



Pure Fragrant Original Basmati Rice



## 19<sup>th</sup> Annual Report 2012-13



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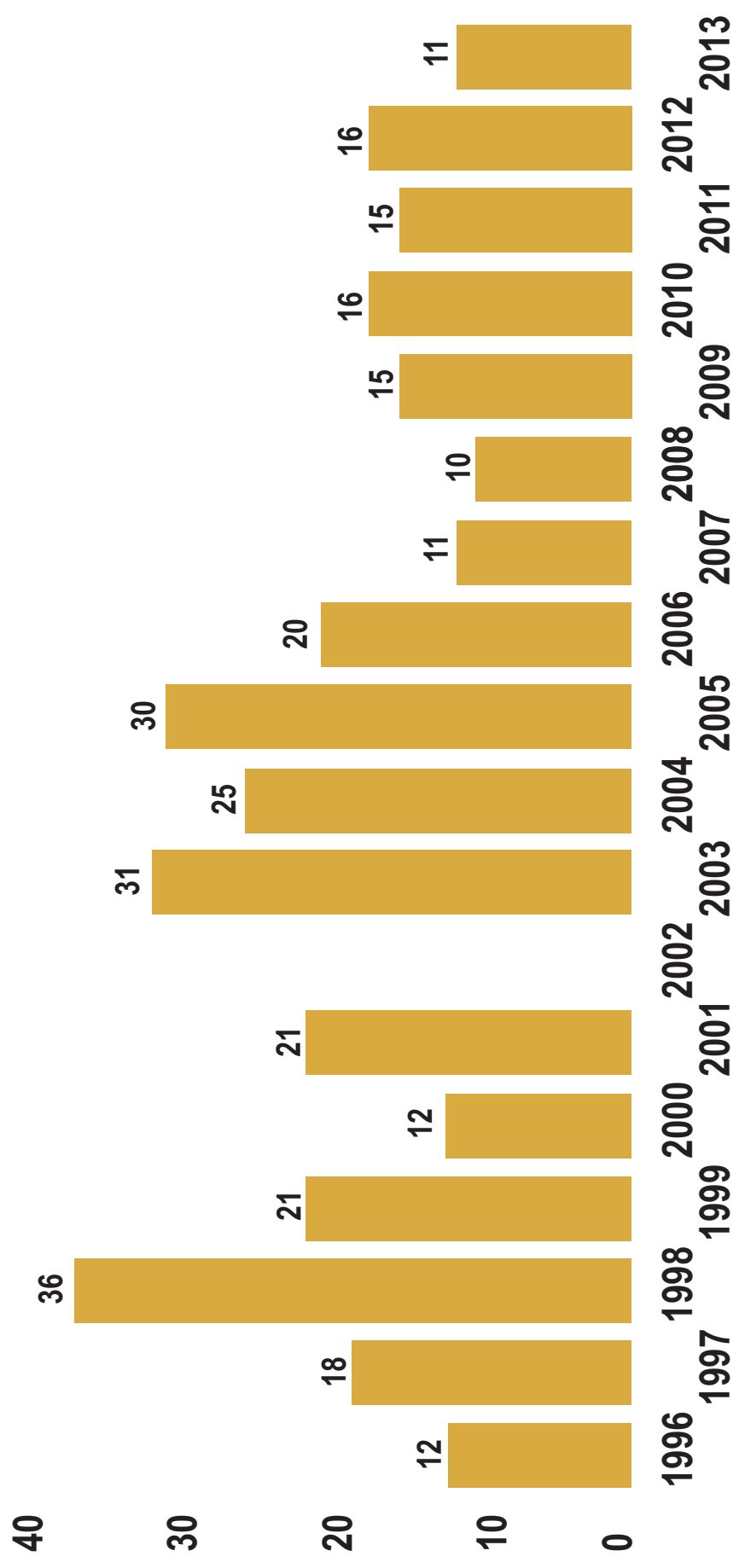
**CHAMAN LAL SETIA EXPORTS LTD.**  
(A Govt. Recognized Star Export House)





# Chaman Lal Setia Exports Ltd.

320% Dividend since inception



11% Dividend Proposed in 2012-13



## BOARD OF DIRECTORS

**Chaman Lal Setia**  
(Chairman cum Mg. Director.)

**Vijay Setia**  
(Whole Time Director)

**Rajeev Setia.**  
(Whole Time Director)

**Sukarn Setia**  
(Whole Time Director)

**Ankit Setia**  
(Whole Time Director)

**Inder Dev Kukkar**  
(Director)

**Naresh Suneja**  
(Director)

**Parmod Kumar**  
(Director)

**Amit Malhotra**  
(Director)

**Raghav Peshawaria**  
(Director)

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

**Corporate Office**  
No 2, IInd Floor  
Club Drive Road ,M.G Road  
Ghitorni ,New Delhi-110 030

### Works

- Meerankot Road, Amritsar.
- Kaithal Road, Karnal.
- 526-B, Lahori Gate, Delhi
- Alipur, Delhi

## BANKERS

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

### Registrar & Common Share Transfer Agent

Beetal Financial & Computer Services (P) Ltd.  
IIIrd Floor, 99 Madangir  
(Near Dada Harsukh Dass Mandir), New Delhi

### Auditors

M/s. Rajesh Kapoor & Co.  
Chartered Accountants  
140 Green Avenue,  
Amritsar

## ANNUAL GENERAL MEETING

On 28<sup>th</sup> Sept., 2013 at 4:30 p.m. at  
Hotel P.R Residency,  
Ranjit Avenue, Amritsar

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## NOTICE TO THE MEMBERS

Notice is hereby given that the 19<sup>th</sup> Annual General Meeting of CHAMAN LAL SETIA EXPORTS LTD. will be held on Saturday the 28<sup>th</sup> Sept 2013 at Hotel P.R Residency, Amritsar at 4.30 p.m. to transact the following business:

### (A) ORDINARY BUSINESS

1. To receive and adopt the Directors' Report, audited Balance Sheet and the Profit & Loss Account as at and for the year ended 31.03.13 and the Auditors' Report thereon.
- 2(a) To appoint a director in place of Mr. Rajeev Setia who retires by rotation but being eligible, offers himself for re-appointment.
- 2(b) To appoint a director in place of Mr. Sukarn Setia who retires by rotation but being eligible offers himself for re-appointment.
- 2(c) To appoint a director in place of Mr. Ankit 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 Rajesh Kapoor & Co. are eligible and available for re-appointment.
4. To declare dividend.

### 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 23.9.2013 to 29.9.2013 (both days inclusive.)
4. Cases of Transfer of Shares may be referred to the Registrar, whose address has been given at page no. 1
5. Shareholders are requested to intimate to the Company, changes, if any, in their registered address including PIN CODE number and E-mail Id.
6. Persons attending the Annual General Meeting are requested to bring their copies of the 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 the Annual General meeting.

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

Place : Amritsar  
Dated : 24-08-13

**Rajeev Setia**  
Whole Time Director



## DIRECTORS' REPORT

To The Members,

Yours Directors have pleasure in presenting the 19<sup>th</sup> Annual Report, together with the Audited Accounts of the Company for the year ended 31st March 2013.

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

Particulars	Amount (in Lacs) Y.E. 31.03.2013	Amount (in Lacs) Y.E 31.03.2012
Export turnover	16980.79	13713.34
Domestic turnover	10265.24	7987.03
Profit before Intt. & Depreciation	2032.72	1856.58
Interest	197.48	440.46
Provision for Depreciation	257.49	219.87
Profit before Tax	1773.26	1101.85
Provision for Tax	575.30	331.40
Profit after Tax	1197.96	770.45
Proposed Dividend	118.79	172.79
Transfer To General Reserve	119.79	77.00
Carried to Balance Sheet	2527.43	1486.66
Current Assets	8549.51	9493.69
Current Liabilities	4285.88	5873.35
Working Capital	4263.63	3620.34
Capital Employed	6210.92	4964.55
EPS	12.89	8.29
Book Value	55.73	43.21

### Highlights of Performance:

During the year the sales of the Company increased both on domestic as well as export front. This was the result of the efforts put in by the management through extensive travellings & exploring new International markets, the emphasis was also on attractive packing & brand equity. The increase in profit can be attributed to the special emphasis of the management on Cost Cutting and Control and further to increase in the prices of rice and dollar.

### 2. Deposits

The Company has not accepted any deposits falling within the purview of Sec 58A of the Companies Act 1956 and no deposits were overdue as on 31.03.13

### 3. Personnel

Relations with work force of the Company have remained cordial, throughout the year.

### 4. Directors

Directors of the Company liable to retire by rotation retires at the Annual General Meeting and being eligible offer themselves for re-election.





**5 Statement u/s 217 (1) (e) of the Companies Act**

The requirements for disclosure of particulars 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 form a part 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 Rajesh Kapoor & Co, Chartered Accountants, Auditors retire at the conclusion of the forthcoming Annual General meeting and are available for re-appointment. A written certificate u/s 224(1)(B) has been obtained to this effect.

**9. Dividend**

During the year ended March 31, 2013 your Company's working results improved on sale as well as profit aspects due to the Management thrust on cost reduction in all areas of Company's operations, productivity, quality improvement and innovation of new products. Hence, keeping in view the aspiration of the shareholders and also in order to strive balance between the aspiration of shareholders and future expansion, your Directors, recommend a dividend of 11 % i.e Rs.1.10 per Share basis subject to adjustment of 100% of amount due to partly paid shareholders towards their balance of call money due.

**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, 2013 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. Statutory Disclosures**

None of the Directors of your Company is disqualified as per the provisions of Section 274 (1) (g) of the Companies Act, 1956. Your Directors have made necessary disclosures as required under various provisions of the Act and clause 49 of the Listing Agreement.

The information given under Section 217 (1) (e) of the Companies Act, 1956 to be read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 as amended is enclosed as Annexure 'A'.

None of the employees of your Company is drawing remuneration exceeding the limits laid down under provisions of Section 217(2A) of the Companies Act, 1956 to be read with Companies (Particulars of Employees) Rules, 1975 as amended.

**12. Corporate Governance**

Chaman Lal Setia Exports Ltd has rooted itself in values, nurtured by ethics, transparency and Corporate Governance, Your Company



is all set to branch out further and grow stronger. It is these values and guidelines that will give a firm foundation for the future growth.

The Company has implemented the new requirement of code of corporate governance as required by Clause 49 of the listing Agreement and the required particulars from part of this Annual report.

