



Maharani[®] Rice

Pure Fragrant Original Basmati Rice



18th Annual Report 2011-12



An ISO 9001 : 2008
Haccp
Certified Co.

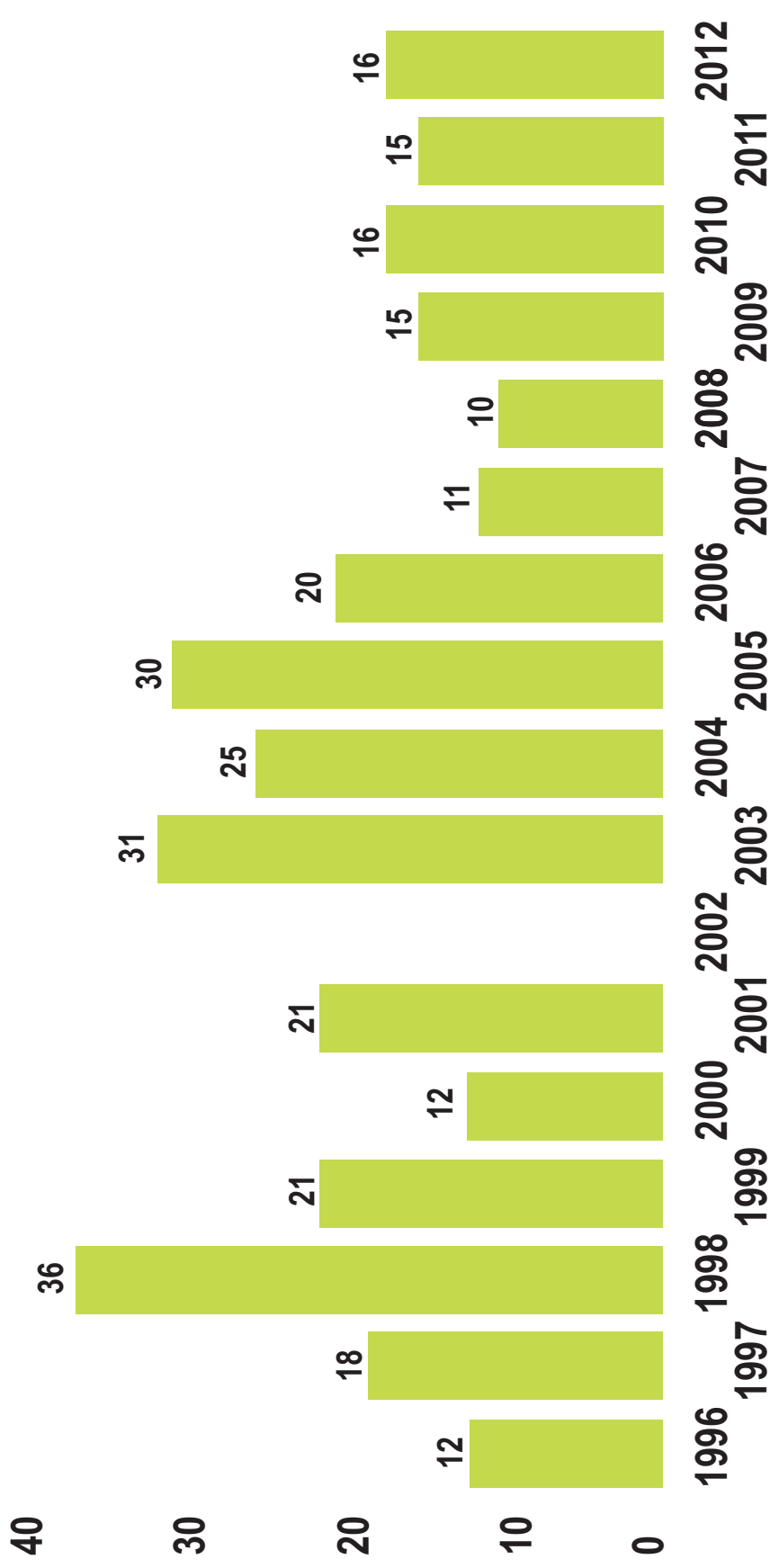
CHAMAN LAL SETIA EXPORTS LTD.
(A Govt. Recognized Star Export House)





Chaman Lal Setia Exports Ltd.

309% Dividend since inception



16% Dividend Proposed in 2011-12



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
408, Krishna Apra Business Square
Netaji Subhash Place, Pitampura
Delhi-110 034

Works

- Meerankot Road, Amritsar.
- Kaithal Road, Karnal.
- 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 29th Sept., 2012 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 18th Annual General Meeting of CHAMAN LAL SETIA EXPORTS LTD. will be held on Saturday the 29th Sept 2012, 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 and audited Balance Sheet and the Profit & Loss Account as at and for the year ended 31.03.12 and the Auditors' Report thereon.
- 2(a) To appoint a director in place of Mr. Vijay Setia who retires by rotation but being eligible, offers himself for re-appointment.
- 2(b) To appoint a director in place of Mr. Inder Dev Kukkar who retires by rotation but being eligible offers himself for re-appointment.
- 2(c) To appoint a director in place of Mr. Raghav Peshawaria 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 23.9.2012 to 29.9.2012 (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 copy of Annual Report.
7. Enquiries, if any, about the Annual Accounts, may please be intimated to the Company, at least seven days in advance of the date of Annual General meeting.

