Place : Amritsar  
Date : 11.08.2001

For Vivek Kapoor & Co.  
Chartered Accountants.

(Vivek Kapoor)  
Prop.



## **AUDITORS' REPORT**

We have audited the attached Balance Sheet of Chaman Lal Setia Exports Ltd. 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.
- (d) In our opinion, the Profit & Loss Account and Balance Sheet Comply with the Accounting Standards referred to in sub section (3c) of section 211 of Companies Act 1956;
- (e) On the basis of written representations, received from directors, and taken on record by the Board, we report that none of the said directors is disqualified as on March 31, 2001 from being appointed as director in terms of section 274(1) (g) of the Companies Act 1956 and;
- (f) 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 '19' 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 31.3.01 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 : 11.08.2001.

## 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 Registered maintained under section 301 of the Companies under the same management within the meaning of section 370(1B) 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, equipment and other assets and for the sale of goods.
11. In our opinion and according to the information and explanations given to us, the transactions 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 provisions 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 31.3.01 for the 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

(VIVEK KAPOOR)  
Prop.

Place : Amritsar  
Dated : 11.08.2001

# CHAMAN LAL SETIA EXPORTS LIMITED

Regd.office Meerankot Road, P.O. Central Jail, Amritsar.

## CONSOLIDATED BALANCE SHEET AS ON MARCH 31,2001

SOURCES OF FUNDS	SCHEDULE	THIS YEAR AMOUNT (RS). 31.03.2001	LAST YEAR AMOUNT (RS). 31.03.2000
SHAREHOLDERS FUNDS			
(a) SHARE CAPITAL	1	91550347	91550347
(b) RESERVES AND SURPLUS	2	155022616	126304669
LOAN FUNDS			
(a) SECURED LOAN	3	100482346	129816487
(b) UNSECURED LOAN	4	46889990	38255000
TOTAL		393945299	385926503
APPLICATION OF FUNDS			
FIXED ASSETS			
(a) GROSS BLOCK		70780163	67396896
(b) LESS DEPRECIATION		34712682	28772786
(c) NET BLOCK	5	36067481	38624110
INVESTMENT	6	800000	500000
CURRENT ASSETS. LOANS & ADVANCES			
(a) INVENTORIES	7	328075742	363035353
(b) SUNDRY DEBTORS	8	45822318	19010969
(c) CASH & BANK BALANCES	9	9878044	10911434
(d) LOANS AND ADVANCES	10	5939146	6090798
		389715250	399048554
LESS : CURRENT LIABILITIES AND PROVISIONS	11	35815313	56349926
NET CURRENT ASSETS		353899937	342698628
MISC. EXPENDITURE (To the extent not written off or adjusted)	12	3177881	4103765
TOTAL		393945299	385926503

ACCOUNTING POLICIES AND  
NOTES ON ACCOUNTS 20  
SIGNED IN TERMS OF 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
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PLACE : AMRITSAR  
DATE : 11.08.2001

# CHAMAN LAL SETIA EXPORTS LIMITED

Regd.office Meerankot Road, P.O. Central Jail, Amritsar.

## CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31,2001

INCOME	SCHEDULE	THIS YEAR AMOUNT (RS). 31.03.2001	LAST YEAR AMOUNT (RS). 31.03.2000
SALES & OTHER INCOME	13	562923109	493598025
INCREASE/(DECREASE) IN STOCK OF WORK IN PROGRESS & FINISHED GOODS	14	-1795913	23334616
		561127196	516932641
EXPENDITURE			
MANUFACTURING EXPENSES	15	436031552	438847966
PERSONEL EXPENSES	16	5647637	4843808
ADMINISTRATIVE EXP.	17	8486386	7488442
FINANCIAL EXPESNES	18	13683865	16531155
SELLING & DISTRIBUTION	19	41823181	27004302
DEPRECIATION	5	6021085	6975612
<b>TOTAL</b>		<b>511693706</b>	<b>501691285</b>
PROFIT FOR THE YEAR BEFORE TAX		49433490	15241356
PROVISION FOR TAXATION		1500000	500000
PROFIT AFTER TAXES		47933490	14741356
PRIOR YEAR TAX ADJUSTMENTS		1577428	82604
PRIOR YEAR DIVIDEND ADJUSTMENT		0	-267918
WEALTH TAX		0	0
PROFIT/LOSS B/F FROM BALANCE SHEET		19128826	18014873
AMOUNT AVAILABLE FOR APPROPRIATION		68639744	32570915
PROPOSED DIVIDEND (INCLUDING INCOME TAX)		20792971	11967953
TRANSFERRED TO GENERAL RESERVE		4793349	1474136
BALANCE CARRIED TO BALANCE SHEET		43053424	19128826
SIGNED IN TERMS OF 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 : 11.08.2001

