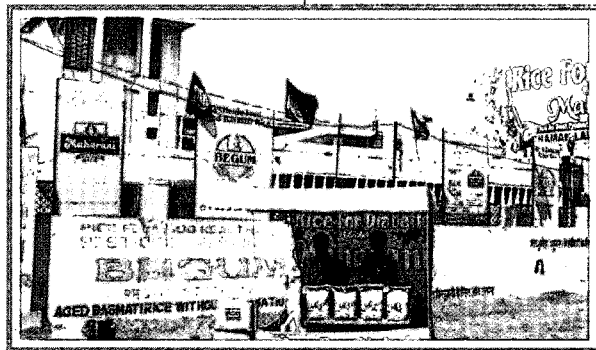
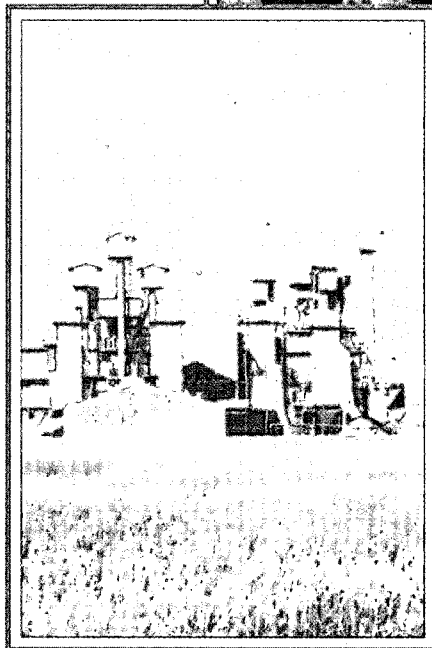




# Maharani<sup>®</sup> Rice



Pure Fragrant Original Basmati Rice

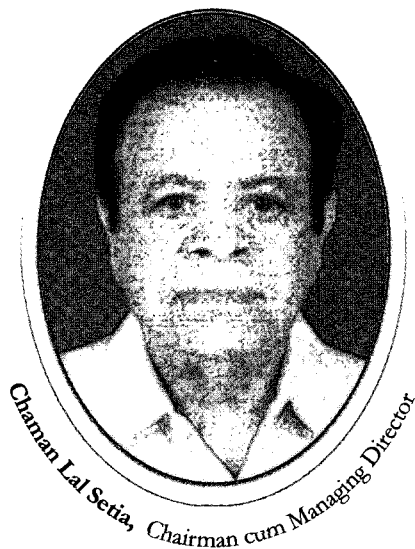


Annual Report  
2006 - 07

## Chaman Lal Setia Exports Ltd.

(A Govt. Recognised One Star Export House)

An  
ISO 9001 : 2000  
Certified Co.



# Chairman Message

It gives me immense pleasure to share the success of **Chaman Lal Setia Exports Ltd** with everyone. The year saw realisation of our true potential and optimisation of our productive capacity by achieving all time high sales of 95 crores.. The Company has milling and processing capacity of more than 50000 MT of Raw and Parboiled Basmati Rice. We are in the process of further enhancing our production capacity by replacing our existing machines with state of art imported units.

Essentially a water driven crop Rice is the staple diet of 60% of humans globally. India is the 2<sup>nd</sup> largest producer in Rice, next to China and they jointly account for 56% of world's production. Reports suggest that export of Rice from India is expected to be of the order of 4 million Tons per year. Basmati Development Fund (BFD) created under the chairmanship of APEDA chairperson, nodal authority for Basmati rice export under ministry of commerce, is expected to create conducive environment for Indian exports growth. It has taken Shahrukh Khan (Actor) as brand Ambassador for Indian Basmati Rice promotion in Gulf & Middel East countries. An amount of about rs. 10 crore has been earmarked out of BDF funds. The decision in principle has been taken to promote Basmati in Europe too. Anticipating success in Gulf region. I see a great potential for the Rice industry and particularly for Chaman Lal Setia Exports Ltd. With these thoughts in mind we plan aggressive marketing of our premium brand, Maharani.

Globally India shares the monopoly in Basmati Rice demand with Pakistan. However with the introduction of PUSA 1121 variety under Basmati Development programme, stated among the longest rice in the world, the export demand from India is expected to touch new high, esp in Iran and other parts of world.

Keeping pace with the global needs and demands Chaman Lal Setia Exports Ltd is a step ahead & has developed rice variety keeping in mind the needs of rice loving diabetic customers "The rice suitable for Diabetic People".

Needless to say, The demand today is of quality at global standards. Nothing but the best will survive. Being an ISO 90012000 & HACCP certified Company, I can visualize tremendous growth potential of Chaman Lal Setia Exports Ltd. During the year our old customers have been supportive and their feedbacks have been the basis of our strengthening and expansion plans. With support of our employees and promoters we are moving ahead with our slogan We Care for Each Grain.

**CHAMAN LAL SETIA**



*Chaman Lal Setia Exports Ltd.*

*Maharani<sup>®</sup>  
Rice*

## BOARD OF DIRECTORS

### CHAMAN LAL SETIA

(Chairman Cum Managing Director)

### VIJAY SETIA

(Whole Time Director)

### RAJEEV SETIA

(Whole Time Director)

### INDER DEV KUKKAR

(Director)

### SUKARN SETIA

(Whole Time Director)

### ANKIT SETIA

(Whole Time Director)

### NARESH SUNEJA

(Director)

### PARMOD KUMAR

(Director)

### AMIT MALHOTRA

(Director)

### RAGHAV PESHAWARIA

(Director)

## REGISTERED OFFICE

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

## CORPORATE OFFICE

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

## WORKS

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

## BANKERS

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

## REGISTRAR & COMMON SHARE TRANSFER AGENT

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

## AUDITORS

M/s. Rajesh Kapoor & Co.  
Chartered Accountants  
HM-5, Aman Avenue, Amritsar

## ANNUAL GENERAL MEETING

On 29th Sept. At 4:30 p.m at  
Hotel Mohan International Albert Road, Amritsar

## CONTENTS

Notice to the Members .....	2
Directors' Report .....	3-6
Management Discussion and Analyses .....	7-9
Report on Corporate Governance .....	10-15
Auditors' Report .....	16-18
Balance Sheet .....	19
Profit & Loss Account .....	20
Schedules .....	21-26
Cash Flow Statement .....	30
Balance Sheet Abstract .....	31
Attendance Slip .....	32



## NOTICE TO THE MEMBERS

Notice is hereby given that the 13th Annual General Meeting of CHAMAN LAL SETIA EXPORTS LTD. will be held on Saturday the 29th Sept 2007 at Hotel Mohan International Albert Road, 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 31.03.07 and the Auditors' Report thereon.
2. (a) To appoint a director in place of Mr. Rajeev Setia who retires by rotation but being eligible, offers himself for re-appointment.  
(b) To appoint a director in place of Mr. Ankit Setia who retires by rotation but being eligible offers himself for re-appointment.  
(c) To appoint a director in place of Mr. Inder Dev Kukar 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.

