



Pure Fragrant Original Basmati Rice

23<sup>rd</sup> **Annual** Report  
2016-2017

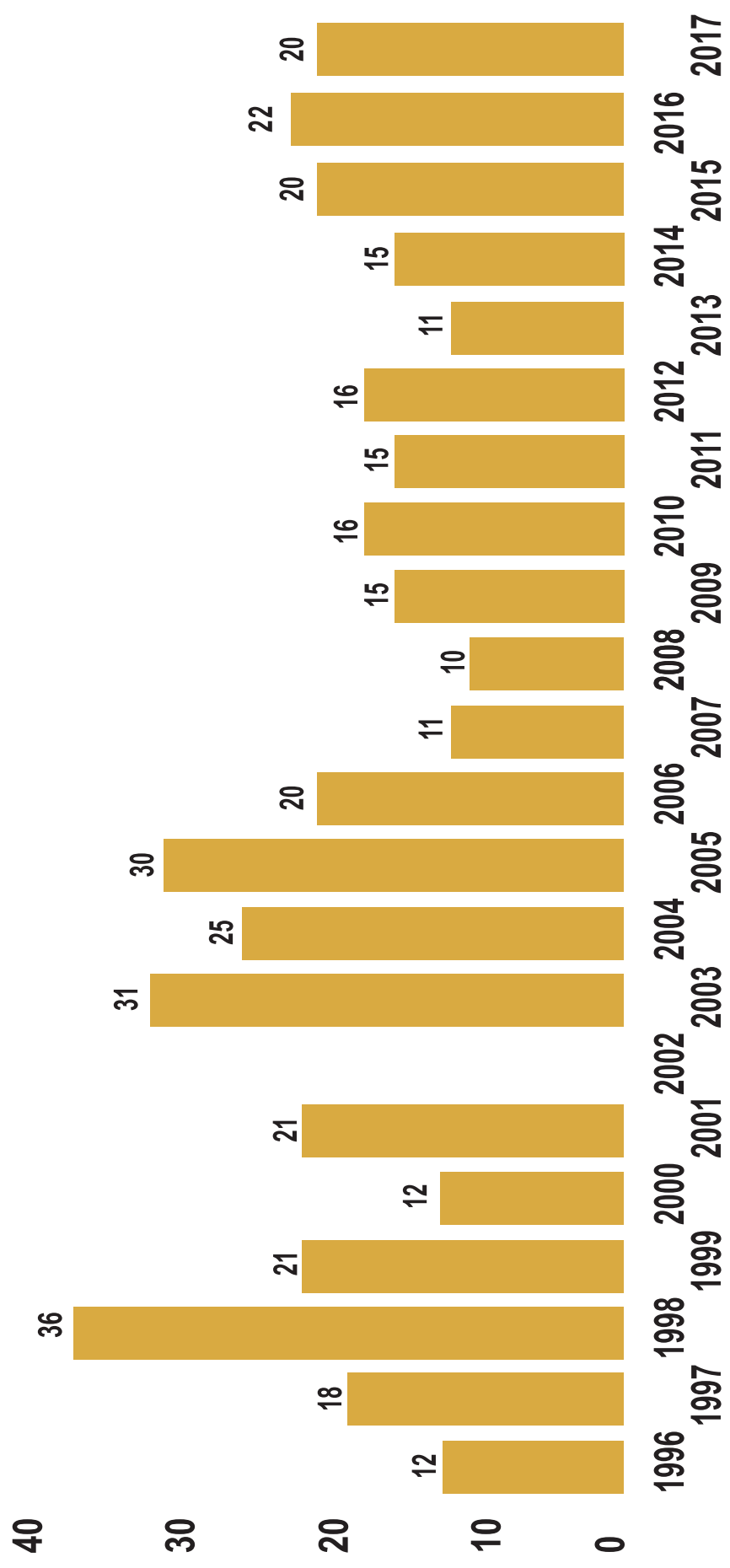
Maharani Basmati Rice  
"Zubaan se Dil tak"





# Chaman Lal Setia Exports Ltd.

397% Dividend since inception



20% Dividend Proposed in 2016-2017

## 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 (Din No. 01193710)**  
(Independent Director)

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

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

**Vijay Kumar Jhamb (Din No. 07021080)**  
(Independent Director)

**Registered Office**  
Miran Kot Road, P.O Central Jail,  
Ajnala Road, Amritsar.

**Corporate Office**  
No. 472, Udyog Vihar,  
Phase-III, Gurgaon-122001

**Works/Sales Office**  
Mirankot Road, Amritsar  
Kaithal Road, Karnal,  
526-B, Lahori Gate, Delhi,  
Alipur, Delhi

## Bankers

Punjab National Bank,  
117-A, The Mall Amritsar

## Registrar & Common Share Transfer Agent

Beetal Financial & Computer Services (P) Ltd.  
IIIrd Floor, 99 Madangir,  
(Near Dada Harsukh dass Mandirgir), New Delhi-110062

## Auditors

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

## Company Secretary

Kanika Nevtia  
1226, Katra Ahluwalia, Amritsar

## ANNUAL GENERAL MEETING

On 28th September, 2017 at 4.30 p.m. at  
Hotel P.R Residency, 101, Distt. Shopping Centre,  
Ranjit Avenue, Amritsar-143002

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## NOTICE OF ANNUAL GENERAL MEETING CHAMAN LAL SETIA EXPORTS LTD.

(CIN No.: L51909PB1994PLC015083)

Miran Kot Road, P.O. Central Jail, Ajnala Road, Amritsar-143002

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

Website: [www.maharanirice.in](http://www.maharanirice.in) Email: [clsetia@rediffmail.com](mailto:clsetia@rediffmail.com)

### **NOTICE TO THE MEMBERS**

Notice is hereby given that the 23rd Annual General Meeting of the members of CHAMAN LAL SETIA EXPORTS LTD. will be held on Thursday, the 28th day of September, 2017 at Hotel P.R Residency, 101, Distt. Shopping Centre, Ranjit Avenue, Amritsar-143001 at 4:30 p.m. to transact with or without modification(s), as may be permissible to transact the following business:

#### **(A) ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31.03.2017 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend on the Equity Shares for Financial Year ended on 31st March, 2017.
3. To appoint a Director in place of Mr. Sankesh Setia (Din No. 06620109) , who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vijay Setia (Din No. 01125966), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
5. To consider and approve appointment of M/S. R Chopra & Associates, Chartered Accountants, Amritsar (FRN:022992N) as Statutory Auditor of the Company to hold office from the conclusion of 23rd Annual General Meeting until the conclusion of 28th Annual General Meeting and to fix their remuneration in place of retiring auditor M/S. Rajesh Kapoor & Co., Chartered Accountants, Amritsar (FRN: 13527N), who hold the office upto the conclusion of 23<sup>rd</sup> Annual General Meeting.

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

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. R Chopra & Associates, Chartered Accountants Amritsar (Firm Registration No. 022992N), be and is hereby appointed as Statutory Auditor of the Company to hold office from the conclusion of 23rd Annual General Meeting upto the conclusion of the 28th Annual General Meeting(AGM) of the Company to be held for the financial year ending 31st March, 2022 (subject to ratification by the members at every AGM held after this AGM) and to audit financial statements of the Company for the financial year from 2017-18 to 2021-22 in place of retiring auditor M/S. Rajesh Kapoor & Co., Chartered Accountants, Amritsar (FRN :- 13527N), who hold office upto the conclusion of 23rd Annual General Meeting and the Board of Directors of the Company be and are hereby authorised to fix the remuneration as may be agreed upon between the auditors and the Board of Directors of the Company."

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

Place: Amritsar  
Date: August 26, 2017

Sd/-  
Chaman Lal Setia  
Managing Director  
Din: 01125789

#### **IMPORTANT NOTES :**

1. Notice is annexed thereto and relevant details as required under Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings (SS 2) issued by The Institute of Company Secretaries of India, of persons seeking appointment/ re-appointment as Directors as set out in Item Nos. 3 and 4 of the Notice, are also annexed.
2. All documents referred to in the Notice requiring the approval of the Members at the meeting and other Statutory Registers shall be available for inspection by members at the registered Office of the Company during normal business hours on the working days between 11:00 a.m. to 1:00 p.m. except Sunday and holiday.
3. The Registers of Members and Share Transfer Books of the Company will remain closed from Friday 22nd September, 2017 , to Thursday 28th September, 2017 (both days inclusive).
4. If Dividend on Equity shares as recommended by the Board of Directors for the Financial year ended March 31, 2017, if approved at the 23rd Annual General Meeting (AGM), payment of such dividend will be made within a period of 30 days from the date of declaration.
5. A member entitled to attend and vote at the ANNUAL GENERAL MEETING (AGM) is entitled to appoint proxy/proxies to attend and vote instead of himself/herself. Such a proxy/proxies need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.  
  
The instrument of Proxy in order to be effective, must be received at the Registered Office of the Company, duly completed and signed not less than 48 hours before the commencement of the AGM. A Proxy form and Admission slip is enclosed. Proxies submitted on behalf of the Companies, Societies etc. must be supported by an appropriate resolution/authority as applicable.
6. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company at its Registered Office, a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting .
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their Depository Participant(s) with whom they are maintaining their demats accounts. Members holding shares in physical form can submit their PAN details to the Company or to Registrar and Share Transfer Agent of Company named Beetal Financial & Computer Services Private Limited, New Delhi .
8. The Notice of the Twenty Third Annual General meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip , Proxy Form and Annual Report for 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report along with notice inter alia, indicating the process and manner of e-voting along with Attendance Slip , Proxy Form for year ended 31.03.2017 is being sent by the permitted mode. Members may note that this Notice and Annual Report 2016-17 will also be available on the Company's website, [www.maharanirice.in](http://www.maharanirice.in) for their download.
9. Members/Proxies attending Annual General Meeting are requested to bring their attendance slip (duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.) along with their copy of the Annual Report.
10. Members desirous of seeking any further information about the financial statements of the Company are requested to address their queries to the Company Secretary & Compliance Officer at the Registered Office of the Company, at least 7 days in advance of AGM, so that the information, to the extent practicable, can be made available at the Annual General Meeting.
11. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend or change in registered address along with pin code number and relevant evidences are requested to write to the Company or its Registrar i.e. Beetal Financial and Computer Services Private Limited, New Delhi. Members holding shares in electronic form shall update such details with their respective Depository Participants.

12. In case of joint holders attending the meeting, only such joint holder whose name stands first or higher (as the case may be) will be entitled to vote.
13. The Register of Directors and Key Managerial Personnel and their Shareholdings and the Register of Contracts or Arrangements in which Directors are interested, will be available for inspection by the members during the Annual General Meeting.
14. Non Resident Indian members are requested to inform the Company's RTA immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with complete name, branch, account type, account number and address of the bank and pin code, if the details are not furnished earlier.
15. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, any amount of dividend that remains unpaid or unclaimed for a period of seven years from the date of transfer of the same to Company's Unpaid Dividend Account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Accordingly during the year the Company has transferred the amount of dividend declared for financial year ended 31.03.2009 to the Investor Education and Protection Fund (IEPF). Shareholders who have not encashed the dividend warrant(s) so far in respect of financial year 2010 or any subsequent financial years, are requested to make their claims immediately to the Company. Members who have neither received nor encashed their dividend warrants from the financial year 2009-10 onwards, are requested to write to the Company or to our RTA named Beetal Financial & Computer Services Pvt. Ltd., New Delhi along with requisite details without any delay. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of respective financial years on the website of the Company viz. [www.maharanirice.in](http://www.maharanirice.in) under "Investors Relations" and same information has also been uploaded on the website of IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in)
16. The Ministry of Corporate Affairs ('MCA') had notified the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from 7th September, 2016 as amended by Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Amendments Rules, 2017 effective from 28.02.2017. The said Rules provide for manner of transfer of shares in respect of which dividend has remained unpaid or unclaimed for seven consecutive years to Demat Account of the IEPF Authority.  
  
In compliance with said rules, the Company has already sent individual communication to those shareholders who have not encashed dividend for a period of 7 consecutive years and whose shares are liable to be transferred to IEPF and simultaneously published an advertisement in newspaper to enable the shareholders to take timely action and claim their dividend immediately. Company has already uploaded the list of those shareholders at their website i.e. [www.maharanirice.in](http://www.maharanirice.in). Shareholders are requested to claim their unclaimed dividend immediately otherwise shares will be transfer to demat account of the IEPF Authority as per fresh instructions and rules of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any modifications or amendment from time to time).
17. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with their Depository Participants or with Beetal Financial & Computer Services Private Ltd. to enable us to send them the communications meant for the members via email.
18. A Route map showing directions to reach the venue of the 23rd AGM is given at the end of the Annual Report .
19. Mr. Sankesh Setia and Mr. Vijay Setia –Directors retire by rotation and, being eligible, offer themselves for re-appointment at the Annual General Meeting. A brief resume of the said Directors is given below:-

NAME	MR. VIJAY SETIA	MR. SANKESH SETIA
Director Identification Number (DIN)	01125966	06620109
AGE	64 years	30 years
Date of Appointment on the Board	21/09/1994	29/09/2014
EXPERTISE IN SPECIFIC AREA	Technical Expert, Quality Controlling and Production.	Export Marketing
Shareholding in Chaman Lal Setia Exports Ltd.	12435651	276100
Memberships/Chairmanships of Board Committees in Other Companies as on date	NONE	NONE

20. Process For Members Opting For E-Voting are given below. The Members are requested to go through them carefully.

21. Voting Through electronic means

- a. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration ) Rules, 2014 as amended and Regulation 44 of the SEBI ( Listing Obligation and Disclosure Requirements) Regulations ,2015, the Company is pleased to provide facility to Members to exercise their right to vote on the resolutions proposed to be considered at the 23rd Annual General meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by Central Depository Services (India) Limited (CDSL).
- b. The facility for voting through Ballot paper shall be made available at AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.
- c. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- d. Mr. Sunil Dhawan Practising Company Secretary vide (Membership No. 14500), Proprietor of M/S. Sunil Dhawan & Associates has been appointed as the Scrutinizer to scrutinize the voting and e-voting process in a fair and transparent manner.
- e. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the e-voting facility.
- f. The Scrutinizer shall immediately after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same and declare the result of the voting forthwith.
- g. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.maharanirice.in](http://www.maharanirice.in) and on the website of CDSL immediately after the declaration of result by the Chairman. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
- h. The resolutions will be deemed to passed on the AGM date subject to receipt of the requisite numbers of votes in favour of the Resolutions.

The instructions for shareholders voting electronically are as under:

- (i) The remote e-voting facility begins on Sunday, 24.09.2017 from 10:00 a.m. and ends on Wednesday 27.09.2017 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 21.09.2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on “Shareholders” tab.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.

- (vii) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on address stickers.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> i.e. Chaman Lal Setia Exports Ltd. on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for Android, Apple and Windows based mobiles. The m-Voting app can be downloaded from Google Play Store, App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 21.09.2017 may follow the same instructions as mentioned above for e-Voting.

(xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

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

Sd/-  
Chaman Lal Setia  
Managing Director  
Din:- 01125789

Place: Amritsar  
Date: August 26, 2017

## DIRECTOR'S REPORT

To,  
The Members,  
Chaman Lal Setia Exports Ltd.

Your Directors have pleasure in presenting before you the 23rd Annual Report together with the Audited Statements of Accounts of the Company for the Financial year ended 31st March, 2017.

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

**The Company's financial performance, for the year ended March 31, 2017 is summarised below:-**

Particulars	Amount (in Lacs) Y.E. 31.03.2017	Amount (in Lacs) Y.E 31.03.2016
Export turnover	40359.36	38857.23
Domestic turnover	8923.00	9388.30
Profit before Intt. & Depreciation	6567.71	6233.91
Interest	333.63	234.39
Provision for Depreciation	426.80	287.12
Profit before Tax	5807.27	5712.40
Provision for Tax	1956.40	1987.81
Profit after Tax	3850.87	3724.59
Proposed Dividend/ (Interim Dividend P.Y)	249.04	249.06
Transfer To General Reserve	385.08	372.45
Carried to Balance Sheet	10711.83	7598.32
Current Assets	22822.29	15989.01
Current Liabilities	7466.17	5436.84
Working Capital	15356.12	10552.17
Capital Employed	17674.83	12722.13
EPS *	7.44	7.95
Book Value*	28.07	23.44

\* During the year the Company has issued & allotted bonus shares on 18.10.2016 in the proportion of 1 (one) new equity share of Rs. 2/- each for every ten (10) existing equity shares of Rs. 2/- each and hence earning Per Share and Book Value is adjusted in accordance with number of shares post bonus issue.

### 2. HIGHLIGHTS OF PERFORMANCE:

During the year under review the Company has registered a sale of Rs. 49282.36 Lakhs against previous year sales of Rs. 48245.53 lakhs despite fall in prices of rice and dollar. Further the Company has its thrust on cost cutting of each and every element. The Company continues to operate in the rice business and there was no change in business activities during the year.

### 3. NAMES OF COMPANIES WHICH HAVE BEEN BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR :-

Your Company has no subsidiary or Associate Company and during the year also no Company have become or ceased to be the subsidiary, joint venture or Associate Company.

#### **4. TRANSFER TO RESERVES**

The Company has transferred Rs. 385.08 Lakhs to reserves.

#### **5. DIVIDEND**

During the year under review, your Directors recommended a final dividend of Rs. 0.40 per equity share of Rs. 2/- each (i.e. 20%) for the financial year ended March 31, 2017 in their Board Meeting held on 29.05.2017 on enhanced Equity Share Capital post Bonus Issue. The dividend payment is subject to approval of members at the 23rd Annual General Meeting .

#### **6. TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND**

During the year, pursuant to the provisions of Section 124 and Section 125 of the Companies Act, 2013, dividend amounting Rs. 176151.00 was lying unpaid/unclaimed with the Company for a period of seven years after Declaration of Dividend for the financial year ended 2008-2009 was transferred to the Investor Education and Protection Fund. The Unpaid / Unclaimed amount for the Financial Year 2009-10 will be transferred during November 2017. Shareholders are, therefore, advised to contact the Company immediately in case of non-receipt or non encashment of Dividend.

#### **7. BOARD OF DIRECTORS**

As on March 31, 2017, your Company's Board has a strength of 12 (Twelve) Directors. There are 6 Executive Directors and 6 Non Executive Independent Directors including one woman Director. The detailed section on 'Board of Directors' is given in the separate section titled 'Report on Corporate Governance' forming part of this Annual Report. Mr. Sankesh Setia and Mr. Vijay Setia wholetime director of Company are liable to retire by rotation at ensuing AGM and being eligible for re-appointment. The brief resume of the Directors and other related information has been detailed in the Notice convening the 23rd AGM of your Company. The Board recommends their re-appointment at the ensuing Annual General Meeting. No other Director or Key Managerial Personnel has been appointed or has retired or resigned during the year.

#### **8. DECLARATION BY INDEPENDENT DIRECTORS**

In pursuance of sub-section (7) of Section 149 of the Companies Act, 2013 all the Independent Directors on the Board have furnished the declaration that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 read with SEBI Listing Regulations .

#### **9. KEY MANAGERIAL PERSONNEL**

As required under section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re- enactment (s) for the time being in force), the Company has noted that Mr. Chaman Lal Setia, Managing Director, Mr. Rajeev Setia, Wholetime Director and Chief Financial Officer and Miss Kanika Nevtia, Company Secretary are the Key Managerial Personnel of the Company. During the year there was no change (appointment or cessation) in the office of any KMP.

#### **10. AUDIT COMMITTEE**

The Company has an Audit Committee in place, constituted as per the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, information about composition of Audit Committee and other details are given in Corporate Governance Report, forming part of this Annual Report. During the year , Board has accepted the recommendations of Audit Committee. The Audit Committee is comprising of Mr. Inder Dev Kukkar as Chairman, Mr. Naresh Kumar Suneja and Mr. Vijay Kumar Jhamb as members.

#### **11. NUMBER OF MEETINGS OF THE BOARD**

The Board of Directors duly met 7 times during the financial year from 01.04.2016 to 31.03.2017. The details of which are given in the Corporate Governance Report forming part of this Annual Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 12. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder and SEBI ( Listing Obligations and Disclosure Requirements) Regulations 2015 (including any amendment thereunder from time to time ) the Board , on recommendation of the Nomination and Remuneration Committee has carried out an annual performance evaluation of its own performance, Committees of the Board and individual Directors. The manner in which the evaluation was carried out is provided in the Corporate Governance Report, which is a part of this Annual Report.