# CHAMAN LAL SETIA EXPORTS LIMITED

Regd.office Meerankot Road, P.O. Central Jail, Amritsar.

## SCHEDULE 1

### SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31,2001

SHARE CAPITAL	THIS YEAR AMOUNT (RS). 31.03.2001	LAST YEAR AMOUNT (RS). 31.03.2000
AUTHORISED 1,20,00,000 Equity Shares of Rs.10/- each	120000000	120000000
ISSUED,SUBSCRIBED AND PAID UP 9498300 Equity Shares(PRV Year 9498300) of Rs 10/- each.	94983000	94983000
LESS CALLS IN ARREARS	3432653	3432653
<b>TOTAL</b>	<b>91550347</b>	<b>91550347</b>

## SCHEDULE 2

RESERVES & SURPLUS	THIS YEAR AMOUNT (RS). 31.03.2001	LAST YEAR AMOUNT (RS). 31.03.2000
SHRI GANESH JI & LAKSHMI JI CAPITAL SUBSIDY 220000	32	32
LESS TRF TO GENERAL RESERVE 120000	100000	220000
GENERAL RESERVE		
BALANCE AS PER LAST BALANCE SHEET 13504770		
ADD:AMOUNT TRANSFERRED FROM P & L A/C	4793349	
ADD AMOUNT FROM SUBSIDY 120000	18418119	13504770
SHARE PREMIUM	93451041	93451041
PROFIT & LOSS ACCOUNT	43053424	19128826
<b>TOTAL</b>	<b>155022616</b>	<b>126304669</b>

## SCHEDULE 3

SECURED LOAN	THIS YEAR AMOUNT (RS). 31.03.2001	LAST YEAR AMOUNT (RS). 31.03.2000
I CASH CREDIT	2861195	5482129
II PACKING CREDIT	97621151	124334358
<b>TOTAL</b>	<b>100482346</b>	<b>129816487</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

**CHAMAN LAL SETIA EXPORTS LIMITED**

Regd. office Meerankot Road, P.O. Central Jail, Amritsar.

**SCHEDULE 5**

FIXED ASSETS PARTICULAR	OPENING BALANCE AS AT 1.4.00	GROSS BLOCK		CLOSING BALANCE AS AS 31.3.01	UP TO 1.4.00	DEPRECIATION		TOTAL	NET BLOCK	
		ADDITIONS DURING THE YEAR (Rs.)	LESS DURING THE YEAR (Rs.)			DEPRECIATION LESS DURING THE YEAR (Rs.)	DURING THE UPTO YEAR (Rs.) AT 31.3.01		AS AT 31.3.01 (Rs)	AS AT 31.3.00 (Rs.)
Land & Building	16813252	324541	0	17052103	4189924	930484	0	5120408	11931695	12623328
Plant Machinery	35212464	1823764	693623	36342605	15902149	3171620	81189	18992580	17350025	19310315
Accessories	8610736	810138	0	9420874	3878909	1030506	0	4909415	4511459	4731827
Wooden Crates	1487085	0	0	1487085	1487085	0	0	1487085	0	0
Car	4142767	929864	0	5072631	2232719	631956	0	2864675	2207956	1910048
Furniture & Fixture	206815	31905	0	238720	158493	15714	0	174207	64513	48322
Tarpal	923507	242638	0	1166145	923507	240805	0	1164312	1833	0
TOTAL	67396626	4162850	693623	70780163	28772786	6021085	81189	34712682	36067481	38623840

# CHAMAN LAL SETIA EXPORTS LIMITED

Regd.office Meerankot Road, P.O. Central Jail, Amritsar.

