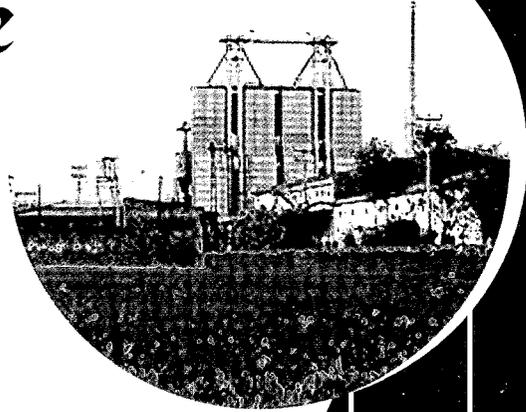


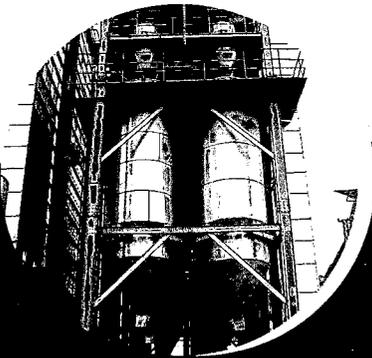
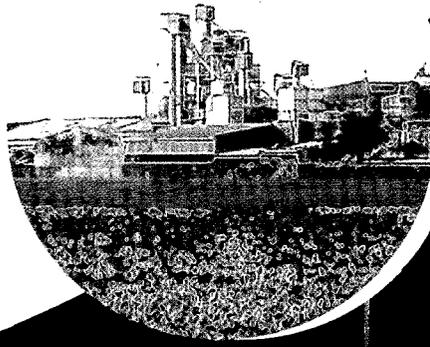


Maharani[®] Rice

Pure Fragrant Original Basmati Rice



15th ANNUAL REPORT 2008-09



An ISO 9001 : 2000
Haccp
Certified Co.

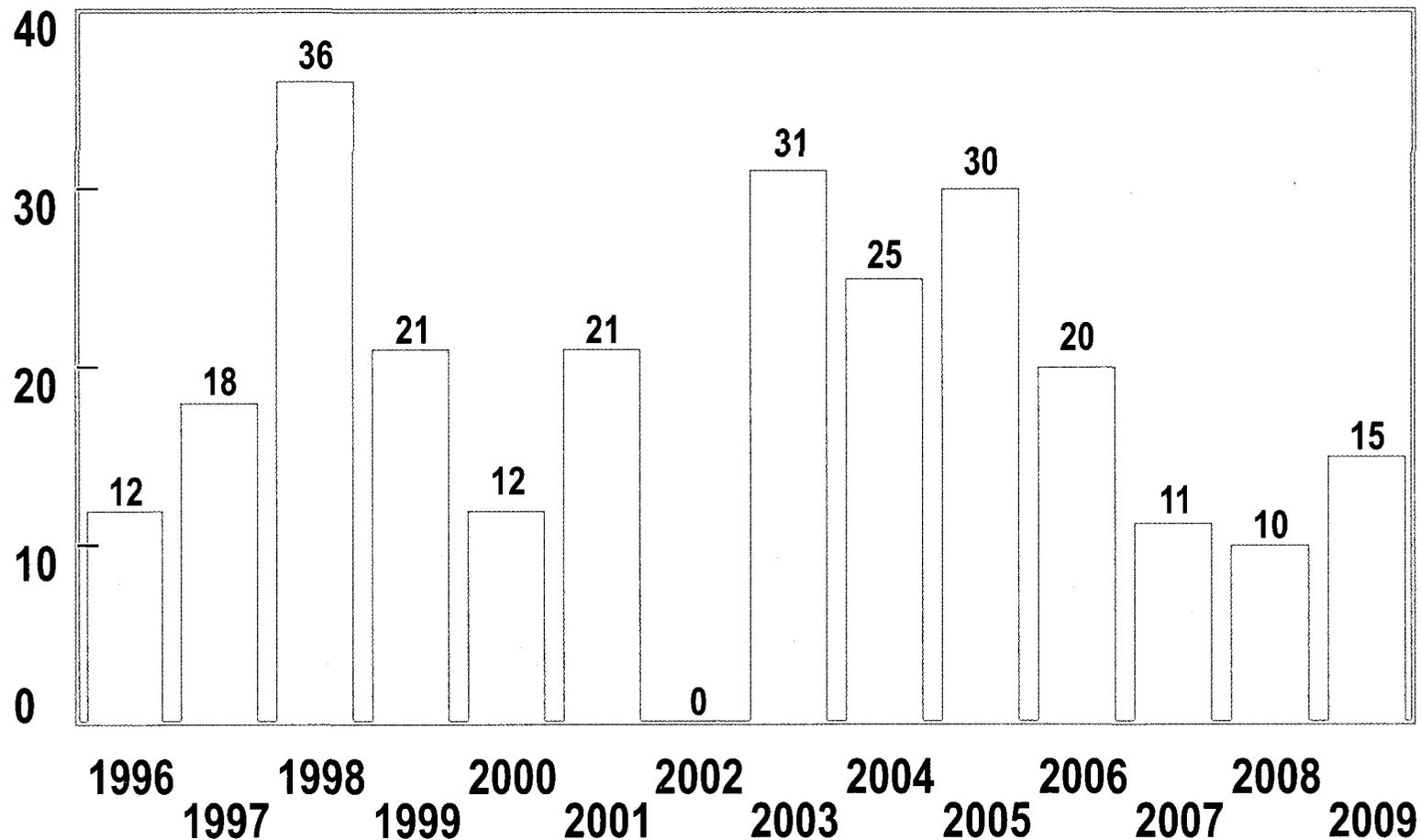
CHAMAN LAL SETIA EXPORTS LTD.
(A Govt. Recognised Star Export House)





Chaman Lal Setia Exports Ltd.

262% Dividend since inception



15% Dividend Proposed in 2008-09



BOARD OF DIRECTORS

Chaman Lal Setia

(Chairman Cum Mg. 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
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 Madahgir
(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., 09 at 4:30 p.m. at
Hotel P.R Residency
101, Distt Shopping Centre, Ranjit Avenue, Amritsar

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NOTICE TO THE MEMBERS

Notice is hereby given that the 15th Annual General Meeting of CHAMAN LAL SETIA EXPORTS LTD. will be held on Tuesday the 29th Sept 2009 at P.R Residency, Ranjit Avenue, Amritsar at 4.30 p.m. to transact the following business:

(A) ORDINARY BUSINESS

1. To receive and adopt the Directors' Report, audited Balance Sheet, the Profit & Loss Account and cash flow statement as at and for the year ended 31.03.09 and the Auditors' Report thereon.
2. (a) To appoint a director in place of Mr. Vijay Setia who retires by rotation but being eligible, offers himself for re-appointment.
(b) To appoint a director in place of Mr. Inder Dev Kukkar who retires by rotation but being eligible offers himself for re-appointment.
(c) To appoint a director in place of Mr. Raghav Peshawaria who retires by rotation but being eligible offers himself for re-appointment.
3. To appoint auditors for the next year and to fix their remuneration. M/s Rajesh Kapoor & Co. are eligible and available for re-appointment.
4. To declare dividend.

