



# Chaman Lal Setia Exports Ltd.

(A Govt. Recognised Star Export House)

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

Ajnala Road, Amritsar-143002 India

Tel : 91-183-2590318, 91-183- 2592708

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

E. Mail : [setiarice@yahoo.com](mailto:setiarice@yahoo.com), [clsetia@rediffmail.com](mailto:clsetia@rediffmail.com)

CIN No. : L51909PB1994PLCO15083

ISO 22000 : 2005  
Certified Co.

03.09.2019

To,  
The Manager Listing  
BSE Limited,  
Corporate Relationship Department  
Dalal Street, Mumbai – 400 001  
Phones :- 022-22723121  
[Corp.relations@bseindia.com](mailto:Corp.relations@bseindia.com)

Scrip Code: 530307

**Sub: Annual Report for the financial year ended 31.03.2019**

Dear Sir,

This is to inform you that the 25<sup>th</sup> Annual General meeting of the members of Chaman Lal Setia Exports Ltd. will be held on Saturday 28.09.2019 at 04:30 p.m. at Hotel P.R Residency, 101 Distt. Shopping Centre, Ranjit Avenue, Amritsar-143001 and in this regard please find enclosed herewith Annual Report of Chaman Lal Setia Exports Ltd. for the Financial year 31.03.2019.

Kindly take the same in your record.

Thanking You

For Chaman Lal Setia Exports Ltd.

*Chaman Lal*

Chaman Lal Setia  
(Managing Director)

Din :- 01125789



**RICE MILLS**

Kaithal Road,  
Karnal.

Tel : 0184-2990758

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**RICE MILLS**

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

Tel : 0183-2590318, 0183-2592708



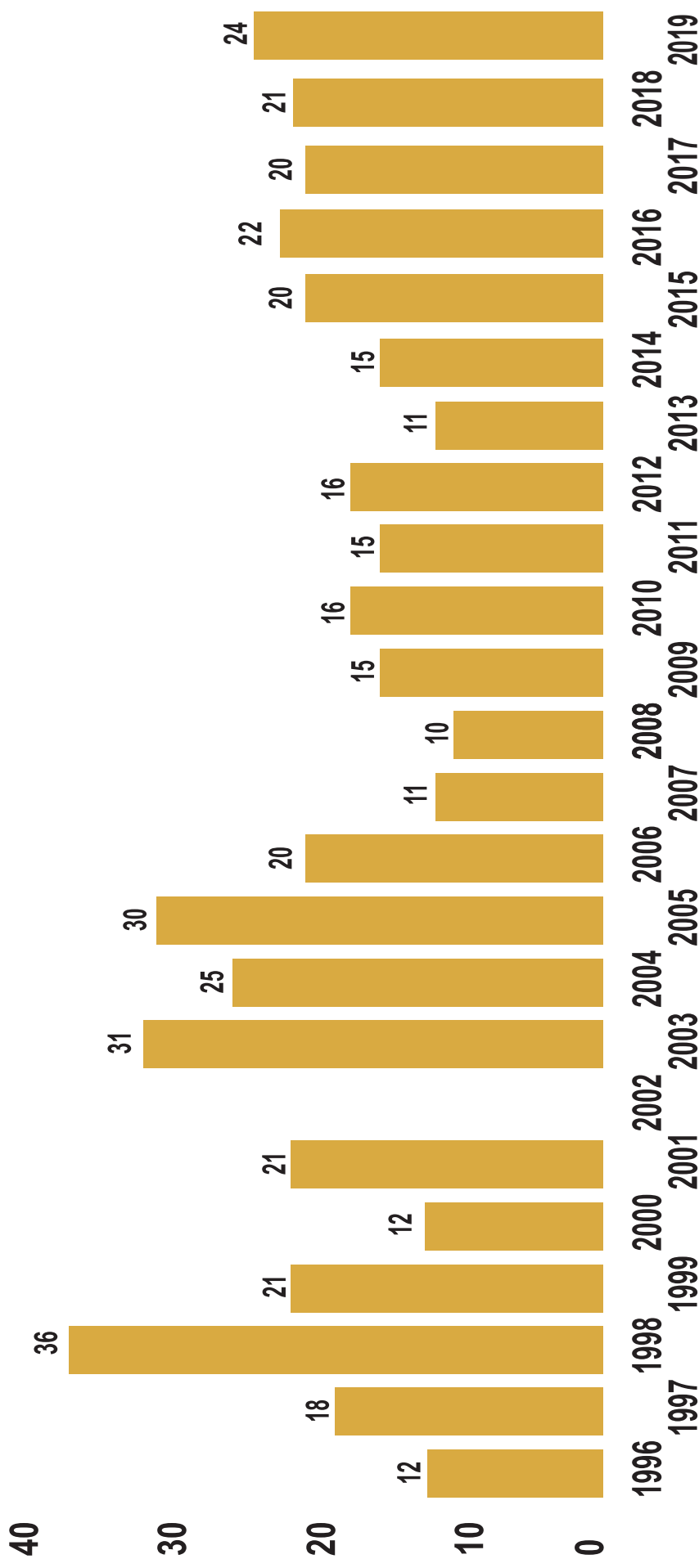
# Chaman Lal Setia Exports Limited

25<sup>th</sup> ANNUAL REPORT 2018-19



# Chaman Lal Setia Exports Ltd.

442% Dividend since inception



24% Dividend Proposed in 2018-2019



## Board of Directors

**Chaman Lal Setia (Din:- 01125789)**  
(Chairman cum Mg. Director)

**Vijay Kumar Setia (Din:- 01125966)**  
(Whole Time Director)

**Rajeev Setia (Din :- 01125921)**  
(Whole Time Director & CFO)

**Sukarn Setia(Din :- 01133561)**  
(Whole Time Director)

**Ankit Setia (Din:- 01133822)**  
(Whole Time Director)

**Sankesh Setia (Din :- 06620109)**  
(Whole Time Director)

**Inder Dev Kukkar (Din :- 01193209)**  
(Independent Director)

**Naresh Kumar Suneja (Din :- 01383235)**  
(Independent Director)

**Raghav Peshawaria (Din :-01386434)**  
(Independent Director)

**Amar Jyoti Bagga (Din :-06958408)**  
(Independent Woman Director)

**Vijay Kumar Jhamb (Din :-07021080)**  
(Independent Director)

**Arun Kumar Verma (DIN :-08145624)**  
( Independent Director)

### Registered Office

MiranKotRoad,P.O CentralJail,  
AjnalaRoad,Amritsar.143002

### Corporate Office

No. 472, Udyog Vihar,  
Phase-III, Gurgaon-122001

### Works/Sales Office/Packing Unit

Mirankot Road,Amritsar  
KaithalRoad,Karnal,  
526-B, Lahori Gate, Delhi,  
Alipur, Delhi,  
Gandhidham,Gujarat

## Bankers

Hdfc Bank, TheMall  
Amritsar-143001

## Registrar & Common Share Transfer Agent

Beetal Financial & Computer Services Private Ltd.  
IIIrd Floor, 99 Madangir,  
(Near Dada Harsukhdass Madangir),  
New Delhi-110062

## Auditors

M/s.R Chopra & Associates  
Chartered Accountants  
58-D, Majitha House,  
Model Town Mandir,  
Amritsar-143001

## Company Secretary

Kanika Nevatia  
1226, Katra Ahluwalia, Amritsar-143001

## ANNUAL GENERAL MEETING

On 28th September, 2019 at 4.30 p.m. at  
Hotel P.R Residency,101,Distt. Shopping Centre, Ranjit  
Avenue, Amritsar-143001

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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 25th Annual General Meeting of the members of CHAMAN LAL SETIA EXPORTS LTD. will be held on Saturday, the 28th day of September, 2019 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:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31.03.2019 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, 2019.
3. To appoint a Director in place of Mr. Ankit Setia (Din: 01133822), 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. Sankesh Setia (Din : 06620109), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS :-**

5. **To give approval for re-appointment of Mr. Chaman Lal Setia (DIN:- 01125789) and in this regard to consider and if thought fit, to pass with or without modification (s), the following resolution as Special Resolution :**

**“RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force), read with schedule V to the Companies Act, 2013 and any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard, the approval of members of Company be and is hereby accorded for the re-appointment and payment of remuneration to Shri Chaman Lal Setia (DIN 01125789), as Chairman & Managing Director of the Company for a period of five years, with effect from 21.09.2019 on the following terms and conditions, with further power to the board to alter and vary such terms of appointment and remuneration so as not to exceed the limits specified in schedule V to the Companies Act, 2013 , as may be agreed to by the Board of Directors and Mr. Chaman Lal Setia.

### **REMUNERATION**

#### **A) Fixed Compensation**

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

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

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

#### **B) Variable Compensation**

Commission will be as per the net profits of the Company based on the sales determined in accordance with the relevant provisions of the Companies Act, 2013 at a rate to be determined by the Board of Directors from time to time.

**C) Perquisite and Allowance**

In addition to the Fixed and variable Compensation, he will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 2013 (collectively called "perquisites and allowances") These perquisites and allowances may be granted to the Managing Director in such forms and manner as the Board may decide

- a) Housing as per rules of the Company (i.e unfurnished/furnished residential accommodation and/or House Rent
- b) Payment/Reimbursement of medical/hospitalization expenses for the Managing director and his family in accordance with the rules of the Company.
- c) Group Insurance cover, Group Medi-claim cover.
- d) Company car with driver for official use.
- e) Free telephone facility at the residence as per the rules of the Company
- f) Payment/Reimbursement of telephone Expenses
- g) Contribution to Provident Fund, Superannuation Fund and Gratuity Fund shall be as per the rules of the Company.
- h) Other Perquisites, Allowances, benefits and amenities as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time.
- i) Perquisites shall be evaluated at actual cost or if cost is not ascertainable the same shall be valued as per Income Tax Rules.
- j) Credit Card Facility.

**RESOLVED FURTHER THAT** the Board of Directors (hereinafter referred to as "the Board" including any committee constituted by the Board) of the Company be and hereby authorised to alter and vary the remuneration payable to Mr. Chaman Lal Setia, as it may deem fit and as may be acceptable to Mr. Chaman Lal Setia, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof or otherwise as may be permissible at law.

**RESOLVED FURTHER THAT** in the event of any loss, absence or inadequacy of the profits of the Company in any financial year, during the term of office of Mr. Chaman Lal Setia, the Company may, subject to the requisite approvals, if required, pay you remuneration by way of salary, allowances, perquisites not exceeding the maximum limits laid down in section II of Part II of Schedule V to the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of Directors to give effect to the aforesaid resolution."

**6. To give approval for re-appointment of Mr. Sankesh Setia (DIN:- 06620109) and in this regard to consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution :**

**"RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee to the Board of Directors (Board) and approval thereof by the Board and in accordance with the provisions of Sections 196 and 197 read with schedule V to the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) and the Articles of Association of Company, approval of members of Company be and is hereby accorded to the re-appointment of Mr. Sankesh Setia (Din: 06620109), as Whole Time Director of the Company, for a further period of five years w.e.f 29.09.2019 on the remuneration, terms and conditions as set out below:



#### **REMUNERATION:-**

##### **A) Fixed Compensation**

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

The Basic Salary shall be Rs. 200000.00 per month, payable monthly

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

##### **B) Variable Compensation**

Commission will be as per the net profits of the Company based on sales determined in accordance with the relevant provisions of the Companies Act, 2013 at a rate to be determined by the Board of Directors from time to time.

##### **C) Perquisites and Allowance**

In addition to the Fixed Compensation, he will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 2013 (collectively called "perquisites and allowances") These perquisites and allowances may be granted to the Wholetime Director in such forms and manner as the Board may decide.

- a) Housing as per rules of the Company (i.e. unfurnished/furnished residential accommodation and/or House Rent
- b) Payment/Reimbursement of medical/hospitalization expenses for the Whole-Time director and his family in accordance with the rules of the Company.
- c) Group Insurance cover, Group Medi-claim cover.
- d) Company car with driver for official use.
- e) Free telephone facility at the residence as per the rules of the Company.
- f) Payment/Reimbursement of telephone Expenses.
- g) Contribution to Provident Fund, Superannuation Fund and Gratuity Fund shall be as per the rules of the Company.
- h) Other Perquisites, Allowances, benefits and amenities as per the policy/ rules of the Company in force and/or as may be
- i) Perquisites shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules.
- j) Credit Card Facility

**RESOLVED FURTHER THAT** the Board of Directors (hereinafter referred to as "the Board" including any committee constituted by the Board) of the Company be and hereby authorised to alter and vary the remuneration payable to Mr. Sankesh Setia, as it may deem fit and as may be acceptable to Mr. Sankesh Setia, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof or otherwise as may be permissible at law.

**RESOLVED FURTHER THAT** in the event of any loss, absence or inadequacy of the profits of the Company in any financial year, during the term of office of Mr. Sankesh Setia, the Company may, subject to the requisite approvals, if required, pay you remuneration by way of salary, allowances, perquisites not exceeding the maximum limits laid down in section II of Part II of Schedule V to the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of Directors to give effect to the aforesaid resolution."

7. **To give approval of payment of remuneration to Mr. Vijay Kumar Setia (DIN:- 01125966) as a Whole-time Director and in this regard, to consider and if thought fit, to pass with or without modification (s), the following resolution as a Special Resolution :-**

**“RESOLVED THAT** pursuant to regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 along with the provisions of Sections 196, 197, 198 and other applicable provision of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013, consent of the Members be and is hereby accorded for payment of remuneration to Mr. Vijay Kumar Setia (DIN : 01125966), Whole Time Director of Company at such terms and conditions as approved by shareholders in 24th Annual General Meeting of Company , notwithstanding that the annual aggregate remuneration payable to Mr. Vijay Kumar Setia, Whole Time Director , Mr. Rajeev Setia Whole Time Director & CFO, Mr. Sukarn Setia, Whole Time Director, Mr. Sankesh Setia, Whole Time Director, Mr. Ankit Setia, Whole Time Director and Mr. Chaman Lal Setia Managing Director & Chairman of Company, exceeds 5% of the net profit of the Company as calculated under section 198 of the Act in any year during the remaining tenure of his appointment.

**RESOLVED FURTHER THAT** the approval of shareholders shall be valid only till the expiry of the existing term of Mr. Vijay Kumar Setia.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution.”

8. **To give approval of payment of remuneration to Mr. Rajeev Setia (DIN:- 01125921) as a Whole-time Director and in this regard, to consider and if thought fit, to pass with or without modification (s), the following resolution as a Special Resolution :-**

**“RESOLVED THAT** pursuant to regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 along with the provisions of Sections 196, 197, 198 and other applicable provision of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013, consent of the Members be and is hereby accorded for payment of remuneration to Mr. Rajeev Setia (DIN : 01125921), Whole Time Director & CFO of Company at such terms and conditions as approved by Members in its Annual General Meeting held on September 29, 2018, notwithstanding that the annual aggregate remuneration payable to Mr. Rajeev Setia, Whole Time Director & CFO of Company, Mr. Vijay Kumar Setia, Whole Time Director, Mr. Sukarn Setia, Whole Time Director, Mr. Sankesh Setia, Whole Time Director, Mr. Ankit Setia, Whole Time Director and Mr. Chaman Lal Setia Managing Director & Chairman of Company, exceeds 5% of the net profit of the Company as calculated under section 198 of the Act in any year during the remaining tenure of his appointment.

**RESOLVED FURTHER THAT** the approval of shareholders shall be valid only till the expiry of the existing term of Mr. Rajeev Setia.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution.”

9. **To give approval of payment of remuneration to Mr. Sukarn Setia (DIN:- 01133561) as a Whole-time Director and in this regard, to consider and if thought fit, to pass with or without modification (s), the following resolution as a Special Resolution :-**

**“RESOLVED THAT** pursuant to regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 along with the provisions of Sections 196, 197, 198 and other applicable provision of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013, consent of the Members be and is hereby accorded for payment of remuneration to Mr. Sukarn Setia (DIN : 01133561), Whole Time Director at such terms and conditions as approved by Members in its Annual General Meeting held on September 29, 2018,



notwithstanding that the annual aggregate remuneration payable to Mr. Sukarn Setia, Whole Time Director, Mr. Rajeev Setia Whole Time Director & CFO, Mr. Vijay Kumar Setia, Whole Time Director, Mr. Sankesh Setia, Whole Time Director, Mr. Ankit Setia, Whole Time Director and Mr. Chaman Lal Setia Managing Director & Chairman of Company, exceeds 5% of the net profit of the Company as calculated under section 198 of the Act in any year during the remaining tenure of his appointment.

**RESOLVED FURTHER THAT** the approval of shareholders shall be valid only till the expiry of the existing term of Mr. Sukarn Setia.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution.”

- 10. To give approval of payment of remuneration to Mr. Sankesh Setia (DIN:- 06620109) as a Whole-time Director and in this regard, to consider and if thought fit, to pass with or without modification (s), the following resolution as a Special Resolution :-**

“**RESOLVED THAT** pursuant to regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 along with the provisions of Sections 196, 197, 198 and other applicable provision of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013, consent of the Members be and is hereby accorded for payment of remuneration to Mr. Sankesh Setia (DIN : 06620109), Whole Time Director at such terms and conditions as mentioned in item no. 6 of this notice, notwithstanding that the annual aggregate remuneration payable to Mr. Sankesh Setia Whole Time Director, Mr. Sukarn Setia, Whole Time Director, Mr. Vijay Kumar Setia, Whole Time Director, Mr. Rajeev Setia, Whole Time Director & CFO, Mr. Ankit Setia, Whole Time Director and Mr. Chaman Lal Setia Managing Director and Chairman of Company, exceeds 5% of the net profit of the Company as calculated under section 198 of the Act in any year during the remaining tenure of his appointment.

**RESOLVED FURTHER THAT** the approval of shareholders shall be valid only till the expiry of the existing term of Mr. Sankesh Setia.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution.”

- 11. To give approval of payment of remuneration to Mr. Ankit Setia (DIN:- 01133822) as a Whole-time Director and in this regard, to consider and if thought fit, to pass with or without modification (s), the following resolution as a Special Resolution :-**

“**RESOLVED THAT** pursuant to regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 along with the provisions of Sections 196, 197, 198 and other applicable provision of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013, consent of the Members be and is hereby accorded for payment of remuneration to Mr. Ankit Setia (DIN : 01133822), Whole Time Director at such terms and conditions as approved by Members in its Annual General Meeting held on September 29, 2018, notwithstanding that the annual aggregate remuneration payable to Mr. Ankit Setia, Whole Time Director, Mr. Rajeev Setia Whole Time Director & CFO, Mr. Sukarn Setia, Whole Time Director, Mr. Vijay Kumar Setia Whole Time Director, Mr. Sankesh Setia, Whole Time Director and Mr. Chaman Lal Setia Managing Director and Chairman of Company, exceeds 5% of the net profit of the Company as calculated under section 198 of the Act in any year during the remaining tenure of his appointment.

**RESOLVED FURTHER THAT** the approval of shareholders shall be valid only till the expiry of the existing term of Mr. Ankit Setia.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution.”

- 12. To give approval of payment of remuneration to Mr. Chaman Lal Setia (DIN:- 01125789) as a Managing Director and in this regard, to consider and if thought fit, to pass with or without modification (s), the following resolution as a Special Resolution :-**

**RESOLVED THAT** pursuant to regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 along with the provisions of Sections 196, 197, 198 and other applicable provision of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013, consent of the Members be and is hereby accorded for payment of remuneration to Mr. Chaman Lal Setia (DIN : 01125789), Managing Director and Chairman of Company at such terms and conditions as mentioned in item no. 5 of this notice, notwithstanding that the annual aggregate remuneration payable to Mr. Chaman Lal Setia Managing Director & Chairman, Mr. Sukarn Setia, Whole Time Director, Mr. Vijay Kumar Setia, Whole Time Director, Mr. Ankit Setia, Whole Time Director, Mr. Rajeev Setia, Whole Time Director & CFO and Mr. Sankesh Setia Whole Time Director of Company, exceeds 5% of the net profit of the Company as calculated under section 198 of the Act in any year during the remaining tenure of his appointment.

**RESOLVED FURTHER THAT** the approval of shareholders shall be valid only till the expiry of the existing term of Mr. Chaman Lal Setia.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution."

**13. To give approval of re-appointment of Mr. Inder Dev Kukkar (DIN:- 01193209) as an Independent Director of Company for a second term of five consecutive years, in terms of section 149 of the Companies Act, 2013:-**

**To consider and if thought fit, to pass the following resolution as a Special Resolution :-**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and other applicable provisions, if any Mr. Inder Dev Kukkar (DIN 01193209), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 01.04.2019 and who holds office upto the date of this AGM of the Company in terms of Section 161(1) of the Act and Articles of Association of the Company and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and based on the recommendation of the Nomination and Remuneration Committee and approval of Board of Directors of the Company, the approval of members of the Company be and is hereby accorded for appointment of Mr. Inder Dev Kukkar as an Independent Non-Executive Director of the Company to hold office for second term of 5 (five) consecutive years commencing from 01.04.2019 to 31.03.2024.

**RESOLVED FURTHER THAT** any Director and/or the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto."

**14. To give approval of re-appointment of Mr. Naresh Kumar Suneja (DIN:- 01383235) as an Independent Director of Company for a second term of five consecutive years, in terms of section 149 of the Companies Act, 2013:-**

**To consider and if thought fit, to pass the following resolution as a Special Resolution :-**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and other applicable provisions, if any Mr. Naresh Kumar Suneja (DIN 01383235), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 01.04.2019 and who holds office upto the date of this AGM of the Company in terms of Section 161(1) of the Act and Articles of Association of the Company and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and based on the recommendation of the Nomination and Remuneration Committee and approval of Board of Directors of the Company, the approval of members of the Company be and is hereby accorded for appointment of Mr. Naresh Kumar Suneja as an Independent Non-Executive Director of the Company to hold office for second term of 5 (five) consecutive years commencing from 01.04.2019 to 31.03.2024.

**RESOLVED FURTHER THAT** any Director and/or the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto."

**15. To give approval of re-appointment of Mr. Raghav Peshawaria (DIN:-01386434) as an Independent Director of Company for a second term of five consecutive years, in terms of section 149 of the Companies Act, 2013:-**

**To consider and if thought fit, to pass the following resolution as a Special Resolution :-**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (the “Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and other applicable provisions, if any Mr. Raghav Peshawaria (DIN 01386434), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 01.04.2019 and who holds office upto the date of this AGM of the Company in terms of Section 161(1) of the Act and Articles of Association of the Company and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and based on the recommendation of the Nomination and Remuneration Committee and approval of Board of Directors of the Company, the approval of members of the Company be and is hereby accorded for appointment of Mr. Raghav Peshawaria as an Independent Non-Executive Director of the Company to hold office for second term of 5 (five) consecutive years commencing from 01.04.2019 to 31.03.2024.

