



Pure Fragrant Original Basmati Rice

20th Annual Report 2013-14

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



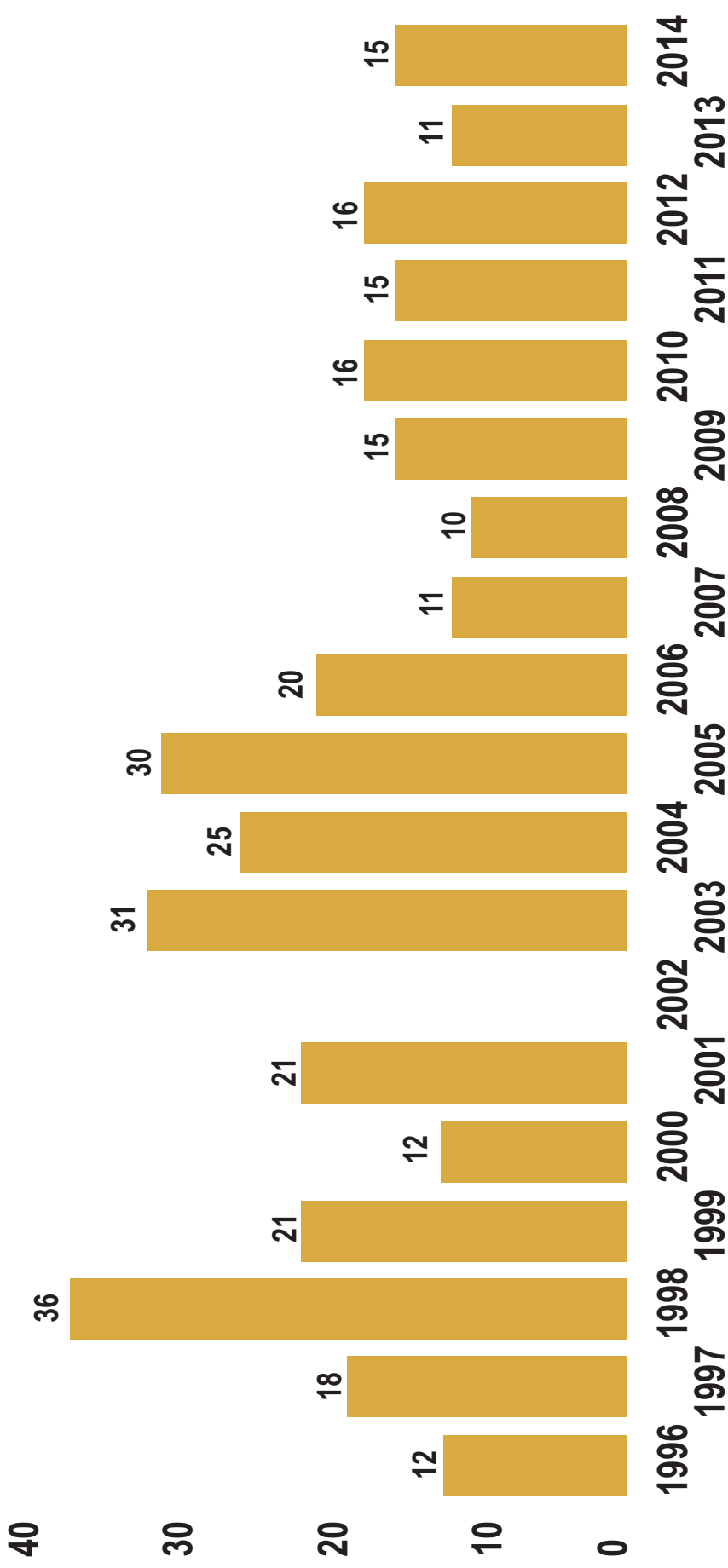
An ISO 9001 : 2008
Haccp
Certified Co.





Chaman Lal Setia Exports Ltd.