**13. Cost Audit**

The Cost Auditor of the Company issued Cost Compliance Report dt. 24.08.2012 which was accepted by the Board of Directors M/s. Verma Khuswinder & Associates has been appointed as Cost Auditor of the Company to Carry out the audit of the Cost Accounting records maintained by the Company for the year ended 31.03.13.

**14. Dematerialisation of Shares**

The Company has 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. The Company's shares are traded compulsorily in demat form under ISIN code INE419D01018 and the percentage of demat shares of the Company is 91.50% .

**15. Social Objectives**

The Company is not only a profit oriented unit, but also meeting its commitment & responsibility towards the society by undertaking the following measures:

- a) Development of new technique whereby rice could be made **Pesticide Residue Free**.
- b) Development of low cost water filters for poor segment of the society. The Company has named the new invention after the name of its brand as Begum Water Filter.
- c) Project for tackling problem of wastewater logging and treatment of sanitary discharge in villages is under process.
- d) Zero Energy cool chamber development of more cost effective and more user friendly cooling system at a very nominal cost.

**16. Listing of Shares**

The shares of the Company are listed on Mumbai Stock Exchange Limited and listing fees has been paid timely.

**17. Pollution Free Environment: - Company's Slogan**

The Company continues its pursuit of free distribution of Neem & Jamun Plants for plantation which helps medical cure and clean environment. The Neem can also be used as bio-pesticide for preventing infestation in food grains.

**18. Future Expansion**

The future expansion endeavour of the Company is always a continuing on process specially in the field of quality improvement and development of new product with lower cost and energy savings. The Management of the Company understands that it has to improve upon to face the ever changing circumstances and evolvments globally.

**Appreciation**

The Board of Directors thank Company's customers, public, shareholders, bankers and suppliers. The Board also places on record its appreciation of the services rendered by staff at all levels and look forward to their valued co-operation and contribution in meeting the future challenges.

FOR & ON BEHALF OF BOARD

Place : Amritsar  
Dated : 24-08-13

CHAMAN LAL SETIA  
Chairman



## ANNEXURE A

Particulars as required under Companies (Disclosure of particulars in the Report of Board of Directors) Rule 1988 and forming part of the Director's Report for the year ended 31.03.2013

### A. CONSERVATION OF ENERGY

The Company has developed a novel process at its Karnal Unit for reducing energy and water requirement for Paddy Parboiling process and the same has been applied for patent through Director,

The energy will be utilized just one third of the available with the Company and such saved energy to the tune of two third can be utilized for other productive purposes.

### B. TECHNOLOGY ABSORPTION

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

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

- a) Development of a system and method for parboiling paddy that obviates husk of paddy from splitting
- b) Development of 100% insect killing technique by using 1/3<sup>rd</sup> of Pesticides
- c) Development of quick cooking Brown Rice;
- d) Use of Neem as Bio-pesticide;
- e) Improvement in Parboiling for improvement in quality parameters;
- f) Use of Plastic Buckets in parboiling plant thus reducing cost;
- g) Development of Bhatti Sella through automation for the first time in India;
- h) Development of Fragrant Rice.
- i) Reducing broken in paddy with very high sun checks under process.
- j) Rice bran stabilization for human consumption under process.
- k) Making bio-compost from waste and reject of paddy under process.

#### (ii) Future plan of action.

- a) The Company will try to assist any R&D Unit of any academy/University in this field.

#### (iii) Expenditure on R & D.

- a) Wages, salaries, stores, spares & consumable used for R&D activities have been debited to respective heads.
- b) The Company has completely indigenous technology & has not imported any technology from abroad.





## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. Economic Environment & Rice Industry:-

In 2011-12, India's GDP growth has decelerated sharply to nine year's low of 6.5 percents. The slow down was reflected in all sectors of economy but the industrial sector suffered the sharpest deceleration which decelerated to 2.9 per cent during 2011-12 from 8.2 per cent in 2010-11. The Gross Fiscal Deficit to GDP ratio moved up to 5.8 per cent in 2011-12 compared to the budgeted ratio of 4.6 per cent. The substantial increase in subsidies during 2011-12 on account of high crude oil prices further impacted the deficit to the Government. The year 2011-12 was characterized by a burgeoning current account deficit, subdued equity inflows, depletion of foreign exchange reserves, rising external debts and deteriorating international investment position. Inflation remained elevated at over 7.7 per cent in 2011-12. Further Indian Economy is expected to grow at slowest pace in a decade at a mere 5 per cent in 2012-13 on the back of dismal performance by farm, manufacturing and service sector which is lower than 6.2 per cent growth clocked in 2011-12 and is lowest since 2002-03. The growth in manufacturing sector is expected to drop to 1.9 per cent in 2012-13 from 2.7 per cent in 2011-12. The service sector is likely to grow at 8.6 per cent against 11.7 per cent. The growth in agriculture and allied activities are likely to be lowered to 1.8 per cent in 2012-13 compared to 3.6 per cent in 2011-12. Production of food grains is expected to be 250.14 million tons during 2012-13. The balance of payments which fell sharply in 11-12 showed some improvement in 2012-13. The rupee further depreciated sharply to 54.50 per dollar in dec 2012 and is expected to further fall.

A slow recovery is likely to shape up in Indian Economy in 2013-14 with progressive implementation of some of the reforms announced since Sept 2012. These includes FDI in multi brand retail, Amendment in Banking Regulation Act etc. Food crop production is forecast to reach 250.14 million tons in Financial Year 12-13 as compared with 250 million ton in previous year.

### 2. Outlook – Global Rice Industry:-

Today, agriculture is the backbone of India's economy, providing direct employment to about 66% of working people in the country. It forms the basis of many premier industries of India, including the textile, jute, and sugar industries. Agriculture contributes about 31% to GDP; about 25% of India's exports are agricultural products.

#### India is the Second largest Rice Producing country of the World

Throughout history as per the Archeological evidence **rice** has been one of man's most important foods for more than 5000 years. Today, this unique grain helps sustain two-thirds of the world's population.

The major rice growing area in India are West Bengal, Uttar Pradesh, Madhya Pradesh, Orissa, Bihar, Andhra Pradesh, Assam, Tamil Nadu, Punjab, Maharashtra, Karnataka, Haryana, Gujarat, Kerala, Jammu- Kashmir, Tripura, Meghalaya, Manipur, Rajasthan, Nagaland, Arunachal Pradesh, Himachal Pradesh, Mirozam, Goa, Pondicherry, Sikkim, A & N Island and D & N Haveli.

Through a combination of increasing the area under cultivation and increasing cropping intensity today India is self reliant in Rice. Adoption of modern Varieties, rice production exceeded every year from its previous year since 1988. In India alone, basmati rice, non basmati rice exported during 2012-13 was US \$ 5.6 billion up by 40% from 2011-12. During 2011-12 export of rice from India was 8.30 million tones including 3.21 million tones of Basmati Rice which is expected to be 10 million tons during 2012-13. Over 80% of basmati rice grown in India is produced for export. The increase in demand of rice in India is expected to be followed by world as rice is being used increasingly in other products such as beer, liquor etc heavily consumed in USA, Europe etc.

The monsoon in ensuing season is far less than average which may lead to drought conditions world wide and hence scarcity of food grains especially of rice. This may lead to lesser production and steep price rise world over. Also the domestic demand is expected to rise by 15% annually due to increased spending power of consumer. Increased demand from key importing countries coupled with cheaper hybrid varieties of basmati has boosted India's export. The hybrid variety of basmati is relatively cheaper compared with traditional variety of basmati rice and its easy acceptability in the export market.

So the Company has considerable scope of growth if they capture even little share of the pie.



### **Opportunities & Threats: -**

#### **Opportunities: \_**

- 1 The Company has developed a novel and innovative process which involves recycling of most of the hot water used for soaking of paddy during parboiling of rice, thereby generating little waste water and still having a high quality product.
- 2 The promotion of flagship brand Maharani is on the top agenda of the Company in the time to come. Company has introduced very attractive and novel packagings of Maharani Brand. The Company plans to go for aggressive advertising in print and electronic media and brand equity is likely to be the future strength and business stimulators of the Company.
- 3 The Company has explored new International markets and the continued pursuit of the Management to find new markets world wide and also winning the confidence of the existing customers.
- 4 The Company is also concentrating on new domestic centers through brand promotion, advertising and offering lucrative packaging of quality product at competitive prices.
- 5 The Company's novel and innovative products viz ; Bhatti Sella, Pesticide Residue free rice and quick cooking rice and Rice for Diabetic People having moderate G.I. Sale is picking up in various directions of the World markets particularly the Maharani Rice suitable for Diabetic people. This rice has added qualities like taste, aroma, easy cooking and longer preservation period.
- 6 The Executive director of the Company Sh. Vijay Setia who was President Rice Exporters Association of India has been engaged by an International Company namely M/s Gerson Lehrman Group as a consultant in the field of Food Technology for having in depth knowledge of the subject and he is being paid for that worldwide. This is a major achievement which can be highly instrumental to the growth of the Company in the time to come.

#### **Threats: -**

Under performance of world economy specially USA and UK, global recession and uneven monsoon, high Inflation rate, lower growth in agricultural sector, lower share of agricultural sector in the real GDP frequent change in govt. policy, Govt.'s ban on Non basmati rice were the threats which depressed the prices and the demand for rice. This risk can be mitigated largely due to the concept that Food Industry has lesser elasticity of demand as compared to the other products. Further the business wisdom and technological aspirations inherent in the management team can be quiet helpful to overcome such difficulties. Further to this Meteorological Department has predicted a normal monsoon season for 2013 easing worries of the farmers and Millers

As the Company is mainly dependent upon agriculture which totally depends upon the quality of rains in India, poor rainfall can adversely affect the costing of the Company and consequent price realisation. But the Company has developed its procurement market through out India and if in any region the rainfall is lesser, the Company can buy its raw material from another region.

#### **Risks and Concerns**

The unprecedented nature of Rice Industry and volatile prices are areas of concern for which the Company's focus is to make cost of production internationally competitive and reduce interest cost by more & more utilising its own resources and cutting other cost through technological upgradation and computerisation of Company's operations.

