

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, clsetia@rediffmail.com
CIN No. : L51909PB1994PLCO15083



05.09.2020

To,
The Manager Listing
BSE Limited,
Corporate Relationship Department
Dalal Street, Mumbai – 400 001
Phones :- 022-22723121
Corp.relations@bseindia.com
Scrip Code: 530307

Subject: Annual Report for the FY- 2019-20 along with Notice of 26th Annual General Meeting

Pursuant to Regulation 30 and 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Annual Report for the Financial Year 2019-20 along with the Notice of 26th Annual General Meeting of the Company scheduled to be held on Tuesday, September 29, 2020 at 04:30 P.M to transact the business as set out in the Notice.

Kindly take the above on record and oblige.

Thanking You
Yours Faithfully,

For Chaman Lal Setia Exports Ltd.

Kanika Nevtia
(Company Secretary & Compliance Officer)
ACS:-29680



RICE MILLS
Kaithal Road,
Karnal.
Tel : 0184-2990758

Visit us at :
www.maharanirice.in

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Meeran Kot Road,
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26th **Annual** Report
2019-2020

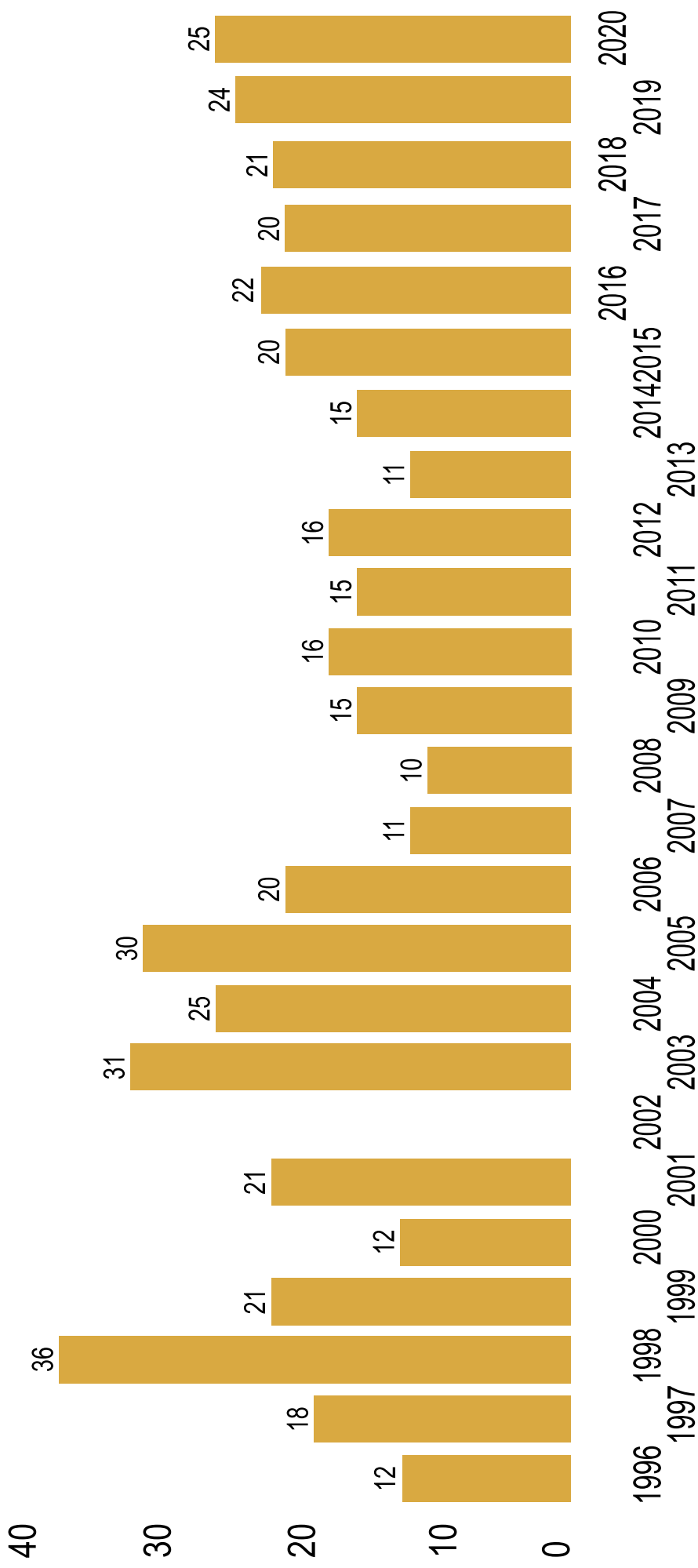
Maharani Basmati Rice
"Zubaan se Dil tak"





Chaman Lal Setia Exports Ltd.

467% Dividend since inception



25% Dividend Proposed in 2019-20

Board of Directors

Chaman Lal Setia (Din:- 01125789)
(Chairman cum Mg. Director upto 28.08.2020)

Vijay Kumar Setia (Din:- 01125966)
(Chairman & Managing Director w.e.f 28.08.2020)

Rajeev Setia (Din :- 01125921)
(Joint Managing Director w.e.f 28.08.2020& CFO)

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

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

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

Pooja Kukar (Din:-08846984)
(Additional Independent Director)

Registered Office
MiranKot Road, P.O Central Jail,
Ajnala Road, Amritsar, 143002

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

Works/Sales Office/Packing Unit
Mirankot Road, Amritsar Kaithal Road, Karnal,
526-B, Lahori Gate, Delhi,
Alipur, Delhi,
Gandhidham,Gujarat

Bankers

Hdfc Bank, The Mall
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 Nevtia
1226, Katra Ahluwalia, Amritsar-143001

ANNUAL GENERAL MEETING

On 29th September, 2020 at 4.30 p.m.(Via VC/OAVM)

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NOTICE OF ANNUAL GENERAL MEETING
CHAMAN LAL SETIA EXPORTS LTD.
(CIN No.: L51909PB1994PLC015083)

MiranKot Road, P.O. Central Jail, Ajnala Road, Amritsar-143002
Phone No. 0183-2592708, Fax No. 0183-2590453
Website: www.maharanirice.in Email: clsetia@rediffmail.com

NOTICE TO THE MEMBERS

Notice is hereby given that the 26th Annual General Meeting of the Members of CHAMAN LAL SETIA EXPORTS LTD. will be held on Tuesday, the 29th day of September, 2020 at 4:30 p.m. through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") to transact with or without modification(s), as may be permissible, the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31.03.2020 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, 2020.
3. To appoint a Director in place of Mr. Sukarn Setia (Din: 01133561), 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. Ankit Setia (Din : 01133822), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS :-

5. **To appoint Mrs. Pooja Kukar (DIN:- 08846984) as an Independent Director of Company for one term of five years and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:-**

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, [including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force] and on Recommendation of the Nomination & Remuneration Committee, Mrs. Pooja Kukar (DIN: 08846984) who was appointed as an Additional Director (Independent) not liable to retire by rotation by the Board of Directors, pursuant to Section 161 (1) of the Act and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member, proposing her candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company, whose office shall not be liable to retirement by rotation, to hold office for one term of 5 (five) consecutive years w.e.f August 28, 2020 to August 27, 2025.

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

6. **To appoint Mr. Vijay Kumar Setia (DIN:- 01125966) as the Chairman and Managing Director and in this regard, to consider and if thought fit, to pass, the following resolution as a Special Resolution :**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration

of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactment thereof, for the time being in force) and pursuant to the Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of Company (hereinafter referred to as "the Board" including any committee constituted by the Board) , consent of the Members of the Company be and is hereby accorded for appointment of Mr. Vijay Kumar Setia (DIN:- 01125966) who was earlier appointed as whole-time Director of Company for period of five years i.e. from 01.10.2018 to 30.09.2023 in 24th Annual General Meeting of Company held on 29.09.2018, as Chairman and Managing Director of the Company for a period of 5 (five) years with effect from 28.08.2020 to 27.08.2025 (both days inclusive) on the following key terms and conditions including remuneration:-

REMUNERATION

A) Fixed Compensation

Fixed Compensation shall include Basic Salary, the 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 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, subject to the conditions that such payment shall be within the overall ceiling of the remuneration permissible under the Act.

C) Perquisites 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 the cost is not ascertainable the same shall be valued as per Income Tax Rules.
- j) Credit Card Facility.

He shall not be paid any sitting fee for attending the meetings of the Board or any Committee thereof.



RESOLVED FURTHER THAT the Board of the Company be and hereby authorised to alter and vary the remuneration payable to Mr. Vijay Kumar Setia, as it may deem fit and as may be acceptable to Mr. Vijay Kumar 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 pursuant to regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the Members be and is hereby accorded for payment of remuneration to Mr. Vijay Kumar Setia (DIN : 01125966) as mentioned in the foregoing paragraphs, in the capacity of Chairman and Managing Director of Company w.e.f 28.08.2020, notwithstanding that the annual aggregate remuneration payable to Mr. Vijay Kumar Setia, Mr. Rajeev Setia, Mr. Sukarn Setia, Mr. Ankit Setia and Mr. Sankesh Setia directors of Company, who are also promoters or members of the promoter group, exceeds 5% of the net profit of the Company as calculated under Section 198 of the Act, in any year during the 5 years' tenure of his appointment and the approval of shareholders shall be valid during the 5 years tenure of his appointment.

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. Vijay Kumar Setia as Managing Director, the Company may, subject to the requisite approvals, if required, pay him 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 appoint Mr. Rajeev Setia (DIN:- 01125921) as the Joint Managing Director and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution :**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactment thereof, for the time being in force) and pursuant to the Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of Company (hereinafter referred to as "the Board" including any committee constituted by the Board), consent of the Members of the Company be and is hereby accorded for appointment of Mr. Rajeev Setia (DIN:- 01125921) who is a Chief Financial Officer of Company and was earlier appointed as whole-time Director of Company for period of five years i.e. from 01.10.2018 to 30.09.2023 in 24th Annual General Meeting of Company held on 29.09.2018, as Joint Managing Director of the Company for a period of 5 (five) years with effect from 28.08.2020 to 27.08.2025 (both days inclusive) on the following key terms and conditions including remuneration:-

REMUNERATION

A) Fixed Compensation

Fixed Compensation shall include Basic Salary, the 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 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, subject to the conditions that such payment shall be within the overall ceiling of the remuneration permissible under the Act.