(B) SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification the following resolution as a Special resolution:
RESOLVED that pursuant to Sections 198, 269, 309, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. Chaman Lal Setia be and is hereby reappointed as Managing Director of the Company to hold office for a period of five years with effect from September 21, 2009, on the following terms and conditions, with further powers to the boards to increase the remuneration considering the growth of business during the tenure of Sh Chaman Lal Setia :

I. REMUNERATION

A) Fixed Compensation

Fixed Compensation shall include Basic Salary, Company's Contribution to Provident Fund and Gratuity. The Basic Salary shall be Rs. 50,000 per month, payable monthly.

The Company's contribution to Gratuity and Provident Fund shall be according to the rules of the company, in force from time to time.

B) Flexible Compensation

In addition to the Fixed Compensation, he will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 1956 (collectively called "perquisites and allowances"). These perquisites and allowances may be granted to the Managing Director in such form and manner as the Board may decide.

- Housing as per rules of the Company (i.e. unfurnished/furnished residential accommodation and or House Rent)
- Payment/reimbursement of medical/hospitalization expenses for the Managing Director and his family in accordance with the rules of the Company.
- Group insurance cover, group medi-claim cover;
- Company car with driver for official use, provision of telephone(s) at residence;
- Payment/reimbursement of telephone expenses;
- Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time.
- Perquisites shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules.

II. OVERALL REMUNERATION

The aggregate of salary and perquisites as specified above or paid additionally in accordance with the rules of the Company in any financial year, which the Board in its absolute discretion pay to the Managing Director from time to time, shall not exceed the limits prescribed from time to time under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

III. MINIMUM REMUNERATION

Notwithstanding the foregoing, where in any Financial Year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the remuneration will be subject to Schedule XIII to the Companies Act, 1956.



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 23.9.2009 to 29.9.2009 (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: 20-08-09

Rajeev Setia
Whole Time Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ITEM **

Item No.5

The shareholders in the Annual General Meeting held on 29.09.04 appointed Mr. Chaman Lal Setia as Managing Director with effect from 21.09.04 to hold office for a period of five years. It is proposed to reappoint Mr. Chaman Lal Setia as Managing Director of the Company for a further period of five years from September, 21, 2009.

The personal profile of Mr. Chaman Lal Setia is given below:

Full Name : Mr. Chaman Lal Setia

Date of Birth : 04-07-1934

Date of appointment as director in the Company: 21.09.94

Qualification: Under Graduate

Specialized Expertise: Procurement, Quality Control and Finance Control.

For the sake of brevity the particulars of the proposed remuneration, perquisites and benefits of Mr. Chaman Lal Setia are not being set out in the explanatory statement and the members are requested to refer to the same as set out in the body of the resolution.

These particulars also constitute the abstract of the terms of the contract proposed to be entered into with Mr. Chaman Lal Setia which is required to be sent to every member pursuant to Section 302 of the Companies Act, 1956.

Mr. Chaman Lal Setia may be deemed to be concerned or interested in this resolution. Sh.Rajeev Setia, Director, Sh.Vijay Setia, Director, Sh.Sukaran Setia, Director Sh. Ankit Setia, Director may be deemed to be concerned or interested in this resolution being relatives. The Board of Directors recommends the passing of the said resolution.



DIRECTORS' REPORT

To The Members,

Yours Director's have pleasure in presenting the 15th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2009.

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

Particulars	Amount (in Lacs) Y.E. 31.03.2008	Amount(in Lacs) Y.E 31.03.2009
Export turnover	6308.27	8609.46
Domestic turnover	5661.66	6682.45
Profit before Intt. & Depreciation	1045.42	984.59
Interest	335.22	313.20
Provision for Depreciation	98.35	170.30
Profit before Tax	611.85	501.08
Provision for Tax	110.30	160.00
Profit after Tax	501.25	341.08
Proposed Dividend	106.51	162.97
Transfer To General Reserve	50.12	34.11
Carried to Balance Sheet	365.48	339.61
Current Assets	7744.72	6237.69
Current Liabilities	4603.41	3266.22
Working Capital	3141.31	2971.47
Capital Employed	3818.98	3872.55
EPS	5.18	3.67
Book Value	26.62	28.51

Highlights of Performance:

During the year the Sales of Company increased at a higher pace in spite of the adverse factors i.e. fall in the value of dollar & cut throat competition in the market. This was the result of the efforts put in by management viz attraction packing, branding & standardisation of quality of rice creating of new markets. The decrease in profit can be attributed to Govt policies viz; Custom duty, Export ban on non basmati rice 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 31.03.09

3. Personnel

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

4. Directors

All Director of the Company retiring 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, 2009 your Company's working results have improved Considerably 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 . Still keeping in view the further expansion , yours directors, recommend a dividend of 15 % 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, 2009 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 form 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.

17. Future Expansion

Keeping in view the increase in demand of rice, scarcity of food grains worldwide the company is in the process of installing Ultra Modern Machinery at its Karnal Unit .The commercial production is supposed to come in the coming season.

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: 20-08-09

CHAMAN LAL SETIA
Chairman

ANNEXURE A

Particulars as required under Companies (Disclosure of particulars in the Report of Board of Directors) Rule 1988 and forming part of the Director's Report for the year ended 31.03.2009.

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 rice suitable of diabetic people.
- 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. 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 family health.

D. RICE SUITABLE FOR DIABETIC PEOPLE:-

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 has been upheld by department of Nutrition & diabetic of P.S.G college of Arts and Science, Coimbatore (An ISO 9001 2000 certified institute also accredited at the 5 star level by NAAC). Further more our claim of rice suitable for diabetic people is certified by RSS Lab in United Kingdom and recently certified by G.I Testing centre for Food, Madras Diabetic research foundation, Chennai.



Management Discussion and Analyses

1. Economic Environment & Rice Industry:-

India has been one of the best performers in the world economy in recent years. India economy has been one of the stars of Global Economics in recent years growing 9.2% in 2007 & 9% in 2008. Growth had been sported by market reforms, huge inflows of FDI, rising Foreign Exchange reserves, boom in Real Estate & IT & a flourishing capital market.