The protectionist measures or non tariff barriers by other countries may hit or reduce exports. However the Company's focus is also on the domestic market.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company continued to lay emphasis on strengthening and improving internal supervision and control. The Company has a proper and adequate system of Internal controls to provide reachable assurance that all assets are safeguarded and protected against loss from unauthorized use or disposition, and that transaction are authorized, recorded and reported correctly. The internal control system



provides for well-documented policies, guidelines authorization and approval procedures. Management information system (MIS) is the backbone of your Company's control mechanism. Well-conceived annual planning and effective budgetary control ensures adequate control on all the expenditures of the Company.

An extensive programme of Internal Audit by the internal audit department and periodic review by the Management further supplement the Company's internal control systems. In the line with the International trend, planning and conduct of internal audit is oriented towards review of control in the management of risks and opportunity in the Company's activity.

The Internal Auditors report significant audit observations, periodically at regular intervals to the Audit Committee that comprises of three independent Directors. The Committee met regularly during the financial year and reviewed audit observation and followed up implementation of corrective actions. The Audit committee also met the Company's Statutory Auditors to ascertain their views on the adequacy of Internal Control System in the Company.

#### **FINANCIAL PERFORMANCE:**

During the year the sales of the Company increased at a handsome rate despite adverse factors i.e. cut throat competition in the market. This was the result of the efforts put in by management viz attractive packaging, branding & standardization of quality of rice, creating of new markets overseas. The handsome profit can be attributed to the innovative Ideas of management to produce better quality product and focusing to new International markets which led to better realization of Prices. During the year the Sales of the Company increased at a handsome rate. The Sales of the Company touched Rs.27246.03 lacs in 2012-13 from Rs 21700.37 lacs in 2011-12. The Profit of the company reached at the level of Rs1773.26 lacs in 2012-13 from Rs 1101.85 lacs in 2011-12. The EPS of the Company is Rs12.89 for the year 2012-13.

#### **INDUSTRIAL RELATIONS & HUMAN RESOURCE MANAGEMENT:**

Like any high performance organization, your Company firmly believes that success of the Company comes from good Human Resources. Employees are considered as important assets and key to its success. HRD always strives for sourcing and developing high caliber employees, providing them relevant training for enhancement of their competence and facilitating their assessment process through an effective performance Management System (PMS).

Training and development initiatives aim at bridging the gap between existing skills and desired skills of the employees in line with organisational needs. Extensive training inputs aim at building up competence amid commitment to employees through understanding and utilizing new technology, hands on job training, inter functional knowledge, furtherance of safety awareness and training in behavioural area etc.

During the year Company has incurred Rs 11.47 lacs on the training of its employees and Rs 64.91 lacs on staff welfare & other provisions for the benefit of employees..

Employee relations continued to be satisfactory. The number of persons directly and indirectly employed by the Company was about 250 as on 31<sup>st</sup> March 2013.

The Company continued with the existing welfare schemes for the benefits of its employees. The Provident Fund, Bonus, Promotion, Gratuity and other fringe benefits were bestowed upon all the confirm employees of the Company to motivate them for attaining the ultimate goals of the Company. In addition to these benefits Group Insurance, Medical Insurance and Retrenchment Compensation were also assured for the employees of the Company.

In addition to these ultimate benefits, employees are also provided with better working environment, first aid medical facilities, conveyance facility and computerised environment.



**CAUTIONARY STATEMENT:**

Statement in this report on Management's Discussion and analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting global and domestic demand supply, finished goods prices in the domestic and overseas markets in which the Company operates, raw material cost and availability, changes in Government regulations, tax regimes, economic developments within India and other factors such as litigation and Industrial relations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments information or events.



## REPORT ON CORPORATE GOVERNANCE

### 1. Corporate Governance Philosophy:

Your Company and its Board believes in conducting its affairs with the highest level of integrity with proper authorization, accountability and transparency.

### 2. Board of Directors: -

The Company has a broad mix of Independent & Non-Independent directors, Constituted as per and in accordance with the Companies Act, 1956 and SEBI Code.

#### 2.1 Composition of the Board of Directors as on 31.03.13

S.No.	Name	Designation	Date of Appointment	Other Boards/Committees
1.	Sh. Chaman Lal	Chairman cum Mg. Director	21.09.04	Nil
2.	Sh. Vijay Setia	Executive Director	21.09.94	Nil
3.	Sh. Rajeev Setia	Executive Director	21.09.94	ShareHolders Committee.
4.	Sh. Sukarn Setia	Executive Director	28.09.01	Nil
5.	Sh. Ankit Setia	Executive Director	30.09.02	Nil
6.	Sh. Inder Dev Kukkar	Director	26.05.97	Audit Committee
7.	Sh. Naresh Suneja	Director	30.09.02	—Do—
8.	Sh. Amit Malhotra	Director	30.09.02	—Do—
9.	Sh. Parmod Kumar	Director	31.03.03	Nil
10.	Sh Raghav Peshwaria	Director	28.07.04	ShareholdersCommittee

None of the Directors is a member of more than 10 Board level committee or a chairman of more than five such committees as prescribed under clause 49 of listing agreement.

#### 2.2 Details of Board Meetings held in 2012-13: -

Date of Meeting	No. of Directors on Board	No. of Directors in Attendance
09.04.2012	10	7
10.04.2012	10	8
28.04.2012	10	7
30.04.2012	10	8
31.05.2012	10	7
10.07.2012	10	7
31.07.2012	10	8
24.08.2012	10	9
31.08.2012	10	7
01.10.2012	10	8
31.10.2012	10	9
20.11.2012	10	7
12.01.2013	10	8
31.01.2013	10	8
07.02.2013	10	7
13.02.2013	10	7
28.02.2013	10	7
30.03.2013	10	8





### 2.3 Details of meetings attended by directors during 2012-13

Name of Director	No. of Meetings Held	No. of Meetings attended	Attendance in Last AGM
Chaman Lal	18	18	Yes
Vijay Setia	18	14	Yes
Rajeev Setia	18	15	Yes
Inder Dev Kukkar	18	13	Yes
Sukarn Setia	18	13	No
Ankit Setia	18	14	No
Naresh Suneja	18	12	No
Amit Malhotra	18	15	No
Parmod Kumar	18	12	No
RaghavPeshawari	18	11	Yes

All the information required to be supplied to Board of Directors under Clause 49 of Listing Agreement was supplied to them.

### 3. Committees of the Board :-

#### 3.1 Audit Committee: -

##### Composition: -

Sh. Inder Dev Kukkar	Non Executive Director (Chairman)/Independent
Sh. Naresh Suneja	Non Executive Director (Member)/Independent
Sh. Amit Malhotra	Non Executive Director (Member)/Independent

##### Objectives:-

- Providing direction and overseeing the total Audit function.
- Interaction with Statutory Auditor before finalisation of annual/ semi annual financial results.
- Reviewing Internal Audit function, its quality and effectiveness.
- Acting as per the provisions of Listing Agreement.
- Recommending appointment/re-appointment and if required removal of Statutory Auditor.
- Approving of payment to Statutory Auditor for any other services rendered.
- Reviewing, with the Management, the Annual Financial Statements before submission to the Board for approval.
- Reviewing the functioning of the whistle Blower Mechanism.

#### 3.2 Details of meetings attended by Member Directors during 2012-13: -

Name	No. of Meetings held	No. of Meetings attended
Sh. Inder Dev Kukkar	4	3
Sh. Naresh Suneja	4	4
Sh. Amit Malhotra	4	4

#### 3.3 Shareholders/ Investor Grievance Committee :-

##### Composition: -

Sh. Rajeev Setia	Executive Director (Member)
Sh. Raghav Peshawaria	Non Executive Director (Chairman)

This Committee looks into re-dressal of shareholder complaints like transfer of share, non receipt of Dividend/Balance Sheet, as required in Clause 49 of Listing Agreement.



### 3.4 Details of meetings attended by member Directors during 2012-13:-

Name of Director	No. of Meetings held	No. of Meetings attended
Sh. Rajeev Setia	4	4
Sh Raghav Peshwaria	4	4

The Company has received 31 complaints/queries from the investors during the year. All of these have been redressed. No share transfer request received upto 31.03.13 is pending for more than 30 days.

### 4. Related Party Disclosures: -

The Company has identified all related parties and transactions with them during the year as follows: -

Name of the Related Party	Relationship	Nature of Transaction	Amount
Sh. Chaman Lal	Chairman cum Mg. Director	Remuneration	698600
		Interest	3178077
Sh Vijay Setia	Executive Director	Remuneration	716894
		Interest	7206034
Smt Neelam Setia	Director 's wife	Rent	432000
Smt Sushma Setia	Director 's wife	Rent	432000
Sh. Rajeev Setia	Executive Director	Remuneration	809790
		Interest	987169
Sh. Sukarn Setia	Executive Director	Remuneration	619200
Sh. Ankit Setia	Executive Director	Remuneration	619200
		Interest	202200
Setia Rice Mills		Lease Rent	300000

In addition dividend was also paid to them, disclosed in this report elsewhere.

### 5. Material Disclosures: -

There was no instance of non-compliance by the Company on any matter related to Capital markets.

There are no materially significant related transactions of the Company with its Directors, management and /or relatives that would have potential conflict with the interest of the Company at large.

Per Share Data	2012-13	2011-12
Face Value (Rs.)	10	10
Earning Per Share (Rs.)	12.89	8.29
Dividend (%)	11%	16%
Book Value (Rs.)	55.73	43.21

### 6. Listing on Stock Exchange: -

The shares of the Company are listed on the Mumbai Stock Exchange.

### 7. Registrar & Share Transfer Agent: -

Beetal Financial & Computer Services (P) Ltd., a SEBI approved Registrar and Share Transfer Agent, has been entrusted the job of Registrar and Share Transfer Agent for the company. It has been entrusted the job of STA both for Physical as well as Demat shares. Investors may send all their communication regarding transfer/transmission of shares, change of address and change in bank account at the following address:

M/s Beetal Financial & Computer Services (P) Ltd.,  
Beetal House IIIrd floor 99 madangir  
Near dada Harsukh dass Mandir  
New Delhi.



**8. General Body Meeting :** The details of last three Annual General Meetings of the Company are as follows;

Date & Time	Venue
Sep 29,2012	Hotel P.R Residency,101,Distt.Shoping Centre, Ranjit Avenue, Amritsar
Sep 26,2011	Hotel Mohan International,Albert Road, Amritsar
Sep 29,2010	Hotel P.R Residency,101,Distt.Shoping Centre, Ranjit Avenue, Amritsar

The Company will hold the next Annual General Meeting on Sep 28, 2013 at 4.30 p.m. at **Hotel P.R Residency, Ranjit Avenue Amritsar.**

Special Resolution passed in the last three Annual General Meetings.