C) Perquisites 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 Joint 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 Joint 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 the cost is not ascertainable the same shall be valued as per Income Tax Rules.
- j) Credit Card Facility.

He shall not be paid any sitting fee for attending the meetings of the Board or any Committee thereof.

RESOLVED FURTHER THAT the Board of the Company be and hereby authorised to alter and vary the remuneration payable to Mr. Rajeev Setia, as it may deem fit and as may be acceptable to Mr. Rajeev 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 pursuant to regulation 17(6) (e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the Members be and is hereby accorded for payment of remuneration to Mr. Rajeev Setia (DIN : 01125921), as mentioned in the foregoing paragraphs, in the capacity of the Joint Managing Director of the Company w.e.f 28.08.2020, notwithstanding that the annual aggregate remuneration payable to Mr. Rajeev Setia, Mr. Vijay Kumar Setia, Mr. Sukarn Setia, Mr. Ankit Setia and Mr. Sankesh Setia Directors of Company, who are also promoters or members of the promoter group, exceeds 5% of the net profit of the Company as calculated under Section 198 of the Act, in any year during the 5 years tenure of his appointment and the approval of shareholders shall be valid during the 5 years tenure of his appointment.

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. Rajeev Setia as Joint Managing Director, the Company may, subject to the requisite approvals, if required, pay him 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.”

For and on behalf of the Board of Directors
sd/-

Vijay Kumar Setia
Chairman & Managing Director
Din :- 01125966

Place: Amritsar
Date: 28.08.2020

IMPORTANT NOTES :

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR /P/2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 26th AGM of the Company is being conducted through Video Conferencing (VC) or other audio visual means (OAVM) Facility, which does not require physical presence of Members at a common venue. Hence, Members can attend and participate in the AGM through VC/OAVM only.
2. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. However, this number does not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy/proxies need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. Hence the Proxy Form and Attendance Slip are not annexed to this Notice. However the Body Corporates are entitled to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
5. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
6. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12.05.2020, the Notice of the 26th AGM along with Annual Report 2019-2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may please note that Notice and Annual Report 2019-20 will also be available on the Company's website www.maharanirice.in, website of Stock Exchange i.e. www.bseindia.com and on the website of CDSL <https://www.evotingindia.com>.

Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 26th AGM and the Annual Report for the year 2019-20 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-

- a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self- attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company at: clsetia@rediffmail.com or to RTA at: beetalrta@gmail.com
- b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

7. 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 7 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.
8. The requirement to place the matter relating to the appointment of Auditors for ratification by Members at every Annual General Meeting has been done away with vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Auditor, who was appointed from the conclusion of the 23rd Annual General Meeting held on 28.09.2017.
9. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent via registered email of the shareholder to email of the Company—clsetia@rediffmail.com
10. 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.
11. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members on the website of the Company at www.maharanirice.in during the time of AGM.
12. Members desiring of seeking further information relating to financial statements of Company are requested to address their queries to Company Secretary & Compliance officer of Company at the Registered Office address of Company or through email at clsetia@rediffmail.com at least 7 days in advance of AGM, so that the information, to the extent practicable, can be reply suitably.
13. To support the 'Green Initiative', members who have not registered their e-mail addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Registrar and Share Transfer Agents of the Company (RTA) i.e. M/S. Beetal Financial & Computer Services Private Limited in case the shares are held by them in physical form for receiving all communication including Annual Report, Notices or any other information as applicable from the Company electronically.
14. Pursuant to Section 72 of the Companies Act, 2013, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form no. SH-13,(which will be made available on request) to the RTA in case the shares are held in physical form and to their DP in case the shares are held by them in electronic form.
15. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their respective PAN details to their respective Depository Participants with whom they have their demat account(s). Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agent of the Company viz. Beetal Financial & Computer Services Private Limited, New Delhi.
16. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available if the Company proposes to avail NECS Facility. The members who have not updated their bank account details and wish to avail such facility in future are requested to update their bank account details by submitting the requisite documents and for this can contact Company/RTA at clsetia@rediffmail.com or beetalrta@rediffmail.com.
17. Non Resident Indian members are requested to inform the Company's Registrar & Share Transfer Agents, 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 with pin code, if the details are not furnished earlier.

18. In terms of SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20 April, 2018 read with SEBI press release PR No.: 51/2018 dated 3 December, 2018, effective from 1 April, 2019, Company's shares can be transferred in dematerialized form only. Hence members, who hold shares in physical form, are requested to dematerialize their shares, so they can transfer their shares in future, if so desire. However, members can continue to hold shares in physical form.
19. 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, bank details, email address, telephone/mobile numbers etc are requested to write to the company or its Registrar and Share Transfer Agent 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
20. The Registers of Members and Share Transfer Books of the Company will remain closed from Wednesday 23rd September, 2020 , to Tuesday 29th September, 2020 (both days inclusive).
21. The Board of Directors has recommended a Dividend in their Board Meeting held on 30.06.2020 @ 25% i.e. Rs. 0.50 per Equity Share of face value of Rs. 2/- each for the Financial year ended March 31, 2020, that is proposed to be paid on and from 29.09.2020, subject to approval of shareholders at the 26th Annual General Meeting and further payment will be done as per the mandate registered with the Company or with their respective Depository Participants.

In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Member, at the earliest once the normalcy is restored.

22. Electronic copy of all the documents referred to in the accompanying Notice of the 26th AGM and the Explanatory Statement shall be available for inspection upto the 26th Annual General Meeting in the Investor Section of the website of the Company at www.maharanirice.in.
23. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company/RTA. Further, with respect to Deduction of Tax on Dividend, the communication in this regard is being sent to the shareholders separately in the permitted mode.
24. 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 31.03.2012 to the Investor Education and Protection Fund (IEPF). Shareholders who have not encashed the dividend warrant(s) so far in respect of financial year 31.03.2013 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 2012-2013 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 03, 2020. 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 under "Investors Section" and same information has also been uploaded on the website of IEPF viz. www.iepf.gov.in

25. 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 24475 equity Shares which belongs to total 18 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/ClientIDIN30078/10656671). 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.
26. 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.
27. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
28. Mr. Sukarn Setia and Mr. Ankit Setia –Directors retire by rotation and, being eligible, offer themselves for re-appointment at the Annual General Meeting. Brief resume of the said Directors is given below:-

NAME	MR. SUKARN SETIA	MR. ANKIT SETIA
Director Identification Number (DIN)	01133561	01133822
AGE	40 YEARS	36 YEARS
DOB	19.09.1980	28-09-1984
Designation	Executive Director	Executive Director
Qualification	Commerce Graduate & Diploma holder in import & export from Schilling University, London	Graduate, Diploma holder in food technology
Date of Appointment on the Board	28.09.2001	30.09.2003
EXPERTISE IN SPECIFIC AREA	Export Marketing & Marketing Strategies	Technical Expert in Export market, Quality Controlling and Production
Shareholding in Chaman Lal Setia Exports Ltd. as on 31.03.2020	56029	158297
Directorship/Memberships/ Chairmanships of Board Committees in Other Companies as on 31.03.2020	None	None
Inter-se relationships between Directors & Key Managerial Personnel	Mr. Sukarn Setia is an Executive Director of the Company and he is a relative of Mr. Vijay Kumar Setia, Mr. Ankit Setia, Mr. Sankesh Setia and Mr. Rajeev Setia Directors of Company.	Mr. Ankit Setia is an Executive Director of the Company and he is a relative of Mr. Mr. Vijay Kumar Setia, Mr. Sukarn Setia, Mr. Sankesh Setia and Mr. Rajeev Setia Directors of Company..
No. of Board Meeting Attended	3	3

29. Process For Members Opting For E-Voting are given below. The Members are requested to go through them carefully.
30. 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 read with MCA Circulars and SEBI Circulars, the Company is pleased to provide facility to Members to exercise their right to vote on the resolutions proposed to be considered at the 26th 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 remote e-voting system as well as electronic voting system on the date of AGM will be provided by Central Depository Services (India) Limited (CDSL).

- The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM.

31. 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.
32. 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 or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
33. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.maharanirice](http://www.maharanirice.com), in and on the website of CDSL <https://www.evotingindia.com> after the declaration of result by the Chairman. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.
34. 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 FOR REMOTE E-VOTING ELECTRONICALLY ARE AS UNDER:

- (i) The remote e-voting facility begins on 26.09.2020 from 10:00 a.m. and ends on 28.09.2020 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. 22.09.2020, 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.
- (iv) Click on "Shareholders" module.
- (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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (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 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"> Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> 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).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 shareholders 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 relevant EVSN of Chaman Lal Setia Exports Ltd. for the relevant 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 a print of the votes cast by clicking on “**Click here to print**” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and **click on Forgot Password &** enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (i) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.



- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; clsetia@rediffmail.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- 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. 22.09.2020 may follow the same instructions as mentioned above for e-voting.
- The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company as on cut-off date of 22.09.2020.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to clsetia@rediffmail.com/beetalrta@gmail.com.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to clsetia@rediffmail.com/beetalrta@gmail.com.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request in advance from their registered email address mentioning their name, demat account number/folio number, mobile number at clsetia@rediffmail.com from 24.09.2020 to 27.09.2020. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

6. The shareholders who do not wish to speak during the AGM but have queries may send their queries on or before 27.09.2020 from their registered email address mentioning their name, demat account number/folio number, email id, mobile number at clsetia@rediffmail.com. These queries will be replied to by the company suitably by email.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058738 / 022-23058542/43.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO.5:-

The Board of Directors at its meeting held on 28.08.2020, on the recommendation of the Nomination & Remuneration Committee, had appointed Mrs. Pooja Kukar (DIN: 08846984), as an Additional Director in the category of Independent Director of the Company with effect from 28.08.2020.