**RESOLVED FURTHER THAT** any Director and/or the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

**16. To give approval of re-appointment of Mrs. Amar Jyoti Bagga (DIN:- 06958408) as an Independent Director of Company for a Second Term of five consecutive years, in terms of section 149 of the Companies Act, 2013:-**

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

**“RESOLVED THAT** Mrs. Amar Jyoti Bagga (DIN: 06958408), who was appointed as an Independent Director by the shareholders in the Annual General Meeting (AGM) of the Company held in year 2014 for a term of 5 (five) years upto the forthcoming AGM of 2019 and who meets the criteria of Independence as provided under section 149(6) of the Act and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and based on the recommendation of the Nomination & Remuneration Committee and further approval of Board of Directors of the Company, the approval of members of the Company be and is hereby accorded for appointment of Mrs. Amar Jyoti Bagga (DIN: 06958408), in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding rules framed thereunder, as an Independent Non-Executive Director of Company to hold office for second term of 5 (five) consecutive years commencing from 29.09.2019 to 28.09.2024.

**RESOLVED FURTHER THAT** any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

**17. To give approval of re-appointment of Mr. Vijay Kumar Jhamb (DIN:- 07021080) as an Independent Director of Company for a Second Term of five consecutive years, in terms of section 149 of the Companies Act, 2013:-**

**To consider and if thought fit, to pass the following resolution as a Special Resolution :-**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and rules framed thereunder, read with Schedule IV of the said act and other applicable provision, if any, as amended from time to time and as per Articles of Association of the Company, and based on the recommendation of the Nomination & Remuneration Committee and further approval of Board of Directors of the Company, the approval of members of the Company be and is hereby accorded for appointment of Mr. Vijay Kumar Jhamb (DIN: 07021080), as an Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in the Act and SEBI Listing Regulations and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director of Company be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of 5 (five) consecutive years commencing from 13th October, 2019 to 12th October, 2024.

**RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

**IMPORTANT NOTES :**

1. An Explanatory Statement pursuant to provisions of Section 102 of the Companies Act, 2013 ("Act"), which sets out details relating to Special Businesses set out in item Nos. 5 to 17 of the accompanying 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 as per Secretarial Standard issued by The Institute of Company Secretaries of India, of persons seeking appointment/ re-appointment as Directors, are also annexed hereto.
2. All documents referred to in the notice and the explanatory statement 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 Public holidays upto the Annual General Meeting (AGM).
3. The Registers of Members and Share Transfer Books of the Company will remain closed from Saturday 21st September, 2019 , to Saturday 28th September, 2019 (both days inclusive).
4. If Dividend on Equity shares as recommended by the Board of Directors for the Financial year ended March 31, 2019, if approved at the 25th 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 a 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 is sent herewith. 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 Annual General 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 the PAN to their Depository Participants with whom they are maintain 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 Fifth 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 2018-19 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 31.03.2019 is being sent by the permitted mode. Members may note that this Notice and Annual Report 2018-19 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 with whom they are maintaining their demat account.
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, maintained under Section 170 and the Register of Contracts or arrangements in which Directors are interested maintained under section 189 of the Companies Act, 2013 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 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time) (IEPF Rules), 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 31.03.2011 to the Investor Education and Protection Fund (IEPF). Shareholders who have not encashed the dividend warrant(s) so far in respect of financial year 31.03.2012 or any subsequent financial years, are requested to make their claims immediately to the Company. It may be noted once the unclaimed dividend is transferred, on the expiry of seven years, to the Investor Education and Protection Fund, as stated here-in, no claim shall lie against the Company in respect thereof. However Members can claim the same from IEPF Authority by following procedure given in IEPF Rules, 2016 as amended. Members who have neither received nor encashed their dividend warrants from the financial year 2011-2012 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 as such amount is due for transfer to said fund in November 04, 2019. 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 Section" and same information has also been uploaded on the website of IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in)
16. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time (IEPF Rules) the Company has transferred 14410 Equity Shares which belongs to total 14 shareholders of the Company whose dividend was not been paid or claimed seven consecutive years or more into the Demat Account of the IEPF Authority held with NSDL (DPID/Client ID IN30078/10656671). Concern shareholders may still claim the shares or apply for refund of dividend to the IEPF Authority by making an application in the prescribed form.
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 25th AGM is given in the Annual Report as per the requirement of the Secretarial Standards-2 on "General Meeting".
19. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.



20. **Mr. Ankit Setia and Mr. Sankesh 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. ANKIT SETIA	MR. SANKESH SETIA
Director Identification Number (DIN)	01133822	06620109
AGE	35 YEARS	32 YEARS
DOB	28-09-1984	31-07-1987
Designation	Executive Director	Executive Director
Qualification	GRADUATE	GRADUATE
Date of Appointment on the Board	30.09.2003	29.09.2014
EXPERTISE IN SPECIFIC AREA	Technical Expert in Export market, Quality Controlling and Production	Expert in export marketing
Shareholding in Chaman Lal Setia Exports Ltd. as on 31.03.2019	158297	276100
Directorship/Memberships/ Chairmanships of Board Committees in Other Companies as on 31.03.2019	None	NONE
Inter-se relationships between Directors & Key Managerial Personnel	Mr. Ankit Setia is an executive Director of the Company and he is a relative of Mr. Chaman Lal Setia, Mr. Vijay Kumar Setia, Mr. Sukarn Setia, Mr. Sankesh Setia and Mr. Rajeev Setia.	Mr. Sankesh Setia is an executive Director of the Company and he is a relative of Mr. Chaman Lal Setia, Mr. Vijay Kumar Setia, Mr. Rajeev Setia, Mr. Sukarn Setia and Mr. Ankit Setia.
No. of Board Meeting Attended	4	5

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

22. Voting Through electronic means

- 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 25th 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).
- 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.
- 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.

4. 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.
5. 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.
6. 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.
7. 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.
8. The resolutions will be deemed to be 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 Wednesday, 25.09.2019 from 10:00 a.m. and ends on Friday 27.09.2019 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. 21.09.2019, 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/Members
- (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 Code/Captcha Code 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:

For Members holding shares in Demat Form and Physical Form	
PAN	<ul style="list-style-type: none"> <li>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> </ul>
	<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> </ul>
	<ul style="list-style-type: none"> <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>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<ul style="list-style-type: none"> <li>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.</li> </ul>
	<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 reach directly 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/captcha 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: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. 21.09.2019 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)

#### **Explanatory Statement Pursuant to Section 102 (1) of the Companies Act, 2013**

##### **ITEM NO. 5:-**

The Shareholders in the Annual General Meeting held on 29.09.2014 appointed Mr. Chaman Lal Setia (Din No. 01125789) as a Managing Director of Company for a period of five years with effect from 21.09.2014.

Ever since his Directorship in the Company has made tremendous strides as reflected by the present prosperous position of the Company.

Accordingly, It is proposed to reappoint Mr. Chaman Lal Setia as Managing Director of the Company for a further period of five years commencing from September 21, 2019 upon the terms and conditions as set out in the resolution mentioned in this item no. 5 of the notice.

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

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

NAME	MR. CHAMAN LAL SETIA
Director Identification Number (DIN)	01125789
AGE	85 YEARS
DOB	04/07/1934
Designation	Managing Director & Chairman
Qualification	Under Graduate
Date of First Appointment on the Board	21.09.1994
EXPERTISE IN SPECIFIC AREA	Vast knowledge in field of manufacturing, Marketing and Management
Shareholding in Chaman Lal Setia Exports Ltd. as on 31.03.2019	11600050
Directorship/Memberships/ Chairmanships of Board Committees in Other Companies as on 31.03.2019	None
Inter-se relationships between Directors & Key Managerial Personnel	Mr. Chaman Lal Setia is a Managing Director & Chairman of the Company and he is a relative of Mr. Rajeev Setia, Mr. Vijay Kumar Setia, Mr. Sukarn Setia, Mr. Sankesh Setia and Mr. Ankit Setia.
No. of Board Meeting Attended	6

These particulars also continue the abstract of the terms of the contract to be proposed entered into with Mr. Chaman Lal Setia which is required to be sent to every member pursuant to section 190 of the Companies Act, 2013.

Mr. Chaman Lal Setia, is not disqualified from being appointed as Directors in terms of Section 164 of the Act and he satisfy all the conditions for being eligible for his re-appointment.

Necessary documents in this regard are available for inspection by the members at the registered office of the Company during business hours on any working day.

Mr.Chaman Lal Setia (Din 01125789) may be deemed to concerned or interested in this resolution. Mr. Rajeev Setia (Din 01125921), Whole Time Director & CFO, Mr. Vijay Kumar Setia, (Din .01125966) Whole Time Director, Mr. Sukarn Setia (Din . 01133561) Whole Time Director, Mr. Ankit Setia (Din . 01133822) Whole Time Director and Mr. Sankesh Setia (Din . 06620109) Wholetime Directors be deemed to be interested in passing of the Resolution being relative of Mr. Chaman Lal Setia.

Save and except the above, none of other Directors, Key Managerial Personnel or any of their relatives are, in any way, concerned or interested, financially or otherwise in the Resolution set out at Item No. 5 of the Notice calling AGM.

The Board of Directors recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

#### **ITEM NO. 6:-**

The Shareholders in the Annual General Meeting held on 29.09.2014 appointed Mr. Sankesh Setia (Din No. 06620109) as a Wholetime Director of Company for a period of five years with effect from 29.09.2014.

Ever since his Directorship in the Company has made tremendous strides as reflected by the present prosperous position of the Company.





Accordingly, the Board of Directors have proposed the re-appointment of Mr. Sankesh Setia as a Whole-time Director of the Company for a further period of five years commencing from 29.09.2019 upon the terms and conditions as set out in the resolution mentioned in this item no. 6 of the notice.

For the sake of brevity the particulars of the proposed remuneration, perquisites and benefits of Mr. Sankesh Setia are not being set out in the explanatory statement and the members are requested to refer to the same as set out in the body of the resolution and further the Personal profile of Mr. Sankesh Setia is already being given under point no. 20 of this notice. Kindly refer that for the same.

These particulars also continue the abstract of the terms of the contract to be proposed entered into with Mr. Sankesh Setia which is required to be sent to every member pursuant to section 190 of the Companies Act, 2013.

Mr. Sankesh Setia, is not disqualified from being appointed as Directors in terms of Section 164 of the Act and he satisfy all the conditions for being eligible for his re-appointment.

Necessary documents in this regard are available for inspection by the members at the registered office of the Company during business hours on any working day.

Mr. Sankesh Setia (Din . 06620109) may be deemed to concerned or interested in this resolution. Mr. Rajeev Setia (Din :-01125921), Whole Time Director & CFO, Mr. Vijay Kumar Setia, (Din :- 01125966) Whole Time Director, Mr. Sukarn Setia (Din :- 01133561) Whole Time Director, Mr. Ankit Setia (Din :- 01133822) Whole Time Director and Mr. Chaman Lal Setia (Din 01125789) Chairman and Managing Director of Company be deemed to be interested in passing of the Resolution being relative of Mr. Sankesh Setia.

Save and except the above, none of other Directors, Key Managerial Personnel or any of their relatives are, in any way, concerned or interested, financially or otherwise in the Resolution set out at Item No. 6 of the Notice calling AGM.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

#### **ITEM NO.7:-**

In terms of Regulation 17 (6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 issued on May 9, 2018 ("Amended Listing Regulations"), the remuneration payable to Executive Directors who are promoters and members of promoter group, shall be subject to the approval of the shareholders by Special Resolution in General Meeting, if, the aggregate annual remuneration payable to such directors exceeds 5% of the net profits of the Company, as calculated under section 198 of the Act, where there is more than one such director.

The approval given by the shareholders shall be valid only till the expiry of the term of such Director.

Mr. Vijay Kumar Setia (DIN: 01125966) was re-appointment as Whole Time Director for a term of five years effective from 01.10.2018 and his remuneration was also approved by the Members of the Company in their Annual General Meeting held on 29.09.2018 by way of Ordinary Resolution.

In order to comply with the requirement of Amended Listing Regulations and on recommendation of Board of Directors, approval of Members by way of Special Resolution is sought for paying his remuneration even if the annual aggregate remuneration payable to Mr. Vijay Kumar Setia, Whole Time Director, Mr. Rajeev Setia Whole Time Director & CFO, Mr. Sukarn Setia, Whole Time Director, Mr. Sankesh Setia, Whole Time Director, Mr. Ankit Setia, Whole Time Director and Mr. Chaman Lal Setia Managing Director & Chairman , exceeds 5% of the net profit of the Company, as calculated under section 198 of the Companies Act, in any year during the remaining tenure of his appointment.

Mr. Vijay Kumar Setia hold 12413610 Equity shares in the Company as on 31.03.2019.

Mr. Vijay Kumar Setia (Din . 01125966) may be deemed to concerned or interested in this resolution. Mr. Sankesh Setia (Din :-06620109), Whole Time Director, Mr. Rajeev Setia, (Din :- 01125921) Whole Time Director & CFO, Mr. Sukarn Setia (Din :- 01133561) Whole Time Director, Mr. Ankit Setia (Din :- 01133822) Whole Time Director and Mr. Chaman Lal Setia (Din 01125789) Chairman and Managing Director of Company be deemed to be interested in passing of the Resolution being relative of Mr. Vijay Kumar Setia.

Save and except the above, none of other Directors, Key Managerial Personnel or any of their relatives are, in any way, concerned or interested, financially or otherwise in the Resolution set out at Item No. 7 of the Notice calling AGM.

The Board of Directors recommended the resolution at Item No. 7 of the Notice for approval of Members by Special Resolution.

#### **ITEM NO. 8:-**

In terms of Regulation 17 (6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 issued on May 9, 2018 ("Amended Listing Regulations"), the remuneration payable to Executive Directors who are promoters and members of promoter group, shall be subject to the approval of the shareholders by Special Resolution in General Meeting, if, the aggregate annual remuneration payable to such directors exceeds 5% of the net profits of the Company, as calculated under section 198 of the Act, where there is more than one such director.

The approval given by the shareholders shall be valid only till the expiry of the term of such Director.

Mr. Rajeev Setia (DIN: 01125921) was re-appointed as Whole Time Director for a term of five years effective from 01.10.2018 and his remuneration was also approved by the Members of the Company in their Annual General Meeting held on 29.09.2018 by way of Ordinary Resolution.

In order to comply with the requirement of Amended Listing Regulations and on recommendation of Board of Directors, approval of Members by way of Special Resolution is sought for paying his remuneration even if the annual aggregate remuneration payable to Mr. Rajeev Setia, Whole Time Director & CFO, Mr. Vijay Kumar Setia Whole Time Director, Mr. Sukarn Setia, Whole Time Director, Mr. Sankesh Setia, Whole Time Director, Mr. Ankit Setia, Whole Time Director and Mr. Chaman Lal Setia Managing Director & Chairman, exceeds 5% of the net profit of the Company, as calculated under section 198 of the Companies Act, in any year during the remaining tenure of his appointment.

Mr. Rajeev Setia hold 13081750 Equity shares in the Company as on 31.03.2019.

Mr. Rajeev Setia (Din . 01125921) may be deemed to concerned or interested in this resolution. Mr. Sankesh Setia (Din :-06620109), Whole Time Director, Mr. Vijay Kumar Setia, (Din :- 01125966) Whole Time Director, Mr. Sukarn Setia (Din :- 01133561) Whole Time Director, Mr. Ankit Setia (Din :- 01133822) Whole Time Director & Mr. Chaman Lal Setia (Din 01125789) Chairman and Managing Director of Company be deemed to be interested in passing of the Resolution being relative of Sh. Rajeev Setia.

Save and except the above, none of other Directors, Key Managerial Personnel or any of their relatives are, in any way, concerned or interested, financially or otherwise in the Resolution set out at Item No. 8 of the Notice calling AGM.

The Board of Directors recommended the resolution at Item No. 8 of the Notice for approval of Members by Special Resolution.

#### **ITEM NO. 9 :-**

In terms of Regulation 17 (6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 issued on May 9, 2018 ("Amended Listing Regulations"), the remuneration payable to Executive Directors who are promoters and members of promoter group, shall be subject to the approval of the



shareholders by Special Resolution in General Meeting, if, the aggregate annual remuneration payable to such directors exceeds 5% of the net profits of the Company, as calculated under section 198 of the Act, where there is more than one such director.

The approval given by the shareholders shall be valid only till the expiry of the term of such Director.

Mr. Sukarn Setia (DIN: 01133561) was re-appointed as Whole Time Director for a term of five years effective from 01.10.2018 and his remuneration was also approved by the Members of the Company in their Annual General Meeting held on 29.09.2018 by way of Ordinary Resolution.

In order to comply with the requirement of Amended Listing Regulations and on recommendation of Board of Directors, approval of Members by way of Special Resolution is sought for paying his remuneration even if the annual aggregate remuneration payable to Mr. Sukarn Setia, Whole Time Director, Mr. Rajeev Setia Whole Time Director & CFO, Mr. Vijay Kumar Setia, Whole Time Director, Mr. Sankesh Setia, Whole Time Director, Mr. Ankit Setia, Whole Time Director and Mr. Chaman Lal Setia Managing Director & Chairman, exceeds 5% of the net profit of the Company, as calculated under section 198 of the Companies Act, in any year during the remaining tenure of his appointment.

Mr. Sukarn Setia hold 44465 Equity shares in the Company as on 31.03.2019.

Mr. Sukarn Setia (Din . 01133561) may be deemed to concerned or interested in this resolution. Mr. Sankesh Setia (Din :-06620109), Whole Time Director, Mr. Rajeev Setia, (Din :- 01125921) Whole Time Director & CFO, Mr. Vijay Kumar Setia (Din :- 01125966) Whole Time Director, Mr. Ankit Setia (Din :- 01133822) Whole Time Director & Mr. Chaman Lal Setia (Din 01125789) Chairman and Managing Director of Company be deemed to be interested in passing of the Resolution being relative of Mr. Sukarn Setia.

Save and except the above, none of other Directors, Key Managerial Personnel or any of their relatives are, in any way, concerned or interested, financially or otherwise in the Resolution set out at Item No. 9 of the Notice calling AGM.

The Board of Directors recommended the resolution at Item No. 9 of the Notice for approval of Members by Special Resolution.

#### **ITEM NO. 10 :-**

In terms of Regulation 17 (6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 issued on May 9, 2018 ("Amended Listing Regulations"), the remuneration payable to Executive Directors who are promoters and members of promoter group, shall be subject to the approval of the shareholders by Special Resolution in General Meeting, if, the aggregate annual remuneration payable to such directors exceeds 5% of the net profits of the Company, as calculated under section 198 of the Act, where there is more than one such director.

The approval given by the shareholders shall be valid only till the expiry of the term of such Director.

Mr. Sankesh (DIN: 06620109) was re-appointed as Whole Time Director for a term of five years effective from 29.09.2014 and his reappointment for further period of five years is recommended for shareholder approval in this 25th Annual General Meeting vide item no. 6 of this notice.

In order to comply with the requirement of Amended Listing Regulations and on recommendation of Board of Directors, approval of Members by way of Special Resolution is sought for paying his remuneration even if the annual aggregate remuneration payable to Mr. Sankesh Setia, Whole Time Director, Mr. Rajeev Setia Whole Time Director & CFO, Mr. Sukarn Setia, Whole Time Director, Mr. Vijay Kumar Setia, Whole Time Director, Mr. Ankit Setia, Whole Time Director and Mr. Chaman Lal Setia Managing Director & Chairman, exceeds 5% of the net profit of the Company, as calculated under section 198 of the Companies Act, in any year during the remaining tenure of his appointment.

Mr. Sankesh Setia hold 276100 Equity shares in the Company as on 31.03.2019.

Mr. Sankesh Setia (Din . 06620109) may be deemed to concerned or interested in this resolution. Mr. Vijay Kumar Setia (Din :-01125966), Whole Time Director, Mr. Rajeev Setia (Din :- 01125921) Whole Time Director & CFO, Mr. Sukarn Setia (Din :- 01133561) Whole Time Director, Mr. Ankit Setia (Din :- 01133822) Whole Time Director & Mr. Chaman Lal Setia (Din 01125789) Chairman and Managing Director of Company be deemed to be interested in passing of the Resolution being relative of Mr. Sankesh Setia.

Save and except the above, none of other Directors, Key Managerial Personnel or any of their relatives are, in any way, concerned or interested, financially or otherwise in the Resolution set out at Item No. 10 of the Notice calling AGM.

The Board of Directors recommended the resolution at Item No. 10 of the Notice for approval of Members by Special Resolution.

**ITEM NO. 11:-**

In terms of Regulation 17 (6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 issued on May 9, 2018 ("Amended Listing Regulations"), the remuneration payable to Executive Directors who are promoters and members of promoter group, shall be subject to the approval of the shareholders by Special Resolution in General Meeting, if, the aggregate annual remuneration payable to such directors exceeds 5% of the net profits of the Company, as calculated under section 198 of the Act, where there is more than one such director.

The approval given by the shareholders shall be valid only till the expiry of the term of such Director.

Mr. Ankit Setia (DIN: 01133822) was re-appointment as Whole Time Director for a term of five years effective from 01.10.2018 and his remuneration was also approved by the Members of the Company in their Annual General Meeting held on 29.09.2018 by way of Ordinary Resolution.

In order to comply with the requirement of Amended Listing Regulations and on recommendation of Board of Directors, approval of Members by way of Special Resolution is sought for paying his remuneration even if the annual aggregate remuneration payable to Mr. Ankit Setia, Whole Time Director, Mr. Rajeev Setia Whole Time Director & CFO, Mr. Sukarn Setia, Whole Time Director, Mr. Sankesh Setia, Whole Time Director, Mr. Vijay Kumar Setia, Whole Time Director and Mr. Chaman Lal Setia Managing Director & Chairman , exceeds 5% of the net profit of the Company, as calculated under section 198 of the Companies Act, in any year during the remaining tenure of his appointment.

Mr. Ankit Setia hold 158297 Equity shares in the Company as on 31.03.2019.

Mr. Ankit Setia (Din . 01133822) may be deemed to concerned or interested in this resolution. Mr. Sankesh Setia (Din :-06620109), Whole Time Director, Mr. Rajeev Setia, (Din :- 01125921) Whole Time Director & CFO, Mr. Sukarn Setia (Din :- 01133561) Whole Time Director, Mr. Vijay Kumar Setia (Din :- 01125966) Whole Time Director & Mr. Chaman Lal Setia (Din 01125789) Chairman and Managing Director of Company be deemed to be interested in passing of the Resolution being relative of Mr. Ankit Setia.

Save and except the above, none of other Directors, Key Managerial Personnel or any of their relatives are, in any way, concerned or interested, financially or otherwise in the Resolution set out at Item No. 11 of the Notice calling AGM.

The Board of Directors recommended the resolution at Item No. 11 of the Notice for approval of Members by Special Resolution.

**ITEM NO. 12:-**

In terms of Regulation 17 (6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 issued on May 9, 2018 ("Amended Listing Regulations"), the remuneration payable to Executive Directors who are promoters and members of promoter group, shall be subject to the approval of the



shareholders by Special Resolution in General Meeting, if, the aggregate annual remuneration payable to such directors exceeds 5% of the net profits of the Company, as calculated under section 198 of the Act, where there is more than one such director.