Meeting Date	Details of Special Resolution
Sep 26, 2012	Nil
Sep 26, 2011	Nil
Sep.29, 2010	Nil

**9. Share Transfer System:-**

The transfer of physical shares is made within the time stipulated by SEBI.

**10. Shareholding & Distribution Pattern (as on 31.03.13):-**

Category	No. of Shares Held
Promoters/their Relatives/	7082901
Domestic Companies	401115
Indian Public/Resident Individuals	2008282
NRI/OCB/others	6002

**11. Distribution Schedule**

Shareholding of Nominal Value	No of Shares holders	%	Number of shares	%
1- 5000	2980	84.56	593132	6.25
5001-10000	272	7.72	218985	2.30
10001-20000	119	3.38	177248	1.87
20001-30000	43	1.22	110903	1.17
30001-40000	25	0.71	90850	0.96
40001-50000	17	0.48	78075	0.82
50001-100000	26	0.74	184647	1.94
100001 Above	42	1.19	8044460	84.69

**12. Dematerialisation of Shares: -**

The company's shares are traded compulsorily in demat form under ISIN Code INE 419D01018.  
At present, 8549489 Equity Shares of the Company have been dematerialized.



**13. Market Price data:-** High/Low during each month of 2012-13 on Mumbai Stock Exchange

Month	Highest price	Lowest price	Volume
Apr-12	30.95	24.05	34510
May-12	32.00	25.15	64932
Jun-12	30.95	21.90	61544
Jul-12	39.50	25.80	210512
Aug-12	41.25	31.00	71008
Sep-12	34.00	30.00	67093
Oct-12	34.00	28.40	55131
Nov-12	35.00	30.15	139001
Dec-12	34.95	30.55	97690
Jan-13	35.00	30.10	37832
Feb-13	35.00	30.00	34703
Mar-13	33.65	28.35	51498

**14. Detail of shares held by Directors and dividend paid to them**

Name	Share hold as on 31/3/13	Dividend paid
Sh Chaman Lal Setia	2109000	3374400
Sh Vijay Setia	2268800	3630080
Sh Rajiv Setia	2378300	3805280
Sh Sukam Setia	56800	90880
Sh Ankit Setia	50000	80000

**15. Particular of loans/Advances** and investment in its own share by listed Companies their subsidiaries, associates etc required to be disclosed in the annual accounts of the Company as per clause 32 of the listing Agreement:-

Loans and Advances in the nature of loan to subsidiaries.....Nil

**16. Whistle blower Policy**

With a view to establish a mechanism for protecting the employees reporting unethical behaviour frauds, violation of Company's code of conduct, the Board has adopted a whistle blower policy during the year. No person has been denied access to the audit committee.

**17. Details of non compliance:-** The Statutory proforma required under clause 49 of listing agreement has been duly submitted to the stock exchange on regular basis. There has not been any non compliance by the Company of any mandatory requirement of clause 49. No penalties and strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory Authority on any matter related to Capital Market.

**18. Means of Communication**

In accordance with clause 54 of the Listing Agreement, the Company has maintained a functional website at [www.maharanirice.com](http://www.maharanirice.com) containing basic information about the Company viz., detail of its business, financial information, shareholding pattern, compliance with corporation governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances ,etc. The contents of the said website are updated from time to time.

The financial results are published in the following newspaper-Financial Express, Economic Times, Jansatta and also displayed on the Company's website for the benefit of the public at large.

Further the Company disseminated to the Stock Exchange (i.e BSE), wherein its equity shares are listed ,all mandatory information and price sensitive/such other information, which in its opinion, are material and /or have a bearing on its performance/operations and issues press releases, wherever necessary, for the information of the public at large. For the benefit of the shareholders, a separate email id had been created for shareholder correspondence viz., [clsetia@rediffmail.com](mailto:clsetia@rediffmail.com).



**19. Share Transfer System and the Scheme of Transfer-Cum-Demat**

Share transfer received by your Company are registered within 15 days from the date of receipt, provided the documents are complete in all respects. As stipulated, intimation in the form of an 'option letter' is sent to the purchaser/transferee upon completion of the process of registration of transfer of shares. A shareholder who wishes to exercise the option of direct dematerialization of shares without taking the physical delivery can send the demat request form as well as the option letter, duly signed and authenticated by the depository participant simultaneously generating the electronic request within 30 days of the date of option letter. If this procedure is not followed within the prescribed time, your Company will proceed to dispatch the share certificates, duly endorsed in favour of the purchaser/transferee.

**20. Disclosures regarding re-appointment of Directors retiring by rotation.**

According to the Articles of the Company at every AGM 1/3 of the Directors are liable to retire by rotation. Thus Sh Rajeev Setia, Sukarn Setia & Ankit Setia shall retire at the Annual General Meeting and being eligible, offer themselves for re-election. The resume of the three Directors are as follows:-

Name	Sh Rajeev Setia
Date of Birth	28.10.55
Qualification	Post Graduate
Specialised Expertise	Rich Experience of Rice business of at least 31 year In Banking Export & Finance
No of Shares held	2378300
Directorship in other Company	Nil
Name	Sh Sukarn Setia
Date of Birth	19.09.80
Qualification	Graduate
Specialised Expertise	Business expertise of Agriculture based of at least 7 Years
No of Shares held	56800
Directorship in other Company	Nil
Name	Sh Ankit Setia
Date of Birth	28.09.84
Qualification	Graduate
Specialised Expertise	Rich experience of Rice Business of at least 7 years in exploring new Markets.
No of Shares held	50000
Directorship in other Company	Nil

**21. Declaration by Chairman and Managing Director for compliance with code of conduct :**

The declaration by the CMD, pursuant to clause 49(1) (d)(ii) of the Listing Agreement, stating that all the Board Members and Senior Management Personnel having affirmed their compliance with the said code of Conduct for the year 31.03.2013 is annexed to the Corporate Governance Report.

**22. General Shareholders Information;**

**A. Annual General Meeting**

Date & Time	28.09.2013 at 4.30 p.m
Venue	Hotel P.R residency, Ranjit Avenue
Financial Calendar	
Financial Year	April 1 to March 31

**B. Book Closure**

Period	23.09.2013 to 29.09.2013 (Both Days Inclusive)
--------	--

**C. Dividend for the Year 12-13 (Recommendation)**

Type	Board Meeting	Rate
Final Dividend	24.08.2013	11%
Subject to 100% adjustments of Partly Paid Shareholders.		





**D. Listing**

The Company's shares are listed on Mumbai Stock Exchange Ltd.

**E. Stock Code**

The Mumbai Stock Exchange Ltd. 530307

**G. Registrar Share Transfer Agent**

Beetal Finance & Computer Services (P) Ltd  
IIIrd Floor 99 Madangir,  
(Near Dada Harsukh Dass Mandir)  
New Delhi

**F. Address of Correspondence**

Chaman Lal Setia Exports Ltd.  
Meera ankot Road, P.O. Central Jail  
Ajnala Road, Amritsar, Pin 143002

**Declaration by Chairman and Managing Director**

To,  
The Board of Directors,  
Chaman Lal Setia Export Ltd.  
Amritsar.

I, Chaman Lal, Chairman & Managing Director of M/s Chaman Lal Setia Exports Ltd. hereby confirm pursuant to Clause 49(1)(D) of Listing Agreement that:-

- (a) We have reviewed financial statements and the cash flow statement of the Company for the year ended 31<sup>st</sup> March, 2013 and that to the best of my knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact of contain statement that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations
- (b) There are, to the best of my knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal control for financial reporting and that have evaluated the effectiveness of Internal Control Systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit committee, deficiencies in design or operation of such Internal Controls, if any of which I am aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) we have indicated to the Auditors and to the audit committee
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board

Place :- Amritsar  
Date :- 24.08.13

(Chaman Lal)  
Chairman cum Mg. Director



## AUDITORS' CERTIFICATE

We have examined the compliance of conditions of Corporate Governance by M/s Chaman Lal Setia Exports Ltd. for the year ended 31<sup>st</sup> March, 13, as provided in Clause 49 of Listing Agreement.

The compliance of the provisions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adapted by the company. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the provisions of Corporate Governance to the extent applicable.

We state that no investor grievance is pending for a period exceeding 30 days as per the record maintained by the Shareholders Grievances Committee.

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

Place: - Amritsar  
Date: - 24-08-2013

For M/s Rajesh Kapoor & Co.  
Chartered Accountants

(Rajesh Kapoor)  
Prop.  
M.No: 92692



## ANNEXURE TO THE AUDITORS' REPORT

To the Members of Chaman Lal Setia Exports Ltd. on the Accounts for the Year Ended 31<sup>st</sup> March 2013

- (i) (a) The company has maintained proper records showing full particulars including quantitative details of its fixed assets.
- (b) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable, having regard to the size of the company and the nature of its assets and no serious discrepancies have been noticed in respect of those assets which have been physically verified.
- (c) There has been no disposal of substantial part of the fixed assets during the year and accordingly paragraph 4 (i) ( c ) of the said order relating to Going Concern is not affected .
- (ii) (a) Inventory has been physically verified by the management at reasonable intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the company during the year has not granted/ taken any loans, secured or unsecured to/from companies, firms or other parties as per the register maintained under Section 301 of the Companies Act, 1956. Hence clauses (a) to (g) are not applicable of CARO (Amendment) order, 2004.
- (iv) According to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and nature of its business for purchase of inventory and fixed assets and for the sale of goods. There is no continuing failure to correct major weaknesses in internal control system.
- (v) As explained to us, particulars of contracts or arrangements referred to in section 301 of Act, if any, have been so entered in register required to be maintained under that section and according to the information and explanations given to us, such transactions made in pursuance of such contracts and arrangements exceeding the value of five lacs rupees in respect of each party have been made at prices which are reasonable having regard to prevailing market prices.
- (vi) The company has not accepted deposits from the public to which the provisions of section 58 (A) and 58 (AA) of the Companies Act, 1956 and the rules framed thereunder apply.
- (vii) In our opinion the company has an adequate internal audit system commensurate with the size of the company and nature of its business.
- (viii) During the year the Company was required to maintain Cost Records as provide under Section 209 (1) (d) of the Companies Act, 1956 for Cost Audit Report to be issued by Cost Auditor.
- (ix) (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in accordance with the generally accepted auditing practices in India, the company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, excise duty, customs duty, cess and other statutory dues as applicable with the appropriate authorities.
- (b) As explained to us, as at 31<sup>st</sup> March 2013 , there have been no undeposited disputed dues in respect of sales tax, income tax, custom duty, wealth tax , service tax and cess.
- (x) The company does not have any accumulated losses at the end of the financial year.
- (xi) The company during the year has not defaulted in repayment of dues to financial institution.