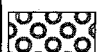
### NOTES

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 23.9.2007 to 29.9.2007 (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.
6. Persons attending the Annual General Meeting are requested to bring their copies 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 : 27-08-07

**Rajeev Setia**  
Whole Time Director



**DIRECTORS' REPORT**

To The Members,

Yours Director have pleasure in presenting the 13<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2007.

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

Particulars	Amount (in Lacs) Y.E. 31.03.2006	Amount (in Lacs) Y.E 31.03.2007
Export turnover	3372.29	3691.64
Domestic turnover	4673.62	5752.88
Profit before Intt. & Depreciation	448.78	620.55
Interest	128.80	235.73
Provision for Depreciation	89.80	93.98
Profit before Tax	230.18	90.84
Provision for Tax	64.00	66.20
Profit after Tax	166.18	224.64
Proposed Dividend	185.59	113.75
Transfer To General Reserve	16.61	22.46
Carried to Balance Sheet	12.60	76.15
Current Assets	4443.03	4954.58
Current Liabilities	1698.24	2029.39
Working Capital	2744.79	2925.19
Capital Employed	3361.79	3552.99
EPS	1.80	2.42
Book Value	23.82	24.77

**Highlights of Performance:**

During the year the export of Company increased to a little extent inspite of the adverse factors i.e. fall in the value of dollar & cut throat competition in export market. but domestic sales increased tremendously in the year under consideration. This was the result of the efforts put in by management last year viz attraction packing, branding & standardisation of quality of rice creating of new markets. Overall sales and profitability increased at a steady pace.

**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 31.03.07

**3. Personnel**

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

**4. Directors**

Sh Rajeev Setia ,Ankit Setia & Inder Dev Kukkar all 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 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, 2007 your Company's working results have improved on both front i.e. sale & profit in view of the Management Thrust on Cost reduction in all areas of Company's operations, productivity improvement, improvement in the quality of yield and innovation of new products viz Pesticide Residue Free Rice, Smoked Rice Diabetic free rice 's, cardaman rice etc. Therefore keeping in view the shareholders aspirations, yours directors, recommend a dividend of 11 % on pro-rata 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, 2007 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 code of corporate governance as required by Clause 49 of the listing Agreement and the required particulars on 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. Now the company's shares are traded compulsorily in demat form under ISIN code INE419D01018.

**14. Social Objectives**

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

- 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) Development of diabetic rice for diabetic patients.
- e) Zero Energy cool chamber development of more cost effective more users friendly cooling system at a very nominal cost.

**15. Listing of Shares**

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

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

Company continued its expedition of free distribution of Neem & Jamun Plants for plantation & medical cure. Neem can be used also as bio-pesticide for curing infestation. The Company is trying hard to stabilize rice bran for human consumption.

**Appreciation**

The Board of directors thanks company's customers, public in general, shareholders, bankers and suppliers.

The Board also places on record its appreciation of the services rendered by staff at all levels and look forward to their valued co-operation and contribution in meeting the future challenges.

**FOR & ON BEHALF OF BOARD**

Place : Amritsar  
Dated : 27-08-2007

**CHAMAN LAL SETIA**  
**Chairman**

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**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 31.03.2007

**A. CONSERVATION OF ENERGY**

Company is in the process of installing Chinese machinery at its Karnal Unit, which with the same energy and fuel will produce three times the present production, thus at the present production level energy utilization will be only on third and balance energy can be utilized for same other purpose.

**B. TECHNOLOGY ABSORPTION**

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

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

- a) Development of Pesticide Residue Free aged Basmati rice;
- b) Development of Smoked Basmati Rice;
- c) Development of quick cooking Brown Rice;
- d) Development of Sugar Free Rice;
- e) Use of neem as Bio-pesticide;
- f) Improvement in Parboiling for improvement in quality parameters;
- g) Use of Plastic Buckets in parboiling plant thus reducing cost;
- h) Development of Bhatti Sella for the first time in India;
- i) Development of Fragrance Rice.
- j) Reducing broken in paddy with very high sun checks under process.
- k) Rice bran stabilization for human consumption under process.
- l) Making bio-compost from waste and reject of paddy under process.
- m) Cool Chamber system.

**2. Future plan of action.**

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

**3. Expenditure on R & D.**

Wages, salaries, stores, spares & consumable used for R&D activities have been debited to Respective Heads.



**(ii) Technology absorption, adoption and innovation.**

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.

**D. ELIMINATION OF PESTICIDE RESIDUE: -**

Aged rice is preferred for eating & cooking quality. But aging requires one & more years of storage and for safe storage, pesticides fumigants are invariably used to preserve the rice. These are highly toxic and even its residues are health hazards. Even recently some soft drinks have been found to contain pesticides residue contents.

As per norms of WHO these pesticides are to be phased out for human health & environment concerns and it is remarkable achievement of the company that it has developed a technology of aged rice without fumigation & pesticide usage resulting thereby a healthy and tasty rice for your health & family.

**E. SMOKED BASMATI RICE: -**

The company has yet another development to its credit that it has developed a new quality of rice called "Smoked Basmati Rice" which is monopoly of few millers in the world.

**F. DIABETIC FREE RICE:-**

Company has succeeded in developing a new variety of rice which is called "Rice for Diabetic people". These rice are with moderate G.I. Our claim for diabetic free rice has been upheld by department of Nutrition & diabetic of P.S.G college of Arts and Science (An ISO 9001 2000 certified institute also accredited at the 5 star level by NAAC) after two simultaneous research's.

**G. LIGHT WEIGHT TILES:-**

The Research & Development wing of the Company have been able to achieve a remarkable thing by developing lightweight tiles made from Rice Husks. Which can be used in multi stored building while construction. These tiles are light in weight and company foresee a good prospect of this innovative product along with elimination of Hazardous waste of rice.

**H. CARDAMOM FLAVOUR RICE:-**

The Company has yet another mile stone achieved to its credit by developing a different quality of rice called "Cardamom Flavour rice". This special rice has started giving its results by creating a Niche for its quality in middle East and Europe etc.





