



# ***MAHARANI***



**8th Annual Report 2001-2002**  
**CHAMAN LAL SETIA EXPORTS LTD.**



# Chaman Lal Setia Exports Ltd.

## Board of Directors

### Chaman Lal Setia

(Chairman Cum Mg. Director.)

### Rajeev Setia

(Whole Time Director.)

### Vijay Setia.

(Whole Time Director.)

### Inder Dev Kukkar

(Director.)

### Sukarn Setia

(Director.)

### Naresh Suneja

(Director)

### Amit Malhotra

(Director)

## Registered Office

Meeran Kot Road,

P.O. Central Jail,

Ajnala Road, Amritsar.

## Bankers

Punjab National Bank,

International Banking Branch.

46, The Mall, Amritsar.

## Registrar & Share Transfer Agent

BEETAL Financial & Computer Services (P) Ltd.

321-S, Chirag Delhi,

(Near Shaheed Bhagat Singh College)

New Delhi-110017

## Auditors

M/s. Rajesh Kapoor & Co.

Chartered Accountants

Hm 3A Aman Avenue,

Amritsar

## Works

●Meerankot Road, Amritsar.

●Kaithal Road, Karnal.

## ANNUAL GENERAL MEETING

On 28<sup>th</sup> Sept. At 4:30 p.m at

Hotel Royal Castle ,

Amritsar.

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# Chaman Lal Setia Exports Ltd.

## CHAMAN LAL SETIA EXPORTS LTD.

### **NOTICE TO THE MEMBERS**

Notice is hereby given that the Eight Annual General Meeting of CHAMAN LAL SETIA EXPORTS LTD. Will be held on Saturday, the 28 Sept, 2002 at Hotel Royal Castle 4:30 P.M to transact the following business:

#### **ORDINARY BUSINESS**

- To receive and adopt the Directors' Report and audited Balance Sheet and the Profit & Loss Account as at and for the year ended 31.03.02 and the Auditors Report thereon.
- (a) To appoint a Director in place of Mr. Rajeev Setia who retires by rotation but being eligible, offers himself for re-appointment.
- (b) To Appoint a director in place of Mr Inder Devl Kukkar who retires by rotation but being eligible offers himself for re-appointment.
- To appoint Auditors for the next year and to fix their remuneration. M/s Rajesh Kapoor & co appointed u/s 224(6)(a) to fill the causal Vacancy are eligible & available for appointment..

#### **NOTES**

- 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.
  - 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.
  - The Register of Members and Share Transfer Books of the Company will remain closed from 26.9.2002 to 30.9.2002 (both days inclusive.)
  - Cases of Transfer of Shares may be referred to the Registrar, Whose address has been given at Page No. 1
  - Shareholders are requested to intimate to the Company, changes, if any, in their registered address including PIN CODE number.
- Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.
- Enquiries, if any, about the Annual Accounts, may please be intimated to the Company, at least Seven days in advance of the date of Annual General meeting.

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

Place : Amritsar  
Dated : 16.08.2002

**Rajeev Setia**  
Whole Time Director



# Chaman Lal Setia Exports Ltd.

## M/s CHAMAN LAL SETIA EXPORTS LTD.

### DIRECTORS' REPORT

To The Members,

Yours Director have pleasure in presenting the 8th Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2002.

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

Particulars	Amount (in Lacs) Y.E. 31.03.2002	Amount (in Lacs) Y.E.31.03.2001
Export turnover	2208.57	3129.66
Domestic turnover	2440.00	2449.80
Profit before Intt. & Depreciation	418.96	691.37
Interest	141.11	136.83
Provision for Depreciation	54.65	60.21
Profit before Tax	233.20	494.33
Provision for Tax inc deferred tax	34.40	15.00
Profit after Tax	188.80	479.33
Proposed Dividend including Tax	0.00	207.92
Transfer To General Reserve	18.87	47.93
Carried to Balance Sheet	611.58	430.53
Current Assets	3727.60	3897.14
Current Liabilities	862.06	1362.97
Working Capital	2865.54	2534.17
Capital Employed	3223.39	2902.84
EPS	2.11	5.34
Book Value	29.52	27.09

#### Highlights of Preformance:

During the year the export of Company fell due to bottle necks at port,tension on Border,militant attacks on USA.Inspite of all there factors the domestic sales remained intact due to management thurst ,distribution network consideration etc.Fresh life was breathed in domestic sales with new & attractive packing,branding and standardisation exercise of rice,creating new markets etc.

#### 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 31.03.02.

#### 3. Personnel

Relations with work force of the Company have remained cordial, through out the Year.

#### 4. Directors

Sh Rajeev Setia whole Time Director of the Company and Sh Inder Dev Kukkar,Director of the Company retires by rotation at the Annual General Meeting and being Eligible offers themselves for re-election.

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

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

#### 6. Particulars of employees

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



## Chaman Lal Setia Exports Ltd.

### 7. Auditors' Report

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

### 8. Auditors

M/s Vivek Kapoor & Co Chartered Accountants by their letter dt 18/03/02 informed the Company that due to some personal reasons, they are unable complete audit for the Current Year accordingly casual Vacancy caused has been filled u/s 224(6)(a) and M/s Rajesh Kapoor & Co Chartered Accountants were appointed Auditors M/s Vivek Kapoor have still not expressed their willingness to take up the audit accordingly Rajesh Kapoor & Co are being re-appointed Auditors of the Company. You are requested to re-appoint them..

### 9. Dividend

During the year ended March 31, 2002 your Company's working results have improved substantially in view of the Management Thrust on Cost reduction in all areas of Company's operations, productivity improvement and improvement in the quality of yield. However keeping in view the future expansion of the Company no dividend has been recommended by the Board of Directors.