The approval given by the shareholders shall be valid only till the expiry of the term of such Director.

Mr. Chaman Lal Setia (DIN: 01125789) was re-appointed as Managing Director for a term of five years effective from 21.09.2014 in the Annual General Meeting held on 29.09.2014 and his reappointment for further period of five years is recommended for shareholder approval in this 25th Annual General Meeting vide item no. 5 of this notice.

In order to comply with the requirement of Amended Listing Regulations and on recommendation of Board of Directors, approval of Members by way of Special Resolution is sought for paying his remuneration even if the annual aggregate remuneration payable to Mr. Chaman Lal Setia Managing Director & Chairman, Mr. Rajeev Setia Whole Time Director & CFO, Mr. Sukarn Setia, Whole Time Director, Mr. Vijay Kumar Setia, Whole Time Director, Mr. Ankit Setia, Whole Time Director and Mr. Sankesh Setia Whole time Director, exceeds 5% of the net profit of the Company, as calculated under section 198 of the Companies Act, in any year during the remaining tenure of his appointment.

Mr. Chaman Lal Setia hold 11600050 Equity shares in the Company as on 31.03.2019.

Mr. Chaman Lal Setia (Din : 01125789) may be deemed to be concerned or interested in this resolution. Mr. Vijay Kumar Setia (Din :-01125966), Whole Time Director, Mr. Rajeev Setia, (Din :- 01125921) Whole Time Director & CFO, Mr. Sukarn Setia (Din :- 01133561) Whole Time Director, Mr. Ankit Setia (Din :- 01133822) Whole Time Director & Mr. Sankesh Setia (Din : 06620109) Whole Time Director of Company be deemed to be interested in passing of the Resolution being relative of Mr. Chaman Lal Setia.

Save and except the above, none of other Directors, Key Managerial Personnel or any of their relatives are, in any way, concerned or interested, financially or otherwise in the Resolution set out at Item No. 12 of the Notice calling AGM.

The Board of Directors recommended the resolution at Item No. 12 of the Notice for approval of Members by Special Resolution.

#### **ITEM NO. 13, 14 and 15:-**

As the first term of Mr. Inder Dev Kukkar (DIN:- 01193209), Mr. Naresh Kumar Suneja (DIN:- 01383235) and Mr. Raghav Peshawaria (DIN : 01386434) as Independent Director of Company was going to be completed on 31.03.2019. Accordingly, Board of Directors, on the recommendation of the Nomination & Remuneration Committee, appointed them as Additional Director w.e.f 01.04.2019 under Section 161(1) of the Companies Act, 2013 and as an Independent Non-Executive Director of the Company for five consecutive years under Section 149 of the Companies Act, 2013 subject to the approval of the shareholders in ensuing general meeting of Company.

The Board considers that their association and vast experience would be of immense benefit to the Company and it is desirable to avail services of Mr. Inder Dev Kukkar, Mr. Naresh Kumar Suneja and Mr. Raghav Peshawaria as Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Inder Dev Kukkar, Mr. Naresh Kumar Suneja and Mr. Raghav Peshawaria as Independent Director for second term for five consecutive years for a term upto 31.03.2024, for the approval by the shareholders of the Company.

In the opinion of the Board, Mr. Inder Dev Kukkar, Mr. Naresh Kumar Suneja and Mr. Raghav Peshawaria are persons of integrity and possesses relevant expertise and experience and fulfills the conditions for appointment as a director as specified in the Companies Act, 2013 and SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.



Brief profile of Mr. Inder Dev Kukkar, Mr. Naresh Kumar Suneja and Mr. Raghav Peshawaria are given below :-

NAME	INDER DEV KUKKAR	NARESH KUMAR SUNEJA	RAGHAV PESHAWARIA
Director Identification Number (DIN)	01193209	01383235	01386434
AGE	66 YEARS	65 YEARS	43 years
DOB	20.01.1953	15.12.1954	22.12.1976
Designation	INDEPENDENT DIRECTOR	INDEPENDENT DIRECTOR	INDEPENDENT DIRECTOR
Qualification	GRADUATE	GRADUATE	GRADUATE
Date of First Appointment on the Board	26/05/1997	30.09.2002	29.09.2004
EXPERTISE IN SPECIFIC AREA	having knowledge and specialization in marketing of various products. His vast experience and knowledge plays immense role in business.	having experience of more than 40 years in yarn and woolen business.	Vast experience in the field of interior and furnishing
Shareholding in Chaman Lal Setia Exports Ltd. as on 31.03.2019	1650	NIL	None
Directorship/Memberships/Chairmanships of Board OR Committees in Other Companies as on 31.03.2019	None	None	None
Inter-se relationships between Directors & Key Managerial Personnel	NO	NO	NO
No. of Board Meeting Attended	6	6	6

None of the Directors/ Key Managerial Personnel of the Company/ their relatives except Mr. Inder Dev Kukkar, Mr. Naresh Kumar Suneja and Mr. Raghav Peshawaria are in any way concerned or interested, financially or otherwise in the resolution set out at Item No. 13, 14 and 15 of the Notice calling AGM..

Necessary documents in this regard are available for inspection by the members at the registered office of the Company during business hours on any working day.

The Board of Directors recommend the Special Resolution set out at item no. 13, 14 and 15 of the Notice for approval by shareholders.

#### **ITEM NO. 16:-**

Mrs. Amarjyoti Bagga (DIN: 06958408) was appointed as an Independent Director on the Board of Directors of the Company in the Annual General Meeting (AGM) held in the year 2014 to hold office for a period of 5 (five) years with effect from 29.09.2014 (the date of AGM 2014). In terms of Section 149 of the Companies Act, 2013, an Independent Director is eligible for re-appointment on passing of Special Resolution.

Mrs. Amarjyoti Bagga being eligible and offering herself for re-appointment, is proposed to be appointed as an Independent Director for a Second Term of 5 (five) years from 29.09.2019 to 28.09.2024. In the opinion of the Board, Mrs. Amarjyoti Bagga fulfills the conditions specified in the Act and rules made thereunder for her re-appointment as an Independent Director of the Company and is Independent of the Management.



In the opinion of the Board, Mrs. Amarjyoti Bagga is person of integrity and possesses relevant expertise and experience and fulfills the conditions for appointment as a director as specified in the Companies Act, 2013 and SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Personal profile of Mrs. Amarjyoti Bagga is given below:-

<b>NAME</b>	<b>MRS. AMARJYOTI BAGGA</b>
Director Identification Number (DIN)	06958408
AGE	42 years
DOB	28.03.1977
Designation	INDEPENDENT DIRECTOR
Qualification	GRADUATE
Date of First Appointment on the Board	29.09.2014
EXPERTISE IN SPECIFIC AREA	Having vast experience in teaching and marketing business
Shareholding in Chaman Lal Setia Exports Ltd. as on 31.03.2019	None
Directorship/Memberships/ Chairmanships of Board Committees in Other Companies as on 31.03.2019	None
Inter-se relationships between Directors & Key Managerial Personnel	NO
No. of Board Meeting Attended	5

None of the Directors/ Key Managerial Personnel of the Company/ their relatives except Mrs. Amar Jyoti Bagga is in any way concerned or interested, financially or otherwise in the resolution set out at Item No. 16 of the Notice calling AGM.

Necessary documents in this regard are available for inspection by the members at the registered office of the Company during business hours on any working day.

The Board of Directors recommend the Special Resolution set out at item no. 16 of the Notice for approval by shareholders.

#### **ITEM NO. 17:-**

The Members of the Company at their 21st Annual General Meeting of the Company held on 29.09.2015, had approved the appointment of Mr. Vijay Kumar Jhamb (DIN :-07021080) as an Independent Directors of the Company for a period of five years from 13.10.2014 to 12.10.2019, pursuant to provisions of Section 149, 152 and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Listing Agreements with the Stock Exchange. His appointment as an Independent Directors of the Company will be upto the close of business hours on 12.10.2019 in his present first term.

The Board of Directors considers that Mr. Vijay Kumar Jhamb is having requisite expertise, versatility, extensive and enriched experience and fulfills the conditions for appointment as a director as specified in the Companies Act, 2013 and SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly Board of Directors decided to re-appoint Mr. Vijay Kumar Jhamb for a further period of five years.

Mr. Vijay Kumar Jhamb, being eligible and offering himself for re-appointment, is proposed to be appointed as an Independent Director for a Second Term of 5 (five) years from 13.10.2019 to 12.10.2024. In the opinion of the Board, Mr. Vijay Kumar Jhamb fulfills the conditions specified in the Act and rules made thereunder for his re-appointment as an Independent Director of the Company and is Independent of the Management.

The Personal profile of Mr. Vijay Kumar Jhamb is given below:-

<b>NAME</b>	<b>MR. VIJAY KUMAR JHAMB</b>
Director Identification Number (DIN)	07021080
AGE	67 YEARS
DOB	04.02.1952
Designation	INDEPENDENT DIRECTOR
Qualification	GRADUATE
Date of First Appointment on the Board	13.10.2014
EXPERTISE IN SPECIFIC AREA	Vast Experience in insurance business
Shareholding in Chaman Lal Setia Exports Ltd. as on 31.03.2019	None
Directorship/Memberships/ Chairmanships of Board Committees in Other Companies as on 31.03.2019	None
Inter-se relationships between Directors & Key Managerial Personnel	NO
No. of Board Meeting Attended	6

None of the Directors/ Key Managerial Personnel of the Company/ their relatives except Mr. Vijay Kumar Jhamb is in any way concerned or interested, financially or otherwise in the resolution set out at Item No. 17 of the Notice calling AGM.

Necessary documents in this regard are available for inspection by the members at the registered office of the Company during business hours on any working day.

The Board of Directors recommend the Special Resolution set out at item no. 17 of the Notice for approval by shareholders.

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

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

Place: Amritsar  
Dated: 28-08-2019

## DIRECTOR'S REPORT

To,  
The Members,  
Chaman Lal Setia Exports Ltd.

Your Directors have pleasure in presenting before you the 25TH Annual Report on the business and operations of the Company, together with the Audited Financial Statements for the financial year ended 31.03.2019

### 1. Overview of financial performance and business operations

The financial and operating highlights for the year under review, compared with the previous Financial years, are given below:-

**The Company's financial performance, for the year ended March 31, 2019 is summarised below**

Particulars	Amount (in Lacs) FY 2018-2019	Amount (in Lacs) FY 2017-2018
<b>Revenue From Operations</b>	76499.24	74656.26
Other Income	222.03	174.80
Total Income	76721.27	74831.06
Profit before Interest & Depreciation	6390.61	7010.79
Interest	661.67	600.25
Provision For Depreciation	440.35	405.19
Profit before Tax	5288.59	6005.35
Less Provisions for taxation	1848.00	1840.09
Profit after taxation	3440.59	4165.26
Other Comprehensive Income	0	0
Total Comprehensive Income	3440.59	4165.26
Transfer to General Reserve	344.05	416.53
Current Assets	35565.22	30279.27
Current Liabilities	11497.52	10203.31
Working Capital	24067.80	20075.96
Capital Employed	27087.04	23037.93
EPS	6.65	8.05
Book Value	43.60	37.53

### 2. IND-AS APPLICABILITY:-

The Company has adopted the Indian Accounting Standard ('IND AS') w.e.f. 01.04.2017. These financial statements have been prepared in accordance with the recognition and measurement principles stated therein and as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and the other accounting principles generally accepted in India.

### 3. REVIEW OF OPERATIONS:-

For the year ended 31st March 2019 the Company's revenue from operations was 76499.24 lakhs as against 74656.26 lakhs during the corresponding period of previous financial year. Further Profit Before Tax 5288.59 as against 6005.35 lakhs for the same period during the previous year. Profit declined a little bit due to loss in foreign currency realisation in the case of export.

#### **4. HIGHLIGHTS OF PERFORMANCE:**

During the year under review the Company has registered a sale of Rs 76975.86. Lakhs against previous year sales of Rs.73907.47lakhs.

#### **5. EXPORTS**

The Company continues to strengthen its exports during the year 2018-2019. Exports during the year increased to Rs. 68442.24 lakhs from Rs 65076.83. lakhs in financial year 2017-18

#### **6. NAMES OF COMPANIES WHICH HAVE 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.

#### **7. TRANSFER TO RESERVES**

The Company has transferred an amount of Rs.344.05 Lakhs to General reserves during the Financial year.

#### **8. DIVIDEND**

The Board of Directors of Company have recommended final dividend of Rs. 0.48 per equity share of Rs. 2/- each (i.e. 24%) for the financial year ended March 31, 2019 in their Board Meeting held on 29.05.2019 on Equity Share Capital of Company. The dividend payment is subject to approval of shareholders in the ensuing Annual General Meeting .

#### **9. TRANSFER OF UNCLAIMED DIVIDEND/SHARES 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. 240025/- was lying unpaid/unclaimed with the Company for a period of seven years after Declaration of Dividend for the financial year ended 2010-2011 was transferred to the Investor Education and Protection Fund .The Unpaid / Unclaimed amount for the Financial Year 2011-12 will be transferred during November 2019. Shareholders are, therefore, advised to contact the Company immediately in case of non-receipt or non encashment of Dividend.

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority ( Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time (IEPF Rules) the Company has transferred 14410 Equity Shares which belongs to total 14 shareholders of the Company whose dividend was not been paid or claimed seven consecutive years or more into the Demat Account of the IEPF Authority held with NSDL (DPID/Client ID IN30078/10656671)

Before transferring the above mentioned shares the Company has sent out individual communication to the concerned shareholders whose shares were liable to be transferred to IEPF Authorities to take immediate action in the matter and list of such shareholders was also placed on the website of the Company. Further Company also published a Notice in the newspapers, informing the Members who had not claimed their shares for a period of 7 years to claim the same from the Company.

Concern shareholders may still claim the shares or apply for refund to the IEPF Authority by making an application in the prescribed form. The voting rights on shares transferred to the IEPF Authority shall remain frozen until the rightful owner claims the shares. The shares held in such Demat account shall not be transferred or dealt with in any manner whatsoever except for the purposes of transferring the shares back to the claimant as and when he approaches the Authority. All benefits accruing on such shares e.g. bonus shares, split. Consolidation, fraction shares etc. shall also be credited to such Demat Account.

Mrs. Kanika Nevatia Company Secretary cum compliance officer of Company has been appointed as nodal officer of Company and an investor can contact at [clsetia@rediffmail.com](mailto:clsetia@rediffmail.com).

Details of unclaimed dividend and year of transfer:-

Year of declaration	Balance as on 31.03.2019 (in lakhs)	Due date of transfer to IEPF
2012	2.48	04.11.2019
2013	2.24	03.11.2020
2014	3.29	04.11.2021
2015	2.10	04.11.2022
2016	2.50	18.04.2023
2017	2.55	03.11.2024
2018	1.98	04.11.2025

**10. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL INCLUDING THOSE WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR AND TILL THE DATE OF THIS REPORT:-**

During the year, in Board Meeting held on 29.05.2018 Mr. Parmod Kumar has given his resignation and Company appointed Mr. Arun Kumar Verma as an additional Director of Company w.e.f 29.05.2018 and in Annual General Meeting held on 29.09.2018 Company regularised appointment of Mr. Arun Kumar Verma from additional Director to Independent Director.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Ankit Setia (DIN:- 01133822) and Mr. Sankesh Setia (DIN 06620109) wholetime Director of Company is liable to retire by rotation at ensuing Annual General Meeting, and being eligible, for re-appointment in accordance with provisions of the Companies Act, 2013.

Further as first term of three Independent Directors were going to be completed on 31.03.2019, therefore Board of Directors of Company at their meeting held on 30.03.2019, re-appointed Mr. Inder Dev Kukar, Mr. Raghav Peshawaria and Mr. Naresh Kumar Suneja for a further period of 5 years w.e.f 01.04.2019 subject to approval of shareholders in ensuing general meeting of Company. They have been re-appointed under the category of additional non executive Independent Director. Accordingly in this 25th Annual General Meeting of Company their re-appointment for a period of 5 years w.e.f 01.04.2019 to 31.03.2024 and regularization from additional Director to Independent Director are proposed for shareholder approval.

Further the first term of Mrs. Amar Jyoti Bagga(DIN:- 06958408) an Independent Non-Executive Director of Company is going to expire in ensuing AGM of Company. The Board of Directors of Company as per recommendation of Nomination and Remuneration Committee at their Meeting held on 28.08.2019 has approved her re-appointment as Independent Non-Executive Director of the Company for a second term of 5 (five) consecutive years w.e.f 29.09.2019 to 28.09.2024, subject to approval of the members by way of special resolution in the ensuing AGM.

Further the first term of Mr. Vijay Kumar Jhamb (DIN:-07021080) an Independent Non-Executive Director of Company is going to expire on 12.10.2019. The Board of Directors of Company as per recommendation of Nomination and Remuneration Committee at their Meeting held on 28.08.2019 has approved his re-appointment as Independent Non-Executive Director of the Company for a second term of 5 (five) consecutive years w.e.f 13.10.2019 to 12.10.2024, subject to approval of the members by way of special resolution in the ensuing AGM.

Further the existing term of Mr. Chaman Lal Setia (DIN:- 01125789) Managing Director and Chairman of Company is going to expire on 20.09.2019. Considering the recommendation of Nomination and Remuneration Committee of the Company, The Board of Directors of Company at their Meeting held on 28.08.2019 has approved his re-appointment for further period of five years w.e.f 21.09.2019 to 20.09.2024 subject to approval of the members by way of special resolution in the ensuing AGM.

Further the existing term of Mr. Sankesh Setia (DIN:- 06620109) Executive Director of Company is going to expire on 28.09.2019. Considering the recommendation of Nomination and Remuneration Committee of the Company, The Board of Directors of Company at their Meeting held on 28.08.2019 has recommended his re-appointment for

further period of five years w.e.f 29.09.2019 to 28.09.2024 subject to approval of the members by way of ordinary resolution in the ensuing AGM.

The details of the Directors being recommended for re-appointment as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the accompanying Notice convening the ensuing Annual General Meeting of the Company. Appropriate Resolution(s) seeking your approval to the re-appointment of Directors are also included in the Notice.

The detailed section on 'Board of Directors' is given in the separate section titled 'Report on Corporate Governance' forming part of this Annual Report.

#### **11. 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 Obligations and Disclosure Requirements) Regulations, 2015 .

#### **12. 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. Rajeew Setia, Wholetime Director and Chief Financial Officer and Mrs. Kanika Nevatia, Company Secretary are the Key Managerial Personnel of the Company.

#### **13. 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, the Board accepted the recommendations of Audit Committee whenever made by the Committee during the year. The Audit Committee is comprising of Mr. Inder Dev Kukkar as Chairman, Mr. Naresh Kumar Suneja and Mr. Vijay Kumar Jhamb as members.

#### **14. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

During the Financial year 2018-2019, the Board of Directors duly met 6 times on 29.05.2018, 03.08.2018, 28.08.2018, 14.11.2018, 07.02.2019 and 30.03.2019. 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.

Pursuant to the requirements of Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, a separate Meeting of the Independent Directors of the Company was also held on 30.03.2019 without the presence of Non-Independent Directors and Members of the management and full details of such meeting is given in Corporate Governance Report forming part of this report.

#### **15. 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 framework is monitored, reviewed and updated by the Board, in consultation with the Nomination and Remuneration Committee, based on need and new compliance requirements. The annual performance evaluation of the Board, its Committees and each Director has been carried out for the financial year 2018-19 in accordance with the framework and details for the same has been provided in the Corporate Governance Report, which is a part of this Annual Report.

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 ), a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning,

composition of Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Director was completed during the year under review. The performance evaluation of the Chairman and Executive Directors were carried out by Non-Executive Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

#### **16. 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, 2019, the applicable Indian Accounting Standards (Ind AS) have been followed along with proper explanation being provided relating to material departure, if any;
- (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, 2019 and of the profit of the company for the Financial year ended March, 31, 2019;
- (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, 2019 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.

#### **17. MANAGEMENT DISCUSSION AND ANALYSIS REPORT :-**

The 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.

#### **18. 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 outgo, 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.

#### **19. GENERAL SHAREHOLDER INFORMATION**

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

#### **20. 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**' which forms part of this Report.

## **21. EXTRACT OF ANNUAL RETURN :-**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as '**Annexure C**'

## **22. STATUTORY AUDITOR AND THEIR REPORT :-**

M/s. R Chopra & Associates Chartered Accountants, (FRN: 022992N) were appointed as Statutory Auditors of the Company in the 23rd AGM (held on 28th September, 2017) to hold office for a period of 5 years until the conclusion of the 28th AGM subject to ratification at every Annual General Meeting.

However in accordance with the Companies Amendment Act, 2017, enforced on 07th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditor is not required to be ratified at every Annual General Meeting. Therefore, they will continue as Statutory Auditor for next financial year.

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Report that may call for any explanation from the Directors. Further the notes to accounts referred to in the Auditor's Report are self-explanatory.

## **23. SECRETARIAL AUDITORS**

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 2018-2019 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 2018-19 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.

### **Annual Secretarial Compliance Report**

A Secretarial Compliance Report for the financial year ended 31st March, 2019 on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from M/s Sunil Dhawan & Associates, Secretarial Auditors, and submitted to the stock exchange too and same is also enclosed as **Annexure D** to this report.

## **24. 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.

## **25. 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. Mr. Arun Kumar Verma independent Director and Chairman of CSR Committee, Mr. Rajeev Setia and Mr. Vijay Setia Executive Directors of Company as other members of CSR Committee. 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.

## 26. 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.

## 27. CREDIT RATING

Following are the details of Credit Rating :-

Facilities	Amount (Rs. Crore)	Rating	Rating Action
Long-Term/Short Term facilities	100.00 (enhanced from Rs. 75 crore)	CARE A-; Stable/Care A2+ (Single A Minus; Outlook; Stable/A Two Plus	Reaffirmed
Total Facilities	100.00 (Rs. One Hundred Crore Only)		

DUN & BRAD STREET	During the year Dun & Bradstreet has given Rating of 5A2 which implies that the Company has a tangible networth of INR 645,950,000 and above as per latest available audited financial statements. Composite appraisal 2 indicates that the overall status of Company is good.
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## 28. 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,

## 29. DISCLOSURE ON DEPOSITS FROM PUBLIC

During the year under review, the Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the ambit of Section 73 of the Companies Act, 2013 and the rules framed thereunder.

## 30. 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 31.03.2019, about 98.90% of the Company's Equity Shares has been held in dematerialized form.

## 31. SHARE CAPITAL OF THE COMPANY :-

The Paid-up equity share capital of the Company as on March 31, 2019 was Rs. 1034.67 lakhs. There has been no change in the Equity Share Capital of the Company during the year. The Company has no other type of securities except equity shares forming part of paid-up capital.

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 – 400001

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

During the financial year ended March 31, 2019, 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.