The world economy grew 5.2% in 2007-08 powered by growth in China (11%), India (9%) and Russia (8%). After several years of rapid growth 2009 will prove a testing year for India. Inflation continuous to pose a threat. In addition to the increasing population, lower per capita income.

After reaching growth of 9% in 2007-08 growth is expected to slow down to 7% which can be still said as good but with 60% of India's 1.2 billion population living off agriculture and with droughts & flood increasing poverty elevation is still a major problem.

2. Outlook – Global Rice Industry:-

Throughout history rice has been one of man's most important foods. Today, this unique grain helps sustain two-thirds of the world's population. Today, agriculture is the backbone of India's economy, providing direct employment to about 70% of working people in the country. It forms the basis of many premier industries of India, including the textile, jute, and sugar industries. Agriculture contributes about 31% to GDP; about 25% of India's exports are agricultural products.

The major rice growing area in India are West Bengal, Uttar Pradesh, Madhya Pradesh, Orissa, Bihar, Andhra Pradesh, Assam, Tamil Nadu, Punjab, Maharashtra, Karnataka, Haryana, Gujarat, Kerala, Jammu- Kashmir, Tripura, Meghalaya, Manipur, Rajasthan, Nagaland, Arunachal Pradesh, Himachal Pradesh, Mizoram, Goa, Pondicherry, Sikkim, A & N Island and D & N Haveli.

The agriculture is the backbone of India's economy, providing direct employment to about 70% of working people in the country. It forms the basis of many premier industries of India, including the textile, jute, and sugar industries. Agriculture contributes about 31% to GDP; about 25% of India's exports are agricultural products.

Through a combination of increasing the area under cultivation and increasing cropping intensity today India is self sufficient in rice. Adoption of Modern Varieties (MVS) rice production exceeded 100 million tons annually since 1988. India regularly exports high quality basmati rice (aromatic).

The export of Basmati rice of our Country stood at 1.4 million tons for the current year worth about Rs.8000 crores.

So the Company has considerable scope of growth if it capture even little share of the pie.

OPPORTUNITIES & THREATS: -

Opportunities:-

1. The future expansion programme which lead to installation of fully automated State of the Art Machinery will result in higher production vis-à-vis improved quality of rice in demand. This will future result in increased sale and profitability. The commercial production is all set to start in coming season.
2. The Classification of 1121 rice has been changed from Non Basmati Rice to Basmati Rice by Govt. of India boosting thereby export possibilities of the Company specially to Iran and further to Iraq which is emerging as a big importer of 1121 Basmati Rice.
3. The Company has explored altogether new countries and new customers within the existing countries for exporting rice to further boost the sale of rice.
4. The company is also concentrating on new domestic centers through brand promotion and lucrative designs in packaging and packing.
5. The company's novel product Bhatti Sella that was introduced five 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.
6. 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.

7. 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 USA and Europe.
8. Yet another product of the company introduced two year back is rice suitable for Diabetic People who avoid normal rice. This rice developed by the company has moderate Glimex Index (G.I) as compared to the normal rice available in the market. Our claim has been approved by various agencies/labs in India and Abroad. This product is already being exported to U.K, Singapore, U.S.A and U.A.E and we are expecting this product will spread in other parts of World too and Company profitability and goodwill will definitely improve with this line of product.
9. The Company has put up corporate office in Delhi which is giving rise to the sales as Domestic and International buyers come to Delhi more frequently and as such the company has more asses to existing and prospective buyers.
10. The Company's main funda that the fixed cost can be brought down substantially with increased production .The company has considerably reduced the financial cost by making a prudence use of funds and still hopeful for further decrease in financial expenses is coming years with the installation of Modern Plant at Karnal Unit and further expansion programme on the anvil.

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, Govt.'s ban on Non basmati rice export and classification of 1121 variety of rice as non basmati ,Inflation/deflation were the threats which depress the prices and the demand for rice. These risks can be mitigated largely due to the concept that Food Industry has lesser elasticity of demand as compared to the other products. Further the business wisdom and technological aspirations inherent in the management team can be quiet helpful to overcome such difficulties.

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 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.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company continued to lay emphasis on strengthening and improving internal supervision and control. The Company has a proper and adequate system of Internal controls to provide reachable assurance that all assets are safeguarded and protected against loss from unauthorized use or disposition, and that 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 yours 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, volatile market, frequent change in Govt. Policy, exchange rate fluctuation imposition of export duty of Rs.8000/- per ton on rice caused fall in prices of rice and paddy procured by the Company despite these hurdles the Company achieved Rs 15291.91 lacs as Sales as compared to 11969.93 lacs last year. During the year company's Profit was recorded at 501.08 lacs and EPS to Rs 3.67.

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.7.16 lacs on the training of its employees and Rs 54.89 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 180 as on 31st March 2009.

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 or revise any forward looking statements on the basis of any subsequent developments information or events.



Report on Corporate Governance

1. Corporate Governance Philosophy:

Your company and its board believes in conducting its affairs with the highest level of integrity with proper authorization, accountability and transparency.

2. Board of Directors:

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

S.No	Name	Designation	Date of Appointment	Other Boards/ Committees
1.	Sh. Chaman Lal	Chairman cum Mg. Director	21.09.04	Nil
2.	Sh. Vijay Setia	Executive Director	21.09.94	Nil
3.	Sh. Rajeev Setia	Executive Director	21.09.94	Share Holders Committee.
4.	Sh. Sukarn Setia	Executive Director	28.09.01	Nil
5.	Sh. Ankit Setia	Executive Director	30.09.02	Nil
6.	Sh. Inder Dev Kukkar	Director	26.05.97	Audit Committee
7.	Sh. Naresh Suneja	Director	30.09.02	-----Do-----
8.	Sh. Amit Malhotra	Director	30.09.02	-----Do-----
9.	Sh. Parmod Kumar	Director	31.03.03	Nil
10.	Sh Raghav Peshwaria	Director	28.07.04	Share Holders 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 2008-09

Date of Meeting	No. of Directors on Board	No. of Directors in Attendance
21.04.2008	10	8
29.04.2008	10	7
30.04.2008	10	7
15.05.2008	10	8
20.05.2008	10	8
31.05.2008	10	8
10.06.2008	10	8
05.07.2008	10	8
30.07.2008	10	7
31.07.2008	10	8
11.08.2008	10	8
18.08.2008	10	7
20.08.2008	10	7
30.08.2008	10	7
22.09.2008	10	7
30.09.2008	10	7
30.10.2008	10	7



Date of Meeting	No. of Directors on Board	No. of Directors in Attendance
31.10.2008	10	7
31.12.2008	10	8
20.01.2009	10	8
30.01.2009	10	7
31.01.2009	10	8
17.03.2009	10	7