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

Place : Amritsar
Dated : 24-08-12

Rajeev Setia
Whole Time Director



DIRECTORS' REPORT

To The Members,

Yours Directors' have pleasure in presenting the 18th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2012.

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

Particulars	Amount (in Lacs) Y.E. 31.03.2012	Amount(in Lacs) Y.E 31.03.2011
Export turnover	13713.34	11710.93
Domestic turnover	7987.03	4978.49
Profit before Intt. & Depreciation	1856.58	1326.54
Interest	534.85	249.35
Provision for Depreciation	219.87	175.74
Profit before Tax	1101.85	901.72
Provision for Tax	331.40	299.42
Profit after Tax	770.45	602.30
Proposed Dividend	172.79	162.52
Transfer To General Reserve	77.00	60.23
Carried to Balance Sheet	1486.66	1043.05
Current Assets	9493.69	8583.37
Current Liabilities	5873.35	4994.07
Working Capital	3620.34	3589.30
Capital Employed	4964.55	4739.90
EPS	8.29	6.48
Book Value	43.21	37.57

Highlights of Performance:

During the year the Sales of Company increased both on Domestic as well as export Front . This was the result of the efforts put in by management by Travelling & 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 .

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 31.03.12

3. Personnel

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

4. Directors

The Director of the company liable to retire by rotation retire 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 form 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, 2012 your Company's working results have 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 , yours directors, recommend a dividend of 16 % i.e Rs.1.60 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, 2012 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. 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 90.00% .

14. Social Objectives

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

- a) 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 which is more cost effective and more users friendly cooling system at a very nominal cost.

15. Listing of Shares

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

16. 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.

17. Future Expansion

The Future expansion endeavour of the Company is always an on going 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 thanks 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 : 24-08-12

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 31.03.2012

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 company has applied for its Patent.

The utilization of energy will be just one third of the normal process and 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 1/3rd of Pesticides
- c) Development of Smoked Basmati Rice;
- d) Development of quick cooking Brown Rice;
- e) Use of Neem as Bio-pesticide;
- f) Improvement in Parboiling process for improvement in quality parameters;
- g) Use of Plastic buckets in parboiling plant thus reducing cost;
- h) Development of Bhatti Sella through automation for the first time in India;
- i) Development of Fragrant Rice.
- j) Reducing broken paddy with very high sun checks under process.
- k) Rice bran stabilization for human consumption under process.
- l) Making bio-compost from waste and rejected 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 ANALYSES

1. Economic Environment & Rice Industry:-

In 2011, India's Economic growth has slowed to below 7% and stock market mirrored the weakening Economic conditions but recovered somewhat in earlier 2012. Industrial sector output growth slipped into negative. Fixed investment and consumption growth also slowed down. Indian Exports were growing very strongly during 2011 despite the worsening economic conditions in Europe, which continued to be India's most important export market. The balance of payments continued to be in surplus during April-Sept 2011 but the RBI'S reserves declined by a small amount since then. The rupee nevertheless depreciated by 20% between Aug-Dec 2011. Inflation slowed markedly in Dec. 2011 & Jan. 2012, after sustained inflationary pressures over the last two years. Food price increases were pushing inflation initially, but the core inflation has been the main component of overall inflation since Sept 2010. While food prices fell in Dec & Jan core inflation remained elevated.

In Financial Year 11-12 & 12-13 GDP growth is expected to reach around 7-7.75%, a significant slowdown from the 9-10% growth level earlier achieved. In Financial Year 10-11, GDP growth had greatly benefited from rebound in Agriculture production. While Agriculture is now back to trend growth of around 2.5% against 7% in Financial Year 10-11. Food crop production is forecast to reach 250 million tons in Financial Year 11-12 as compared with 232 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, Mizoram, 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 exports are valued at US \$ 800 million per year. Over 80% of basmati rice grown in India is produced for export.

India's rice production in 2011-12 increased 7.1% to 102.75 million tons from 100 Million tons in 2010-11 mainly due to good monsoon against an expected demand of 128 Million Tons in 2011-12. However the long term sustainability of India's rice export will depend on its ability to break the very slow rate of growth in productivity of crop. The 2011-12 economic survey says during the decade ended 2011-12 growth in area under rice was .04% where as growth in production & yield was 1.72% and 1.68% respectively.

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.