- (xii) The company during the year has not granted any loan and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a nidhi/mutual benefit fund/ society to which the provisions of special statute relating to chit fund are applicable.
- (xiv) In our opinion the company and according to explanation given to us the company is not dealing or trading in shares ,securities and debentures and other investments and accordingly para 4 (xiv) is not applicable .
- (xv) According to the information and explanations given to us, in our opinion, the company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.
- (xvi) According to the information and explanations given to us, the loans have been applied for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us, funds raised on short-term basis have not been used for long term investment. During the year no funds have been raised on long term basis.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) There are no debentures outstanding as at year-end.
- (xx) The company has not raised money during the year from the public.
- (xxi) According to the information and explanations given to us, during the year no fraud on or by the company has been noticed or reported.

Place: - Amritsar  
Date: - 24-08-2013

For M/s Rajesh Kapoor & Co.  
Chartered Accountants

(Rajesh Kapoor)  
Prop.



## AUDITORS' REPORT

1. We have audited the attached Balance Sheet of Chaman Lal Setia Exports Ltd., the Profit and loss account and cash flow statement of the Company for the year ended on that date annexed there to. These financial statements are the responsibility of management .Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standard generally accepted in India. These Standards require that we planned & formed the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit include the examining on a test basis, evidence sporting the amount and disclosures in the financial statement. An audit also include assessing the accounting principles used and significant estimate by the management as well as evaluating the overall financial statements presentation . We believe that our Audit provide a reasonable basis for opinion.

As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government 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) The balance sheet & Profit & Loss Account has been drawn up in accordance with the provisions of Revised Schedule VI of Companies Act 1956.
- (b) 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.
- (c) 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.
- (d) The balance sheet, profit and loss account and cash flow statement dealt with by this report is in agreement with the books of accounts.
- (e) In our opinion, the Profit & Loss Account, Balance Sheet and cash flow statement Comply with the Accounting Standards referred to in ( Accounting Standard ) Rules, 2006 ;
- (f) 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, 2013 from being appointed as director in terms of section 274(1) (g) of the Companies Act 1956 and;
- (g) 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 29' 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 31.3.13 and
  - (ii) In the case of the profit and loss account, of the profit for the year ended on that date.
  - (iii) In the case of cash flow statement, of the cash flows for the year ended on that date.

FOR RAJESH KAPOOR & CO.  
CHARTERED ACCOUNTANTS

(RAJESH KAPOOR)  
Prop.

PLACE: AMRITSAR  
DATED: 24-08-13





## BALANCE SHEET AS ON MARCH 31, 2013

( Amount in Rs.)

Particulars	Refer Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1-3	94218148	94135628
(b) Reserves and surplus	4	423706866	307402984
(c) Money received against share warrants		0	0
<b>2 Share application money pending allotment</b>		0	0
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	5	103167505	94918715
(b) Deferred tax liabilities (Net)		12892337	11012337
<b>4 Current liabilities</b>			
(a) Short-term borrowings	6	243352107	399596561
(b) Trade payables	7	38581329	66161299
(c) Other current liabilities	8	10521586	10813247
(d) Short-term provisions	9	136134003	111560017
		<u>1062573881</u>	<u>1095600788</u>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1 (a) Fixed assets</b>			
(i) Tangible assets	10	202216042	133790811
(ii) Intangible assets			
(iii) Capital work-in-progress	10	1751160	8523996
(iv) Intangible assets under development			
(b) Non-current investments	11	1242040	692040
(c) Long-term loans and advances	12	1,997,574	2,014,050
(d) Other non-current assets	13	412366	412366
<b>2 Current assets</b>			
(a) Current investments			
(b) Inventories	14	453885155	495561142
(c) Trade receivables	15	252103746	230510218
(d) Cash and cash equivalents	16	38,392,342	134,393,101
(e) Short-term loans and advances	17	3304602	2927175
(f) Other current assets	18	107268854	86775889
<b>TOTAL</b>		<u>1062573881</u>	<u>1095600788</u>
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	27		

Signed in terms of our report of even date

FOR RAJESH KAPOOR & CO.  
CHARTERED ACCOUNTANTS

RAJESH KAPOOR  
PROP.  
M. No. 92692

CHAMAN LAL SETIA

CHAIRMAN CUM MANAGING  
DIRECTOR

RAJEEV SETIA

EXECUTIVE DIRECTOR

PLACE : AMRITSAR  
DATE : 24.08.2013



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

Particulars	Refer Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I. Revenue from operations	19	2,725,172,034	2175414600
II. Other income	20	6,773,659	12,132,172
<b>III. Total Revenue (I + II)</b>		<b>2,731,945,693</b>	<b>2,187,546,772</b>
IV. Expenses:			
Cost of materials consumed	21	974,394,288	1,021,068,164
Purchases of Stock-in-Trade		1352529584	659805991
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	187496052	9,983,980
Employee benefits expense	23	38451627	24,090,464
Finance costs	24	41,737,901	53,485,709
Depreciation and amortization expense	25	25,748,557	21,987,337
Other expenses	26	309253532	306,907,758
Total expenses		2,554,619,437	2,077,361,443
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>177,326,256</b>	<b>110,185,329</b>
VI. Exceptional items		0	0
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>177,326,256</b>	<b>110,185,329</b>
VIII. Extraordinary Items		0	0
<b>IX. Profit before tax (VII- VIII)</b>		<b>177,326,256</b>	<b>110,185,329</b>
X. Tax expense:			
(1) Current tax		55650000	32470000
(2) Deferred tax		1880000	670000
<b>XI Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>119,796,256</b>	<b>77,045,329</b>
XII Profit/(loss) from discontinuing operations		0	0
XIII Tax expense of discontinuing operations		0	0
<b>XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>			-
<b>XV Profit (Loss) for the period (XI + XIV)</b>		<b>119,796,256</b>	<b>77,045,329</b>
XVI Earnings per equity share:			
(1) Basic		12.89	8.29
(2) Diluted		12.89	8.29
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	27		

Signed in terms of our report of even date

FOR RAJESH KAPOOR & CO.  
CHARTERED ACCOUNTANTS

RAJESH KAPOOR  
PROP.  
M. No. 92692

PLACE : AMRITSAR  
DATE : 24.08.2013

CHAMAN LAL SETIA

CHAIRMAN CUM MANAGING  
DIRECTOR

RAJEEV SETIA

EXECUTIVE DIRECTOR



## CASH FLOW STATEMENT FOR YEAR ENDING 31.03.2013

( Amount in Rs.)

	AMOUNT 31.03.13	AMOUNT 31.03.12
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	177326258	110185329
ADJUSTMENT FOR:-		
DEPRECIATION/AMORTISATION	25748555	21987337
INTEREST/DIVIDEND RECEIVED	6773659	12132172
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>196301154</b>	<b>120040494</b>
ADJUSTMENT FOR:-		
TRADE AND OTHER RECEIVABLES	-42460591	-29395252
INVENTORIES	41675987	-88636051
TRADE PAYABLES	-3297645	19889762
<b>CASH GENERATED FORM OPERATION</b>	<b>192218905</b>	<b>21898953</b>
DIVIDEND /ADJUSTED	11879078	17279030
DIRECT TAXES PAID	49390856	40845419
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>130948971</b>	<b>-36225496</b>
EXTRAORDINARY ITEMS	0	0
<b>NET CASH FROM OPERATING ACTIVITIES:-</b>	<b>130948971</b>	<b>-36225496</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE OF FIXED ASSETS	89148943	35561562
SALE OF FIXED ASSETS	3657614	369783
ISSUE EXPENSES	0	0
PURCHASE OF INVESTMENTS (Net)	550000	0
SALE OF INVESTMENTS	0	0
INTEREST RECEIVED	6773659	12132172
DIVIDEND PAID	0	0
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>79267670</b>	<b>23059607</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
PROCEEDS FROM SHARE CAPITAL	330080	309450
PROCEEDS FROM BORROWINGS	-148012140	33738205
REPAYMENT OF FINANCE LEASE LIABILITIES	0	0
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>-147682060</b>	<b>34047655</b>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS AS AT 01.04.2012 (OPENING BALANCE)	134393101	158964403
CASH AND CASH EQUIVALENTS AS AT 31.03.2013 (CLOSING BALANCE)	38392342	134393101

Place :-Amritsar  
Date:- 24.08.2013

For and on behalf of Board

Chaman Lal  
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, 2013 and found the same to be drawn in accordance there with and also with the requirements of the listing agreement with stock exchanges.

For Rajesh Kapoor & Co.  
Chartered Accountants

Date:- 24.08.2013  
Place:- Amritsar.

Rajesh Kapoor  
Prop.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31 March 2013		As at 31 March 2012	
	Number	Amount	Number	Amount
<b>NOTE - 1</b>				
<b>Share Capital</b>				
<b>Authorized, Issued &amp; Paid up capital</b>				
<b>Authorised</b>				
Equity Shares of Rs. 10/- each	12,000,000	120,000,000	12,000,000	120,000,000
<b>Issued</b>				
Equity Shares of Rs. 10/- each	9,085,700	90,857,000	9,085,700	90,857,000
<b>Subscribed &amp; Paid up</b>				
Equity Shares of Rs. 10/- each fully paid	9085700	90857000	9085700	90857000
<b>Subscribed but not fully Paid up</b>				
Equity Shares of Rs. 10/- each, not fully paid up	412600	3361148	412600	3278628
<b>Total</b>	<b>9498300</b>	<b>94218148</b>	<b>9498300</b>	<b>94135628</b>

1. The Company has only one class of share referred to as equity shares having a par value Rs. 10/- .Each holder of equity shares is entitled to one vote per share.
2. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
3. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amount exist currently. The distribution will be in proportion to number of equity shares held by the shareholders.
4. No Share was issued during last five years for otherwise than cash.
5. No Share was reserved for issue under options and contracts.
6. No bonus shares were issued during last five years.
7. No shares was bought back /forefeited.
8. The shares of Directors/officers are fully paid up.