## 13. DIRECTOR'S RESPONSIBILITY

As stipulated under the provisions contained in Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 the Directors hereby confirm that :

- (a) in the preparation of the Annual Accounts for the year ended 31st March, 2017, the applicable accounting standards have been followed and there are no material departures.
- (b) the Directors have selected appropriated accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year March 31, 2017 and of the profit of the company for the Financial year ended March, 31, 2017;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts for the year ended March 31, 2017 on a going concern basis;
- (e) the Directors have laid down internal financial controls in the company that are adequate and are operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

## 14. MANAGEMENT DISCUSSION AND ANALYSIS REPORT :-

Management Discussion and Analysis Report, for the year under review, giving detailed analysis of Company's operations, as stipulated under Regulation 34 of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015, is presented in a separate section, which forms a part of this Annual Report.

## 15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGOING :-

Statement giving the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgoing, as required under Section 134 (3) (m) of Companies Act, 2013 read with Rules 8 of Companies (Accounts ) Rules, 2014 is given in the **Annexure-A** which forms part of this report.

## 16. GENERAL SHAREHOLDER INFORMATION

General Shareholder information is given in item no. 10 of the Report on Corporate Governance forming part of the Annual Report.

## 17. DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES :-

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy of your Company formulated in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification (s) or re-enactment for time being in force) . The salient aspects covered in the Nomination and Remuneration policy have been outlined in the Corporate Governance Report which forms part of this report. The full policy is available at on the website of the Company at weblink [www.maharanirice.in](http://www.maharanirice.in).

The statement containing the details required under Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) , 5(2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, as amended by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 is attached as '**Annexure' B** (a) and (b) which forms part of this Report.

## 18. EXTRACT OF ANNUAL RETURN :-

Pursuant to the provisions of Section 134(3) (a) of the Companies ACT, 2013, an extract of the Annual Return as provided under sub section (3) of section 92 of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration ) Rules, 2014, an extract of the Annual Return in form MGT-9 is enclosed herewith as **Annexure–C** Which forms part of this Report.

## 19. STATUTORY AUDITOR AND THEIR REPORT :-

As per section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the tenure of M/s. Rajesh Kapoor & Co. Chartered Accountants, (FRN: 13527N), present Statutory Auditors of the Company, expires at the conclusion of the 23rd Annual General Meeting.

Upon recommendation of Audit Committee, the Board of Directors of the Company at its meeting held on 26.08.2017, has, subjected to the approval of shareholders of the Company in the ensuing Annual General Meeting, approved the appointment of M/S. R Chopra & Associates, Amritsar Chartered Accountants, (Firm Registration No. 022992N), as the Statutory Auditor of the Company for a term of five consecutive years, to hold office from the conclusion of 23rd Annual General Meeting till the conclusion of 28th Annual General Meeting (AGM) of the Company to be held in the year 2022, subject to ratification by the members at every AGM held after this 23rd AGM at such remuneration as may be agreed upon between the Auditors and Board of Directors of the Company.

They have given their consent and confirmed their eligibility to the effect that their appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for appointment.

The present Statutory Auditor M/S. Rajesh Kapoor & Co. Chartered Accountants, have submitted their Report on the Financial Statements of the Company for the F.Y 2016-2017, which forms part of the Annual Report 2016-17.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

## 20. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made there under, the Company had appointed M/s. Sunil Dhawan & Associates, Practicing Company Secretary as Secretarial Auditors of the Company for the year 2016-2017 to conduct secretarial audit and to ensure compliance by the Company with various Acts applicable to the Company. The report of the Secretarial Auditor for the financial year 2016-17 is enclosed as **Annexure–D** to this report

As per the observation as given by the Secretarial Auditor, regarding the CSR Amount not spent by the company the explanation to the same has been given to the Secretarial Auditors which forms part of the Secretarial Audit Report and the detailed justification to the same is also being given in **Annexure–E** under Annual Report on CSR Activities which forms part of the Directors Report.

## 21. CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance requirements under the Companies Act, 2013 and as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate statement on detailed report on Corporate Governance along with a certificate from a Practicing Chartered Accountant, confirming compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

## 22. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company have constituted a CSR Committee. The Committee comprises Mr. Parmod Kumar (Chairman), Mr. Rajeev Setia & Mr. Vijay Setia as other members. The Board has also approved a CSR policy, on the recommendations of the CSR Committee which is available on the website of the Company at [www.maharanirice.in](http://www.maharanirice.in). The Report on CSR activities as required under Companies (Corporate Social Responsibility) Rules, 2014, including a brief outline of the Company's CSR Policy, total amount to be spent under CSR for the financial year, amount unspent and the reason for the unspent amount, is set out at **Annexure-E** forming part of this Report.

## 23. RISK MANAGEMENT

A well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process has been established by the Company. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate them. A detailed exercise is being carried out to identify, evaluate, monitor and manage risks. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework. Discussion on risks and concerns are covered in the Management Discussion and Analysis Report.

## 24. CREDIT RATING

Total Bank Loan Facilities Rated	Rs. 1000 Million
Long Term Rating	CRISIL BBB+/Positive
Short Term Rating	CRISIL A2

## 25. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) Act, 2013 :-

During the year under review no such complaint or grievance occurred under the Act named The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013,

## 26. DISCLOSURE ON DEPOSITS FROM PUBLIC

During the year under review Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

## 27. DEMATERIALISATION OF SHARES

The Company has agreements with both National Securities Depository Ltd and Central Depository Services (India) Ltd. whereby the Shareholders have an option to dematerialise their shares with either of the depositories. As on 31.03.2017, about 97.27% of the Company's Equity Shares has been held in dematerialized form.

## 28. SHARE CAPITAL OF THE COMPANY :-

The Company's shares are listed and actively traded on the below mentioned Stock Exchange:-

BSE Limited (BSE)  
Phiroze Jeejeebhoy Towers,  
25th Floor, Dalal Street,  
Mumbai – 400 001

During the year under review the Board of Directors at their meeting held on 18.10.2016 has allotted fully paid Bonus Equity Shares in the proportion of 1(one) Equity Share for every 10(Ten) existing Equity Shares held by the members.

Consequently, Issued Capital after bonus issue of Equity shares is Rs. 104389100/- (divided into 52194550 Equity shares of the face value of Rs. 2 each) and Paid up Capital after Bonus issue of Equity shares is Rs. 103467100/- (divided into 51733550 Equity shares of the face value of Rs. 2 each).

## 29. PARTICULARS OF LOAN, GUARANTEES OR INVESTMENT UNDER SECTION 186 OF THE COMPANIES ACT, 2013 :-

During the financial year ended March 31, 2017, the Company has neither made any investment (s) nor given any loan or guarantee(s) or provided any security within the meaning of the provisions of section 186 of the Companies Act, 2013.

## 30. PARTICULARS OF CONTRACTS/ARRANGEMENTS/TRANSACTIONS WITH RELATED PARTIES

All Contracts/arrangements/transactions entered by the Company during the financial year 2016-2017 with related parties were on an arm's length basis and were in the ordinary course of business and in accordance with the provisions of the Companies Act, 2013, read with Rules issued thereunder and the SEBI Listing Regulations. During the year the Company had not entered into any contracts/ arrangements/ transactions with related parties which could be considered as material transactions under the Companies Act, 2013 and rules made thereunder and under SEBI Listing Regulations.

Prior omnibus approval of the Audit Committee has been obtained on for transactions with related parties which are of a foreseeable and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all transactions with related parties are placed before the Audit Committee for their review on a periodic basis.

The details of the related party transactions as per Accounting Standard 18 are set out in Note to Accounts vide no. 12 (ii) (a) to the Financial Statements forming part of this Annual Report. Further form no. AOC-2 is attached as '**Annexure-F**' which forms part of this report.

The Company has also adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website at the weblink: [www.maharanirice.in](http://www.maharanirice.in)

### **31. VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has adopted Whistle Blower Policy/Vigil Mechanism to provide a formal mechanism for the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct and mismanagement, if any. The implementation and details of the Whistle Blower Policy has been mentioned in the Report of Corporate Governance and also uploaded on Company's website i.e. [www.maharanirice.in](http://www.maharanirice.in).

### **32. INDUSTRIAL RELATION**

The Industrial relations in all the units and branches of your Company remained cordial throughout the year and have resulted in sustained growth of the company.

### **33. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURED SINCE 31ST MARCH, 2017 TILL THE DATE OF THIS REPORT :-**

There has been no material change/commitment affecting the financial position of the Company which has occurred since 31st March, 2017 till the date of this Report.

### **34. LISTING WITH STOCK EXCHANGE**

The Company confirms that it has paid the Annual Listing fee for the year 2017-18 to BSE where the Company's Shares are listed.

### **35. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an Internal Financial Control System, commensurate with the size, scale and complexity of its operations. Your Company has adopted requisite procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls. The Internal Auditor of the Company checks and verifies the internal control and monitor them from time to time as and when required. The Company continues to ensure proper and adequate systems and procedures commensurate with the size, scale and nature of its business.

### **36. PREVENTION OF INSIDER TRADING:**

In January 2015, SEBI notified the SEBI (Prohibition of insider trading) Regulations, 2015 which came into effect from May 15, 2015. Pursuant thereto, the Company has approved and adopted a new Code for Prevention of Insider Trading. The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors, Promoters and designated employees of the Company. During the year under review in compliance with the provisions of SEBI (Prohibition of insider trading ) Regulations, 2015 Company in their Board meeting dated 13.02.2017 adopted revised code of conduct and inform the BSE simultaneously and the same is also available on the website of the Company.

### **37. FUTURE EXPANSION**

The Future expansion endeavour of the Company is always a going on process specially in the field of Quality improvement and development of new product with lower cost and energy savings. The Management of the company understands that it has to improve upon to face the ever changing circumstances and evolvments globally.



**38. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERNS STATUS AND COMPANY'S OPERATIONS IN FUTURE:-**

The Company has not received any significant or material orders passed by any Regulatory Authority, Court or Tribunal which shall impact the going concern status and Company's operations in future.

**39. REPORTING OF FRAUDS :-**

There have been no instances of fraud reported by the Auditors under section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government.

**40. CHANGE IN CORPORATE OFFICE ADDRESS:-**

Company in month of June, 2017 shifted its Corporate office from No. 2, IInd Floor, Club Drive Road, M.G Road, Ghitorni, New Delhi-110030 to No. 472, Udyog Vihar, Phase-III, Gurgaon-122001 and same was intimated to Stock Exchange also.

**41. ACKNOWLEDGEMENT:**

Your Directors wish to extend their sincere thanks to the Members of Company, business associates, customers, suppliers, members, bankers, regulatory authorities and the society at large. Deep appreciation is also recorded for the dedicated efforts and contribution of the employees at all levels, as without their focus, commitment and hard work, the Company's consistent growth would not have been possible, despite the challenging environment.

For and on behalf of the Board of Directors

Place: Amritsar  
Date: 26.08.2017

sd/-  
Chaman Lal Setia  
Chairman & Managing Director  
Din :- 01125789

## **ANNEXURE-A (Director's Report)**

Disclosure Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014) and forming part of the Directors' Report for the year ended March 31, 2017

### **a) CONSERVATION OF ENERGY**

The company has developed a novel process for reducing energy and water requirements in paddy parboiling process. As a result the water consumption and energy expenditure in mechanical parboiling of paddy is greatly reduced. The Company has also developed the novel process of recycling of most of hot water used for soaking of paddy during parboiling of rice, thereby generating little waste water and still having a high quality product. Consequently any chance of earth pollution from this process is completely ruled out. The energy and water consumption utilized about just one third of that available with the company and such saved energy and water to the tune of two third can be utilized for other productive purposes. Due to this innovation at our rice parboiling plant, overall fuel consumption in this section is reduced resulting conservation of energy. Company has also eliminated the typical off-odour emanating from the paddy soaking tanks resulting great reduction in ground water pollution.

### **b) TECHNOLOGY ABSORPTION**

The Company believes Technology Absorption, Adaptation and Innovation is an on-going process. As technology is changing day by day, Company plans to be a leading player in technology introduction through innovative products, therefore Company has kept itself informed on the latest trends in technology related to the business of the Company. This has helped your Company to continuously improve the manufacturing processes, improve efficiencies and develop new products.

### **(i) RESEARCH AND DEVELOPMENT (R&D)**

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

- a) Development of a system and method for parboiling paddy that obviates husk of paddy from splitting;
- b) Development of 100% insect killing technique by using 1/3rd of Pesticides;
- c) Development of quick cooking Brown Rice;
- d) Use of Neem as Bio-pesticide;
- e) Improvement in Parboiling for improvement in quality parameters;
- f) Use of Plastic Buckets in parboiling plant thus reducing cost;
- g) Development of Bhatti Sella through automation for the first time in India;
- h) Development of Fragrant Rice;
- i) Reducing broken in paddy with very high sun checks under process;
- j) Rice bran stabilization for human consumption under process;
- k) Making bio-compost from waste and reject of paddy under process.

### **(ii) BENEFIT DERIVED AS A RESULT OF THE ABOVE EFFORTS**

Improvement in existing process and product quality, less qualities variations, improved productivity, cost reduction and reduction in air and water pollution, financial savings.

### **(iii) FUTURE PLAN OF ACTION**

- a) The Company will try to assist any R & D Unit of any academy/University and will continue to work on energy efficient process and also put all efforts to enlarge the scope of Agri-inputs options, Improvement of plant and process and resource use efficiencies,

### **(iv) EXPENDITURE ON R & D.**

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

### **c) FOREIGN EXCHANGE EARNING & OUTGO :**

The information in this regard is provided in Notes of Accounts.

For and on behalf of the Board of Directors

Place: Amritsar  
Date: 26.08.2017

sd/-  
Chaman Lal Setia  
Managing Director  
(Din :- 01125789)

## ANNEXURE-B (Director's Report)

- (A) Disclosure in Director's Report pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

1. The Ratio of the Remuneration of each Director to the Median Remuneration of the Employees of the Company For the Financial Year 2016-2017:

Name of the Directors	Ratio
Mr. Chaman Lal Setia	89.98
Mr. Vijay Setia	90.85
Mr. Rajeev Setia	91.38
Mr. Sukarn Setia	3.85
Mr. Ankit Setia	44.78
Mr. Sankesh Setia	44.78

2. The percentage increase in remuneration of each Director, Managing Director, Chief Financial Officer and Company Secretary in the Financial year :-

Name	Designation	% increase
Mr. Chaman Lal Setia	Managing Director	*
Mr. Vijay Setia	Whole Time Director	*
Mr. Rajeev Setia	Whole Time Director & CFO	NIL
Mr. Sukarn Setia	Whole Time Director	NIL
Mr. Ankit Setia	Whole Time Director	**
Mr. Sankesh Setia	Whole Time Director	**
Miss Kanika Nevatia	Company Secretary	27.94

\*During the year there is no change in basic salary, however due to increase in perquisites there is slight change in salary.

\*\*During the year 2016-2017 there is no change in salary of Mr. Ankit Setia and Mr. Sankesh Setia.

3. The percentage increase in the Median Remuneration of Employees in the Financial Year 2016-2017  
The percentage increase in the median remuneration of employees during the year is 5.56%
4. The number of permanent employees on the rolls of Company as on 31st March, 2017 :  
191
5. Average percentile increase made in the salaries of employees other than the Managerial Personnel In the last Financial Year and its comparison with the percentile increase in the Managerial Remuneration and Justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration:  
Average percentage increase made in salaries of employees other than Managerial Personnel in Financial Year 2016-17 was 5.56 %, Percentage increase in the managerial remuneration for the year has been given Above in point no. 2.
6. Affirmation that the remuneration is as per the Remuneration Policy of the Company  
It is confirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration Policy of the Company.

General Note

Managerial Personnel includes Managing Director and Whole-time Directors.

(b) Statement showing particulars of employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

S. No.	Employee Name	Designation/Nature of Employment	Remuneration Received (Rs.)	Qualification	Experience (in years)	Date of employment	Age (in Years)	Last Employment held
1	Mr. Chaman Lal Setia	Chairman & Managing Director	1,49,47,874	Under Graduate	44	21.09.1994	83	First Employment
2	Mr. Vijay Setia	Wholetime Director	1,50,91,323	Graduate	40	21.09.1994	64	First Employment
3	Mr. Rajeev Setia	Wholetime Director & CFO	1,51,80,313	Post Graduate	39	21.09.1994	62	First Employment
4	Mr. Ankit Setia	Wholetime Director	74,39,600	Graduate/ Diploma in Food Technology	14	30.09.2003	33	First Employment
5	Mr. Sankesh Setia	Wholetime Director	74,39,600	Graduate	10	29.09.2014	30	First Employment
6	Mr. Manu Arora	Accounts Manager	6,98,734	M.COM	14	01.05.2004	39	First Employment
7	Mr. Rajinder Prasad	General Manager	6,59,645	B.A	39	01.08.2000	58	KRBL
8	Mr. Dinesh Malik	Marketing Manager	6,51,984	B.A, PGDCA	17	01.09.2001	39	First Employment
9	Mr. Nirmal Kumar	Purchase Manager	6,51,984	Under Graduate	41	01.04.1996	60	First Employment
10	Mr. Sukarn Setia	Wholetime Director	6,39,600	Graduate	16	28.09.2001	37	First Employment

Place: Amritsar  
Date: 26.08.2017

For and on behalf of the Board of Directors  
sd/-  
Chaman Lal Setia  
Managing Director  
(Din :- 01125789)



## ANNEXURE-C (Director's Report)

EXTRACT OF ANNUAL RETURN

FORM NO. MGT 9

AS ON THE FINANCIAL YEAR ENDED 31.03.2017

(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014)

### I. REGISTRATION & OTHER DETAILS:

1.	CIN	L51909PB1994PLC015083
2.	Registration Date	21/09/1994
3.	Name of the Company	CHAMAN LAL SETIA EXPORTS LTD.
4.	Category/Sub-category of the Company	PUBLIC COMPANY LIMITED BY SHARES/ INDIAN NON GOVERNMENT COMPANY
5.	Address of the Registered office & contact details	P O Central Jail, Meeran Kot Road, Amritsar-143001, Punjab 0183-2590318 & 0183-2592708 Email id :- clsetia@rediffmail.com Website :- www.maharanirice.in
6.	Whether listed company	Yes (Listed in BSE)
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD. IIIRD FLOOR, 99 MADANGIR, (NEAR DADA HARSUKH DASS MANDIR), NEW DELHI Email id :- beetalrta@gmail.com Telephone :- 011-29961281-283 Fax Number :- 011-29961284

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	RICE	10612	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES: NIL

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 1st April, 2016				No. of Shares held at the end of the year 31st March, 2017*				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters &amp; Promoters Group</b>									
<b>(1) Indian</b>									
a) Individual/ HUF/Directors & their Relative	35170471	36000	35206471	74.86	38638276	14300	38652576	74.71	(0.15)
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other									
<b>Sub Total (A) (I)</b>	<b>35170471</b>	<b>36000</b>	<b>35206471</b>	<b>74.86</b>	<b>38638276</b>	<b>14300</b>	<b>38652576</b>	<b>74.71</b>	<b>(0.15)</b>
<b>2. FOREIGN</b>									
<b>a. Individuals (Non Residents Individuals /Foreign Individuals)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
b. Bodies Corporate	0	0	0	0	0	0	0	0	
c. Institutions	0	0	0	0	0	0	0	0	0
d. Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
e. Any Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Shareholding of promoter and Promoter Group(A) = (A)1+(A)(2)	35170471	36000	35206471	74.86	38638276	14300	38652576	74.71	(0.15)
(B) Public Shareholding									
<b>1 Institution</b>									
<b>(A) Mutual Funds/UTI</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(b) Financial Institutions/ Banks</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(c) Central Government/ State Government (s)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(d) Venture Capital Funds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(e) Insurance Companies</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(f) Foreign Institutional / Portfolio Investors</b>	<b>69590</b>	<b>0</b>	<b>69590</b>	<b>0.148</b>	<b>217709</b>	<b>0</b>	<b>217709</b>	<b>0.42</b>	<b>0.27</b>
<b>(g) Foreign Venture Capital Investors</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(h) Qualified Foreign Investors</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(i) Any Other (specify)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sub Total (B) (I)</b>	<b>69590</b>	<b>0</b>	<b>69590</b>	<b>0.148</b>	<b>217709</b>	<b>0</b>	<b>217709</b>	<b>0.42</b>	<b>0.27</b>

<b>B2 . Non-Institutions</b>									
a) Bodies Corp.	1876385	20000	1896385	4.0322	1525050	22005	1547055	2.99	(1.042)
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	5041506	996090	6037596	12.837	5871763	914368	6786131	13.12	0.28
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2310348	762500	3072848	6.534	3253555	459800	3713355	7.18	0.64
c) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(d) Any Other (specify)	0	0	0	0	0	0	0	0	0
(d-i) Non Resident Indians	434619	0	434619	0.9241	452991	0	452991	0.88	(0.04)
(d-ii) Clearing Members	11570	0	11570	0.0246	92746	0	92746	0.18	0.16
(d-iii) HUF	301421	0	301421	0.6409	270987	0	270987	0.52	(0.121)
(d-iv) Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
(d-v) Foreign Nationals	0	0	0	0	0	0	0	0	0
(d-vi) Trusts	0	0	0	0	0	0	0	0	0
(d-vii) Foreign Bodies Corporates	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>9975849</b>	<b>1778590</b>	<b>11754439</b>	<b>24.99</b>	<b>11467092</b>	<b>1396173</b>	<b>12863265</b>	<b>24.87</b>	<b>(0.12)</b>
Total Public Shareholding (B)=(B)(1)+(B)(2)	10045439	1778590	11824029	25.14	11684801	1396173	13080974	25.29	0.15
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>45215910</b>	<b>1814590</b>	<b>47030500</b>	<b>100</b>	<b>50323077</b>	<b>1410473</b>	<b>51733550</b>	<b>100</b>	<b>0</b>

\*Note :- During the year the Company has issued & allotted Bonus shares on 18.10.2016 in the proportion of 1 (one) new equity share of Rs. 2/- each for every ten (10) existing equity shares of Rs. 2/- each and hence total number of shares increased from 47030500 to 51733550 and aforesaid information has been stated accordingly.