MANAGEMENT DISCUSSION AND ANALYSES

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 Successful Commencement of production on fully automated State of Art Sella Plant at Karnal Unit. The Plant has just started to produce the quality rice and the remaining life of the Plant is around ten years as such the trend of higher sales and profitability has just started and will continue for years to come.
- 3 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 future strength and business stimulators of the company.
- 4 The Company has explored new International markets and it is continued pursuit of Management to find new markets world around and also winning the confidence of the existing customers.
- 5 The company is also concentrating on new domestic centers through brand promotion, advertising and offering lucrative packaging of quality product at competitive prices.
- 6 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.
- 7 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 for which he is being paid 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, 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 material from the another region.

Risks and Concerns

The unprecedented nature of Rice Industry and volatile prices are areas of concern for which the company's focus to make cost of production internationally competitive and reduces 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 the 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 transactions 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 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 observations 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 in spite of the adverse factors i.e. volatility in the value of dollar & 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. The Sales of the Company touched Rs.21700.37 lacs in 2011-12 from Rs 16825.63 lacs in 2010-11. The Profit of the company reached at the level of Rs.1101.85 lacs in 2011-12 from Rs 901.71 lacs in 2010.11. The EPS of the company is Rs 8.29 for the year 2011-12.

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 spent Rs 8.36 lacs on the training of its employees and Rs 53.89 lacs on staff welfare & other provisions for the benefit of employees.

Employee relation continued to be satisfactory. The number of persons directly and indirectly employed by company was about 240 as on 31st March 2012.

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 confirmed 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: -

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

2.1 Composition of the Board of Directors as on 31.03.12

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	Shareholders Committee

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 2011-12: -

Date of Meeting	No. of Directors on Board	No. of Directors who Attended
30.04.2011	10	8
10.05.2011	10	7
31.05.2011	10	8
30.07.2011	10	7
10.08.2011	10	8
24.08..2011	10	8
30.08.2011	10	8
31.08.2011	10	8
22.09.2011	10	8
30.09.2011	10	9
29.10.2011	10	7
31.12.2011	10	8
30.01.2012	10	7
31.01.2012	10	8
20.02.2012	10	7



2.3 Details of meetings attended by directors during 2011-12

Name of Director	No. of Meetings Held	No. of Meetings attended	Attendance in Last AGM
Chaman Lal	15	15	Yes
Vijay Setia	15	13	No
Rajeev Setia	15	13	Yes
Inder Dev Kukkar	15	11	Yes
Sukarn Setia	15	10	No
Ankit Setia	15	11	No
Naresh Suneja	15	10	Yes
Amit Malhotra	15	12	Yes
Parmod Kumar	15	10	Yes
RaghavPeshawari	15	11	No

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.
- 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 2011-12: -

Name	No. of Meetings held	No. of Meetings attended
Sh. Inder Dev Kukkar	4	4
Sh. Naresh Suneja	4	3
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-dressing 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 2011-12:-

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 39 complaints/queries from the investors during the year. All of these have been redressed except one . No share transfer request received upto 31.03.12 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	611900
		Interest	2794278
Sh Vijay Setia	Executive Director	Remuneration	585397
		Interest	6296356
Smt Neelam Setia	Director 's wife	Rent	432000
Smt Sushma Setia	Director 's wife	Rent	432000
Sh. Rajeev Setia	Executive Director	Remuneration	702790
		Interest	3658120
Sh. Sukarn Setia	Executive Director	Remuneration	549200
Sh. Ankit Setia	Executive Director	Remuneration	619200
Setia Rice Mills	Sister Concern	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	2010-11	2011-12
Face Value (Rs.)	10	10
Earning Per Share (Rs.)	6.48	8.29
Dividend (%)	15%	16%
Book Value (Rs.)	37.57	43.21

6. Listing on Stock Exchange: -

The shares of the company are listed on the Mumbai Stock Exchanges

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, 111rd 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 26,2011	Hotel Mohan International,Albert Road , Amritsar
Sep 29,2010	Hotel P.R Residency,101,Distt.Shoping Centre, Ranjit Avenue, Amritsar
Sep 29,2009	Hotel P.R Residency,101,Distt.Shoping Centre, Ranjit Avenue, Amritsar.

The Company will hold the next Annual General Meeting on Sep 29, 2012 at 4.30 p.m. at Hotel P.R Residency, Ranjit Avenue Amritsar.

Special Resolution paased in the last three Annual General Meetings.

Meeting Date	Details of Special Resolution
Sep 26, 2011	Nil
Sep 29, 2010	Nil
Sep.29, 2009	Appointment of Chaman Lal Setia as Mg. Director for next five Years

9. Share Transfer System:-

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

10. Shareholding & Distribution Pattern (as on 31.03.12):-

Category	No. of Shares Held
Promoters/their Relatives/ Domestic Companies	7085801
Indian Public/Resident Individuals	422203
NRI/OCB/others	1981812
	8484

11. Distribution Schedule

Shareholding of Nominal Value	No of Shares holders	%	Number of shares	%
1- 5000	3027	84.74	606072	6.38
5001-10000	274	7.67	220630	2.32
10001-20000	114	3.19	171146	1.80
20001-30000	41	1.15	105138	1.11
30001-40000	29	0.81	106301	1.12
40001-50000	16	0.45	75929	0.80
50001-100000	31	0.87	215916	2.27
100001 Above	40	1.12	7997168	84.20