### NOTE - 2 Reconciliation of Share Capital

Particulars	Equity Shares		Preference Shares	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	9498300	94135628	0	0
Shares Issued during the year	0	0	0	0
Shares bought back during the year	0	0	0	0
Shares outstanding at the end of the year	<b>9,498,300</b>	<b>94,218,148</b>	-	-

### NOTE - 3 List of Share holder holding more than 5 % share

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
SH. CHAMAN LAL SETIA	2109000	22.20	2109000	22.20
SH. VIJAY KUMAR SETIA	2268800	23.89	2268800	23.89
SH. RAJEEV SETIA	2378300	25.04	2378300	25.04



	As at 31 March 2013 ₹	As at 31 March 2012 ₹
<b>NOTE - 4</b>		
<b>Reserves &amp; Surplus</b>		
<b>a. Securities Premium Account</b>		
Opening Balance	101,206,884	100,974,796
Add : Securities premium credited on Share issue	247,560	232,088
Closing Balance	101,454,444	101,206,884
<b>b. General Reserves</b>		
Opening Balance	57,529,780	49,829,780
(+) Current Year Transfer	11,979,625	7,700,000
(-) Written Back in Current Year		
Closing Balance	<b>69,509,405</b>	<b>57,529,780</b>
<b>c. Surplus</b>		
Opening balance	148,666,320	104,305,440
(+) Net Profit/(Net Loss) For the current year	119,796,256	77,045,329
(-) Prior Period Tax/Dividend Adjustments	8,139,144	7,705,419
(-) Transfer to General Reserves	11,979,625	7,700,000
(-) Proposed Dividends	11,879,078	17,279,030
Closing Balance	<b>252,743,017</b>	<b>148,666,320</b>
<b>Total</b>	<b>423,706,866</b>	<b>307,402,984</b>

**NOTE - 5**

**Long Term Borrowings**

**Unsecured**

<b>(a) Directors' Deposits</b>	103,167,505.00	94,918,715
From three Executive Non Independent Directors		
<b>Total</b>	<b>103,167,505</b>	<b>94,918,715</b>

There is no default in the Repayment of either Principal or Interest Amount of Secured as well as Unsecured Loan as on the Balance Sheet Date. There is no Secured Long Term Borrowings .



	As at 31 March 2013	As at 31 March 2012
	₹	₹

#### NOTE - 6

##### Short Term Borrowings

##### Secured

##### (a) Loans repayable on demand

from banks

Punjab National Bank	243,352,107	399,596,561
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Cash Credit/Packing Credit/Post Shipment Credit are secured against Current Assets, entire Fixed assets and property belonging to M/s Setia Rice Mills Situated at Amritsar and Property belonging to M/s Chaman Lal Setia Exports Ltd situated at Karnal and Corporate Guarantee of the Borrower company and personal guarantees of Directors Sh.Chaman Lal ,Vijay Setia and Rajeev Setia.

<b>Total</b>	<b>243,352,107</b>	<b>399,596,561</b>
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#### NOTE - 7

##### Trade Payables

Micro, Small and Medium Enterprise	0	0
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Others	38581329	66161299
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<b>Total</b>	<b>38,581,329</b>	<b>66,161,299</b>
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#### NOTE - 8

##### Other Current Liabilities

(a) Current maturities of long-term debt	-	1,708,879
(b) TDS Payables	5,381,352.00	5,871,809
(c) CST/Vat Payable	1,713,631.00	26,501
(d) Income received in advance	510,795.00	521,345
(e) Unpaid Dividends	2,915,808.00	2,684,713

<b>Total</b>	<b>10,521,586</b>	<b>10,813,247</b>
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There is no fresh issue of Shares/Securities after the first Issue as such no Share Application Money is pending for refund .Further there was no Unpaid Matured Debentures/Deposits





## Short Term Provisions

As at 31 March 2013  
₹

As at 31 March 2012  
₹

### NOTE - 9

#### Short Term Provisions

Salary & Reimbursements	100,613	89,531
Contribution to PF	184,652	104,588
Current Income Tax	118,642,000.00	91,492,000
Proposed final dividend on Equity Share	10,221,200	14,867,200
Tax on dividend	1,657,878	2,411,830
<b>(b) Others (Specify nature)</b>	<b>5,327,660.00</b>	<b>2,594,868</b>
<b>Total</b>	<b>136,134,003</b>	<b>111,560,017</b>

### NOTE - 10

#### Fixed Assets

FIXED ASSETS PARTICULAR	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	BALANCE AS AT 01.04.12	ADDITIONS	DISPOSAL	BALANCE AS AT 31.03.13	BALANCE AS AT 01.04.12	DEPRECIATION CHARGES FOR THE YEAR	ON DISPOSAL	BALANCE AS AT 31.03.13	BALANCE AS AT 31.03.13	BALANCE AS AT 31.03.12
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>a Tangible Assets</b>										
Land	15020913	878855	0	15899768	320829	14124		334953	15564815	14700084
Buildings	34434748	65616665	0	100051413	18643997	1677228		20321225	79730188	15790751
Plant and Equipment	191139126	3236672	1295394	193080404	98557354	16352577	284756	114625175	78455229	92581772
Furniture and Fixtures	1409801	625920	0	2035721	857851	156283		1014134	1021587	551950
Vehicles	27188997	14061554	2331141	38919410	13875635	3798382	1642209	16031808	22887602	13313362
Office equipment	9438578	1203686	4000	10638264	6608011	702265		7310276	3327988	2830567
Others (specify nature)	8508946	1774431	39900	10243476	5967144	3047698		9014843	1228633	2541801
<b>Total</b>	<b>287141109</b>	<b>87397783</b>	<b>3670435</b>	<b>370868456</b>	<b>144817036</b>	<b>25748557</b>	<b>1926965</b>	<b>168652414</b>	<b>202216042</b>	<b>142310287</b>
<b>b Intangible Assets</b>	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	-	-	-	-	-	-	-	-	-	-
<b>c Capital Work In Progress</b>	0	1751160	0	1751160	0	0	0	0	1751160	0
<b>Total</b>	0	1751160	0	1751160	0	0	0	0	1751160	0
<b>d Intangible assets under Development</b>	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>287141109</b>	<b>89148943</b>	<b>3670435</b>	<b>372619616</b>	<b>144817036</b>	<b>25748557</b>	<b>1926965</b>	<b>168652414</b>	<b>203967202</b>	<b>142310287</b>

Note 1 No fix assets was required through business reorganisation during the year .

Note 2 No fix assets was revalued during the year .



	As at 31 March 2013	As at 31 March 2012
	₹	₹

**NOTE - 11**

**Non Current Investments**

**(a) Trade investments (at cost)**

PNB Gilts Ltd.	600,000.0	600,000.0
Mutual Funds	550,000.0	-
PNB Equity Shares (Fully Paid quoted)	92,040.0	92,040.0
<b>Total</b>	<b>1,242,040</b>	<b>692,040</b>

**NOTE - 12**

**Long Term Loans and Advances**

**a. Security Deposits**

Secured, considered good	0	0
Unsecured, considered good	1,997,574	2,014,050
Doubtful	0	0
	1,997,574	2,014,050
<b>Total</b>	<b>1,997,574</b>	<b>2,014,050</b>

There is no Loans and Advances to Related parties outstanding as on Balance Sheet date.

**NOTE - 13**

**Other non current assets**

Investors Protection Fund	412366	412366
<b>Total</b>	<b>412,366</b>	<b>412,366</b>

**NOTE - 14**

**Inventories**

a. Raw Materials and components	58541880	284974656
b. Finished goods	395343275	210586486
<b>Total</b>	<b>453,885,155</b>	<b>495,561,142</b>

Valued at Cost or Net Realisable Value which ever is less and as per Inventories taken and Certified by management



	As at 31 March 2013	As at 31 March 2012
	₹	₹

#### NOTE - 15

Trade receivables outstanding for a period less than six months from the date they are due for payment

Secured, considered good

Unsecured, considered good	233149310	218443785
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Unsecured, considered doubtful	0	0
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	233,149,310	218,443,785
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Trade receivables outstanding for a Trade receivables outstanding for a period exceeding six months from the date they are due for payment

Secured, considered good

Unsecured, considered good	18954436	12066433
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	18,954,436.00	12,066,433
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<b>Total</b>	<b>252,103,746.00</b>	<b>230,510,218</b>
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Nothing is Receivables from Directors ,Other Officers of the Company and Firm/s in Which Directors is a partner and form a Private company in which director is a member

#### NOTE - 16

##### Cash and cash equivalents

a. Balances with banks*	6253213	25,969,944
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This includes:

Earmarked Balances (eg/- unpaid dividend accounts)	3,071,170	2,457,676
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b. Cheques, drafts on hand	23156845	2,919,275
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c. Cash on hand*	1911114	3,895,343
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d. Deposits with less than 12 Months Maturity	4000000	101,608,539
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<b>Total</b>	<b>38,392,342</b>	<b>134,393,101</b>
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#### NOTE - 17

##### Short-term loans and advances

##### a. Others (Staff Members)

Secured, considered good

Unsecured, considered good to staff	3,304,602	2,927,175
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Doubtful	0	0
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<b>Total</b>	<b>3,304,602.00</b>	<b>2,927,175.00</b>
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No loans and advances to related parties as on balance Sheet date



	As at 31 March 2013 ₹	As at 31 March 2012 ₹
<b>NOTE - 18</b>		
<b>Other current assets</b>		
<b>Other current assets (specify nature)</b>		
Prepaid and Unexpired	3455600	4355463
Advance Tax/TDS	103548131	80378343
Vat /Service Tax	265123	2042083
<b>Total</b>	<b>107268854</b>	<b>86775889</b>
<b>NOTE - 19</b>		
<b>Revenue from Operation</b>		
Sale of products	2724603766.00	2170037531
Sale of services	0	0
Other operating revenues	568268	5377069
<b>Total</b>	<b>2,725,172,034.00</b>	<b>2,175,414,600</b>
<b>NOTE - 20</b>		
<b>Other income</b>		
Interest Income (in case of a company other than a finance company)	6172953	12132172
Misc Income	513748	0
Profit on Sale of Fixed Assets	86958	0
<b>Total</b>	<b>6,773,659.00</b>	<b>12,132,172</b>
<b>NOTE - 21</b>		
<b>Cost of material consumed</b>		
Cost of Raw materrial consumed	0	0
Indigenous	974394288	1021068164
Imported	0	0
<b>Total</b>	<b>974,394,288.00</b>	<b>1,021,068,164</b>
<b>NOTE - 21A</b>		
<b>Particulars of Material consumed</b>		
Particular		0
Paddy	974394288	1021068164
Other	0	0
<b>Total</b>	<b>974,394,288</b>	<b>1,021,068,164</b>



