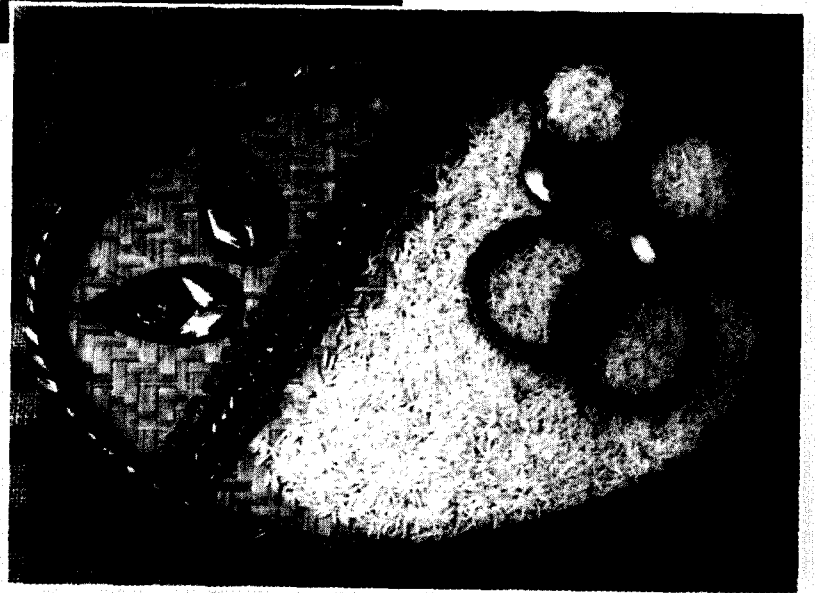




MAHARANI



8th Annual Report 2001-2002

CHAMAN LAL SETIA EXPORTS LTD.

Chaman Lal Setia Exports Ltd.



Board of Directors

Chaman Lal Setia

(Chairman Cum Mg. Director.)

Rajeev Setia

(Whole Time Director.)

Vijay Setia.

(Whole Time Director.)

Inder Dev Kukkar

(Director.)

Sukarn Setia

(Director.)

Naresh Suneja

(Director)

Amit Malhotra

(Director)

Registered Office

Meeran Kot Road,
P.O. Central Jail,
Ajnala Road, Amritsar.

Works

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

Bankers

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

Registrar & Share Transfer Agent

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

Auditors

M/s. Rajesh Kapoor & Co.
Chartered Accountants
Hm 3A Aman Avenue,
Amritsar

ANNUAL GENERAL MEETING

On 28th Sept. At 4:30 p.m at
Hotel Royal Castle ,
Amritsar.

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CHAMAN LAL SETIA EXPORTS LTD.

NOTICE TO THE MEMBERS

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

ORDINARY BUSINESS

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

NOTES

- A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not to be a member.
- The instrument of proxy must be deposited at the Company's Registered Office not less than 48 hours before the time for holding the aforesaid meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from 26.9.2002 to 30.9.2002 (both days inclusive.)
- Cases of Transfer of Shares may be referred to the Registrar, Whose address has been given at Page No. 1
- Shareholders are requested to intimate to the Company, changes, if any, in their registered address including PIN CODE number.

Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.
- Enquiries, if any, about the Annual Accounts, may please be intimated to the Company, at least Seven days in advance of the date of Annual General meeting.

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

Place : Amritsar
Dated : 16.08.2002

Rajeev Setia
Whole Time Director



M/s CHAMAN LAL SETIA EXPORTS LTD.

DIRECTORS' REPORT

To The Members,

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

RICE BUSINESS ——— Performance At A Glance

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

Highlights of Preformance:

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

2. **Deposits**

The Company has not accepted any deposits falling within the purview of Sec 58A of the Companies Act,1956 and no deposits were overdue as on 31.03.02.

3. **Personnel**

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

4. **Directors**

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

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

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

6. **Particulars of employees**

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

7. Auditors' Report

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

8. Auditors

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

9. Dividend

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

10. Director's Responsibility

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

- (i) In the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (ii) Appropriate accounting policies have been selected and applied Consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company as at March 31, 2002 and of the profit of the Company for the said period.
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The annual accounts have been prepared on a going concern basis.

11. Corporate Governance

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

12. Dematerialisation of Shares

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

13. Social Objectives

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

- A) Use of Neem as Bio-pesticide for controlling infestation;
- b) Development of "Heat proof" Roof Systems for Public Housing (project under process);
- c) Development of low cost water filters for poor segment of the society. The Company has named the new invention after the name of its Brand as Begum Water Filter.
- d) Project for tackling problem of wastewater logging and treatment of sanitary discharge in villages is under process.