**33. PARTICULARS OF CONTRACTS/ARRANGEMENTS/TRANSACTIONS WITH RELATED PARTIES UNDER SECTION 188(1) OF COMPANIES ACT, 2013**

All Contracts/arrangements/transactions entered by the Company during the financial year 2018-2019 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 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 Indian Accounting Standard Ind AS 24 are set out in Note 13(ii)a to the Standalone 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).

**34. DETAILS OF ESTABLISHMENT OF 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).

**35. 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.

**36. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURED SINCE 31ST MARCH, 2019 TILL THE DATE OF THIS REPORT :-**

There has been no material change/commitment affecting the financial position of the Company which have occurred since 31st March, 2019 till the date of this Report.

**37. LISTING WITH STOCK EXCHANGE**

The Company confirms that it has paid the Annual Listing fee for the year 2019-2020 to BSE where the Company's Shares are listed.

### **38. DETAILS IN RESPECT OF 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.

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

The 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). 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.

Further in Compliance with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, Board of Directors in their Board Meeting held on 30.03.2019 have approved the revised "Code of Conduct i.e. Code of Internal Procedures & Practices for fair disclosure of Unpublished Price Sensitive Information and Conduct for Regulating, Monitoring and Reporting of trading by insiders and said revised code which became is effective from 01.04.2019.

### **40 . 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.

### **41. 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.

### **42. REPORTING OF FRAUDS**

There have been no material 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.

### **43. CHANGE IN NATURE OF BUSINESS, IF ANY :-**

There is no change in the nature of Business of Company during the financial year ended 31.03.2019.

### **44. DIVERSITY OF THE BOARD:-**

The Company believes that diversity is important to the work culture at any organisation. In particular, a diverse Board, among others, will enhance the quality of decisions by utilizing different skills, qualifications and professional experience for achieving sustainable and balances development.

### **45. COMPLIANCES WITH SECRETARIAL STANDARDS**

During the year, the Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government under section 118(10) of the Act.

**46. RECLASSIFICATION OF CERTAIN SHAREHOLDERS FROM PROMOTER AND PROMOTER GROUP TO PUBLIC:-**

The Board of Directors received request letters from certain shareholders falling under category of Promoter & Promoter Group for reclassification and accordingly Board has given approval for said reclassification in Board Meeting held on 28.08.2018 subject to approval of shareholders and Stock Exchange. Further in Annual General Meeting held on 29.09.2018, approval for reclassification has also been given by the shareholders by passing special resolution and further BSE vide their letter dated 18.12.2018 has also given their approval and same was also reported to Stock Exchange. Due to this reclassification, shareholding from Promoter and Promoter group reduced to 73.85% from 74.05%.

**47. ACKNOWLEDGEMENT:**

The Board places on record its appreciation for the continued co-operation and support extended to the Company by its customers which enables the Company to make every effort in understanding their unique needs and deliver maximum customer satisfaction. We place on record our appreciation of the contribution made by the employees at all levels, whose hard work, co-operation and support helped us face all challenges and deliver results.

We acknowledge the support of our Members of Company, vendors, the regulators, the esteemed league of bankers, financial institutions, rating agencies, government agencies, Stock Exchange, depositories, auditors, consultants, business associates and other stakeholders.

For and on behalf of the Board of Directors

Place: Amritsar  
Date: 28.08.2019

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, 2019

### **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. Further Company is introducing a new aerodynamic system for classification of paddy so that processing can be improved. Healthy and weak grain will be processed separately. Rice from weak grain, which gets crushed into small/fine particles and lost in rice bran, will be now recovered. With this technology quality of rice and rice bran will be improve. Further recovery of high protein rice grains will be separately possible and total rice recovery will also be improved.

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

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

Development of a system and method for parboiling paddy that obviates husk of paddy from splitting

Development of 100% insect killing technique by using 1/3rd of Pesticides

Development of quick cooking Brown Rice;

Use of Neem as Bio-pesticide;

Improvement in Parboiling for improvement in quality parameters;

Use of Plastic Buckets in parboiling plant thus reducing cost;

Development of Bhatti Sella through automation for the first time in India;

Reducing broken in paddy with very high sun checks under process.

Rice bran stabilization for human consumption under process.

Making bio-compost from waste and reject of paddy under process.

ii) Benefits 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.

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.

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: 28.08.2019

sd/-  
Chaman Lal Setia  
Chairman & 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

### PARTICULARS OF REMUNERATION

1. The Ratio of the Remuneration of each Director to the Median Remuneration of the Employees of the Company For the Financial Year 2018-2019:

Name of the Directors	Ratio of Median Remuneration
Mr. Chaman Lal Setia	79.87
Mr. Vijay Kumar Setia	81.94
Mr. Rajeev Setia	60.65
Mr. Sukarn Setia	9.83
Mr. Ankit Setia	39.74
Mr. Sankesh Setia	40.63

2. The percentage increase in remuneration of each Director, Managing Director, Chief Financial Officer and Company Secretary, if any, in the Financial year 2018-19 :-

Name	Designation	% increase
Mr. Chaman Lal Setia	Managing Director	*
Mr. Vijay Kumar Setia	Whole Time Director	**
Mr. Rajeev Setia	Whole Time Director & CFO	**
Mr. Sukarn Setia	Whole Time Director	*
Mr. Ankit Setia	Whole Time Director	NIL
Mr. Sankesh Setia	Whole Time Director	**
Mrs. Kanika Nevtia	Company Secretary	5.82

\* 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 there is no increase in the salary of afrosaid directors.

3. The percentage increase in the Median Remuneration of Employees in the Financial Year 2018-2019

The percentage increase in the median remuneration of employees during the year is 9.23%

4. The number of permanent employees on the rolls of Company as on 31st March, 2019 : 156

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 the Financial Year 2018-19 was 8.20 %, 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	1,49,54,108	Under Graduate	46	21.09.1994	85	First Employment
2	Mr. Vijay Kumar Setia	Wholetime Director	1,53,40,578	Graduate	42	21.09.1994	66	First Employment
3	Mr. Rajeev Setia	Wholetime Director & CFO	1,13,54,538	Post Graduate	41	21.09.1994	64	First Employment
4	Mr. Sankesh Setia	Wholetime Director	76,07,200	Graduate	12	29.09.2014	32	First Employment
5	Mr. Ankit Setia	Wholetime Director	74,39,600	Graduate/ Diploma in Food Technology	16	30.09.2003	35	First Employment
6	Mr. Sukarn Setia	Wholetime Director	18,41,400	Graduate	18	28.09.2001	39	First Employment
7	Mr. Manu Arora	Accounts Manager	7,21,800	M.COM	16	01.05.2004	41	First Employment
8	Mr. Vipran Malhotra	Accounts Manager	6,89,400	B.A (Computer)	32	01/11/1994	55	First Employment
9	Mr. Rajinder Prasad	General Manager	6,85,052	B.A	41	01.08.2000	60	KRBL
10	Mr. Nirmal Kumar	Purchase Manager	6,75,084	Under Graduate	43	01.04.1996	62	First Employment

For and on behalf of the Board of  
Directors

Place: Amritsar  
Date: 28.08.2019

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



## ANNEXURE-C (Director's Report)

### EXTRACT OF ANNUAL RETURN

#### FORM NO. MGT 9

**AS ON THE FINANCIAL YEAR ENDED 31.03.2019**

(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-143002, 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 PVT LTD. BEETAL HOUSE, IIIRD FLOOR, 99 MADANGIR, BEHIND LSC, NEW DELHI -110062 Email id :- beetalrta@gmail.com Telephone :- 011-29961281-283 Fax Number :- 011-29961284

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

Business activities of the Companies contributing 10% or more of the total turnover of the company is stated below:

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	RICE	10612	99.91%

#### 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 (As on 1st April, 2018)				No. of Shares held at the end of the year (As on 31st March, 2019)#				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters &amp; Promoters Group</b>									
(1) Indian									
a) Individual / HUF	38406157	10450	38416607	74.26	38191553	10450	38202003	73.84	(0.42)
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>38406157</b>	<b>10450</b>	<b>38416607</b>	<b>74.26</b>	<b>38191553</b>	<b>10450</b>	<b>38202003</b>	<b>73.84</b>	<b>(0.42)</b>
<b>2. FOREIGN</b>									
a. Individuals (Non Residents Individuals /Foreign Individuals)	0	0	0	0	0	0	0	0	0
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>
<b>Total Shareholding of promoter and Promoter Group(A) = (A)1+(A)(2)</b>	<b>38406157</b>	<b>10450</b>	<b>38416607</b>	<b>74.26</b>	<b>38191553</b>	<b>10450</b>	<b>38202003</b>	<b>73.84</b>	<b>(0.42)</b>
<b>(B) Public Shareholding</b>									
<b>1 Institution</b>									
(A) Mutual Funds/UTI	0	0	0	0	0	0	0	0	0
(b) Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0
(c) Central Government/ State Government (s)	0	0	0	0	0	0	0	0	0
(d) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(e) Insurance Companies	0	0	0	0	0	0	0	0	0
(f) Foreign Institutional / Portfolio Investors	439303	0	439303	0.85	147500	0	147500	0.29	(0.56)
(g) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(h) Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
(i) Any Other (specify)	0	0	0	0	0	0	0	0	0
<b>Sub Total (B) (I)</b>	<b>439303</b>	<b>0</b>	<b>439303</b>	<b>0.85</b>	<b>147500</b>	<b>0</b>	<b>147500</b>	<b>0.29</b>	<b>(0.56)</b>

<b>B2 . Non-Institutions</b>									
a) Bodies Corp.	1121224	22005	1143229	2.21	936838	22000	958838	1.85	(0.36)
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	6194403	669718	6864121	13.26	7378778	536438	7915216	15.30	2.04
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3243349	0	3243349	6.27	2862572	0	2862572	5.53	(0.74)
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	327983	473000	800983	1.55	1058233	0	1058233	2.05	0.5
(d-ii) Clearing Members	41276	0	41276	0.08	55988	0	55988	0.11	0.03
(d-iii) HUF	623448	0	623448	1.21	357556	0	357556	0.69	(0.52)
(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
(d-viii) IEPF	161234	0	161234	0.31	175644	0	175644	0.34	0.03
<b>Sub-total (B)(2):-</b>	<b>11712917</b>	<b>1164723</b>	<b>12877640</b>	<b>24.89</b>	<b>12825609</b>	<b>558438</b>	<b>13384047</b>	<b>25.87</b>	<b>0.98</b>
Total Public Shareholding (B)=(B) (1)+ (B)(2)	12152220	1164723	13316943	25.74	12973109	558438	13531547	26.16	0.42
<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>50558377</b>	<b>1175173</b>	<b>51733550</b>	<b>100</b>	<b>51164662</b>	<b>568888</b>	<b>51733550</b>	<b>100</b>	

#Due to reclassification of shares w.e.f 18.12.2018, Company reclassified its 16 Promoters Shareholders from Promoter Category to Public Category. Therefore no. of promoters reduced to 13.

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

S. No.	Shareholder's Name	No. Of Shares held at the beginning of the year 1st April, 2018			Shareholder's Name	No. Of Shares held at the end of the year 31st March, 2019			% 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 S Khanna	6600	0.01	0	Note1				
2	Lajwanti	2750	0.01	0	Lajwanti	2750	0.01	0	0
3	Kali Ram Suresh kr	3850	0.01	0	Kali Ram Suresh kr	3850	0.01	0	0
4	Vijender Mann	3850	0.01	0	Note 1				
5	Jagjit Singh	3850	0.01	0	Jagjit Singh	3850	0.01	0	0
6	Ashok Kumar	5500	0.01	0	Note 1				
7	Madan lal	3850	0.01	0	Note 1				
8	Rekha Rani	3850	0.01	0	Note 1				
9	Anuradha Bhandari	3850	0.01	0	Note 1				
10	Neeru Wadhwa	3850	0.01	0	Note 1				
11	Rani Vijay Shastri	5500	0.01	0	Note 1				
12	Rajiv Mehra	5500	0.01	0	Note 1				
13	Sujata Goyal	7700	0.01	0	Note 1				

14	Manju Ahuja	8581	0.02	0	Manju Ahuja	8581	0.02	0	0
15	Sanjeev Kishore	55100	0.11	0	Note 1				
16	Sushma Setia	303300	0.59	0	Sushma Setia	302300	0.58	0	(0.01)
17	Neelam Setia	306400	0.59	0	Neelam Setia	306400	0.59	0	0
18	Ankit Setia	199819	0.39	0	Ankit Setia	158297	0.31	0	(0.08)
19	Sankesh Setia	276100	0.53	0	Sankesh Setia	276100	0.53	0	0
20	Sukarn Setia	94506	0.18	0	Sukarn Setia	44465	0.09	0	(0.09)
21	Chaman Lal Setia	11600050	22.42	0	Chaman Lal Setia	11600050	22.42	0	0
22	Rajeev Setia	13081750	25.29	0	Rajeev Setia	13081750	25.29	0	0
23	Vijay Kumar Setia	12430501	24.03	0	Vijay Kumar Setia	12413610	24.00	0	(0.03)
24	Manoj Ahuja	0	0	0	Manoj Ahuja	0	0	0	

Note 1 : Due to reclassification of shares w.e.f 18.12.2018, Company reclassified its 16 Promoters Shareholders from Promoter Category to Public Category. Therefore no. of promoters reduced to 13.

**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, 2018)		Change during the year	Increase/Decrease in Shareholding		Cumulative Shareholding during the Year		Shareholding at the end of the year as on 31.03.2019	
		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	6600	0.01	RECLASSIFICATION	Refer Note 1					
2.	Lajwanti	2750	0.01				2750	0.01	2750	0.01
3.	Kali Ram Suresh Kr	3850	0.01				3850	0.01	3850	0.01
4	Vijender Mann	3850	0.01	RECLASSIFICATION	Refer Note 1					
5	Jagjit Singh	3850	0.01				3850	0.01	3850	0.01
6	Ashok Kumar	5500	0.01	RECLASSIFICATION	Refer Note 1					
7	Madan Lal	3850	0.01	RECLASSIFICATION	Refer Note 1					
8	Rekha Rani	3850	0.01	RECLASSIFICATION	Refer Note 1					
9	Anuradha Bhandari	3850	0.01	RECLASSIFICATION	Refer Note 1					
10	Neeru Wadhwa	3850	0.01	RECLASSIFICATION	Refer Note 1					
11	Rani Vijay Shastri	5500	0.01	RECLASSIFICATION	Refer Note 1					
12	Rajiv Mehra	5500	0.01	RECLASSIFICATION	Refer Note 1					
13	Sujata Goyal	7700	0.01	RECLASSIFICATION	Refer Note 1					
14	Manju Ahuja	8581	0.02				8581	0.02	8581	0.02
15	Sanjeev Kishore	55100	0.11	RECLASSIFICATION	Refer Note 1					
16	Sukarn Setia	94506	0.18	Sale of shares	50041	0.096	44465	0.09	44465	0.09
17	Neelam Setia	306400	0.59				306400	0.59	306400	0.59
18	Sushma Setia	303300	0.59	Sale of shares	1000	0.001	302300	0.58	302300	0.58
19	Ankit Setia	199819	0.39	Sale of shares	41522	0.080	158297	0.31	158297	0.31
20	Sankesh Setia	276100	0.53				276100	0.53	276100	0.53
21	Rajeev Setia	13081750	25.29				13081750	25.29	13081750	25.29
22	Chaman Lal Setia	11600050	22.42				11600050	22.42	11600050	22.42
23	Vijay Kumar Setia	12430501	24.03	Sale of shares	16891	0.03	12413610	24.00	12413610	24.00
24	Manoj Ahuja	0	0							

Note 1 : Due to reclassification of shares w.e.f 18.12.2018, Company reclassified its 16 Promoters Shareholders from Promoter Category to Public Category. Therefore no. of promoters reduced to 13.

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

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

SN	Name of Shareholder For each of the Top Shareholders	Shareholding Details	
		No. of shares	% of total shares of the company
1	Rishta Khaitan		
	At the beginning of the year	473000	0.91
	At the end of the year	472800	0.91
2	Sangeetha S		
	At the beginning of the year	495790	0.95
	At the end of the year	472390	0.91
3	Yelmannali Bebi Sarojini		
	At the beginning of the year	391820	0.75
	At the end of the year	391820	0.75
4	Sunaina		
	At the beginning of the year	386100	0.74
	At the end of the year	386100	0.74
5	Sameer Kishore		
	At the beginning of the year	283520	0.54
	At the end of the year	267370	0.51
6	Devabhaktuni Krishna Kumari		
	At the beginning of the year	257917	0.49
	At the end of the year	257917	0.49
7	Rowenta Networks Private Limited		
	At the beginning of the year	119787	0.23
	At the end of the year	210212	0.40
8	Anjoo Gupta		
	At the beginning of the year	169625	0.32
	At the end of the year	169625	0.32
9	Pinky Saluja		
	At the beginning of the year	117114	0.22
	At the end of the year	114266	0.22
10	Lata Saigal		
	At the beginning of the year	121030	0.23
	At the end of the year	101030	0.19

\*As on 31.03.2019 98.90% 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)	11600050	22.42%	11600050	22.42%
2	Mr. Rajeev Setia (Executive Director & Chief Financial Officer)	13081750	25.29%	13081750	25.29%
3	Mrs. Kanika Nevatia Company Secretary	NIL	NIL	NIL	NIL
4	Shareholding of Directors Mr. Vijay Kumar Setia*	12430501	24.03%	12413610	24.00%
5.	Mr. Sukarn Setia*	94506	0.18%	44465	0.09%
6.	Mr. Sankesh Setia	276100	0.53%	276100	0.53%
7.	Mr. Ankit Setia*	199819	0.39%	158297	0.31%
8.	Mr. Inder Dev Kukkar	1650	0.003%	1650	0.003%
9.	Mr. Raghav Peshawaria	NIL	NIL	NIL	NIL
10.	Mr. Naresh Kumar Suneja	NIL	NIL	NIL	NIL
11.	Mrs. Amar Jyoti Bagga	NIL	NIL	NIL	NIL
12.	Mr. Vijay Kumar Jhamb	NIL	NIL	NIL	NIL
13.	Mr. Arun Kumar Verma	NIL	NIL	NIL	NIL

\* 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.**

	Secured Loans excluding deposits (Rs.)	Unsecured Loans (Rs.)	Deposits (Rs.)	Total Indebtedness (Rs.)
Indebtedness at the beginning of the financial year				
i) Principal Amount	384011597	349834849	-----	733846446
ii) Interest due but not paid	-----	-----	-----	-----
iii) Interest accrued but not due	-----	-----	-----	-----
Total (i+ii+iii)	-----	-----	-----	-----
Change in Indebtedness during the financial year	-----	-----	-----	-----
* Addition/Reduction	232309563	96174223	-----	328483786
Net Change		-----	-----	
Indebtedness at the end of the financial year	-----	-----	-----	-----
i) Principal Amount	616321160	446009072	-----	1062330232
ii) Interest due but not paid	-----	-----	-----	-----
iii) Interest accrued but not due	-----			
<b>Total (i+ii+iii)</b>	<b>616321160</b>	<b>446009072</b>	<b>-----</b>	<b>1062330232</b>

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

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

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	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
	(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	154108	540578	554538	1241400	39600	207200	2737424
	(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	60,00,000	----	50,00,000	50,00,000	36000000
5	Others, please specify	-	-	-	-	-	-	-
	<b>Total (A)</b>	<b>14954108</b>	<b>15340578</b>	<b>11354538</b>	<b>1841400</b>	<b>7439600</b>	<b>7607200</b>	<b>58537424</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

(Amount in Rs.)

SN	Particulars of Remuneration	Name of Directors					
		Mr. Inder Dev Kukar	Mr. Naresh Kumar Suneja	Mr. Raghav Peshawaria	Mrs. Amar Jyoti Bagga	Mr. Vijay Kumar Jhamb	Mr. Arun Kumar Verma
1	Independent Directors						
	Fee for attending Board & Committee meetings	12000	15000	13000	5000	15000	9000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total (1)</b>	<b>12000</b>	<b>15000</b>	<b>13000</b>	<b>5000</b>	<b>15000</b>	<b>9000</b>
2	Other Non-Executive Directors	N.A	N.A	N.A	N.A	N.A	N.A
	Fee for attending board committee meetings	N.A	N.A	N.A	N.A	N.A	N.A
	Commission	N.A	N.A	N.A	N.A	N.A	N.A
	Others, please specify						
	<b>Total (2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	<b>Total =(1+2)</b>	<b>12000</b>	<b>15000</b>	<b>13000</b>	<b>5000</b>	<b>15000</b>	<b>9000</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(Amount in Rs.)

SN	Particulars of Remuneration		
		<b>CS</b>	<b>Total</b>
		(Rs.)	(Rs.)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	460966	460966
	(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	<b>Total</b>	460966	<b>460966</b>
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

Sd/-

Chaman Lal Setia  
Managing Director  
Din: 01125789

Place: Amritsar  
Date: 28.08.2019



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

**Form No. MR-3**

### **SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31st March, 2019**

[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, 2018 and ended on 31st March, 2019, 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, 2019, 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and 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); and
  - (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 and rules made thereunder
  - 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) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.:
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 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 on CSR is Rs.11683231 /-, during the financial year 2018-19. However as per information provided, the Company has spent Rs.4921298/- towards CSR during the said financial year.
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, Women and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- (b) Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, 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.
  - (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 operation 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.

For Sunil Dhawan & Associates  
(Practising Company Secretaries)

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

Place: Amritsar  
Date: 28.08.2019

\*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 report 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)

Place: Amritsar  
Date: 28.08.2019

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

**SECRETARIAL COMPLIANCE REPORT OF CHAMAN LAL SETIA EXPORTS LTD.**

(CIN :- L51909PB1994PLC015083)  
FOR THE YEAR ENDED 31.03.2019

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

We, Sunil Dhawan & Associates, a firm of Company Secretaries, having our office at 29, Sant, Avenue, The Mall, Amritsar-143001, have examined:

- (a) all the documents and records made available to us and explanation provided by Chaman Lal Setia Exports Ltd. (hereinafter referred to as "the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchange,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31.03.2019 ("Review Period") in respect of compliance with the provisions of :
  - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and circulars/ guidelines issued thereunder; and based on the above examination, We hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr.No	Compliance Requirement	Deviations	Observations/ Remarks of the Practicing Company Secretary
	NA		

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- © The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr.No	Action taken by	Details of violation	Details of action taken	Observations
	NA			

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr.No	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year end	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	NA			

For Sunil Dhawan & Associates  
(Practising Company Secretaries)

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

Place: Amritsar  
Date: 27.05.2019

## 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, healthcare and creating social, environmental and economic value to the society. Further Company is committed to improving the quality of education and for this Company is continuously taking initiatives so that education can reach to everyone.