2.3 Details of meetings attended by directors during 2008-09

Name of Director	No. of Meetings Held	No. of Meetings attended	Attendance in Last AGM
Chaman Lal	23	20	No
Vijay Setia	23	17	No
Rajeev Setia	23	20	Yes
Sukarn Setia	23	16	Yes
Ankit Setia	23	15	No
Inder Dev Kukkar	23	16	No
Naresh Suneja	23	19	Yes
Amit Malhotra	23	14	Yes
Parmod Kumar	23	15	No
Raghav	23	20	Yes

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

3. Committees of the Board :

3.1 Audit Committee:

Composition:

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

Objectives:

- Providing direction and overseeing the total Audit function.
- 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 2008-09:

Name	No. of Meetings Held	No. of Meetings Attended
Sh. Inder Dev Kukkar	4	4
Sh. Naresh Suneja	4	4
Sh. Amit Malhotra	4	4

3.3 Shareholders/ Investor Grievance Committee :

Composition:

Sh. Rajeev Setia	Executive Director (Member)
Sh. Raghav Peshawaria	Non Executive Director (Chairman)

This Committee looks into re-dressing of shareholder complaints like Transfer of Share, Non Receipt of Dividend/Balance Sheet, as required in Clause 49 of Listing Agreement.

3.4 Details of meetings attended by member directors during 2008-09:

Name	No. of Meetings Held	No. of Meetings Attended
Sh. Rajeev Setia	4	4
Sh Raghav Peshwaria	4	4

The company has received 39 complaints/queries from the investors during the year. All of these have been redressed. No share transfer request received upto 31.03.09 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	299060
		Interest	5192511
Sh. Vijay Setia	Executive Director	Remuneration	967612
		Interest	4688805
Smt. Neelam Setia	Director 's wife	Rent	432000
Smt Sushma Setia	Director 's wife	Rent	432000
Sh. Rajeev Setia	Executive Director	Remuneration	831634
		Interest	4019458
Sh. Sukarn Setia	Executive Director	Remuneration	420000
Sh. Ankit Setia	Executive Director	Remuneration	420000
Setia Rice Mills	Sister Concern	Lease Rent	300000

In addition dividend was also paid to them, disclosed in this report elsewhere.

5. Material Disclosures:

There was no instance of non-compliance by the company on any matter related to Capital markets.

There are no materially significant related transactions of the company with its Directors, management and /or relatives that would have potential conflict with the interest of the company at large.



Per Share Data	2008-09	2007-08
Face Value (Rs.)	10	10
Earning Per Share (Rs.)	3.67	5.18
Dividend (%)	15%	10%
Book Value (Rs.)	28.51	26.62

6. Listing on Stock Exchange:

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

7. Registrar & Share Transfer Agent:

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

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

8. General Body Meeting :

The Details of Last Three Annual General Meetings of the Company are as follows;

Date & Time	Venue
Sep. 29, 2008	Hotel P.R Residency, 101, Distt. Shopping Centre, Ranjit Avenue, Amritsar
Sep. 29, 2007	Hotel Mohan International, Albert Road Amritsar
Sep. 29, 2006	P.O Central Jail Mirankot Road, Amritsar

The Company will hold the next Annual General Meeting on Sep 29, 2009 at 4.30 P.m. at Hotel P.R Residency, 101, Distt. Shopping Centre, Ranjit Avenue, Amritsar.

Special Resolution passed in the last three Annual General Meetings.

Meeting Date	Details of Special Resolution
Sep 29, 2008	Nil
Sep. 29, 2007	Nil
Sep. 29, 2006	Nil

9. Share Transfer System:

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



10. **Shareholding & Distribution Pattern (as on 31.03.09):**

Category	No. of Shares Held
Promoters/Their Relatives	7095958
Domestic Companies	444057
Indian Public/Resident Individuals	1957935
NRI/OCB/others	350

11. **Distribution Schedule**

Shareholding of Nominal Value	No of Shares Holders	%	Number of shares	%
1- 5000	3149	84.88	664925	7.00
5001-10000	303	8.17	246894	2.60
10001-20000	113	3.05	167226	1.76
20001-30000	37	1.00	95453	1.00
30001-40000	26	0.70	93666	0.98
40001-50000	14	0.38	65613	0.69
50001-100000	29	0.78	197871	2.08
100001 Above	39	1.05	7966652	83.89

12. **Dematerialisation of Shares:**

The company's shares are traded compulsorily in demat form under ISIN Code INE 419D01018.
At present, 1594289 Equity Shares of the Company have been dematerialized.

13. **Market Price data:- High/Low during each month of 2008-09 on Mumbai Stock Exchange**

Month	Highest price	Lowest price	Volume
April 2008	33.40	24.50	72736
May 2008	33.90	27.05	84769
June 2008	29.45	22.75	57626
July 2008	28.85	21.00	39012
Aug 2008	30.50	25.25	45040
Sep 2008	28.95	21.00	36766
Oct 2008	25.00	15.00	20017
Nov 2008	19.20	12.00	25982
Dec 2008	14.69	12.25	20809
Jan 2009	16.40	11.75	21967
Feb 2009	13.60	11.45	34025
Mar 2009	13.90	11.00	19586



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

Name	Share hold as on 31/3/09	Dividend paid
Sh Chaman Lal Setia	2109000	2109000
Sh Vijay Setia	2268800	2268800
Sh Rajiv Setia	2378300	2378300
Sh Sukarn Setia	56800	56800
Sh Ankit Setia	50000	50000
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. Vijay Setia, Inder Dev Kukkar & Raghav Peshawaria shall retire at the Annual General Meeting and being eligible offers themselves for re-election. The resume of three directors are as follows:-

Name	Sh. Vijay Setia
Date of Birth	16.11.53
Qualification	Graduate
Specialised Expertise	Businessman having rich business expertise of at least 30 year In Quality Control and Production
No of Share held	2268800
Directorship in other Company	Nil

Name	Sh. Inder Dev kukkar
Date of Birth	20.01.53
Qualification	Graduate
Specialised Expertise	Business expertise of Agriculture based at least 25 year
No of Share held	Nil
Directorship in other Company	Nil



Name	Sh. Raghav Peshawaria
Date of Birth	22.12.76
Qualification	Graduate
Specialised Expertise	Rich experience of Business of at least 10 years.

No of Share held	Nil
Directorship in other Company	Nil

19. Declaration by Chairman and 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 having affirmed their compliance with the said code of Conduct for the year 31.03.2009 has been placed for Boards of Director.