In terms of the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of Company, Mrs. Pooja Kukar will hold office only upto the date of ensuing Annual General Meeting and her appointment as Independent Director for one term of five consecutive years w.e.f 28.08.2020 to 27.08.2025 is proposed for shareholders' approval as set out in item no. 5 of this notice.

The Company has received a notice in writing from a member of the Company under the provisions of Section 160 of the Companies Act, 2013, as amended by the Companies (Amendment) Act, 2017, proposing the candidature of Mrs. Pooja Kukar for the office of Director of the Company.

The Company has received a declaration from Mrs. Pooja Kukar to the effect that she meets the criteria of independence as prescribed both under the sub-section 6 of Section 149 of the Act and under Regulation 25 read with Regulation 16(1) (b) of the SEBI Listing Regulations and is independent of Management. Mrs. Pooja Kukar is not dis-qualified from being appointed as Director in terms of Section 164 of the Act, and has given her consent to act as Director of the Company.

In terms of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force] read with Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mrs. Pooja Kukar, is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation.



Mrs. Pooja Kukar had also registered her name in the data bank for Independent Director maintained by the "Indian Institute of Corporate Affairs (IICA), Manesar (notified under section 150 (1) of the Companies Act, 2013 as the institute for the creation and maintenance of data bank of Independent Directors) and paid requisite fee thereof.

Mrs. Pooja Kukar is a young member in the Board and an innovative executive. She did her graduation from Punjab university. She is having experience of more than 12 years in marketing and management. She is not related to any Director of Company. She is not a Director in any other Company and further she is not a Member/ Chairman of Committee in any other Company. Mrs. Pooja Kukar is having nil shareholding in Chaman Lal Setia Exports Ltd. as on date.

The terms and conditions of her appointment shall be open for inspection by the members, without any fee at the Registered Office of the Company during normal business hours on any working day up to the date of the ensuing AGM and also on the website of Company at www.maharanirice.in

The Personal profile of Mrs. Pooja Kukar is given below :-

Full NAME	Mrs. Pooja Kukar
DIN	08846984
Designation	Additional Director (Independent Category) w.e.f 28.08.2020
Date of Birth	08.01.1981
AGE	39 Years
Qualification	Graduate
Date of first appointment as Director in the Company	Additional Director (Independent Category) w.e.f 28.08.2020
Specialized Expertise	Mrs. Pooja Kukar is a young member in the Board and an innovative executive. She did her graduation from Punjab university. She is having experience of more than 12 years in marketing and management.
Shareholding in Chaman Lal Setia Export Ltd.	NIL
INTER-SE Relationship	Mrs. Pooja Kukar is not related to any Director of Company
No. of meeting of Board Meeting attended till 31.03.2020	N.A, as Mrs. Pooja Kukar has been appointed as an additional director (Independent Category w.e.f 28.08.2020)
Directorship/Membership/Chairmanships held in other companies	NIL

Except Mrs. Pooja Kukar, none of the other Directors, Key Managerial Personnel of the Company or any of their relatives, are in any way, concerned or interested in the said Resolution.

The Board considers that the association of Mrs. Pooja Kukar would be of immense benefit to the Company and it is desirable to avail her services as an Independent Director.

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

ITEM NO.6:-

Mr. Vijay Kumar Setia is one of the Promoters and is associated with the Company since its inception. Mr. Vijay Kumar Setia was re-appointed as Wholetime Director of Company for a period of five years w.e.f 01.10.2018 to 30.09.2023 in 24th Annual General Meeting of Company held on 29.09.2018.

Mr. Chaman Lal Setia placed his resignation as a Managing Director and Director of the Company w.e.f 28.08.2020 and thereby ceased to be the Chairman & Managing Director of Company from the said date.

Considering the qualification and vast experience of Mr. Vijay Kumar Setia in the Company and as a measure of succession planning and as per recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors at its meeting held on 28.08.2020 has re-designated and appointed Mr. Vijay Kumar Setia as Chairman & Managing Director of the Company for a period of five years w.e.f 28.08.2020 to 27.08.2025, subject to approval of the members of the Company on such terms and conditions including remuneration as set out in the resolution mentioned in this item of the notice.

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

Full Name	Mr. Vijay Kumar Setia
DIN	01125966
Designation	Chairman & Managing Director (w.e.f 28.08.2020)
Date of Birth	16-11-1953
AGE	67 Years
Qualification	Graduate
Date of first appointment as Director in the Company	21-09-1994
Specialized Expertise	He is having vast experience of around 43 years in the field of Rice Industries. He is having specialization in Quality Controlling, Production and technical difficulties.
Shareholding in Chaman Lal Setia Export Ltd. as on 31.03.2020	12413610
INTER-SE Relationship	Mr. Vijay Kumar Setia redesignated as a Chairman and Managing Director of Company w.e.f 28.08.2020 subject to approval of shareholders and he is a relative of Mr. Rajeev Setia, Mr. Ankit Setia, Mr. Sankesh Setia and Mr. Sukarn Setia.
No. of meeting of Board Meeting attended	4
Directorship/Membership/Chairmanships held in other companies as at 31.03.2020	NIL

Further, in terms of Regulation 17 (6)(e) of the 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 directors who are promoters or members of the promoter group, 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.

In order to comply with the requirement of Amended Listing Regulations and on recommendation of the Nomination and Remuneration Committee and the Board of Directors, approval of Members is sought for paying his remuneration even if the annual aggregate remuneration payable to Mr. Vijay Kumar Setia, Mr. Rajeev Setia, Mr. Sukarn Setia, Mr. Sankesh Setia and Mr. Ankit Setia, Directors of Company, who are also promoters or members of the promoter group, exceeds 5% of the net profit of the Company, as calculated under section 198 of the Companies Act, in any year during the 5 years tenure of his appointment.

Mr. Vijay Kumar Setia is a president of All India Rice Exporters' Association (AIREA). Ever since his Directorship in the Company has made tremendous strides as reflected by the present prosperous position of the Company.

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

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

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



Mr. Vijay Kumar Setia (Din 01125966) may be deemed to be concerned or interested in this resolution. Mr. Ankit Setia (Din:- 01133822) , Mr. Sukarn Setia (Din :- 01133561), Mr. Rajeev Setia (Din : 01125921) and Mr. Sankesh Setia (Din :-06620109) Directors of Company and relatives of Mr. Vijay Kumar Setia may be deemed to be concerned or interested in this resolution.

Save and except the above, none of other Directors, Key Managerial Personnel or any of their relatives is, 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 Special Resolution set out at Item No. 6 of the Notice for approval by the members.

ITEM NO.7:-

Mr. Rajeev Setia is one of the Promoters and is associated with the Company since its inception. Mr. Rajeev Setia being an Executive Director and CFO of Company looks after the day to day affairs of the Company. He was re-appointed as Whole time Director of Company for a period of five years w.e.f 01.10.2018 to 30.09.2023 in 24th Annual General Meeting of Company held on 29.09.2018.

Upon resignation of Mr. Chaman Lal Setia as Chairman and Managing Director of Company and with the view to oversee some critical administrative responsibilities of the business and to drive the Company on growth trajectory and keeping in view the qualification and vast experience of Mr. Rajeev Setia in the Company and on the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors of the Company at their meeting held on 28.08.2020, has re-designated Mr. Rajeev Setia as Joint Managing Director of the Company for a period of five years w.e.f 28.08.2020 to 27.08.2025, subject to approval of the members of the Company on such terms and conditions including remuneration as set out in the resolution mentioned in this item of the notice. Mr. Rajeev Setia will also continue in his current capacity as Chief Financial Officer of the Company.

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

Full Name	Mr. Rajeev Setia
DIN	01125921
Designation	CFO & Joint Managing Director
Date of Birth	28.10.1955
AGE	65 Years
Qualification	Post Graduate
Date of first appointment as Director in the Company	21-09-1994
Specialized Expertise	Mr. Rajeev Setia is having vast experience of around 42 years in the field of Rice Industries. He is having specialization in Banking, Export Marketing and Finance Controller
Shareholding in Chaman Lal Setia Export Ltd. as on 31.03.2020	13081750
INTER-SE Relationship	Mr. Rajeev Setia is Chief Financial officer of Company and he has been redesignated as Joint Managing Director of Company w.e.f 28.08.2020 and he is a relative of Mr. Vijay Kumar Setia , Mr. Ankit Setia, Mr. Sankesh Setia and Mr. Sukarn Setia Directors of Company.
No. of meeting of Board Meeting attended	5
Directorship/Membership/Chairmanships held in other companies as at 31.03.2020	NIL

Further, in terms of Regulation 17 (6)(e) of the 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 directors who are promoters or members of the promoter group, 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.

In order to comply with the requirement of Amended Listing Regulations and on recommendation of the Nomination and Remuneration Committee and the Board of Directors, approval of Members is sought for paying his remuneration even if the annual aggregate remuneration payable to Mr. Rajeev Setia, Mr. Vijay Kumar Setia, Mr. Sukarn Setia, Mr. Sankesh Setia and Mr. Ankit Setia Directors of Company who are promoters or members of the promoter group, exceeds 5% of the net profit of the Company, as calculated under section 198 of the Companies Act, in any year during the 5 years tenure of his appointment.

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

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

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

Mr. Rajeev Setia (Din 01125921) may be deemed to concerned or interested in this resolution. Mr. Ankit Setia (Din:- 01133822) , Mr. Sukarn Setia (Din :- 01133561), Mr. Sankesh Setia (Din :-06620109) and Mr. Vijay Kumar Setia (Din : 01125966) Directors and relatives of Mr. Rajeev Setia may be deemed to be concerned or interested in this resolution.

Save and except the above, none of other Directors, Key Managerial Personnel or any of their relatives is, 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 recommends the resolution in relation to designating and appointing Mr. Rajeev Setia as Joint Managing Director of Company, in addition to his existing position as Chief Financial officer of Company, as set out in Item No. 7 for approval of the Members by way of special resolution.