**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 programmes :- [www.maharanirice.in](http://www.maharanirice.in)**

**4. Composition of CSR Committee**

Name of the Member	Designation	Status
Mr. Arun Kumar Verma**	Independent Director	Chairman
Mr. Rajeev Setia	Executive Director	Member
Mr. Vijay Setia	Executive Director	Member

\*\*Mr. Arun Kumar Verma who was appointed as an additional Director of Company was regularised in Annual General Meeting of Company w.e.f 29.09.2018 and appointed as Independent Director of Company.

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

Average net profit is Rs. 584161567/-

**6. Prescribed CSR Expenditure (Two percent of the amount as in item 5 above)**

The company is required to spend Rs. 11683231/-

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

- a) Total amount spent for the financial year : Rs.4921298/-
- b) Amount unspent if any : Rs. 6761933/-

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	Rural Area, Amritsar, (Punjab)	Rs. 1869949/-	Rs. 1869949/-	Rs.1869949/-	Direct
2.	Project of providing benches to school for students, further providing stationery and allied articles for promoting education	Promoting Education	Govt. Senior Secondary School, Nangli	Rs. 116836/-	Rs. 116836/-	Rs. 116836/-	Direct
3.	Project of providing benches to school for students, further providing stationery and allied articles for promoting education	Promoting Education	Govt. Senior Secondary School, Dayanand Nagar	Rs. 54376/-	Rs. 54376/-	Rs. 54376/-	Direct
4.	Project of providing benches to the poor and needy students for continuing their education	Promoting Education	Govt. Girls Sen. Sec School, Karampura	Rs. 24944/-	Rs. 24944/-	Rs. 24944/-	Direct
5.	Project of providing Education material to needy students for continuing their education	Promoting Education	Govt. Girls Sen. Sec School, Attari	Rs.35224/-	Rs. 35224/-	Rs. 35224/-	Direct
6.	Project of providing infrastructure facility i.e. classrooms for students, education material, benches and allied articles for enhancement of education	Promoting Education	Govt. High School, Ganda Singh School, Amritsar	Rs.497874/-	Rs.497874/-	Rs.497874/-	Direct
7.	Project of providing Education material to needy students	Promoting Education	Govt. High School, Loharka, Amritsar	Rs.14740/-	Rs.14740/-	Rs.14740/-	Direct
8.	Project of providing infrastructure facility for benefit of animals	Social Welfare	ISKON Fatehgarh Churian Road, Amritsar	Rs. 250000/-	Rs. 250000/-	Rs. 250000/-	Direct
9.	Project of providing infrastructure facility for benefit of animals	Social Welfare	Sri Gokul Goshala,Fatehgarh Churian Road, Amritsar	Rs. 100000/-	Rs. 100000/-	Rs. 100000/-	Direct
10.	Project of distribution of free blankets for welfare of needy ladies	Healthcare	Rural Area, Amritsar	Rs. 222600/-	Rs. 222600/-	Rs. 222600/-	Direct
11.	Project of providing fee to needy student	Promoting Education	Govt. Girls Sen. Sec School, Mall Road, Amritsar	Rs. 18500/-	Rs. 18500/-	Rs. 18500/-	Direct
12.	Project of providing fee to needy student	Promoting Education	Cry institute (Amritsar)	Rs. 11000/-	Rs. 11000/-	Rs. 11000/-	Direct
13.	Project of providing uniforms for poor and needy students	Promoting Education	Govt. Elementary School, Karampura (Amritsar)	Rs. 28087/-	Rs. 28087/-	Rs. 28087/-	Direct
14.	Project of providing chairs to needy students for their sitting in classroom and promoting education	Promoting Education	Govt. School, Village Area (Amritsar)	Rs. 160200/-	Rs. 160200/-	Rs. 160200/-	Direct
15.	Project of providing medical facilities to poor and needy people	Healthcare	Rural Area (Amritsar)	Rs. 67518/-	Rs. 67518/-	Rs. 67518/-	Direct
16.	Project of providing fee to needy student	Promoting Education	Govt, Sen Sec Schools, (Amritsar)	Rs. 19343/-	Rs. 19343/-	Rs. 19343/-	Direct



17.	Project of providing education facility to needy students	Promoting Education	Sewa Bharti Haryana Pradesh Regd., Karnal	Rs.60000/-	Rs..60000/-	Rs.60000/-	Direct
18	Project of providing funds to Prime Minister Relief Fund	Promoting Welfare	Prime Minister Relief Fund	Rs. 250000/-	Rs. 250000/-	Rs.250000/-	Direct
19.	Project of giving uniform to needy students	Promoting Education	Village Area (Karnal)	Rs. 17568/-	Rs.17568/-	Rs.17568/-	Direct
20.	Project of providing healthcare facilities to needy people	Social Welfare	Sarw Shakti K (Karnal)	Rs. 5100/-	Rs. 5100/-	Rs. 5100/-	Direct
21.	Project of providing awareness, education to farmers for their welfare	Promoting Education, Social Welfare and employment enhancement	Village Area (Karnal)	Rs. 794639/-	Rs. 794639/-	Rs. 794639/-	Direct
22.	Project of providing benches and sitting facilities to people	Social Welfare	Krishna Parnami Mandir, Model Town, Karnal	Rs. 42800/-	Rs. 42800/-	Rs. 42800/-	Direct
23.	Project of providing uniform to poor and needy students	Promoting Education	Govt. Elementary School (Amritsar)	Rs.15000/-	Rs.15000/-	Rs.15000/-	Direct
24.	Project of providing free health checkup services for poor & needy students	Social welfare	Amritsar Sewa Smiti(Regd.) (Amritsar)	Rs. 200000/-	Rs. 200000/-	Rs. 200000/-	Direct
25.	Project of providing education to farmers for their welfare	Promoting Education and Social Welfare	IIT Kharakpur, (Karnal)	Rs. 20000/-	Rs. 20000/-	Rs. 20000/-	Direct
26.	Project of providing education to farmers for their welfare	Promoting Education and Social Welfare	National Dairy Research Institute (Karnal)	Rs. 25000/-	Rs. 25000/-	Rs. 25000/-	Direct
			Total	Rs.4921298/-	Rs.4921298/-	Rs.4921298/-	Direct

#### 8. Justification for unspent money out of 2% of the average net profit of last 3 (three) financial years:

As per Section 135 of Companies Act, 2013, the Company was required to spend Rs. 11683231/- towards CSR activities out of which Rs. 4921298 /- was utilized on activities specified in Schedule VII of the Companies Act, 2013. The Company considers social responsibility as an integral part of its business activities and endeavors to utilise allocable CSR budget for the maximum benefit of the society.

During the year the Company undertook various CSR Projects and has a meeting with various CSR consultants of the repute to have the CSR Budget of the Company fully utilized. We believe that every citizen of India must be educated and for this Company is continuously putting its efforts to provide maximum help to needy students and for this officials of Company are doing meeting with various schools and colleges belonging to urban, rural and village areas of city. Company is continuously doing various CSR activities under this sector and in future also Company is looking forward to implement project based on need of people. Besides education Company is also doing CSR activities for welfare of farmers and further helping people belonging to village and rural area by giving them free ration for eradication of hunger and poverty.

Further Company is also doing meeting with various schools, colleges, people, agencies and authorities so that ground need of people can be understand and accordingly various new projects can be implemented. In future Company is also planning to implement one project on large scale basis for welfare of farmers as after understanding their needs we reached to conclusion that if good education or training will be provided to farmers it can increase their capacity both production wise and income wise. So for this Company is taking every step for implementation of this project. This year also Company has undertaken this project for welfare of farmers but that was on small scale basis, however now Company wants to cover maximum farmers and for this Company is doing meeting with various people for implementation of this project.



During the year, the Company was unable to contribute Rs. 11683231/- towards CSR activities, however Company could spend only Rs. 4921298/-

During the year, CSR committee of Chaman Lal Setia exports Ltd. Met 3 times to discuss the CSR initiatives.

The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavor to spend the complete amount on CSR activities in accordance with the prescribed limits. Company is continuously meeting with different agencies, people and respective community for CSR projects and looking for new projects so that Company can spend full amount as per prescribed limits.

- 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 :- 28.08.2019

SD/-  
Chaman Lal Setia  
Managing Director & Chairman

SD/-  
Arun Kumar Verma  
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

Place: Amritsar  
Date: 28.08.2019

Sd/-  
Chaman Lal Setia  
Managing Director  
Din: 01125789

## Management Discussion and Analysis

### 1. Indian Economy

India is and continues to be one of the fastest-growing major economies in the world. India's GDP grew at 6.8% in FY19 down from a high of 8.2% in FY17. Medium-term growth challenges include uplifting growth to its potential of 8% plus, which requires a robust employment-oriented growth strategy. The external environment continues to pose a constant challenge to India's economic growth, global economic growth is expected to witness a slowdown in the next two years by most of the multilateral agencies like IMF, World Bank, and OCED. India's growth, for the foreseeable time, would be depended on domestic consumption, since net exports will be contributing negatively to the GDP growth. On the monetary side, three consecutive repo rate reductions of 25 basis points each have been introduced in FY19 by the RBI. In order to increase credit, banks may need to increase the transmission rate, which has so far been only fractional. This combined with a fiscal stimulus would enable recovery in the next few quarters and a sustained increase in India's growth in the medium term. India is the world's seventh largest economy in real terms, backed by strong demand, positive consumption pattern and rising disposable income. In PPP terms, the economy is expected to be among the top five global economies by 2020.

### 1.2 Global Economy

One year ago, economic activity was accelerating in almost all regions of the world and the global economy was projected to grow at 3.9 percent in 2018 and 2019. One year later, much has changed: the escalation of US–China trade tensions, macroeconomic stress in Argentina and Turkey, disruptions to the auto sector in Germany, tighter credit policies in China, and financial tightening alongside the normalization of monetary policy in the larger advanced economies have all contributed to a significantly weakened global expansion, especially in the second half of 2018. With this weakness expected to persist into the first half of 2019, the World Economic Outlook (WEO) projects a decline in growth in 2019 for 70 percent of the global economy. Global growth, which peaked at close to 4 percent in 2017, softened to 3.6 percent in 2018 and is projected to decline further to 3.3 percent in 2019. Although a 3.3 percent global expansion is still reasonable, the outlook for many countries is very challenging, with considerable uncertainties in the short term, especially as advanced-economy growth rates converge toward their modest long-term potential. While 2019 started out on a weak footing, a pickup is expected in the second half of the year. This pickup is supported by significant policy accommodation by major economies, made possible by the absence of inflationary pressures despite closing output gaps. The US Federal Reserve, in response to rising global risks, paused interest rate increases and signaled no increases for the rest of the year. The European Central Bank, the Bank of Japan, and the Bank of England have all shifted to a more accommodative stance. China has ramped up its fiscal and monetary stimulus to counter the negative effect of trade tariffs. Furthermore, the outlook for US–China trade tensions have improved as the prospects of a trade agreement take shape.

### Indian Agriculture Sector

Agriculture is the primary source of livelihood for about 58 percent of India's population. Gross Value Added by agriculture, forestry, and fishing is estimated at Rs 18.53 trillion (US\$ 271.00 billion) in FY18. During the 2017-18\* crop year, food grain production is estimated at record 284.83 million tonnes. In 2018-19, the Government of India is targeting foodgrain production of 285.2 million tonnes. As of September 2018, the total area sown with Kharif crops in India reached 105.78 million hectares. Total agricultural exports from India grew at a CAGR of 16.45 percent over FY10-18 to reach US\$ 38.21 billion in FY18. In FY2019 agriculture exports were US\$ 38.54 billion. India is also the largest producer, consumer, and exporter of spices and spice products. Spice exports from India reached US\$ 3.1 billion in 2017-18. Tea exports from India reached a 36 year high of 240.68 million kgs in CY 2017 while coffee exports reached record 395,000 tonnes in 2017-18.

### Indian Rice Industry

Rice is one of the most crucial food crops in the world and a staple diet for nearly half the global population. Over 90% of the global rice output and consumption is centered in Asia, where in the world's largest rice producers, China and India, are also the world's largest rice consumers. 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. Rice is predominantly a rainfed crop planted in the Kharif season after the onset of south-west monsoon rains from June through August.

India is the second-largest producer 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-producing states in India are West Bengal, Uttar Pradesh, Andhra Pradesh, Odisha, Bihar, Andhra Pradesh, Assam, Tamil Nadu, Punjab, and Karnataka.

As per 3rd Advance Estimates by the Ministry of Agriculture, the estimated production of rice during the year 2017-18 is 111.52 million tonnes. Production of rice has increased by 1.82 million tonnes than the production of 109.70 million tonnes during the year 2016-17. It is also higher by 5.22 million tonnes than the last five years' average production of 106.29 million tonnes.

### **Basmati Rice**

Among the several varieties of rice, Basmati is considered the most superior in terms of product characteristics and, therefore, the most premium. "Basmati" is long grain aromatic rice grown for many centuries in the specific geographical area, at the Himalayan foothills of Indian sub-continent, blessed with characteristics extra-long slender grains that elongate at least twice of their original size with a characteristics soft and fluffy texture upon cooking, delicious taste, superior aroma, and distinct flavor, Basmati rice is unique among other aromatic long-grain rice varieties.

The Geographical Indicated (GI) Protection has been specially conceived for well-known specialty products that are associated with a particular region. Geographical Indication is a form of Intellectual Property Right (IPR) included along with other IPR forms like patents and copyrights, in the Trade Related Intellectual Property Rights (TRIPs) section of GATT/WTO. The long grain aromatic rice grown in the foothills of the Indo-Gangetic plain has been given GI and bars other players from using the term Basmati rice in India. The GI would provide protection as it would bar other countries from using the term 'basmati' which is a higher quality product and commands premium pricing. Basmati rice can only be cultivated in India and Pakistan, which makes them the sole supplier of basmati in the world. India accounts for over 70% of the world's basmati rice production.

Currently, there are 32 Notified Basmati Varieties under Section 5 of Seed Act, 1966 of India. The main varieties of Basmati rice as notified under the seeds Act, 1966 are Basmati 386, Basmati 217, Ranbir Basmati, Karnal Local/ Taraori Basmati, Basmati 370, Type-3 (Dehradoni Basmati), Pusa Basmati-1, Pusa Basmati 1121, Punjab Basmati-1, Haryana Basmati- 1, Kasturi and Mahi Sugandha. Pusa Basmati 1121 developed by the Indian Agricultural Research Institute (IARI) and released for commercial cultivation in Kharif season of 2003 is the most widely used variety as it requires less water, matures early and yields 19–20 quintals of paddy per acre as compared to 9–10 quintals for traditional tall basmati.

India is the leading exporter of Basmati Rice to the global market. The country has exported 4.41 MMT of Basmati Rice to the world for the worth of Rs. 32,804 cr during FY19. This compares with 7.59 MMT of non-basmati rice exported in FY19.

### **Indian Rice Exports**

Year	2016-17			2017-18			2018-19		
	Qty (MT)	In Crore	In USD Mil	Qty (MT)	In Crore	In USD Mil	Qty (MT)	In Crore	In USD Mil
Basmati Rice	39,85,195.60	21,512.97	3,216.57	40,56,758.61	26,870.21	4,169.44	44,14,584.21	32,804.35	4,722.48
Non-Basmati Rice	67,70,804.29	16,929.91	2,531.48	86,48,488.58	22,967.85	3,564.35	75,99,630.14	21,185.05	3,047.81

Iran is the largest export market for Indian Basmati rice, accounting to ~33% of the total exports in value and ~34% in volume, in the year 2018-19. Saudi Arab and Iraq and the second and third largest markets respectively. Middle-eastern countries are the largest consumers of Indian basmati rice, apart from them – the USA, UK, and Canada are also prominent markets, although relatively small.

**Business Comparatives are given below:-**

Ratios		F.Y. 2018-2019	F.Y. 2017-2018
1.	Debtors Turnover Ratio	50	41
2.	Inventory Turnover Ratio	71	71
3.	Interest Coverage Ratio	8.99	11.00
4.	Current Ratio	2.98	2.85
5.	Debt. Equity Ratio	0.47	0.37
6.	Operating margin Ratio	8.3	9.48
7.	Net Profit margin	4.46	5.63
8.	Return on net worth	26.37	34.01

## **Our Business**

### **Company Overview**

Chaman Lal Setia Exports Limited was founded back in 1974 by Mr. Chaman Lal Setia, later on, it was incorporated as a partnership firm in 1983 and then reconstituted as a public limited company in 1994. The company got listed on the Bombay Stock Exchange in 1995. The company is engaged in the business of milling and processing of basmati rice. The company has been involved in export operations since 1982 and was recognized as an export house by the Ministry of Commerce in 1989, at present the company is a 'Star Export House'. Currently the company exports to more than 80 countries around the world, which included European, Middle-eastern, American, Asian and many other markets. As of FY19, the company derived ~89% of its revenue from operations from exports, up from ~88% in FY18. The company has a manufacturing unit located in Karnal (Haryana) which has an installed capacity of 12 metric tonnes per hour, this facility is a state of art and automated rice processing unit. The company also has grading and sorting facilities in Amritsar (Punjab) and Kandla (Gujarat). The company processes rice in-house and uses parboiled, raw, steam process using the finest equipment to ensure physical, aromatic and taste qualities remain intact. The flagship brand of Chaman Lal Setia Exports Limited is 'Maharani' rice, along with 'Mithas' and 'Begum' as other basmati brands. The company is also involved in selling non-basmati rice - under its brand 'Green World Aromatic Rice'. The company also sells other innovative products such as 'Maharani Diabetics Rice', 'Basmati Rice Plus' and organic products such as 'Maharani - Brown Basmati Rice'.

### **Key Strengths and Weaknesses**

#### **I. Experienced Management Team**

The management team has an experience of more than 4 decades in the rice industry and are supported by strong and competent 3rd generation promoters. Mr Vijay Setia (Executive Director) is also the president of All India Rice Exporters Association Regd. (AIREA), Delhi.

#### **II. Favorable Manufacturing Locations**

Company has manufacturing units in close proximity to paddy producing regions, as well as port to support its export business.

#### **III. Diversified Client Base**

The company has a loyal client base of more than 800 buyers spread across more than 80 countries.

#### **IV. Healthy balance sheet and comfortable capital structure**

The company does not have any long term borrowings and limited short term borrowings to support its day to day business.

**Weakness****I. Foreign Exchange Risk**

Since majority of the revenues of the company are derived from exports, any major fluctuation in exchange rates will affect the profitability of the company.

**II. Changing Government Policies**

Factors such as Minimum Support Price, import bans and sanctions may affect the operations and profitability of the company.

**III. Volatility in raw material prices**

The prices of paddy might fluctuate subject to the demand and supply scenario, which may ultimately affect the profitability of the business.

**IV. Commodity nature of products with little or no differentiation**

The company operates in a highly commoditized industry with very little or no product differentiation.

**Performance Discussion FY2018-19**

The company recorded a total operating income of 764.99 cr. in FY19, up 2.60% as compared to 746.56 cr. in FY18. The profit after tax of the company stood at 34.40 cr. in FY19 as compared to 41.65 cr. in FY18.

**Internal Controls and Adequacy**

The Company has in place an adequate system of internal control commensurate with the size and nature of its business. These have been designed to provide reasonable assurance that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly and the business operations are conducted as per the prescribed policies and procedures of the Company. The Audit Committee and the management have reviewed the adequacy of the internal control systems and suitable steps are taken to improve the same.

**Human Resource Development and Industrial Relations**

Your Company firmly believes that its human resources are the key enablers for the growth of the Company and important asset. Hence, the success of the Company is closely aligned with the goals of the human resources of the Company. Taking into this account, your Company continued to Invest in developing its human capital and establishing its brand on the market to attract and retain the best talent. Employee relations during the period under review continued to be healthy, cordial and harmonious at all levels and your Company is committed to maintaining good relations with the employees.

**Cautionary Statement**

Statements in the Management Discussion and Analysis, describing the Company's objective, projections, estimates, expectations, may be forward-looking statements. Actual results may differ materially from those expressed or implied due to various risks and uncertainties. Important factors that could make a difference to the Company's operations include economic and political conditions in India and other countries in which the Company operates, volatility in interest rates, changes in government regulations and policies, tax laws, statutes, and other incidental factors. The Company does not undertake to update these statements.

## 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 on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising of regulators, employees, customers, vendors, investors and the 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 SIZE AND COMPOSITION OF BOARD

- 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, 2019 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 remaining 6 are Non Executive Independent Directors that include one women Director. During the year, in Board Meeting held on 29.05.2018 Mr. Parmod Kumar has given his resignation and Company appointed Mr. Arun Kumar Verma as an additional Director of Company w.e.f 29.05.2018 and in Annual General Meeting held on 29.09.2018 Company regularised appointment of Mr. Arun Kumar Verma from additional Director to Independent Director.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Ankit Setia (DIN:- 01133822) and Mr. Sankesh Setia (DIN 06620109) wholetime Director of Company is liable to retire by rotation at ensuing Annual General Meeting, and being eligible, for re-appointment in accordance with provisions of the Companies Act, 2013.

Further as first term of three Independent Directors were going to be completed on 31.03.2019, therefore Board of Directors of Company at their meeting held on 30.03.2019, re-appointed Mr. Inder Dev Kukar, Mr. Raghav Peshawaria and Mr. Naresh Kumar Suneja for a further period of 5 years w.e.f 01.04.2019 subject to approval of shareholders in ensuing general meeting of Company. They have been re-appointed under the category of additional non executive Independent Director. Accordingly in this 25th Annual General Meeting of Company their re-appointment for a period of 5 years w.e.f 01.04.2019 to 31.03.2024 and regularization from additional Director to Independent Director are proposed for shareholder approval.

Further the first term of Mrs. Amar Jyoti Bagga (DIN:- 06958408) an Independent Non-Executive Director of Company is going to expire in ensuing AGM of Company. The Board of Directors of Company as per recommendation of Nomination and Remuneration Committee at their Meeting held on 28.08.2019 has approved her re-appointment as Independent Non-Executive Director of the Company for a second term of 5 (five) consecutive years w.e.f 29.09.2019 to 28.09.2024, subject to approval of the members by way of special resolution in the ensuing AGM.

Further the first term of Mr. Vijay Kumar Jhamb (DIN:-07021080) an Independent Non-Executive Director of Company is going to expire on 12.10.2019. The Board of Directors of Company as per recommendation of Nomination and Remuneration Committee at their Meeting held on 28.08.2019 has approved his re-appointment as Independent Non-Executive Director of the Company for a second term of 5 (five) consecutive years w.e.f 13.10.2019 to 12.10.2024, subject to approval of the members by way of special resolution in the ensuing AGM.

Further the existing term of Mr. Chaman Lal Setia (DIN:- 01125789) Managing Director and Chairman of Company is going to expire on 20.09.2019. Considering the recommendation of Nomination and Remuneration Committee of the Company, The Board of Directors of Company at their Meeting held on 28.08.2019 has approved his re-appointment for further period of five years w.e.f 21.09.2019 to 20.09.2024 subject to approval of shareholder by way of special resolution in the ensuing AGM of the Company.