	As at 31 March 2013 ₹	As at 31 March 2012 ₹
<b>NOTE - 22</b>		
<b>Changes in Inventories of Finished Goods</b>		
<b>Inventories (at close)</b>		
Finished Goods/Stock in trade	374423005	186926953
<b>Inventories(at commencement)</b>		
Finished Goods/Stock in trade	186926953	176942973
<b>Increase/Decrease</b>	<b>187,496,052</b>	<b>9,983,980</b>
<b>NOTE - 23</b>		
<b>Employee Benefit Expenses</b>		
Employee benefits consist of;		
Salaries and Wages	34271943	22105348
Contributions to:		
Gratuity fund/Provident Fund	2757732	694107
Staff welfare expenses	1421952	1291009
<b>Total</b>	<b>38,451,627</b>	<b>24,090,464</b>
<b>NOTE - 24</b>		
<b>Finance Costs</b>		
Bank charges	4980726	3977793
Interest	19748857	44046431
Applicable net gain/loss on foreign currency transactions and translation	17008318	5461485
<b>Total</b>	<b>41,737,901.00</b>	<b>53,485,709</b>
<b>NOTE - 25</b>		
Depreciation of Tangible Assets	25748557	21987337
Amortization of Intangible Assets	0	0
<b>Total</b>	<b>25,748,557.00</b>	<b>21,987,337</b>



	As at 31 March 2013 ₹	As at 31 March 2012 ₹
<b>Other Expenses</b>		
<b>NOTE - 26(1)</b>		
<b>Establishment Expenses</b>		
Rent, Rate & Taxes	1624451	1960510
Postage, Telegram & Courier Charges	2457568	2107888
Printing & Stationery	503100	491369
Insurance Charges	4153064	2005577
Vehicle Running & Maintenance	1632982	1481533
Membership Fees & Subscription	221903	196800
Professional & Consultancy	2388583	1941290
Payment to Auditor	260000	295690
Travelling, Lodging, Boarding	9337249	6576948
Donation	94670	69992
Loss on sale of fixed Asset	186123	44635
Miscellaneous Expenses	1422033	1133194
<b>Total</b>	<b>24,281,726</b>	<b>18,305,426</b>
<b>NOTE - 26(2)</b>		
<b>Payment To Auditor</b>		
Payment to Auditor includes:		
Statutory Audit Fees	50000	50000
Tax audit fees	50000	50000
Taxation Matters	30000	0
Other Matters	130000	195690
<b>Total</b>	<b>260,000</b>	<b>295,690</b>
<b>NOTE - 26(3)</b>		
<b>Selling &amp; Distribution Exp.</b>		
Export Commission	15392004	13886543
E.C.G.C Expenses	4448065	3425708
Advertisement	2769935	3751227
Direct Export Expenses	103431071	107855807
Brokerage	6237545	4136889
Bill Discount/Rebate	2621041	2272872
Misc.Expenses	170789	540508
BAD Debts	376811	232616
Fare Expenses	9700	37106
<b>Total</b>	<b>135,456,961</b>	<b>136,139,276</b>





	As at 31 March 2013 ₹	As at 31 March 2012 ₹
<b>Note - 26(4)</b>		
<b>Manufacturing Expenses</b>		
Power & Fuel	32530855	23894073
Machinery Repair & Maintenance	7564411	7536541
Sheller Lease/Godown Lease	2007642	2709378
Bardana Repair	795240	1318108
Packing Expenses	2273780	6852295
Stacking, Weighing Loading etc	17603144	19400184
Packing Material/Empty Cost	72147803	86551045
Sample Testing	849013	0
Fumigation	2471482	1962969
Other Repair	2414146	1720622
Overheads	8857329	517841
<b>Total</b>	<b>149,514,845</b>	<b>152,463,056</b>
<b>Grand Total Of Other Expenses</b>	<b>309,253,532</b>	<b>306,907,758</b>



## Significant Accounting Policies & Notes forming part of the Balance Sheet and statement of Profit & Loss for the year ended 31.03.2013.

### Company Overview

- A) Your Company has been running successfully rice business since 1973. The long outstanding experience of the Directors has helped the Company to expand its global footprint. Your Company's diverse product line covers product like Sella Rice, Bhatti Sella, Rice for Diabetic peoples, Smoked rice, Pesticide Residue free rice. Company's uses its strong relationship with Domestic and Global Business partners for market penetration and presence. Company has introduced newer policies and strategies to facilitate development further.

### **B) Statements of significant accounting policies:**

#### **1 Basis of Preparation of Financial Statements**

The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standard prescribed by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act 1956 to the extent applicable, as adopted consistently by the Company.

#### **2 Use of Estimates and Judgments**

The preparation of the financial statements are in conformity with the Accounting Standards which requires management to make estimates and the assumption that affect the reported amount of assets and liabilities and disclosures relating to the contingent liabilities as on date of balance sheet and the reported amount of revenues and expenditure during the reported period. The estimates and assumptions used in the financial statements are based upon management's best evaluation of the statements. Examples of such estimates include useful life of fixed assets, creation of deferred tax asset, lease rentals and write off of deferred revenue expenditure. Actual results may differ from those estimates.

#### **3 Revenue Recognition**

The Company follows the mercantile system of accounting and recognizes the income and expenditure on accrual basis except in case of significant uncertainties. Certain items of income such as DEPB Income, insurance claim, market fees refund, Service Tax Refunds, Interest Subventions, overdue interest from customers etc have been considered on Payment Basis to the extent the amount is accepted by the parties. The principles of the revenue recognition are given below

Sales are recognized as follows

Domestic Sales - At the point of dispatches to customers.

Export Sales - At the time of issue of bill of lading

Sales are recorded net of sales returns, price differences and sales tax. Sale of license and duty draw back are recognized on realization basis.

#### **4 Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

Capital work in progress is stated at cost. Capital WIP includes the cost of fixed assets that are not yet ready for their intended use, as on the balance sheet date.

#### **5. Depreciation**

Depreciation is provided on written down value basis at rates provided in schedule XIV to the Companies Act, 1956. The depreciation rates which are different from principal rates specified in schedule are as follows;



Tarpoline 100%

Wooden & Plastic Crates 100%

Depreciation on plant & machinery has been provided on the basis of shifts worked in the case of both the units. Cost of leasehold land is amortized over the period of lease.

## 6 **Leases**

In respect of operating lease, lease rentals are accounted on accrual basis in accordance with the respective lease agreements. However there is no lease as on the date .

## 7 **Government Grants**

Grants in the nature of capital contribution towards setting up of projects in backward areas is adjusted from the cost of the related fixed assets.

## 8 **Deferred Tax**

Deferred tax assets and liabilities are computed on the timing differences at the balance sheet date between the carrying amount of assets and liabilities and their respective tax bases. Deferred Tax Assets (DTA) is recognized based on management estimates of virtual certainty that sufficient future taxable income will be available against which such DTA can be realized. The deferred tax charge or credit is recognized using the tax rates and tax law that have been enacted or substantively enacted by the balance sheet date.

## 9 **Employees Benefits**

### 9.1 **Defined Contribution Plans**

Defined contribution plans are benefit plans under which the Company pays fixed contribution to state managed benefit schemes. The Company contributions to defined contribution plans are recognized in the profit and loss account in the financial year to which they relate.

### 9.2 **Defined Benefits Plans**

The Company has defined benefit plan in respect of its gratuity liability and contributes to a Gratuity Fund managed by LIC of India. Contribution is made to this fund yearly on the basis of calculation made by LIC keeping in view certain factors. This premium is charged to profit & loss a/c in the year of payment.

## 10 **Investments**

Long Term Investment is intended to be held for more than a year. All others investment are current in nature.

Long Term Investments are stated at cost while current investment at lower of cost and fair value.

## 11 **Inventories**

Inventories are valued at cost or net realizable value whichever is lower, as taken, valued and certified by the management. The basis for determining cost for various categories of inventories is as under

Raw Material -At cost on FIFO Basis

Finished Stock -At material cost + appropriate share of production overhead

Packing Material -At Cost

Stores & Spares

Stores & spares are charged to profit & loss A/c in the year of purchase.



**12 Foreign Exchange Transactions**

Transactions in foreign currency are converted at the exchange rate prevailing at the date of the transaction. Foreign currency monetary assets and liabilities not covered by forward exchange contracts are restated at the yearend rates and the resultant gains or losses are recognized in the profit and loss account. Nonmonetary items are carried in terms of historical cost denominated in foreign currency using the exchange rates at the date of transaction.

Forward contracts other than those entered into to hedge foreign currency risk on unexecuted firm commitment or on highly probable forecast transactions are treated as foreign currency transactions and accounted accordingly. Premium on foreign exchange forward contracts are recognized in the profit and loss account over the life of contract. Any profit and loss arising on cancellation of forward contract is recognized as income or expense in the period in which they arise.

The Company follows the Accounting Standards which are made mandatory. It is in the process of formulating the requisite mechanism/systems to meet prescribed requirements under Accounting Standards 30,31 & 32. It shall be following the accounting policy of recognition, presentation & disclosure of forward exchange transactions including Derivative/Hedging/Currency Swaps & Interest Swaps etc prescribed under these Accounting Standards with effect from the date these are made mandatory by ICAI.

**13 Researches and Development**

Revenue Expenditure on Research & Development is charged as an expense in the year in which it is incurred. Capital expenditure is included in respective heads under fixes assets.

**14 Miscellaneous Expenditure**

Share Issue expenses etc are expensed pro-rata over the period of five years.

**15 Provisions,Contingent Liabilities and contingent assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes to accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

**16 Segment Reporting**

Segment Reporting as per Accounting Standard 17 :The Company has only our business segment namely rice there is no different geographical segment.

**17 Borrowing Cost**

Borrowing Costs that are attributable to the Acquisition, Construction of Production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.