#### B) Shareholding of Promoters and Promoters Group:

S. No.	Shareholder's Name	No. Of Shares held at the beginning of the year 1st April, 2016			Shareholder's Name	No. Of Shares held at the end of the year 31st March, 2017*			% change in share holding during the year
		No. Of Shares	% of total Shares of the company	% of shares pledged encumbered to total shares		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Aaksha Khanna	500	0.00	0	Aaksha S Khanna	6600	0.01	0	0.01
2	Lajwanti	2500	0.01	0	Lajwanti	2750	0.01	0	0
3	Kali Ram Suresh kr	3500	0.01	0	Kali Ram Suresh kr	3850	0.01	0	0
4	Vijender Mann	3500	0.01	0	Vijender Mann	3850	0.01	0	0
5	Jagjit Singh	3500	0.01	0	Jagjit Singh	3850	0.01	0	0
6	Ashok Kumar	5000	0.01	0	Ashok Kumar	5500	0.01	0	0
7	Madan lal	3500	0.01	0	Madan lal	3850	0.01	0	0
8	Meena Kumari	3500	0.01	0	Meena Kumari	3850	0.01	0	0
9	Rekha Rani	3500	0.01	0	Rekha Rani	3850	0.01	0	0
10	Anuradha Bhandari	3500	0.01	0	Anuradha Bhandari	3850	0.01	0	0
11	Neeru Wadhwa	3500	0.01	0	Neeru Wadhwa	3850	0.01	0	0

12	Shefali	5000	0.01	0	Shefali Sharma	5500	0.01	0	0
13	Rani Vijay Shastri	5000	0.01	0	Rani Vijay Shastri	5500	0.01	0	0
14	Rajiv Mehra	5000	0.01	0	Rajiv Mehra	5500	0.01	0	0
15	Bhupinder Nath Seth	7000	0.01	0	Sujata Goyal (Refer Note 1)	7700	0.01	0	0
16	Manju Ahuja	7801	0.02	0	Manju Ahuja	8581	0.02	0	0
17	Sanjeev Kishore	51000	0.11	0	Sanjeev Kishore	56100	0.11	0	0
18	Sushma Setia	276000	0.59	0	Sushma Setia	303600	0.59	0	0
19	Neelam Setia	278500	0.59	0	Neelam Setia	306350	0.59	0	0
20	Ankit Setia	250000	0.53	0	Ankit Setia	262616	0.51	0	(0.02)
21	Sankesh Setia	251000	0.53	0	Sankesh Setia	276100	0.53	0	0
22	Sukarn Setia	254045	0.54	0	Sukarn Setia	251928	0.49	0	(0.05)
23	Chaman Lal Setia	10545500	22.42	0	Chaman Lal Setia	11600050	22.42	0	0
24	Rajeev Setia	11892500	25.29	0	Rajeev Setia	13081750	25.29	0	0
25	Vijay Kumar Setia	11332732	24.10	0	Vijay Kumar Setia	12435651	24.04	0	(0.06)
26	Janak Raj Kapoor	3500	0.01	0	Janak Raj Kapoor	0	0	0	(100)
27	Manu Kapoor	3500	0.01	0	Manu Kapoor	0	0	0	(100)
28	Vipan Kapoor	2393	0.01	0	Vipan Kapoor	0	0	0	(100)

**\*Note :-** During the year the Company has issued and allotted Bonus shares on 18.10.2016 in the proportion of 1 (one) new equity share of Rs. 2/- each for every ten (10) existing equity shares of Rs. 2/- each and hence aforesaid information has been stated accordingly.

Note 1:- During the year shares of deceased shareholder of Mr. Bhupinder Nath Seth has been transmitted in favour of his legal heir named Sujata Goyal. So she was classified as promoter.

**C) Change in Promoters' & Promoters' Group Shareholding (please specify, if there is no change)**

S. No.	Name of the Shareholder	Shareholding at the beginning of the year as on (April 01, 2016)		Change during the year	Increase/Decrease in Shareholding		Cumulative Shareholding during the Year		Shareholding at the end of the year as on (March 31, 2017)*	
		No. of shares	% of total shares of the company		No. of Shares	% of Total Shares of the Company	No. of shares	% of Total Shares of the Company	No. of shares	% of Total Shares of the Company
1.	Aaksha S Khanna	500	0.00	Issuance of Bonus shares & shares under different folio has been collectively shown	6100	0.01	6600	0.01	6600	0.01
2.	Lajwanti	2500	0.01	Issuance of Bonus Shares	250	0.00	2750	0.01	2750	0.01
3.	Kali Ram Suresh Kr	3500	0.01	Issuance of Bonus Shares	350	0.00	3850	0.01	3850	0.01
4	Vijender Mann	3500	0.01	Issuance of Bonus Shares	350	0.00	3850	0.01	3850	0.01
5	Jagjit Singh	3500	0.01	Issuance of Bonus Shares	350	0.00	3850	0.01	3850	0.01
6	Ashok Kumar	5000	0.01	Issuance of Bonus Shares	500	0.00	5500	0.01	5500	0.01
7	Madan Lal	3500	0.01	Issuance of Bonus Shares	350	0.00	3850	0.01	3850	0.01
8	Meena Kumari	3500	0.01	Issuance of Bonus Shares	350	0.00	3850	0.01	3850	0.01
9	Rekha Rani	3500	0.01	Issuance of Bonus Shares	350	0.00	3850	0.01	3850	0.01
10	Anuradha Bhandari	3500	0.01	Issuance of Bonus Shares	350	0.00	3850	0.01	3850	0.01

11	Neeru Wadhwa	3500	0.01	Issuance of Bonus Shares	350	0.00	3850	0.01	3850	0.01
12	Shefali	5000	0.01	Issuance of Bonus Shares	500	0.00	5500	0.01	5500	0.01
13	Rani Vijay Shastri	5000	0.01	Issuance of Bonus Shares	500	0.00	5500	0.01	5500	0.01
14	Rajiv Mehra	5000	0.01	Issuance of Bonus Shares	500	0.00	5500	0.01	5500	0.01
15	Bhupinder Nath Seth #	7000	0.01	Issuance of Bonus Shares	700	0.00	7700	0.01	7700	0.01
16	Manju Ahuja	7801	0.02	Issuance of Bonus Shares	780	0.00	8581	0.02	8581	0.02
17	Sanjeev Kishore	51000	0.11	Issuance of Bonus Shares	5100	0.00	56100	0.11	56100	0.11
18	Sukarn Setia	254045	0.54	Sale of shares	14110	0.030	239935	0.510		
				Issuance of Bonus Shares	23993	0.046	263928	0.510		
				Sale of shares	12000	0.023	251928	0.49	251928	0.49
19	Neelam Setia	278500	0.59	Issuance of Bonus Shares	27850	0.053	306350	0.59	306350	0.59
20	Sushma Setia	276000	0.59	Issuance of Bonus Shares	27600	0.053	303600	0.59	303600	0.59
21	Ankit Setia	250000	0.53	Issuance of Bonus Shares	25000	0.048	275000	0.53		
				Sale of shares	12384	0.023	262616	0.51	262616	0.51
22	Sankesh Setia	251000	0.53	Issuance of Bonus Shares	25100	0.048	276100	0.53	276100	0.53
23	Rajeev Setia	11892500	25.29	Issuance of Bonus Shares	1189250	2.298	13081750	25.29	13081750	25.29
24	Chaman Lal Setia	10545500	22.42	Issuance of Bonus Shares	1054550	2.038	11600050	22.42	11600050	22.42
25	Vijay Kumar Setia	11332732	24.10	Issuance of Bonus Shares	1133273	2.190	12466005	24.10		
				Sale of shares	30354	0.058	12435651	24.04	12435651	24.04
26	Janak Raj Kapoor	3500	0.01	Sale of shares	3500	0.01	0	0	0	0
27	Manu Kapoor	3500	0.01	Sale of shares	3500	0.01	0	0	0	0
28	Vipan Kapoor	2393	0.01	Sale of shares	2393	0.01	0	0	0	0

**\*Note:-** During the year the Company has issued and allotted Bonus shares on 18.10.2016 in the proportion of 1 (one) new equity share of Rs. 2/- each for every ten (10) existing equity shares of Rs. 2/- each and hence aforesaid information has been stated accordingly.

#During the year shares of deceased shareholder of Mr. Bhupinder Nath Seth has been transmitted in favour of his legal heir named Sujata Goyal. So she was classified as promoter

**D) Shareholding Pattern of top ten Shareholders:**

**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	Name of Shareholder	Shareholding*	
		No. of shares	% of total shares of the company
1	Laj Capital Services Private Limited		
	At the beginning of the year	1317500	2.80
	At the end of the year	1017076	1.96
2	Sangeetha S		
	At the beginning of the year	512450	1.09
	At the end of the year	558000	1.08

3	Sabeena		
	At the beginning of the year	418000	0.89
4	Sunaina		
	At the beginning of the year	372000	0.79
5	Yelamanchali Bebi Sarojini		
	At the beginning of the year	355750	0.76
6	Sameer Kishore		
	At the beginning of the year	275141	0.58
7	Devabhaktuni Krishna Kumari		
	At the beginning of the year	231970	0.49
8	Lata Saigal		
	At the beginning of the year	0	0
9	Rajeev Aggarwal		
	At the beginning of the year	191090	0.41
10	Pinki Saluja		
	At the beginning of the year	110210	0.23
	At the end of the year	459800	0.89
	At the end of the year	409200	0.79
	At the end of the year	391820	0.76
	At the end of the year	290520	0.56
	At the end of the year	257917	0.49
	At the end of the year	202366	0.39
	At the end of the year	186615	0.36
	At the end of the year	119231	0.23

\*Note :- During the year the Company has allotted bonus shares on 18.10.2016 in the proportion of 1 (one) new equity share of Rs. 2/- each for every ten (10) existing equity shares of Rs. 2/- each and hence aforesaid information has been stated accordingly.

As on 31.03.2017 97.27% shareholding of Company are in dematerialised form. Shares of Company are listed on BSE Ltd. and it is not feasible to track movement of shares on daily basis. Therefore aforesaid information has been stated accordingly.

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year*	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shareholding of key Managerial Personnel: Mr. Chaman Lal Setia (Managing Director)	10545500	22.42%	11600050	22.42%
2.	Mr. Rajeev Setia (Executive Director & Chief Financial Officer)	11892500	25.29%	13081750	25.29%

3.	Miss. Kanika Nevtia Company Secretary	NIL	NIL	NIL	NIL
4.	Shareholding of Directors Mr. Vijay Setia	11332732	24.10%	12435651**	24.04%
5.	Mr. Sukarn Setia	254045	0.54%	251928**	0.49%
6.	Mr. Sankesh Setia	251000	0.53%	276100	0.53%
7.	Mr. Ankit Setia	250000	0.53%	262616**	0.51%
8.	Mr. Inder Dev Kukkar	1500	0.003%	1650	0.003%
9.	Mr. Parmod Kumar	1500	0.003%	1650	0.003%
10.	Mr. Raghav Peshawaria	NIL	NIL	NIL	NIL
11.	Mr. Naresh Kumar Suneja	NIL	NIL	NIL	NIL
12.	Mrs. Amar Jyoti Bagga	NIL	NIL	NIL	NIL
13.	Mr. Vijay Kumar Jhamb	NIL	NIL	NIL	NIL

\*Note:- During the year the Company has allotted bonus shares on 18.10.2016 in the Proportion of 1 (one) new equity share of Rs. 2/- each for every ten (10) existing equity shares of Rs. 2/- each and hence total number of shares increased and aforesaid information has been stated accordingly.

\*\*Details of changes have already been given under IV C of this extract.

**F) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

(Amount in Rs.)

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
<b>i) Principal Amount</b>	7,39,43,422	16,99,06,386	-----	24,38,49,808
<b>ii) Interest due but not paid</b>	-----	-----	-----	-----
<b>iii) Interest accrued but not due</b>	-----	-----	-----	-----
<b>Total (i+ii+iii)</b>	-----	-----	-----	-----
<b>Change in Indebtedness during the financial year</b>	-----	-----	-----	-----
<b>* Addition</b>	4,58,59,007	14,54,11,008	-----	1,91,27,0015
<b>* Reduction</b>	-----	-----	-----	-----
<b>Net Change</b>	-----	-----	-----	-----
<b>Indebtedness at the end of the financial year</b>	-----	-----	-----	-----
<b>i) Principal Amount</b>	11,98,02,429	31,53,17,394	-----	43,51,19,823
<b>ii) Interest due but not paid</b>	-----	-----	-----	-----
<b>iii) Interest accrued but not due</b>	-----	-----	-----	-----
<b>Total (i+ii+iii)</b>	<b>11,98,02,429</b>	<b>31,53,17,394</b>	-----	<b>43,51,19,823</b>

## V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### A. Remuneration to Managing Director and Whole-time Directors :

(Amount in Rs.)

SN	Particulars of Remuneration	Name of Managing Director and Whole-time Directors						
		Chaman Lal Setia	Vijay Setia	Rajeev Setia	Sukarn Setia	Ankit Setia	Sankesh Setia	Total Amount
		Managing Director	Whole Time Director	Whole Time Director & CFO	Whole Time Director	Whole Time Director	Whole Time Director	
1	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48,00,000	48,00,000	48,00,000	6,00,000	24,00,000	24,00,000	1,98,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,47,874	2,91,323	3,80,313	39,600	39,600	39,600	9,38,310
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-
4	Commission - as % of profit - others, specify...	1,00,00,000	1,00,00,000	1,00,00,000	-	50,00,000	50,00,000	4,00,00,000
5	Others, please specify	-	-	-	-	-	-	-
	<b>Total (A)</b>	<b>1,49,47,874</b>	<b>1,50,91,323</b>	<b>1,51,80,313</b>	<b>6,39,600</b>	<b>74,39,600</b>	<b>74,39,600</b>	<b>6,07,38,310</b>
	Ceiling as per the Act	As per Section 197 read with Schedule V of the Companies Act, 2013 i.e. 10% of Net profit (calculated as per section 198 of the Companies Act, 2013) for all Executive Directors –Managing Director and Whole-time Directors						

### B. Remuneration to other Directors: Nil

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WT

(Amount in Rs.)

SN	Particulars of Remuneration	CS	Total
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,48,000	3,48,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	- as % of profit	0	0
	others, specify...	0	0
5	Others, please specify	0	0
6	Total		
7	Ceiling as per the Act	NA	NA

**VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NONE				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NONE				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Punishment	NONE				
Compounding					

For and on behalf of the Board of Directors

Place: Amritsar  
Date: 26/08/2017

Sd/-  
Chaman Lal Setia  
Managing Director  
Din: 01125789

## **ANNEXURE-D (Director's Report)**

### **Form No. MR-3 SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31st March, 2017**

**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
Chaman Lal Setia Exports Ltd.  
P.O. Central Jail, Miran Kot Road,  
Amritsar-143002

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Chaman Lal Setia Exports Ltd. (hereinafter called "the company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year commencing from 1st April, 2016 and ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter along with **Annexure 1** attached to this report:

- 1) We have examined the books, papers, minute books, forms and returns filed and other records maintained by Chaman Lal Setia Exports Ltd. ("The Company") for the financial year ended on 31st March, 2017, according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (No Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings was taken by the Company during the Audit Period).
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
    - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period) ;
    - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);
    - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period).
- vi) Other Laws as specifically applicable to the Company
  - 1) The Factories Act, 1948.
  - 2) The Water (Prevention & Control Of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975
  - 3) The Air (Prevention & Control of Pollution) Act, 1981.
  - 4) The Labour Welfare Fund Board
  - 5) Agriculture & Processed Food Product Export Act, 1986,
  - 6) Food Safety & Standards Act, 2006 & rules made thereunder
  - 7) Indian Boilers Act, 1923 and rules made thereunder.
  - 8) The Standard of Weight & Measure Act, 1976
  - 9) Employees' State insurance Act
  - 10) The payment of Gratuity Act, 1972
  - 11) The Provident Fund & Miscellaneous Provisions Act, 1948
  - 12) Haryana State Agricultural Marketing Board
  - 13) The Punjab Agricultural Produce Market Act, 1961 and rules made thereunder
  - 14) All other Labour, Employee and Industrial Laws to the extent applicable to the Company.
- 2. We have also examined compliance with the applicable clauses of the following:
  - (i) The Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 .
  - (iii) The Listing Agreements entered into by the Company with BSE Limited.
- 3. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. to the extent applicable as mentioned above subject to filing of certain e-forms with additional fees and subject to following :-  
 As per Provision of section 135 of the Companies Act, 2013, the eligible amount required to be spent by the Company is Rs.7587966/- during the financial year, 2016-17, however as per information provided, the Company despite of best efforts for the utilization of eligible amount towards CSR, could spend only Rs. 29,30,057/-.
- 4. Based on the information received and records maintained, We further report that :
  - (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Independent Directors including women Director. There were no changes in the composition of the Board of Directors during the period under review.
  - (b) Adequate notice of at least seven days was given to all Directors to schedule the Board Meetings, along with Agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. In case of shorter notice, the company has complied with the provisions of Section 173 of the Companies Act, 2013..

(c) Majority decision is carried through and recorded in the minutes of the Meetings. Further as informed, no dissent was given by any director in respect of resolutions passed in the board and committee meetings.

5. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has not incurred any specific event / action that can have major bearing on the company's affairs in pursuance of above referred laws, rules, regulations, guidelines, standards etc. except as follows:

- (a) The approval of shareholders for issue of 4703050 Equity Shares of Rs. 2/- each as fully paid up Bonus equity shares in the proportion of 1 (One) Equity share of face value of Rs. 2/- each for every 10 (Ten) existing Equity Shares of face value of Rs. 2/- each was obtained by passing ordinary resolution in Annual General Meeting of the Company held on 29.09.2016.
- (b) Pursuant to the approval of shareholders as mentioned above, the Board of Directors of the Company at their meeting held on 18.10.2016 issued and allotted 4703050 Equity Shares of Rs. 2/- each as Bonus equity shares in the proportion of 1 (One) Equity share of face value of Rs. 2/- each for every 10 (Ten) existing Equity Shares of face value of Rs. 2/- each held to those shareholders whose name appeared in the Register of Member/Register of Beneficiaries as on 17.10.2016 (the Record Date).

For Sunil Dhawan & Associates  
(Practising Company Secretaries)

Sd/-  
Sunil Dhawan  
Proprietor  
ACS No. 14500  
C. P No.:3690

Place: Amritsar  
Date: 26.08.2017

\*This report is to be read with our letter of even date which is annexed as 'Annexure 1' and forms an integral part of this report.