Further the existing term of Mr. Sankesh Setia (DIN:- 06620109) Executive Director of Company is going to expire on 28.09.2019. Considering the recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors of Company at their Meeting held on 28.08.2019 has approved his re-appointment for further



period of five years w.e.f 29.09.2019 to 28.09.2024 subject to approval of shareholder by way of ordinary resolution in the ensuing AGM of the Company.

## 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 all companies as on March 31, 2019 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. None of the Independent Directors of the Company serves as an Independent Director in more than seven Listed Companies and where any Independent Director is serving as whole-time Director in any listed Company, such Director is not serving as Independent Director in more than three listed Companies.

Directorship and Committee positions of all the Directors in other public companies are in conformity with Regulation 26 of the SEBI (LODR) Regulations, 2015.

As per the certificate obtained from M/S. Sunil Dhawan & Associates, Practicing Company Secretaries, none of the directors on the board of the Company have been debarred or disqualified, from being appointed or continuing as the directors of companies, by the board/ MCA or any such statutory authority

**Attendance record of each Director at the Board meetings held during the financial year 2018-2019 and Last Annual General Meeting of Company held on 29.09.2018 and the members of Companies/Committees where he/she is a Director/Member are as under :-**

Name of Director	Category	DIN	No. of Board Meeting Held During 2018-19	No. of Board Meeting attended	Whether Attended last AGM held on September 29, 2018	No. of Directorship in all Companies* as on 31.03.2019	No. Of Committee Positions held in all Companies** as on 31.03.2019**	
							Member	Chairman
Mr. Chaman Lal Setia	Managing Director & Chairman	01125789	6	6	YES	1	-	-
Mr. Vijay Kumar Setia	Executive Director	01125966	6	4	NO	1	-	-
Mr. Rajeev Setia	Executive Director & CFO	01125921	6	6	YES	1	1	-
Mr. Sukarn Setia	Executive Director	01133561	6	5	YES	1	-	-
Mr. Ankit Setia	Executive Director	01133822	6	4	YES	1	-	-
Mr. Sankesh Setia	Executive Director	06620109	6	5	YES	1	-	-
Mr. Inder Dev Kukkar	Independent Director	01193209	6	6	YES	1	1	1
Mr. Naresh Kumar Suneja	Independent Director	01383235	6	6	YES	1	1	-
Mr. Raghav Peshawaria	Independent Director	01386434	6	6	YES	1	1	1
Mrs. Amarjyoti Bagga	Independent Director	06958408	6	5	YES	1	-	-
Mr. Vijay Kumar Jhamb	Independent Director	07021080	6	6	YES	1	1	-
Mr. Arun Kumar Verma	Independent Director	08145624	6	6	YES	1	-	-

\* This includes Directorships in all Companies, including Chaman Lal Setia Exports Ltd. (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. Further Committee considered for the purpose are those prescribed under explanation to Regulation 26(1) (b) of SEBI Listing Regulations viz. Audit Committee and Stakeholder Relationship Committee of Indian Public Companies including Chaman Lal Setia Exports Ltd.



List of core Skills/ Expertise of the Directors identified by the Board

The following skills or competencies are identified for the Company's Board of Directors:

1. Accountancy & Audit 2. Finance & Taxation 3. Insurance & Information Technology 4. Risk Management 5. Marketing & brand management
- The Board of Directors have necessary skills/expertise/ competence in all the above mentioned areas.

## 2.3 DETAILS OF BOARD MEETINGS HELD AND ATTENDED BY DIRECTORS DURING FINANCIAL YEAR 2018-19:-

Date of Board Meetings	No. of Directors on Board	No. of Directors in Attendance
29.05.2018	12	11
03.08.2018	12	10
28.08.2018	12	11
14.11.2018	12	11
07.02.2019	12	11
30.03.2019	12	11

During the year under review, 06 (Six) 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 Disclosure of relationships between Directors inter se :-

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.

## 2.6 Details of equity shares of the Company held by the Non Executive Directors as on March 31, 2019 is given below:-

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

## 2.7 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.

## **2.8 Training of Independent Directors :**

At the time of appointing an Independent Director, a formal letter of appointment is given to the Director, which inter-alia explains the role, function, duties and responsibilities expected of him as a Independent Director of the Company. Independent Director is also explained in detail the compliances required from him under the Companies Act, the Listing Regulations and other relevant regulations and their affirmation is taken with respect to the same.

## **2.9 Separate Meeting of the Independent Directors**

In terms of the Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Meeting of the Independent Directors of the Company is held every financial year, whereat the following prescribed items are discussed (a) Review of performance of Non-Independent Directors and the Board as a whole; (b) Review of performance of the Chairperson of the Company, taking into account the views of Executive and Non-Executive Directors; (c) Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In respect of the financial year 2018-19, the Independent Directors met separately on 30.03.2019 without the presence of any Non-Independent Directors or representatives of management and discussed the aforesaid items.

## **2.10 Familiarisation Programme for Independent Directors:**

In compliance with the provisions of the Regulation 25 of the SEBI Listing Regulations, all the Independent Directors are familiarized 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)

## **2.11 Company's code of conduct to regulate, monitor, report trading by Designated Persons**

The 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). 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.

Further in Compliance with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, Board of Directors in their Board Meeting held on 30.03.2019 have approved the revised "Code of Conduct i.e. Code of Internal Procedures & Practices for fair disclosure of Unpublished Price Sensitive Information and Conduct for Regulating, Monitoring and Reporting of trading by insiders and said revised code which became is effective from 01.04.2019.

## **2.12 The Company has not issued any convertible instruments.**

## **2.13 During the year 2018-2019, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.**

### 3 Committees of Board

Pursuant to the provisions of the Companies Act, the Board has constituted the following Committees to focus and discuss on the specific issues concerning the Company, namely:

- A) Audit Committee
- B) Nomination and Remuneration Committee
- C) Stakeholders Relationship Committee
- D) Corporate Social Responsibility Committee

The Company Secretary acts as the Secretary to all these Committees. The minutes of the meetings of the abovementioned Committees are placed before the Board for consideration.

#### 3.1 AUDIT COMMITTEE:

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI 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.

#### 3.2 Composition and Attendance

Name of the Director	Status	Category	No. of meetings during the financial year 2018-2019	
			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 10.04.2018, 29.05.2018, 03.08.2018, 28.08.2018, 14.11.2018 and 07.02.2019. 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, 2018. The necessary quorum was present for all the meetings. Mrs. Kanika Nevatia, Company Secretary, acts as Secretary to the Committee.

#### 3.3 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

The Nomination and Remuneration Committee (NRC) functions according to its charter which is in consonance with the provisions of Regulation 19 of the Listing Regulations read with Section 178 of the Companies Act, 2013 that defines its composition, authority, responsibility and reporting functions.

##### 4.1 Composition and Attendance

Name of Director	Status	Category	No. of meetings held	No. of Meetings attended
Sh. Vijay Kumar Jhamb	Chairman	Independent Non Executive Director	3	3
Sh. Naresh Kumar Suneja	Member	Independent Non Executive Director	3	3
Sh. Raghav Peshawaria	Member	Independent Non Executive Director	3	3

During the period under review, Nomination and Remuneration Committee met 3 (Three) times on 29.05.2018, 28.08.2018 and 30.03.2019.

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 29.09.2018. Mrs. Kanika Nevatia Company Secretary act as Terms of secretary of the Company.

##### Term 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.

## Remuneration of Directors

### (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	1,54,108	1,00,00,000	1,49,54,108
Vijay Kumar Setia	48,00,000	5,40,578	1,00,00,000	1,53,40,578
Rajeev Setia	48,00,000	5,54,538	60,00,000	1,13,54,538
Sukarn Setia	6,00,000	12,41,400	-----	18,41,400
Ankit Setia	24,00,000	39,600	50,00,000	74,39,600
Sankesh Setia	24,00,000	2,07,200	50,00,000	76,07,200

### (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.

(Amount in Rs.)

SN.	Particulars of Remuneration	Name of Directors					
		Mr. Inder Dev Kukar	Mr. Naresh Kumar Suneja	Mr. Raghav Peshawaria	Mrs. Amar Jyoti Bagga	Mr. Vijay Kumar Jhamb	Mr. Arun Verma
1	Independent Directors						
	Fee for attending Board & Committee meetings	12000	15000	13000	5000	15000	9000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	12000	15000	13000	5000	15000	9000
2	Other Non-Executive Directors	N.A	N.A	N.A	N.A	N.A	N.A
	Fee for attending board committee meetings	N.A	N.A	N.A	N.A	N.A	N.A
	Commission	N.A	N.A	N.A	N.A	N.A	N.A
	Others, please specify						
	Total (2)	NIL	NIL	NIL	NIL	NIL	NIL
	Total =(1+2)	12000	15000	13000	5000	15000	9000

**(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)

**(d) 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.

**(e) PECUNIARY RELATIONSHIP OR TRANSACTIONS WITH NON EXECUTIVE DIRECTORS:-**

There is no pecuniary relationship or transactions with Non-Executive Independent Directors except payment of sitting fees to Non-Executive Independent Directors.

**6. Stakeholders Relationship Committee**

**6.1 The Stakeholders Relationship Committee functions according to its charter which is in consonance with the provisions of Regulation 20 of the SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013 ("Act") that defines its composition,**

**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
Sh. Arun Kumar Verma*	Member	Independent Non Executive Director	---	-----

During the year under review, Stakeholders' Relationship Committee met 4 (times) on 29.05.2018, 03.08.2018, 14.11.2018 and 07.02.2019

Mrs. Kanika Nevtia, Company Secretary is designated as Compliance Officer to the Committee.

\* Mr. Arun Kumar Verma was appointed as member of Stakeholders Relationship Committee in Board Meeting held on 30.03.2019.

**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, queries 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 29.09.2018.**

**6.5 The Company has received 27 complaints from the investors during the year. All of these have been redressed. There is no pending complaint as on March 31, 2019.**

## 7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was formed pursuant to section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act, to recommend the amount of expenditure to be incurred on such activities and to monitor the Corporate Social Responsibility Policy of the Company from time to time.

### 7.1 Composition, Name of Members and Chairperson, Meetings and Attendance during the year :-

Name of the Director	Status	Category	No. of meetings held	No. of Meetings attended
Sh. Rajeev Setia	Member	Executive Director	3	3
Sh. Vijay Setia	Member	Executive Director	3	3
Sh. Arun Kumar Verma	Chairman	Non Executive Independent Director	3	3

During the year ended on 31.03.2019 the Corporate Social Responsibility Committee met three times on 28.08.2018, 14.11.2018 and 07.02.2019.

### 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 2018-19 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	Venue & Time	Special Resolution Passed
SEP 29, 2018	Hotel P.R Residency, 101, Distt. Shopping Centre, Ranjit Avenue, Amritsar at 4:30 p.m.	To approve the re-classification of persons/entities forming part of 'Promoter and Promoter Group' to 'Public Category'  To approve the Borrowing Limits of the Company  To approve creation of Charge, Mortgage under Companies Act, 2013
SEP 28, 2017	Hotel P.R Residency, 101, Distt. Shopping Centre, Ranjit Avenue, Amritsar at 4:30 p.m.	No Special Resolution was 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.

The Company will hold the next Annual General Meeting on Sep 28, 2019 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) or Economic Times (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](http://www.maharanirice.in) and also uploaded on the website of the BSE Ltd. During the year Company has not issued any press release, however for Audited Results for the year ended 31.03.2019 the Company called conference call on 07.06.2019



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	28.09.2019 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 18-19

The Board of Directors of your Company has recommended a dividend of Rs. 0.48/- per equity share of Rs. 2/- each i.e. @ 24% for the financial year 2018-2019.

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

##### D. Book Closure 21.09.2019 to 28.09.2019 (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
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##### G. ISIN Code for the Company's Equity Share

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

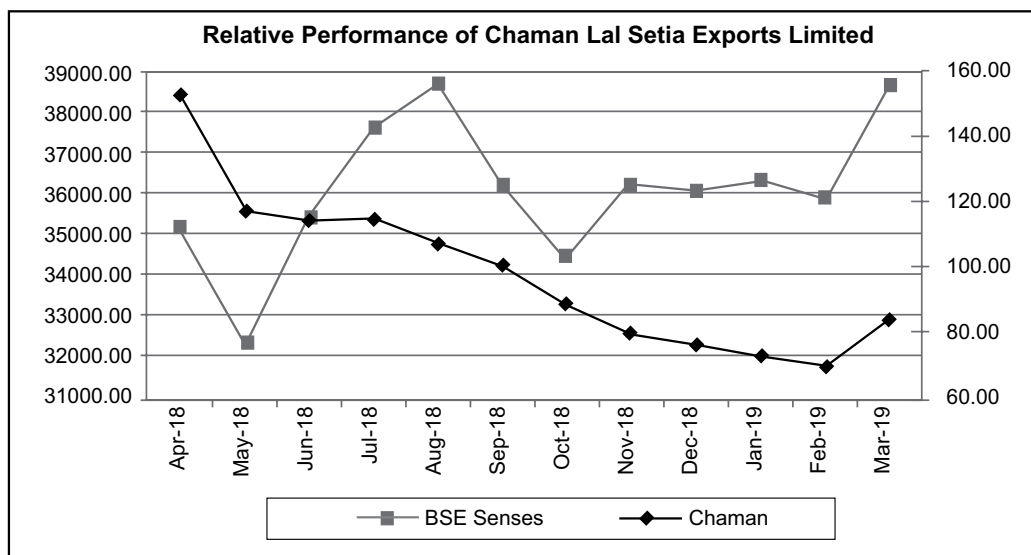
##### H. Corporate Identity Number ("CIN ") of the Company :-

L51909PB1994PLC015083

##### I. Market Price data:- Monthly High & Low prices and volume of the equity shares of the Company at BSE Limited during financial year 2018-19 are as under :-

Month	BSE		
	Highest price	Lowest Price	Volume
April 2018	168.00	139.05	13,92,889
May 2018	162.80	115.15	12,97,367
June 2018	126.85	95.55	10,00,240
July 2018	119.95	96.05	6,67,153
August 2018	117.75	97.70	6,95,494
September 2018	118.90	99.00	3,69,283
October 2018	100.05	80.00	6,18,103
November 2018	105.00	76.55	6,47,699
December 2018	81.00	70.00	4,01,782
January 2019	85.80	70.00	5,66,398
February 2019	79.00	65.10	4,21,186
March 2019	90.95	68.00	6,19,180

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



**K. 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

**L. Distribution of Shareholding as on 31st March, 2019**

Shareholding of Nominal Value	As on 31.03.2019				As on 31.03.2018			
	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
Upto 5000	8123	90.96	3618046	6.9936	7174	91.08	3158871	6.1060
5001-10000	422	4.72	1522239	2.9425	355	4.50	1271594	2.4580
10001-20000	208	2.32	1424147	2.7528	170	2.15	1154177	2.2310
20001-30000	57	0.63	703612	1.3601	59	0.74	730010	1.4111
30001-40000	33	0.36	582796	1.1265	28	0.35	490826	0.9488
40001-50000	15	0.16	335384	0.6483	15	0.19	344927	0.6667
50001-100000	40	0.44	1458326	2.8189	35	0.44	1248218	2.4128
100001 above	32	0.35	42089000	81.3573	40	0.50	43334927	83.7656
<b>Total</b>	<b>8930</b>	<b>100.00</b>	<b>51733550</b>	<b>100.00</b>	<b>7876</b>	<b>100.00</b>	<b>51733550</b>	<b>100.00</b>

**M. Shareholding & Distribution Pattern (as on 31.03.2019)**

Category	No. of Shares Held
Promoters & Promoters Group	38202003
Domestic Companies/Clearing Members	55988
Indian Public/Resident Individuals/HUF	11135344
NRI/OCB/Body Corporates/Others	2017071
Foreign Portfolio Investors	147500
IEPF	175644

**N. Dematerialisation of Shares and liquidity**

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL). As on 31.03.2019 about 98.90% of the Company's Equity Shares has been held in dematerialised form with NSDL & CDSL.

**O. 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 2019, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

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

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

**Q. Plant Locations**

**Corporate Office Address**

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

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

**R. Address For Correspondence**

**Packing Unit**

**Investor's Correspondence may be addressed to the following The Company Secretary**

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

Chaman Lal Setia Exports Ltd.  
Gandhidham, Gujarat  
Alipur –Delhi

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

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

- (a) The Board of Directors has approved a Policy on "Related Party Transactions" and also on dealing with Related Party Transactions and the same was reviewed by the Board of Directors on 07.02.2019. Further a statement on all related part transactions is presented before the Audit Committee on a quarterly basis for its review.

All transactions entered into with Related Party during the financial year were in the ordinary course of business and on an arms length basis. Related Party transactions as required by the Indian Accounting Standard Ind AS-24 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) disclosed in Notes to the Annual Accounts. Members may refer to the notes to accounts for details of Related Party Transactions. However these are not having potential conflict with the interest of the Company at large.

**The Company has formulated a Policy on Related Party Transactions and on dealing with Related Party Transactions and the same is available on the website of the Company at [www.maharanirice.in](http://www.maharanirice.in)**

**(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) Details of establishment of 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](http://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 (IEPF). Accordingly, the unclaimed Final Dividend for the year 2010-11 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 2011-12 will be due to transfer to IEPF later this year. Shareholders who have not claimed their dividend for the Financial year 2011-2012 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. However members may apply for refund with the IEPF authority by making an application in the prescribed Form.

Mandatory Transfer of Shares to Demat Account of Investor Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of seven years.

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016,(as amended from time to time) (IEPF Rules) shares in respect of which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be transferred to the Demat account of the IEPF Authority within a period of thirty days.

Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the IEPF Rules.

In accordance with the said IEPF Rules and its amendments, the Company has sent out individual communication to the concerned Members whose shares are liable to be transferred to IEPFA to take immediate action in the matter. As required under the IEPF Rules, the Company has also published a Notice informing the Members' who have not claimed their shares for a period of 7 years to claim the same from the Company before they are transferred to IEPFA. Therefore, it is in the interest of shareholders to regularly claim the dividend declared by the Company.

**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 :-

- a) **The Board:** The Chairman of the Company is Executive Chairman;
- b) **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.
- c) **Modified opinion(s) in audit report:**  
The Company's financial statement for the year ended on 31.03.2019 does not contain any modified opinion.
- d) **Separate posts of Chairperson and MD/CEO:** Mr. Chaman Lal Setia is the Chairman and Managing Director of the Company.
- e) **Reporting of Internal Auditor:** The Internal Auditor of the Company has direct access to the Audit Committee.

**13. Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority has been attached as enclosure-2.**

**14. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:-**

The Board accepted the recommendations of its Committees, wherever made, during the year

**15. Transfer of Shares**

The Securities and Exchange Board of India (SEBI) has amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 informing that transfer of securities would not be processed unless the securities are held in the dematerialized form with a depository with effect from April 1, 2019.

Any investor who is desirous of transferring shares (which are held in physical form) after April 1, 2019 can do so only after the shares are dematerialized. The said amendment is not applicable for transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re-arrangement / interchanging of the order of name of shareholders) cases.

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

The Investors' complaints are also being processed through the centralized web base complaint redressal system of SEBI. The salient features of SCORES are availability of centralized database of the complaints, uploading online action taken reports by the Company.

Through Scores the investors can view online, the action taken and current status of the complaints. SEBI vide its circular dated 26.03.2018 have streamlined the process of filing investor grievances in the SCORES in order to ensure speedy and effective resolution of complaints filed therein. The said circular can be accessed on the website of SEBI at [www.sebi.gov.in /legal/circulars/march/2018/investor-grievance-redress-mechanism-newpolicy-measures\\_38481.html](http://www.sebi.gov.in/legal/circulars/march/2018/investor-grievance-redress-mechanism-newpolicy-measures_38481.html)

#### 17. Shareholding Profile

Mode of Holding	As on 31st March, 2019		As on 31st March, 2018	
	No. of Shares	% to Equity	No. of Shares	% to Equity
Demat	51164662	98.90	50558377	97.72
Physical	568888	1.099	1175173	2.28
Total	51733550	100%	51733550	100%

#### 18. Detail of shares held by Directors

Name	Shareholding as on 31/03/2018	Dividend Paid for year ended 31/03/2018	Shareholding as on 31/03/2019
Sh. Chaman Lal Setia	11600050	Rs. 4872021	11600050
Sh. Vijay Kumar Setia	12430501	Rs. 5213716	12413610
Sh. Rajeev Setia	13081750	Rs. 5494335	13081750
Sh. Sukarn Setia	94506	Rs. 18675	44465
Sh. Ankit Setia	199819	Rs. 66485	158297
Sh. Sankesh Setia	276100	Rs. 115962	276100

#### 19. 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.

#### 20. 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.

#### 21. 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.

#### 22. 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, 2019. 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.

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

The Board in its Report has confirmed that the annual accounts for the year ended 31st March, 2019 have been prepared as per applicable Indian Accounting Standards (IND-AS) and policies and that sufficient care has been taken for maintaining adequate applicable accounting records.

#### 24. 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)

## 25. Equity Shares in Suspense Account

There are no shares in Suspense account

## 26. AUDITOR REMUNERATION

The particulars of payment to Statutory Auditor by the Company during the financial year 2018-2019 are as follow:-

Particulars	As at 31 March 2019 Amount (Rs. in lakhs)
Payment to Auditor includes:	
Statutory Audit Fees	1.00
Tax audit fees	0.5
Taxation Matters	1.00
<b>Total</b>	<b>2.50</b>

## 27. CREDIT RATINGS:-

Following are the details of Credit Rating :-

Facilities	Amount (Rs. Crore)	Rating	Rating Action
Long-Term/Short Term facilities	100.00 (enhanced from Rs. 75 crore)	CARE A-; Stable/Care A2+ (Single A Minus; Outlook; Stable/A Two Plus	Reaffirmed
Total Facilities	100.00 (Rs. One Hundred Crore Only)		

DUN & BRAD STREET	During the year Dun & Bradstreet has given Rating of 5A2 which implies that the Company has a tangible network of INR 645,950,000 and above as per latest available audited financial statements. Composite appraisal 2 indicates that the overall status of Company is good.
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## 28. 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,

For and on behalf of Board of Directors

Place: Amritsar  
Date: 28.08.2019

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



## DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

As required under Schedule V(D) of the Listing Regulations, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the Board of Directors and the Senior Management for the year ended 31st March, 2019.

Place: Amritsar  
Date: 28.08.2019

Sd/-  
Chaman Lal Setia  
(Managing Director)  
Din : 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 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, 2019 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material facts or 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, 2019 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 we have evaluated the effectiveness of Internal Control Systems of the listed Company pertaining to financial reporting and we have disclosed, to the Auditors and the Audit committee, wherever applicable, 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, wherever applicable,
  - i) Significant changes in internal control over financial reporting during the year under reference;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
- (e) To the best of our knowledge and belief, there are no instances of significant fraud involving either the management or employees having a significant role in the Company's internal control systems with respect to financial reporting.

For Chaman Lal Setia Exports Ltd.

