



10th Annual Report 2003-2004

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
(Whole Time Director.)

Ankit Setia
(Whole Time 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

Works

- Meerankot Road, Amritsar.
- Kaithal Road, Karnal.
- Mukhmelpur Road,
Alipur, Delhi

Bankers

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

Registrar & Common Share Transfer Agent

M/s 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-5, Aman Avenue,
Amritsar

ANNUAL GENERAL MEETING

On 29th Sept. At 4:30 p.m at
Hotel Royal Castle ,
Amritsar.

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NOTICE TO THE MEMBERS

Notice is hereby given that the Tenth Annual General Meeting of CHAMAN LAL SETIA EXPORTS LTD. will be held on Wednesday, the 29th Sept 2004 at Hotel Royal Castle at 4:30P.M to transact the following business:

A) ORDINARY BUSINESS.

1. To receive and adopt the Directors' Report and audited Balance Sheet and the Profit & Loss Account as at and for the year ended 31.03.04 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.
(b) To appoint a director in place of Mr. Inder Dev Kukkar who retires by rotation but being eligible offers himself for re-appointment.
(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.

(B) SPECIAL BUSINESS

- 5 To consider and if thought fit to pass with or without modification the following resolution as an Special Resolution:

"Resolved that in accordance with the Provisions of Section 198, 269, 309 read with Schedule XIII of Companies (Amendment) Act, 1956 and all other applicable provisions, if any, of the Act and subject to such other approvals as may be necessary the company hereby approves the re-appointment of Mr. Chaman Lal Setia as Managing Director of the company for a period of five years wef 21.09.04 on the terms and conditions as provided under explanatory statement.

Sh. Rajeev Setia, Vijay Setia, Sukaran Setia and Ankit Setia all the directors be deemed to be interested in passing of the resolution, being relative of Sh. Chaman Lal Setia."

6. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"Resolved that Sh. Raghav Peshawaria who was appointed as additional director u/s 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing from a member proposing him as a candidate for the office of the director under the provisions of Section 257 of the Companies Act, 1956 be and is hereby appointed a director of the company, liable to retire by rotation."



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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 23.9.2004 to 29.9.2004 (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.

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

Place : Amritsar

Dated : 18-8-04

Rajeev Setia
Whole Time Director



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Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956: -

Item No.5

Sh. Chaman Lal Setia has an experience of 50 years in running the rice industry and as such the services of such a person cannot be given away merely because of he is now just above 70 years of age. The company is desirous of availing his services, an application will be moved to Central Government in the prescribed form along with the prescribed return for his re-appointment, on the following terms & conditions. Yours directors recommend his appointment on the following terms & conditions. Subject to Central Govt.approval;

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

Item No.6

In terms of Section 257 of the Companies Act, 1956, Notice has been received from a member signifying his intention to propose Sh. Raghav Peshawaria as a candidate for the office of Director. Sh. Raghav Peshawaria is a well-experienced businessman having 10 years experience in rice business, it is desirable that company should avail of his services as a member of the Board. Yours directors recommend his appointment.



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M/s CHAMAN LAL SETIA EXPORTS LTD.

DIRECTORS' REPORT

To The Members,

Yours Director have pleasure in presenting the 10th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2004.

1. RICE BUSINESS ----- Performance At A Glance

Particulars	Amount (in Lacs) Y.E. 31.03.2004	Amount (in Lacs) Y.E 31.03.2003
Export turnover	2797.19	2095.78
Domestic turnover	2614.43	2962.65
Profit before Intt. & Depreciation	371.79	309.99
Interest	114.74	37.17
Provision for Depreciation	78.81	62.68
Profit before Tax	178.25	210.14
Provision for Tax	55.84	59.95
Profit after Tax	122.41	150.19
Proposed Dividend including Tax	253.41	313.37
Transfer To General Reserve	12.24	15.02
Carried to Balance Sheet	242.11	413.65
Current Assets	5000.76	3541.06
Current Liabilities	3145.20	1467.49
Working Capital	1855.56	2073.57
Capital Employed	2323.39	2469.47
EPS	1.36	1.68
Book Value	25.86	27.66

Highlights of Performance :

During the year the export of Company increased excellently both in value terms & quantity terms inspite of adverse factors i.e. fall in the value of dollar & cut throat competition in export market. However there was a little fall in domestic sales. Fresh life was breathed in domestic sales with new & attractive packing, branding and standardisation exercise of rice, creating new markets etc.



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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 31.03.04

3. Personnel

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

4. Directors

Sh Rajeev Setia, Ankit Setia whole Time Directors 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.

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 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, 2004 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, improvement in the quality of yield and innovation of new products viz **Pesticide**



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Residue Free Rice, Smoked Rice etc. Therefore keeping in view the shareholders aspirations, yours directors, recommend a dividend of 25 % on pro-rata basis.

10. Director's Responsibility

Pursuant to section 217 (2AA) of the Companies Act 2000 the directors confirm that:

In the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

- 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, 2004 and of the profit of the Company for the said period.
- 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.
- 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

Recognising the importance of Corporate Governance, the company has been making efforts towards adoption of best practices. This has been explicitly recognised in the company's policies. The company has an audit committee comprising of Independent directors which provides direction and oversees the operation of total audit function of the company. Further the company has an investors' grievance committee.



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The company has implemented the requirements of code of corporate governance formulated by Securities & Exchange Board of India and incorporated as clause 49 in the Listing Agreement of the Stock Exchanges where the shares of the company are listed. A report on the Corporate Governance is attached.

13. Dematerialisation of Shares

The Company has entered into agreements with both National Securities Depository Ltd and Central Depository Services Ltd. whereby the Shareholders have an option to dematerialise their shares with either of the depositories. Now the company's shares are traded compulsorily in demat form under ISIN code INE419D01018.

14. Social Objectives

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

- Development of new technique whereby rice could be made **Pesticide Residue Free**.
- Development of "Heat proof" Roof Systems for Public Housing (project under process);
- 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.
- Project for tackling problem of wastewater logging and treatment of sanitary discharge in villages is under process.

15. Delisting of Shares

In terms of Clause 5 of The Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 company has made an application for voluntary delisting from the following Stock Exchanges namely:

Ludhiana, Chennai, Jaipur, Ahmedabad & Delhi.

The shares shall continue to be listed on The Stock Exchange, Mumbai (BSE) which has nationwide trading terminals and consequently delisting from the other Stock Exchanges referred above will not adversely affect the investors and no exit opportunity is being provided. The shares are traded in compulsory demat form. Trading on above stock exchanges is negligible and benefit to the shareholders are not commensurate with the cost incurred by the company.



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16. Pollution Free Environment: - Company's Slogan

During the Year Company has distributed free of cost plants of Neem & Jamun for plantation. As such company has prepared a nursery of 15000 plants of Neem, Jamun etc. Further the Company has also used the Neem as bio pesticide for controlling infestation.

Appreciation

The Board of directors thanks company's customers, public in general, 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.

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FOR & ON BEHALF OF BOARD

Place: Amritsar
Dated: 18-08-04

CHAMAN LAL SETIA
Chairman