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 2011-12 on Mumbai Stock Exchange

Month	Highest price	Lowest price	Volume
April 2010	37.25	27.00	201912
April-2011	36.25	32.60	36141
May-2011	34.65	30.00	45672
June-2011	35.00	30.10	39114
July-2011	34.65	31.15	73244
August-2011	32.50	26.70	36301
September-2011	33.00	26.40	52806
October-2011	29.95	26.60	12099
November-2011	31.90	23.60	19336
December-2011	26.90	20.80	18112
January-2012	26.50	22.75	36043
Febuary-2012	31.90	25.50	78028
March-2012	30.50	26.30	41089

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

Name	Share hold as on 31/3/12	Dividend paid
Sh Chaman Lal Setia	2109000	3163500
Sh Vijay Setia	2268800	3403200
Sh Rajiv Setia	2378300	3567450
Sh Sukarn Setia	56800	85200
Sh Ankit Setia	50000	75000

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 Aggrement, the Company has maintained a functional website at 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.



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 Director 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 Vijay Setia, Inder Dev Kukkar & Raghav Peshawaria shall retire at the Annual General Meeting and being eligible offers themselves for re-election. The resume of three directors are as follows:-

Name	Sh Vijay Setia
Date of Birth	16.11.53
Qualification	Graduate
Specialised Expertise	Rich Experience of Rice business of at least 33 year In Quality Control & Production
No of Share held	2268800
Directorship in other Company	Nil
Name	Sh Inder Dev Kukkar
Date of Birth	20.01.53
Qualification	Graduate
Specialised Expertise	Business expertise of Agriculture based of at least 28 Years
No of Share held	Nil
Directorship in other Company	Nil
Name	Sh Raghav Peshawaria
Date of Birth	22.12.76
Qualification	Graduate
Specialised Expertise	Rich experience of Business of at least 13 years.
No of Share held	Nil
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 applicable to them for the year 31.03.2012 is annexed to the Corporate Governance Report.

22. General Shareholders Information;

A.	Annual General Meeting		
	Date & Time	26.09.2012 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	23.09.2012 to 29.09.2012 (Both Days Inclusive)	
C.	Dividend for the Year 11-12 (Recommendation)		
	Type	Board Meeting	Rate
	Final Dividend	24.08.2012	1.60 per share(16%)
	Subject to 100% adjustments against amount due from 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.
Meerankot 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 31st March, 2012 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 or contain statements 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 transactions 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 we 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 :- 24.08.12

(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 31st March, 12, 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: - 24-08-2012

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 31st March 2012

- (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 Compliance 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 31st March 2011 , 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: - 24-08-2012

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 ;
- (d) 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, 2012 from being appointed as director in terms of section 274(1) (g) of the Companies Act 1956 and;
- (e) In our opinion and to the best of our information and according to the explanation given to us, the said balance sheet and profit and loss account read with Schedule '1' to '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 31.3.12 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: 24-08-12



BALANCE SHEET AS ON MARCH 31, 2012

(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
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1-3	94135628	94058266
(b) Reserves and surplus	4	307402984	255110016
2 Non-current liabilities			
(a) Long-term borrowings	5	94918715	126704576
(b) Deferred tax liabilities (Net)		11012337	10342337
3 Current liabilities			
(a) Short-term borrowings	6	399596561	334072495
(b) Trade payables	7	66161299	40174861
(c) Other current liabilities	8	10813247	34234354
(d) Short-term provisions	9	111560017	93440986
		<u>1095600788</u>	<u>988137891</u>
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	10	133790811	129108709
(ii) Intangible assets			
(iii) Capital work-in-progress	10	8523996	0
(iv) Intangible assets under development			
(b) Non-current investments	11	692040	692040
(c) Deferred tax assets (net)			
(d) Long-term loans and advances	12	2,014,050	1,942,385
(e) Other non-current assets	13	412366	412366
2 Current assets			
(a) Current investments			
(b) Inventories	14	495561142	406128293
(c) Trade receivables	15	230510218	222960673
(d) Cash and cash equivalents	16	134,393,101	158,964,403
(e) Short-term loans and advances	17	2927175	2992507
(f) Other current assets	18	86775889	64936515
TOTAL		<u>1095600788</u>	<u>988137891</u>
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	27		