For and on behalf of the Board of Directors

sd/-

Vijay Kumar Setia
Chairman & Managing Director
Din :- 01125966

Place: Amritsar
Date: 28.08.2020

DIRECTOR'S REPORT

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

Your Directors have pleasure in presenting before you the 26th Annual Report on the business and operations of the Company, together with the Audited Financial Statements for the financial year ended 31.03.2020

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 31st, 2020 is summarised below

(Rs. in Lacs, except as stated)		
Particulars	FY 2019-2020	FY 2018-2019
Revenue From Operations	79769.34	76499.24
Other Income	267.02	222.03
Total Income	80036.36	76721.27
Profit before Interest & Depreciation	8072.35	6390.61
Interest	572.75	661.67
Provision For Depreciation	487.15	440.35
Profit before Tax	7012.45	5288.59
Less Provisions for taxation	1765.00	1848.00
Profit after taxation	5247.45	3440.59
Other Comprehensive Income	0	0
Total Comprehensive Income	5247.45	3440.59
Transfer to General Reserve	524.74	344.05
Current Assets	37640.66	36470.64
Current Liabilities	10128.80	12402.81
Working Capital	27511.86	24067.80
Capital Employed	32105.18	27087.04
EPS	10.15	6.65
Book Value	52.82	43.60

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, 2020 the Company's revenue from operations was 79769.34 lakhs as against 76499.24 lakhs during the corresponding period of previous financial year. Further Profit Before Tax was 7012.45 lakhs as against 5288.59 lakhs for the same period during the previous year.

4. HIGHLIGHTS OF PERFORMANCE:

During the year under review the Company has registered a sale of Rs. 78043.51 Lacs against previous year sales of Rs.76975.86 lacs.

5. EXPORTS

The Company continues to strengthen its exports during the year 2019-2020. Exports during the year increased to Rs. 70030.87 lakhs from Rs 68442.24. lakhs in financial year 2018-19.

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 entity have became or ceased to be the subsidiary, joint venture or Associate Company.

7. TRANSFER TO RESERVES

The Company has transferred an amount of Rs. 524.74 Lakhs to General reserves during the Financial year.

8. DIVIDEND

The Company's overall performance during the year under review was satisfactory. Based on the performance, the Board of Directors of Company have recommended final dividend of Rs. 0.50 per equity share of Rs. 2/- each (i.e. 25%) for the financial year ended March 31, 2020 in their Board Meeting held on 30.06.2020. 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 and 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), dividend amounting Rs. 263365/- was lying unpaid/unclaimed with the Company for a period of seven years after Declaration of Dividend for the financial year ended 2011-2012 was transferred to the Investor Education and Protection Fund. The Unpaid / Unclaimed amount for the Financial Year 2012-13 will be transferred during November 2020. 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 24475/- Equity Shares which belongs to total 18 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 i.e. Investor Education and Protection Fund Authority Ministry of Corporate Affairs, 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.

Details of unclaimed dividend and year of transfer:-

Year of declaration	Balance as on 31.03.2020 (in lakhs)	Due date of transfer to IEPF
2013	2.40	03.11.2020
2014	4.49	04.11.2021
2015	2.24	04.11.2022
2016	2.48	18.04.2023
2017	2.53	03.11.2024
2018	1.83	04.11.2025
2019	2.29	03.11.2026

Note: Some of the year end balances of unclaimed dividend as above has increased due to cancellation of drafts by bank being returned unpaid.

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:-

Mr. Chaman Lal Setia, Chairman and Managing Director of the Company resigned from the Board w.e.f. 28.08.2020 due to health issue and age factor.

The Board of Directors of the Company at its meeting held on 28.08.2020, re-designated Mr. Vijay Kumar Setia (Din:- 01125966) Executive Director of Company as Chairman and Managing Director of Company and Mr. Rajeev Setia Executive Director and CFO of the Company as Joint Managing Director and CFO of the Company for a period of five years w.e.f 28.08.2020 to 27.08.2025, subject to approval of shareholders in this 26th Annual General Meeting of Company.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sukarn Setia (DIN:- 01133561) and Mr. Ankit Setia (DIN 01133822) wholetime Director of Company are 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.

The Board of Directors of Company pursuant to the recommendation of Nomination and Remuneration Committee , at their meeting held on 28.08.2020, appointed Ms. Pooja Kukar as an Additional Director under the category of Independent Non-Executive taking into consideration her integrity, expertise and experience, for a period of 5 (Five) consecutive years from 28th August, 2020 to 27th August, 2025, subject to the approval of the members by way of Ordinary Resolution in the ensuing AGM of the Company in terms of section 161 of the Companies Act, 2013.

As stipulated under the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and SS-2 issued by ICSI, the brief resume of the Directors proposed to be appointed/ re-appointed is given in the notice convening the 26th Annual General Meeting.

As stipulated under the Clause (A) of Part II of Section II of Schedule V of the Companies Act, 2013, the details of directors re-designated are given in the Notice convening 26th Annual General Meeting.

During the year, in Annual General Meeting held on 28.09.2019, Company regularised appointment of Mr. Inder Dev Kukar, Mr. Raghav Peshawaria and Mr.Naresh Kumar Suneja from additional Director to Independent Director and further re-appointed them for a second term of five consecutive year commencing from 01.04.2019 to 31.03.2024.

However Mr. Inder Dev (Din 01193209) an Independent Director and Chairman of Audit Committee has given his resignation from the post of Directorship and consequent cessation as the Chairmanship of Audit Committee w.e.f 28.08.2020 due to pre- occupation and health issues.

Further in Annual General Meeting held on 28.09.2019, Mrs. Amar Jyoti Bagga (DIN:- 06958408) an Independent Non-Executive Director of Company has been re-appointed as an Independent Director for second term of 5 (five) Consecutive years w.e.f 29.09.2019 to 28.09.2024.

Further in Annual General Meeting held on 28.09.2019, Mr. Sankesh Setia (DIN:- 06620109) has been re-appointed as Whole Time Director for further period of five years w.e.f 29.09.2019 to 28.09.2024.

Further in Annual General Meeting held on 28.09.2019, Mr. Vijay Kumar Jhamb (DIN:-07021080) an Independent Non-Executive Director of Company has been re-appointed 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.

Further in Annual General Meeting held on 28.09.2019, Mr. Chaman Lal Setia Chairman and Managing Director of Company has been re-appointed for further period of five years w.e.f 21.09.2019 to 20.09.2024. However w.e.f 28.08.2020, Mr. Chaman Lal Setia has given his resignation from post of Chairman and Managing Director due to his health and age factor.

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 and pursuant to Regulation 25 of the said Regulations that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence..

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. Vijay Kumar Setia, re-designated as Chairman & Managing Director of Company and Mr. Rajeev Setia , re-designated as Joint Managing Director & CFO w.e.f 28.08.2020 and Mrs. Kanika Nevtia 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. Due to the resignation of Mr. Inder Dev Kukkar from the post of Directorship and consequent cessation as the Chairmanship of Audit Committee w.e.f 28.08.2020, currently the Audit Committee is comprising of Mrs. Pooja Kukar (w.e.f 28.08.2020) 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 2019-2020, the Board of Directors duly met 5 times on 29.05.2019, 14.08.2019, 28.08.2019, 13.11.2019 and 13.02.2020. 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 13.03.2020 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.

For details thereof kindly refer to the section 'Board Meeting and Procedures - Details of Board Meetings held and attended by the Directors during the financial year 2019- 20' in the Report on Corporate Governance forming part of this Annual 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 2019-20 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, with respect to the Directors' Responsibility Statement, the Directors hereby confirm that :

- (a) in the preparation of the Annual Accounts for the year ended 31st March, 2020, 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, 2020 and of the profit of the company for the Financial year ended March, 31st , 2020;
- (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 31st, 2020 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 framed thereunder 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.

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**' and forms part of this report . The same is also available on the Company's website www.maharanirice.in under the link Investor Relations.

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 2019-2020 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 2019-20 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, 2020 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 as well.

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 is an independent Director and Chairman of CSR Committee and Mr. Rajeev Setia and Mr. Vijay Kumar Setia are the 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. 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
Long-Term Rating	95.00 (Rs. Ninety-Five Crore Only)	CRISIL A-Stable (Assigned)

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 established connectivity with both Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), whereby the Shareholders have an option to dematerialize their shares with either of the depositories. In view of the numerous advantages offered by the Depository system, members holding Shares in physical mode are requested to avail of the dematerialization facility with either of the Depositories.

As on 31.03.2020, about 99.06% of the Company's Equity Shares has been held in dematerialized form.

The Company has appointed M/s. Beetal Financial & Computer Services Private Limited, Limited, SEBI registered R&T Agent as its Registrar and Share Transfer Agent of the Company.

31. SHARE CAPITAL OF THE COMPANY: -

The Paid-up equity share capital of the Company as on March 31, 2020 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(S), GUARANTEE(S) OR INVESTMENT(S) UNDER SECTION 186 OF THE COMPANIES ACT, 2013 :-

During the financial year ended March 31st, 2020, 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 2019-2020 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. Further the Audit Committee of Company has considered, approved and recommended to Board for Omnibus approval and criteria for Omnibus Approval for entering into transactions with Related Parties for the financial year 2019-20, which was further approved by the Board.

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) of the significant accounting policies and notes to 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. and the same is also available on the Company's website at the weblink: 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.

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 BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THIS REPORT :-

There has been no material changes and commitment affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and 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 2020-2021 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. CODE OF CONDUCT FOR 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. 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 effective from 01.04.2019 and the said code is available on website of Company i.e. www.maharanirice.in

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 2019-20.

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-1 and Secretarial Standards-2 issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government.

46. IMPACT OF COVID -19 PANDEMIC

During the month of March the spread of COVID-19 pandemic increased expeditiously in India and across the world, this global crisis forced the Governments to enforce lock-down of all economic activities. In India the Government announced lock-down from third week of March, 2020 as a preventive measure against the COVID-19 pandemic. However as curfew was imposed and all operations were completely stopped, we experienced constraints in transportation, availability of labour, logistics etc. in the initial 10-15 days. Thereafter as per exemption provided by respective Government Authorities for essential goods in view of COVID-19 pandemic, our plant situated in Karnal and our packaging office situated in Gandhi Dham Gujarat resumed their working w.e.f 06.04.2020. However Corporate and Registered office of Company resumed their working later on.