335% Dividend since inception



15% Dividend Proposed in 2013-14



BOARD OF DIRECTORS

Chaman Lal Setia (Din No. 01125789)
(Chairman cum Mg. Director)

Vijay Setia (Din No. 01125966)
(Whole Time Director)

Rajeev Setia (Din No. 01125921)
(Whole Time Director)

Sukarn Setia (Din No. 01133561)
(Whole Time Director)

Ankit Setia (Din No. 01133822)
(Whole Time Director)

Sankesh Setia (Din No. 06620109)
(Whole Time Director)

Inder Dev Kukkar (Din No. 01193209)
(Independent Director)

Naresh Kumar Suneja (Din No. 01383235)
(Independent Director)

Parmod Kumar Kukar (Din No. 01193710)
(Independent Director)

Amit Mehra (Din No. 01386464)
(Independent Director)

Raghav Peshawaria (Din No. 01386434)
(Independent Director)

Amar Jyoti Bagga (Din No. 06958408)
(Independent Woman Director)

Registered Office

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

Corporate Office

No 2, IInd Floor
Club Drive Road, M.G Road
Ghitorni, New Delhi-110 030

Works

Meerankot Road, Amritsar
Kaithal Road, Karnal.
526-B, Lahori Gate, Delhi
Alipur, Delhi

BANKERS

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

Registrar & Common Share Transfer Agent

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

Auditors

M/s. Rajesh Kapoor & Co.
Chartered Accountants
140 Green Avenue,
Amritsar

Company Secretary

Kanika Nevatia
1226, Katra Ahluwalia, Amritsar

ANNUAL GENERAL MEETING

On 29th Sept., 2014 at 4:00 p.m. at
Hotel P.R Residency,
Ranjit Avenue, Amritsar

S.No.	Description	Page No.
1.	Notice to the Members	2-19
2.	Directors' Report	20-24
3.	Management Discussion and Analysis	25-28
4.	Report on Corporate Governance	29-38
5.	Auditors' Certificate	38
6.	Auditors' Report	39-41
7.	Balance Sheet	42
8.	Profit & Loss Account	43
9.	Cash Flow Statement	44
10.	Schedules	45-61
11.	Balance Sheet Abstract	62
12.	Attendance Slip & Proxy Form	63-64



NOTICE TO THE MEMBERS

CHAMAN LAL SETIA EXPORTS LTD.

(CIN NO. :- L51909PB1994PLC015083)

Meeran Kot Road, P.O. Central Jail, Ajnala Road, Amritsar-143001

Phone No. — 0183-2592708, Fax No. — 0183-2590453

Website :- www.maharanirice.co.in Email :- clsetia@rediffmail.com

NOTICE TO THE MEMBERS

Notice is hereby given that the 20th Annual General Meeting of CHAMAN LAL SETIA EXPORTS LTD. will be held on Monday 29th day of September, 2014 at Hotel P.R Residency, Amritsar at 4:00 p.m. to transact the following business:

(A) ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements of the Company for the year ended 31.03.2014 including audited Balance Sheet as at 31.03.2014 and the statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the year 31st March, 2014 if any.
3. To appoint auditors for the next year and to fix their remuneration. M/s Rajesh Kapoor & Co., Chartered Accountants (ICAI Registration No. 92692) are eligible and available for re-appointment.
4. To Consider the re-appointment of directors as mentioned in special business.

SPECIAL BUSINESS :-

5. To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution :
"Resolved that pursuant to the provisions of Section 149, 152 read with Schedule IV to the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) and as per clause 49 of the Listing Agreement, Mr. Inder Dev kukkar (Din No. 01193209), a non executive Independent Director of the Company who has submitted a declaration that he meets the criteria of independence under section 149 (6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent director of the Company, whose term shall not be subject to retirement by rotation, to hold office for the five consecutive years for a term upto 31st March, 2019".
6. To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution :
"Resolved that pursuant to the provisions of Section 149, 152 read with Schedule IV to the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) and as per clause 49 of the Listing Agreement, Mr. Naresh Kumar Suneja (Din No. 01193235), a non executive Independent Director of the Company who has submitted a declaration that he meets the criteria of independence under section 149 (6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent director of the Company, whose term shall not be subject to retirement by rotation, to hold office for the five consecutive years for a term upto 31st March, 2019".
7. To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution :
"Resolved that pursuant to the provisions of Section 149, 152 read with Schedule IV to the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) and as per clause 49 of the Listing Agreement, Mr. Parmod Kumar Kukar (Din No. 01193710), a non executive Independent Director of the Company who has submitted a declaration that he meets the criteria of independence under section 149 (6)



of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent director of the Company, whose term shall not be subject to retirement by rotation, to hold office for the five consecutive years for a term upto 31st March, 2019".