14. Pollution Free Environment :- Company's Slogan

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

15. Company's credit rating by ICRA

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

16.. ISO 9002 Certification

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

Appreciation

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

FOR & ON BEHALF OF BOARD

Place : Amritsar
Dated : 16.08.2002

CHAMAN LAL SETIA
Chairman



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

A CONSERVATION OF ENERGY

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

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

B TECHNOLOGY ABSORPTION

i) Research And Development(R&D)

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

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

2. Future plan of action.

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

3. Expenditure on R & D.

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

C EFFLUENT TREATMENT

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



Management Discussion and Analyses

Industry structure & development: _

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

Outlook Global Rice Industry:-

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

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

Opportunities & Threats:-

Opportunities: _

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

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

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

Threats:-

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

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

Risks and Concerns

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

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



INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has a proper and adequate system of Internal controls to provide reachable assurance that all assets are safeguarded and protected against loss from unauthorized use or disposition, and that transaction are authorized, recorded and reported correctly. The internal control system provides for well documented policies, guidelines authorization and approval procedures. Management information system (MIS) is the backbone of your company's control mechanism. Well conceived annual planning and effective budgetary control ensures adequate control on all the expenditures of the company.

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

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

FINANCIAL PERFORMANCE:

Despite difficult market scenario, tight money market and other factors viz, tension on Border, militants attack on USA, Gujarat earthquake, Company maintained its record of profitability and earned Rs 418.96 lacs as operating profit and recorded Earning per share at Rs. 2.11 which is quite reasonable.

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 calibre employees providing them relevant training for enhancement of their competence and facilitating their assessment process through an effective performance Management System (PMS). Company aims to remain lean and dynamic in a continuing de-layered structure.

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 and 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.

Employee relation continued to be satisfactory. The number of persons directly employed by the company was 150 as on 31st March 2002.

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.



AUDITORS' REPORT

1. We have audited the attached Balance Sheet of Chaman Lal Setia Exports Ltd. And also the Profit and loss account of the Company for the year ended on that date annexed there to. 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 Standard 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 manufacturing and other Companies (Auditors Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) Of the Companies Act, 1956, we enclose in the annexure in paragraph 4 and 5 of the order.

- (a) The balance sheet & Profit & Loss Accountant has been drawn up in accordance with the provisions of 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 and profit and loss account dealt with by this report are in agreement with the books of accounts.
- (e) In our opinion, the Profit & Loss Account and Balance Sheet Comply with the Accounting Standards referred to in sub section (3c) of section 211 of Companies Act 1956;
- (f) On the basis of written representations, received from directors, and taken on record by the Board, we report that none of the said directors is disqualified as on March 31, 2002 from being appointed as director in terms of section 274(1) (g) of the Companies Act 1956 and;
- (g) In our opinion and to the best of our information and according to the explanation given to us, the said balance sheet and profit and loss account read with Schedule '1' to '20' 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 31.3.02 and
 - (ii) In the case of the profit and loss account, of the profit for the year ended on that date.

FOR RAJESH KAPOOR & CO.
CHARTERED ACCOUNTANTS

(RAJESH KAPOOR)
Prop.

PLACE : AMRITSAR
DATED : 16.08.2002.



ANNEXURE TO THE AUDITORS REPORT OF EVEN DATE

1. The Company is maintaining proper record showing full particulars including quantitative details and situation of fixed assets. As per the information and explanation given to us, these assets have been physically verified by the management in accordance with the programme of verification and the frequency of verification of fixed assets by the management is at reasonable interval having regard to the size of the Company and the nature of assets.
No material discrepancies between the book records and the physical inventory have been noticed in respect of the assets physically verified.
2. None of the fixed assets have been revalued during the year.
3. Physical verification has been conducted by the management during the year in respect of finished goods, stores, spare parts and raw materials. In our opinion, the frequency of verification is reasonable.
4. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management were found reasonable and adequate in relation to the size of the company and nature of its business.
5. No material discrepancies were noticed on verification between the physical stocks and book records.
6. In our opinion, the valuation of the stocks is fair and proper in accordance with the normally accepted accounting principle and there is no change in the basis of valuation in comparison to last year.
7. The Company has not taken any loans, secured or unsecured, from companies under the same management or firms or other parties listed in the Register maintained under section 301 of the Companies Act 1956.
8. The Company has not granted any loans, secured or unsecured, to Companies under the same management or firms or other parties listed in the Registered maintained under section 301 of the Companies under the same management within the meaning of section 370(1B) of the Companies Act, 1956.
9. No loans or advances in the nature of loans have been given by the Company.
10. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
11. In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and materials and sale of goods, and services, made in pursuance of contracts or arrangement entered in the registers maintained under section 301 and aggregating during the year to Rs.50,000/- or more in respect of each party, have been made at prices for such goods, materials or services as available with the Company, or the prices at which transaction for similar good or services have been made with other parties.
12. As explained to us, the procedure for the determination of unserviceable or damaged stores, raw materials and finished goods is adequate and adequate provisions for the same has been made in the books.
13. The Company has not accepted any deposit from the public to which section 58A of the Companies Act, 1956, and the rules framed there under apply.
14. As explained to us the Company's operations generate rice bran & phoose/phuck as the by-product which have been duly accounted for.
15. The Company has a system of internal audit. Further the Company is in the process of strengthening its internal audit system to make it commensurate with its size and nature of its business.
16. The maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956.
17. The Company is in general depositing Provident Fund dues with the appropriate authorities regularly. We have been informed that Employees State Insurance Act, 1948 is not applicable to the Company.
18. According to information and explanation given to us, there were no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty which have remained outstanding as at 31.3.02 for the period of more than six months from the date they became payable, Except as mentioned in notes.
19. According to the information and explanations given to us and the records of the Company examined by us, no personal expenses have been charged to revenue account.
20. The Company is not a sick industrial Company within the meaning of Clause (o) of sub-section (1) of the section(3) of the Sick Industrial Companies(Special Provisions) Act, 1985.
21. In respect of Company's trading activities, we are informed that there are no damaged stocks.