## **Management Discussion and Analyses**

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

The GDP growth during the Year 2006-07 remained nearly 9.5% as against 9.0% in the year 2005-06 .The Balance of Payment position also remained strong .This strong performance was mainly due to Industrial & service sectors.Industrial growth is being estimated at 11.3% while growth in service sector is being estimated at 11%.

As for as Agricultural & allied sectors are concerned ,they are expected a growth of 2.7% only which is very modest.Rice is an agricultural commodity and its growth is being hurdled by uneven rains,floods,draughts,govt interference & sensitivity of society .

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

1. Gradual changes in economy are already visible with strong rural and urban growth and an end to down trading which strongly hampered market growth earlier.The implementation of VAT has also been a key to this changing scenario. It has enabled higher levels of compliance transparency and reduced tax evasion. Going forward a thrust on innovation and enhances focus on branding increased advertisement spent focus on globalization and improved penetration levels are all going to be the key to drive growth.

During the year under review your company has tried to do all these while maintaining the growth rate.In addition to introducing new products company is also performing well in social sector .

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

#### **Opportunities:**

1. The company's novel product Bhatti Sella that was introduced four years before is selling at a premium in the rice market. This rice has the qualities like taste, aroma, easy cooking and longer preservation period.
2. The Company has developed a unique product i.e. Pesticide Residue Free Aged Basmati Rice which is absolutely free from any pesticide residue. This product of the company can be called triumph card for the future. As it is well known now that some of very popular food items have been found having pesticide residue content.. But as far as our company is concerned, our product is now pesticide residue free and this is perhaps unique in the world. Its sale is increasing day by day.
3. Yet another development for which we can boast of is Smoked Rice having something-unique taste and flavour. This rice is now also picking up particularly in Saudi etc.
4. Quick cooking brown rice developed by the company is very useful for large function at a big level and its sale is picking up especially in Saudi Area.
5. Yet another product of the company introduced last year is for Diabetic People who avoid normal rice. This rice developed by the company contains low quantity of sugar as compared to the normal rice available in the market. This will also prove a backbone in the profitability and sales of the company in the coming year.
6. The Company has yet another milestone achieved to its credit by developing a different quality of rice called "Cardamom Flavour rice". This special rice has started giving its results by creating a Niche for its quality in middle East and Europe etc.All these factor have largely contributed to increase in sales of the company both in domestic market as well as export market.
7. The Company is in the process of installation of Chinese sheller at its Karnal Factory which would lead to saving in energy Electricity thus cost reduction and will enhance the production capacity of the factory.
8. The Company is in process of having a corporate office at Delhi to give a boost of its Export and domestic Sale.
9. The fixed cost can be brought down substantially with increased production as the Company has the total Infrastructure at its both the units which has also led to increase in profitability. The Company has considerably reduced the financial



cost by making a prudent use of funds and still hopeful for further decrease in financial expenses. The Company is in the process of installation of Chinese sheller at its works to increase its production within the given resources.

**Threats: -**

Under performance of world economy, global recession and uneven monsoon lower growth in Agricultural sector, lower share of agricultural sector in the real GDP frequent change in govt. policy are the threats which can depress 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 quite helpful to overcome such difficulties.

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

In case of Sugar free Rice Company's claim proved to be correct by Dept. of Nutrition and dietetics of P.S.G College of Arts and Science.

**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 reasonable 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 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, erratic monsoon, tight money market and other factors viz fall in exchange rate company maintained its record of profitability and earned Rs384.82 lacs as cash profit as compared to 319.98 lacs last year. During the year company's sale record a growth from 8045.91 lacs to 9444.52 lacs and EPS increased to Rs 2.42 from Rs 1.80.





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

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

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

During the year company has incurred Rs. 2.38 lacs on the training of its employees and Rs 52.63 lacs on staff welfare & other provisions for the benefit of employees..

Employee relation continued to be satisfactory. The number of persons directly employed by the company was above 140 as on 31st March 2007.

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

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

#### **CAUTIONARY STATEMENT:**

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

#### **2.1 Composition of the Board of Directors as on 31.03.07**

<b>S.No.</b>	<b>Name</b>	<b>Designation</b>	<b>Date of Appointment</b>	<b>Other Boards/ Committees</b>
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
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 2006-07 :-**

<b>Date of Meeting</b>	<b>No. of Directors on Board</b>	<b>No. of Directors in Attendance</b>
13.04.06	10	8
25.04.06	10	8
29.04.06	10	7
10.05.06	10	8
20.05.06	10	7
31.05.06	10	7
10.06.06	10	7
30.06.06	10	8
10.07.06	10	8
29.07.06	10	7
31.07.06	10	10
10.08.06	10	8
18.08.06	10	7
21.08.06	10	7
31.08.06	10	7
11.09.06	10	9
22.09.06	10	8
30.09.06	10	10
16.10.06	10	9
30.10.06	10	7
10.11.06	10	7
20.11.06	10	8
30.11.06	10	8



Date of Meeting	No. of Directors on Board	No. of Directors in Attendance
28.12.06	10	7
31.12.06	10	7
10.01.07	10	7
30.01.07	10	8
31.01.07	10	8
10.02.07	10	9
15.02.07	10	9
20.02.07	10	10
28.02.07	10	10
31.03.07	10	10

**2.3 Details of meetings attended by directors during 2006-07**

Name of Director	No. of Meetings Held	No. of Meetings attended	Attendance in Last AGM
Chaman Lal	33	28	No
Vijay Setia	33	25	No
Rajeev Setia	33	30	Yes
Inder Dev Kukkar	33	19	Yes
Sukarn Setia	33	22	No
Ankit Setia	33	27	Yes
Naresh Suneja	33	31	Yes
Amit Malhotra	33	28	Yes
Parmod Kumar	33	23	No
RaghavPeshawari	33	32	Yes

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

**Committees of the Board :-**

**3.1 Audit Committee: -**

**Composition :-**

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

**Objectives: -**

- Providing direction and overseeing the total Audit function.
- Interaction with Statutory Auditor before finalisation of annual/ semi annual financial results.
- Reviewing Internal Audit function, its quality and effectiveness.
- Acting as per the provisions of Listing Agreement.
- Housekeeping.
- 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 2006-07: -**

Name	No. of Meetings held	No. of Meetings attended
Sh. Inder Dev Kukkar	5	5
Sh. Naresh Suneja	5	5
Sh. Amit Malhotra	5	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 2006-07: -

Name of Director	No. of Meetings held	No. of Meetings attended
Sh. Rajeev Setia	5	5
Sh Raghav Peshwaria	5	5