Place: Amritsar  
Date: 29.05.2019

Sd/-  
Chaman Lal Setia  
(Managing Director)

sd/-  
Rajeev Setia  
(Executive Director & Chief Financial Officer)



**ENCLOSURE -1**  
**Directors List for CG Report 2018-2019**

Sl. NO.	Name of Director	Name of other Listed Company in which Directorship is held	Designation
1.	Chaman Lal Setia	NIL	N.A
2.	Vijay Kumar Setia	NIL	N.A
3.	Rajeev Setia	NIL	N.A
4.	Ankit Setia	NIL	N.A
5.	Sukarn Setia	NIL	N.A
6.	Sankesh Setia	NIL	N.A
7.	Inderdev Kukkar	NIL	N.A
8.	Naresh Kumar Suneja	NIL	N.A
9.	Raghav Peshawaria	NIL	N.A
10.	Vijay Kumar Jhamb	NIL	N.A
11.	Amariyoti Bagga	NIL	N.A
12.	Arun Kumar Verma	NIL	N.A

**Enclosure-2**  
**To Whomsoever it may concern**

I, Sunil Dhawan c/o Sunil Dhawan & Associates, Practising Company Secretaries do hereby certify that none of the Directors on the Board of Chaman Lal Setia Exports Ltd. have been debarred or disqualified from being appointed or from continuing as directors of Companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority to the best of my knowledge.

This Certificate is being issued as per Schedule V under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Sunil Dhawan & Associates

(Sunil Dhawan)  
 Proprietor

**Auditor's Compliance 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, 2019, as per the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") as applicable for the financial year ended 31st March, 2019.

The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination is 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 all the mandatory conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

Place : Amritsar  
 Date : 28/08/2019

For R Chopra & Associates  
 Chartered Accountants

Sd/-  
 (Rakesh Chopra)  
 Prop.  
 M.No: 514576  
 FRN No. 022992N

## INDEPENDENT AUDITORS' REPORT

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

#### 1. REPORT ON THE AUDIT OF THE INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS

We have audited the accompanying financial statements of CHAMAN LAL SETIA EXPORTS LTD. ("the Company"), which comprises of Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, its profits (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

##### **Key Audit Matters:-**

Key Audit matters are those matters that, in our professional judgment, were of most significant in our audit of the financial statements of the current period.

Based on the circumstances and facts of the audit entity, in our opinion, there were no such key audit matter that required special attention or judgement by us.

#### 2. MANAGEMENT'S RESPONSIBILITY FOR THE IND AS 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 Ind AS Financial Statements that give a true and fair view of the State of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act.

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 Ind AS 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 Ind AS 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 Ind AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind

AS 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 Ind AS 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 Ind AS financial statements.

#### 4. OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 Ind AS and other 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, 2019
- (b) In the case of the Statement of profit and loss , of the profit for the year ended on that date (including other comprehensive income) ,
- (c) Changes in equity for the year ended on that date.
- (d) 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 Act , we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
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, the Statement of Profit and Loss (including other comprehensive income), Statement of changes in Equity and the Cash Flow Statement and dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act, read with relevant rules issued thereunder;
  - e. On the basis of written representations received from the Directors as on March 31, 2019, taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2019, 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 with reference to these standalone Ind AS financial statements and operating effectiveness of such controls, refer to our separate report in "**Annexure B**" to this report;
  - g. In our opinion, the managerial remuneration for the year ended 31.03.2019 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
  - h. 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, as amended, 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 as at 31.03.2019 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 have 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, 2019;

For R Chopra & Associates  
Chartered Accountants

(Rakesh Chopra)  
Prop.

Place: Amritsar  
Date: 29.05.2019

M.No.:- 514576  
FRN No.:- 022992N

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## **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 Ind AS financial statements for the year ended 31 March 2019, 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 and 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 gives 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 based on the confirmation received from 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) of the Order is 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 generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales tax, Service tax, Goods and Services 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 2019, 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.
- (xi) 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 Ind AS 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 or 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 given to us, and based on our examination of the records of the Company, 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 given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For R Chopra & Associates  
Chartered Accountants

(Rakesh Chopra)  
Prop.

Place: Amritsar  
Date: 29.05.2019

M.No.:- 514576  
FRN No.:- 022992N

## **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT – 31ST MARCH 2019**

(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, 2019 in conjunction with our audit of the Ind AS 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 Accountants 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 IND AS 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 Ind AS 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 2019, 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 R Chopra & Associates  
Chartered Accountants

(Rakesh Chopra)  
Prop.

M.No.:- 514576  
FRN No.:- 022992N

Place: Amritsar  
Date: 29.05.2019

## BALANCE SHEET AS AT 31 MARCH, 2019

(Amount in Rs. Lakhs)

Particulars	Refer Note No.	AS AT 31 MARCH 2019	AS AT 31 MARCH 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
1 (a) Property, plant and equipment	1	2927.96	2706.98
(b) Capital work in progress		175.29	328.14
(c) Intangible assets		5.83	0.00
(d) Other non-current assets	2	31.12	20.04
Total Non-Current assets		3140.20	3055.16
<b>2 Current assets</b>			
(a) Inventories	3	18207.90	15202.84
(b) Financial Assets			
(i) Investments	4	1301.64	1274.73
(ii) Trade receivables	5	10642.41	8210.42
(iii) Cash and cash equivalents	6	48.25	116.56
(iv) Other bank balances	7	259.40	1024.51
(iv) Loans	8	24.20	52.21
(c) Other current assets	9	5081.55	4398.00
Total Current assets		<b>35,565.35</b>	<b>30,279.27</b>
<b>TOTAL ASSETS</b>		<b>38705.55</b>	<b>33334.43</b>
<b>II. EQUITY and LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	10	1034.67	1034.67
(b) Other Equity	11	21521.83	18382.37
Total equity		<b>22556.50</b>	<b>19417.04</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	4530.54	3620.89
(b) Deferred tax liabilities (Net)		120.99	93.19
Total non-current liabilities		<b>4651.53</b>	<b>3714.08</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	6092.75	3717.55
(ii) Trade payables	14		
Total outstanding dues of micro enterprises and small enterprises		9.58	6.89
Total outstanding dues of creditors other than micro enterprises and small enterprises		1102.67	764.29
(b) Other current liabilities	15	603.72	1837.86
(c) Short-term provisions	16	3688.80	3876.72
Total current liabilities		<b>11497.52</b>	<b>10203.31</b>
<b>Total Equity and Liabilities</b>		<b>38705.55</b>	<b>33334.43</b>
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	98-107		

For and on behalf of the Board of Directors

Signed in terms of our report of even date  
FOR R CHOPRA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
sd/-  
RAKESH CHOPRA  
PROP.  
M.No 514576

sd/-  
CHAMAN LAL SETIA  
CHAIRMAN CUM MANAGING DIRECTOR  
DIN : 01125789

sd/-  
RAJEEV SETIA  
EXECUTIVE DIRECTOR & CFO  
DIN : 01125921

PLACE : AMRITSAR  
DATE : 29.05.2019

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



## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH, 2019

(Amount in Rs. Lakhs)

Particulars	Refer Note No.	AS AT 31 MARCH 2019	AS AT 31 MARCH 2018
I. <b>Revenue from operations</b>	<b>17</b>	<b>76499.24</b>	<b>74656.26</b>
II. Other income	18	222.03	174.80
III. <b>Total Income</b>		<b>76721.27</b>	<b>74831.06</b>
IV. Expenses:			
Cost of materials consumed	19	9943.53	8726.68
Purchases of Stock-in-Trade		49412.48	51259.97
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20	375.28	1967.96
Employee benefits expense	21	1095.58	1121.95
Finance costs	22	746.66	763.30
Depreciation and amortization expense	23	440.35	405.19
Other expenses	24	10169.36	8516.58
Total expenses		71432.68	68825.71
V. <b>Profit before exceptional and extraordinary items and tax</b>		<b>5288.59</b>	<b>6,005.35</b>
VI. Exceptional items			
VII. <b>Profit before extraordinary items and tax</b>		<b>5288.59</b>	<b>6,005.35</b>
VIII. Extraordinary Items			
IX. <b>Profit before tax</b>		<b>5288.59</b>	<b>6005.35</b>
X Tax expense:			
(1) Current tax		1820.20	1845.96
(2) Deferred tax		27.80	5.87
XI <b>Profit for the period from continuing operations</b>		<b>3440.59</b>	<b>4,165.26</b>
XII Profit from discontinuing operations			
XIII Tax expense of discontinuing operations			
XIV <b>Profit from Discontinuing operations (after tax)</b>			
XV <b>Profit for the period</b>		<b>3440.59</b>	<b>4165.26</b>
XVI <b>Other comprehensive income</b>		<b>0.00</b>	<b>0.00</b>
XVII <b>Total comprehensive income</b>		<b>3440.59</b>	<b>4165.26</b>
XVIII <b>Earnings per equity share:</b>			
(1) Basic		6.65	8.05
(2) Diluted		6.65	8.05
Accounting policies and Notes on Accounts	98-107		

For and on behalf of the Board of Directors

Signed in terms of our report of even date

FOR R CHOPRA & ASSOCIATES

CHARTERED ACCOUNTANTS

sd/-

RAKESH CHOPRA

PROP.

M.No 514576

PLACE : AMRITSAR

DATE : 29.05.2019

sd/-

CHAMAN LAL SETIA

CHAIRMAN CUM MANAGING DIRECTOR

DIN : 01125789

sd/-

RAJEEV SETIA

EXECUTIVE DIRECTOR & CFO

DIN : 01125921

Sd/-

KANIKA NEVTIA

COMPANY SECRETARY

MEMBERSHIP NO. : 29680

## Statement of Changes In Equity

(Amount in Rs. Lakhs)

<b>A</b>	Equity share capital	
	Balance at 1 April 2017	1034.67
	Changes in equity share capital	0
	<b>Balance as at 31 March 2018</b>	<b>1034.67</b>
	Changes in equity share capital	0
	<b>Balance as at 31 March 2019</b>	<b>1034.67</b>

<b>B Other equity</b>	<b>Securities premium Reserve</b>	<b>Shares Forfeited Account</b>	<b>General reserve</b>	<b>Retained Earnings</b>	<b>Other comprehensive income</b>	<b>Total</b>
<b>Balances as on 1 April 2017</b>	<b>1031.83</b>	<b>7.33</b>	<b>1736.47</b>	<b>10965.23</b>	<b>0</b>	<b>13740.87</b>
(+)Profit for the year				4165.26	0	
(-) Proposed Dividends				249.05	0	
(+)(-)-Transfer To general reserve			416.51	416.51	0	
(+)(-)-Prior period adjustments				725.30	0	
<b>Balance as at 31 March 2018</b>	<b>1031.83</b>	<b>7.33</b>	<b>2152.98</b>	<b>15190.23</b>	<b>0</b>	<b>18382.37</b>
(+)Profit for the year				3440.59	0	
(-)Dividends including DDT				261.98	0	
(+)(-)-Transfer To general reserve			344.05	344.05	0	
(+)Prior period tax/dividend adjustments				39.15	0	
<b>Balance as at 31 March 2019</b>	<b>1031.83</b>	<b>7.33</b>	<b>2497.03</b>	<b>17985.64</b>	<b>0</b>	<b>21521.83</b>

For and on behalf of the Board of Directors

Signed in terms of our report of even date

FOR R CHOPRA & ASSOCIATES

CHARTERED ACCOUNTANTS

sd/-

RAKESH CHOPRA

PROP.

M.No 514576

PLACE : AMRITSAR

DATE : 29.05.2019

sd/-

CHAMAN LAL SETIA

CHAIRMAN CUM MANAGING DIRECTOR

DIN : 01125789

sd/-

RAJEEV SETIA

EXECUTIVE DIRECTOR & CFO

DIN : 01125921

Sd/-

KANIKA NEVTIA

COMPANY SECRETARY

MEMBERSHIP NO. : 29680

## CASH FLOW STATEMENT FOR YEAR ENDING 31.03.2019

(Amount in Rs. Lakhs)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	5288.59	6005.35
ADJUSTMENT FOR:-		
DEPRECIATION ON OLD FIXED ASSETS		
DEPRECIATION/AMORTISATION	(+)	440.35
INTEREST/DIVIDEND RECEIVED	(-)	37.38
PROFIT ON SALE OF FIXED ASSETS/OTHERS	(-)	9.11
FINANCE COST	(+)	746.66
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>6429.11</b>	<b>7167.46</b>
ADJUSTMENT FOR:-		
TRADE AND OTHER RECEIVABLES	(-)	2431.99
INVENTORIES	(-)	3005.06
OTHER CURRENT ASSETS	(-)	655.10
TRADE PAYABLES/OTHERS	(-)	1080.99
CURRENT INVESTMENTS	(-)	27.36
<b>CASH GENERATED FORM OPERATION</b>	<b>-771.39</b>	<b>-2804.41</b>
DIVIDEND /ADJUSTED	(-)	261.98
DIRECT TAXES PAID	(-)	1887.15
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>-2920.52</b>	<b>-4905.29</b>
EXTRAORDINARY ITEMS		
<b>NET CASH FROM OPERATING ACTIVITIES:-</b>	<b>-2920.52</b>	<b>-4905.29</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE OF FIXED ASSETS ( NET )	(-)	918.16
SALE OF FIXED ASSETS	(+)	412.52
INCREASE/DECREASE IN LONG TERM ADVANCES		4.34
PURCHASE /SALE OF INVESTMENTS (Net)		
ADJ IN OTHER NON CURRENT ASSETS	(-)	11.08
INTEREST RECEIVED	(+)	37.38
DECREASE IN REVENUE EXPENDITURE		6.38
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-479.34</b>	<b>-1045.15</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
INCREASE IN LONG TERM ADVANCES		
PRIOR PERIOD ADJUSTMENTS		
FINANCE COST	(-)	746.66
PROCEEDS FROM SHARE CAPITAL ( Net)		0
PROCEEDS FROM BORROWINGS	(+)	3284.85
DEFERRED TAX LIABILITY	(+)	27.80
		0
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>2565.99</b>	<b>2229.83</b>
<b>FINANCE COST</b>		<b>0</b>
NET INCREASE IN CASH/BANK AND CASH/BANK EQUIVALENTS	-833.87	-3720.61
CASH/BANK AND CASH/BANK EQUIVALENTS AS AT 01.04.2018 (OPENING BALANCE)	1141.07	4861.68
CASH/BANK AND CASH/BANK EQUIVALENTS AS AT 31.03.2019 (CLOSING BALANCE)	307.65	1141.07

For and on behalf of the Board of Directors

Signed in terms of our report of even date  
FOR R CHOPRA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
sd/-  
RAKESH CHOPRA  
PROP.  
M.No 514576

sd/-  
CHAMAN LAL SETIA  
CHAIRMAN CUM MANAGING DIRECTOR  
DIN : 01125789

sd/-  
RAJEEV SETIA  
EXECUTIVE DIRECTOR & CFO  
DIN : 01125921

PLACE : AMRITSAR  
DATE : 29.05.2019

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

### 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, 2019 and found the same to be drawn in accordance there with and also with the requirements of the Listing Regulations with Stock Exchange.

FOR R CHOPRA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
sd/-  
RAKESH CHOPRA  
PROP.  
M.No 514576

PLACE : AMRITSAR  
DATE : 29.05.2019

**SCHEDULE OF DEPRECIATION AS ON 31ST MARCH, 2019**

**NOTE-1**

(Amount in Rs. Lakhs)										
	GROSS BLOCK				DEPRECIATION				NET BLOCK	
PARTICULARS	BALANCE AS AT 01/04/2018	ADDITIONS	DISPOSAL	BALANCE AS AT 31/3/2019	BALANCE AS AT 1/4/2018	FOR THE YEAR	DISPOSAL DURING THE YEAR	BALANCE AT 31/3/2019	AS AT 31/3/2019	AS AT 31/3/2018
LAND	318.35	115.97	0.00	434.32					434.32	318.35
BUILDING:	1620.16	43.91	0.00	1664.07	597.26	102.10	0.00	699.36	964.71	1022.90
FURNITURE & FIXTURES	33.79	3.18	0.00	36.97	24.31	2.70	0.00	27.01	9.96	9.46
OFFICE EQUIPMENTS	173.22	10.67	5.76	178.13	141.01	6.48	0.00	147.49	30.64	32.21
PLANT & MACHINERY:	2657.93	495.36	46.38	3106.91	1645.67	242.77	40.11	1848.33	1258.58	1012.26
VEHICLES:	733.31	1.73	50.23	684.81	430.85	79.09	44.72	465.22	219.59	302.45
OTHERS	207.38	11.90	49.43	169.85	201.91	7.21	49.43	159.69	10.16	9.35
CAPITAL WORK IN PROGRESS	331.55	229.61	385.87	175.29	0.00		0.00	0.00	175.29	328.14
TOTAL	6075.69	912.33	537.67	6450.35	3041.01	440.35	134.26	3347.10	3103.25	3035.12

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**Note no. : 2**

(Amount in Rs. Lakhs)

Other non current assets	As at 31 March 2019	As at 31 March 2018
Securities	31.12	20.04
<b>Total</b>	<b>31.12</b>	<b>20.04</b>

**Note no. : 3 Inventories**

Inventories	As at 31 March 2019	As at 31 March 2018
a. Raw Materials and components	5089.80	2440.25
b. Finished goods	13118.10	12762.59
<b>Total</b>	<b>18207.90</b>	<b>15202.84</b>

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

**Note no. : 4 Current Investments**

Current Investments	As at 31 March 2019	As at 31 March 2018
<b>Non Trade investments (at cost)</b>		
PNB Gilts Ltd.	8.86	8.86
Mutual Funds	1290.74	1263.83
PNB Equity Shares (Fully Paid quoted)	2.04	2.04
<b>Total</b>	<b>1301.64</b>	<b>1,274.73</b>

\*All the investment are quoted in stock exchange and there market value as on 31.03.2019 is Rs. 1289.08

**Note no. : 5 Trade Receivables**

Trade Receivables	As at 31 March 2019	As at 31 March 2018
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	0	0
Unsecured, considered good	10516.93	8079.57
Unsecured, considered doubtful	0	0
Sub-Total	10516.93	8079.57
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	125.48	130.85
Sub-Total	125.48	130.85
<b>Total</b>	<b>10642.41</b>	<b>8210.42</b>

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

**Note no. : 6 Cash and cash equivalents**

<b>Cash and cash equivalents</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
a. Cash on hand	13.89	12.17
b. Cheques, drafts on hand	34.36	104.39
<b>Total</b>	<b>48.25</b>	<b>116.56</b>

**Note no. : 7 Other Bank Balances**

<b>Other Bank Balances</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
a. Balances with banks*	259.40	1024.51
This includes		
Earmarked Balances (eg/- unpaid dividend accounts)	30.98	28.68
<b>Total</b>	<b>259.40</b>	<b>1,024.51</b>

**Note no. : 8 Short-term loans and advances**

<b>Short-term loans and advances</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
a. Others (Staff Members)		
Secured, considered good		
Unsecured, considered good to staff	9.06	16.45
Advances other than staff	15.14	35.76
<b>Total</b>	<b>24.20</b>	<b>52.21</b>

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

**Note no. : 9 Other current Assets**

<b>Other current Assets</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
<b>Expenses</b>		
Prepaid and Unexpired	45.58	25.15
Advance Tax/TDS	4212.86	3934.30
Gst/ Vat /Service Tax	798.60	414.04
Advance against pending appeal	8.82	8.82
Other Current Assets	15.69	15.69
<b>Total</b>	<b>5081.55</b>	<b>4398.00</b>

**NOTE : 10 Share Capital**
**(Amount in Rs. Lakhs)**

Share Capital	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorized, Issued &amp; Paid up 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	1043.89	52,194,550	1043.89
<b>Subscribed &amp; Paid up</b>				
Equity Shares of 2/- each	51733550	1034.67	51733550	1034.67

1. 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.
2. The Company declares and pays dividend in Indian rupees.Board of Directors recommended Dividend on 29.05.2019 for the F.Y ended 31.03.2019 @24% i.e is 0.48/- per share subject to approval of shareholders in ensuing Annual General Meeting.
3. 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
4. No Share was reserved for issue under options and contracts.
5. No shares was bought back .
6. The shares of Directors/officers are fully paid up.