Signed in terms of our report of even date

FOR RAJESH KAPOOR & CO.
CHARTERED ACCOUNTANTS

CHAMAN LAL SETIA

CHAIRMAN CUM MANAGING
DIRECTOR

RAJESH KAPOOR
PROP.
M. No. 92692

RAJEEV SETIA

EXECUTIVE DIRECTOR

PLACE : AMRITSAR
DATE : 24.08.2012



PROFIT & LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

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	2,175,414,600	1680057898
II. Other income	20	12,132,172	2,505,305
III. Total Revenue (I + II)		2,187,546,772	1,682,563,203
IV. Expenses:			
Cost of materials consumed	21	1,021,068,164	580,332,883
Purchases of Stock-in-Trade		659805991	741149891
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	9983980	20,368,759
Employee benefits expense	23	24090464	20,068,392
Finance costs	24	53,485,709	24,935,214
Depreciation and amortization expense	25	21,987,337	17,574,717
Other expenses	26	306907758	228,698,870
Total expenses		2,077,361,443	1,592,391,208
V. Profit before exceptional and extraordinary items and tax (III-IV)		110,185,329	90,171,995
VI. Exceptional items		0	0
VII. Profit before extraordinary items and tax (V - VI)		110,185,329	90,171,995
VIII. Extraordinary Items		0	0
IX. Profit before tax (VII- VIII)		110,185,329	90,171,995
X Tax expense:			
(1) Current tax		32470000	30522000
(2) Deferred tax		670000	-580000
XI Profit (Loss) for the period from continuing operations (VII-VIII)		77,045,329	60,229,995
XII Profit/(loss) from discontinuing operations		0	0
XIII Tax expense of discontinuing operations		0	0
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	
XV Profit (Loss) for the period (XI + XIV)		77,045,329	60,229,995
XVI Earnings per equity share:			
(1) Basic		8.29	6.48
(2) Diluted		8.29	6.48
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	27		

Signed in terms of our report of even date

FOR RAJESH KAPOOR & CO.
CHARTERED ACCOUNTANTS

CHAMAN LAL SETIA

CHAIRMAN CUM MANAGING
DIRECTOR

RAJESH KAPOOR
PROP.
M. No. 92692

RAJEEV SETIA

EXECUTIVE DIRECTOR

PLACE : AMRITSAR
DATE : 24.08.2012



CASH FLOW STATEMENT FOR YEAR ENDING 31.03.2012

(Amount in Rs.)

	AMOUNT 31.03.11	AMOUNT 31.03.12
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	90171995	110185329
ADJUSTMENT FOR:-		
DEPRECIATION/AMORTISATION	17574717	21987337
INTEREST/DIVIDEND RECEIVED	2505305	12132172
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	105241407	120040494
ADJUSTMENT FOR:-		
TRADE AND OTHER RECEIVABLES	-9388904	-29395252
INVENTORIES	-32633647	-88636051
TRADE PAYABLES	39232886	19889762
CASH GENERATED FORM OPERATION	102451742	21898953
DIVIDEND /ADJUSTED	16253087	17279030
DIRECT TAXES PAID	42781147	40845419
CASH FLOW BEFORE EXTRAORDINARY ITEMS	43417508	-36225496
EXTRAORDINARY ITEMS	0	0
NET CASH FROM OPERATING ACTIVITIES:-	43417508	-36225496
B. CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	34465906	35561562
SALE OF FIXED ASSETS	153505	369783
ISSUE EXPENSES	0	0
PURCHASE OF INVESTMENTS (Net)	0	0
SALE OF INVESTMENTS	0	0
INTEREST RECEIVED	2505305	12132172
DIVIDEND PAID	0	0
NET CASH USED IN INVESTING ACTIVITIES	31807096	23059607
C. CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM SHARE CAPITAL	403472	309450
PROCEEDS FROM BORROWINGS	70750978	3373820
REPAYMENT OF FINANCE LEASE LIABILITIES	0	0
NET CASH FROM FINANCING ACTIVITIES	71154450	34047655
NET INCREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS AS AT 01.04.2011 (OPENING BALANCE)	76611907	158964403
CASH AND CASH EQUIVALENTS AS AT 31.03.2012 (CLOSING BALANCE)	159376769	134393101

Place :-Amritsar
Date:- 24.08.2012

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, 2012 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:- 24.08.2012
Place:- Amritsar.

Rajesh Kapoor
Prop.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31 March 2012		As at 31 March 2011	
	Number	Amount	Number	Amount
NOTE - 1				
Share Capital				
Authorized, Issued & Paid up capital				
Authorised				
Equity Shares of Rs. 10/- each	12,000,000	120,000,000	12,000,000	120,000,000
Issued				
Equity Shares of Rs. 10/- each	9,085,700	90,857,000	9,085,700	90,857,000
Subscribed & Paid up				
Equity Shares of Rs. 10/- each fully paid	9085700	90857000	9085700	90857000
Subscribed but not fully Paid up				
Equity Shares of Rs. 10/- each, not fully paid up	412600	3278628	412600	3201266
Total	9498300	94135628	9498300	94058266

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 /forfeited.
8. The shares of Directors/officers are fully paid up.