The company has received 53 complaints/queries from the investors during the year. All of these have been redressed. No share transfer request received upto 31.03.07 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	280280/-
		Interest	4295789/-
Sh Vijay Setia	Executive Director	Remuneration	337249/-
		Interest	5072618/-
Sh. Rajeev Setia	Executive Director	Remuneration	489250
		Interest	4395787/-
Sh. Sukarn Setia	Executive Director	Remuneration	836195/-
Sh. Ankit Setia	Executive Director	Remuneration	Nil

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: -	2005-06	2006-07
Face Value (Rs.)	10	10
Earning Per Share (Rs.)	1.80	2.42
Dividend (%)	20%	11%
Book Value (Rs.)	23.82	24.77

### 6. Listing on Stock Exchange: -

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

1. Mumbai

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

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

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

### 8. General Body Meeting : The Details of Last Three Annual General Meetings of the Company are as follows;

Date & Time	Venue
Sep. 29, 2006	P.O Central Jail Mirankot Road, Amritsar
Sep. 29, 2005	Hotel Royal Castle, Albert Road, Amritsar
Sep. 29, 2004	Hotel Royal Castle, Albert Road, Amritsar



The Company will hold the next Annual General Meeting on Sep 29, 2007 at 4.30 p.m. at Hotel Mohan International, Albert Road, Amritsar.

Special Resolution passed in the last three Annual General Meetings.

Meeting Date	Details of Special Resolution
Sep. 29, 2006	Nil
Sep. 29, 2005	Nil
Sep. 29, 2004	Accorded Consent to the appointment of Sh. Chaman Lal Setia as Mg. Director for a further term of five years W.e.f. 21.09.2004 as per the provision of Section 198, 269 & 309 read with Sch XIII of Companies (Amendment) Act, 1956.

**9. Share Transfer System:-**

Transfer of physical shares is made within the time stipulated by SEBI. Registrar & STA sends an option letter to the shareholders to send their consent to receive the shares in physical or demat form. A period of thirty days is given to shareholders to send his option. Thereafter shareholder receives the shares as per his/her option. In case of non-receipt of option from the shareholder, physical shares are sent.

**10. Shareholding & Distribution Pattern (as on 31.03.07):-**

Category	No. of Shares Held
Promoters/their Relatives/	7100108
Domestic Companies	443689
Indian Public/Resident Individuals	1949981
NRI/OCB/others	4522

**11. Distribution Schedule**

Shareholding of Nominal Value	No of Shares holders	%	Number of shares	%
1- 5000	3370	85.49	716413	7.54
5001-10000	317	8.04	256877	2.70
10001-20000	121	3.07	183838	1.94
20001-30000	35	0.89	88398	0.93
30001-40000	23	0.58	84202	0.89
40001-50000	12	0.30	55736	0.59
50001-100000	24	0.61	168969	1.78
100001 Above	40	1.01	7943867	83.63

**12. Dematerialisation of Shares: -**

The company's shares are traded compulsorily in demat form under ISIN Code INE 419D01018. At present, 1568289 Equity Shares of the Company have been dematerialised.

**13. Market price data : High/Low during each month of 2006-07 on Mumbai Stock Exchange**

Month	Highest Price	Lowest Price	Volume
April 2006	38.45	32.10	77597
May 2006	44.70	30.05	197588
June 2006	35.20	24.65	55675
July 2006	35.40	25.20	32274
Aug 2006	42.60	30.00	162707
Sept 2006	38.90	29.55	128828
Oct 2006	33.90	30.65	50854
Nov 2006	35.00	28.65	61568
Dec 2006	34.75	28.00	89112
Jan 2007	35.00	29.10	95166
Feb 2007	34.05	27.00	75347
Mar 2007	28.50	23.05	45785



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

Name	Share hold as on 31/3/07	Dividend paid
Sh Chaman Lal Setia	2109000	4218000
Sh Vijay Setia	2268800	4537600
Sh Rajiv Setia	2378300	4756600
Sh Sukarn Setia	56800	113600
Sh Ankit Setia	50000	100000
Sh Inder Dev kukkar	Nil	Nil
Sh Naresh Suneja	Nil	Nil
Sh Parmod Kumar	Nil	Nil
Sh Amit Malhotra	Nil	Nil
Sh Raghav Pashawaria	Nil	Nil

- 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 Aggrement:-**  
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. Disclosures regarding re-appointment of Director liable to retire by rotation.**

According to the Articles of the Company at every AGM 1/3 of the directors are liable to retire by rotation. Thus Sh Rajeev Setia, Ankit Setia & Inder Dev Kukkar 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 Rajeev Setia
Date of Birth	28.10.55
Qualification	M.Com
Specialised Expertise	Industrialist having rice business experience& Expert in Export Business & legal matters.
No of Share held	2378300
Directorship in other Company	Nil
Name	Sh Ankit Setia
Date of Birth	28.09.84
Qualification	Degree in Food Technology,
Specialised Expertise	Professional experience in Food technology.
No of Share held	50000
Directorship in other Company	Nil
Name	Sh Inder Dev Kukkar
Date of Birth	20.01.1953
Qualification	B.A
Specialised Expertise	Businessman having experience of 30 year in different trades..
No of Share held	Nil
Directorship in other Company	Nil

**19. Declaration by Chairman & Managing Director for Compliance with Code of Conduct: -**

The Declaration by the CMD, pursuant to Clause 49(1)(D) of the listing agreement, stating that all the Board Members and Senior Management personnel have affirmed their Compliance with the said Code of Conduct for the year ended 31.03.2007 is annexed to the Corporate Governance Report.







**20. General Shareholders Information**

**A. Annual General Meeting**

Date & Time 29.09.2007 at 4.30 PM  
Venue Hotel Mohan International, Albert Road, Amritsar.

**B. Financial Calendar**

Financial Year April 1 To March 31

**C. Book Closure**

Period 23.09.2007 to 29.09.2007 (Both Days Inclusive)

**D. Dividend for the Year 06-07**

Type	Board Meeting	Rate
Final Dividend	27.08.2007	11%

Subject to 100% adjustments of Partly Paid ShareHolders.

**E. Listing**

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

**F. 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

**H. Address of Correspondence**

Chaman Lal Setia Exports Ltd.  
Meera ankot Road, P.O.Central Jail, Ajnala Road, Amritsar, Pin 143001

**Declaration by Chairman and Managing Director**

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:-

1. The Board of Directors of Chaman Lal Setia Exports Ltd. has laid down a Code of Conduct for all the Board members and Senior Management of the Company. The said Code of Conduct has been displayed in the Regd. Office of the company.
2. All the Board Members and Senior Management personnel have affirmed their Compliance with the said Code of Conduct for the year 2006-2007

For and on behalf of the Board

Place : Amritsar

(Chaman Lal)

Date : 27-08-2007

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, 07, 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.