## SCHEDULE 4

UNSECURED LOAN	THIS YEAR AMOUNT (RS). 31.03.2001	LAST YEAR AMOUNT (RS). 31.03.2000
LOAN FROM DIRECTOR	46889990	38255000
	46889990	38255000

## SCHEDULE 6

INVESTMENT	THIS YEAR AMOUNT (RS). 31.03.2001	LAST YEAR AMOUNT (RS). 31.03.2000
------------	---	---

50,16.5% Unsecured redeemable bonds of PNB of the face value of Rs.10000/- each.	500000	500000
PNB Gilts Ltd.	300000	0
	800000	500000

## SCHEDULE 7

INVENTORIES	THIS YEAR AMOUNT (RS). 31.03.2001	LAST YEAR AMOUNT (RS). 31.03.2000
-------------	---	---

STOCK IN TRADE  
(Valued at cost or Net realisable value  
which ever is less & as per inventories  
taken and certified by management)

RAW MATERIAL & COMPONENTS	132568196	168455566
FINISHED GOODS	195507546	194579787
	328075742	363035353

## SCHEDULE 8

SUNDRY DEBTORS	THIS YEAR AMOUNT (RS). 31.03.2001	LAST YEAR AMOUNT (RS). 31.03.2000
UNSECURED CONSIDERED GOOD FOR A PERIOD EXCEEDING SIX MONTHS	2656271	1989186
OTHERS	43166047	17021783
<b>TOTAL</b>	<b>45822318</b>	<b>19010969</b>

# CHAMAN LAL SETIA EXPORTS LIMITED

Regd.office Meerankot Road, P.O. Central Jail, Amritsar.

## SCHEDULE 9

### CASH & BANK BALANCES

	THIS YEAR AMOUNT (RS). 31.03.2001	LAST YEAR AMOUNT (RS). 31.03.2000
CASH & CHEQUES IN HAND	757726	499026
CASH WITH SCHDEULED BANKS		
-IN CURRENT ACCOOUNT	8699027	9973806
-IN SHARE APPLICATION MONEY/DIVIDEND ACCOUNT		
-IN FIXED DEPOSIT/MARGIN MONEY ACCOUNT	271483	381482
-INTEREST ACCRUED ON DEPOSITS		
-CASH/CHEQUE IMPREST ACCOUNT	149808	57120
<b>TOTAL</b>	<b>9878044</b>	<b>10911434</b>

## SCHEDULE 10

### LOANS AND ADVANCES

	THIS YEAR AMOUNT (RS). 31.03.2001	LAST YEAR AMOUNT (RS). 31.03.2000
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED::		
UNSECURED CONSIDERED GOOD :-		
SECURITY AND OTHER DEPOSITS	878722	504555
STAFF & WORKERS	911107	771050
FOR PURCHASE OF MACHINERY	771800	708800
FOR EXPENSES & OTHERS	946335	748430
ADVANCE TAX /TDS	2431182	3357963
	5939146	6090798

## SCHEDULE 11

### CURRENT LIABILITIES AND PROVISIONS

	THIS YEAR AMOUNT (RS). 31.03.2001	LAST YEAR AMOUNT (RS). 31.03.2000
SUNDRY CREDITORS	6777110	35905418
OTHER LIABILTIES	4652013	4391466
DIVIDEND/REFUND PAYABLE	500439	510696
PROVISIONS		
INCOME TAX	3000000	4500000
DIVIDEND(INCLUDING INCOME TAX)	20792971	10789631
T.D.S PAYABLE	92780	252715
<b>TOTAL</b>	<b>35815313</b>	<b>56349926</b>



# CHAMAN LAL SETIA EXPORTS LIMITED

Regd.office Meerankot Road, P.O. Central Jail, Amritsar.