20. General Shareholders 'Information :

A. Annual General Meeting

Date & Time	29.09.2009 at 4.30 PM
Venue	Hotel P.R Residency, 101, Distt Shopping Complex Ranjit Avenue , Amritsar

B. Financial Calendar

Financial Year	April 1 To March 31
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C. Book Closure

Period	23.09.2009 to 29.09.2009 (Both Days Inclusive)
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D. Dividend for the Year 08-09

Type	Board Meeting	Rate
Final Dividend	20.08.2009	15%

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
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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



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, 09, 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 M/s Rajesh Kapoor & Co.
Chartered Accountants

Place: Amritsar

Dated: 20-08-09

(Rajesh Kapoor)
Prop.
M.No: 92692

Annexure to the Auditors' Report

To the Members of Chaman Lal Setia Exports Ltd. on the Accounts for the Year Ended 31st March 2009

- (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 and other statutory dues as applicable with the appropriate authorities.

(b) As explained to us, as at 31st March 2009, there have been no undeposited disputed dues in respect of sales tax, income tax, custom duty, wealth tax , service tax and cess.
- (x) The company does not have any accumulated losses at the end of the financial year.
- (xi) The company during the year has not defaulted in repayment of dues to financial institution.
- (xii) The company during the year has not granted any loan and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a nidhi/mutual benefit fund/ society to which the provisions of special statute relating to chit fund are applicable.
- (xiv) In our opinion the company 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 M/s Rajesh Kapoor & Co.
Chartered Accountants

Place: Amritsar
Dated: 20-08-09

(Rajesh Kapoor)
Prop.



AUDITORS' REPORT

1. We have audited the attached Balance Sheet of Chaman Lal Setia Exports Ltd., the Profit and loss account and cash flow statement of the Company for the year ended on that date annexed there to. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standard generally accepted in India. These Standards require that we planned & formed the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit include the examining on a test basis, evidence sporting the amount and disclosures in the financial statement. An audit also include assessing the accounting principles used and significant estimate by the management as well as evaluating the overall financial statements presentation. We believe that our Audit provide a reasonable basis for opinion.
As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) Of the Companies Act, 1956, we enclose in the annexure in paragraph 4 and 5 of the order.
 - (a) The balance sheet & Profit & Loss Account has been drawn up in accordance with the provisions of 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, 2009 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 31.3.09 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 M/s Rajesh Kapoor & Co.
Chartered Accountants

Place: Amritsar

Dated: 20-08-09

(Rajesh Kapoor)
Prop.



BALANCE SHEET AS ON MARCH 31,2009

SOURCES OF FUNDS	SCHEDULE	THIS YEAR AMOUNT (RS) 31.03.2009	LAST YEAR AMOUNT (RS) 31.03.2008
SHAREHOLDERS FUNDS			
(a) SHARE CAPITAL	1	93814561	93809580
(b) RESERVES AND SURPLUS	2	171014254	170176031
LOAN FUNDS			
(a) SECURED LOAN	3	248679449	374968131
(b) UNSECURED LOAN	4	122427823	117913914
TOTAL		635936087	756867656
APPLICATION OF FUNDS FIXED ASSETS			
(a) GROSS BLOCK		204645392	153628885
(b) LESS DEPRECIATION		96534835	86670419
(c) NET BLOCK	5	108110557	66958467
INVESTMENT	6	3526859	692040
CURRENT ASSETS, LOANS & ADVANCES			
(a) INVENTORIES	7	345465166	521898156
(b) SUNDRY DEBTORS	8	156548153	174994852
(c) CASH & BANK BALANCES	9	79780771	44835739
(d) LOANS AND ADVANCES	10	41975584	32843724
		623769674	774572471
LESS : CURRENT LIABILITIES	11	99488887	85373206
AND PROVISIONS NET CURRENT ASSETS		524280787	689199265
MISC. EXPENDITURE	12	17884	17884
(To the extent not written off or adjusted)			
TOTAL		635936087	756867656

ACCOUNTING POLICIES AND

NOTES ON ACCOUNTS

20

SIGNED IN TERMS OF OUR REPORT OF EVEN DATE

RAJESH KAPOOR

CHAMAN LAL SETIA

**CHAIRMAN CUM MANAGING
DIRECTOR**

PROP.

FOR RAJESH KAPOOR & CO.

RAJIV SETIA

EXECUTIVE DIRECTOR

CHARTERED ACCOUNTANTS

PLACE : AMRITSAR

DATE : 20.08.2009



**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
MARCH 31, 2009**

INCOME	SCHEDULE	THIS YEAR AMOUNT (RS) 31.03.2009	LAST YEAR AMOUNT (RS) 31.03.2008
SALES & OTHER INCOME			
INCREASE/(DECREASE) IN STOCK OF WORK	13	1544942796	1214826263
IN PROGRESS & FINISHED GOODS	14	-98836355	51148132
	TOTAL	1446106441	1265974395
EXPENDITURE			
MANUFACTURING EXPENSES	15	1183310999	1071265414
PERSONEL EXPENSES	16	16628446	12088426
ADMINISTRATIVE EXP.	17	17698153	14782873
FINANCIAL EXPESNES	18	31320590	33521887
SELLING & DISTRIBUTION	19	130008828	63324622
DEPRECIATION	5	17030575	9835467
	TOTAL	1395997591	1204818689
PROFIT FOR THE YEAR BEFORE TAX		50108850	61155706
PROVISION FOR TAXATION		14000000	10000000
DEFERRED TAX		2000000	1030000
PROFIT AFTER TAXES		34108850	50125706
PRIOR YEAR TAX ADJUSTMENTS		17082907	-5191784
PRIOR PERIOD DIVIDEND ADJUSTMENT		94971	-337150
PROFIT/LOSS B/F FROM BALANCE SHEET		36548739	7615538
AMOUNT AVAILABLE FOR APPROPRIATION		53669653	52212310
PROPOSED DIVIDEND INCL. TAX		16297632	10651000
TRANSFERRED TO GENERAL RESERVE		3410885	5012571
BALANCE CARRIED TO BALANCE SHEET		33961137	36548739

SIGNED IN TERMS OF OUR REPORT OF EVEN DATE
RAJESH KAPOOR
 PROP.
FOR RAJESH KAPOOR & CO.
 CHARTERED ACCOUNTANTS

CHAMAN LAL SETIA

RAJIV SETIA

**CHAIRMAN CUM MANAGING
DIRECTOR**

EXECUTIVE DIRECTOR

PLACE : AMRITSAR
 DATE : 20.08.2009



**SCHEDULES FORMING PART OF BALANCE SHEET &
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009**

SCHEDULE 1

SHARE CAPITAL	THIS YEAR AMOUNT (RS) 31.03.2009	LAST YEAR AMOUNT (RS) 31.03.2008
AUTHORISED		
1,20,00,000 Equity Shares of Rs.10/- each	120000000	120000000
ISSUED, SUBSCRIBED AND PAID UP	94983000	94983000
9498300 Equity Shares (PRV Year 9498300) of Rs 10/- each.		
LESS CALLS IN ARREARS	1168439	1173420
TOTAL	93814561	93809580