8. To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution :

"Resolved that pursuant to the provisions of Section 149, 152 read with Schedule IV to the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) and as per clause 49 of the Listing Agreement, Mr. Raghav Peshawaria (Din No. 01386434), a non executive Independent Director of the Company who has submitted a declaration that he meets the criteria of independence under section 149 (6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent director of the Company, whose term shall not be subject to retirement by rotation, to hold office for the five consecutive years for a term upto 31st March, 2019".

9. To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution :

"Resolved that pursuant to the provisions of Section 149, 152 read with Schedule IV to the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) and as per clause 49 of the Listing Agreement, Mr. Amit Mehra (Din No. 01386464), a non executive Independent Director of the Company who has submitted a declaration that he meets the criteria of independence under section 149 (6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent director of the Company, whose term shall not be subject to retirement by rotation, to hold office for the five consecutive years for a term upto 31st March, 2019".

10. To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT Mr. Sankesh Setia (holding DIN 06620109), who was appointed as an additional director of Company by the Board of Directors of Company with effect from 01.10.2013, in terms of section 260 of the Companies Act, 1956 (corresponding to section 161 (1) of the Companies Act, 2013) and Article Of Association of Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director, and subject to approval of shareholders in Annual General Meeting be and is hereby appointed as a Whole-time director of the Company pursuant to the provisions of sections 196, 197 and any other provisions of the Companies Act 2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force), read with schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other provisions of Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) for a period of five years commencing from 29.09.2014 on the following terms and conditions of appointment and remuneration as may be determined and agreed to between the Board of Directors and Mr. Sankesh Setia (Din No. 06620109) whose period of office shall be liable to determination by retirement of directors by rotation with further powers to board to alter and vary such terms of appointment and remuneration so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 (corresponding schedule XIII to the Companies Act, 1956 as per its applicability) or any statutory modification (s) or any re-enactment thereof for the time being in force considering the growth of business during the tenure of Sh. Sankesh Setia."

- A) Fixed Compensation

Fixed Compensation shall include Basic Salary, Company's Contribution to Provident Fund and Gratuity

The Basic Salary shall be Rs. 50,000.00 per month, payable monthly

The Company's contribution to the 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, 2013 (collectively called “perquisites and allowances”) These perquisites and allowances may be granted to the Whole Time Director in such forms and manner as the Board may decide

- 1) Housing as per rules of the Company (i.e unfurnished/furnished residential accommodation and/or House Rent
- 2) Payment/Reimbursement of medical/hospitalization expenses for the Managing director and his family in accordance with the rules of the Company.
- 3) Group Insurance cover, Group Medi-claim cover.
- 4) Company car with driver for official use.
- 5) Free telephone facility at the residence as per the rules of the Company.
- 6) Payment/Reimbursement of telephone Expenses
- 7) Contribution to Provident Fund, Superannuation Fund and Gratuity Fund shall be as per the rules of the Company.
- 8) Commission will be as per the net profits of the Company based on the sales determined in accordance with the relevant provisions of the Companies Act, 2013 at a rate to be determined by the Board of Directors from time to time.
- 9) Other Perquisites, Allowances, benefits and amenities as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time.
- 10) Perquisites shall be evaluated at actual cost or if cost is not ascertainable the same shall be valued as per Income Tax Rules.
- 11) Credit Card Facility.

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 section 197 and other applicable provisions of the Companies Act, 2013 read with schedule V to the said Act as may be for the time being in force.

III Minimum Remuneration

Notwithstanding anything herein contained, where in any financial year during the period of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may, subject to the requisite approvals, pay you remuneration by way of salary, allowances, perquisites not exceeding the maximum limits laid down in section II of Part II of Schedule V to the Companies Act, 2013 (corresponding to Para 1 of section II of part II of schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and yourself.

11. To consider and if thought fit, to pass with or without modification (s), the following resolution as a Special Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force), read with schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other provisions of Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) and subject to the approval of shareholders in Annual General Meeting, Shri. Chaman Lal Setia (Din No. 01125789), be and is hereby re-appointed as Managing Director of the Company, for a period of five years, with effect from 21.09.2014 on the following terms and conditions, with further power to the board to alter and vary such terms of appointment and remuneration so as not to exceed the limits specified in schedule V to the Companies Act, 2013 (corresponding to schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Mr. Chaman Lal.