Further to ensure the health and safety of employees, associates and other stakeholders, your Company has made necessary arrangements to ensure that staff is safe and comfortable at work.

The Company did not find any impact on the demand of their products, instead we foresee a sudden spurt in demand of Rice because consumers advanced their purchase in the light of the nationwide lockdown.

There has not been any material adverse impact on the Company's performance so far. We expect further improvements as Central and State Governments are continuously announcing relaxations and taking steps to improve Trade and Commerce.

47. CASH FLOW STATEMENT

The Cash Flow Statement for the financial year ended 31st March, 2020 prepared in accordance with Ind AS 7, 'Statement of Cash Flows' is attached and forming part of the financial statements of the Company.

48. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

Pursuant to Regulation 25(7) of the SEBI Listing Regulations, the Company familiarizes its Directors about their role and responsibilities at the time of their appointment through a formal letter of appointment. All efforts are made to keep Independent Directors aware. The familiarization of Independent Directors may be accessed on the Company website at the link <http://www.maharanirice.in>

49. ENVIRONMENT, HEALTH AND SAFETY:-

The Company continues to focus on Employee well-being, developing safe and efficient products, and minimizing the environmental impact of our operations on society. Company is conducting its operations in such a manner so as to ensure safety of all concerned compliances of environmental regulations and preservation of natural resources.

For safety and protection of Employees, the Company has formulated and implemented a policy on preservation of Sexual Harassment at the Workplace with a mechanism of lodging complaints.

50. 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.

51. 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: 28.08.2020

sd/-
Vijay Kumar Setia
Chairman & Managing Director
Din :- 01125966

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 31st March, 2020

a) CONSERVATION OF ENERGY

The Company is committed to continuously reduce energy consumption at its various units. 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: 28.08.2020

sd/-
Vijay Kumar Setia
Chairman & Managing Director
Din :- 01125966

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 2019-2020:

Name of the Directors	Ratio of Median Remuneration
Mr. Chaman Lal Setia *	67.39
Mr. Vijay Kumar Setia **	67.27
Mr. Rajeev Setia ***	70.25
Mr. Sukarn Setia	5.12
Mr. Ankit Setia	33.53
Mr. Sankesh Setia	34.69

Note: For this purpose, sitting fees paid to directors have not been considered as remuneration

*Mr. Chaman Lal Setia has given his resignation form the post of Managing Director and Chairman w.e.f 28.08.2020

**Mr. Vijay Kumar Setia executive Director of Company has been re-designated as Chairman and Managing Director of Company w.e.f 28.08.2020, subject to approval of shareholders in 26th AGM.

*** Mr. Rajeev Setia executive Director and CFO of the Company has been re-designated as Joint Managing Director and CFO of the Company w.e.f 28.08.2020, subject to approval of shareholders in 26th AGM.

2. The percentage increase in remuneration of each Director, Chief Financial Officer an Company Secretary in the Financial year 2019-20 :-

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

*Mr. Chaman Lal Setia has given his resignation form the post of Managing Director and Chairman w.e.f 28.08.2020

**Mr. Vijay Kumar Setia executive Director of Company has been re-designated as Chairman and Managing Director of Company w.e.f 28.08.2020, subject to approval of shareholders in 26th AGM.

*** Mr. Rajeev Setia executive Director and CFO of the Company has been re-designated as Joint Managing Director and CFO of the Company w.e.f 28.08.2020, subject to approval of shareholders in 26th AGM.

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

3. The percentage increase in the Median Remuneration of Employees in the Financial Year 2019-2020
The percentage increase in the median remuneration of employees during the year is 18.51%
4. The number of permanent employees on the rolls of Company as on 31st March, 2020 : 182
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 2019-20 was 11.21%, Percentage increase in the managerial remuneration for the year has been given above in point no. 2.

Note: However there are some new employees inducted during the year whose salary has been excluded for the purpose of finding percentage increase in order to, make it homogeneous and more comparable and meaningful.

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	14952722	Under Graduate	47	21.09.1994	86	First Employment
2	Mr. Vijay Kumar Setia**	Chairman & Managing Director	14925794	Graduate	43	21.09.1994	67	First Employment
3	Mr. Rajeev Setia***	Joint MD & CFO	15588700	Post Graduate	42	21.09.1994	65	First Employment
4	Mr. Sankesh Setia	Wholetime Director	7696540	Graduate	13	29.09.2014	33	First Employment
5	Mr. Ankit Setia	Wholetime Director	7439200	Graduate/ Diploma in Food Technology	17	30.09.2003	36	First Employment
6	Mr. Sukarn Setia	Wholetime Director	1135770	Graduate	19	28.09.2001	40	First Employment
7	Mr. Nirmal Kumar	Purchase Manager	720600	Under Graduate	44	01.04.1996	63	First Employment
8	Mr. Dinesh Malik	Marketing Manager	720600	Graduate	20	01.09.2001	42	First Employment
9	Mrs. Sunaina	Marketing Manager	720000	Graduate	10	02.09.2019	43	First Employment
10	Mr. Manu Arora	Accounts Manager	717400	M.COM	17	01.05.2004	42	First Employment

***Mr. Chaman Lal Setia has given his resignation from the post of Managing Director and Chairman w.e.f 28.08.2020**

**** Mr. Vijay Kumar Setia executive Director of Company has been re-designated as Chairman and Managing Director of Company w.e.f 28.08.2020, subject to approval of shareholders in 26th AGM.**

***** Mr. Rajeev Setia executive Director and CFO of the Company has been re-designated as Joint Managing Director and CFO of the Company w.e.f 28.08.2020, subject to approval of shareholders in 26th AGM.**

For and on behalf of the Board of Directors

Place: Amritsar
Date: 28.08.2020

sd/-
Vijay Kumar Setia
Chairman & Managing Director
Din :- 01125966

ANNEXURE-C (Director's Report)

EXTRACT OF ANNUAL RETURN

FORM NO. MGT 9

AS ON THE FINANCIAL YEAR ENDED 31.03.2020

(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	98.98%

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 financial year (As on 1st April, 2019)				No. of Shares held at the end of the financial year (As on 31st March, 2020)#				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters & Promoters Group									
(1) Indian									
a) Individual / HUF	38191553	10450	38202003	73.84	38203117	10450	38213567	73.87	0.03
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									
Sub Total (A) (I)	38191553	10450	38202003	73.84	38203117	10450	38213567	73.87	0.03
2. FOREIGN									
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
Sub Total (A)(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of promoter and Promoter Group(A) = (A)1+(A)(2)	38191553	10450	38202003	73.84	38203117	10450	38213567	73.87	0.03
(B) Public Shareholding									
1 Institution									
(A) Mutual Funds/UTI	0	0	0	0	0	0	0	0	0
(b) Financial Institutions/ Banks	0	0	0	0	127	0	127	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/Alternate Investment Fund	147500	0	147500	0.29	177028	0	177028	0.34	0.05
(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
Sub Total (B) (I)	147500	0	147500	0.29	177155	0	177155	0.34	0.05

B2 . Non-Institutions									
a) Bodies Corp.	936838	22000	958838	1.85	786310	19800	806110	1.56	(0.29)
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	7378778	536438	7915216	15.30	7325500	458188	7783688	15.05	(0.25)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2862572	0	2862572	5.53	2981694	0	2981694	5.76	0.23
c) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(d) Any Other (specify)									
(d-i) Non Resident Indians	1058233	0	1058233	2.05	1165776	0	1165776	2.25	0.20
(d-ii) Clearing Members	55988	0	55988	0.11	24939	0	24939	0.05	(0.06)
(d-iii) HUF	357556	0	357556	0.69	383802	0	383802	0.74	0.05
(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	175644	0	175644	0.34	196189	0	196189	0.38	0.04
Sub-total (B)(2):-	12825609	558438	13384047	25.87	12864840	477988	13342828	25.79	(0.08)
Total Public Shareholding (B)=(B) (1)+ (B)(2)	12973109	558438	13531547	26.16	13041995	477358	13519353	26.13	(0.03)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	51164662	568888	51733550	100	51245112	488438	51733550	100	

B) Shareholding of Promoters and Promoters Group:

S. No.	Shareholder's Name	No. Of Shares held at the beginning of the year 1st April, 2019			Shareholder's Name	No. Of Shares held at the end of the year 31st March, 2020			% 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	Lajwanti	2750	0.01	0	Lajwanti	2750	0.01	0	0
2	Kali Ram Suresh kr	3850	0.01	0	Kali Ram Suresh kr	3850	0.01	0	0
3	Jagjit Singh	3850	0.01	0	Jagjit Singh	3850	0.01	0	0
4	Manju Ahuja	8581	0.02	0	Manju Ahuja	8581	0.02	0	0
5	Sushma Setia	302300	0.58	0	Sushma Setia	302300	0.58	0	0
6	Neelam Setia	306400	0.59	0	Neelam Setia	306400	0.59	0	0
7	Ankit Setia	158297	0.31	0	Ankit Setia	158297	0.31	0	0
8	Sankesh Setia	276100	0.53	0	Sankesh Setia	276100	0.53	0	0
9	Sukarn Setia	44465	0.09	0	Sukarn Setia	56029	0.11	0	0.02
10	Chaman Lal Setia	11600050	22.42	0	Chaman Lal Setia	11600050	22.42	0	0
11	Rajeev Setia	13081750	25.29	0	Rajeev Setia	13081750	25.29	0	0
12	Vijay Kumar Setia	12413610	24.00	0	Vijay Kumar Setia	12413610	24.00	0	0
13	Manoj Ahuja	0	0	0	Manoj Ahuja	0	0	0	0

