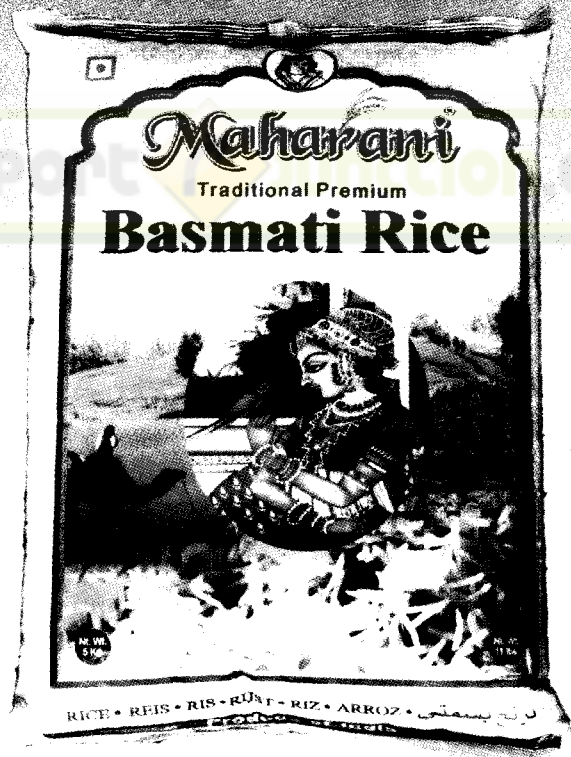




# Maharani Rice

FIRST EVER INDIAN COMPANY TO HAVE DEVELOPED RICE FOR DIABETIC PEOPLE



14TH ANNUAL REPORT 2007 - 2008

An  
ISO 9001 : 2000  
Certified Co.

## Chaman Lal Setia Exports Ltd.

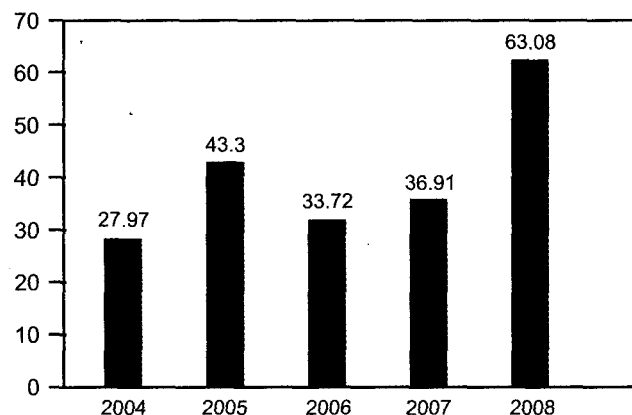
(A Govt. Recognised One Star Export House)

[www.reportjunction.com](http://www.reportjunction.com)

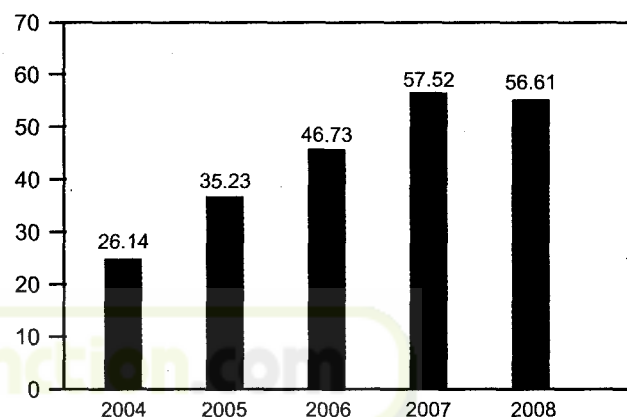
# Chaman Lal Setia Exports Ltd.