FOR RAJESH KAPOOR & CO

CHARTERED ACCOUNTANTS

(RAJESH KAPOOR)

Prop.

Place : Amritsar

Dated : 16.08.2002



Corporate Governance:

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

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

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

(Rajeev Setia.)
Whole Time Director.

Auditors' Certificate on Corporate Governance

The Members

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

Place : Amritsar
Date : 16.08.2002

For RAJESH Kapoor & Co.
Chartered Accountants.

(RAJESH KAPOOR)
Prop.



CHAMAN LAL SETIA EXPORTS LIMITED

Miran Kot Road, P.O. Central Jail
AMRITSAR

CONSOLIDATED BALANCE SHEET AS ON MARCH 31, 2002

SOURCES OF FUNDS	SCHEDULE	THIS YEAR AMOUNT (Rs.) 31.03.2002	LAST YEAR AMOUNT (Rs.) 31.03.2001
SHAREHOLDERS FUNDS			
(a) SHARE CAPITAL	1	91550347.00	91550347.00
(b) RESERVES AND SURPLUS	2	175014932.00	155022616.00
LOAN FUNDS			
(a) SECURED LOAN	3	67136784.00	100482346.00
(b) UNSECURED LOAN	4	58027488.00	46889990.00
TOTAL		391729551.00	393945299.00
APPLICATION OF FUNDS			
FIXED ASSETS			
(a) GROSS BLOCK		74762493.00	70780163.00
(b) LESS DEPRECIATION		39972171.00	34712682.00
(c) NET BLOCK	5	34790322.00	36067481.00
INVESTMENT	6	997500.00	800000.00
CURRENT ASSETS, LOANS & ADVANCES			
(a) INVENTORIES	7	263784906.00	328075742.00
(b) SUNDRY DEBTORS	8	75841038.00	45822318.00
(c) CASH & BANK BALANCES	9	25557328.00	9878044.00
(d) LOANS AND ADVANCES	10	7577318.00	5939146.00
		372760590.00	389715250.00
LESS : CURRENT LIABILITIES AND PROVISIONS	11	19070860.00	35815313.00
NET CURRENT ASSETS		353689730.00	353899937.00
B.O. BALANCES			
MISC. EXPENDITURE	12	2251998.00	3177881.00
(To the extent not written off or adjusted)			
TOTAL		391729551.00	393945299.00

ACCOUNTING POLICIES AND

NOTES ON ACCOUNTS

SIGNED IN TERMS OF OUR REPORT OF EVEN DATE

RAJESH KAPOOR

CHAMAN LAL SETIA -

CHAIRMAN CUM MANAGING
DIRECTOR

PROP.
FOR RAJESH KAPOOR & CO.
CHARTERED ACCOUNTANTS

VIJAY SETIA

- EXECUTIVE DIRECTOR

PLACE : AMRITSAR
DATE : 16.08.2002



Chaman Lal Setia Exports Ltd.

CHAMAN LAL SETIA EXPORTS LIMITED

MIRAN KOT ROAD, P.O. CENTRAL JAIL,
AMRITSAR

CONSOLIDATED PROFIT & LOSS ACCOUNT AS ON MARCH 31, 2002

INCOME	SCHEDULE	THIS YEAR	LAST YEAR
		AMOUNT (RS) 31.03.2002	AMOUNT (RS) 31.03.2001
SALES & OTHER INCOME	13	470195104	562923109
INCREASE/(DECREASE) IN STOCK OF WORK IN PROGRESS & FINISHED GOODS	14	28953594	-1795913
		499148698	561127196
EXPENDITURE			
MANUFACTURING EXPENSES	15	412048561	436031552
PERSONEL EXPENSES	16	6550387	5647637
ADMINISTRATIVE EXP.	17	9126612	8486386
FINANCIAL EXPESNES	18	14111300	13683865
SELLING & DISTRIBUTION	19	29526259	41823181
DEPRECIATION	5	5465513	6021085
TOTAL		476828632	511693706
PROFIT FOR THE YEAR BEFORE TAX		22320066	49433490
CURRENT TAX		1700000	1500000
DEFERRED TAX		1740410	
PROFIT AFTER TAXES		18879658	47933490
PRIOR YEAR TAX ADJUSTMENTS		2312658	1577428
PRIOR YEAR EXPENSES		1200000	0
PROFIT/LOSS B/F FROM BALANCE SHEET		43053424	19128826
AMOUNT AVAILABLE FOR APPROPRIATION		63045740	68639744
PROPOSED DIVIDEND (INCLUDING INCOME TAX)		0	20792971
TRANSFERRED TO GENERAL RESERVE		1887966	4793349
BALANCE CARRIED TO BALANCE SHEET		61157774	43053424
SIGNED IN TERMS OF OUR REPORT OF EVEN DATE			

RAJESH KAPOOR
PROP.