## SCHEDULE 12

### MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

	THIS YEAR AMOUNT (RS). 31.03.2001	LAST YEAR AMOUNT (RS). 31.03.2000
A) PRELIMINARY EXPENSES		
AS PER LAST BALANCE SHEET	149492	186857
LESS : 1/10TH WRITTEN OFF	37365	37365
SUB-TOTAL	112127	149492
B) PUBLIC ISSUE EXPENSES		
AS PER LAST BALANCE SHEET	2752521	3440652
LESS : 1/10TH WRITTEN OFF	688130	688130
SUB-TOTAL	2064391	2752522
DEFERRED REVENUE EXPENSES	1201751	1402139
LESS : 1/10TH WRITTEN OFF	200388	200388
SUB-TOTAL	1001363	1201751
TOTAL	3177881	4103765

## SCHEDULE 13

### SALES AND OTHER INCOME

	THIS YEAR AMOUNT (RS). 31.03.2001	LAST YEAR AMOUNT (RS). 31.03.2000
SALES :-		
* EXPORT	312966119	304259703
* LOCAL	244980024	186354089
SUB-TOTAL	557946143	490613792
OTHER INCOME :-		
INTEREST RECEIVED/ACCRUED		
* ON FIXED DEPOSIT WITH BANKS		312584
* OTHERS	132590	115906
SALE OF LICENCES	4497703	2765562
MISC.RECEIPTS	34089	102765
SUB-TOTAL	4976966	2984233
TOTAL	562923109	493598025

# CHAMAN LAL SETIA EXPORTS LIMITED

Regd.office Meerankot Road, P.O. Central Jail, Amritsar.

## SCHEDULE 14

INCREASE(DECREASE) IN STOCKS OF WORK IN PROGRESS AND FINISHED GOODS	THIS YEAR AMOUNT (RS). 31.03.2001	LAST YEAR AMOUNT (RS). 31.03.2000
OPENING STOCK		
-FINISHED GOODS	191180788	167846172
CLOSING STOCK		
-FINISHED GOODS	189384875	191180788
INCREASE/DECREASE IN STOCKS	-1795913	23334616

## SCHEDULE 15

EXPENSES	THIS YEAR AMOUNT (RS). 31.03.2001	LAST YEAR AMOUNT (RS). 31.03.2000
MANUFACTURING EXPENSES		
RAW MATERIAL AND COMPONENTS CONSUMED	394802722	402771107
ELECTRICITY EXPENSES	7874580	5988959
MACHINERY REPAIR & MAINTENANCE	6727819	3221663
SHELLER LEASE	300000	300000
BARDANA REPAIRS	616031	654173
PACKING EXPENSES	3665125	2472460
STACKING,WEIGHING LOADING,UNLOADING		
SORTING&BUNAI	5824797	5437633
OIL & GREASE	70509	106239
GENERATOR EXPENSES	3056442	3128036
PACKING MATERIAL /EMPTY COST	12876575	14603060
FUMIGATION	178588	156774
RESEARCH & DEVELOPMENT	38364	7862
<b>TOTAL</b>	<b>436031552</b>	<b>438847966</b>

## SCHEDULE 16

PERSONNEL EXPENSES *	THIS YEAR AMOUNT (RS). 31.03.2001	LAST YEAR AMOUNT (RS). 31.03.2000
SALARIES/WAGES	2705355	2276027
ALLOWANCES TO STAFF/WORKERS	199792	289709
DIRECTORS REMUNERATION	964446	1013538
EMPLOYEES PROVIDENT/FAMILY PENSION	815671	750174
BONUS	335700	275474
STAFF WELFARE & MEDICAL EXPENSES	626673	238886
<b>TOTAL</b>	<b>5647637</b>	<b>4843808</b>

# CHAMAN LAL SETIA EXPORTS LIMITED

Regd. office Meerankot Road, P.O. Central Jail, Amritsar.