NOTE - 2 Reconciliation of Share Capital

Particulars	Equity Shares		Preference Shares	
	Number	'	Number	'
Shares outstanding at the beginning of the year	9498300	94058266	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	9,498,300	94,135,628	-	-

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

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	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 2012	As at 31 March 2011
NOTE - 4		
Reserves & Surplus		
a. Securities Premium Account		
Opening Balance	100,974,796	100,672,196
Add : Securities premium credited on Share issue	232,088	302,600
Less : Premium Utilised for various reasons	-	-
Premium on Redemption of Debentures For Issuing Bonus Shares		
Closing Balance	101,206,884	100,974,796
b. General Reserves		
Opening Balance	49,829,780	43,806,780
(+) Current Year Transfer	7,700,000	6,023,000
(-) Written Back in Current Year		
Closing Balance	57,529,780	49,829,780
c. Surplus		
Opening balance	104,305,440	79,190,677
(+) Net Profit/(Net Loss) For the current year	77,045,329	60,229,995
(-) Prior Period Tax/Dividend Adjustments	7,705,419	12,839,305
(-) Transfer to General Reserves	7,700,000	6,023,000
(-) Proposed Dividends	17,279,030	16,252,927
Closing Balance	148,666,320	104,305,440
Total	307,402,984	255,110,016
	As at 31 March 2012	As at 31 March 2011

NOTE - 5

Long Term Borrowings

Secured

(a) Term loans Non Current Portion

from banks	-	1,882,135
(Secured By Hypothecation of Machinery)	-	1,882,135

The Term Loan is repayable in Quarterly instalment along with Interest from the date of Loan

The Term Loan is secured against mortgage of respective Plant & Machinery installed at Karnal



Unsecured		
(a) Directors' Deposits	94,918,715.00	124,822,441
From three Executive Non Independent Directors		
Total	<u>94,918,715</u>	<u>126,704,576</u>

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.

As at 31 March 2012 As at 31 March 2011

NOTE - 6

Short Term Borrowings

Secured

(a) Loans repayable on demand
from banks

Punjab National Bank	399,596,561	334,072,495
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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.

Total	399,596,561	334,072,495
-------	-------------	-------------

NOTE - 7

Trade Payables

Micro, Small and Medium Enterprise	0	859635
Others	66161299	39315226
Total	66161299	40,174,861

NOTE - 8

Other Current Liabilities

(a) Current maturities of long-term debt	1,708,879	12,857,139
(b) TDS Payables	5871809	4,270,838
(c) CST/Vat Payable	26,501	335,257
(d) Interest accrued and due on borrowings	-	-
(e) Income received in advance	521,345	-
(f) Unpaid dividends	2,684,713	16,771,120
(g) Other payables (specify nature)		
Total	10813247	34,234,354

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 2012 As at 31 March 2011

NOTE - 9

Short Term Provisions

(a) Provision for employee benefits

Salary & Reimbursements	89,531	335,163
Contribution to PF	104,588	158,856
Current Income Tax	91,492,000	73,022,000
Proposed final dividend on Equity Share	14,867,200	13,991,835
Tax on dividend	2,411,830	2,261,092

(b) Others (Specify nature)

2,594,868 3,672,040

Total 111,560,017 93,440,986

NOTE - 10

Fixed Assets

FIXED ASSETS PARTICULAR	GROSS BLOCK			BALANCE AS AT 31.03.12	BALANCE AS AT 01.04.11	DEPRECIATION		BALANCE AS AT 31.03.12	NET BLOCK	
	BALANCE AS AT 01.04.11	ADDITIONS	DISPOSAL			DEPRECIATION CHARGES FOR THE YEAR	ON DISPOSAL		BALANCE AS AT 31.03.12	BALANCE AS AT 31.03.12
a Tangible Assets										
Land	15020913	0	0	15020913	304424	16405	0	320829	14700084	14716489
Buildings	29381593	4253431	0	33635024	17230689	1413308	0	18643997	14991027	12150904
Plant and Equipment	174629004	8859302	73452	183414854	83509102	15058050	23584	98543568	84871286	91119902
Furniture and Fixtures	1343813	65988	0	1409801	745122	112729	0	857851	551950	598691
Vehicles	20566583	9107864	2485450	27188997	13068182	2994210	2186758	13875635	13313362	7498401
Office equipment	9509681	547105	618208	9438578	6572795	632201	596985	6608011	2830567	2936886
Others (specify nature)	7662698	4203876	3357628	8508946	7575216	1749557	3357628	5967145	2541801	87482
Total	258114285	27028300	6534738	278607847	129005530	21976460	6164955	144817036	133790811	129108755
b Intangible Assets	0	0	0	0	0	0	0	0	0	0
Total	-	-	-	-	-	-	-	-	-	-
c Capital Work In Progress	0	8523996	0	8523996	0	0	0	0	8523996	0
Total	0	8523996	0	8523996	0	0	0	0	8523996	0
d Intangible assets under Development	0	0	0	0	0	0	0	0	0	0
TOTAL	258114285	35552296	6534738	287131843	129005530	21976460	6164955	144817036	142314807	129108755



As at 31 March 2012 As at 31 March 2011

NOTE - 11

Non Current Investments

(a) Trade investments (at cost)

PNB Gilts Ltd.	600,000	600,000
PNB Equity Shares (Fully Paid quoted)	92,040	92,040
Total	692,040	692,040