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

Place : Amritsar

(RAJESH KAPOOR)

Dated : 27-08-2007

Prop.

M. No. : 92692



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## 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 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 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, 2007 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 31.3.07 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**

Place : Amritsar  
Dated : 27-08-2007

**(RAJESH KAPOOR)**  
Prop.  
M. No. : 92692



## **ANNEXURE TO THE AUDITORS' REPORT**

To the Members of Chaman Lal Setia Exports Ltd. on the Accounts for the Year Ended 31<sup>st</sup> March 2007

- (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.
- (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) To the best of our knowledge and according to the information given to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 in respect of the Company's products.
- (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



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and other statutory dues as applicable with the appropriate authorities.

- (b) As explained to us, as at 31st March 2007, there have been no undisputed 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 has maintained proper records of transactions and contracts relating to dealings in shares and other investments and timely entries have been made therein. Further, such securities have been held by the company in its own name.
- (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.

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

Place : Amritsar  
Dated : 27.08.2007

**(RAJESH KAPOOR)**  
Prop.  
M. No. : 92692



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## BALANCE SHEET AS ON MARCH 31, 2007

SOURCES OF FUNDS	SCHEDULE	THIS YEAR AMOUNT (RS) 31.03.2007	LAST YEAR AMOUNT (RS) 31.03.2006
<b>SHAREHOLDERS FUNDS</b>			
(a) SHARE CAPITAL	1	93801050	93662290
(b) RESERVES AND SURPLUS	2	136204669	127156277
<b>LOAN FUNDS</b>			
(a) SECURED LOAN	3	150962132	114557852
(b) UNSECURED LOAN	4	125294322	115360000
<b>TOTAL</b>		<b>506262173</b>	<b>450736419</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
(a) GROSS BLOCK		139124985	126705456
(b) LESS DEPRECIATION		77692361	69022441
(c) NET BLOCK	5	61432624	57683015
<b>INVESTMENT</b>	6	1330546	3998809
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
(a) INVENTORIES	7	300447565	320134089
(b) SUNDRY DEBTORS	8	123323992	73181951
(c) CASH & BANK BALANCES	9	52450129	33961763
(d) LOANS AND ADVANCES	10	19236810	17025811
		495458496	444303614
<b>LESS : CURRENT LIABILITIES AND PROVISIONS</b>	11	51977378	55266903
<b>NET CURRENT ASSETS</b>		443481118	389036711
<b>MISC. EXPENDITURE</b> (To the extent not written off or adjusted)	12	17884	17884
<b>TOTAL</b>		<b>506262173</b>	<b>450736419</b>
<b>ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>	20		

### SIGNED IN TERMS OF OUR REPORT OF EVEN DATE

**RAJESH KAPOOR**  
PROP.

**CHAMAN LAL SETIA**

**CHAIRMAN CUM MANAGING  
DIRECTOR**

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

**RAJIV SETIA**

**EXECUTIVE DIRECTOR**

PLACE : AMRITSAR  
DATE : 27.08.2007



*Chaman Lal Setia Exports Ltd.*

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## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

SOURCES OF FUNDS	SCHEDULE	THIS YEAR AMOUNT (RS) 31.03.2007	LAST YEAR AMOUNT (RS) 31.03.2006
<b>INCOME</b>			
SALES & OTHER INCOME	13	950045936	810192221
INCREASE/(DECREASE) IN STOCK OF WORK IN PROGRESS & FINISHED GOODS	14	-35466709	28424467
<b>TOTAL</b>		<b>914579227</b>	<b>838616688</b>
<b>EXPENDITURE</b>			
MANUFACTURING EXPENSES	15	777821215	723257094
PERSONEL EXPENSES	16	13073215	11120366
ADMINISTRATIVE EXP.	17	13074427	12345411
FINANCIAL EXPESNES	18	23573865	12880864
SELLING & DISTRIBUTION	19	48553950	47014446
DEPRECIATION	5	9398230	8980495
<b>TOTAL</b>		<b>885494902</b>	<b>815598676</b>
PROFIT FOR THE YEAR BEFORE TAX		29084325	23018012
PROVISION FOR TAXATION		6000000	6000000
DEFERRED TAX		620000	400000
PROFIT AFTER TAXES		22464325	16618012
PRIOR YEAR TAX ADJUSTMENTS		-2534834	1025604
PRIOR PERIOD DIVIDEND ADJUSTMENT		77890	-504390
PROFIT/LOSS B/F FROM BALANCE SHEET		1229859	4311434
AMOUNT AVAILABLE FOR APPROPRIATION		21237240	21450660
PROPOSED DIVIDEND		11375270	18559000
TRANSFERRED TO GENERAL RESERVE		2246432	1661801
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>7615538</b>	<b>1229859</b>

SIGNED IN TERMS OF OUR REPORT OF EVEN DATE

RAJESH KAPOOR  
PROP.

CHAMAN LAL SETIA

CHAIRMAN CUM MANAGING  
DIRECTOR

FOR RAJESH KAPOOR & CO.  
CHARTERED ACCOUNTANTS

RAJIV SETIA

EXECUTIVE DIRECTOR

PLACE : AMRITSAR

DATE : 27.08.2007



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**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS  
ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007**

**SCHEDULE - 1**

SHARE CAPITAL	THIS YEAR AMOUNT (RS) 31.03.2007	LAST YEAR AMOUNT (RS) 31.03.2006
<b>AUTHORISED</b>		
1,20,00,000 Equity Shares of Rs.10/- each	120000000	120000000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
9498300 Equity Shares (PRV Year 9498300) of Rs 10/- each.	94983000	94983000
LESS CALLS IN ARREARS	1181950	1320710
<b>TOTAL</b>	<u>93801050</u>	<u>93662290</u>

**SCHEDULE - 2**

<b>RESERVES &amp; SURPLUS</b>		
SHRI GANESH JI & LAKSHMI JI	22	22
SHARE PREMIUM	100203150	99786870
GENERAL RESERVE		
BALANCE AS PER LAST BALANCE SHEET (Net)	26139526	
ADD:AMOUNT TRANSFERRED FROM P & L A/C	2246432	
PROFIT & LOSS ACCOUNT	7615538	1229859
<b>TOTAL</b>	<u>136204669</u>	<u>127156277</u>

**SCHEDULE - 3**

<b>SECURED LOAN</b>		
I. CASH CREDIT	2569527	15557334
II. TERM LOAN	110900	414680
III. PACKING CREDIT	102423854	72311071
IV. FOREIGN BILL DISCOUNTING	45857851	26274767
<b>TOTAL</b>	<u>150962132</u>	<u>114557852</u>

**SECURITIES**

- {I,III,IV } From Bank against hypothecation of goods including raw materials, goods in process,finished goods and book debts(all Present and future)
- {II} From Bank against pledge of FDRs in the name of Directors. The above loans are also personally guaranteed by Three Indian Directors namely Sh Chaman Lal Setia, Vijay Setia, Rajeev Setia.