FOR RAJESH KAPOOR & CO.
CHARTERED ACCOUNTANTS,

CHAMAN LAL SETIA -

VIJAY SETIA

CHAIRMAN CUM MANAGING
DIRECTOR

- EXECUTIVE DIRECTOR

PLACE : AMRITSAR

DATE : 16.08.2002



SCHEDULE 1
SCHEDULES FORMING
PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED MARCH 31,2002

SHARE CAPITAL	THIS YEAR AMOUNT (RS) 31.03.2002	LAST YEAR AMOUNT (RS). 31.03.2001
AUTHORISED		
1,20,00,000 Equity Shares of Rs.10/- each	120000000.00	120000000.00
ISSUED,SUBSCRIBED AND PAID UP		
9498300 Equity Shares(PRV Year 9498300) of Rs 10/- each.	94983000.00	94983000.00
LESS CALLS IN ARREARS	3432653.00	3432653.00
TOTAL	91550347.00	91550347.00

SCHEDULE 2

RESERVES & SURPLUS	THIS YEAR AMOUNT (RS) 31.03.2002	LAST YEAR AMOUNT (RS) 31.03.2001
SHRI GANESH JI & LAKSHMI JI	32.00	32.00
CAPITAL SUBSIDY	0	100000.00
GENERAL RESERVE		
BALANCE AS PER LAST BALANCE SHEET	18418119.00	
ADD:AMOUNT TRANSFERRED FROM P & L A/C	1887966.00	
ADD AMOUNT FROM SUBSIDY	100000.00	20406085.00
		18418119.00
SHARE PREMIMUM	93451041.00	93451041.00
PROFIT & LOSS ACCOUNT	61157774.00	43053424.00
TOTAL	175014932.00	155022616.00

SCHEDULE 3

SECURED LOAN	THIS YEAR AMOUNT (RS) 31.03.2002	LAST YEAR AMOUNT (RS). 31.03.2001
I CASH CREDIT	15202794.00	2861195.00
II PACKING CREDIT	21900809.00	97621151.00



III FOREIGN BILL DISCOUNTING

30033181.00

TOTAL 67136784.00

100482346.00

SECURITIES

{I,II }

From Banks against hypothecation of goods including raw materials, goods in process, finished goods and book debts (all Present and future)

The above loans are also personally guaranteed by Three Indian Directors

SCHEDULE 4

UNSECURED LOAN	THIS YEAR AMOUNT (RS) 31.03.2002	LAST YEAR AMOUNT (RS) 31.03.2001
LOAN FROM DIRECTOR	58027488.00	46889990.00
	58027488.00	46889990.00

SCHEDULE 6

INVESTMENT	THIS YEAR AMOUNT (RS) 31.03.2002	LAST YEAR AMOUNT (RS) 31.03.2001
50,16.5% Unsecured redeemable bonds of PNB of the face value of Rs.10000/- each.	0.00	500000.00
PNB Gilts Ltd.	300000.00	300000.00
PNB PUBLIC ISSUE (SHARE APPLICATION)	697500.00	
	997500.00	800000.00

SCHEDULE 7

INVENTORIES	THIS YEAR AMOUNT (RS). 31.03.2002	LAST YEAR AMOUNT (RS). 31.03.2001
-------------	---	---

STOCK IN TRADE

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

RAW MATERIAL & COMPONENTS	39348768.00	132568196.00
FINISHED GOODS	224436138.00	195507546.00
	263784906.00	328075742.00

SCHEDULE 5

FIXED ASSETS PARTICULAR	OPENING BALANCE AS AT 1.4.01	GROSS BLOCK ADDITIONS DURING THE YEAR (Rs.)	LESS DURING THE YEAR (Rs.)	CLOSING BALANCE AS AT 31.3.02	UP TO DURING THE 1.4.01	DEPRECIATION DURING THE YEAR (Rs)	LESS UPTO YEAR (Rs.)	TOTAL AT 31.3.02	NET BLOCK AS 31.3.02 (Rs)	AS AT 31.3.01 (Rs)
LAND & BUILDING	17070041.00	402173.00	0.00	17472214.00	5119215.00	922542.00	0.00	6041757.00	11430457.00	11950826.00
PLANT MACHINERY	39656236.00	2631806.00	0.00	42288042.00	21040001.00	3006313.00	0.00	24046314.00	18241728.00	18616235.00
ACCESSORIES	6367518.00	1136434.60	0.00	7503952.60	3051048.00	930759.00	0.00	3981807.00	3522145.60	3316470.00
WOODEN CRATES	1487085.00	0.00	0.00	1487085.00	1487085.00	0.00	0.00	1487085.00	0.00	0.00
CAR	4794418.00	0.00	266610.00	4527808.00	2676787.00	547609.00	205997.00	3018399.00	1509409.00	2117631.00
FURNITURE & FIXTURE	238720.00	44274.00	0.00	282994.00	174207.00	22204.00	0.00	196411.00	86583.00	64513.00
TARPAL	1166145.00	34253.00	0.00	1200398.00	1164312.00	36086.00	0.00	1200398.00	0.00	1833.00
TOTAL	70780163.00	4248940.60	266610.00	74762493.60	34712655.00	5465513.00	205997.00	39972171.00	34790322.60	36067508.00