## SCHEDULE 17

### ADMINISTRATIVE EXPENSES

	THIS YEAR AMOUNT (RS). 31.03.2001	LAST YEAR AMOUNT (RS). 31.03.2000
INSURANCE	2231548	2200270
LEGAL/PROFESSIONAL EXPENSES	893344	903973
POSTAGE, TELEPHONE & COURIER EXPS.	1232055	1164569
VEHICLES REPAIR & MAINTENANCE	264394	270890
STATIONERY & PRINTING	204660	194467
TRAVELLING EXPENSES	1602494	737257
*DOMESTIC	231505	
*FOREIGN	1370989	
SUBSCRIPTION	56633	53580
AUDITOR'S REMUNERATION	30000	30000
*STATUTORY AUDIT	20000	
*TAX AUDIT	10000	
*TAXATION MATTERS		
*COMPANY LAW MATTERS		
MISC. EXPENSES/SHOP EXPENSES	277281	162514
PRELIMINARY & PUBLIC ISSUE EXP. WRITTEN OFF	925883	925883
DONATION	110505	85173
RENT	50589	28984
ISO EXPENSES	22380	0
BUILDING REPAIR/GENERAL REPAIR	584620	730882
<b>TOTAL</b>	<b>8486386</b>	<b>7488442</b>

## SCHEDULE 18

### FINANCIAL EXPENSES \*

	THIS YEAR AMOUNT (RS). 31.03.2001	LAST YEAR AMOUNT (RS). 31.03.2000
BANK CHARGES	2087160	1765050
INTEREST		
*TO BANKS	11013233	14766105
*OTHERS	583472	0
<b>TOTAL</b>	<b>13683865</b>	<b>16531155</b>

## SCHEDULE 19

### SELLING & DISTRIBUTION EXP.

	THIS YEAR AMOUNT (RS). 31.03.2001	LAST YEAR AMOUNT (RS). 31.03.2000
EXPORT COMMISSION	6187257	3424670
E.C.G.C EXPENSES/AGMARK EXPENSES	1010836	593453
ADVERTISEMENT	330903	243276
DIRECT EXPORT EXPENSES	31098857	20767636
CONSIGNMENT EXPENSES	1002866	163798
BROKERAGE	1629912	1287108
BILL DISCOUNT	343910	484396
MISC EXPENSES	218640	39965
<b>TOTAL</b>	<b>41823181</b>	<b>27004302</b>

**1. Significant Accounting Policies**

**(A) Sales**

- (i) Sales are accounted for on the date of Bill in the case of Domestic Sales and in the case of Export Sales it is accounted for on the date of Bill of Lading.
- (ii) Interest on Time deposits and other Securities is accounted for on an accrual basis.
- (iii) Revenue from DEPB Licenses is accounted for on receipt basis.
- (iv) Insurance Claims are accounted for on receipt basis.

**(B) Accounting of Claims and Subsidies**

- (i) Insurance Claims & Govt. Subsidies are accounted for on the date of Receipts.
- (ii) Subsidy receivable against a specific fixed assets is deducted from cost of relevant fixed asset otherwise Credited to Capital Reserve Account.

**(C) Public Issue / Deferred Revenue Expenses**

- (i) Share Issue expenses etc are expensed pro-rata over the period of ten years.

**(D) Retirement Benefits**

- (i) Company's Contribution paid / payable during the year to Provident Fund & Gratuity Fund are charged to Profit & loss A/c.

**(E) Fixed Assets**

- (i) Fixed Assets are stated at Cost of acquisition or Construction, including attributable interest and financial casts till such assets are put to use, less specific grants received.
- (ii) Fixed Assets are stated at historical cost less depreciation till date.
- (iii) Depreciation is provided on WDV basis as specified in Schedule XIV of the Companies Act 1956 on pro-rata basis.
- (iv) Cost of leasehold land is amortised over the period of lease.