SCHEDULE 2

	THIS YEAR AMOUNT (RS) 31.03.2009	LAST YEAR AMOUNT (RS) 31.03.2008
--	--	--

RESERVES & SURPLUS		
SHRI GANESH JI & LAKSHMI JI	22	22
SHARE PREMIUM	100243681	100228740
GENERAL RESERVE		
BALANCE AS PER LAST BALANCE SHEET (Net)	33398529	
ADD: AMOUNT TRANSFERRED FROM P & L A/C	3410885	36809414
PROFIT & LOSS ACCOUNT	33961137	36548740
TOTAL	171014254	170176031

SCHEDULE 3

	THIS YEAR AMOUNT (RS) 31.03.2009	LAST YEAR AMOUNT (RS) 31.03.2008
--	--	--

SECURED LOAN		
I CASH CREDIT	0	13890329
II TERM LOAN	21545468	0
III PACKING CREDIT	178629004	304096485
IV FOREIGN BILL DISCOUNTING	48504977	56981317
TOTAL	248679449	374968131

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 Hypothecation of Machinery Purchased in name of Company The above loans are also personally guaranteed by Three promoter Directors namely Sh Chaman Lal Setia, Vijay Setia, Rajeev Setia

SCHEDULE 4

	THIS YEAR AMOUNT (RS) 31.03.2009	LAST YEAR AMOUNT (RS) 31.03.2008
--	--	--

UNSECURED LOAN		
LOAN FROM DIRECTORS	122427823	117913914
TOTAL	122427823	117913914



SCHEDULE 5

FIXED ASSETS PARTICULAR	GROSS BLOCK					DEPRECIATION			NET BLOCK	
	OPENING BALANCE AS AT 1.4.48	ADDITIONS DURING THE YEAR(Rs.)	LESS DURING THE YEAR (Rs.)	CLOSING BALANCE AS AT 31.3.09	UPTO 01.04.08	DEPRICIATION DURING THE YEAR (Rs.)	LESS DURING THE YEAR(Rs.)	TOTAL UPTO AT 31.3.09	AS AT 31.3.09 (Rs.)	AS AT 31.3.08 (Rs.)
LAND & BUILDING	29216404	686235	3226222	26676417	12393757	1044197	322622	13115332	13561085	16822647
PLANT & MACHINARY	80715952	52521690	9605944	123631698	46896789	10913696	5408362	52402123	71229575	33819163
ACCESSORIES	22303699	8019097	229544	30093252	13694521	2043457	3581	15734397	14356806	8608667
WOODEN CRATES	2753706	6396	0	2760102	2653700	102617	0	2756317	3875	100006
CAR	14492043	3975681	1958207	16509517	8059913	2053760	1430169	8683504	7826013	6432130
FURNITURE & FIXTURE	1266986	41183	0	1308169	467207	159294	0	626501	681668	799779
TARPAL	2877531	788706.00	0.00	3666237.00	2503106	713555	0	3216661	449576	374425
Total	153626321	66038988	15019917	204645392	86668993	17030576	7164734	96534835	108108598	66956817
Last Year	139124986	15967991	1464132	153623621	77692363	9835467	857410	86668993	66958424	61432623

SCHEDULE 6

INVESTMENT	THIS YEAR AMOUNT (RS) 31.03.2009	LAST YEAR AMOUNT (RS) 31.03.2008
PNB Gilts Ltd.	600000	600000
PNB Equity Shares	92040	92040
Mutual Fund	2834819	0
TOTAL	3526859	692040

SCHEDULE 7

INVESTMENT	THIS YEAR AMOUNT (RS) 31.03.2009	LAST YEAR AMOUNT (RS) 31.03.2008
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	161101524	229690065
FINISHED GOODS	184363642	292208091
TOTAL	345465166	521898156

SCHEDULE 8

SUNDRY DEBTORS	THIS YEAR AMOUNT (RS) 31.03.2009	LAST YEAR AMOUNT (RS) 31.03.2008
UNSECURED CONSIDERED GOOD FOR A PERIOD EXCEEDING		
SIX MONTHS	26965015	4905317
OTHERS	129583138	170089535
TOTAL	156548153	174994852



SCHEDULE 9

CASH & BANK BALANCES	THIS YEAR AMOUNT (RS) 31.03.2009	LAST YEAR AMOUNT (RS) 31.03.2008
CASH & CHEQUES IN HAND	1458281	9030967
-IN CURRENT ACCOOUNT	29858891	15429581
-IN FIXED DEPOSIT/MARGIN MONEY ACCOUNT	47615518	19406807
-CASH/CHEQUE IMPREST ACCOUNT	435715	556018
-TRAVELLER CHEQUES		0
-INVESTOR PROTECTION FUND	412366	412366
TOTAL	79780771	44835739

SCHEDULE 10

LOANS AND ADVANCES	THIS YEAR AMOUNT (RS) 31.03.2009	LAST YEAR AMOUNT (RS) 31.03.2008
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED UNSECURED CONSIDERED GOOD SECURITY AND OTHER DEPOSITS	1577781	1238511
STAFF & WORKERS FOR PURCHASE OF MACHINERY	2712496	1972908
FOR EXPENSES & OTHERS	0	25000
ADVANCE TAX /TDS	5953851	1966992
INSURANCE CLAIM RECEIVABLE	31731456	27482313
		158000
TOTAL	41975584	32843724

SCHEDULE 11

CURRENT LIABILITIES AND PROVISIONS	THIS YEAR AMOUNT (RS) 31.03.2009	LAST YEAR AMOUNT (RS) 31.03.2008
SUNDRY CREDITORS	32432544	31538708
SUNDRY CREDITORS (Micro & SSI)	948682	1025632
OTHER LIABILITIES	3269604	4086414
DIVIDEND /REFUND PAYABLE	2415911	3482244
PROVISIONS	12665	
INCOME TAX	30800000	22000000
DIVIDEND (Including Income Tax)	16297632	10651000
T.D.S PAYABLE	6054545	5976118
DEFERRED TAX	6941137	4941137
CST/SERVICE TAX	316167	1671953
TOTAL	99488887	85373206



SCHEDULE 12

MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)	THIS YEAR AMOUNT (RS) 31.03.2009	LAST YEAR AMOUNT (RS) 31.03.2008
A) PRELIMINARY EXPENSES AS PER LAST BALANCE SHEET	17884	17884
ADDITION DURING THE YEAR		
LESS : AMOUNT WRITTEN OFF		
SUB-TOTAL	17884	17884
DEFERRED REVENUE EXPENSES		0
EXPENSES DURING THE YEAR		0
LESS : 1/10TH WRITTEN OFF		0
SUB-TOTAL		0
TOTAL	17884	17884