SCHEDULE 8

SUNDRY DEBTORS	THIS YEAR AMOUNT (RS) 31.03.2002	LAST YEAR AMOUNT (RS) 31.03.2001
UNSECURED CONSIDERED GOOD		
FOR A PERIOD EXCEEDING SIX MONTHS	4126163.00	2656271.00
OTHERS	71714875.00	43166047.00
TOTAL	75841038.00	45822318.00

SCHEDULE 9

CASH & BANK BALANCES	THIS YEAR AMOUNT (RS) 31.03.2002	LAST YEAR AMOUNT (RS) 31.03.2001
CASH & CHEQUES IN HAND	876135.00	757726.00
CASH WITH SCHEDULED BANKS		
-IN CURRENT ACCOUNT	7380486.00	8699027.00
-IN SHARE APPLICATION MONEY/DIVIDEND ACCOUNT		
-IN FIXED DEPOSIT/MARGIN MONEY ACCOUNT	17252619.00	271483.00
-INTEREST ACCRUED ON DEPOSITS		
-CASH/CHEQUE IMPREST ACCOUNT	48088.00	149808.00
TOTAL	25557328.00	9878044.00

SCHEDULE 10

LOANS AND ADVANCES	THIS YEAR AMOUNT (RS) 31.03.2002	LAST YEAR AMOUNT (RS). 31.03.2001
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED:-		
UNSECURED CONSIDERED GOOD :-		
SECURITY AND OTHER DEPOSITS	660515.00	878722.00
STAFF & WORKERS	809731.00	911107.00
FOR PURCHASE OF MACHINERY	708800.00	771800.00
FOR EXPENSES & OTHERS	1266931.00	946335.00
ADVANCE TAX /TDS	2969478.00	2431182.00
DEFERRED TAX	1161863.00	
	7577318.00	5939146.00



SCHEDULE 11

CURRENT LIABILITIES AND PROVISIONS	THIS YEAR AMOUNT (RS). 31.03.2002	LAST YEAR AMOUNT (RS). 31.03.2001
SUNDRY CREDITORS	9642701.00	6777110.00
OTHER LIABILITIES	4139594.00	4652013.00
DIVIDEND/REFUND PAYABLE	691357.00	500439.00
PROVISIONS		
INCOME TAX	3200000.00	3000000.00
DIVIDEND (INCLUDING INCOME TAX)	7691.00	20792971.00
T.D.S PAYABLE	1389517.00	92780.00
TOTAL	19070860.00	35815313.00

SCHEDULE 12

MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)	THIS YEAR AMOUNT (RS) 31.03.2002	LAST YEAR AMOUNT (RS) 31.03.2001
A) PRELIMINARY EXPENSES		
AS PER LAST BALANCE SHEET	112127.00	149492.00
LESS : 1/10TH WRITTEN OFF	37365.00	37365.00
SUB-TOTAL	74762.00	112127.00
B) PUBLIC ISSUE EXPENSES		
AS PER LAST BALANCE SHEET	2064391.00	2752521.00
LESS : 1/10TH WRITTEN OFF	688130.00	688130.00
SUB-TOTAL	1376261.00	2064391.00
DEFERRED REVENUE EXPENSES	1001363.00	1201751.00
LESS : 1/10TH WRITTEN OFF	200388.00	200388.00
SUB-TOTAL	800975.00	1001363.00
	2251998.00	3177881.00

SCHEDULE 13

SALES AND OTHER INCOME	THIS YEAR AMOUNT (RS) 31.03.2002	LAST YEAR AMOUNT (RS) 31.03.2001
SALES :-		
* EXPORT	220857374.00	312966119.00
* LOCAL	244000892.00	244980024.00
SUB-TOTAL	464858266.00	557946143.00
OTHER INCOME :-		
INTEREST RECEIVED/ACCRUED		
* ON FIXED DEPOSIT WITH BANKS	0.00	312584.00
* OTHERS	874401.00	132590.00
SALE OF LICENCES	3518599.00	4497703.00
MISC.RECEIPTS	943838.00	34089.00
SUB-TOTAL	5336838.00	4976966.00
TOTAL	470195104.00	562923109.00



SCHEDULE 14

INCREASE(DECREASE) IN STOCKS OF WORK IN PROGRESS AND	THIS YEAR AMOUNT (RS). 31.03.2002	LAST YEAR AMOUNT (RS). 31.03.2001
FINISHED GOODS OPENING STOCK		
-FINISHED GOODS	189384875.00	191180788.00
CLOSING STOCK		
-FINISHED GOODS	218338469.00	189384875.00
INCREASE/DECREASE IN STOCKS	28953594.00	1795913.00