**SCHEDULE - 4**

<b>UNSECURED LOAN</b>		
LOAN FROM DIRECTORS	125294322	115360000
<b>TOTAL</b>	<u>125294322</u>	<u>115360000</u>

**SCHEDULE - 5**

FIXED ASSETS PARTICULAR	GROSS BLOCK			CLOSING BALANCE AS AT 31.3.07	UP TO 01.04.06	DEPRECIATION		TOTAL UPTO AT 31.3.07	NET BLOCK	
	OPENING BALANCE AS AT 1.4.06	ADDITIONS DURING THE YEAR (Rs.)	LESS DURING THE YEAR (Rs.)			DEPRECIATION DURING THE YEAR (Rs.)	LESS DURING THE YEAR (Rs.)		AS AT 31.3.07 (Rs)	AS AT 31.3.06 (Rs)
LAND & BUILDING	22210303	4221497	0	26431800	9387957	960345	0	10348302	16083498	12822346
PLANT & MACHINERY	64549338	3119282	643680	67024940	32549587	5053544	71288	37531843	29493098	31999752
ACCESSORIES	25771014	910982	4150	26677846	16901908	1627870	1155	18528621	8149223	8869106
WOODEN CRATES	2375144	257872	0	2633016	2375144	257872	0	2633016	0	0
CAR	9179197	4938782	721500	13396479	5546968	1184876	655863	6075981	7320498	3632229
FURNITURE & FIXTURE	647177	54383	0	701560	344198	54890	0	399088	302471	302978
TARPAL	1973282	286062	0	2259344	1916677	258833	0	2175510	83834	56605
<b>TOTAL</b>	<b>126705455</b>	<b>13788860</b>	<b>1369330</b>	<b>139124985</b>	<b>69022439</b>	<b>9398230</b>	<b>728306</b>	<b>77692361</b>	<b>61432624</b>	<b>57683016</b>
<b>LAST YEAR</b>	<b>118762943</b>	<b>13070786</b>	<b>5128273</b>	<b>126705455</b>	<b>61464782</b>	<b>8980495</b>	<b>1422836</b>	<b>69022441</b>	<b>57683015</b>	<b>57298161</b>

**SCHEDULE - 6**

INVESTMENT	THIS YEAR AMOUNT (RS) 31.03.2007	LAST YEAR AMOUNT (RS) 31.03.2006
PNB Gilts Ltd.	600000	300000
PNB Equity Shares	92040	92040
TERM DEPOSIT	638506	3606769
<b>TOTAL</b>	<b>1330546</b>	<b>3998809</b>

**SCHEDULE - 7**

INVESTMENT	THIS YEAR AMOUNT (RS) 31.03.2007	LAST YEAR AMOUNT (RS) 31.03.2006
<b>STOCK IN TRADE</b> (Valued at cost or Net realisable value which ever is less & as per inventories taken and certified by management)		
RAW MATERIAL & COMPONENTS	66519446	53104803
FINISHED GOODS	233928119	267029286
<b>TOTAL</b>	<b>300447565</b>	<b>320134089</b>

**SCHEDULE - 8**

SUNDRY DEBTORS	THIS YEAR AMOUNT (RS) 31.03.2007	LAST YEAR AMOUNT (RS) 31.03.2006
UNSECURED CONSIDERED GOOD FOR A PERIOD EXCEEDING SIX MONTHS	2122710	6674953
OTHERS	121201282	66506998
<b>TOTAL</b>	<b>123323992</b>	<b>73181951</b>



**SCHEDULE - 9**

<b>CASH &amp; BANK BALANCES</b>	<b>THIS YEAR AMOUNT (RS) 31.03.2007</b>	<b>LAST YEAR AMOUNT (RS) 31.03.2006</b>
CASH & BANK BALANCES		
CASH & CHEQUES IN HAND	1265965	702504
— IN CURRENT ACCOOUNT	15697141	26623261
— IN FIXED DEPOSIT/MARGIN MONEY ACCOUNT	34787014	6044177
— CASH/CHEQUE IMPREST ACCOUNT	634009	591821
— TRAVELLER CHEQUES	66000	0
<b>TOTAL</b>	<b>52450129</b>	<b>33961763</b>

**SCHEDULE - 10**

<b>LOANS AND ADVANCES</b>	<b>THIS YEAR AMOUNT (RS) 31.03.2007</b>	<b>LAST YEAR AMOUNT (RS) 31.03.2006</b>
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED:		
UNSECURED CONSIDERED GOOD :-		
SECURITY AND OTHER DEPOSITS	829357	817668
STAFF & WORKERS	1423743	1932603
FOR PURCHASE OF MACHINERY	25000	25000
FOR EXPENSES & OTHERS	2009492	1626090
ADVANCE TAX /TDS	13528717	12624450
INSURANCE CLAIM RECEIVABLE	1420501	0
<b>TOTAL</b>	<b>19236810</b>	<b>17025811</b>

**SCHEDULE - 11**

<b>CURRENT LIABILITIES AND PROVISIONS</b>	<b>THIS YEAR AMOUNT (RS) 31.03.2007</b>	<b>LAST YEAR AMOUNT (RS) 31.03.2006</b>
SUNDRY CREDITORS	13093535	12202040
OTHER LIABILITIES	5003132	4763285
DIVIDEND /REFUND PAYABLE	113639	1990496
<b>PROVISIONS</b>		
INCOME TAX	11200000	14300000
DIVIDEND(INCLUDING INCOME TAX)	13493727	18566691
T.D.S PAYABLE	5162208	153254
DEFERRED TAX	3911137	3291137
<b>TOTAL</b>	<b>51977378</b>	<b>55266903</b>