**Share Capital**

Reconciliation of Share Capital	Equity Shares		Preference Shares	
	Number	AMOUNT	Number	Amount
Shares outstanding at the beginning of the year	51733550	1034.67	0	0
Shares outstanding at the end of the year	<b>51733550</b>	<b>1034.67</b>	<b>0</b>	<b>0</b>

**List of Share holder holding more than 5 % share**

Name of Shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
SH.CHAMAN LAL SETIA	11600050	22.42	11600050	22.42
SH.VIJAY KUMAR SETIA	12413610	24.00	12430501	24.03
SH.RAJEEV SETIA	13081750	25.29	13081750	25.29

**Note no. : 11 Other equity**

<b>Other equity</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2017</b>
<b>a. Securities Premium Account</b>	<b>1031.83</b>	<b>1031.83</b>
<b>b. Shares Forfeited account</b>	<b>7.33</b>	<b>7.33</b>
<b>c. General Reserves</b>		
Opening Balance	2152.98	1736.47
(+) Current Year Transfer	344.05	416.51
Closing Balance	2497.03	2152.98
<b>d. Surplus</b>		
Opening balance	15190.23	10965.23
(+) Net Profit/(Net Loss) For the current year	3440.59	4165.26
(-)(+) Prior Period Tax/Dividend Adjustments	39.15	725.30
(-) Transfer to General Reserves	344.05	416.51
(-) Dividend Paid	261.98	249.05
Closing Balance	17985.64	15190.23
<b>Total</b>	<b>21521.83</b>	<b>18382.37</b>

**Note no. : 12 Borrowings**

<b>Borrowings</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
<b><u>Secured</u></b>		
(a) Vehicle Loan	70.45	122.55
<b><u>Unsecured</u></b>		
(a) Directors' Deposits	4460.09	3498.34
<b>Total</b>	<b>4530.54</b>	<b>3620.89</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

**Note no. : 13 Borrowings**

<b>Short Term Borrowings</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
<b><u>Secured</u></b>		
<b>(a) Loans repayable on demand</b>		
From HDFC banks	5211.32	3717.55
Cash Credit/Packing Credit/Post Shipment Credit/Foreign Bill discounting are secured against Current Assets, entire Fixed Assets belonging to M/s Chaman Lal Setia Exports Ltd situated at Karnal		
Loan Against Security/ Mutual Fund	881.43	-
<b>Total</b>	<b>6092.75</b>	<b>3717.55</b>



**Note no. : 14 Trade Payables**

<b>Trade Payables</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Total outstanding dues of micro enterprised and small enterprises	9.58	6.89
Total outstanding dues of creditors other than micro enterprises and small enterprises	1102.67	764.29
<b>Total</b>	<b>1112.25</b>	<b>771.18</b>

**Note no. : 15 Other Current Liabilities**

<b>Other Current Liabilities*</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
(a) TDS Payables	172.91	100.73
(b) Income received in advance	4.47	4.58
(c) Unpaid Dividends	35.27	35.63
(d) Cheque issued not presented for payment	240.76	1506.15
(e) Other Payables	150.31	190.77
<b>Total</b>	<b>603.72</b>	<b>1837.86</b>

**Note no. : 16 Provisions**

<b>Provisions</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
(a) Provision for employee benefits		
Salary & Reimbursements	22.64	30.76
(b) Others (Specify nature)	3666.16	3845.96
<b>Total</b>	<b>3688.80</b>	<b>3,876.72</b>

**Note no. : 17 Revenue from Operation**

<b>Revenue from Operation</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Sale of products	76975.86	73907.47
Other operating revenues	-476.62	748.79
<b>Total</b>	<b>76499.24</b>	<b>74,656.26</b>

**Note no. : 18 Other income**

Particulars	As at 31 March 2019	As at 31 March 2018
Interest Income (in case of a company other than a finance company)	37.38	6.38
Misc Income	28.71	5.05
Profit On Sale Of Fixed Assets	9.11	0
Short Term /Long Term Gain	78.48	75.12
Dividend/Interest	68.35	32.26
Increase In Investments	0	55.99
<b>Total</b>	<b>222.03</b>	<b>174.80</b>

**Note no. : 19 Cost of material consumed**

Particulars	As at 31 March 2019	As at 31 March 2018
Cost of Raw material consumed		
Indigenous	9943.53	8726.68
Imported	0.00	0.00
<b>Total</b>	<b>9943.53</b>	<b>8,726.68</b>

**Note no. : 19A Particulars of material consumed**

Particulars	As at 31 March 2019	As at 31 March 2018
Paddy	9943.53	8,726.68
<b>Total</b>	<b>9943.53</b>	<b>8,726.68</b>

**Note no. : 20 Changes in Inventories of Finished Goods**

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Inventories (at close)</b>		
Finished Goods/Stock in trade	12296.78	11921.50
<b>Inventories(at commencement)</b>		
Finished Goods/Stock in trade	11921.50	9953.54
<b>Total</b>	<b>375.28</b>	<b>1967.96</b>

**Note no. : 21 Employee Benefit Expenses**

Particulars	As at 31 March 2019	As at 31 March 2018
Employee benefits consist of;		
Salaries, Wages and Allowances	640.12	646.68
Commission/Professional fees to Directors	400.00	400.00
Contribution to:		
Gratuity fund/Provident Fund/Labour Fund	43.46	47.87
Staff welfare expenses/Training and Medical exp	12.00	27.40
<b>Total</b>	<b>1095.58</b>	<b>1121.95</b>

**Note no. : 22 Finance Cost**

Particulars	As at 31 March 2019	As at 31 March 2018
Bank charges	84.99	163.05
Interest	661.67	600.25
<b>Total</b>	<b>746.66</b>	<b>763.30</b>

**Note no. : 23 Depreciation & Amortization Expenses**

Particulars	As at 31 March 2019	As at 31 March 2018
Depreciation of Tangible Assets	440.35	398.32
Amortization of Intangible Assets	0	6.87
<b>Total</b>	<b>440.35</b>	<b>405.19</b>



## Other Expenses

### Note no. : 24(1) Establishment Expenses

Particulars	As at 31 March 2019	As at 31 March 2018
<b>These Includes the following</b>		
Rent,Rate & Taxes	1.52	3.40
Postage,Telegram & Courier Charges	47.88	45.58
Printing, Stationery & Compter exp	13.89	17.17
Insurance Charges	160.15	156.80
Vehicle Running & Maintenance	31.75	31.54
Membership Fees & Subscription	2.24	3.15
Professional & Consultancy	41.71	40.33
Payment to Auditor	2.50	2.50
Travelling,Lodging,Boarding	187.62	147.06
Donation	2.83	4.30
CSR exp	49.21	52.26
General Exp	60.40	58.62
<b>Total</b>	<b>601.70</b>	<b>562.71</b>

### Note no. : 24(2) Payment To Auditor

Particulars	As at 31 March 2019	As at 31 March 2018
<b>These Includes the following</b>		
Payment to Auditor includes:		
Statutory Audit Fees	1.00	1.00
Tax audit fees	0.5	0.5
Taxation Matters	1.00	1.00
<b>Total</b>	<b>2.50</b>	<b>2.50</b>

**Note no. : 24 (3) Selling & Distribution Exp.**

<b>Particulars</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Export Commission	527.48	312.43
E.C.G.C Expenses	107.72	84.36
Advertisement & business promotion exp	63.72	81.58
Direct Export Expenses	4260.54	3981.97
Brokerage	60.79	64.72
Bad Debts	15.22	45.36
Loss by Theft	35.15	0
Loss in Transit	48.72	0
<b>Total</b>	<b>5119.34</b>	<b>4570.42</b>

**Note no. : 24 (4) Manufacturing Expenses**

<b>Particulars</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Power & Fuel	326.44	317.84
Machinery Repair & Maintenance	100.55	70.59
Sheller Lease/Godown Lease Expenses	220.93	226.43
Bardana Repair	19.37	16.50
Packing Expenses	362.50	274.93
Stacking, Weighing Loading etc	365.47	310.69
Packing Material/Empty Cost	2794.51	1979.54
Sample Testing	47.69	29.32
Fumigation	96.43	87.63
Other Repair	44.06	21.25
Overheads	46.31	26.11
security exp	24.06	22.62
<b>Total</b>	<b>4448.32</b>	<b>3383.45</b>
<b>Grand Total of Other Expenses</b>	<b>10169.36</b>	<b>8516.58</b>

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2019**

### **1. Company Overview**

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.

**Disclosures under Ind AS are made only in respect of material items and in respect of the items that will be useful to the users of financial statements in making economic decisions.**

The financial statements for the year ended 31st March 2019 (including comparatives) are duly adopted by the Board on 29.05.2019 for consideration and approval by shareholders.

### **2) Significant Accounting Policies:**

**This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.**

#### **(2.1) Compliance with IND AS**

The Company has adopted the Indian Accounting Standard ('IND AS') w.e.f. 01.04.2017. These financial statements have been prepared in accordance with the recognition and measurement principles stated therein and as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and the other accounting principles generally accepted in India.

#### **(2.2) Basis of Preparation**

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("IND AS") as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

##### **(i) Historical Cost Convention**

The Financial Statements have been prepared on the historical cost convention on going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 01, 2016 being the 'date of transition to Ind AS'.

##### **(ii) Classification of assets and liabilities**

The classification of assets and liabilities into current and non-current, wherever applicable, are based on normal operating cycles of business activities of the Company, which is twelve months.

### **2.2 Summary of Significant Accounting Policies :**

#### **a) Property, Plant and Equipment including Intangible Assets:-**

Freehold Land is stated at Original cost of acquisition. All other items of Property, Plant and Equipment are shown at cost less accumulated depreciation and impairment, if any. The cost of an item of property, plant

and equipment comprises its cost of acquisition/installation inclusive of Freight, duties and other taxes or levies and any cost directly attributable to the acquisition/construction of those item; an trade discounts, subsidy and rebates are deducted in arriving at the cost of acquisition.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred. Gain or losses arising on disposal of property, plant and equipment are recognised in profit or loss.

**b) Capital Work in Progress**

Property, Plant and equipment under construction are disclosed as capital work in progress.

**c) Depreciation and amortization :-**

Depreciation has been provided based on useful life assigned to each asset in accordance with Schedule II of the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

**3. Use of Estimates and Judgments**

The preparation of the Financial Statements in conformity with Ind AS requires management to make certain assumptions, Judgements and estimates that effect the reported amount, the Financial Statements and notes thereto. Difference, if any, between the actual and the estimate is recognised in the year in which the same are acknowledged/ materialized.

**4 Revenue Recognition**

Revenue from sale of goods is recognised when all the significant risk and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. On recognition of revenue the Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, export sales are adjusted for exchange fluctuations on exports realized during the year and the trade receivable in foreign exchange which are restated at the year end. Domestic sales are recognized net of discounts, Scheme on Sales, Sales Tax, Sale Returns and Excise Duty.

Revenue in respect of Insurance / others claims, Interest, Commission, etc. is recognised only when it is reasonably certain that the ultimate collection will be made

**5. Dividend to equity shareholders**

Dividend to equity shareholders is recognized as a liability and deducted from shareholders' equity, in the period in which dividend are approved by the equity shareholders in the general meeting in other words when right to receive the payment is established.

**6. 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.

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**7. Disclosure as per the requirement of Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006:**

(Amount in Rs. Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	9.58	6.89
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year		
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006		
The amount of interest accrued and remaining unpaid at the end of each accounting year		
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.		
<b>Total</b>	<b>9.58</b>	<b>6.89</b>

**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.



Eligible employees of the Company receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related services.

## **10.2 Defined Benefits Plans**

The Company has Defined Benefit Plan for post employment benefit in the form of Gratuity for eligible employees, which is administered through a Group Gratuity Policy with Life Insurance Corporation of India (L.I.C). The liability for the above Defined Benefit Plan is provided on the basis of actuarial valuation as carried out L.I.C. The actuarial method used measuring the liability is the Project Unit Credit Method.

## **11. Investment Properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment Property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

## **12. Investment and Other Financial Assets**

Classification;- The Company classifies its financial assets in the following measurement categories;-

- i Those to be measured subsequently at fair value either through other comprehensive income or, through the Statement of Profit and Loss, and
- ii Those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

## **13. 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.

## **14. Cash and Cash equivalents;-**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of change in value.

## **15. 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 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.

#### **16. 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.

#### **17. 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.

#### **18. Segment Reporting**

The Company at present is engaged in the business of a single primary reportable business segment i.e. business of manufacturing, trading and marketing of the rice only.

#### **19. Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Interest and other borrowing costs attributable to qualifying assets are capitalised as a part of such assets till such time the assets are ready for use. Other interest and borrowing costs are charged to Statement of Profit and Loss.

#### **20. Corporate Social Responsibility :-**

As per section 135 of Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. Average net profit of Company for immediately preceding three years is Rs. 584161567/-. Company has spent Rs. 11683231/- i.e. 2% on average net profit of Company. However during the year 2018-19 Company has spent Rs. 4921298/- & amount unspent is Rs. 6761933/-

#### **Notes to Accounts**

1. 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 31.3.2019
8.
  - a) The Company's appeal with Commissioner Excise and Taxation, Punjab for the year 2010-11 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 2011-12 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 2010-2011 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 1750000/- on the alledged 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.

12. The status of dividend remaining unclaimed as on 31.03.2019 is given here under:

YEAR	(Rupees in Lacs)
2011-2012	2.48
2012-2013	2.24
2013-2014	3.29
2014-2015	2.10
2015-2016	2.50
2016-2017	2.55
2017-2018	1.98

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 2011-12 and thereafter immediately. The Company had, accordingly, transferred Rs. 240025/- being the unpaid and unclaimed dividend amount pertaining to Final Dividend for the financial year ended 2010--2011 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 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.

### 13. Compliance with Indian Accounting Standard

- (i) Ind-AS 19 for "Employee benefits" the disclosures as defined in the Indian Accounting Standard are given below:

#### Defined Contribution Plans

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

	2018-19 (Rs.)	2017-18 (Rs.)
Contribution to Provident Fund	2974715	2550420
Contribution to Pension Scheme & ESI	3629741	949947

#### 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. 485506.00 has been paid to LIC towards groups gratuity scheme of employees.

- (ii) **IND-AS 24 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 in Rs.
Sh. Chaman Lal Setia	Managing Director & Chairman	Remuneration Interest	14954108 12372485
Sh. Vijay Kumar Setia	Executive Director	Remuneration Interest	15340578 6793275
Sh. Rajeev Setia	Executive Director & CFO	Remuneration Interest	11354538 10122029
Shri Sukarn Setia	Executive Director	Remuneration Interest	1841400 3504256
Shri Sankesh Setia	Executive Director	Remuneration Interest	7607200 5618353
Shri Ankit Setia	Executive Director	Remuneration Interest	7439600 7179769
Smt. Isha Setia	Director's Wife	Remuneration	600000
Smt. Richa Setia	Director's Wife	Remuneration	360000
Setia Rice Mills	Sister Concern	Lease Rent	300000
Avn Group	Sister Concern	Lease Rent	19385391
Star Exports	Sister Concern	Sale/Purchase of Rice	7089000
Setia Overseas	Sister Concern	Lease Rent	212400

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

(b) Interest on unsecured loans paid to directors during the year@ 12% p.a is Rs. 45590167.

(iii) IND-AS 33 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. 6.65

(iv) Ind-AS-12 Deferred Taxes

In accordance with the Ind-AS-12 the deferred tax has been accounted for during the year ended 31.03.2019. The deferred tax Assets up to amounting to Rs.2902273/- has been credited to Revenue Reserve and disclosed separately under current liability and provision. The deferred tax/liability asset related to current year is Rs.2780000 /- and current outstanding as at 31.03.2019 is Rs. 12099595 /-

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

(i) Ind- AS 108 Segmental Reporting

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

14. 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:

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

15. Stores & Spares are charged to Profit & Loss at time of Purchase and no inventory in respect of these is being maintained.
16. The payment due to SSI unit cannot be confirmed in the absence of information regarding the status of concerned creditors.
17. Additional Information Pursuant to point no. 5 of part-II of Schedule-III to the Companies Act 2013:

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

	31.03.2019	31.03.2018
Licensed Capacity (per hour)	12 MT	14 MT
Installed Capacity (per hour)	12 MT	14 MT
Actual Production (In Qtls)	239788	208262

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

Opening Stock as at		Closing Stock as at	
01.04.2017	01.04.2018	31.03.2018	31.03.2019
236035	249735	249735	212506

**C) Expenditure in Foreign Exchange**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Value of Import of Capital Goods	NIL	9183789
Export Commission	52748833	31243809
Travelling Expenses	16611498	12592954
Ocean Freight	165646001	133585243

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Value of Goods Exported	6610217932	6277190172

**E) Raw Material Consumed:**

(In Qtls)			
31.03.2019	31.03.2019	31.03.2018	31.03.2018
Quantity	Value	Quantity	Value
370958	994353812	328686	872668176

**18. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND-AS) 10: EVENT AFTER THE REPORTING PERIOD:-**

The Board of Directors has recommended Equity Dividend of 24% i.e. Rs. 0.48 per share (Previous Year 21% i.e. Rs. 0.42 per share) for the financial year 2018-2019.

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

Signed in terms of our report of even date  
FOR R CHOPRA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
sd/-  
RAKESH CHOPRA  
PROP.  
M.No 514576

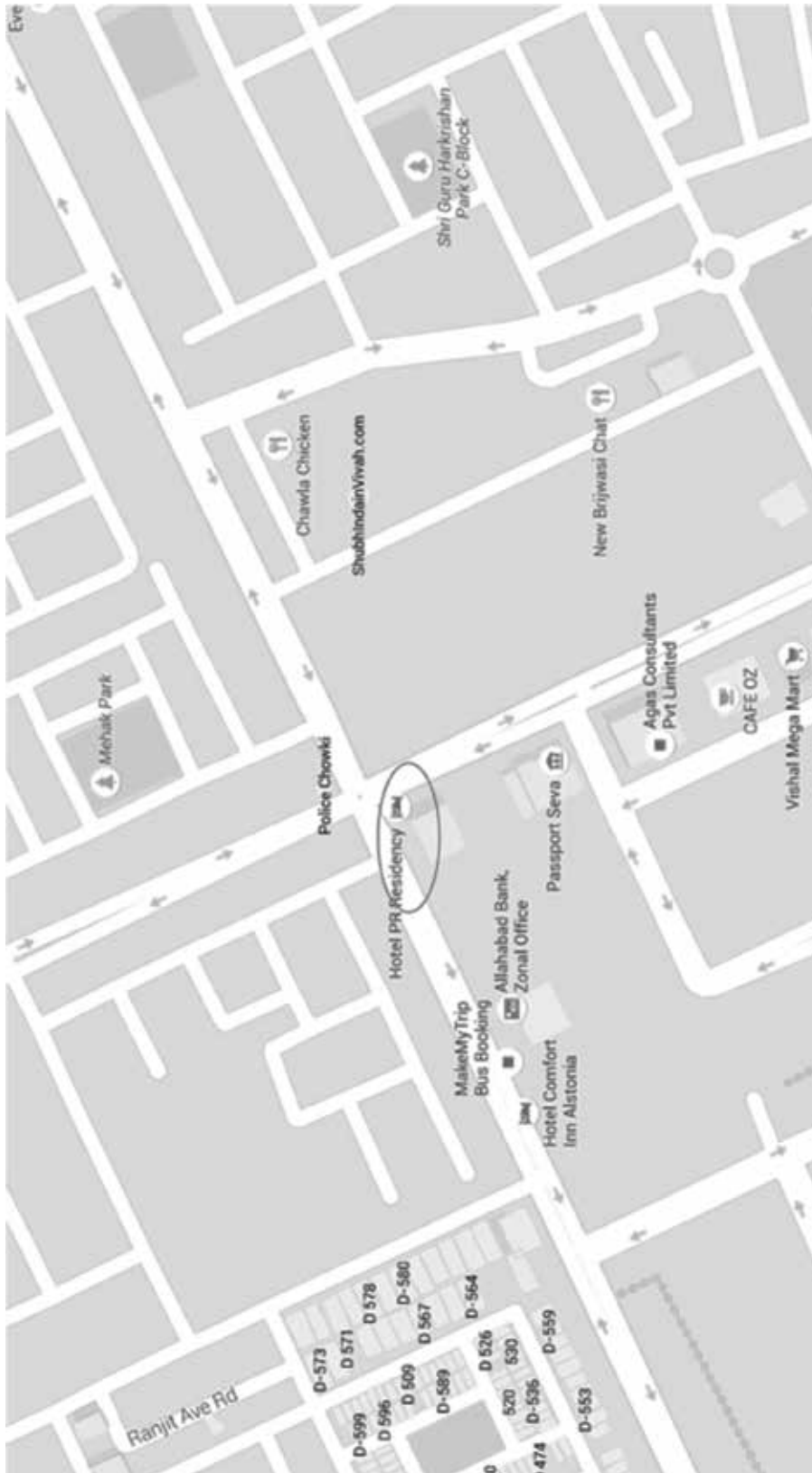
sd/-  
CHAMAN LAL SETIA  
CHAIRMAN CUM MANAGING DIRECTOR  
Din : 01125789

For and on behalf of the Board of Directors

sd/-  
RAJEEV SETIA  
EXECUTIVE DIRECTOR & CFO  
DIN : 01125921

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

**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. :- 0183-2590453

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 25TH Annual General Meeting of the Chaman Lal Setia Exports Ltd. at Hotel P.R Residency, 101 Distt. Shopping Centre, Ranjit Avenue, Amritsar-143001 on Saturday, 28th September, 2019 at 04:30 p.m.

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

\*Applicable for investors holding shares in electronic form

## CHAMAN LAL SETIA EXPORTS LIMITED

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

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

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

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]

25th Annual General Meeting on Saturday, 28.09.2019 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

- Name: ..... Address:.....  
 E-mail Id:.....Signature:.....
- Name: ..... Address:.....  
 E-mail Id:.....Signature:.....
- 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 25th Annual General Meeting of the company, to be held on the Saturday, 28th day of September, 2019 at 04:30 p.m. at Hotel P.R Residency, 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 31.03.2019 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 31.03.2019		
3.		To appoint a Director in place of Mr. Ankit Setia (Din :01133822), who retires by rotation and being eligible, offer himself for reappointment.		
4.		To appoint a Director in place of Mr. Sankesh Setia (Din :06620109), who retires by rotation and being eligible, offer himself for reappointment.		
Special Business				
5.		To Consider and approve the re-appointment of Mr Chaman Lal Setia . (Din: 01125789) Managing Director of Company for a further period of 5 years		
6.		To Consider and approve the re-appointment of Mr.Sankesh Setia (Din :06620109) Wholetime Director of Company for a further period of 5 years		
7.		To consider and approve the continuation of payment of remuneration to Mr. Vijay Kumar Setia (Din :- 01125966) Executive Director and member of Promoter & Promoter Group in excess of threshold limits as per SEBI(LODR) (Amendment) Regulations, 2018		
8.		To consider and approve the continuation of payment of remuneration to Mr. Rajeev Setia (Din:- 01125921) Executive Director and member of Promoter & Promoter Group in excess of threshold limits as per SEBI(LODR) (Amendment) Regulations, 2018		
9.		To consider and approve the continuation of payment of remuneration to Mr. Sukarn Setia (Din:- 01133561) Executive Director and member of Promoter & Promoter Group in excess of threshold limits as per SEBI(LODR) (Amendment) Regulations, 2018		
10.		To consider and approve the continuation of payment of remuneration to Mr. Sankesh Setia (Din:- 06620109 ) Executive Director and member of Promoter & Promoter Group in excess of threshold limits as per SEBI(LODR) (Amendment) Regulations, 2018		
11.		To consider and approve the continuation of payment of remuneration to Mr. Ankit Setia (Din:- 01133822) Executive Director and member of Promoter & Promoter Group in excess of threshold limits as per SEBI(LODR) (Amendment) Regulations, 2018		
12.		To consider and approve the continuation of payment of remuneration to Mr. Chaman Lal Setia (Din:- 01125789) Managing Directors who are Promoters and member of Promoter Group in excess of threshold limits as per SEBI(LODR) (Amendment) Regulations, 2018		
13.		To consider and approve the re-appointment of Mr. Inder Dev Kukkar (DIN:- 01193209) as an Independent Non-Executive Director of the Company.		
14.		To consider and approve the re-appointment of Mr. Naresh Kumar Suneja (DIN:- 01383235) as an Independent Non-Executive Director of the Company.		
15.		To consider and approve the re-appointment of Mr. Raghav Peshawaria (DIN:- 01386434) as an Independent Non-Executive Director of the Company.		
16.		To consider and approve the re-appointment of Mrs. Amarjyoti Bagga (DIN 06958408) as an Independent Non-Executive Director of the Company.		
17.		To consider and approve the re-appointment of Mr. Vijay Kumar Jhamb (DIN : 07021080) as an Independent Non-Executive Director of the Company.		

\* Applicable for investors holding shares in electronic form.

Signed this..... day of..... 2019

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, Explanatory Statement and notes, please refer to the Notice of the 25th 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 of 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.

Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

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

[illegible]

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# OUR PLANT IN KARNAL





**Maharani**  
Rice

Regd. Off. :

Meerankot Road , P.O., Central jail,  
Ajnala Road, Amritsar-143002 (india)

Tel: +91-183-2590318, 2592708 |

Fax: +91-183-2590453

CIN : L51909PB1994PLC015083

Email : [setia@maharanirice.org](mailto:setia@maharanirice.org) | [clsetia@rediffmail.com](mailto:clsetia@rediffmail.com) | [begum@futuraerice.com](mailto:begum@futuraerice.com)

Website : [www.maharanirice.in](http://www.maharanirice.in)