SCHEDULE 13

SALES AND OTHER INCOME	THIS YEAR AMOUNT (RS) 31.03.2009	LAST YEAR AMOUNT (RS) 31.03.2008
SALES :-		
* EXPORT	860946723	630827095
* LOCAL	668245035	566166394
SUB-TOTAL	1529191758	1196993489
OTHER INCOME :-		
INTEREST RECEIVED/ACCRUED	7013866	5609182
SALE OF LICENCES	6076389	6011285
MISC.RECEIPTS	2660783	6212307
SUB-TOTAL	15751038	17832774
TOTAL	1544942796	1214826263

SCHEDULE 14

INCREASE(DECREASE) IN STOCKS OF WORK IN PROGRESS AND FINISHED GOODS	THIS YEAR AMOUNT (RS) 31.03.2009	LAST YEAR AMOUNT (RS) 31.03.2008
OPENING STOCK		
-FINISHED GOODS	275888429	224740297
CLOSING STOCK		
-FINISHED GOODS	177052074	275888429
INCREASE/DECREASE IN STOCKS	-98836355	51148132



SCHEDULE 15

EXPENSES	THIS YEAR AMOUNT (RS) 31.03.2009	LAST YEAR AMOUNT (RS) 31.03.2008
MANUFACTURING EXPENSES		
RAW MATERIAL AND COMPONENTS CONSUMED	889693743	917593409
RICE PURCHASE	221385428	85804528
POWER AND FUEL	16092409	13268315
MACHINERY REPAIR & MAINTENANCE	4842715	3344115
SHELLER LEASE	300000	1378000
BARDANA REPAIRS	969065	712468
PACKING EXPENSES	1520668	32061214
STACKING, WEIGHING LOADING, UNLOADING, SORTING & BUNAI	12413509	4124439
OIL & GREASE	1490	2000
PACKING MATERIAL /EMPTY COST	31482463	7444798
FUMIGATION	251859	155025
RESEARCH & DEVELOPMENT	0	2803367
OTHER REPAIR	64410	0 524522
WAGES	393121	2049214
BARDANA PURCHASE	3320429	0
TOTAL	1183310999	1071265414

SCHEDULE 16

PERSONNEL EXPENSES *	THIS YEAR AMOUNT (RS) 31.03.2009	LAST YEAR AMOUNT (RS) 31.03.2008
SALARIES/WAGES	7878699	6258917
ALLOWANCES TO STAFF/WORKERS	1070662	839759
DIRECTORS REMUNERATION	2542337	1756356
EMPLOYEES PROVIDENT/FAMILY PENSION/PUNJAB WELFARE FUND	2324441	1559570
BONUS	1170808	943246
STAFF WELFARE & MEDICAL EXPENSES	925035	505487
MANAGEMENT TRAINING EXPENSES	716464	225091
TOTAL	16628446	12088426



SCHEDULE 17

ADMINISTRATIVE EXPENSES	THIS YEAR AMOUNT (RS) 31.03.2009	LAST YEAR AMOUNT (RS) 31.03.2008
INSURANCE	2248421	3795331
LEGAL/PROFESSIONAL EXPENSES	1869738	2272444
POSTAGE, TELEPHONE & COURIER EXPS.	1515830	1436060
VEHICLES REPAIR & MAINTENANCE	1338698	1679720
STATIONERY & PRINTING	374820	470159
TRAVELLING EXPENSES	0	
*DOMESTIC	633320	0
*FOREIGN	1817799	2451119
SUBSCRIPTION	76572	77131
AUDITOR'S REMUNERATION *STATUTORY AUDIT	50000	
*TAX AUDIT	0	
*TAXATION MATTERS	0	
*AUDIT EXPENSES	5385	55385
MISC.EXPENSES/SHOP EXPENSES	1344590	1422574
PRELIMINARY & PUBLIC ISSUE EXP. WRITTEN OFF		0
DONATION	236778	146126
RENT	2671600	828900
ISO EXPENSES	84529	0
BUSINESS PROMOTION	57445	394732
LOSS OF THEFT	759589	0
LOSS ON SALE OF FIXED ASSETS	2613039	0
TOTAL	17698153	14782873

SCHEDULE 18

FINANCIAL EXPENSES *	THIS YEAR AMOUNT (RS) 31.03.2009	LAST YEAR AMOUNT (RS) 31.03.2008
BANK CHARGES	2496743	2756742
INTEREST	28783666	30765145
LOSS ON INVESTMENT	40181	0
TOTAL	31320590	33521887



SCHEDULE 19

SELLING & DISTRIBUTION EXP.	THIS YEAR AMOUNT (RS) 31.03.2009	LAST YEAR AMOUNT (RS) 31.03.2008
EXPORT COMMISSION	11586194	5148019
E.C.G.C EXPENSES/AGMARK EXPENSES	389970	1485407
ADVERTISEMENT	2930024	2393845
DIRECT EXPORT EXPENSES	109420350	49665188
CONSIGNMENT EXPENSES	0	0
BROKERAGE	3718708	2702217
BILL DISCOUNT/REBATE	1621913	438692
MISC EXPENSES	269081	1194534
BAD DEBTS	64803	244960
FARE EXPENSES	7785	51760
TOTAL	130008828	63324622



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 asset 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 worked in the case of 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 except wherever booked forward/options.
- (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 on accrual basis except purchase/Sales Tax/Vat Determined on finalisation of the assessment of relevant year.



2. Managerial Remuneration
Computation of Managerial Remuneration u/s 198

	31.03.2008	31.03.2009
Profit before Tax	61155706	50108850
Add: Depreciation	9835467	17030575
Less: Depreciation as per Sec 350	9835467	17030575
Net Profit u/s 350 of Companies Act 1956	61155706	50108850
Add: Directors Remuneration	1756356	2938306
Profit as per Section 198	62912062	53047156
Managerial Remuneration allowable @ 11%	6920326	5835187
Managerial Remuneration paid	1756356	2938306

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 amortized over a period of ten years and the balance is kept as Miscellaneous Expenditure to the extent not written off. Fresh expenses, if any have been amortized over a period of 5 years.
9. The Managerial Remuneration has been paid within the limits of Section 198 of Companies Act 1956.
Managing Director Rs 299060/- Whole Time Directors Rs.2639246/-
10. **Contingent liabilities as at 31.3.2009**
- (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. -5073019/-
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 follows: -
- | | | |
|-----|-----------------------|---------------------------------|
| (a) | Shri Chaman Lal Setia | Chairman cum Managing Director. |
| (b) | Shri Vijay Setia | Executive Director |
| (c) | Shri Rajeev Setia | Executive Director |
| (d) | Shri Sukarn Setia | Executive Director |
| (e) | Shri Ankit Setia | Executive Director |
- (i) Remuneration paid to Chairman & Managing Director and Executive Director is Rs 299060/- and Rs2639246 /- respectively.
- (ii) Interest on unsecured loans paid to directors during the year@ 12% p.a is Rs. 13900774/-
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.3.67
- (iv) **AS-22 Deferred Taxes**
In accordance with the accounting standard AS-22 the deferred tax has been accounted for during the year ended 31.03.09 The deferred tax Assets up to 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 2000000/- 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 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 tones 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. During the year company suffered a loss on account of Forward Booking of US currency against Export proceeds which was not accounted for in the books as the deal was to mature in Sept 2008. The amount of loss is not yet crystallized. This will be accounted for as and when crystallized.