## FINANCIAL HIGHLIGHT (Rs. in Crores except EPS & Dividend)

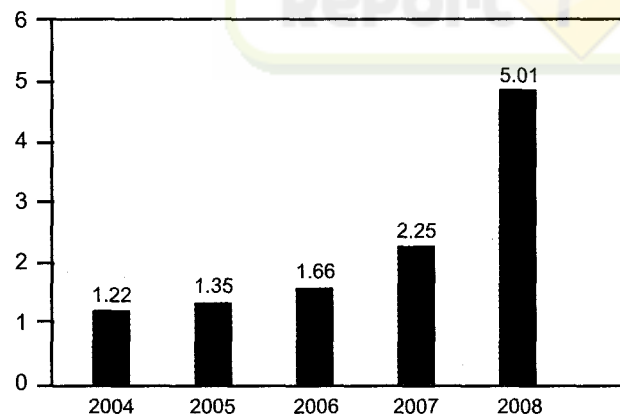
**Export Sales 2004-2008**



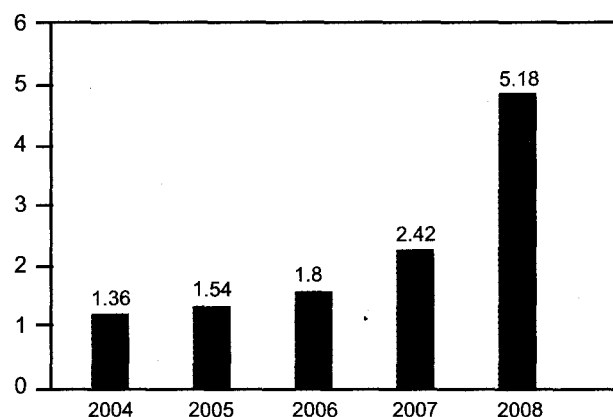
**Domestic Sales 2004-2008**



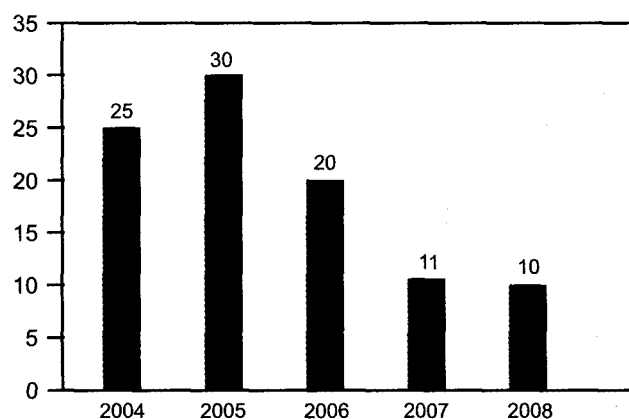
**Profit After Tax (PAT)**



**Earning Per Share (EPS)**



**Dividend 2004-2005**





*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 P.R. Residency 101, Distt. Shopping Complex,  
Ranjit Avenue, Amritsar

## CONTENTS

Notice to the Members .....	2-7
Directors' Report .....	8-11
Management Discussion and Analyses' .....	12-14
Report on Corporate Governance .....	15-20
Auditors' Report .....	21-23
Balance Sheet .....	24
Profit & Loss Account .....	25
Schedules .....	26-34
Cash Flow Statement .....	35
Balance Sheet Abstract .....	36
Attendance Slip	



*Chaman Lal Setia Exports Ltd.*

**Maharani<sup>®</sup>**  
Rice

## NOTICE TO THE MEMBERS

Notice is hereby given that the 14th Annual General Meeting of CHAMAN LAL SETIA EXPORTS LTD. will be held on Monday the 29th Sept 2008 at Hotel 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 and audited Balance Sheet and the Profit & Loss Account as at and for the year ended 31.03.08 and the Auditors' Report thereon.
2. (a) To appoint a director in place of Mr. Naresh Suneja who retires by rotation but being eligible, offers himself for re-appointment.
- (b) To appoint a director in place of Mr. Parmod Kumar who retires by rotation but being eligible offers himself for re-appointment.
- (c) To appoint a director in place of Mr. Amit Malhotra who retires by rotation but being eligible offers himself for re-appointment.
3. To appoint auditors for the next year and to fix their remuneration. M/s Rajesh Kapoor & Co. are eligible and available for re-appointment.
4. To declare dividend.