### **'ANNEXURE 1' to the Secretarial Audit Report**

To,  
The Members,  
Chaman Lal Setia Exports Ltd.  
P.O Central Jail, Mirankot Road,  
Amritsar - 143002

Our Secretarial Audit Report for the Financial Year ended March 31, 2017 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Sunil Dhawan & Associates  
(Practising Company Secretaries)

Sd/-  
Sunil Dhawan  
Proprietor  
ACS No. 14500  
C. P No.:3690

Place: Amritsar  
Date: 26.08.2017

## **ANNEXURE-E (Director's Report)**

### **Annual Report on Corporate Social Responsibility (CSR) Activities (Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014)**

**1. A brief outline of the Company's CSR policy: (CSR Policy)**

This policy encompasses the Company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for the development of the rural communities at large. The Company's CSR is in alignment with the initiatives on Eradication of extreme hunger, Enhancement of livelihood projects, Rural development of host communities, Promoting Education, Sanitation Facilities and creating social, environmental and economic value to the society.

**2. Overview of projects or programs proposed to be undertaken:**

Focus areas relate to Eradication of hunger and poverty, Enhancement of livelihood projects, Rural development, quality education, providing infrastructure for promoting education, empowerment of women, health care, conservation of Environment, sanitation facilities and creating social, environmental and economic value to the society.

**3. Web-link to the CSR policy and projects or programs :- [www.maharanirice.in](http://www.maharanirice.in)**

**4. Composition Of CSR Committee**

<b>Name of the Member</b>	<b>Designation</b>	<b>Status</b>
Mr. Parmod Kumar	Independent Director	Chairman
Mr. Rajeev Setia	Executive Director	Member
Mr. Vijay Setia	Executive Director	Member

**5. Average Net Profit of the company for last three financial years:**

Average net profit is Rs. 379398337/-

**6. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above)**

The company is required to spend Rs. 7587966/-

**7. Details of CSR spent for the financial year :**

- a) Total amount spent for the financial year : Rs. 2930057/-
- b) Amount unspent if any : Rs. 4657909/-
- c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Projects or Activities Identified	Sector in which project is covered	Projects or Programs (1) Local Area or others (2) Specify the state and district where project or programmes were undertaken	Amount Outlay (Budget) project or programme wise (Rs.)	Amount spent on project or programs Subheads (1) Direct Expenditure on project (2) Overheads	Cumulative Expenditure upto reporting period (Rs.)	Amount Spent direct or through implement agency
1.	Project of Food Distribution	Eradication of hunger & poverty	Village Area, Amritsar, (Punjab)	2065890/-	2065890/-	2065890/-	Direct
2	Project of each one educate one and for this Sponsoring Tuition and other Fees for providing Education to the poor and needy girls for continuing their education	Promoting Education	SR Govt. College For Women, Amritsar	162100/-	162100/-	162100/-	Direct
3	Project of providing public Toilets for providing sanitation facility to people	Swachha Bharat Abhiyan	Village Area, KherabadAmritsar (Punjab)	121326/-	121326/-	121326/-	Direct
4	Project for providing facilities to the School for the healthcare and betterment of students.	Promoting Education & Promoting Healthcare including preventive healthcare	Govt. School, Loharka Road, Amritsar	122734/-	122734/-	122734/-	Direct
5	Project for providing Computer facility to school by installing Computer, further providing Drinking Water Facility and other allied facilities to school for promotion of education, the healthcare and for betterment of students.	Quality Education & Promoting Education	Govt. School, Meerankot Road, Village Area, Amritsar	86165/-	86165/-	86165/-	Direct
6	Project For providing Clean Water Facility to backward area of people for their healthcare and their betterment	Promoting Healthcare	Rural Area, Village Area, Karnal	127350/-	127350/-	127350/-	Direct
7	Project For Providing school fee for education of needy students	Promoting Education	Govt. Sen Secondary School, Amritsar	4035/-	4035/-	4035/-	Direct
8.	Project For Proving Sewing Machines to needy Ladies for their livelihood	Livelihood Enhancement Projects and Women Empowerment	Rural & Village Areas (Amritsar)	33000/-	33000/-	33000/-	Direct
9.	Project for providing facilities to the School for the welfare of students.	Promoting Education	Govt. Sr. Secondary School, Dabri (Karnal)	16550/-	16550/-	16550/-	Direct
10.	Project for providing school fee for education of needy students	Promoting Education	Sewa Bharti Haryana Pradesh Regde	25100/-	25100/-	25100/-	Direct
11.	Project for providing led lights on public streets of village for the welfare of people	Welfare of people belonging to backward area	Village Area, Karnal	119007/-	119007/-	119007/-	Direct
12.	Project for providing facilities to the School for the welfare of students.	Promoting Education	Govt. Sr. Secondary School, Mangalpur (Karnal)	46800/-	46800/-	46800/-	Direct
			<b>Total</b>	<b>2930057/-</b>	<b>2930057/-</b>	<b>2930057/-</b>	

**8. Reasons for not spending the prescribed CSR expenditure:**

As per Section 135 of Companies Act, 2013, the Company was required to spend Rs. 7587966/- towards CSR activities out of which Rs. 2930057/- was utilized on activities specified in Schedule VII of the Companies Act, 2013. The Company was in a process to recognize the appropriate CSR Projects/programmes for spending on the CSR expenditure to contribute towards the society, however due to non-identification of proper Projects/Programmes Company could spend only Rs. 2930057/- towards CSR activities.

The CSR Committee of your Company during the financial year met 4 times to discuss the CSR initiatives.

Actually CSR commitments are beyond financial performance. We are continuously looking at new CSR initiatives which can give maximum benefit to the society and for that it is of utmost importance that amounts are defrayed on deserving and genuine projects. Therefore Company has decided to undertake feasible projects which can give maximum benefit to society.

**9. The CSR Committee confirms that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and Policy of the Company.**

For and on behalf of the Board of Directors

Place :- Amritsar  
Dated :- 26.08.2017

SD/-  
Rajeev Setia  
Executive Director

SD/-  
Parmod Kumar  
Chairman –CSR Committee

## ANNEXURE-F (Director's Report)

### FORM NO. AOC -2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

**None; During the Reporting Period, All Transactions were at Arm's Length Basis.**

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A
b)	Nature of contracts/arrangements/transaction	N.A
c)	Duration of the contracts/arrangements/transactions	N.A
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A
e)	Justification for entering into such contracts or arrangements or transactions'	N.A
f)	Date(s) of approval by the Board	N.A
g)	Amount paid as advances, if any	N.A
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A

**2. Details of material contracts or arrangements or transactions at Arm's length basis.**

**None; During the Reporting Period, There was no Material Contract or Arrangement.**

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A
b)	Nature of contracts/arrangements/transaction	N.A
c)	Duration of the contracts/arrangements/transaction	N.A
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A
e)	Date of approval by the Board, if any	N.A
f)	Amount paid as advances, if any	N.A

For and on behalf of the Board of Directors

Sd/-

Chaman Lal Setia  
Managing Director  
Din: 01125789

Place: Amritsar  
Date: 26/08/2017

## Management Discussion and Analysis

### 1. Economic Environment & Rice Industry:

The Financial Year 2016-17 witnessed two major policy developments with one paving the way for the implementation of transformational Goods and Service Tax (GST) and the other action packed move to demonetise the two highest denominations notes. The GST is expected to create a big boost to the Indian Market and also a bold experiment to improve tax compliance and governance.

The GST is also expected to boost the twin objectives of investment and growth in the Indian Economy. Though demonetisation has an impact on the common man it holds the potential for long term benefits to the nation, greater digitalisation of the economy, increased flows of financial savings and greater formalisation of the economy, all of which could eventually lead to higher GDP growth, better tax compliance and greater tax revenues.

The Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16. The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms' spending plans. On the positive side, the economy was buoyed by government consumption, as the 7th Pay Commission salary recommendation were implemented, and by the long awaited start of an export recovery as demand in advanced countries began to accelerate.

However the external position appears robust having successfully weathered the sizeable redemption of Foreign Currency Non-Resident (FCNR) deposits in late 2016, and the volatility associated with the US election and demonetisation. The trade deficit declined by 23.5 percent in April-December 2016 over corresponding period of previous years.

India's export appear to be recovering, based on uptick in global economic activity. The IMF's January update of its World Economic Outlook forecast is projecting an increase in global growth from 3.1 percent in 2016 to 3.4 percent in 2017, with a corresponding increase in growth for advanced economies from 1.6 percent to 1.9 percent.

As per economic survey 2016-2017, growth of agriculture & allied sectors improved significantly in 2016-17, following the normal monsoon in the current year which was preceded by sub-par monsoon rainfall in 2014-15 and 2015-16. During the South West Monsoon Season (June to September) of 2016 the Country as a whole received rainfall which was 97 percent of its long period average (LPA). However growth in industrial sector, comprising mining & quarrying, manufacturing, electricity, gas and water supply and construction sectors moderated in 2016-17. This is in tandem with the moderation in manufacturing, mostly on account of a steep contraction in capital goods and consumer non durable segments.

Rupee closed the FY 2016-17 at Rs. 64.86 per USD as against previous fiscal close at Rs. 66.30 per USD.

A moderate recovery is likely to shape up in Indian Economy in 2017-2018 with progressive implementation of some of the reforms which includes Make in India campaign, Digital India, Demonetisation, GST Tax reforms, Start up India, FDI, focus towards rural jobs, Mahatma Gandhi National Rural Employment Guarantee, faster implementation of projects and infrastructural development. Actually India is headed to continue being the fastest growing major economies in the world. International Monetary Fund projects the country to grow 7.2% in FY 2017-18, while gaining momentum and growing by 7.7% in FY 2018-19.

### 2. Agriculture Sector in India

The agriculture and its allied sectors plays a vital role in India's economy. The sector provides employment to nearly 58 % of the country's population and its principal means of livelihood. Agriculture, along with fisheries and forestry, is one of the largest contributors to the Gross Domestic Product (GDP). It forms the basis of many premier industries in India, including the textile, jute and sugar industries. Agricultural export constitutes 10 per cent of the country's exports and is the fourth-largest exported principal commodity. FICC expects the Indian Agriculture Sector to grow 3.5% in 2017-2018.



### **Output Global Rice industry:-**

The year 2016 turned out to be a record year for paddy production post two years of poor outcome which was marked with El Nino Weather anomaly. With favourable weather conditions, the paddy producers, especially the ones in the northern hemisphere, were able to reclaim lands for paddy cultivation leading to expansion of area under cultivation by 2.7 million hectares. As a result, paddy production in Asia, led by strong growth in India and Thailand, reached record levels of 680.1 MMT, grown by 1.6% in 2016-17. As per FAO data global rice production is expected to reach 758.9 Million tonnes (503.8 MMT on milled basis), however in the year 2016-17 global rice utilisation is estimated to have reached 500.3 MMT.

### **INDIAN RICE OVERVIEW**

#### **India is the second largest rice producing country of the world :-**

Rice is the most important food crop in India contributing to more than 40 percent of total food grain production and cultivated/consumed across the country. India is among the leading rice producers in the world. Rice is predominantly a rainfed crop planted in the kharif season after the onset south-west monsoon rains during June through August. India is the second largest producer and exporter of rice in the world. Throughout history as per the Archeological evidence rice has been one of man's most important foods for more than 5000 years. Today, this unique grain helps sustain two-thirds of the world's population.

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.

Through a combination of increasing the area under cultivation and increasing cropping intensity today India is self reliant in Rice. Adoption of modern Varieties, rice production exceeded every year from its previous year since 1988. India is the leading exporter of the Basmati Rice to the global market and some of the countries to which India exports rice are Iran, Saudi Arabia, UAE, Senegal and South Africa. In 2016-17, India accounted for nearly 23% of the total global rice production of 500MMT.

The rice production during the year 2016-17 is expected to reach records level of 109.15 MMT as per 3rd advanced estimated of food grains production for 2016-17. Supply in the domestic market is adequate due to excessive production which export prices are lower than other country export's prices

India is largest exporter of rice for fifth year in a row in 2016-17. However the growth rate of exports was lower in 2016-17.

The Indian Basmati rice is amongst the most renowned rice variants globally. It has witnessed growing demand from the domestic market for past few years. In 2016-17, the Basmati Rice Production is likely to decline by over 18% from 9.8MMT in 2015-16 to 8MMT driven by a sharp decline in acreage. However in the year 2016-17, 102.72 million tones rice is available for the domestic consumption.

The international demand, though has remained weak for the last two years, resulting declined in exports of Basmati Rice from 4.04 MMT in 2015-16 to 4.00 MMT in 2016-17. It is expected to witness some uptick from this year onwards on Iran, the largest importer, coming back on procurement from India again.

Basmati rice exports to Iran have started since January–March quarter. The industry expects Iran to purchase at least 1 million tonnes this financial year.

“The Chinese government has identified 14 Indian firms to export basmati rice to that country. Despite the taste being different for consumers, there has been a growing appetite for Indian basmati rice in China. We expect direct export to China to begin very shortly.

This year, prices of basmati rice have jumped by 50 per cent on the shortage of supply resulting into a proportionate jump in farmers' income. So, farmers would be encouraged to bring in more area to fetch better realisation this year.

The basmati rice industry has witnessed moderation over the last few years on the back of subdued international demand, partly attributable to the delay in resumption of imports by Iran. However, FY17 has seen some stabilisation in demand.

After declining considerably during the procurement season in FY16, Basmati paddy prices have firmed up by 20-25 per cent across various varieties, primarily due to relatively lower production, in the recent procurement season (October–December 2016). This is likely to push up basmati rice prices in the next financial year.

In addition to this, with the firming up of paddy prices the average realisations are likely to increase which in turn shall boost revenues. In 2017-18, the exports is likely to be around 4.09MMT in volume terms and Rs. 22000-22500 Crores in value terms.

On the other hand during the year 2016-17, 68.13 lakh tons of non Basmati rice has been exported from the country. It is expected if exports increases by 5% during 2017-18, then it will easily cross 71 lakh tons.

### **Strength & Opportunities**

- 1 The Company has developed a Novel and innovative process which involves recycling of most of the hot water used for soaking of paddy during parboiling of rice , thereby generating little waste water and still having a high quality product .
- 2 The Promotion of flagship brand Maharani is on the Top agenda of the company in the time to come .Company has introduced very attractive and novel packaging's of Maharani Brand. The Company plans to go for aggressive advertising in print and electronic media and brand equity is likely to be future strength and business stimulators of the company .
- 3 The Company has explored new International markets and it is continued pursuit of Management to find new markets world around and also winning the confidence of the existing customers.
- 4 The company is also concentrating on new domestic centres through brand promotion, advertising and offering lucrative packaging of quality product at competitive prices.
- 5 The company's novel and innovative products viz ; Bhatti Sella, Pesticide Residue free rice and quick cooking rice and Rice for Diabetic People having moderate G.I Sale is picking up in various directions of the World markets particularly the Maharani Rice suitable for Diabetic people. This rice has added qualities like taste, aroma, easy cooking and longer preservation period.
- 6 The Executive director of the Company Sh. Vijay Setia who is President of All India Rice Exporters Association of India has been engaged by an International Company namely M/s Gerson Lehrman Group as a consultant in the field of Food Technology for having so in depth knowledge of the subject that he is being paid for that worldwide. This is a major achievement which can be highly instrumental to the growth of the company in the time to come .
7. Given the rising population, increasing income levels, increasing consumption of rice globally, perception of consumer about food, quality consciousness, brand value, changing lifestyles, health consciousness etc. further strengthen its opportunities.

### **Threats**

Under performance of world economy specially USA and UK, global recession and lower monsoon, new norms for import, Higher import duty in some countries, lower growth in Agricultural sector, lower share of agricultural sector in the real GDP frequent change in govt.policy, unfavourable weather conditions, sudden fluctuation in exchange rates may pose a threats to company's business profitability. This risk can be mitigated largely due to the concept that Food Industry has lesser elasticity of demand as compared to the other products. Further the business wisdom and technological aspirations inherent in the management team can be quiet helpful to overcome such difficulties.

### **Risks and Concerns**

In a business environment Risk management becomes a top priority and your Company has put in place a robust risk management framework for identification, appraisal and management of various risks on a timely manner.

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



The unprecedented nature of Rice Industry and volatile prices are areas of concern for which the company's focus is to make cost of production internationally competitive and reduce interest cost by more & more utilising its own resources and cutting other cost through technological up gradation and computerisation of company's operations.

The protectionist measures or non tariff barriers by other countries may hit or reduce the exports. However the company's focus is also on the domestic market. As a major portion of revenue coming from exports, volatility in exchange rates can affect Company's business. However Company has well defined planning and taking necessary steps for hedging against such outcomes. The global and domestic rice markets are witnessing cut throat competition in the market. However Company is successfully mitigating this risk viz attractive packaging, branding & standardization of quality of rice, creating of new markets overseas, handsome profit, innovative Ideas of management to produce better quality product and focusing to new International markets.

#### **INTERNAL CONTROL SYSTEMS, RISK MANAGEMENT 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 your company's control mechanism. Well-conceived annual planning and effective budgetary control ensures adequate control on all the expenditures of the company.

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

The Internal Controls and Risk Management systems are duly checked for their adequacy by carrying out regular and exhaustive internal audits. Internal Auditor carry out the internal audit of the Company's various divisions. 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 internal audit plan, audit observation and followed up implementation of corrective actions and covers all significant areas of Company's operations. 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:**

During the year the Sales of the Company increased at a handsome rate. The Sales of the Company touched Rs. 49282.36 lakhs in 2016-17 from Rs 48245.53 lacs in 2015-16. The Profit of the company reached at the level of 5807.27 lakhs in 2016-17 from 5712.40 lakhs in 2015-16. The EPS of the company is Rs. 7.44 for the year 2016-17.

#### **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 behavioral area etc.

During the year company has incurred Rs. 681884/- on the training of its employees and Rs.1515636/- on staff welfare & other provisions for the benefit of employees.

Employee relation continued to be satisfactory. The number of persons directly and indirectly employed by company was about 320 as on 31st March 2017.

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. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance involves a set of relationships between a Company's Management, its Board, its Shareholders and other stakeholders with an objective of enhancement of long term shareholder value, while at the same time protecting the interest of all stakeholders and ensuring adherence to the applicable laws. The Company's philosophy of Corporate Governance stems from a belief that the Company's strategy and plans should be consistent with the welfare of all its stakeholders comprising employees, shareholders, customers, vendors, regulators, investors and society at large. We believe that the essence of Corporate Governance lies in the phrase "Your Company". Therefore Your Company and its Board believes in conducting its affairs with the highest level of integrity with proper authorization, disclosure, accountability, transparency and independent monitoring.

### 2. BOARD OF DIRECTORS

2.1 The Board plays an important role in the management, strategic directions and performance of the Company. The composition of the Board also complies with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations'). The strength of Board as on 31st March, 2017 is 12 Directors. The Board comprises of Executive and Non-Executive Independent Directors who have an in depth knowledge of business in addition to expertise in their areas of specialization. Board currently comprises of 12 directors out of which 6 are Executive and rest 6 are non-executive independent Directors that include one women Director. The number of Independent Directors on the Board is in conformity with the requirement of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as the Companies Act, 2013. All the independent Directors have confirmed that they meet the 'independence' criteria as mentioned under Section 149 of the Companies Act, 2013 read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 2.2 DIRECTORS ATTENDANCE RECORD AND THEIR OTHER DIRECTORSHIP/S AND COMMITTEE MEMBERSHIP/S

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies as on March 31, 2017 are given herein below. None of the Directors on the Board hold Directorships in more than ten public companies. Further none of them is a member of more than 10 (Ten) Board level Committees or Chairman of more than 5 (Five) Committees across companies in which he/she is a Director.

**Attendance record of each Director at the Board meetings held during the financial year 2016-2017 and Last AGM held on 29.09.2016 and the members of Companies/Committees where he/she is a Director/Member are as under:-**

Name of Director	Category	DIN No.	No. of Board Meeting Held During 2016-17	No. of Board Meeting attended	Whether Attended last AGM held on September 29, 2016	No. of Other Directorship in all other Companies* as on 31.03.2017	No. of Committee Positions held in all other Companies as on 31.03.2017**	
							Member	Chairman
Chaman Lal Setia	Executive Director	01125789	7	7	YES	-	-	-
Vijay Setia	Executive Director	01125966	7	6	YES	-	-	-
Rajeev Setia	Executive Director	01125921	7	6	YES	-	-	-
Sukarn Setia	Executive Director	01133561	7	5	NO	1	-	-
Ankit Setia	Executive Director	01133822	7	5	YES	-	-	-
Sankesh Setia	Executive Director	06620109	7	4	NO	1	-	-
Inder Dev Kukkar	Independent Director	01193209	7	6	YES	-	-	-
Naresh Kumar Suneja	Independent Director	01383235	7	7	YES	-	-	-
Parmod Kumar	Independent Director	01193710	7	5	YES	-	-	-
Raghav Peshawaria	Independent Director	01386434	7	6	YES	-	-	-
Amarjyoti Bagga	Independent Director	06958408	7	4	YES	-	-	-
Vijay Kumar Jhamb	Independent Director	07021080	7	6	YES	-	-	-

\*This includes Directorships in all other Companies (Listed, Unlisted Public and Private Limited Companies) incorporated in India.