### 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, 2002 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. Corporate Governance

Your Company and its Board is committed to achieve the highest standards of Corporate Governance. These conditions are still not mandatory for the Company. A Certificate from the Auditors of the Company regarding not applicability of conditions of Corporate Governance as stipulated under Clause 49 of the listing Agreement is also attached. However the Company has started the process of implementing the guide lines issued by SEBI in this regard.

### 12. Dematerialisation of Shares

The Company has entered into agreements with both National Securities Depository Ltd and Central Depository Services Ltd. whereby the Shareholders have an option to dematerialise their shares with either of the depositories.

### 13. Social Objectives

Company is not only a Profit Oriented Unit, but also meeting its Commitment & Responsibility towards the society by undertaking the following measures:

- A) Use of Neem as Bio-pesticide for controlling infestation;
- b) Development of "Heat proof" Roof Systems for Public Housing (project under process);
- c) 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.
- d) Project for tackling problem of wastewater logging and treatment of sanitary discharge in villages is under process.





## Chaman Lal Setia Exports Ltd.

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

During the Year Company has distributed free of cost 15000 plants of Neem & Jamun for plantation. Further the Company has also used the Neem as bio pesticide for controlling infestation.

**15. Company's credit rating by ICRA**

Your Directors feel pleasure to inform the members that Company has been awarded the highest safety ranking ie A-1 by ICRA Ltd.

**16.. ISO 9002 Certification**

Your Director feel pleasure to inform the members that during the year under audit, Company has been bestowed with ISO 9002 certification land mark by Bureau Veritas, London.

**Appreciation**

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

FOR & ON BEHALF OF BOARD

Place : Amritsar  
Dated : 16.08.2002

**CHAMAN LAL SETIA**  
Chairman

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## Chaman Lal Setia Exports Ltd.

Particular as requires under Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 and forming part of the Director's Report for the year ended 31.03.2002

### A CONSERVATION OF ENERGY

A novel System has been created for cost effect utilisation of waste rice husk ash for saving in the Electricity bills of air conditioning and cooling systems being deployed in Concrete buildings to protect from the burning heat of tropical summers. A rough estimate of this expense in the form of electricity consumption alone can be made in crores while other saving in the shape of equipment cost ,recurring repairs etc are in additions. The systme also saves in the form of low electricity requirement which is national resource .

The technique also find use in cold regions as insulation material their by permanently cutting cost of heating system & can be effectively used in defence bunker,civil construction in inhospitable climate.

### B TECHNOLOGY ABSORPTION

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

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

- a) Improved efficiency of Paddy Husker;
- b) Improvement in Elevator Working;
- c) Use of neem as Bio-pesticide;
- d) Improvement in Parboiling for improvement in quality parameters;
- e) Use of Plastic Buckets in parboiling plant thus reducing cost.
- f) Development of Bhatti Sella for the first time in India.

#### 2. Future plan of action.

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

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

- i) wages, salaries, stores, spares & consumable used for R&D activities have been debited to Respective Heads.
- ii) Technology absorption, adoption and innovation.
- iii) The Company has completely indigenous technology & has not imported any technology from abroad.

### C EFFLUENT TREATMENT

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



## Chaman Lal Setia Exports Ltd.

### Management Discussion and Analyses

#### Industry structure & development: \_

The Company is one of the leading manufacture of Rice in India slowdown in the world economy during Year 2001-02 has thrown up additional challenge to the Rice Industry while the Industry was not very good going the devastating earthquake in Gujrat attack on U.S.A tension on the Border further subdued the demand situation in the market.

#### Outlook Global Rice Industry:-

The tough macro economic environment during the year 01-02 had its adverse impart on global rice Industry as well .In the wake of slowdown in the World economy ,Global over production international Prices continued to show declining trend throughout the year.

While the international price of rice remained sluggish throughout the year, Domestic realisation & demand witnessed a better trend as compared to previous year and demand for rice picked up in the later half of the year in domestic market. This trend in domestic market had its impact on international market of rice and it started to show a better prospective in the end of this year and this trend is continuing till the date of report which will have it impact on the profitability of the industry in the next year.

#### Opportunities & Threats:-

##### Opportunities: \_

The Company has developed yet another type of rice called Bhatti Sella Rice which is a unique quality of rice having both the taste and aroma of Rice Basmati intact but also easy to cook and can be preserved for a longer period of time as compared to the normal rice . This is a novel product of the Company and is selling like hot Cakes in the world wide market while the industry overall is passing through a difficult phase of Volatile market conditions your Company is kept in good stead due to technological aspirations inherent in the management team.

The Company has not diversified its business and its main thrust is rice only which is the only business of the company .The main concept adopted by the company is to do specialisation in rice business so as to reach at the top in the ultimate scenario.

The fixed cost can be brought down substantially with increased production as the Company has the total Infra structure at its both the units.

##### Threats:-

Under performance of world economy and global recession are the threats which can be depress the prices and the demand for rice .This risk can be mitigated largely due to the concept of Food Industry having less elasticity of demand as compared to the other products.

As the company is mainly dependent upon Agriculture which totally depends upon the quality of rains in India, the 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 materail from the another region.

#### Risks and Concerns

The unprecedented nature of Rice Industry and volatile prices are areas of cenercern for which the company 's focus to make cost of production internationally competitive and reduces interest cost by more & more utilising its own resources.

The protectionist measures initiated by other countries may close down the window for exports. However the company 's focus is largely on the domestic market.