A) Fixed Compensation

Fixed Compensation shall include Basic Salary, Company's Contribution to Provident Fund and Gratuity

The Basic Salary shall be Rs. 4, 00,000.00 per month, payable monthly

The Company's contribution to the 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, 2013 (collectively called "perquisites and allowances") These perquisites and allowances may be granted to the Managing Director in such forms and manner as the Board may decide

- 1) Housing as per rules of the Company (i.e. unfurnished/furnished residential accommodation and/or House Rent
- 2) Payment/Reimbursement of medical/hospitalization expenses for the Managing director and his family in accordance with the rules of the Company.
- 3) Group Insurance cover, Group Medi-claim cover.
- 4) Company car with driver for official use.
- 5) Free telephone facility at the residence as per the rules of the Company.
- 6) Payment/Reimbursement of telephone Expenses
- 7) Contribution to Provident Fund, Superannuation Fund and Gratuity Fund shall be as per the rules of the Company.
- 8) Commission will be as per the net profits of the Company based on the sales determined in accordance with the relevant provisions of the Companies Act, 2013 at a rate to be determined by the Board of Directors from time to time.
- 9) Other Perquisites, Allowances, benefits and amenities as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time.
- 10) Perquisites shall be evaluated at actual cost or if cost is not ascertainable the same shall be valued as per Income Tax Rules.
- 11) Credit Card Facility.

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 section 197 and other applicable provisions of the Companies Act, 2013 read with schedule V to the said Act as may be for the time being in force.

III Minimum Remuneration

Notwithstanding anything herein contained, where in any financial year during the period of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may, subject to the requisite approvals, pay you remuneration by way of salary, allowances, perquisites not exceeding the maximum limits laid down in section II of Part II of Schedule V to the Companies Act, 2013 (corresponding to Para 1 of section II of part II of schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and yourself.

12. To consider and if thought fit, to pass with or without modification (s), the following resolution as a Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 311 read with Schedule XIII of the Companies Act, 1956 and



other applicable provisions, if any of the Companies Act, 1956 and as per applicable provisions of Companies Act, 2013 (including any statutory modification (s) or re-enactment thereof for the time being in force) and subject to such other approvals as may be necessary, the Company hereby approves the re-appointment of Mr. Rajeev Setia (Din No. 01125921), as Whole Time Director of the Company for a further period of five years w.e.f October 1, 2013 on the following terms and conditions of appointment and remuneration as may be determined and agreed to between the Board of Directors and Mr. Rajeev Setia with further powers to board to alter and vary such terms of appointment and remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (corresponding schedule V to the Companies Act, 2013 as per its applicability) or any statutory modification (s) or any re-enactment thereof for the time being in force, considering the growth of business during the tenure of Sh. Rajeev Setia."

REMUNERATION

A) Fixed Compensation

Fixed Compensation shall include Basic Salary, Company's Contribution to Provident Fund and Gratuity

The Basic Salary shall be Rs. 4, 00,000.00 per month, payable monthly

The Company's contribution to the 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") and as per applicable provisions of Companies Act, 2013. These perquisites and allowances may be granted to the Whole Time Director in such forms and manner as the Board may decide.

- 1) Housing as per rules of the Company (i.e. unfurnished/furnished residential accommodation and/or House Rent.
- 2) Payment/Reimbursement of medical/hospitalization expenses for the Whole-Time director and his family in accordance with the rules of the Company.
- 3) Group Insurance cover, Group Medi-claim cover.
- 4) Company car with driver for official use.
- 5) Free telephone facility at the residence as per the rules of the Company.
- 6) Payment/Reimbursement of telephone Expenses.
- 7) Contribution to Provident Fund, Superannuation Fund and Gratuity Fund shall be as per the rules of the Company.
- 8) Commission will be as per the net profits of the Company based on sales determined in accordance with the relevant provisions of the Companies Act, 1956 and as per applicable provisions of Companies, Act, 2013 at a rate to be determined by the Board of Directors from time to time.
- 9) Other Perquisites, Allowances, benefits and amenities as per the policy/ rules of the Company in force and/or as may be approved by the Board from time to time.
- 10) Perquisites shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules.
- 11) Credit Card Facility.
- 12) Professional Charges.