### (B) SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an **ORDINARY 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. Rajeev Setia be and is hereby reappointed as Whole-Time Director of the Company to hold office for a period of five years with effect from October 1, 2008, upon the remuneration as may be determined and agreed to between the Board of Directors and Mr. Rajeev Setia 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 Rajeev 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 Whole time 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 whole-time director and his family in accordance with the rules of the Company.
- Group insurance cover, group mediclaim cover;
- Company car with driver for official use, provision of telephone(s) at residence;
- Payment/reimbursement of telephone expenses;



*Chaman Lal Setia Exports Ltd.*

**Maharani<sup>®</sup>**  
Rice

- 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.
- iv) 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 Whole-time 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 Whole time Director, the Company has no profits or its profits are inadequate, the remuneration will be subject to Schedule XIII to the Companies Act, 1956.

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an **ORDINARY 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. Vijay Setia be and is hereby reappointed as Whole-Time Director of the Company to hold office for a period of five years with effect from October 1, 2008, upon the remuneration as may be determined and agreed to between the Board of Directors and Mr. Vijay Setia 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 Vijay 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 Whole time 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 whole-time director and his family in accordance with the rules of the Company.
- Group insurance cover, group mediclaim 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.
- iv) 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





*Chaman Lal Setia Exports Ltd.*

**Maharani<sup>®</sup>**  
Rice

Company in any financial year, which the Board in its absolute discretion pay to the Whole-time 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 Whole time Director, the Company has no profits or its profits are inadequate, the remuneration will be subject to Schedule XIII to the Companies Act, 1956.

7. To consider and, if thought fit, to pass with or without modification, the following resolution as an **ORDINARY 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. Sukaran Setia be and is hereby reappointed as Whole-Time Director of the Company to hold office for a period of five years with effect from October 1, 2008, upon the remuneration as may be determined and agreed to between the Board of Directors and Mr. Sukaran Setia 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 Sukaran 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 Whole time 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 whole-time director and his family in accordance with the rules of the Company.
- Group insurance cover, group mediclaim 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.

- iv) 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 Whole-time 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 Whole time Director, the Company has no profits or its profits are inadequate, the remuneration will be subject to Schedule XIII to the Companies Act, 1956.



*Chaman Lal Setia Exports Ltd.*

**Maharani<sup>®</sup>**  
**Rice**

8. To consider and, if thought fit, to pass with or without modification, the following resolution as an **ORDINARY 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. Ankit Setia be and is hereby reappointed as Whole-Time Director of the Company to hold office for a period of five years with effect from October 1, 2008, upon the remuneration as may be determined and agreed to between the Board of Directors and Mr. Ankit Setia 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 Ankit 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 Whole time 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 whole-time director and his family in accordance with the rules of the Company.
- Group insurance cover, group mediclaim 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.

iv) 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 Whole-time 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 Whole time 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 23.9.2008 to 29.9.2008 (both days inclusive.)
4. Cases of Transfer of Shares may be referred to the Registrar, Whose address has been given at Page No. 1



*Chaman Lal Setia Exports Ltd.*

**Maharani<sup>®</sup>**  
**Rice**

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 : 18-08-08

**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 Extra-Ordinary General Meeting held on 05.11.94 appointed Mr. Rajeev Setia as Whole-time Director with effect from 21.09.94 to hold office for a period of five years. It is proposed to reappoint Mr. Rajeev Setia as a Whole-time Director of the Company for a further period of five years from October 1, 2008.

The personal profile of Mr. Rajeev Setia is given below:

Full Name	: Mr. Rajeev Setia
Date of Birth	: 28-10-1955
Date of appointment as director in the Company	: 21.09.94
Qualification	: M.Com

Specialized Expertise: Banking, Export Marketing and Finance Controller .

For the sake of brevity the particulars of the proposed remuneration, perquisites and benefits of Mr. Rajeev 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. Rajeev Setia which is required to be sent to every member pursuant to Section 302 of the Companies Act, 1956.

Mr. Rajeev Setia may be deemed to be concerned or interested in this resolution. Sh. Chaman Lal Setia Mg. Director, Sh. Vijay Setia, Director, Sh. Sukaran 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.

### **ITEM NO.6**

The shareholders in the Extra-Ordinary General Meeting held on 05.11.94 appointed Mr. Vijay Setia as Whole-time Director with effect from 21.09.94 to hold office for a period of five years. It is proposed to reappoint Mr. Vijay Setia as a Whole-time Director of the Company for a further period of five years from October 1, 2008.