SCHEDULE 15

EXPENSES	THIS YEAR AMOUNT (RS). 31.03.2002	LAST YEAR AMOUNT (RS). 31.03.2001
MANUFACTURING EXPENSES		
RAW MATERIAL AND COMPONENTS CONSUMED	368349360.00	394802722.00
ELECTRICITY EXPENSES	8815308.07	7874580.00
MACHINERY REPAIR & MAINTENANCE	6086946.00	6727819.00
SHELLER LEASE	300000.00	300000.00
BARDANA REPAIRS	557043.00	616031.00
PACKING EXPENSES	2278966.00	3665125.00
STACKING,WEIGHING	8082102.00	5824797.00
LOADING,UNLOADING,SORTING&BUNAI		
OIL & GREASE	50730.00	70509.00
GENERATOR EXPENSES	3353949.00	3056442.00
PACKING MATERIAL /EMPTY COST	13718535.00	12876575.00
FUMIGATION	447951.00	178588.00
RESEARCH & DEVELOPMENT	7671.00	38364.00
TOTAL	412048561.07	436031552.00

SCHEDULE 16

PERSONNEL EXPENSES *	THIS YEAR AMOUNT (RS) 31.03.2002	LAST YEAR AMOUNT (RS). 31.03.2001
SALARIES/WAGES	3044365.00	2705355.00
ALLOWANCES TO STAFF/WORKERS	315168.00	199792.00
DIRECTORS REMUNERATION	1187581.00	964446.00
EMPLOYEES PROVIDENT/FAMILY PENSION	1028804.00	815671.00
BONUS	382120.00	335700.00
STAFF WELFARE & MEDICAL EXPENSES	592349.00	626673.00
TOTAL	6550387.00	5647637.00



SCHDULE 17

ADMINISTRATIVE EXPENSES	THIS YEAR AMOUNT (RS). 31.03.2002	LAST YEAR AMOUNT (RS). 31.03.2001
INSURANCE	1962417.00	2231548.00
LEGAL/PROFESSIONAL EXPENSES	957193.00	893344.00
POSTAGE, TELEPHONE & COURIER EXPS.	1305563.00	1232055.00
VEHICLES REPAIR & MAINTENANCE	528990.00	264394.00
STATIONERY & PRINTING	231506.00	204660.00
TRAVELLING EXPENSES		
*DOMESTIC 339947.00		
*FOREIGN 1353685.00	1693632.00	1602494.00
SUBSCRIPTION	42086.00	56633.00
AUDITOR'S REMUNERATION	30000.00	30000.00
*STATUTORY AUDIT 20000.00		
*TAX AUDIT 10000.00		
*TAXATION MATTERS		
*COMPANY LAW MATTERS		
MISC. EXPENSES/SHOP EXPENSES	583362.00	277281.00
PRELIMINARY & PUBLIC ISSUE EXP. WRITTEN OFF	925883.00	925883.00
DONATION	32646.00	110505.00
RENT	4188.00	50589.00
ISO EXPENSES	144160.00	22380.00
BUILDING REPAIR/GENERAL REPAIR	684986.00	584620.00
TOTAL	9126612.00	8486386.00

SCHDULE 18

FINANCIAL EXPENSES *	THIS YEAR AMOUNT (RS). 31.03.2002	LAST YEAR AMOUNT (RS). 31.03.2001
BANK CHARGES	1948432.00	2087160.00
INTEREST		
*TO BANKS	7634503.00	11013233.00
*OTHERS	4528364.00	583472.00
TOTAL	14111300.00	13683865.00

SCHEDULE 19

SELLING & DISTRIBUTION EXP.	THIS YEAR AMOUNT (RS) 31.03.2002	LAST YEAR AMOUNT (RS) 31.03.2001
EXPORT COMMISSION	1732038.00	6187257.00
E.C.G.C EXPENSES/AGMARK EXPENSES	1196284.00	1010836.00
ADVERTISEMENT	673557.00	330903.00
DIRECT EXPORT EXPENSES	22267472.00	31098857.00
CONSIGNMENT EXPENSES	866633.10	1002866.00
BROKERAGE	1425444.00	1629912.00
BILL DISCOUNT/REBATE	669964.00	343910.00
MISC EXPENSES	135731.00	218640.00
BAD DEBTS	559136.00	0.00
	29526259.10	41823181.00



Schedule 20

Notes on Accounts

1. Significant Accounting Policies

(A) Sales

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

(B) Accounting of Claims and Subsidies

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

(C) Public Issue / Deferred Revenue Expenses

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

(D) Retirement Benefits

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

(E) Fixed Assets

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

(F) Investment

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

(G) Research & Development

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

(H) Inventories

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

Foreign Exchange Transactions

- i) Foreign Currency transactions are accounted for at the rate prevailing on the date of transaction, in the case of income & expenditure items.
- ii) Monetary assets and liabilities are translated in Indian Rupees at the Exchange rate prevailing at the Year end as notified by FEDAI
- iii) Gain or Loss arising out of translation / conversion / realisation is taken Credit for or charged to profit & Loss Account, except those relating to acquisition of fixed assets which are debited to fixed assets.