NOTE - 12

Long Term Loans and Advances

b. Security Deposits

Secured, considered good	0	0
Unsecured, considered good	2,014,050	1,942,385
Doubtful	0	0
Total	2,014,050	1,942,385

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
Total	412,366	412,366

NOTE - 14

Inventories

a. Raw Materials and components	284974656	208268263
b. Finished goods	210586486	197860030
Total	495561142	406,128,293

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



As at 31 March 2012 As at 31 March 2011

NOTE - 15

Trade Receivables

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

Secured, considered good

Unsecured, considered good 218443785 213444864

Unsecured, considered doubtful 0 0

218,443,785 213,444,864

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

Secured, considered good

Unsecured, considered good 12066433 9515809

12,066,433 9,515,809

Total 230,510,218 222,960,673

Nothing is Receivables from Directors ,Other Officers of the Comapny 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* 25969944 42,938,125

This includes:

Earmarked Balances (eg/- unpaid dividend accounts) 2,457,676 16,372,570

b. Cheques, drafts on hand 2919275 435,715

c. Cash on hand* 3895343 2,505,014

d. Deposits with less than 12 Months Maturity 101608539 113,085,549

Total 134,393,101 158,964,403

NOTE - 17

Short-term loans and advances

a. Others (Staff Members)

Secured, considered good

Unsecured, considered good to staff 2,927,175 2,992,507

Doubtful 0 0

Total 2,927,175 2,992,507

No loans and advances to related parties as on balance Sheet date



	As at 31 March 2012	As at 31 March 2011
NOTE - 18		
Other current assets		Prepaid and unexpired
Other current assets (specify nature)		
Expenses		
Prepaid and unexpired	4355463	3211527
Advance Tax/TDS	80378343	60678671
Vat/Service Tax	2042083	1046317
Total	86775889	64936515
NOTE - 19		
Revenue from Operation		
Sale of products	2170037531	1668942511
Sale of services	0	0
Other operating revenues	5377069	11115387
Total	2,175,414,600	1,680,057,898
NOTE - 20		
Other income		
Interest Income (in case of a company other than a finance company)	12132172	2505305
Total	12,132,172	2,505,305
NOTE - 21		
Cost of material consumed		
Cost of Raw material consumed	0	
Indigenous	1021068164	580332883
Imported	0	0
Total	1,021,068,164	580,332,883
NOTE - 21A		
Material consumed		
Paddy	1021068164	580332883
Other	0	0
Total	1,021,068,164	580,332,883



	As at 31 March 2012	As at 31 March 2011
NOTE - 22		
Changes in Inventories of Finished Goods		
Inventories (at close)		
Finished Goods/Stock in trade	186926953	176942973
Inventories(at commencement)		
Finished Goods/Stock in trade	176942973	156574214
Total	9983980	20,368,759
NOTE - 23		
Employee Benefit Expenses		
Employee benefits consist of:		0
Salaries and Wages	22105348	15389535
Contribution to:	0	
Gratuity fund/Provident Fund	694107	2425423
Staff welfare expenses	1291009	2253434
Total	24090464	20,068,392
NOTE - 24		
Finance Costs		
Interest expense	44046431	21981418
Other borrowing costs	3977793	2953796
Applicable net gain/loss on foreign currency transactions and translation	5461485	0
Total	53,485,709	24,935,214
NOTE - 25		
Depreciation & Amortization Expenses		
Depreciation of Tangible Assets	21987337	17574717
Amortization of Intangible Assets		0
Total	21,987,337	17,574,717



As at 31 March 2012 As at 31 March 2011

Other Expenses

NOTE - 26(1)

Establishment Expenses

Rent, Rate & Taxes	1960510	931436
Postage, Telegram & Courier Charges	2107888	1926847
Printing & Stationery	491369	590482
Insurance Charges	2005577	2797550
Vehicle Running & Maintenance	1481533	1156405
Membership Fees & Subscription	196800	206762
Professional & Consultancy	1941290	2122207
Payment to Auditor	295690	281968
Prior Period Expenses	0	0
Travelling, Lodging, Boarding	6576948	3862023
Donation	69992	172888
Loss on sale of fixed Asset	44635	0
Miscellaneous Expenses	1133194	1458438
Total	18305426	15,507,006

NOTE - 26(2)

Payment To Auditor

Payment to Auditor includes:

Statutory Audit Fees	50000	50000
Tax audit fees	50000	50000
Certification/Other fees	195690	181968
Total	295690	281,968

NOTE - 26(3)

Selling & Distribution Exp.