\*\*For the purpose of considering the limit of the committees on which a Directors can serve, all other public limited companies, whether listed or not, are considered. Chairmanships / Memberships of Board Committees shall only include Audit Committee and Stakeholders' Relationship Committee.

### 2.3 Details of Board Meetings held and attended by Directors during Financial Year 2016-17:-

Date of Board Meetings	No. of Directors on Board	No. of Directors in Attendance
05.04.2016	12	10
30.05.2016	12	10
02.08.2016	12	9
29.08.2016	12	9
18.10.2016	12	7
09.11.2016	12	11
13.02.2017	12	11

During the year under review, 07 (seven) Board Meetings were held. The maximum time gap between any two consecutive meetings did not exceed 120 days. The necessary quorum was present for all the meetings.

### 2.4 LIMIT ON THE NUMBER OF DIRECTORSHIPS

All the Directors have periodically and regularly informed the Company about their Directorship and Membership on the Board/ Committees of the Board of other companies. As per the disclosure received, none of the Directors of your Company hold memberships/ Chairmanships/Directorship more than the prescribed limits across all companies in which he/she is a Director.

### 2.5 INDEPENDENT DIRECTORS :

The Board of the Company has an optimum number of Independent Directors, as required under Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the Independent Directors are persons of integrity and possess relevant expertise and experience in the industry. Independent Directors fulfil all the conditions for being independent to the Company, as stipulated under Regulation 16 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. The company has also obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013. The maximum tenure of Independent Directors is determined in accordance with the Companies Act, 2013 and clarifications/circulars issued by the Ministry of Corporate Affairs, from time to time.

### 2.6 Training of Independent Directors :

Whenever new Independent Directors are inducted in the Board they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risks and management strategy.

The appointment letters of Independent Directors has been placed on the Company's website at [www.maharanirice.in](http://www.maharanirice.in).

### 2.7 Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder and SEBI ( Listing Obligations and Disclosure Requirements) Regulations 2015 (including any amendment thereunder from time to time ) the Board, on recommendation of the Nomination and Remuneration Committee , has carried out an annual performance evaluation of its own performance, Committees of the Board and individual Directors and for this, separate exercise was carried out to evaluate the performance of individual Directors of the Board who were evaluated on parameters such as level of engagements and contribution and independence of judgement thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. However Directors who were subject to evaluation did not participate. The performance evaluation of Non Independent Directors were carried out by the independent Directors. The Board also carried out annual performance evaluation of its committees also. The Director express their satisfaction with the evaluation process.

### 2.8 Separate Meeting of the Independent Directors

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 29.03.2017 to review the performance of Non-Independent Directors (including the Chairman) and the Board/Committee as whole and also the flow of information from and to the Board/Management.

## 2.9 Familiarization Programme for Independent Directors:

The Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc through various programmes. These include orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. Such kind of training programme helps to develop relationship of Directors with the Company and familiarise them with the Company processes. The management provides such information and training either at the meeting of Board of Directors or otherwise.

The familiarization programme for Independent Directors is disclosed on the Company's website at the following web link [www.maharanirice.in](http://www.maharanirice.in)

## 2.10 Disclosure of relationships between Directors interse:-

Mr. Chaman Lal Setia is a father of Mr. Vijay Setia and Mr. Rajeev Setia. Mr. Vijay Setia is son of Mr. Chaman Lal Setia and brother of Mr. Rajeev Setia and father of Mr. Ankit Setia. Mr. Rajeev Setia is son of Mr. Chaman Lal Setia and brother of Mr. Vijay Setia and father of Mr. Sukarn and Sankesh Setia. Mr. Sukarn setia is son of Mr. Rajeev Setia and brother of Mr. Sankesh Setia. Mr. Ankit Setia is son of Mr. Vijay Setia. Mr. Sankesh Setia is son of Mr. Rajeev Setia and brother of Mr. Sukarn Setia.

## 2.11 Details of equity shares of the Company held by the Non Executive Directors as on March 31, 2017 are given below:-

Name	Category	Number of Equity Shares
Mr. Inder Dev Kukkar	Non Executive Independent Director	1650
Mr. Parmod Kumar	Non Executive Independent Director	1650

## 2.12 The Company has not issued any convertible instruments

## 2.13 During the year 2016-2017, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.

## 3. AUDIT COMMITTEE:

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations, the Board of Directors has duly constituted the Audit Committee and it functions according to its Charter that defines its composition, authority, responsibilities and reporting functions.

### 3.1 Composition and Attendance

Name of the Director	Status	Category	No. of meetings during the financial year 2016-2017	
			Held	Attended
Sh. Inder dev kukkar	Chairman	Independent Non Executive Director	6	6
Sh. Naresh Kumar Suneja	Member	Independent Non Executive Director	6	6
Sh. Vijay Kumar Jhamb	Member	Independent Non Executive Director	6	6

During the year under review, the Audit Committee met 6 (six) times on 05.04.2016, 30.05.2016, 02.08.2016, 29.08.2016, 09.11.2016, and 13.02.2017. As stipulated, the gap between two committee meetings did not exceed one hundred and twenty days.

Sh. Inder Dev Kukkar, Chairman of the Audit Committee was present at the last Annual General Meeting of Company held on 29th September, 2016. The necessary quorum was present for all the meetings. Miss Kanika Nevatia, Company Secretary, acts as Secretary to the Committee.

### 3.2 Terms of reference & review of the Audit Committee are broadly as under :-

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Regulations, read with Section 177 of the Companies Act, 2013. These broadly includes to review the reports to be submitted with the Board of Directors with respect to auditing

and accounting matters, to supervises the Company's internal control and financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible , to review risk management, internal financial controls and governance processes, to discuss any related issues with the internal and statutory auditors and the management of the company, to discuss quarterly, half yearly and annual financial statement, to review the matters to be included in the Director's Responsibility Statement, to review the Management Discussion and Analysis Report of Company's Operation, to review the disclosure in financial statement including Related Party Transactions, to review the audit reports submitted by the Internal Auditor and Statutory Auditor, recommendation for appointment, remuneration and terms of appointment of auditors of the Company, to review and monitor the auditor's independence and performance , to investigate into any matter in relation to the items specified above or referred to it by the Board or information contained in the records of the company or other information as required under SEBI Listing Regulation. It also reviews the Company's established systems, Whistle Blower Mechanism/Vigil Mechanism, valuation of undertakings or assets of the Company wherever it is necessary, evaluation of internal financial controls and to approve and review the transactions with related parties, changes, if any, in accounting policies Major accounting estimates and significant adjustments in financial statement, Compliance with listing and other legal requirements concerning financial statements and to Carrying out any other allied function.

#### **4 Nomination And Remuneration Committee**

Pursuant to the provisions of Section 178 of Companies Act, 2013 and Regulation 19 of the Listing Regulations, the Board of Directors has duly constituted the Nomination and Remuneration Committee.

##### **4.1 Composition and Attendance**

<b>Name of director</b>	<b>Status</b>	<b>Category</b>	<b>No. of meetings held</b>	<b>No. of Meetings attended</b>
Sh. Vijay Kumar Jhamb	Chairman	Independent Non Executive Director	4	4
Sh. Naresh Kumar Suneja	Member	Independent Non Executive Director	4	4
Sh. Raghav Peshawaria	Member	Independent Non Executive Director	4	4

During the period under review, Nomination and Remuneration Committee met 4 (four) times on 05.04.2016, 02.08.2016, 09.11.2016 and 13.02.2017

Mr. Vijay Kumar Jhamb, an Independent Director, is the Chairman of the Committee.

Mr. Vijay Kumar Jhamb was present at the last Annual General Meeting held on 29.09.2016

Miss Kanika Nevatia Company Secretary act as secretary of the Company.

##### **4.2 Terms of Reference**

The role of the Nomination and Remuneration Committee of Chaman Lal Setia Exports Ltd. also covers such functions and scope as prescribed under Section 178 of the Companies Act, 2013 read with allied Rules framed thereunder and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These broadly includes to identify the persons, who are qualified to become Directors of the Company and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment, remuneration and removal and also shall carry out evaluation of every Director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, independence of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other senior employees, formulate criteria for evaluation of Independent Directors and the Board and determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent Directors and other allied matters.

The committee shall specifically ensure that level and composition of remuneration is reasonable and sufficient to attract retain and motivate Directors of quality required to run the company successfully.

#### **5. Remuneration Policy :-**

The Nomination and Remuneration Policy provides for appropriate composition of Executive, Non-Executive Independent Directors on the Board of Directors of your Company along with criteria for appointment, remuneration including determination of qualifications,

positive attributes, independence of Directors and other matters as provided under sub-section (3) of Section 178 of the Companies Act, 2013. The remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of your Company. The highlights of this policy are as follows:

The key factors considered in formulating the Policy are as under:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

**(a) Remuneration to the Managing Director & Whole Time Director**

The Remuneration paid to Managing Director/Wholetime Directors is recommended by the Nomination and Remuneration committee and approved by the Board of Directors in the Board Meeting, subject to the approval of shareholders at General Meeting and such other authorities, as the case may be. The details of the Remuneration paid to Managing Directors and Whole Time Directors are stated in the Form MGT- 9– Extract of the Annual Return which forms part of the Board's Report in this report.

Name of the Director	Salary (Rs.)	Benefits (Rs.)	Commission(Rs.)	Total (Rs.)
Chaman Lal Setia	48,00,000	1,47,874	1,00,00,000	1,49,47,874
Vijay Setia	48,00,000	2,91,323	1,00,00,000	1,50,91,323
Rajeev Setia	48,00,000	3,80,313	1,00,00,000	1,51,80,313
Sukarn Setia	6,00,000	39,600	-----	6,39,600
Ankit Setia	24,00,000	39,600	50,00,000	74,39,600
Sankesh Setia	24,00,000	39,600	50,00,000	74,39,600

**(b) Remuneration to Non – Executive Directors**

The Non Executive Independent Director may receive remuneration by way of commission/compensation/sitting fee as per the provisions of the Companies Act, 2013. The amount of sitting fee shall be subject to the approval of Board of Directors/including any sub-committee thereof, upto the limits as specified under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force and also in Compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(c) Review of Performance and Compensation to Senior Management:**

The Managing Director will approve the Remuneration of Senior Management which will be subject to review by Nomination and Remuneration Committee. The Nomination and Remuneration Committee reviews the performance of the senior management of your Company. The Committee ensures that the remuneration to the Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of your Company and its goals.

The full policy is available at website of company. i.e. [www.maharanirice.in](http://www.maharanirice.in)

**6. Stakeholders Relationship Committee**

**6.1 Pursuant to the provisions of Section 178 of Companies Act, 2013 and Regulation 20 of the Listing Regulations, the Board of Directors has duly constituted the Stakeholders Relationship committee.**

## 6.2 Composition and Attendance during the year:-

Name of Director	Status	Category	No. of Meeting Held	No. of Meeting Attended
Sh. Raghav Peshawaria	Chairman	Independent Non Executive Director	4	4
Sh. Rajeev Setia	Member	Executive Director	4	4

During the year under review, Stakeholders' Relationship Committee met 4 (times) on 05.04.2016, 29.08.2016, 09.11.2016 and 13.02.2017

**Miss Kanika Nevatia, Company Secretary is designated as Compliance Officer to the Committee.**

## 6.3 Terms of reference

The broad terms of reference of the Stakeholders Relationship Committee are:- To consider and redress Shareholders/Investors Grievances relating to Transfer/Transmission of shares, Non receipt of declared dividend, Non receipt of Annual Reports, Demat/ Remat of shares, Issue of Duplicate Certificates, and all such complaints or matters consider necessary related to Shareholders/ Investors of Company. The Board shall in an efficient manner ensure that all issues / concerns of stakeholders are addressed / resolved promptly.

6.4 Mr. Raghav Peshawaria, a Non- Executive Independent Director, is the Chairman of the Stakeholder's Relationship Committee. Mr. Raghav Peshawaria, Chairman of the Committee was present at the last Annual General Meeting of Company held on 29.09.2016.

6.5 The Company has received 41 complaints from the investors during the year. All of these have been redressed. There is no pending complaint during the year .

## 7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted a Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013.

### 7.1 Composition and Attendance during the year :-

Name of the Director	Status	Category	No. of meetings held	No. of Meetings attended
Sh. Parmod Kumar	Chairman	Non Executive Independent Director	4	4
Sh. Rajeev Setia	Member	Executive Director	4	4
Sh. Vijay Setia	Member	Executive Director	4	4

During the year ended on 31.03.2017 the Corporate Social Responsibility Committee met four times on 30.05.2016, 29.08.2016, 09.11.2016 and 13.02.2017.

### 7.2 Terms of Reference :-

To frame the CSR POLICY and its review from time to time. To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plan and budget. To ensure compliance with the laws rules and regulations governing the CSR and to periodically report to the Board of Directors. The CSR Policy as formulated and recommended by the Committee is displayed on the website of the Company [www.maharanirice.in](http://www.maharanirice.in). The Annual Report on CSR activities for the Financial Year 2016-17 forms a part of the Directors' Report.

## 8. General Body Meeting:

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

Date & Time	Venue	Special Resolution Passed
SEP 29, 2016	Hotel P.R Residency, 101, Distt. Shopping Centre, Ranjit Avenue, Amritsar at 4:30 p.m.	No Special Resolution was passed.
SEP 29, 2015	Hotel P.R Residency, 101, Distt. Shopping Centre, Ranjit Avenue, Amritsar at 4:30 p.m.	Adoption of New Set of Articles of Association
SEP 29, 2014	Hotel P.R Residency, 101, Distt. Shopping Centre, Ranjit Avenue, Amritsar at 4:00 p.m.	Reappointment of Managing Director under section 196, 197, 203 of Companies Act, 2013



The Company will hold the next Annual General Meeting on Sep 28, 2017 at 4.30 p.m. at Hotel P.R Residency, 101, Distt. Shopping Centre, Ranjit Avenue Amritsar.

- (b) No Postal Ballot was conducted last year. No Special Resolution is proposed to be conducted through Postal Ballot. Postal Ballot whenever conducted will be carried out as per the procedure mentioned in Companies Act, 2013 and rules made thereunder, including any amendment thereof.

#### 9. Means of Communication

The quarterly, half yearly and yearly financial results of the Company are sent to the Stock Exchange immediately after they are approved by the Board. The results are normally published in – **Financial Express or Business Standard (English) in all edition and other local language newspaper like Nawan Zamana (Punjabi). The results are simultaneously posted on the Company's website at www.maharanirice.in** and also uploaded on the website of the BSE Ltd. During the year Company has not issued any press release and no presentation was made to Institutional Investors/Analysts.

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors Relations' on the Company's website i.e www.maharanirice.in gives information on various announcements made by the Company, status of Unclaimed dividend, Shareholding Pattern, Annual Report, Quarterly/Half yearly/ Nine-months and Annual financial results along with the applicable policies and other compliances of the Company on the Company's website.

#### 10. General Shareholders Information;

##### A. Annual General Meeting

Date & Time	28.09.2017 at 4.30 p.m
Venue	Hotel P.R residency, 101, Distt. Shopping Centre Ranjit Avenue, Amritsar

##### B. Financial Year

1st April to 31st March

##### C. Dividend Payment Date for the Year 16-17

Dividend will be paid within 30 days of the approval of the same in the Annual General Meeting.

##### D. Book Closure

22.09.2017 to 28.09.2017 (both days inclusive)

##### E. Listing

The Company's shares are listed on BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 and Listing Fees as applicable have been paid.

##### F. Name of the Stock Exchange

Stock Code

The Bombay Stock Exchange Ltd. 530307

##### G. ISIN Code for the Company's Equity Share

INE419D01026 (having face value of Rs.2/-)

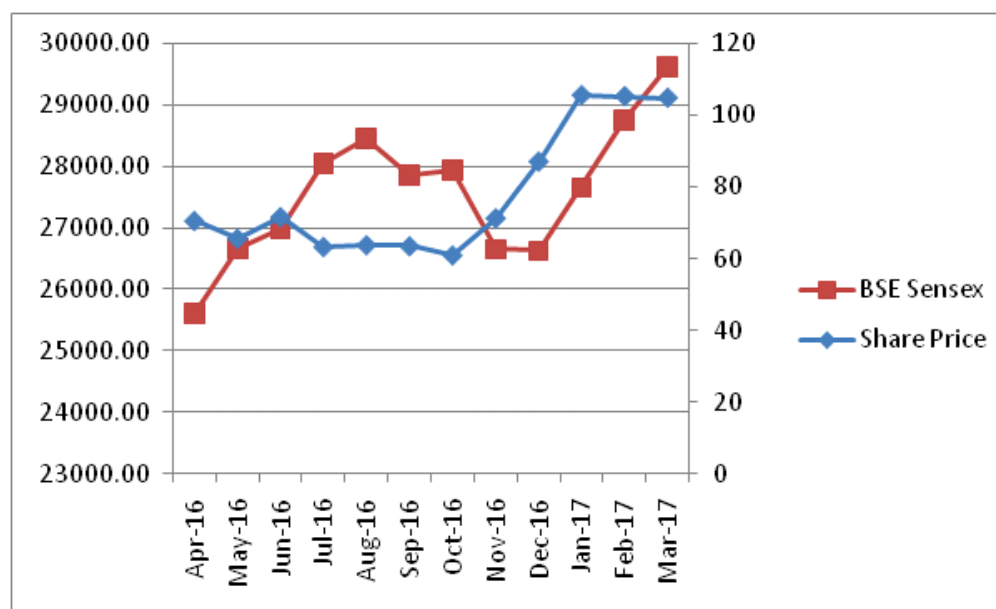
##### H. Corporate Identity Number ("CIN ") of the Company :-

L51909PB1994PLC015083

##### I. Market Price data:- High/Low during each month of 2016-17 on Bombay Stock Exchange

	BSE		
Month	Highest price	Lowest Price	Volume
April 2016	72	56.5	335324
May 2016	77.9	65.55	659183
June 2016	76.8	61.00	672382
July 2016	74.9	61.20	458033
August 2016	74.9	48.10	1521158
September 2016	70	55.70	761144
October 2016	69.85	60.00	733814
November 2016	72	55.00	993998
December 2016	88.4	68.50	1597730
January 2017	117.15	87.85	2502721
February 2017	123.8	100.50	1506430
March 2017	109.00	95.15	974419

**J. Performance of the share price of the Company in comparison to BSE Sensex**



K. The Securities of the Company have never been suspended from trading.

**L. Registrar Share Transfer Agent**

Beetal Financial & Computer Services Pvt Ltd., a SEBI approved Registrar and Share Transfer Agent, has been entrusted the job of Registrar and Share Transfer Agent for the Company. Investors may send all their communication regarding transfer/ transmission of shares, change of address, change in bank account and other ancillary matters at the following address:



Beetal Financial & Computer Services (P) Ltd.  
 Beetal House, IIIrd floor, 99 madangir  
 Near dada Harsukh dass Mandir  
 New Delhi-110062  
 Telephone :- 011-29961281-283  
 Fax : 011-29961284  
 E-mail :- beetalrta@gmail.com  
 Website :- www.beetalfinancial.com

**M. Share Transfer System:**

97.27% of the equity shares of the Company are in demat form. Transfer of these shares are done through the depositories systems. As regards transfer of shares held in physical form the transfer documents can be lodged with our Registrar and Share Transfer Agent named Beetal Financial & Computer Services Pvt Ltd. at above mentioned address. Transfer of shares in physical form is processed within 15 days from the date of receipt, if the documents are completed in all respects. After verification and process of transfer documents by our Registrar and Share Transfer Agent named Beetal Financial & Computer Services Pvt Ltd., transfer documents further sent to Company for final approval. To quicken the process of transfer of shares, the Company Secretary cum Compliance Officer of Company has been delegated with the powers under the authority of the Board to approve transfers, if the documents are in order which are noted at subsequent Board Meeting.