(J) Contingent Liabilities

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

(K) Expenses

- (i) All the expenses are accounted for on accrual basis except purchase/Sale Tax.



Managerial Remuneration

Computation of Managerial Remuneration u/s 198

	31.3.2001	31.3.2002
Profit before Tax	49433424	22320068
Add: Depreciation	6021085	5465513
Less: Depreciation as per Sec 350	6021085	5465513
Net Profit u/s 350 of Companies Act 1956	49433424	22320068
Add: Directors Remuneration	964446	1187581
Profit as per Section 198	50397870	23507649
Managerial Remuneration allowable @ 11%	5543765	2585841
Managerial Remuneration paid	964446	1187581

3. Value of Assets as at 21.9.94 the date of Conversion of the firm to the Company under Part IX of the Companies Act 1956 has been taken at value shown in books of erstwhile firm Chaman Lal & Sons.
4. Gratuity Payable to employees at some future date has been duly provided for by the Company by taking Group Gratuity Scheme from LIC of India.
5. Stores, Spares and Labour in respect of internally carried out repair and maintenance of Plant and Machinery and Building have not been charged separately but have been directly charged to stores and spares consumed and wages account.
6. Confirmation of some of the accounts at year end included under heads 'Sundry Debtors', 'Sundry Creditors' and Loans and Advances have yet to be received as at the date of the Auditors Report.
7. Payment against supplies from small scale and ancillary undertakings are generally made in accordance with agreed credit terms and to the extent ascertained from available information, there was no amount overdue in this regard.
8. The preliminary and share issue expenses are being amortised over a period of ten years and the balance is kept as Miscellaneous Expenditure to the extent not written off.
9. The Managerial Remuneration has been paid within the limits of Section 198 of Companies Act 1956.
Managing Director Rs.308393/- Whole Time Directors Rs. 879188/-
10. Contingent liabilities as at 31.3.2002:
 - (i) Bill Discounted / Negotiated with the Bank. Rs. 30033181/-
 - (ii) Sales Tax amount paid under protest and disputed by the Company amount to Rs. 135000/-
 - (iii) The Company has filed a writ petition in Punjab & Haryana High Court against the decision of Punjab Govt. of levying Infra-Structure Tax @ 1% on domestic sales, the amount of which is not quantifiable.

11. Compliance with Accounting Standard

(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

(I) Remuneration paid to chairman & Managing Director and executive director is Rs. 308393/- and Rs. 879188/- respectively.

(II) Company has paid interest to directors on their unsecured loans @ 12%
The Company has not entered into any transaction with relative of key managerial personnel.

(ii) 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.2.11



(iii) AS-22 Deferred Taxes

In accordance with the accounting standard AS-22 the deferred tax has been Accounted for during the year ended 31.03.02 .The deferred tax Assets upto 31.03.2001 amounting to Rs 2902273/- has been credited to Revenue Reserve and disclosed separately. The deferred tax liability related to current year is Rs1740410/- The deferred taxes has arisen only on account of difference in depreciation allowable under income tax act and as per books.

(iv) AS-19 Segmental Reporting

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

12. The provisions of section 205C of the Companies Act 1956 regarding Investor education and protection fund are not applicable in the year under audit.
13. The provisions of the Industries (Development and Regulation) Act, 1951, relating to licensed capacity are not applicable to the Company. The installed capacities in metric tonnes per hour are as under:

Amritsar (Leased)

2 MT Rice per hour.

Karnal

6 MT Rice per hour.

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

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

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

	31.3.02	31.3.01	
Licensed Capacity (per hour)	8 MT	8 MT	8 MT
Installed Capacity (per hour)	8 MT	8 MT	8 MT
Actual Production (In Qtls)	225644	232093	
Quantitative Stocks (In Qtls)			
Opening Stock as at		Closing Stock as at	
<u>01.04.01</u>	<u>01.04.00</u>	<u>31.03.02</u>	<u>31.03.01</u>
80567	83512	111288	80567

(B) Purchase of Rice (Semi finished) 8626 Qtls.

(C) Value of Imports calculated on CIF Basis NIL

(D) Expenditure in Foreign Currency

- (i) Travelling Expenses Rs. 1353685/-
- ii) Export Commission Rs 1732038/-

(E) Earning in Foreign Exchange

FOB Value of Export Rs. 208749204/-

(F) Raw Material Consumed:

		(In Qtls)	
31.3.02		31.03.01	
Quantity	Value	Quantity	Value
349845	368349360	352902	394802722

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

Chaman Lal Setia Exports Ltd.



CHAMAN LAL SETIA EXPORTS LTD.