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, 2019)		Change during the year	Increase/Decrease in Shareholding		Cumulative Shareholding during the Year		Shareholding at the end of the year as on 31.03.2020	
		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.	Lajwanti	2750	0.01				2750	0.01	2750	0.01
2.	Kali Ram Suresh Kr	3850	0.01				3850	0.01	3850	0.01
3.	Jagjit Singh	3850	0.01				3850	0.01	3850	0.01
4	Manju Ahuja	8581	0.02				8581	0.02	8581	0.02
5	Sukarn Setia	44465	0.09	Purchase of shares	11564	0.02	56029	0.11	56029	0.11
6	Neelam Setia	306400	0.59				306400	0.59	306400	0.59
7	Ankit Setia	158297	0.31				158297	0.31	158297	0.31
8	Sankesh Setia	276100	0.53				276100	0.53	276100	0.53
9	Rajeev Setia	13081750	25.29				13081750	25.29	13081750	25.29
10	Chaman Lal Setia	11600050	22.42				11600050	22.42	11600050	22.42
11	Vijay Kumar Setia	12413610	24.00				12413610	24.00	12413610	24.00
12	Manoj Ahuja	0	0				0	0	0	0
13	Sushma Setia	302300	0.58				302300	0.58	302300	0.58

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	472800	0.91
	At the end of the year	472800	0.91
2	Sangeetha S		
	At the beginning of the year	472390	0.91
	At the end of the year	472390	0.91
3	Yelmanchali 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	267370	0.51
	At the end of the year	269370	0.52

6	Devabhaktuni Krishna Kumari		
	At the beginning of the year	257917	0.49
	At the end of the year	257917	0.49
7	Gautam Aggarwal		
	At the beginning of the year	25140	0.049
	At the end of the year	216768	0.42
8	Rowenta Networks Private Limited		
	At the beginning of the year	210212	0.41
	At the end of the year	192324	0.37
9	Anjoo Gupta		
	At the beginning of the year	169625	0.33
	At the end of the year	169625	0.33
10	Jagan Mohan Rao Ravela		
	At the beginning of the year	19800	0.03
	At the end of the year	128929	0.25

*As on 31.03.2020, 99.06% shareholding of Company are in dematerialised form. Shares of Company are listed on BSE Ltd. and shares of the company are traded on daily basis. Hence date wise increase/decrease in shareholding is not indicated.

E) Shareholding of the Directors and Key Managerial Personnel:

SN	Shareholding of each of the 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.	Mr. Chaman Lal Setia (Chairman & Managing Director upto 28.08.2020)*	11600050	22.42%	11600050	22.42%
2.	Mr. Vijay Kumar Setia (Chairman & Managing Director w.e.f from 28.08.2020)**	12413610	24.00%	12413610	24.00%
3.	Mr. Rajeev Setia (Joint Managing Director w.e.f 28.08.2020 & CFO) ***	13081750	25.29%	13081750	25.29%
4.	Mrs. Kanika Nevtia Company Secretary	NIL	NIL	NIL	NIL
5.	Mr. Sukarn Setia	44465	0.09%	56029	0.11%
6.	Mr. Sankesh Setia	276100	0.53%	276100	0.53%
7.	Mr. Ankit Setia	158297	0.31%	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
14.	Mrs. Pooja Kukar*****				NIL

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

* Mr. Chaman Lal Setia has given his resignation from the post of Managing Director and Chairman w.e.f 28.08.2020

** Mr. Vijay Kumar Setia Executive Director of Company has been re-designated as Chairman and Managing Director of Company w.e.f 28.08.2020, subject to approval of shareholders in 26th AGM.

*** Mr. Rajeev Setia Executive Director and Chief Financial Officer of Company has been appointed as Joint Managing Director of Company w.e.f 28.08.2020, subject to approval of shareholders in 26th AGM.

**** Mr. Inder Dev Kukar has given his resignation w.e.f 28.08.2020, due to pre-occupation and health issue.

***** Mrs. Pooja Kukar has been appointed as an additional Director under independent Director category w.e.f 28.08.2020 and further her appointment as an Independent Director for a term of five consecutive years w.e.f 28.08.2020 to 27.08.2025 is proposed for shareholders approval in this 26th AGM.

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	616321160	446009072	-----	1062330232
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	(404363625.10)	21781852		(382581773.10)
Net Change		-----	-----	
Indebtedness at the end of the financial year	211957534.90	467790924		679748458.90
i) Principal Amount	211957534.90	467790924		679748458.90
ii) Interest due but not paid	-----	-----	-----	-----
iii) Interest accrued but not due	-----	-----	-----	-----
Total (i+ii+iii)	211957534.90	467790924		679748458.90

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						
		Mr. Chaman Lal Setia*	Mr. Vijay Kumar Setia**	Mr. Rajeev Setia***	Mr. Sukarn Setia	Mr. Ankit Setia	Mr. Sankesh Setia	Total Amount
		Chairman & Managing Director	Chairman & Managing Director**	Joint Managing 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	152722	125794	788700	535770	39200	296540	1938726
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-	-	-

2	Stock Option	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-
4	Commission - as % of profit - others, specify...	1,00,00,000	1,00,00,000	1,00,00,000	----	50,00,000	50,00,000	4,00,00,000
5	Others, please specify	-	-	-	-	-	-	-
	Total (A)	14952722	14925794	15588700	1135770	7439200	7696540	61738726
	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						

*** Mr. Chaman Lal Setia has given his resignation from the post of Managing Director and Chairman w.e.f 28.08.2020**

**** Mr. Vijay Kumar Setia executive Director of Company has been re-designated as Chairman and Managing Director of Company w.e.f 28.08.2020, subject to approval of shareholders in 26th AGM.**

***** Mr. Rajeev Setia executive Director & CFO of Company has been re-designated as Joint Managing Director & CFO of Company w.e.f 28.08.2020, subject to approval of shareholders in 26th AGM.**

B. Remuneration to other Directors

(Amount in Rs.)

SN	Particulars of Remuneration	Name of Directors						Mrs. Pooja Kukar**
		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	9000	12000	12000	5000	10000	13000	
	Commission	NIL	NIL	NIL	NIL	NIL	NIL	
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	
	Total (1)	9000	12000	12000	5000	10000	13000	
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)	9000	12000	12000	5000	10000	13000	

*** Mr. Inder Dev has been resigned from post of Directorship w.e.f 28.08.2020**

****Mrs. Pooja Kukar has been appointed as an additional Director under independent Director category w.e.f 28.08.2020 and further her appointment as an Independent Director for a term of five consecutive years w.e.f 28.08.2020 to 27.08.2025 is proposed for shareholders approval in this 26th AGM.**

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

(Amount in Rs.)

SN	Particulars of Remuneration		
		CS	Total
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	435000	435000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	- as % of profit	0	0
	others, specify...	0	0
5	Others, please specify	0	0
6	Total	435000	435000
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/-

Vijay Kumar Setia
Chairman & Managing Director
Din: 01125966

Place: Amritsar
Date: 28.08.2020

ANNEXURE-D (Director's Report)

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2020

[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 for 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, 2019 and ended on 31st March, 2020, 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, 2020 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 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) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and the Listing Agreements entered into by the Company with BSE Limited.

3. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. to the extent applicable 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. 11400666/-, during the financial year 2019-20. However as per information provided, the Company has spent Rs. 7256772/- 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 for the Board Meetings along with agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - (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
UDIN:- A014500B000628179

Place: Amritsar
Date: 28.08.2020

*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

Sub:- Our Secretarial Audit for the Financial year ended 31.03.2020 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.
7. Due to the outbreak of Covid-19 and Nationwide Lockdown, we had verified the physical documents to the extent possible, however the Company has made available the documents / information electronically which we could not verify physically.

For Sunil Dhawan & Associates
(Practising Company Secretaries)

Place: Amritsar
Date: 28.08.2020

Sd/-
Sunil Dhawan
Proprietor
ACS No. 14500
C. P No.:3690
UDIN:- A014500B000628179

ANNEXURE-E (Director's Report)

Annual Report on Corporate Social Responsibility (CSR) Activities (Pursuant to Section 135 of the Companies Act, 2013 read with 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

4. The Composition of CSR Committee:-

Name of the Member	Designation	Status
Mr. Arun Kumar Verma	Independent Director	Chairman
Mr. Rajeev Setia*	Joint Managing Director & CFO	Member
Mr. Vijay Kumar Setia**	Chairman & Managing Director	Member

* Mr. Rajeev Setia Executive Director & CFO of Company has been re-designated as Joint Managing Director & CFO of Company w.e.f 28.08.2020, subject to approval of shareholders in 26th AGM.

** Mr. Vijay Kumar Setia Executive Director of Company has been re-designated as Chairman and Managing Director of Company w.e.f 28.08.2020, subject to approval of shareholders in 26th AGM.