**(F) Investment**

- (i) Long term Investments are stated at cost.

**(G) Research & Development**

- (i) Revenue Expenses on Research & Development are Charged to P&L Account in the same year. Expenditure which results in creation of assets is included in fixed assets and depreciation is provided accordingly.

**(H) Inventories**

- (i) Raw Materials, Stock-in-trade and work-in-progress are valued at Cost or Net realisable value whichever is lower.
- (ii) Cost is determined on FIFO basis in the case of Raw Material & Work in Progress and on weighted average basis in the case of Stock-in-Trade.

**(I) Foreign Exchange Transactions**

- (i) Foreign Currency transactions are accounted at the rate prevailing on the date of transaction.
- (ii) Gain or Loss arising out of translation / conversion / realisation is taken Credit for or charged to profit & Loss Account, except those relating to acquisition of fixed assets which are debited to fixed assets.

**(J) Contingent Liabilities**

- (i) Contingent Liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

**Managerial Remuneration**

**2. Computation of Managerial Remuneration u/s 198**

	31.3.2001	31.3.2000
Profit before Tax	49433424	15241356
Add: Depreciation	6021085	6975612
Less: Depreciation as per Sec 350	6021085	6975612
Net Profit u/s 350 of Companies Act 1956	49433424	15241356
Add: Directors Remuneration	964446	1013538
Profit as per Section 198	50397870	16254894
Managerial Remuneration allowable @ 11%	5543765	1788038
Managerial Remuneration paid	964446	1013538

3. Value of Assets as at 21.9.94 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.
4. Gratuity Payable to employees at some future date has been duly provided for by the Company by taking Group Gratuity Scheme from LIC of India.
5. Stores, Spares and Labour in respect of internally carried out repair and maintenance of Plant and Machinery and Building have not been charged separately but have been directly charged to stores and spares consumed and wages account.
6. 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.
7. 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.
8. 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.
9. The Managerial Remuneration has been paid within the limits of Section 198 of Companies Act 1956.

Managing Director Rs.359338/- Whole Time Directors Rs.605108/-

**10. Contingent liabilities as at 31.3.2001:**

- (i) Bill Discounted / Negotiated with the Bank. Rs 48363646
- (ii) Sales Tax amount paid under protest and disputed by the Company amount to Rs. 135000/-
- (iii) The Company has filed a writ petition in Punjab & Haryana High Court against the decision of Punjab Govt. of levying Infra-Structure Tax @ 1% on domestic sales, the amount of which is not quantifiable.

11. 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

12. Stores & Spares are charged to Profit & Loss at time of Purchase and no inventory in respect of these is being maintained.
13. There was no payment exceeding Rs One Lac due to any small scale industrial undertaken.
14. Additional Information Pursuant to the Provisions of paragraphs 3 & 4 of part II of Schedule VI to the Companies Act 1956:-

(A) Licensed and installed Capacity, Actual Production and Opening Stocks----

	<b>31.3.01</b>	<b>31.3.00</b>
Licensed Capacity (per hour)	8 MT	8 MT
Installed Capacity (per hour)	8 MT	8 MT
Actual Production (In Qtls)	232093	217105
Quantitative Stocks of Rice (In Qtls)		
Opening Stock as at	Closing Stock as at	
<b>01.04.00</b>	<b>01.04.99</b>	<b>31.03.01</b>
83512	75400	80567
		<b>31.03.00</b>
		83512

(B) Purchase of Rice (Semi finished) 17705 Qtls.

(C) Value of Imports calculated on CIF Basis NIL

(D) Expenditure in Foreign Currency \_\_\_\_\_

- (i) Travelling Expenses Rs. 1370989/-
- (ii) Export Commission Rs. 6187257/-

(E) Earning in Foreign Exchange \_\_\_\_\_

FOB Value of Export Rs. 286874978/-

(F) Raw Material Consumed:

		(In Qtls)	
<b>31.3.01</b>		<b>31.3.00</b>	
Quantity	Value	Quantity	Value
352902	394802722	347288	403771107

15. Previous Years figure have been regrouped & rearranged where ever consider necessary to present Balance Sheet as near as possible to the schedule VI.