CASH FLOW STATEMENT FOR YEAR ENDING	A MOUNT	A MOUNT
A. CASH FLOW FROM OPERATING ACTIVITIES	31.03.02	31.03.01
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	22320068.00	49433490.00
ADJUSTMENT FOR:-		
DEPRECIATION/AMORTISATION	6391396.00	6946968.00
INTEREST/DIVIDEND RECEIVED	874401.00	-445174.00
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	27837063.00	55935284.00
ADJUSTMENT FOR:-		
TRADE AND OTHER RECEIVABLES	-31656871.00	-26659697.00
INVENTORIES	64290836.00	34959611.00
TRADE PAYABLES	-16744453.00	-28867761.00
CASH GENERATED FORM OPERATION	43726575.00	35367437.00
DIVIDEND /ADJUSTED	0	10147940.00
DIRECT TAXES PAID	1127752.00	1737363.00
CASH FLOW BEFORE EXTRAORDINARY ITEMS	42598823.00	43778014.00
EXTRAORDINARY ITEMS	1200000.00	0.00
NET CASH FROM OPERATING ACTIVITIES:	41398823	43778014.00
B) CASH FLOW FROM INVESTING ACTIVITIES	0	0.00
PURCHASE OF FIXED ASSETS	4248940.00	4162850.00
SALE OF FIXED ASSETS	60613.00	698394.00
ISSUE EXPENSES	0	0.00
PURCHASE OF INVESTMENTS	697500.00	300000.00
SALE OF INVESTMENTS	500000.00	0.00
INTEREST RECEIVED	874401.00	445174.00
DIVIDEND PAID	0.00	20792971.00
NET CASH USED IN INVESTING ACTIVITIES	3511426.00	24112253.00
C. CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM ISSUE OF SHARE CAPITAL	0.00	0.00
PROCEEDS FROM BORROWINGS	-22208064.00	-20699151.00
REPAYMENT OF FINANCE LEASE LIABILITIES		
SUBSIDY RECEIVED		
NET CASH FROM FINANCING ACTIVITIES	-22208064.00	-20699151.00
NET INCREASE IN CASH AND CASH EQUIVALENTS	0.00	0.00
CASH AND CASH EQUIVALENTS AS AT 01.04.2001 (OPENING BALANCE)	9878044.00	10911434.00
CASH AND CASH EQUIVALENTS AS AT 31.03.2002 (CLOSING BALANCE)	25557328.00	9878044.00

Place :- Amritsar
Date:- 16.08.2002

For and on behalf of Board

RAJESH KAPOOR

CHAMAN LAL SETIA -

CHAIRMAN CUM MANAGING
DIRECTOR

AUDITORS CERTIFICATE

We have verified the above cash flow statement of **Chamanlal Setia Exports Ltd.** derived from audited financial statement for the year ended 31-3-2002 and found the same to be drawn in accordance with and also with requirement of listing agreement with stock exchange

PROP.
FOR RAJESH KAPOOR & CO.
CHARTERED ACCOUNTANTS

VIJAY SETIA

- EXECUTIVE DIRECTOR

PLACE : AMRITSAR
DATE : 16.08.2002



**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	31.03.2002		
Capital raised during the year (Amount in Rs.Lacs)			
Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

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

Total Liabilities	3917.29	Total Assets	3917.29
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Source of Funds

Paid up capital	915.50	Reserve & Surplus	1750.14
Secured Loans	671.36	Unsecured Loans	580.27

Application of Funds

Net Fixed Assets	347.90	Investment	10
Net Current Assets	3536.88	Misc Expenditure	22.51
Accumulated Losses	Nil		

Performance of the Company (Amount in Rs.Lacs)

Turnover	4701.95	Total Expenditure	4478.75
Profit before Tax	223.20	Profit after Tax	188.80
Earnings per shares	Rs.2.11	Dividend rate %	0

Including other Income

Generic Names of Two Principal Products of Company

Item Code No.	(ITC CODE)	100630.02
Product Description		Rice Basmati
Item Code No.	(ITC CODE)	100630.01
Product Description		Parboiled Rice

AS PER OUR REPORT OF EVEN DATE

RAJESH KAPOOR
PROP.

FOR RAJESH KAPOOR & CO.
CHARTERED ACCOUNTANTS

CHAMAN LAL SETIA
CHAIRMAN CUM
MANAGING DIRECTOR

VIJAY SETIA
EXECUTIVE DIRECTOR

PLACE:- AMRITSAR
DATE: 16.08.2002

Setia Rice Mills



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 8th ANNUAL GENERAL MEETING of the Company at Hotel Royal Castle Amritsar on Saturday 28th Sept. 2002 at 4:30 P.M.

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

Folio No.

.....
Signature

CHAMAN LAL SETIA EXPORTS LIMITED

Miran Kot Road P.O Central Jail Amritsar.

PROXY FORM

I/We Of
.....in the district of..... Being a member /
members of the above named Company, hereby appoint.....
of.....of.....in the district of..... as my/our proxy
to vote for me/us/on my/ our behalf at the general meeting of the company to be held on theday of
.....2002 and at any adjournment thereof.

Affix a

Signed this..... Rs.1day of2002

Revenue

Stamp

This form is to be usedthe resolution. Unless otherwise instructed.

*Strikeout which is not desired.



CHAMAN LAL SETIA EXPORTS LTD.