The personal profile of Mr. Vijay Setia is given below:

Full Name	: Mr. Vijay Setia
Date of Birth	: 16-11-1953
Date of appointment as director in the Company	: 21.09.94
Qualification	: Graduate
Specialised Expertise	: Technical Expert ,Quality Controlling and Production.

For the sake of brevity the particulars of the proposed remuneration, perquisites and benefits of Mr. Vijay 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. Vijay Setia which is required to be sent to every member pursuant to Section 302 of the Companies Act, 1956.





*Chaman Lal Setia Exports Ltd.*

**Maharani<sup>®</sup>**  
**Rice**

Mr. Vijay Setia may be deemed to be concerned or interested in this resolution. Sh. Chaman Lal Setia Mg. Director, Sh. Rajeev Setia, Director, and 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.

#### ITEM NO.7

The shareholders in the Annual General Meeting held on 28.09.2001 appointed Mr. Sukaran Setia as Whole-time Director with effect from 11.08.2001 to hold office for a period of five years. It is proposed to reappoint Mr. Sukaran Setia a Whole-time Director of the Company for a further period of five years from October 1, 2008.

The personal profile of Mr. Sukaran Setia is given below:

Full Name	: Mr. Sukaran Setia
Date of Birth	: 19-09-1980
Date of appointment as director in the Company	: 11.08.2001
Qualification	: Commerce Graduate & Diploma holder in Import & Export from Schilling University, London
Specialized Expertise	: Export Marketing

For the sake of brevity the particulars of the proposed remuneration, perquisites and benefits of Mr. Sukaran 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. Sukaran Setia which is required to be sent to every member pursuant to Section 302 of the Companies Act, 1956.

Mr. Sukaran Setia may be deemed to be concerned or interested in this resolution. Sh. Chaman Lal Setia Mg. Director, Sh. Rajeev Setia, Director, Sh. Vijay 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.

#### ITEM NO.8

The shareholders in the Annual General Meeting held on 29.09.2003 appointed Mr. Ankit Setia as Whole-time Director with effect from 18.08.2003 to hold office for a period of five years. It is proposed to reappoint Mr. Ankit Setia a Whole-time Director of the Company for a further period of five years from October 1, 2008.

The personal profile of Mr. Ankit Setia is given below:

Full Name	: Mr. Ankit Setia
Date of Birth	: 28-09-84
Date of appointment as director in the Company	: 18.08.2003
Qualification	: Degree in Food Technology
Specialised Expertise	: Technical Export and Quality Controller

For the sake of brevity the particulars of the proposed remuneration, perquisites and benefits of Mr. Ankit 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. Ankit Setia which is required to be sent to every member pursuant to Section 302 of the Companies Act, 1956.

Mr. Ankit Setia may be deemed to be concerned or interested in this resolution. Sh. Chaman Lal Setia Mg. Director, Sh. Rajeev Setia, Director, Sh. Vijay 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.

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

Place : Amritsar  
Dated : 18-08-08

**Rajeev Setia**  
**Whole Time Director**



*Chaman Lal Setia Exports Ltd.*

**Maharani<sup>®</sup>**  
Rice

## DIRECTORS' REPORT

To The Members,

Yours Director have pleasure in presenting the 14<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2008.

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

Particulars	Amount (in Lacs) Y.E. 31.03.2007	Amount (in Lacs) Y.E 31.03.2008
Export turnover	3691.64	6308.27
Domestic turnover	5752.88	5661.66
Profit before Intt. & Depreciation	620.55	1045.42
Interest	235.73	335.22
Provision for Depreciation	93.98	98.35
Profit before Tax	290.84	611.85
Provision for Tax	66.20	110.30
Profit after Tax	224.64	501.25
Proposed Dividend	113.75	106.51
Transfer To General Reserve	22.46	50.12
Carried to Balance Sheet	76.15	365.48
Current Assets	4954.58	7744.72
Current Liabilities	2029.39	4495.90
Working Capital	2925.19	3248.82
Capital Employed	3552.99	3925.50
EPS	2.42	5.18
Book Value	24.77	27.37

#### 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 last year viz attraction packing, branded & standardisation of quality of rice creating of new markets. This also result in higher profit this year.

### 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 31.03.08

### 3. Personnel

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

### 4. Directors

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.