17. 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

	31.03.08	31.03.09
Licensed Capacity (per hour)	8 MT	8 MT
Installed Capacity (per hour)	8 MT	8 MT
Actual Production (In Qtls)	221388	239063
Quantitative Stocks (In Qtls)		

Opening Stock as at :-

Closing Stock as at :-

<u>01.04.08</u>	<u>01.04.07</u>	<u>31.03.08</u>	<u>31.03.09</u>
117044	102784	117044	71992

Value of Imports calculated on CIF Basis Rs.Nil

(B) Expenditure in Foreign Currency

i) Traveling Expenses	Rs. 1817799/-
ii) Export Commission	Rs. 11586194/-

(C) Earning in Foreign Exchange

FOB Value of Export Rs. 850287956/-

(D) Raw Material Consumed: (In Qtls)

	31.03.08		31.03.09
Quantity	Value	Quantity	Value
346843	917593409	373055	889693743

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



CASH FLOW STATEMENT FOR YEAR ENDING 31.03.2009

	AMOUNT 31.03.08	AMOUNT 31.03.09
A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	61155706	5008850
ADJUSTMENT FOR: DEPRECIATION/AMORTISATION	9835467	17030575
INTEREST/DIVIDEND RECEIVED	5609182	7013866
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	76600355	60025559
ADJUSTMENT FOR:		
TRADE AND OTHER RECEIVABLES	-65277774	9264839
INVENTORIES	-221450591	176582990
TRADE PAYABLES	33395829	14115681
CASH GENERATED FORM OPERATION	0	259989069
DIVIDEND /ADJUSTED	10651000	16202661
DIRECT TAXES PAID	16221784	33082907
CASH FLOW BEFORE EXTRAORDINARY ITEMS	-203504965	210703501
EXTRAORDINARY ITEMS		0
NET CASH FROM OPERATING ACTIVITIES:		210703501
B) CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	15361310	66038988
SALE OF FIXED ASSETS	0	7856321
ISSUE EXPENSES	0	0
PURCHASE OF INVESTMENTS (Net)	0	2834819
SALE OF INVESTMENTS	638506	2668263
INTEREST RECEIVED	5609182	7013866
DIVIDEND PAID	337150	0
NET CASH USED IN INVESTING ACTIVITIES	-8776472	54003620
C) CASH FLOW FROM FINANCING ACTIVITIES PROCEEDS FROM SHARE CAPITAL	34120	19924
PROCEEDS FROM BORROWINGS	216625591	-121774773
REPAYMENT OF FINANCE LEASE LIABILITIES	0	0
NET CASH FROM FINANCING ACTIVITIES	216659711	-121754849
NET INCREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS AS AT 01.04.2008 (OPENING BALANCE)	52450129	44835739
CASH AND CASH EQUIVALENTS AS AT 31.03.2009 (CLOSING BALANCE)	44835739	79780771



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	31.03.09		

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

Public Issue	0.19	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

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

Total Liabilities	6359.36	Total Assets	6359.36
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Source of Funds

Paid up capital	938.14	Reserve & Surplus	1710.14
Secured Loans	2486.79	Unsecured Loans	1224.27

Application of Funds

Net Fixed Assets	1081.10	Investments	35.26
Net Current Assets	5242.80	Misc Expenditure	0.18
Accumulated Losses	Nil		

Performance of the Company (Amount in Rs. Lacs)

Turnover	15449.42	Total Expenditure	11535.70
Profit before Tax	501.08	Profit after Tax	341.08
Earnings per shares	3.67	Dividend rate %	15%

*Including other income

* Calls in arrears

Generic Names of Two Principal Products of Company (Amount in Rs. Lacs)

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

Place: Amritsar

Dated: 20-08-09

RAJEEV SETIA

Executive Director



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 15th ANNUAL GENERAL MEETING of the Company at Hotel P.R Residency, 101 Distt Shopping Complex Ranjit Avenue, Amritsar on Tuesday 29th Sep. 2009 at 4:30 P.M.

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

Folio No.....
.....

Signature

CHAMAN LAL SETIA EXPORTS LIMITED
Miran Kot Road, P.O. Central Jail Amritsar.

PROXY FORM

I/We.....
.....Ofin the district
of..... Being a member / members of the above named Company, hereby
appoint.....of.....
of.....in the district of..... as my/our proxy to vote for me/us/on my/ our behalf at the
general meeting of the company to be held on theday
of.....2009 and at any adjournment thereof.

Affix a

Signed this..... Re.1day of2009

Revenue

Stamp

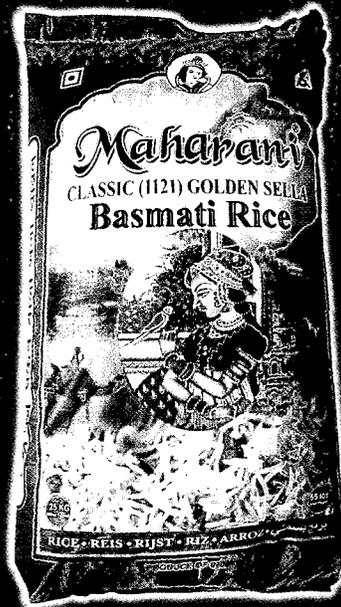
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*Strikeout which is not desired.



Maharani
Rice

Pure Fragrant Original Basmati Rice Collection



Chaman Lal Setia Exports Ltd.

(A Govt. Recognised Star Export House)

Regd. office : Meerankot Road, P.O. Central Jail,

Ajnala Road, Amritsar - 143 001 India

Tel. 91 - 183 - 2590318, 2592708,

Facsimile : 91 - 183 - 2590453, 91 - 184 - 2291067

e-mail : setia@jia.vsnl.net.in