## Notes to Accounts

### 1. Managerial Remuneration

#### Computation of Managerial Remuneration u/s 198

	31.03.2013	31.03.2012
Profit before Tax	177326256	110185329
Add: Depreciation	25748555	21987337
Less: Depreciation as per Sec 350	25748555	21987337
Net Profit u/s 350 of Companies Act 1956	177326256	110185329
Add: Directors Remuneration	4104178	3068487
Profit as per Section 198	181430434	107116842
Managerial Remuneration allowable @ 11%	19957347	11782852
Managerial Remuneration paid	4104178	3068487

2. 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.
3. 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.
4. 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.
5. 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.
6. 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.
7. The preliminary and share issue expenses are being amortized over a period of ten years and the balance is kept as Miscellaneous Expenditure to the extent not written off. Fresh expenses, if any have been amortized over a period of 5 years.
8. The Managerial Remuneration has been paid within the limits of Section 198 of Companies Act 1956.  
Managing Director Rs 698600/- Whole Time Directors Rs.2765084/-
9. Contingent liabilities as at 31.3.2013
10. The Company's appeal with Commissioner Excise and Taxation, Punjab against the Order of Excise & Taxation Officer for levying Infrastructure Tax on the Sales of Rice/Paddy within Punjab amounting to Rs.34.10 Lacs is still pending .
11. Prior period items include Expenses/Income related to previous year not provided for are separately classified as prior period expenditure/income during the current year in accounts.
12. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of the current assets, loan & advances, deposits in the ordinary course of business will not be less than the value stated in Balance Sheet.
13. Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the Dividend which remain unclaimed/unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.



The status of dividend remaining unclaimed is given here under:

YEAR	(Rupees in Lacs)
2005-2006	1.62
2006-2007	1.28
2007-2008	1.51
2008-2009	1.76
2009-2010	2.16
2010-2011	2.29
2011-2012	2.74

As seven years have not expired from date of transfer to the unpaid dividend account, the amount is not required to be transferred to Investor Education and Protection Fund (IEPF) 12. The provisions of section 205C of the Companies Act 1956 regarding Investor education and protection fund are applicable during the year and the total amount lying unpaid in dividend account for more than 7 years has been transferred to Investor education & protection fund.

- A) There are no specific claims from suppliers under interest on delayed payments covered under Small Scale & Ancillary Act, 1993.
- B) The Company does not have any dues payable to any micro, small and medium enterprises as at the year end. The identification of the micro, small & medium enterprises is based on management's knowledge of their status. The Company has not received any intimation from the suppliers regarding their status under the MSMED Act 2006. Hence, disclosures, if any, relating to amounts unpaid as at the year end, together with interest paid/payable as required under the said act have not been given.

#### 14 Compliance with Accounting Standards

- (i) **AS-15 Accounting Standard for "Employee benefits" the disclosures as defined in the Accounting Standard are given below:**

##### **Defined Contribution Plans**

**Contribution to Defined Contribution plans, recognized as expense for the year is as under:**

	2012-13	2011-12
<b>Contribution to Provident Fund</b>	<b>684376</b>	<b>456102</b>
<b>Contribution to Pension Scheme</b>	<b>363807</b>	<b>494528</b>
<b>Contribution to ESI</b>	<b>104727</b>	<b>77594</b>

##### **Defined Benefit Plan**

**The employee's gratuity fund scheme managed by a Trust (Life Insurance Corporation of India) is a defined benefit plan. The premium as determined by the Trust keeping in view the date of joining, salary last drawn etc. of the employee's is paid yearly by the Company and debited under the head Employee Benefit Expenses.**

- (i) **AS-18 Related party transaction**

Details pertaining to related party transaction in respect of key managerial personnel of the company are as follow: -

(a)	Shri Chaman Lal Setia	Chairman cum Managing Director.
(b)	Shri Vijay Setia	Executive Director
(c)	Shri Rajeev Setia	Executive Director
(d)	Shri Sukarn Setia	Executive Director
(e)	Shri Ankit Setia	Executive Director





(i) Remuneration Paid to Chairman & Managing Director and Executive Director is Rs 698600/- and Rs2765084 /- respectively.

(ii) Interest on unsecured loans paid to Directors during the year@ 12% p.a is Rs11573480/-

The Company has not entered into any transaction with relative of key managerial personnel.

(iii) **AS-20 Earning per share**

As there is no potential equity share outstanding and as such the diluted earning

Per share is same as basic earning per share.

EPS = Rs.12.89

(iv) **AS-22 Deferred Taxes**

In accordance with the accounting standard AS-22 the deferred tax has been accounted for during the year ended 31.03.13 .The deferred tax Assets up to 31.03.2001 amounting to Rs 2902273/- has been credited to Revenue Reserve and disclosed separately under current liability and provision. The deferred tax Liability related to current year is Rs 1880000 /- which has been set off against the above said amount and current outstanding as at 31.03.2013 is Rs12892337.

The deferred taxes has arisen only on account of difference in depreciation allowable under Income Tax Act and as per books.

(i) **AS-19 Segmental Reporting**

The Company has only one business segment namely rice. There is no different geographical segment.

15. 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 tones per hour are as under:

Amritsar (Leased) 2 MT Rice per hour.

Karnal 12 MT Rice per hour.

The installed capacity is as certified by the management and relied upon by the Auditors, being a technical matter.

16. Stores & Spares are charged to Profit & Loss at time of Purchase and no inventory in respect of these is being maintained.

17. There was no payment exceeding Rs One Lac due to any small scale industrial undertaking as known to Management.

18. 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 Stock:-

	31.03.13	31.03.12
Licensed Capacity (per hour)	14 MT	14 MT
Installed Capacity (per hour)	14 MT	14 MT
Actual Production (In Qtls)	308056	335614

(B) Quantitative Stocks (In Qtls)

Opening Stock as at	Closing Stock as at		
01.04.11	01.04.12	31.03.12	31.03.13
89288	97806	97806	144876



**C) Expenditure in Foreign Exchange**

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Value of Import of Capital Goods	0	0
Export Commission	15392004	13886543
Travelling Expenses	8051906	5274884
<b>Total</b>	<b>23443910</b>	<b>19161427</b>

**E) Value of Exports**

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Value of Goods Exported	1627228625	1309849379

**(A) Raw Material Consumed:**  
(In Qtls)

31.03.13		31.03.12	
Quantity	Value	Quantity	Value
483046	974394288	526463	1021068164

18. Previous years figures have been regrouped & rearranged where ever considered necessary to present Balance Sheet as near as possible to the Revised 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	31.03.13		

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

Public Issue(Call Money )	Nil	Right Issue	Nil
Bonus Issue	Ni	Private Placement	Nil

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

Total Liabilities	10625.73	Total Assets	10625.73
Source of Funds			
Paid up capital	942.18	Reserve & Surplus	4237.06
Secured Loans	2433.52	Unsecured Loans	1031.67
Deferred Tax	128.92		

#### Application of Funds

Net Fixed Assets	2039.67	Investments	12.42
Net Current Assets	4263.64	Misc Expenditure	0.00
Accumulated Losses	Nil		

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

Turnover	27251.72	Total Expenditure	25478.46
Profit before Tax	1773.26	Profit after Tax	1197.96
Earnings per shares	Rs. 12.89	Dividend rate %	11%

· Including other income

\* Calls in arrears

#### 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

**RAJESH KAPOOR**  
PROP.

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

**CHAMAN LAL SETIA**  
CHAIRMAN CUM MANAGING DIRECTOR

**RAJEEV SETIA**  
EXECUTIVE DIRECTOR

PLACE: AMRITSAR  
DATE: 24.08.13



## CHAMAN LAL SETIA EXPORTS LIMITED

Miran Kot Road, P.O Central Jail Amritsar.

### ATTENDANCE SLIP

Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting Hall.

I, hereby record my presence at the 19<sup>th</sup> ANNUAL GENERAL MEETING of the Company at Hotel P.R Residency, Ranjit Avenue Amritsar on Saturday 28<sup>th</sup> Sept. 2013 at 4:30 P.M.

Full Name of the Shareholder/proxy  
(In Block letters)

Folio No.....

.....  
Signature

## CHAMAN LAL SETIA EXPORTS LIMITED

Miran Kot Road, P.O Central Jail Amritsar.

### PROXY FORM

I/We.....

Of .....in the district of.....

Being a member / members of the above named Company, hereby appoint.....  
of.....of.....in the district of..... as my/our proxy to vote for me/us/on my/  
our behalf at the general meeting of the Company to be held on the .....day of  
.....2013 and at any adjournment thereof.

Signed this.....day of .....2013.

Affix a  
Rs.1  
Revenue  
Stamp

This form is to be used .....the resolution. Unless otherwise instructed.

\*Strikeout which is not desired.



*Maharani*  
Rice







# Pure Fragrant Original Basmati Rice Collection



## Chaman Lal Setia Exports Ltd.

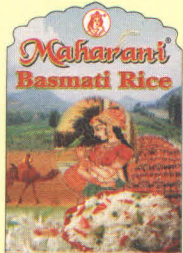
(A Govt. Recognised Star Export House)

Regd. Office : Meerankot Road, P.O. Central Jail  
Ajnala Road, Amritsar - 143 002 India

Tel. : +91-183-2590318, 2592708

Facsimile : +91-183-2590453, +91-184-2291067

e-mail : clsetia@rediffmail.com



# Chaman Lal Setia Exports Ltd.

(A Govt. Recognised Star Export House)

Regd. Office : Meerankot Road, P. O. Central Jail,

Ajnala Road, Amritsar-143001 India

Tel : 91-183-2590318, 91-183- 2592708

Facsimile : 91-183-2590453, 91-184-2291067

E. Mail : [setiarice@yahoo.com](mailto:setiarice@yahoo.com), [clsetia@rediffmail.com](mailto:clsetia@rediffmail.com)

**ISO 22000 : 2005**  
Certified Co.

## FORM A

1.	Name of the Company	CHAMAN LAL SETIA EXPORTS LTD.
2.	Annual Financial Statements for the year ended	31 <sup>st</sup> March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N/A
5.	To be signed by-	(CHAMAN LAL SETIA) Mg. Director



## RICE MILLS

Kaithal Road,  
Karnal.  
Tel : 0184-2990758

Visit us at :

[www.maharanirice.co.in](http://www.maharanirice.co.in)

## RICE MILLS

Meeran Kot Road,  
P. O. Central Jail, Amritsar.  
Tel : 0183-2590318, 0183-2592708