**SCHEDULE - 12**

MISCELLANEOUS EXPENDITURE	THIS YEAR AMOUNT (RS) 31.03.2007	LAST YEAR AMOUNT (RS) 31.03.2006
(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)		
<b>A) PRELIMINARY EXPENSES</b>		
AS PER LAST BALANCE SHEET	17884	23845
ADDITION DURING THE YEAR		
LESS : AMOUNT WRITTEN OFF		
<b>SUB-TOTAL</b>	<b>17884</b>	<b>17884</b>
DEFERRED REVENUE EXPENSES	0	199811
EXPENSES DURING THE YEAR	0	0
LESS : 1/10TH WRITTEN OFF	0	199811
<b>SUB-TOTAL</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>17884</b>	<b>17884</b>

**SCHEDULE - 13**

SALES AND OTHER INCOME	THIS YEAR AMOUNT (RS) 31.03.2007	LAST YEAR AMOUNT (RS) 31.03.2006
<b>SALES :-</b>		
*EXPORT	369164345	337229902
*LOCAL	575288241	467362023
<b>SUB-TOTAL</b>	<b>944452586</b>	<b>804591925</b>
<b>OTHER INCOME :-</b>		
INTEREST RECEIVED/ACCRUED	1666994	596013
SALE OF LICENCES	3039582	3547271
MISC. RECEIPTS	886774	1457012
<b>SUB-TOTAL</b>	<b>5593350</b>	<b>5600296</b>
<b>TOTAL</b>	<b>950045936</b>	<b>810192221</b>

**SCHEDULE - 14**

INCREASE (DECREASE) IN STOCKS OF WORK IN PROGRESS AND FINISHED GOODS	THIS YEAR AMOUNT (RS) 31.03.2007	LAST YEAR AMOUNT (RS) 31.03.2006
<b>OPENING STOCK</b>		
- FINISHED GOODS	260207006	231782539
<b>CLOSING STOCK</b>		
- FINISHED GOODS	224740297	260207006
<b>INCREASE/DECREASE IN STOCKS</b>	<b>-35466709</b>	<b>28424467</b>



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**SCHEDULE - 15**

EXPENSES	THIS YEAR AMOUNT (RS) 31.03.2007	LAST YEAR AMOUNT (RS) 31.03.2006
<b>MANUFACTURING EXPENSES</b>		
RAW MATERIAL AND COMPONENTS CONSUMED	713546020	654292894
POWER AND FUEL	15263032	20798600
MACHINERY REPAIR & MAINTENANCE	4582464	4772721
SHELLER LEASE	990678	874500
BARDANA REPAIRS	828897	984577
PACKING EXPENSES	2785967	2453024
STACKING, WEIGHING LOADING, UNLOADING, SORTING & BUNAI	7714437	6818100
OIL & GREASE	39498	475926
PACKING MATERIAL /EMPTY COST	30743183	30600203
FUMIGATION	192351	303067
RESEARCH & DEVELOPMENT	177579	3180
OTHER REPAIR	957109	880302
<b>TOTAL</b>	<b>777821215</b>	<b>723257094</b>

**SCHEDULE - 16**

PERSONNEL EXPENSES	THIS YEAR AMOUNT (RS) 31.03.2007	LAST YEAR AMOUNT (RS) 31.03.2006
SALARIES/WAGES	5872215	5311764
ALLOWANCES TO STAFF/WORKERS	1237019	1198321
DIRECTORS REMUNERATION	1937874	1189337
EMPLOYEES PROVIDENT/FAMILY PENSION	1959786	1463776
BONUS	886720	786180
STAFF WELFARE & MEDICAL EXPENSES	1179601	1170988
<b>TOTAL</b>	<b>13073215</b>	<b>11120366</b>

**SCHEDULE - 17**

<b>ADMINISTRATIVE EXPENSES</b>	<b>THIS YEAR AMOUNT (RS) 31.03.2007</b>	<b>LAST YEAR AMOUNT (RS) 31.03.2006</b>
INSURANCE	3016425	3642852
LEGAL/PROFESSIONAL EXPENSES	1494709	1529149
POSTAGE, TELEPHONE & COURIER EXPS.	1405447	1762888
VEHICLES REPAIR & MAINTENANCE	1827078	1135454
STATIONERY & PRINTING	371268	291250
TRAVELLING EXPENSES		
*DOMESTIC	533342	
*FOREIGN	2669565	
SUBSCRIPTION	316650	2053535
AUDITOR'S REMUNERATION		146942
*STATUTORY AUDIT	30000	
*TAX AUDIT	10000	
*TAXATION MATTERS	10000	
*AUDIT EXPENSES	71734	118815
MISC.EXPENSES/SHOP EXPENSES	547841	735222
PRELIMINARY & PUBLIC ISSUE EXP.WRITTEN OFF	0	199811
DONATION	94875	37777
RENT	275838	5040
ISO EXPENSES	37110	93357
BUSINESS PROMOTION	362545	593319
<b>TOTAL</b>	<b>13074427</b>	<b>12345411</b>

**SCHEDULE - 18**

<b>FINANCIAL EXPENSES</b>	<b>THIS YEAR AMOUNT (RS) 31.03.2007</b>	<b>LAST YEAR AMOUNT (RS) 31.03.2006</b>
BANK CHARGES	1638480	2012924
INTEREST	21935385	10867940
<b>TOTAL</b>	<b>23573865</b>	<b>12880864</b>

**SCHEDULE - 19**

<b>SELLING &amp; DISTRIBUTION EXPENSES</b>	<b>THIS YEAR AMOUNT (RS) 31.03.2007</b>	<b>LAST YEAR AMOUNT (RS) 31.03.2006</b>
EXPORT COMMISSION	1809660	1911021
E.C.G.C EXPENSES/AGMARK EXPENSES	773138	1126923
ADVERTISEMENT	2011341	1287302
DIRECT EXPORT EXENSES	39788939	33656163
CONSIGNMENT EXPENSES	27660	407739
BROKERAGE	3501892	3274885
BILL DISCOUNT/REBATE	466684	917453
MISC EXPENSES	74047	4166820
BAD DEBTS	100589	266139
<b>TOTAL</b>	<b>48553950</b>	<b>47014446</b>



**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 five 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.

**(I) 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 as on the date of settlement of account.

**(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 accrual basis except purchase/Sale Tax Determined on finalisation of the assessment of relevant year.