**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	31.03.2001		
Capital raised during the year(Amount in Rs.Lacs)			
Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

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

Total Liabilities	3939.45	Total Assets	3939.45
Source of Funds			
Paid up capita	915.50	Reserve & Surplus	1550.22
Secured Loans	1004.82	Unsecured Loans	468.89

**Application of Funds**

Net Fixed Assets	360.74	Investments	8.00
Net Current Assets	3538.99	Misc Expenditure	31.77
Accumulated Losses	Nil		

**Performance of the Company (Amount in Rs.lacs)**

Turnover	5579.46	Total Expenditure	5116.93
Profit before Tax	494.33	Profit after Tax	479.33
Earnings per shares	Rs. 5.34	Dividend rate %	21%

- 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: 11.08.2001**

# CHAMAN LAL SETIA EXPORTS LIMITED

Regd. office Meerankot Road, P.O. Central Jail, Amritsar.

CASH FLOW STATEMENT FOR YEAR ENDING 31.03.2001			A M O U N T	A M O U N T
A.CASH FLOW FROM OPERATING ACTIVITIES			31.03.01	31.03.00
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS			49433490	15241356
ADJUSTMENT FOR:-				
DEPRECIATION/AMORTISATION			6946968	8531666
INTEREST/DIVIDEND RECEIVED			445174	115906
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>			<b>55935284</b>	<b>23657116</b>
ADJUSTMENT FOR:				
TRADE AND OTHER RECEIVABLES			-26659697	15390733
INVENTORIES			34959611	-30541924
TRADE PAYABLES			-28867761	-12746691
<b>CASH GENERATED FROM OPERATION</b>			<b>35367437</b>	<b>-4240766</b>
DIVIDEND /ADJUSTED			10147940	267918
DIRECT TAXES PAID			1737363	737816
CASH FLOW BEFORE EXTRAORDINARY ITEMS			43623157	-5246500
EXTRAORDINARY ITEMS			0	0
NET CASH FROM OPERATING ACTIVITIES			43623157	-5246500
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>				
PURCHASE OF FIXED ASSETS			4162850	4570391
SALE OF FIXED ASSETS			698394	513128
ISSUE EXPENSES			0	0
PURCHASE OF INVESTMENTS			300000	0
SALE OF INVESTMENTS			0	0
INTEREST RECEIVED			445174	115906
DIVIDEND PAID			20792971	11967953
NET CASH USED IN INVESTING ACTIVITIES			24112253	15909310
<b>C)CASH FLOW FROM FINANCING ACTIVITIES:</b>				
PROCEEDS FROM ISSUE OF SHARE CAPITAL			0	543516
PROCEEDS FROM BORROWINGS			-20699151	25262402
REPAYMENT OF FINANCE LEASE LIABILITIES			0	0
SUBSIDY RECEIVED			0	0
<b>NET CASH FROM FINANCING ACTIVITIES</b>			<b>-20699151</b>	<b>25805918</b>
NET INCREASE IN CASH AND CASH EQUIVALENTS				
CASH AND CASH EQUIVALENTS AS AT 01.04.2000			10911434	6261325
(OPENING BALANCE)				
CASH AND CASH EQUIVALENTS AS AT 31.03.2001			9878044	10911434
(CLOSING BALANCE)				

Place :-Amritsar  
Date:- 11.08.2001

For and on behalf of Board

CHAMAN LAL SETIA  
Chairman Cum Managing Director

RAJEEV SETIA  
Whole Time 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, 2001 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.

Place :-Amritsar  
Date:- 11.08.2001



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

Sub : Dividend Warrant 2000-2001 in the case of CHAMAN LAL SETIA EXPORTS LTD.

Dear Sir,

I am sending herewith my bankers particulars to be incorporated in the dividend 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 Faithfully