**N. Distribution of Shareholding as on 31st March, 2017**

	As on 31.03.2017				As on 31.03.2016			
Shareholding of Nominal Value	No. of Shares Holders	% of shares holders	Number of Shares	% of share holding	No. of Shares Holders	% of shares holders	Number of Shares	% of share holding
1-5000	6057	89.94	3157674	6.1037	3987	93.42	3709849	7.89
5001-10000	329	4.88	1175083	2.2714	139	3.26	1001981	2.13
10001-20000	181	2.68	1252449	2.4210	67	1.57	960552	2.04
20001-30000	62	0.92	761447	1.4719	25	0.59	620356	1.32
30001-40000	25	0.37	450331	0.8705	10	0.23	355186	0.76
40001-50000	15	0.22	337901	0.6532	8	0.19	360776	0.77
50001-100000	28	0.41	922361	1.7829	11	0.26	751839	1.60
100001 above	37	0.54	43676304	84.4255	21	0.49	39269961	83.50
<b>Total</b>	<b>6734</b>	<b>100.00</b>	<b>51733550</b>	<b>100.00</b>	<b>4268</b>	<b>100</b>	<b>47030500</b>	<b>100</b>

Note :- Due to allotment of Bonus shares on 18.10.2016 in the ratio of 1:10, no. of shares has been increased and aforesaid information has been stated accordingly.

**(O) Shareholding & Distribution Pattern (as on 31.03.17)**

Category	No. of Shares Held
Promoters & Promoters Group	38652576
Domestic Companies/Clearing Members	92746
Indian Public/Resident Individuals/HUF	10770473
NRI/OCB/Body Corporates/Others	2000046
Foreign Portfolio Investors	217709

**P Dematerialisation of Shares**

As on 31.03.2017 about 97.27% of the Company's Equity Shares has been held in dematerialised form with NSDL & CDSL.

**Q Outstanding GDRs/ADRs/warrants or any convertible instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence as on 31st March 2017, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

**R. Commodity price risk or foreign exchange risk and hedging activities**

Please refer to Management Discussion and Analysis Report for the same.

**S. Plant Locations**

The Company has a manufacturing facility  
Plant at Kaithal Road, Karnal  
Plant at P.O Central Jail, Meerankot Road, Amritsar  
Plant at Alipur –Delhi

**Corporate Office Address**

Chaman Lal Setia Exports Ltd.  
472, Udyog Vihar, Phase –III,  
Gurgaon-122001

**T. Address For Correspondence**

Chaman Lal Setia Exports Ltd.  
Mirankot Road, P.O. Central Jail  
Ajnala Road, Amritsar, Pin 143002,  
Tel No. :- 0183-2592708, Fax : 0183-2590453  
Email id :- clsetia@rediffmail.com  
Website :- www.maharanirice.in

**11. Materially Significant Related Party Transactions :-**

- (a) All transactions entered into with Related Parties during the financial year were in the ordinary course of business and on an arm's length basis. There are no materially significant related transaction of the Company with its Directors, management and /or relatives that would have potential conflict with the interest of the Company at large. Transactions with related parties, as per the requirements of Accounting Standard (AS) – 18, are disclosed in Notes to Accounts vide no. 12 (ii)(a) to the Financial Statements forming part of this Annual Report. The Board has approved a policy for related party transactions which has been uploaded on the Company's website i.e. www.maharanirice.in. The Statement containing the transactions with related parties were submitted periodically to the Audit Committee.

**(b) Material Disclosures**

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

**(c) Disclosure of commodity price risks and commodity hedging activities**

Please refer to Management Discussion and Analysis Report for the same.

**(d) Vigil Mechanism/Whistle Blower Policy**

The Company has a Whistle Blower Policy/Vigil Mechanism to report genuine concerns and grievances. Under this Whistle Blower /vigil mechanism both Directors and employees can report their concern about the unethical behaviour, actual or suspected fraud or violation of Company's code of conduct. All Directors and Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company. All Protected Disclosures should be addressed to the Chairman of the Audit Committee. If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit. It is further confirmed that no Director/Employee has been denied access to the audit committee. The details of establishment of Vigil Mechanism/Whistler Blower Policy are posted on the website of the Company at www.maharanirice.in.

**(e) Transfer of unclaimed dividend to Investor Education and Protection Fund:**

As per the provisions of Section 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, any dividend remained unpaid/unclaimed for a period of seven years from the date it becomes due for payment, needs to be transferred to the Investor Education Protection Fund set up by the Central Government. Accordingly, the unclaimed Final Dividend for the year 2008-09 has been transferred and necessary Statement in E-Form IEPF-1 has been filed. Attention is drawn that unclaimed Final Dividend for the Financial Year 2009-10 will be due to transfer to IEPF later this year. Shareholders who have not claimed their dividend for the Financial year 2009-2010 and subsequent years may write to Company immediately. As once the unclaimed dividend is transferred to IEPF, no claims will lie in respect thereof with the Company.

As per the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the Demat account of the IEPF Authority. The shareholders are requested to claim the unclaimed dividend immediately in order to avoid the transfer of shares to the Authority.

**12 Details of Compliance with discretionary Requirements under Regulation 27 read with Schedule II Part E of the Listing Regulations:-**

The status of adoption of the Discretionary Requirements as specified in Sub – Regulation 1 of Regulation 27 of the SEBI Listing Regulations, 2015 are as follow :-

- The Board: The Chairman of the Company is Executive Chairman;
- Shareholder Rights: As the quarterly and half-yearly Financial performance are published in newspapers, and are also posted on the Company's website, the same are not being sent to the shareholders.
- Modified opinion(s) in audit report:  
The Company's financial statement for the year ended on 31.03.2017 does not contain any modified opinion.
- Separate posts of Chairperson and MD/CEO: Mr. Chaman Lal Setia is the Chairman and Managing Director of the Company.
- Reporting of Internal Auditor: The Internal Auditor of the Company has direct access to the Audit Committee.

**13. SEBI Complaints Redressal System (SCORES):**

The Investor complaints are processed in a centralised web-based complaints redress system (known as SEBI Complaints Redress System i.e. SCORES). The salient feature of this system are :- Centralised database of all complaints, online upload of Action Taken Reports (ATR) by concerned companies and online viewing by investors of actions taken on complaint & its address.

Further the Company disseminated to the Stock Exchange (i.e BSE), wherein its equity shares are listed, all mandatory information and price sensitive such other information, which in its opinion, are material and/or have a bearing on its performance/operations for the information of the public at large. For the benefit of the shareholders, a separate email id had been created for shareholder correspondence viz. clsetia@rediffmail.com.

**14. Shareholding Profile**

Mode of Holding	As on 31st March, 2017		As on 31st March, 2016	
	No. of Shares	% to Equity	No. of Shares	% to Equity
Demat	50323077	97.27%	45215910	96.14%
Physical	1410473	2.73%	1814590	3.86%
Total	51733550	100%	47030500	100%

**Note:-** Due to allotment of Bonus shares on 18.10.2016 in the ratio of 1:10, no. Of shares has been increased and aforesaid information has been stated accordingly

#### 15. Detail of shares held by directors

Name	Shareholding as on 31/03/2016	Interim Dividend Paid for year ended 31.03.2016	Shareholding as on 31/03/2017
Sh. Chaman Lal Setia	10545500	4640020	11600050
Sh. Vijay Setia	11332732	4986402	12435651
Sh. Rajeev Setia	11892500	5232700	13081750
Sh. Sukarn Setia	254045	111780	251928
Sh. Ankit Setia	250000	110000	262616
Sh. Sankesh Setia	251000	110440	276100

**Note:-** Due to allotment of Bonus shares on 18.10.2016 in the ratio of 1:10, no. Of shares has been increased and aforesaid information has been stated accordingly.

#### 16. Reconciliation of Share Capital Audit :-

As stipulated by SEBI , Reconciliation of Share Capital Audit is carried out to reconcile the total admitted capital with National Securities Depositories Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) , those held in physical form and the total issued and Listed Capital. This audit is carried out on quarterly basis and the report thereon is submitted to the Stock Exchange, where the Company's shares are listed and is also placed before the Board of Directors of the Company. No discrepancies were noticed during these Audits.

#### 17. Prevention of Insider Trading :-

Board of directors in their Board Meeting held on 29.05.2015 approved Chaman Lal Setia Exports Ltd. Code of Conduct i.e. Code for Internal Procedures & Practices and Conduct For Regulating, Monitoring and Reporting of Trading by Insiders of Chaman Lal Setia Exports Limited in accordance with the requirements of SEBI (Prohibition of insider trading) Regulation, 2015 and further Board of Directors in their Board Meeting dated 13.02.2017 amended aforesaid Code of Conduct in terms of SEBI (Prohibition of Insider Trading ) Regulations, 2015 and same was intimated to BSE also and full copy of amended code of conduct has been uploaded at the website of the Company i.e. [www.maharanirice.in](http://www.maharanirice.in).

#### 18. Green Initiative in the Corporate Governance:

As part of the green initiative process, the company has taken an initiative of sending documents like notice calling Annual General meeting, Corporate Governance Report, Directors Report, Audited Financial Statements, Auditors Report, Dividend intimations etc., by email. Physical copies are sent only to those shareholders whose email addresses are not registered with the company and for the bounced-mail cases. Shareholders are requested to register their email id with Registrar and Share Transfer Agent / concerned depository to enable the company to send the documents in electronic form.

#### 19. CEO/CFO Certification

A prescribed certificate as stipulated in Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 duly signed by the Managing Director and Chief Financial Officer, was placed before the Board.

#### 20. Code of Conduct

The members of the board and senior management personnel have affirmed the compliance with Code applicable to them during the year ended March 31, 2017. The annual report of the Company contains a certificate by the Managing Director in terms of SEBI Listing Regulations on the compliance declarations of Directors and Senior Management.

#### 21. Review of Director's Responsibility Statement :

The Board in its Report has confirmed that the annual accounts for the year ended 31st March, 2017 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate applicable accounting records.



**22. Information on Deviation from Accounting Standards, if any.**

There has been no deviation from the Accounting Standards as laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of Annual Accounts for the Financial Year 2016-17.

**23. Compliance On Corporate Governance :-**

The quarterly compliance report has been submitted to the Stock Exchange where the Company's equity shares are Listed in the requisite format. The Auditor's Certificate in Compliance on conditions of Corporate Governance requirements as per the Listing Regulations forms part of this Annual Report.

All the mandatory requirements have been complied with as stated in this report on Corporate Governance. There is no non-compliance with any requirement of corporate governance report of sub-para (2) to (10) of the Corporate Governance report as given in Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations), have been made in this Corporate Governance report. Details required under clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the said Regulations are displayed on the website of the Company at [www.maharanirice.in](http://www.maharanirice.in)

For and on behalf of Board of Directors

Place: Amritsar  
Date: 26.08.2017

sd/-  
Chaman Lal Setia  
(Managing Director)  
Din: 01125789

## DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March, 2017.

Place: Amritsar  
Date: 26/08/2017

Sd/-  
Chaman Lal Setia  
(Managing Director)  
Din No. :- 01125789

## Certification by Chief Executive Officer and Chief Financial Officer (Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)

To,  
The Board of Directors,  
Chaman Lal Setia Export Ltd.  
Amritsar.

We, Chaman Lal Setia, Chairman & Managing Director and Mr. Rajeev Setia, Executive Director and Chief Financial Officer of M/s Chaman Lal Setia Exports Ltd. hereby certify that:

- (a) We have reviewed the financial statements and the Cash Flow Statement of the company for the Financial year ended 31st March, 2017 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact of contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards ,applicable laws and regulations.
- (b) There are , to the best of our knowledge and belief , no transaction entered into by the company during the year ended 31st March, 2017 which are fraudulent ,illegal or violative of the Company's code of conduct .
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that have evaluated the effectiveness of Internal Control Systems of the listed Company pertaining to financial reporting and have disclosed to the Auditors and the Audit committee, deficiencies in design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and to the audit committee
  - i) There has not been any significant change in internal control over financial reporting during the year under reference.
  - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements. and
  - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Sd/-  
Chaman Lal Setia (Managing Director)  
Place: Amritsar  
Date: 29.05.2017

sd/-  
Rajeev Setia (Chief Financial Officer)



## **Auditors' Certificate On Corporate Governance**

To

The Members of Chaman Lal Setia Exports Ltd.

We have examined the compliance of conditions of Corporate Governance by Chaman Lal Setia Exports Ltd. ("the Company") for the year ended on 31st March, 2017, as per the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations') as applicable for the financial year ended 31st March, 2017.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the review of the procedures and implementation thereof, adopted by the company for ensuring compliance of the conditions of the Corporate Governance. 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 conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that in respect of the investor grievances received during the year ended March 31, 2017, no such investor grievances remained unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Rajesh Kapoor & Co.  
Chartered Accountants

Sd/-  
(Rajesh Kapoor)  
Prop.  
M.No: 092692

Place: Amritsar  
Date: 26/08/2017

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF CHAMAN LAL SETIA EXPORTS LIMITED**

#### **1. REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of CHAMAN LAL SETIA EXPORTS LTD. ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary accounting policies and other explanatory information.

#### **2. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in sub-section (5) of Section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for the ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **3. AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **4. OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In the case of the Balance sheet, of the state of affairs of the Company as at March 31, 2017
- (b) In the case of the Statement of profit and loss, of the profit for the year ended on that date. and
- (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

#### **5. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

- 1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the Directors as on March 31, 2017, and taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2017, from being appointed as a Director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over the financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors), 2014, in our opinion and to the best of our information and according to the explanations given to us;
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - ii. In our opinion and as per the information and explanations provides to us, the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses.
    - iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2017.
    - iv. The Company has provided requisite disclosure in its financial statements as to holding as well as dealing in specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 17 of notes to accounts.

For Rajesh Kapoor & Co.

Chartered Accountants

Sd/-  
(Rajesh Kapoor)  
Prop.

M.No.: 92692

Pan No:- ABEPK2044H

Place: Amritsar  
Date: 29.05.2017

## **Annexure A to the Independent Auditors' Report**

With reference to the Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report the following :-

- (i) (a) The company has maintained proper records, showing full particulars including quantitative details and situation 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) According to the information and explanation given to us and on the basis of examination of the records of the company, the title deeds of immovable properties are held in the name of the Company.
- (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 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, during the year Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraphs 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made any investments or provided any guarantees and securities covered under section 185 and 186 of the Companies Act, 2013.
- v) In our opinion and according to the information and explanations given to us the Company is not required to maintain the cost records under sub-section (1) of Section 148 of the Companies Act, 2013.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.
- (vii) (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, Employees State Insurance, Income tax, Sales tax, Service tax, Value added tax, duty of excise, duty of custom, cess and any other statutory dues as applicable with the appropriate authorities and we have been informed that there are no arrears of outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.
- (b) As explained to us, as at 31st March 2017, the amounts of taxes, cess, duty etc. which have been disputed by the Company, have been duly shown under the notes to accounts along with the name of departments.
- (viii) In our opinion and according to the information and explanations given to us, the company during the year has not defaulted in repayment of dues to the Government. The Company did not have any outstanding dues to its bankers and financial institution. The Company has no debenture holders.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, during the year no material fraud on or by the company by its officers or employees has been noticed or reported during the course of our audit.



- (xii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required by applicable Accounting Standards .
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company
- (xiv) In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xv) According to the information and explanations give to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xvi) According to the information and explanations give to us the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Rajesh Kapoor & Co.

Chartered Accountants

Sd/-  
(Rajesh Kapoor)  
Prop.

M.No.: 92692

Pan No.:- ABEPK2044H

Place: Amritsar  
Date: 29.05.2017

## **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH, 2017**

(Refer to in our report of even date)

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Chaman Lal Setia Exports Ltd. ("the Company") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and

detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013. ("the Act").

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143 (10) of the Companies Act, 2013 issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountant of India. Those Standards and the Guidance Note Require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control



over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Rajesh Kapoor & Co.

Sd/-

Chartered Accountants

(Rajesh Kapoor)

Prop.

M.No.: 92692

Pan No. :- ABEPK2044H

Place: Amritsar

Date: 29.05.2017

## BALANCE SHEET AS ON MARCH 31, 2017

(Amount in Rs.)

Particulars	Refer Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1-3	103467100	94061000
(b) Reserves and surplus	4	1348698888	1008246000
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	5	315317394	169906386
(b) Deferred tax liabilities (Net)		9906737	14266737
<b>4 Current liabilities</b>			
(a) Short-term borrowings	6	119802429	73943422
(b) Trade payables	7	60447839	38666807
(c) Other current liabilities	8	27328923	27483453
(d) Short-term provisions	9	539038304	403591195
		<u>2524007614</u>	<u>1830165000</u>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1 (a) Fixed assets</b>			
(i) Tangible assets	10	237760360	224270197
(ii) Intangible Assets		687000	0
(b) Non-current investments	11	892040	1242040
(d) Long-term loans and advances	12	2004699	2,002,699
(e) Other non-current assets	13	434123	434123
(f) Deffered revenue expenditure		0	3314620
<b>2 Current assets</b>			
(a) Current investments		0	10000000
(b) Inventories	14	1049795640	494034191
(c) Trade receivables	15	331468182	323602036
(d) Cash and cash equivalents	16	486169138	498720511
(e) Short-term loans and advances	17	4469343	5937357
(f) Other current assets	18	410327089	266607226
<b>TOTAL</b>		<u>2,524,007,614</u>	<u>1,830,165,000</u>

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

For and on behalf of the Board of Directors

Signed in terms of our report of even date  
FOR RAJESH KAPOOR & CO.  
CHARTERED ACCOUNTANTS  
sd/-  
RAJESH KAPOOR  
PROP.  
M.No 92692

sd/-  
CHAMAN LAL SETIA  
CHAIRMAN CUM MANAGING DIRECTOR  
Din No-01125789

sd/-  
RAJEEV SETIA  
EXECUTIVE DIRECTOR & CFO  
DIN No-01125921

PLACE : AMRITSAR  
DATE 29.05.2017

Sd/-  
KANIKA NEVTIA  
COMPANY SECRETARY  
MEMBERSHIP NO. : 29680

## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in Rs.)

Particulars	Refer Note No.	Figures for the current reporting period	Figures for the previous reporting period
I. Revenue from operations	19	4933174587	4,827,583,516
II. Other income	20	25541750	49,917,106
III. Total Revenue (I + II)		4958716337	4,877,500,622
IV. Expenses:			
Cost of materials consumed	21	918,123,650	907,340,141
Purchases of Stock-in-Trade		3193616907	2273306614
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	698296182	-229529234
Employee benefits expense	23	104365084	100648784
Finance costs	24	48709749	35,369,964
Depreciation and amortization expense	25	42680932	28,712,353
Other expenses	26	768789199	731352560
Total expenses		4377989339	4306259650
V. Profit before exceptional and extraordinary items and tax (III-IV)		580726998	571240972
VI. Exceptional items		0	0
VII. Profit before extraordinary items and tax (V - VI)		580,726,998	571,240,972
VIII. Extraordinary Items		0	0
IX. Profit before tax (VII- VIII)		580,726,998	571,240,972
X Tax expense:			
(1) Current tax		200000000	196994899
(2) Deferred tax		4360000	1787000
XI Profit (Loss) for the period from continuing operations (VII- VIII)		385,086,998	372,459,073
XII Profit/(loss) from discontinuing operations		0	0
XIII Tax expense of discontinuing operations		0	0
XIV Profit/(loss) from Discontinuing operations (after tax) (XII- XIII)			
XV Profit (Loss) for the period (XI + XIV)		385,086,998	372,459,073
XVI Earnings per equity share:			
(1) Basic		7.44	7.95
(2) Diluted		7.44	7.95

Accounting policies and Notes on Accounts

For and on behalf of the Board of Directors

Signed in terms of our report of even date  
FOR RAJESH KAPOOR & CO.  
CHARTERED ACCOUNTANTS  
sd/-  
RAJESH KAPOOR  
PROP.  
M.No 92692

sd/-  
CHAMAN LAL SETIA  
CHAIRMAN CUM MANAGING DIRECTOR  
Din No-01125789

sd/-  
RAJEEV SETIA  
EXECUTIVE DIRECTOR & CFO  
DIN No-01125921

PLACE : AMRITSAR  
DATE 29.05.2017

Sd/-  
KANIKA NEVTIA  
COMPANY SECRETARY  
MEMBERSHIP NO. : 29680

## CASH FLOW STATEMENT FOR YEAR ENDING 31.03.2017

(Amount in Rs.)