**2. Managerial Remuneration**

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

	31.03.2006	31.03.2007
Profit before Tax	23018012	29084325
Add: Depreciation	8980495	9398230
Less: Depreciation as per Sec 350	8980495	9398230
Net Profit u/s 350 of Companies Act 1956	23018012	29084325
Add: Directors Remuneration	1189337	1937874
Profit as per Section 198	24207349	31022199
Managerial Remuneration allowable @ 11%	2662808	3412442
Managerial Remuneration paid	1189337	1937874

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. Fresh expenses, if any have been amortised over a period of 5 years.
9. The Managerial Remuneration has been paid within the limits of Section 198 of Companies Act 1956.  
Managing Director Rs 280280/- Whole Time Directors Rs. 1662694/-
10. **Contingent liabilities as at 31.3.2007**
  - (i) 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. However the company has paid the tax for the year under audit.
  - (ii) Doubtful debts for whom no provision has been made Rs. 2122710/-
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 280280/- and Rs 1662694/- respectively.
  - (ii) Interest on unsecured loans paid to directors during the year @ 12% p.a is Rs. 13764194/-  
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.2.42



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

In accordance with the accounting standard AS-22 the deferred tax has been accounted for during the year ended 31.03.07. 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 Rs 640000/- which has been set off against the above said amount.

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

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

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

12. The provisions of section 205C of the Companies Act 1956 regarding Investor education and protection fund are applicable during the the year and the total amount lying unpaid in dividend account for more than 7 years has been transferred to Investor education & protection fund..
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
14. Stores & Spares are charged to Profit & Loss at time of Purchase and no inventory in respect of these is being maintained.
15. There was no payment exceeding Rs One Lac due to any small scale industrial undertaken.
16. 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 :**

	<b>31.03.2006</b>		<b>31.03.2007</b>	
Licensed Capacity (per hour)	8 MT		8 MT	
Installed Capacity (per hour)	8 MT		8 MT	
Actual Production (In Qtls)	355655		259371	
Quantitative Stocks (In Qtls)				
Opening Stock as at				
	<b>01.04.05</b>	<b>01.04.06</b>	<b>31.03.07</b>	<b>31.03.06</b>
	116323	130037	102784	130037

Value of Imports calculated on CIF Basis Rs.Nil

**(B) Expenditure in Foreign Currency**

- (i) Travelling Expenses Rs. 2669565/-
- (ii) Export Commission Rs 1809660/-

**(C) Earning in Foreign Exchange**

FOB Value of Export Rs. 356476434/-

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

<b>31.03.07</b>		<b>31.03.06</b>	
<b>Quantity</b>	<b>Value</b>	<b>Quantity</b>	<b>Value</b>
405041	713546020	553110	654292894

17. Previous Years figures have been regrouped & rearranged where ever considered necessary to present Balance Sheet as near as possible to the schedule VI.



*Chaman Lal Setia Exports Ltd.*

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## CASH FLOW STATEMENT FOR YEAR ENDING 31.03.2007

	AMOUNT 31.03.07	AMOUNT 31.03.06
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	29084325	23018012
ADJUSTMENT FOR:-		
DEPRECIATION/AMORTISATION	9398230	9180306
INTEREST/DIVIDEND RECEIVED	1666994	596013
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	36815561	31602305
ADJUSTMENT FOR:		
TRADE AND OTHER RECEIVABLES	-52353040	5152832
INVENTORIES	19686524	134522352
TRADE PAYABLES	-3289525	-32626575
CASH GENERATED FORM OPERATION	859520	138650914
DIVIDEND /ADJUSTED	11375270	18559000
DIRECT TAXES PAID	9076944	5374396
CASH FLOW BEFORE EXTRAORDINARY ITEMS	-19592694	114717518
EXTRAORDINARY ITEMS	0	0
NET CASH FROM OPERATING ACTIVITIES:	-19592694	114717518
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE OF FIXED ASSETS	13788860	13070786
SALE OF FIXED ASSETS	641024	3705437
ISSUE EXPENSES	0	0
PURCHASE OF INVESTMENTS (Net)	0	3606769
SALE OF INVESTMENTS	2668263	0
INTEREST RECEIVED	1666994	596013
DIVIDEND PAID	0	504390
NET CASH USED IN INVESTING ACTIVITIES	-8812579	5850203
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
PROCEEDS FROM SHARE CAPITAL	555040	3691047
PROCEEDS FROM BORROWINGS	46338602	-103982108
REPAYMENT OF FINANCE LEASE LIABILITIES	0	0
NET CASH FROM FINANCING ACTIVITIES	46893642	-100291061
NET INCREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS AS AT 01.04.2006 (OPENING BALANCE)	33961763	32415803
CASH AND CASH EQUIVALENTS AS AT 31.03.2007 (CLOSING BALANCE)	52450129	33961763

For and on behalf of Board

Place : Amritsar  
Date : 27.08.2007

**CHAMAN LAL SETIA**  
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, 2007 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  
**Rajesh Kapoor**  
Prop.

Place : Amritsar  
Date : 27.08.2007





*Chaman Lal Setia Exports Ltd.*

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**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	31.03.2007		

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

Public Issue*	5.50	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

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

Total Liabilities	5062.62	Total Assets	5062.62
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**Source of Funds**

Paid up capital	938.01	Reserve & Surplus	1362.04
Secured Loans	1509.62	Unsecured Loans	1252.94

**Application of Funds**

Net Fixed Assets	614.32	Investments	13.30
Net Current Assets	4434.81	Misc Expenditure	0.18
Accumulated Losses	Nil		

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

Turnover	9500.45	Total Expenditure	9209.60
Profit before Tax	290.84	Profit after Tax	224.64
Earnings per shares	Rs. 2.42	Dividend rate %	11%

\* Including other income

\* Calls in arrears

**Generic Names of Two Principal Products of Company**

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

**AS PER OUR REPORT OF EVEN DATE**

**RAJESH KAPOOR**  
PROP.

**CHAMAN LAL SETIA**  
CHAIRMAN CUM MANAGING DIRECTOR

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

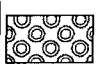
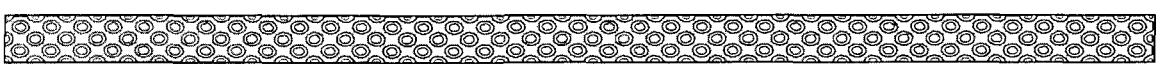
**RAJIV SETIA**  
EXECUTIVE DIRECTOR

PLACE : AMRITSAR  
DATE : 27.08.2007



*Chaman Lal Setia Exports Ltd.*

*Maharani<sup>®</sup>  
Rice*



# Chaman Lal Setia Exports Ltd.

(A Govt. Recognised One Star Export House)

**Regd. Office :** Meerankot Road, P.O. Central Jail, Ajnala Road, Amritsar - 143 001 India

**Tel :** 91-183-2590318, 91-183-2592708, Facsimile : 91-183-2590453, 91-184-2291067

**E.mail :** setia@jla.vsnl.net.in