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

Average net profit is Rs. 570033281/-

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

The company is required to spend Rs. 11400666/-

7. Details of CSR spent for the financial year :

a) Total amount spent for the financial year : Rs.7256772/-

b) Amount unspent if any : Rs. 4143894/-

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 Ration Distribution	Eradication of hunger & poverty	Rural Area, Amritsar, (Punjab)	Rs.2638962/-	Rs.2638962/-	Rs.2638962/-	Direct
2.	Project of providing fees to needy students for promoting education	Promoting Education	Govt. Senior Secondary School Wadali Guru, Amritsar	Rs.2600/-	Rs.2600/-	Rs.2600/-	Direct
3.	Project of providing fees to school for needy students, further providing stationery and allied articles for promoting education	Promoting Education	Govt. Senior Secondary School, Heir, Ajnala Road, Amritsar	Rs.69116/-	Rs. 69116/-	Rs.69116/-	Direct
4.	Project of providing repair to one classroom and drinking water facility for welfare of students	Promoting Education & Social Welfare	Govt. Middle School, Kamboj, Amritsar	Rs.84355/-	Rs.84355/-	Rs.84355/-	Direct
5.	Project of providing uniform and fees to needy students for promoting their education	Promoting Education	Govt. Senior . Secondary School, Rajasansi, Amritsar	Rs.14550/-	Rs.14550/-	Rs.14550/-	Direct
6.	Project of providing uniform to needy students for their welfare	Promoting Education	Govt.Elementary School, Balkalan, Amritsar	Rs.15435/-	Rs.15435/-	Rs.15435/-	Direct
7.	Project of providing uniform to needy students for their welfare	Promoting Education	Govt. Elementary School, Muradpura, Amritsar	Rs. 16642/-	Rs.16642/-	Rs.16642/-	Direct
8.	Project of providing ceiling fans to needy students for their welfare	Promoting Education	Govt. Elementary School,Mirankot Kalan, Amritsar	Rs. 7200/-	Rs. 7200/-	Rs. 7200/-	Direct
9.	Project of providing fees to needy students for promoting of their education	Promoting Education	Chheharta Girls Senior Secondary School, Amritsar	Rs. 8200/-	Rs.8200/-	Rs. 8200/-	Direct
10.	Project of providing beds for old age people and their benefits	Promoting Social Welfare	Vishwakarma Welfare Trust, 100 Feet Road, Amritsar	RS.10000/-	Rs. 10000/-	Rs. 10000/-	Direct
11.	Project of providing infrastructure facility for benefit of animals	Promoting Social Welfare	Shri Manmadhav Gaudia Vaishnav Peeth Trust, Verka, Majitha Bye Pass, Amritsar	Rs.300000/-	Rs.300000/-	Rs.300000/-	Direct
12.	Project of providing awareness and training programme for farmers	Social Welfare and livelihood enhancement	Village Area, Fatehgarh Churian Amritsar	Rs. 16500/-	Rs. 16500/-	Rs.16500/-	Direct
13.	Project of providing Education material to needy students	Promoting Education	Govt. High School, Bhamian Kalan, Ludhiana	Rs. 10000/-	Rs. 10000/-	Rs. 10000/-	Direct
14.	Project of providing fees to needy students for promoting of their education	Promoting Education	Govt School Naagkalan, Fategarh Churian, Amritsar	Rs. 28500/-	Rs. 28500/-	Rs. 28500/-	Direct
15.	Project of providing fees to needy students for promoting of their education	Promoting Education	Global Institute of Management, Batala, Amritsar	Rs. 11000/-	Rs. 11000/-	Rs. 11000/-	Direct
16.	Project of providing infrastructure facility for benefit of animals	Promoting Social Welfare	International Society For Krishna Consciousness (ISKCON) Fatehgarh Churian, Amritsar	Rs.217600/-	Rs.217600/-	Rs.217600/-	Direct
17.	Project of distribution of free blankets for welfare of needy ladies	Promoting Healthcare & Social Welfare	Rural Area, Amritsar	Rs. 51924/-	Rs. 51924/-	Rs.51924/-	Direct

18.	Project of providing medical facilities equipment and medicines for poor people	Healthcare	Guru Nanak Dev Hospital, Majitha Road Amritsar	Rs. 636386/-	Rs. 636386/-	Rs. 636386/-	Direct
19.	Project of providing education facility to needy students	Promoting Education And social welfare	Sewa Bharti Haryana Pradesh Regd., Arjun Gate, Karnal	Rs.60000/-	Rs..60000/-	Rs.60000/-	Direct
20.	Project of providing education facility to needy students	Promoting Education	Federation of Indian chambers of commerce, Federation House, (New Delhi)	Rs.429000/-	Rs.429000/-	Rs.429000/-	Direct
21.	Project of providing infrastructure facilities for welfare of animals	Promoting Social Welfare	Cow shed in indri, Karnal	Rs. 47704/-	Rs.47704/-	Rs.47704/-	Direct
22.	Project of providing infrastructure facilities for welfare of animals	Promoting Social Welfare	Krishna Gopal Gaushala, Jani Road, Jundla, , Karnal	Rs.126275/-	Rs.126275/-	Rs.126275/-	Direct
23.	Project of providing education facility to needy students	Promoting Social Welfare	Sarv Shakti Dharmath Sewa Sansthan Shetraiya, Office, Brahmपुरi, Merrut	Rs. 7000/-	Rs.7000/-	Rs.7000/-	Direct
24.	Project of providing education facility to needy students	Promoting Social Welfare	Debi Prasad Sodhani Foundation, Karnal	Rs.200000/-	Rs.200000/-	Rs. 200000/-	Direct
25.	Project of providing education to farmers for their welfare	Promoting Education, Employment enhancement and Social Welfare	Village Area, Karnal	Rs.306935/-	Rs.306935/-	Rs.306935/-	Direct
26.	Project of providing education to needy and poor students for their welfare	Promoting Education and Social Welfare	National Integrated Forum of Artists & Activists , Model Town, (Karnal)	Rs.100000/-	Rs.100000/-	Rs. 100000/-	Direct
27.	Project of providing education to farmers for their welfare	Promoting education, employment enhancement and social welfare	Haryana Gyan Vigyan Samiti, Village Area, Karnal	Rs. 50000/-	Rs. 50000/-	Rs. 50000/-	Direct
28.	Project of providing healthcare facilities to needy people	Promoting Education	Guru Nanak Girls Sr. Sec School, Karnal	Rs.50000/-	Rs. 50000/-	Rs.50000/-	Direct
29.	Project of providing beds and other facilities for orphanage people	Promoting Social Welfare	Jan Sewa Dal Trusr(Regd.), Indira Colony, Jundla Road, Karnal	Rs.97050/-	Rs.97050/-	Rs.97050/-	Direct
30.	Project of providing sewing machines to poor and needy ladies	Promoting livelihood and Social Welfare	Rural Area (Amritsar)	Rs.125978/-	Rs.125978/-	Rs.125978/-	Direct
31.	Project of providing medical aid to poor people	Promoting Social Welfare	Rural Areas (Amritsar)	Rs. 3000/-	Rs.3000/-	Rs.3000/-	Direct
32.	Project of providing ration to needy and poor people	Promoting Social Welfare	Village Area (Karnal)	Rs.627900/-	Rs. 627900/-	Rs. 627900/-	Direct
33.	Project of providing ration to needy and poor people	Promoting Social Welfare	Village Area (Amritsar)	Rs.410760/-	Rs. 410760/-	Rs.410760/-	Direct
34.	CSR Maintenance Activity			Rs. 300200/-	Rs. 300200/-	Rs. 300200/-	Direct

35.	Project of providing fees to needy students for promoting of their education	Promoting Education	Yuva Gramin Vikas Mandal, Mangal Colony, Behind Doon Valley, Karnal	Rs. 25000/-	Rs. 25000/-	Rs. 25000/-	Direct
36.	Project for helping needy people suffering from Corona Disease	Promoting Healthcare	Haryana Corona Relief Fund, Haryana	Rs. 51000/-	Rs. 51000/-	Rs. 51000/-	Direct
37.	Project to providing aid to corona warriors	Promoting Social Welfare & Healthcare	Smarpan, Mumbai	Rs.100000/-	Rs. 100000/-	Rs.100000/-	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.11400666/- towards CSR activities out of which Rs. 7256772/- 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.

Company is continuously putting its efforts to minimise hurdles for farmers of country. For this Company is understanding the basic problems of farmers and officials of Company visiting various villages in different cities and even backward and rural areas too. Major problem identified by the officials in this sector is lack of awareness and education. Because of this farmers are unable to survive. Therefore on the basis of ground reality Company is conducting seminars on farmer education and training programme for increasing their knowledge and livelihood. We further believe maximum benefit must be reached to needy people. Therefore Company is identifying new areas and localities for further implementation of this project on continuous basis so that farmers can also live their happy life. We hope in upcoming years we will cover maximum areas and implement more projects for farmers so that each needy people can get benefit from this.

Further as per Company CSR policy and belief that every citizen of India must be educated and for this Company has already covered many areas for promoting education and welfare of students and for covering maximum areas Company is doing meeting with various schools, colleges, agencies, other institutes who can provide technical skills as well. Company is putting its efforts to implement new projects for development of technical skill in youth for increasing their livelihood. This will not only make students educated rather self reliant too. Therefore Company is in process to set-up this project as well.

Further Company is also providing medicines under emergency for needy and poor patients to Guru Nanak Dev Hospital, Majitha Road, Amritsar on continuous basis under its project of healthcare and social welfare. In upcoming years also Company will continue this project as per need arises. For improving health of needy people Company is also working on and discussing with the officials of said hospital to setup a ultra model laboratory at the premises of Guru Nanak Dev Hospital, Amritsar for downtroddens.

The Company's CSR initiatives usually involve setting of various projects/programs at a medium/small scale to learn from on-ground realities, getting feedback from community and then putting an enhanced sustainable model to ensure maximum benefit to the community.

Since it took time to utilize on the existing projects and identification of new projects that serve and match the needs of the society at large, the Company could not to spend whole budgeted allocable amount towards CSR Activities due to which the expenditure incurred on the CSR activities has been less than the limits prescribed under Companies Act, 2013.

During the year, the Company was unable to contribute Rs. 4143894/- towards CSR activities, however Company could spend only Rs. 7256772/-

During the year, CSR committee of Chaman Lal Setia exports Ltd. Met 4 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

SD/-

Vijay Kumar Setia

Managing Director & Chairman

SD/-

Arun Kumar Verma

Chairman –CSR Committee

Place :- Amritsar

Dated :- 28.08.2020

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: 28.08.2020

Sd/-
Vijay Kumar Setia
Chairman &
Managing Director
Din: 01125966

Management Discussion and Analysis

1. Indian Economy

India is emerging as one of the fastest growing economies in the World. Government push in the form of its robust initiatives along with measures such as implementation of GST, Make in India move, reduction of Corporate tax Rates, revisions with respect to FDI & FII policy & other key reforms have propelled faster economic development.

It is expected that India is poised to soar, higher than many fast-growing large economies over the next decade. At the same time, automotive original equipment manufacturers (OEMs) and component manufacturers in the country aspire to achieve global eminence.

However, due to outbreak of the novel coronavirus (Covid-19) across globe, which World Health Organisation (WHO) has declared same as Global Pandemic, the viral outbreak comes at a difficult time for the Indian economy which has further slowed down the already struggling economy. To combat with COVID-19, on 24th March, 2020, Indian Government declared nationwide lockdown for the entire country until 3rd May, with a conditional relaxation after 20 April for the regions where the spread had been contained. Covid-19 no doubt disrupted human lives across globe. The revised Gross Domestic Product (GDP) is estimated for India for the fiscal year 2020 as 4.8% as compared to 6.8% in F.Y. 2018-19. The World Bank as per its Global Economic Prospects report expects India's gross domestic product (GDP) to contract by 3.2% in 2020-21. There will be a moderate recovery to 3.1% growth in 2021-22.