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 section 198, 309 and other applicable provisions of the Companies Act, 1956 read with schedule XIII and as per applicable provisions of Companies Act, 2013 to the said Act as may be for the time being, be in force.

III Minimum Remuneration

Notwithstanding anything herein contained, where in any financial year during the period of 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 (read with schedule V to the Companies Act, 2013 as applicable), as may be agreed to by the Board of Directors and yourself.

13. To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution :-

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 311 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any of the Companies Act, 1956 and as per applicable provisions of Companies Act, 2013 (including any statutory modification (s) or re-enactment thereof for the time being in force) and subject to such other approvals as may be necessary, the Company hereby approves the re-appointment of Mr. Vijay Setia (Din No. 01125966), as Whole Time Director of the Company for a further period of five years w.e.f October 1, 2013, on the following terms and conditions of appointment and remuneration as may be determined and agreed to between the Board of Directors and Mr. Vijay Setia with further powers to board to alter and vary such terms of appointment and remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (read with Schedule V to the Companies Act 2013 as per its applicability) or any statutory modification (s) or any re-enactment thereof for the time being in force, considering the growth of business during the tenure of Sh. Vijay Setia.”

REMUNERATION

A) Fixed Compensation

Fixed Compensation shall include Basic Salary, Company's Contribution to Provident Fund and Gratuity

The Basic Salary shall be Rs. 4,00,000.00 per month, payable monthly

The Company's contribution to the 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 and as per applicable provisions of Companies Act, 2013 (collectively called “perquisites and allowances”) These perquisites and allowances may be granted to the Whole Time Director in such forms and manner as the Board may decide

- 1) Housing as per rules of the Company (i.e. unfurnished/furnished residential accommodation and/or House Rent.
- 2) Payment/Reimbursement of medical/hospitalization expenses for the Whole-Time director and his family in accordance with the rules of the Company.
- 3) Group Insurance cover, Group Medi-claim cover.
- 4) Company car with driver for official use.
- 5) Free telephone facility at the residence as per the rules of the Company.
- 6) Payment/Reimbursement of telephone Expenses.



- 7) Contribution to Provident Fund, Superannuation Fund and Gratuity Fund shall be as per the rules of the Company.
- 8) Commission will be as per the net profits of the Company based on sales determined in accordance with the relevant provisions of the Companies Act, 1956 and as per applicable provisions of Companies Act, 2013 at a rate to be determined by the Board of Directors from time to time.
- 9) Other Perquisites, Allowances, benefits and amenities as per the policy/ rules of the Company in force and/or as may be approved by the Board from time to time.
- 10) Perquisites shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules.
- 11) Credit Card Facility.

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 section 198, 309 and other applicable provisions of the Companies Act, 1956 read with schedule XIII and as per applicable provisions of Companies Act, 2013 to the said Act as may be for the time being, be in force.

III. Minimum Remuneration

Notwithstanding anything herein contained, where in any financial year during the period of 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, (read with schedule V to the Companies Act, 2013 as applicable) as may be agreed to by the Board of Directors and yourself.

14. To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution :-

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 311 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any of the Companies Act, 1956 and as per applicable provisions of Companies Act, 2013 (including any statutory modification (s) or re-enactment thereof for the time being in force) and subject to such other approvals as may be necessary, the Company hereby approves the re-appointment of Mr. Sukarn Setia (Din No. 01133561), as Whole Time Director of the Company for a further period of five years w.e.f October 1, 2013 as Whole Time Director of the Company on the following terms and conditions of appointment and remuneration as may be determined and agreed to between the Board of Directors and Mr. Sukarn Setia with further powers to board to alter and vary such terms of appointment and remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (read with Schedule V to the Companies Act 2013 as per its applicability) or any statutory modification (s) or any re-enactment thereof for the time being in force, considering the growth of business during the tenure of Shri Sukarn Setia."

REMUNERATION

A) Fixed Compensation

Fixed Compensation shall include Basic Salary, Company's Contribution to Provident Fund and Gratuity

The Basic Salary shall be Rs. 50000.00 per month, payable monthly

The Company's contribution to the 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 (collectively called "perquisites and allowances") and subject to the relevant provisions of the Companies Act, 1956 and as per applicable provisions of Companies Act, 2013 These perquisites and allowances may be granted to the Whole Time Director in such forms and manner as the Board may decide