Particulars	AMOUNT 31.03.2017	AMOUNT 31.03.16
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	580726998	571240972
ADJUSTMENT FOR:-		
DEPRECIATION ON OLD FIXED ASSETS		
DEPRECIATION/AMORTISATION	42680932	28712353
INTEREST/DIVIDEND RECEIVED	22131452	23753598
PROFIT ON SALE OF FIXED ASSETS/OTHERS	765595	
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>600510885</b>	<b>576199727</b>
ADJUSTMENT FOR:-		
TRADE AND OTHER RECEIVABLES	151586009	25998353
INVENTORIES	555761449	187392434
TRADE PAYABLES/OTHERS	158541622	108780749
DECREASE IN CURRENT INVESTMENTS	10000000	
<b>CASH GENERATED FORM OPERATION</b>	<b>61705049</b>	<b>898371263</b>
DIVIDEND /ADJUSTED	24904530	24906100
DIRECT TAXES PAID	205963480	239858010
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>-169162961</b>	<b>633607153</b>
EXTRAORDINARY ITEMS		
<b>NET CASH FROM OPERATING ACTIVITIES:</b>	<b>-169162961</b>	<b>633607153</b>
B) CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS ( NET )	56092499	30565575
SALE OF FIXED ASSETS		
INCREASE IN LONG TERM ADVANCES	0	
PURCHASE /SALE OF INVESTMENTS (Net)	350000	12000
ADJ IN OTHER NON CURRENT ASSETS	2000	148625
INTEREST RECEIVED	22131452	23753598
DECREASE IN REVENUE EXPENDITURE	3314620	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-30298427</b>	<b>6972602</b>
C) CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM FORFEITED SHARES	0	733395
INCREASE IN LONG TERM ADVANCES	0	
DECREASE IN REVENUE EXPENDITURE	0	
PROCEEDS FROM SHARE CAPITAL ( Net)	0	565474
PROCEEDS FROM BORROWINGS	191270017	-256068814
DEFFERRED TAX LIABILITY	4360000	
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>186910017</b>	<b>-254769945</b>
FINANCE COST	0	
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>-12551373</b>	
CASH AND CASH EQUIVALENTS AS AT 01.04.2016	498720511	126855905
(OPENING BALANCE)		
CASH AND CASH EQUIVALENTS AS AT 31.03.2017	486169138	498720511
(CLOSING BALANCE)		

For and on behalf of Board  
Sd/-  
Chaman Lal Setia  
Chairman Cum Managing Director  
DIN No - 01125789

Sd/-  
RAJEEV SETIA  
EXECUTIVE DIRECTOR & CFO  
DIN No-01125921

Sd/-  
KANIKA NEVTIA  
Company Secretary  
ACS-29680

PLACE : AMRITSAR  
DATE : 29.05.2017

### Auditor's Certificate

We have verified the above cash flow statement of CHAMAN LAL SETIA EXPORTS LTD. derived from the audited financial statements for the year ended March 31st, 2017 and found the same to be drawn in accordance there with and also with the requirements of the listing agreement/regulations with stock exchange.

For Rajesh Kapoor & Co.  
CHARTERED ACCOUNTANTS  
Sd/-  
(Rajesh Kapoor)  
Prop.  
M.No 92692

Place: Amritsar  
Date: 29.05.2017

**CHAMAN LAL SETIA EXPORTS LTD.**

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs.)

	As at 31 March 2017		As at 31 March 2016	
	Number	Amount	Number	Amount
<b>NOTE : 1</b>				
<b>Share Capital</b>				
<b>Authorised Capital</b>				
Equity Shares of 2/- each	60,000,000	120,000,000	60,000,000	120,000,000
<b>Issued Capital</b>				
Equity Shares of 2/- each	52,194,550	104,389,100	47,491,500	94,983,000
<b>Subscribed &amp; Paid up</b>				
Equity Shares of 2/- each	51733550	103467100	47030500	94061000

- The Company has only one class of share referred to as equity shares having a par value Rs.2/-. Each holder of equity shares is entitled to one vote per share.
- The Company declares and pays dividend in Indian rupees. Board of Directors recommended Dividend on 29.05.2017 for the F.Y ended 31.03.2017 @20% i.e. is 0.40/- per share subject to approval of Shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.
- No Share was reserved for issue under options and contracts.
- During the year Company issued Bonus Shares in their Board Meeting dated 18.10.2016 in the ratio of 1:10
- No shares was bought back.
- The shares of Directors/officers are fully paid up.

### NOTE : 2 Reconciliation of Share Capital

Particulars	Equity Shares		Preference Shares	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Shares outstanding at the beginning of the year	47030500	94061000	0	0
Bonus Shares Issued during the year	4703050	9406100	0	0
<b>Shares outstanding at the end of the year</b>	<b>51,733,550</b>	<b>103,467,100</b>	<b>-</b>	<b>-</b>

Bonus Shares has been issued and allotted in the ratio of 1:10 on 18.10.2016 Hence No. of shares has been increased and aforesaid information has been stated accordingly.

### NOTE : 3 List of Share holder holding more than 5% share

	As at 31 March 2017		As at 31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
SH.CHAMAN LAL SETIA	11600050	22.42	10545500	22.42
SH.VIJAY KUMAR SETIA	12435651	24.04	11332732	24.10
SH.RAJEEV SETIA	13081750	25.29	11892500	25.29

**NOTE : 4 Reserve & Surplus**

<b>List of Share holder holding more than 5 % share</b>		<b>As at 31 March 2017</b>	<b>As at 31 March, 2016</b>
		₹	₹
<b>a. Securities Premium Account</b>			
Opening Balance		103183184	102209032
Add : Securities premium credited		0	974152
Closing Balance		103183184	103183184
<b>b. Shares Forfeited account</b>		733395	733395
<b>b. General Reserves</b>			
Opening Balance		144496576	107250669
(+) Current Year Transfer		38508699	37245907
(-) Utilised for Bonus Shares		9406100	
Closing Balance		173599175	144496576
<b>c. Surplus</b>			
Opening balance		759,832,845	492,388,890
(+) Net Profit/(Net Loss) For the current year		385086998	372459073
(-) Prior Period Tax/Dividend Adjustments		10323480	42863111
(-) Transfer to General Reserves		38508699	37245907
(-) Proposed Dividends/Interim Dividend		24904530	24906100
Closing Balance		1,071,183,134	759,832,845
<b>Total</b>		<b>1348698888</b>	<b>1008246000</b>

**NOTE : 5 Long Term Borrowings**

	<b>As at 31 March 2017</b>	<b>As at 31 March, 2016</b>
	₹	₹
<b>a. Unsecured</b>		
(a) Directors' Deposits	315,317,394	169,906,386
From Executive Non Independent Directors		
<b>Total</b>	<b>315,317,394</b>	<b>169,906,386</b>

There is no default in the Repayment of either Principal or Interest Amount of Secured as well as Unsecured Loan as on the Balance Sheet Date .There is no Secured Long Term Borrowings.

	As at 31 March 2017 ₹	As at 31 March, 2016 ₹
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**NOTE : 6**

**Short Term Borrowings**

**(a) Loans repayable on demand**

From banks

Punjab National Bank	119802429	73943422
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Cash Credit/Packing Credit/Post Shipment Credit are secured against Current Assets, entire Fixed assets and property belonging to M/s setia Rice Mills Situated at Amritsar and Property belonging to M/s Chaman Lal Setia Exports Ltd. situated at Karnal and Corporate Guarantee of the Borrower company and personal guarantees of Directors Sh.Chaman Lal, Vijay Setia and Rajeev Setia.

<b>Total</b>	<b>119,802,429</b>	<b>73,943,422</b>
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**NOTE : 7 Trade Payables**

	As at 31 March 2017 ₹	As at 31 March, 2016 ₹
Micro, Small and Medium Enterprise	0	0
For Goods	12039155	26625760
For Expenses	48408684	12041047
<b>Total</b>	<b>60,447,839</b>	<b>38,666,807</b>

**NOTE : 8 Other Current Liabilities**

	As at 31 March 2017 ₹	As at 31 March, 2016 ₹
(a) TDS Payables	22450352	21874880
(b ) CST/Vat Payable/Service Tax Payable	7278	15442
(c) Income received in advance	1053800	878890
(d) Unpaid Dividends	3817493	4714241
<b>Total</b>	<b>27,328,923</b>	<b>27,483,453</b>

**NOTE : 9 Short Term Provisions**

	As at 31 March 2017 ₹	As at 31 March, 2016 ₹
<b>(a) (a) Provision for employee benefits</b>		
Salary & Reimbursements	515559	1025410
Contribution to PF	508100	234862
Provision for tax gross	498118899	386948899
Proposed final dividend on Equity Share	20693420	0
Tax on dividend	4211110	0
<b>(b) (b) Others (Specify nature)</b>	<b>14991216</b>	<b>15382024</b>
<b>Total</b>	<b>539,038,304</b>	<b>403,591,195</b>

**NOTE : 10**

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	BALANCE AS AT	ADDITIONS	DISPOSAL	BALANCE AS AT	BALANCE AS AT	FOR THE	DISPOSAL	BALANCE AS AT AT 31.03.17	AS AT	AS AT
	01-04-16			31-03-17	01-04-16	YEAR	DUR.		31-03-17	31-03-16
LAND	19033868.00	0.00	0.00	19033868.00	347113.00	0.00	0.00	347113.00	18686755.00	18686755.00
BUILDING:	131703973.00	14684288.00	0.00	146388261.00	38995317.00	10780233.00		49775550.00	96612711.00	92708656.00
FURNITURE & FIXTURES	3028004.00	156532.00	0.00	3184536.00	1954361.00	213071.00		2167432.00	1017104.00	1073643.00
OFFICE EQUIPMENTS	12381196.00	2824666.00	0.00	15205862.00	8892517.00	3552851.00		12445368.00	2760494.00	3488679.00
PLANT & MACHINERY:	211239068.00	19229966.00	0.00	230469034.00	121920849.00	22399152.00		144320001.00	86149033.00	89318219.00
VEHICLES:	48939700.00	6901482.00	1894857.00	53946325.00	32093284.00	5735624.00	1752197.00	36076711.00	17869614.00	16846416.00
OTHERS	19579427.00	0.00	0.00	19579427.00	19090429.00	0.00		19090429.00	488998.00	488998.00
CAPITAL WORK IN PROGRESS	1658831.00	12516820.00	0.00	14175651.00				0.00	14175651.00	1658831.00
<b>TOTAL</b>	<b>447564067.00</b>	<b>56313754.00</b>	<b>1894857.00</b>	<b>501982964.00</b>	<b>223293870.00</b>	<b>42680932.00</b>	<b>1752197.00</b>	<b>264222604.00</b>	<b>237760360.00</b>	<b>224270197.00</b>

**NOTE : 11 Non Current Investments**

	As at 31 March 2017 ₹	As at 31 March, 2016 ₹
<b>(a) Trade investments (at cost)</b>		
PNB Gilts Ltd.	300000	300000
Mutual Funds	500000	850000
PNB Equity Shares (Fully Paid quoted)	92040	92040
<b>Total</b>	<b>892,040</b>	<b>1,242,040</b>

**NOTE : 12 Long Term Loans and Advances**

	As at 31 March 2017 ₹	As at 31 March, 2016 ₹
<b>(b) Security Deposits</b>		
Secured, considered good		
Unsecured, considered good	2004699	2002699
Doubtful		
	2004699	2,002,699
<b>Total</b>	<b>2004699</b>	<b>2,002,699</b>

There is no Loans and Advances to Related parties outstanding as on Balance Sheet date

**NOTE : 13 Other non current assets**

	As at 31 March 2017 ₹	As at 31 March, 2016 ₹
Fictitious Assets	434123	434123
<b>Total</b>	<b>434,123</b>	<b>434,123</b>



**NOTE : 14 Inventories**

	<b>As at 31 March 2017</b>	<b>As at 31 March, 2016</b>
	₹	₹
a. Raw Materials and components	20386600	188236910
b. Finished goods	1029409040	305797281
<b>Total</b>	<b>1049795640</b>	<b>494,034,191</b>

Valued at Cost or Net Realisable Value which ever is less and as per Inventories taken and Certified by management

**NOTE : 15 Trade Receivables**

	<b>As at 31 March 2017</b>	<b>As at 31 March, 2016</b>
	₹	₹
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	316605168	300682427
Unsecured, considered doubtful		
	316605168	300682427
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	14863014	22919609
	<b>14863014</b>	<b>22919609</b>
<b>Total</b>	<b>331468182</b>	<b>323602036</b>

Nothing is Receivables from Directors ,Other Officers of the Comapny and Firm/s in Which Directors is a partner and form a Private company in which director is a member

**NOTE : 16 Cash and cash equivalents**

	<b>As at 31 March 2017</b>	<b>As at 31 March, 2016</b>
	₹	₹
a. Balances with banks*	470163917	121310102
Earmarked Balances (eg/- unpaid dividend accounts)	3388665	3851350
b. Cheques, drafts on hand	2607122	2607122
c. Cash on hand*	869434	2293697
d. Deposits with less than 12 Months Maturity	9140000	368658240
<b>Total</b>	<b>486,169,138</b>	<b>498,720,511</b>

**NOTE : 17 Short-term loans and advances**

	As at 31 March 2017 ₹	As at 31 March, 2016 ₹
a. Others (Staff Members)		
Secured, considered good		
Unsecured, considered good to staff	2593970	4689706
Doubtful		
Advances other than staff	1875373	1247651
<b>Total</b>	<b>4,469,343</b>	<b>5,937,357</b>

No loans and advances to related parties as on balance Sheet date

**NOTE : 18 Other current assets**

	As at 31 March 2017 ₹	As at 31 March, 2016 ₹
Prepaid and Unexpired	3962748	4159585
Advance Tax/TDS	404501259	259379281
Vat /Service Tax	1178753	2384031
Advance against pending appeal	684329	684329
<b>Total</b>	<b>410327089</b>	<b>266607226</b>

**NOTE : 19 Revenue from Operation**

	As at 31 March 2017 ₹	As at 31 March, 2016 ₹
Sale of products	4928236996	4824553666
Sale of services		
Other operating revenues	4937591	3029850
<b>Total</b>	<b>4,933,174,587</b>	<b>4,827,583,516</b>

**NOTE : 20 Other income**

	As at 31 March 2017 ₹	As at 31 March, 2016 ₹
Interest Income (in case of a company other than a finance company)	22131452	23753598
Misc Income	1492602	85454
Applicable net gain/loss on foreign currency transactions and translation	0	25195513
Forfeiture of Contract	300000	0
Profit On Sale Of Fixed Assets/OTHERS	765596	882541
Profit On Redemption of ELSS	852100	
<b>Total</b>	<b>25541750</b>	<b>49917106</b>

**NOTE : 21 Cost of material consumed**

	As at 31 March 2017 ₹	As at 31 March, 2016 ₹
Cost of Raw material consumed	0	0
Indigenous	918123650	907340141
Imported	0	0
<b>Total</b>	<b>918,123,650</b>	<b>907,340,141</b>

**NOTE : 21A Particulars of material consumed**

	As at 31 March 2017 ₹	As at 31 March, 2016 ₹
Particulars		0
Paddy	918,123,650	907,340,141
Other	0	0
<b>Total</b>	<b>918,123,650</b>	<b>907,340,141</b>

**NOTE : 22 Changes in Inventories of Finished**

	As at 31 March 2017 ₹	As at 31 March, 2016 ₹
<b>Inventories (at close)</b>		
Finished Goods/Stock in trade	995354910	297058728
<b>Inventories(at commencement)</b>		
Finished Goods/Stock in trade	297058728	526587962
<b>Total</b>	<b>698296182</b>	<b>-229529234</b>

**NOTE : 23 Employee Benefit Expenses**

	As at 31 March 2017 ₹	As at 31 March, 2016 ₹
<b>Employee benefits consist of;</b>		
Salaries , Wages and Allowances	58535540	54898485
Commission To Directors	40000000	40000000
Contribution to:		
Gratuity fund/Provident Fund	4313908	3137422
Staff welfare expenses	1515636	2612877
<b>Total</b>	<b>104365084</b>	<b>100648784</b>

**NOTE : 24 Finance Costs**

	As at 31 March 2017 ₹	As at 31 March, 2016 ₹
Bank charges	14660847	11930422
Interest	33363766	23439542
FOREIGN EXCHANGE	685136	
<b>Total</b>	<b>48709749</b>	<b>35369964</b>

**NOTE : 25 Depreciation & Amortization Expenses**

	<b>As at 31 March 2017</b> ₹	<b>As at 31 March, 2016</b> ₹
Depreciation of Tangible Assets	42680932	28712353
Amortization of Intangible Assets		
<b>Total</b>	<b>42680932</b>	<b>28712353</b>

**Note no. : 26(1)**

	<b>As at 31 March 2017</b> ₹	<b>As at 31 March, 2016</b> ₹
Rent,Rate & Taxes	1484983	1323244
Postage,Telegram & Courier Charges	3875444	3116256
Printing & Stationery	1757161	2478236
Insurance Charges	3696655	3106977
Vehicle Running & Maintenance	2587796	1982647
Membership Fees & Subscription	306157	295562
Professional & Consultancy	3326850	5318390
Payment to Auditor	200000	150000
Travelling,Lodging,Boarding	15953884	14897523
Donation	251380	531787
CSR exp	2930057	789503
General Exp	3387031	2194647
Cash Lost in transit	1150000	0
<b>Total</b>	<b>40907398</b>	<b>36184772</b>

**Note no. : 26(2)**

	<b>As at 31 March 2017</b> ₹	<b>As at 31 March, 2016</b> ₹
Payment to Auditor includes:		
Statutory Audit Fees	50000	50000
Tax audit fees	50000	50000
Taxation Matters	100000	50000
Other Matters		
<b>Total</b>	<b>200000</b>	<b>150000</b>

**Note no. : 26(3)**

	<b>As at 31 March 2017</b> ₹	<b>As at 31 March, 2016</b> ₹
Export Commission	38357955	30419319
E.C.G.C Expenses	5739332	4806177
Advertisement & business promotion exp	22533974	15181397
Direct Export Expenses	324095554	293370984
Brokerage	5958200	6062230
Misc.Expenses	7140	94295
BAD Debts	417519	7200
<b>Total</b>	<b>397109674</b>	<b>349941602</b>

**Note no. : 26(4)**

	<b>As at 31 March 2017</b> ₹	<b>As at 31 March, 2016</b> ₹
Power & Fuel	42026312	41527928
Machinery Repair & Maintenance	6010733	9823297
Sheller Lease/Godown Lease EXPENSES	18066851	9493840
Bardana Repair	1115420	23920
Packing Expenses	10761311	2401808
Stacking,Weighing Loading etc	37645449	46664448
Packing Material/Empty Cost	188074599	207698233
Sample Testing	1747449	790958
Fumigation	7915620	8617330
Other Repair	2304476	1975824
Overheads	13704476	15056125
security exp	1399431	1152475
<b>Total</b>	<b>330772127</b>	<b>345226186</b>
<b>Grand Total Of Other Expenses</b>	<b>768789199</b>	<b>731352560</b>

## **Significant Accounting Policies & Notes forming part of the Balance Sheet and statement of Profit & Loss for the year ended 31.03.2017.**

### **Company Overview**

A) Your company has been running successfully into rice business since 1973. The long outstanding experience of the Directors has helped the Company to expand its global footprint. Your Company's diverse product line covers product like Sella Rice, Bhatti Sella, Rice for Diabetic peoples, Smoked rice, Pesticide Residue free rice. Company's uses its strong relationship with Domestic and Global Business partners for market penetration and presence. Company has introduced newer policies and strategies to facilitate development further.

### **B) Statements of significant accounting policies:**

#### **1. Basis of Preparation of Financial Statements**

The financial statements have been prepared on accrual basis under the historical cost convention and to comply in all material aspects with Generally Accepted Accounting Principles in India to the extent applicable including the applicable Accounting Standards as prescribed and notified by the Companies Act, 2013 read with rules made thereunder.

#### **2. Use of Estimates and Judgments**

The preparation of the financial statements are in conformity with the applicable Accounting Standards which requires management to make estimates and the assumption that affect the reported amount of assets and liabilities and disclosures relating to the contingent liabilities as on date of balance sheet and the reported amount of revenues and expenditure during the reported period. The estimates and assumptions used in the financial statements are based upon management's best evaluation of the statements. Examples of such estimates include useful life of fixed assets, creation of deferred tax asset, lease rentals and write off of deferred revenue expenditure. Difference, if any, between the actual and the estimate is recognised in the year in which the same are acknowledged/ materialized.

#### **3. Revenue Recognition**

The Company follows the mercantile system of accounting and recognizes the income and expenditure on accrual basis except in case of significant uncertainties. Certain items of income such as insurance claim, market fees refund, Service Tax Refunds, Interest Subventions, overdue interest from customers etc have been considered on Payment Basis/receipt basis to the extent the amount is accepted by the parties. The principles of the revenue recognition are given below

Sales are recognized as follows

Domestic Sales-At the point of dispatches to customers.