Export Commission	13886543	17131938
E.C.G.C Expenses	3425708	2137579
Advertisement	3751227	3190677
Direct Export Expenses	107855807	81796813
Brokerage	4136889	3189641
Bill Discount/Rebate	2272872	2905997
Misc.Expenses	540508	309954
BAD Debts	232616	350301
Fare Expenses	37106	504
Total	136,139,276	111,013,404



	As at 31 March 2012	As at 31 March 2011
Note - 26(4)		
Manufacturing Expenses		
Power & Fuel	23894073	14908694
Machinery Repair & Maintenance	7536541	4756414
Sheller Lease/Godown Lease	2709378	3037816
Bardana Repair	1318108	1183156
Packing Expenses	6852295	3881805
Stacking, Weighing Loading etc	19400184	13960179
Packing Material/Empty Cost	86551045	57946249
Fumigation	1962969	1090597
Other Repair	1720622	1413550
Wages	517841	0
Total	152,463,056	102,178,460
Grand Total Of Other Expenses	306907758	228,698,870



Significant Accounting Policies & Notes forming part of the Balance Sheet and statement of Profit & Loss for the year ended 31.03.2012.

Company Overview

A) Your company has been running successfully into 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, overdue interest from customers etc have been considered 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.

7 Government Grants

Grants in the nature of capital contribution towards setting up of projects in backward area 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 factor. This premium is charged to Profit & loss a/c in the year of payment.

10 Investments

Long Term Investment are 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 fare 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 arte 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 year end 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 Research 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

	31.03.2012	31.03.2011
Profit before Tax	110185329	90171995
Add: Depreciation	21987337	17574717
Less: Depreciation as per Sec 350	21987337	17574717
Net Profit u/s 350 of Companies Act 1956	110185329	90171995
Add: Directors Remuneration	3068487	3297138
Profit as per Section 198	107116842	93469133
Managerial Remuneration allowable @ 11%	11782852	10281605
Managerial Remuneration paid	3068487	3297138

- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- The Managerial Remuneration has been paid within the limits of Section 198 of Companies Act 1956.
Managing Director Rs 611900/-Whole Time Directors Rs.2456587/-
- Contingent liabilities as at 31.3.2012
The Company has filed an appeal with Commissioner Excise and Taxation, Punjab against the Order of Excise & Taxation Officer for levying Infrastructure Tax on the Sales of Rice within Punjab amounting to Rs.34.10 Lacs .
- 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.
- 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.
- 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.



(I) Remuneration paid to chairman & Managing Director and executive director is Rs 611900/- and Rs2456587 /- respectively.

(ii) Interest on unsecured loans paid to directors during the year@ 12% p.a is Rs12748754/-

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.8.29

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

In accordance with the accounting standard AS-22 the deferred tax has been accounted for during the year ended 31.03.11. 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 670000/- which has been set off against the above said amount and current outstanding as at 31.03.2012 is Rs 11012337.

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:-

	31.03.12	31.03.11
Licensed Capacity (per hour)	14 MT	14 MT
Installed Capacity (per hour)	14 MT	14 MT
Actual Production (In Qtls)	335614	174785

(B) Quantitative Stocks (In Qtls)

Opening Stock as at		Closing Stock as at	
<u>01.04.10</u>	<u>01.04.11</u>	<u>31.03.11</u>	<u>31.03.12</u>
115476	89288	89288	105521



The status of dividend remaining unclaimed is given here under:

YEAR	(Rupees in Lacs)
2004-2005	6.20
2005-2006	1.62
2006-2007	1.28
2007-2008	1.51
2008-2009	1.76
2009-2010	2.16
2010-2011	2.49

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.

13 Compliance with Accounting Standard

- (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:

	2011-12	2010-11
Employer's Contribution to Provident Fund	456102	406620
Employer's Contribution to Pension Scheme	494528	484226
Employer's Contribution to ESI	77594	71075

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 |



C) Expenditure in Foreign Exchange

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Value of Import of Capital Goods	0	0
Export Commission	13886543	17131938
Travelling Expenses	5274884	2729884

E) Value of Exports

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Value of Goods Exported	1309849379	1129453520

(A) Raw Material Consumed:
(In Qtls)

31.03.12		31.03.11	
Quantity	Value	Quantity	Value
526463	1021068164	273127	580332883

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	31.03.12		

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

Public Issue	3.09	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

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

Total Liabilities	10948.06	Total Assets	10948.06
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Source of Funds

Paid up capital	941.35	Reserve & Surplus	3074.02
Secured Loans	3995.96	Unsecured Loans	949.18

Application of Funds

Net Fixed Assets	1423.13	Investments	6.92
Net Current Assets	7616.30	Misc Expenditure	0.00
Accumulated Losses	Nil		

Performance of the Company (Amount in Rs. lacs)

Turnover	21754.14	Total Expenditure	20652.29
Profit before Tax	1101.85	Profit after Tax	770.45
Earnings per shares	Rs. 8.29	Dividend rate %	16%

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: 24.08.12



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 18th ANNUAL GENERAL MEETING of the Company at Hotel P.R Residency, Ranjit Avenue Amritsar on Saturday 29th Sept. 2012 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.

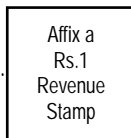
PROXY FORM

I/We.....

Ofin 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 theday of
.....2012 and at any adjournment thereof.

Signed this.....day of2012.



This form is to be usedthe 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