Export Sales - At the time of issue of bill of lading

Sales are recorded net of sales returns, price differences and sales tax. Sale of license and duty draw back are recognized on realization basis.

#### **4. Fixed Assets**

Fixed Assets are stated as per Schedule II of Companies Act, 2013. Fixed Assets are stated at cost (of acquisition/ construction, as the case may be), net of CENVAT and Subsidy, less accumulated depreciation and accumulated impairment losses, if any.

#### **5. Depreciation/Amortisation**

Depreciation is provided on written down value basis at rates provided in Schedule II to the Companies Act, 2013 and is systematically allocated over the useful life of an asset as specified in part C of schedule II of Companies Act, 2013.

Depreciation on plant & Machinery has been provided on the basis of shifts worked in the case of both the units. Cost of leasehold land is amortized over the period of lease.

#### **6. Capital work in Progress**

Capital work in progress comprises cost of fixed assets not yet commissioned, incidental preoperative expenses and borrowing costs, if any.

## **7. Leases**

In respect of operating lease, lease rentals are accounted on accrual basis in accordance with the respective lease agreements. However there is no lease as on the date .

## **8. Government Grants**

Grants in the nature of capital contribution towards setting up modernization of projects is adjusted from the cost of the related fixed assets.

## **9. Deferred Tax**

Deferred tax assets and liabilities are computed on the timing differences at the balance sheet date between the carrying amount of assets and liabilities and their respective tax bases. Deferred Tax Assets (DTA) is recognized based on management estimates of virtual certainty that sufficient future taxable income will be available against which such DTA can be realized. The deferred tax charge or credit is recognized using the tax rates and tax law that have been enacted or substantively enacted by the balance sheet date.

## **10. Employees Benefits**

### **10.1 Defined Contribution Plans**

Defined contribution plans are benefit plans under which the company pays fixed contribution to state managed benefit schemes. The company contributions to defined contribution plans are recognized in the profit and loss account in the financial year to which they relate.

### **10.2 Defined Benefits Plans**

The company has defined benefit plan in respect of its gratuity liability and contributes to a Gratuity Fund managed by LIC of India. Contribution is made to this fund yearly on the basis of calculation made by LIC keeping in view certain factor. This premium is charged to Profit & loss a/c in the year of payment.

## **11. Investments**

Long Term Investment is intended to be held for more than a year. All others investment are current in nature.

Long Term Investments are stated at cost while current investment at lower of cost and fair value.

## **12. Inventories**

Inventories are valued at cost or net realizable value whichever is lower, as taken, valued and certified by the management. The basis for determining cost for various categories of inventories is as under

Raw Material- At cost on FIFO Basis

Finished Stock -At material cost + appropriate share of production overhead

Packing Material -At Cost

Stores & Spares

Stores & spares are charged to profit & loss A/c in the year of purchase, as purchased as per need.

## **13. Foreign Exchange Transactions**

Foreign currency transactions are accounted at exchange rate ruling on the date of transactions.

At the year end all monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rates. Exchange differences arising out of actual payments/realizations and from the year end restatement referred to above are dealt within the Profit & Loss Account.

Forward contracts other than those entered into to hedge foreign currency risk on unexecuted firm commitment or on highly probable forecast transactions are treated as foreign currency transactions and accounted accordingly. Premium on foreign exchange forward contracts are recognized in the profit and loss account over the life of contract. Any profit and loss arising on cancellation of forward contract is recognized as income or expense in the period in which they arise. This practice is being followed as per the AS11.

#### 14. Researches and Development

Revenue Expenditure on Research & Development is charged as an expense in the year in which it is incurred. Capital expenditure is included in respective heads under fixed assets.

#### 15. Provisions, Contingent Liabilities and contingent assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes to accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

#### 16. Segment Reporting

Segment Reporting as per Accounting Standard 17: The Company has only one product segment i.e Rice and only one geographical segment.

#### 17. Borrowing Cost

Borrowing Costs that are attributable to the Acquisition, Construction of Production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

#### 18. Corporate Social Responsibility:-

As per section 135 of Companies Act, 2013 average net profit of Company for immediately preceding three years is Rs. 379398337/-. Company has to spent Rs. 7587966 /- i.e. 2% on average net profit of Company. However during the year 2016-17 Company has spent Rs.2930057/- & amount unspent is Rs.4657909/- and reason for unspent has given in CSR Report under Annexure-E forming part of Director's Report.

#### 19. Proposed Dividend

Dividend are provided for in the books of account as proposed by the Directors pending for approval at the ensuing Annual General Meeting.

### Notes to Accounts

#### 1. Managerial Remuneration

During the year Company has given remuneration to all the directors including managing director & Wholetime directors as per section 197 of Companies Act, 2013 read with Schedule V which is within overall limit as prescribed under Companies Act, 2013 read with Schedule V.

2. 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.
3. 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.
4. 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.
5. 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.
6. 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.
7. Contingent liabilities as at 31.3.2017
8. a) The Company's appeal with Commissioner Excise and Taxation, Punjab for the year 2009-10 is pending for wrong imposition of Vat amounting Rs. 782343/- & CST amounting Rs.9389./- . However Company has deposited Rs. 195590/- against Vat and Rs. 2400/- against CST being the 25% of the total amount for tendering its appeal.

- b) The Company's appeal with Commissioner Excise and Taxation, Punjab for the year 2010-11 is pending for wrong imposition of Vat amounting Rs. 1843094/- & CST amounting Rs. 82260/-. However Company has deposited Rs. 460774/- against Vat and Rs. 20565/- against CST being the 25% of the total amount for tendering its appeal.
  - c) The Punjab Government has imposed PIDF (development fund) @ 3% on paddy purchase since 2009-2010 on all the rice sheller and the liability of the Company on this issue has yet to be determined. However all the rice shellers has appealed against this levy of development fund on the Ground that this is not applicable on exports sales. However domestic sales achieved by the Company in Punjab will be subjected to this development fund if decided against.
  - d) Company's appeal is also pending with CESAT Ahmedabad against imposition of penalty by Custom Authorities Kandla amounting Rs.17,50,000/- on the alleged ground of containing higher Non Basmati Grain in one of the export lot.
9. Prior period items include Expenses/Income related to previous year not provided for are separately classified as prior period expenditure/income during the current year in accounts.
  10. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of the current assets, loan & advances, deposits in the ordinary course of business will not be less than the value stated in Balance Sheet.
  11. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, the Dividend which remain unclaimed/unpaid for a period of seven years from the date of transfer to the unpaid dividend account to the Investor Education and Protection Fund (IEPF) established by the Central Government.

The status of dividend remaining unclaimed as on 31.03.2017 is given here under:

YEAR	(Rupees in Lakhs)
2009-2010	2.06
2010-2011	2.21
2011-2012	2.55
2012-2013	2.29
2013-2014	3.39
2014-2015	2.20
2015-2016	5.37

As per the Companies Act, dividends that are unclaimed for a period of seven years, statutorily get transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government and therefore shareholders are requested to claim their dividend for the year 2009-2010 and thereafter immediately. The Company had, accordingly, transferred Rs. 176151.00 being the unpaid and unclaimed dividend amount pertaining to Final Dividend for the financial year ending 2008-2009 to the Investor Education and Protection Fund of the Central Government.

- A) There are no specific claims from suppliers under interest on delayed payments covered under Small Scale & Ancillary Act, 1993.
- B) The Company does not have any dues payable to any micro, small and medium enterprises as at the year end. The identification of the micro, small & medium enterprises is based on management's knowledge of their status. The Company has not received any intimation from the suppliers regarding their status under the MSMED Act 2006. Hence, disclosures, if any, relating to amounts unpaid as at the year end, together with interest paid/payable as required under the said act have not been given.

## 12. Compliance with Accounting Standard

- (i) AS-15 Accounting Standard for "Employee benefits" the disclosures as defined in the Accounting Standard are given below:

Defined Contribution Plans

Contribution to Defined Contribution plans, recognized as expense for the year is as under:

	2016-17 (Rs.)	2015-16 (Rs.)
Contribution to Provident Fund	2550420	1130306
Contribution to Pension Scheme	866920	709290
Contribution to ESI	83027	70851

#### Defined Benefit Plan

The employee's gratuity fund scheme managed by a Trust (Life Insurance Corporation of India) is a defined benefit plan. The premium as determined by the Trust keeping in view the date of joining ,salary last drawn etc. of the employee's is paid yearly by the Company and debited under the head Employee Benefit Expenses. During the year Rs. 772123/- has been paid to LIC towards groups gratuity scheme of employees.

#### (ii) AS-18 Related party transaction

(a) The Company has identified all related parties and transactions with them during the year as follow:-

Name of the Related Party	Relationship	Nature of Transaction	Amount (Rs.)
Sh. Chaman Lal Setia	Chairman Cum Mg. Director	Remuneration Interest	14947874.00 7488570.00
Sh. Vijay Setia	Executive Director	Remuneration Interest	15091323.00 5850009.00
Sh. Rajeev Setia	Executive Director	Remuneration Interest	15180313.00 4154539.00
Shri Sukarn Setia	Executive Director	Remuneration Interest	639600.00 3319554.00
Shri Sankesh Setia	Executive Director	Remuneration Interest	7439600.00 1744304.00
Shri Ankit Setia	Executive Director	Remuneration Interest	7439600.00 2249703.00
Smt. Isha Setia	Director's Wife	Remuneration	600000.00
Smt. Richa Setia	Director's Wife	Remuneration	300000.00
Setia Rice Mills	Sister Concern	Lease Rent	300000.00
Select Exports	Sister Concern	Sale/Purchase of Rice	152857.00
Avn Group	Sister Concern	Lease Rent	15600000.00
Star Exports	Sister Concern	Sale/Purchase of Rice	3070000.00
Setia Overseas	Sister Concern	Purchase of Rice	2543728.00

(b) Interest on unsecured loans paid to directors during the year@ 12% p.a is Rs. 24806679.00

#### (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. 7.44

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

In accordance with the accounting standard AS-22 the deferred tax has been accounted for during the year ended 31.03.2017. The deferred tax Assets up to 31.03.2001 amounting to Rs. 2902273/- has been credited to Revenue Reserve and disclosed separately under current liability and provision. The deferred tax Asset related to current year is Rs. 4360000 /- and current outstanding as at 31.03.2017 is Rs. 9906737/-

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

(i) **AS-17 Segmental Reporting**

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

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 12 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 undertaking as known to Management.
16. Additional Information Pursuant to Schedule-III of the Companies Act 2013:-

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

	31.03.2017	31.03.2016
Licensed Capacity (per hour)	14 MT	14 MT
Installed Capacity (per hour)	14 MT	14 MT
Actual Production (In Qtls)	298074	310958

(B) **Quantitative Stocks (In Qtls)**

Opening Stock as at		Closing Stock as at	
01.04.2015	01.04.2016	31.03.2016	31.03.2017
213741	158821	158821	236035

(C) **Expenditure in Foreign Exchange**

Particulars	For the year ended March 31, 2017 (Rs.)	For the year ended March 31, 2016 (Rs.)
Value of Import of Capital Goods	9183789	4561844
Export Commission	38357955	30419319
Travelling Expenses	14279084	12816236
Ocean Freight as on 31.03.2017 is Rs. 82214513/-		

(D) **Value of Exports (FOB)**

Particulars	For the year ended March 31, 2017 (Rs.)	For the year ended March 31, 2016 (Rs.)
Value of Goods Exported	3895190083	3737016519

(E) **Raw Material Consumed:**

(In Qtls)

31.03.2017	31.03.2017	31.03.2016	31.03.2016
Quantity	Value	Quantity	Value
465742	918123650	479870	907340141

**17. Details of Specified Bank Notes (SBN) held and transacted during the period from 08th November, 2016 to 30th December, 2016**

(in Rs.)

Particulars	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	2151500	1082997.87	3234497.87
(+) Permitted receipts		9275977	9275977
(-) Permitted payments		6683752	6683752
(-) Amount deposited in banks	2151500	2710000	4861500
Closing cash in hand as on 30.12.2016			965222.87

18. Previous Years figures have been regrouped & rearranged where ever considered necessary.

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

For Rajesh Kapoor & Co.  
Chartered Accountants

Sd/-  
Rajesh Kapoor  
Prop.  
M.No.:- 92692

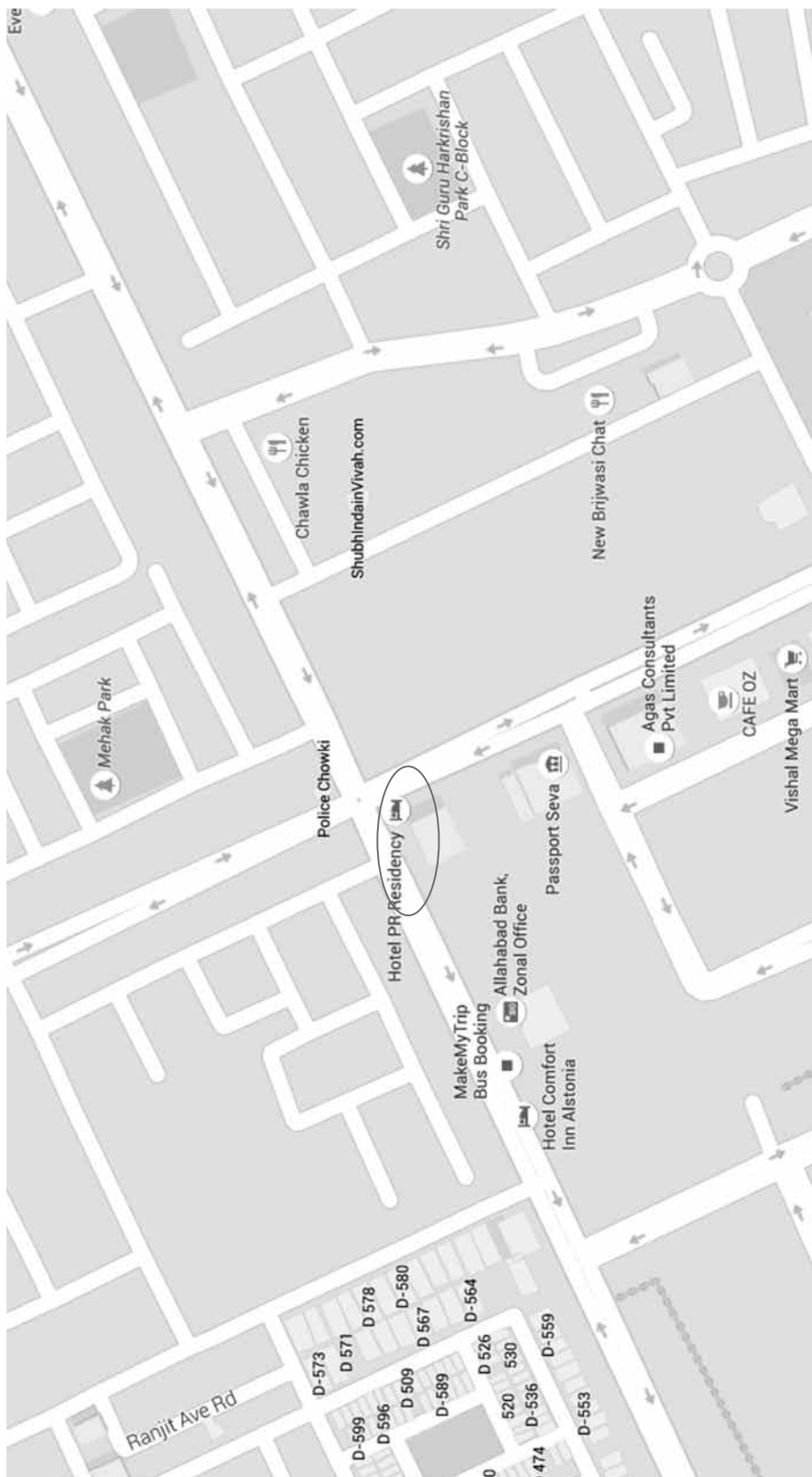
Sd/-  
Chaman Lal Setia  
Chairman Cum Managing Director  
Din:- 01125789

Sd/-  
Kanika Nevtia  
Company Secretary  
Membership No.:- 29680

Sd/-  
Rajeev Setia  
Executive Director & CFO  
Din No. :- 01125921



**ROUTE MAP TO AGM VENUE**  
**Hotel P.R Residency, 101, Distt. Shopping Centre, Ranjit Avenue, Amritsar-143001**





## CHAMAN LAL SETIA EXPORTS LIMITED

Regd. Office : MEERANKOT ROAD, P.O CENTRAL JAIL , AMRITSAR-143002

Phone No. :- 0183-2592708, Fax No. :- 0183-2590456

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

CIN NO. :- L51909PB1994PLC015083

### 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.

Full Name of the member attending .....  
(In Block letters)

Member's Folio No./DP Id/Client Id\* : ..... No. of Shares Held .....

Name of Proxy .....

(To be filled in, if the proxy attends instead of the members)

I, hereby record my presence at the 23rd Annual General Meeting of the Chaman Lal Setia Exports Ltd. at Hotel P.R Residency, 101 Distt. Shopping Centre, Ranjit Avenue, Amritsar-143001 on Thursday 28th September, 2017 at 04:30 p.m.

.....  
Member's/Proxy's Signature

\*Applicable for investors holding shares in electronic form

## CHAMAN LAL SETIA EXPORTS LIMITED

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CIN NO. :- L51909PB1994PLC015083

### Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**23rd Annual General Meeting on Thursday, 28.09.2017 at 04:30 p.m.**

CIN:	L51909PB1994PLC015083
Name of the company:	Chaman Lal Setia Exports Ltd.
Registered office:	Meeran Kot Road, P.O Central Jail, Amritsar

Name of the member(s): Registered address: Email Id: Folio No./Client Id: *DP ID:
---

I/We, being the member (s) of ..... shares of Chaman Lal Setia Exports Ltd. hereby appoint

- (1) Name: ..... Address:.....  
 .....  
 E-mail Id:..... Signature:.....
- (2) Name: ..... Address:.....  
 .....  
 E-mail Id:..... Signature:.....
- (3) Name: ..... Address:.....  
 .....  
 E-mail Id:..... Signature:.....



As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the company, to be held on the Thursday, 28th day of September, 2017 at 04:30 p.m. at Hotel P.R Residency, 101 Distt. Shopping Centre, Ranjit Avenue, Amritsar-143001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.		Resolution	Optional	
Ordinary Business			For	Against
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31.03.2017 along with the Reports of the Board of Directors and Auditors' thereon.			
2.	To declare the Dividend on Equity Shares for the financial year ended 31.03.2017.			
3.	To appoint a Director in place of Mr. Sankesh Setia (Din 06620109), who retires by rotation and being eligible, offer himself for reappointment.			
4.	To appoint a Director in place of Mr. Vijay Setia (Din 01125966), who retires by rotation and being eligible, offer himself for reappointment.			
5.	To consider and approve appointment of M/S. R Chopra & Associates, Chartered Accountants , Amritsar (Firm Registration No. 022992N)as Statutory Auditor of the Company to hold office from the conclusion of 23rd Annual General Meeting until the conclusion of 28th Annual General Meeting.			

\* Applicable for investors holding shares in electronic form.

Signed this..... day of..... 2017

Signature of shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

For the Resolution and notes, please refer to the Notice of the 23rd Annual General Meeting.

A proxy need not be a member of the Company.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

It is optional to put 'x' in the appropriate column against the Resolution indicated in the box. If you leave the For or Against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Please complete all details of member (s) in the above box before submission.

# OUR PLANT IN KARNAL



**parboiling plant**



**sortex machine for rice**



**Packing Plant**



**Loading**



Rice Millers • Processors • Exporters



**Maharani**<sup>®</sup>  
Rice



## Chaman Lal Setia Exports Ltd.

(A Govt. Recognised Star Exports House)

**Regd. Off. :** Meerankot Road , P.O., Central jail, Ajnala Road, Amritsar-143002 (india)  
Tel: +91-183-2590318, 2592708 | Fax: +91-183-2590453

**Corporate Off. :** No. 472, Udyog Vihar, Phase-III, Gurgaon - 122001  
Tel: 0124-4745900

**Rice Mill :** Kaithal Road , Karnal - 132001, Haryana (india)  
Tel./Fax: : +91-184-2291067

**CIN :** L51909PB1994PLC015083

**Email :** setia@maharanirice.org | clsetia@rediffmail.com | begum@futererice.com

**Website :** www.maharanirice.in