The IMF projects that if COVID-19 is brought under control by the second half of 2020, global economic growth could jump to 5.8% in 2021. However, we can't ignore that post COVID-19, some economies are expected to adopt de-risking strategies and shift their manufacturing bases from China. This can create opportunities for India.

1.2 Global Economy

Global growth decelerated markedly in 2019, with continued weakness in global trade and investment. This weakness was widespread, affecting both advanced economies—particularly the Euro Area—and developing economies. Various key indicators of economic activity declined in parallel, approaching their lowest levels since the global financial crisis. In particular, global trade in goods was in contraction for a significant part of 2019, and manufacturing activity slowed markedly over the course of the year. Bilateral negotiations between the United States and China since mid-October resulted in a Phase One agreement—including a planned partial rollback of tariffs—that has de-escalated trade tensions. Financial markets were fragile for most of 2019.

Further the world is gradually emerging from the unprecedented challenge posed by the COVID-19 pandemic. The interdependence and interconnectedness of nations that has helped raise the global economy to its present heights is now also being viewed as a factor that exacerbates such a calamity, and increases geopolitical friction.

The outbreak of pandemic Covid-19 all over the world has disturbed the political, social, economic, religious and financial structures of the whole world. World's topmost economies such as the US, China, UK, Germany, France, Italy, Japan and many others are going through a difficult time. Besides, Stock Markets around the world have been pounded and oil prices have fallen off a cliff. Also, many experts on economic and financial matters have warned about the worsening condition of global economic and financial structure. According to the International Monetary Fund (IMF), the global economy is expected to shrink by over 3 per cent in 2020 – the steepest slowdown since the Great Depression of the 1930s. An analysis by IMF reveals that the manufacturing output in many countries has gone down, which reflects a fall in external demand and growing expectations of a fall in domestic demand.

Indian Agriculture Sector

India's agricultural industry along with its allied sectors represents an important component of the Indian economy both in terms of its contribution to the GDP as well as a source of employment to the majority of the country's population, mainly in rural areas. Actually agriculture is the primary source of livelihood for more than 50 percent of India's population and it is among the leading exporters of agricultural products in the world and is the largest producer of spices, pulses, milk, tea, cashew, and jute; and the second largest producer of wheat, rice, fruits & vegetables, sugarcane, cotton, and oilseeds.

According to the first advance estimates of the government of India (GOI), growth in agriculture and allied activities sector in the FY20 is expected to remain subdued and grew at just 2.8%. As per the government's second advance estimates, the total food grain production in India in FY20 is expected to stand at record 291.95 million tonnes which is higher by 6.74 million tonnes than the production of food grain of 285.21 million tonnes achieved during 2018-19. Production of wheat during the same period is estimated to have stood at record 106.21 million tonnes, 2.61 million tonnes higher compared to total wheat production in FY19 and 11.60 million tonnes higher than the average wheat production of 94.61 million tonnes. India's total sugarcane production in FY20, according to the second advance estimates, is likely to stand at 353.85 million tonnes. The FY20 sugarcane production was 4.07 million tonnes higher than the average sugarcane production of 349.78 million tonnes. One of the largest exporters of agricultural products, India's agricultural export in FY20 (till January 2020) stood at US\$ 28.93 billion compared to US\$ 38.54 billion in FY19.

Further Government is launching various schemes for further growth of Agricultural Sector and for this government revised its allocation for Pradhan Mantri Kisan Samman Nidhi Yojana (PM-Kisan) and this revised allocation benefited more than 10 million beneficiary farmers.

Further The Government of India has come out with the Transport and Marketing Assistance (TMA) scheme to provide financial assistance for transport and marketing of agriculture products in order to boost agriculture exports.

The Government of India is going to provide 2,000 crore (US\$ 306.29 million) for computerisation of Primary Agricultural Credit Society (PACS) to ensure cooperatives are benefitted through digital technology. Besides this government has also launched many other schemes like the Pradhan Mantri Krishi Sinchai Yojana (PMKSY), Pradhan Mantri Gram Sinchai Yojana (PMGSY), PM-ASHA and other allied initiatives for further growth of agriculture sector.

The outbreak of the novel coronavirus in India has impacted many other industries, however agriculture industry remained relatively less exposed to the pandemic. However, export shutdown and supply chain delays are the key concerns affecting India's agricultural economy.

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.

The global rice production in 2020-21 was up by 4.7 million tonnes or 1.65% from the previous year largely owing to better crop production in countries like China and India. China topped the production list with a total production of 149,000,000 metric tons, followed by India and Bangladesh. In terms of revenue, the total revenue generated during 2020 amounted to US\$ 313,399 million compared to US\$ 271,278 million, an increase of 15.52% compared to the previous year.

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. The second-largest rice producer in the world after China, India today produces nearly more than 23% of overall global rice production. 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 Punjab, Andhra Pradesh, Uttar Pradesh, West Bengal, Tamil Nadu, Bihar, Chhattisgarh and Orissa. Together, they contribute almost 72% of the total area of rice production and contributes almost 75% of the total rice in the country.

India's total rice production during FY20 is estimated to have stood at record 117.47 million tonnes, 9.67 million tonnes higher than the five years' average production of 107.80 million tonnes. However Rice consumption in MY 2019/20 is estimated at 102 MMT, about 3% higher than last year. MY 2020-21 consumption is forecast to increase by about 6% to 108 MMT as the government is likely to push more 'subsidized' government rice under PDS and other programs.



Indian Basmati Rice industry

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.

Exclusively grown in the northern Indian states of Punjab, Haryana, West Uttar Pradesh, Uttarakhand, and Himachal Pradesh, India is a renowned exporter of the globally popular long-grain aromatic Basmati rice. The high yielding PUSA Basmati 1121 variety introduced in 2003 and the shorter duration semi-dwarf PUSA Basmati 1509 variety introduced in 2013, have supported strong growth in Basmati rice production in the last two decades.

Accounting for nearly 70% of the world's basmati rice production, India is the largest producer of Basmati rice followed by Pakistan. According to APEDA, with normal monsoon and weather conditions prevailing in India, MY 2020/21 Basmati rice production is expected to clock 9.8 MMT from 2.0 MHa compared to 9.2 MMT from 1.9 MHa last year. Further, owing to strong export demand, Basmati rice prices in MY 2019/20 have increased 10-15% compared to last year, supporting farmers' overall returns from the crop.

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.

After touching highest ever export in in 2018-19, the Indian Basmati rice industry faced some headwinds in FY20 owing to a number of external socio-economic factors and the outbreak of Covid-19. India exports rice to more than 90 countries, gross exports of Basmati rice from India in terms of volume is expected to hover around 4.4 million tonnes in FY 20, at par with FY 19, even as a number of consignments were stranded at different ports and foreign destination since last week of March due to the nationwide lockdown to combat Covid-19.

But, since the outbreak of the pandemic Covid-19, India's basmati rice exports have halved to 2 lakh tonnes per month on a shortage of cargo containers at the ports. Further, the sudden sharp increase of about 30% in freight rates of shipping containers can also prove to be a cause of concern for the Indian basmati rice exporters. Provisional official estimates for rice exports in the first quarter of MY 2019/20 are estimated at 2.04 MMT, compared to 2.63 MMT during the same period last year.

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 (Dehradooni 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.

Basmati rice is extensively used in a number of dishes, therefore the Indian Basmati industry is likely to sustain its growth momentum and is expected to grow at a CAGR of 6% over the next five years till 2025. But the outbreak of Covid-19 is likely to see a dip in the growth rate for the major part of 2020 and in 1st half of 2021. Post that the industry is likely to pick up momentum again and is likely get back to its growth track again.

India is the leading exporter of Basmati Rice to the global market. In the current MY2019/20 season, the total export is expected to be around 10.5 MMT, reflecting relatively weak export demand for non-basmati rice – particularly in the first quarter (Oct-Dec 2020). Despite the different negative impacts, total rice exports in the MY 2020-21 is expected to hover around 12 MMT (7.5 MMT coarse rice and 4.5 MMT Basmati rice) compared to estimated 10.5 MMT the previous year.

Iran is the largest export market for Indian Basmati rice, however due to recent outbreak of the Covid-19 virus, with Iran being severely affected, resulting overall impact on basmati rice industry. Basmati rice imports by Iran, the largest importer (33% of total exports) fell significantly in the first 9 months of FY20 (13% lower in volumes, 11% lower in value terms than the corresponding previous year). Saudi Arabia, the second largest importer (20% of exports) also imported Basmati rice to the tune of Rs 4,246 crores (12% higher) in the first 9 months of FY20, prior to revised import rules by the Saudi Food and Drug Authority (SFDA). The higher buying can be attributed to pre-emptive action before the change rules came into effect from January 2020. Subsequently, the new norms are likely to slow down imports in the near term as it would take time for the industry to develop adequate sources of compliant paddy.

Despite pandemic challenges in the short-term, the outlook for the Indian Basmati rice industry remains stable. In, the medium term, demand prospects from key destinations such as Iran and Saudi Arabia will play a significant role and determine trade prospects. Availability of a secure payment mechanism for exports to Iran, easing/ removal of sanctions by the US and response to pandemic in the destination country would be the factors underscoring the Basmati rice trade.

Business Comparatives are given below:-

Ratios		F.Y. 2019-2020	F.Y. 2018-2019
1.	Debtors Turnover Ratio	50	50
2.	Inventory Turnover Ratio	82	71
3.	Interest Coverage Ratio	13.24	8.99
4.	Current Ratio	3.71	2.98
5.	Debt. Equity Ratio	0.25	0.47
6.	Operating margin Ratio	10.34	8.3
7.	Net Profit margin	6.72	4.46
8.	Return on net worth	27.76	26.37

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 FY 20, the company derived ~88% of its revenue from operations from exports, as compared to ~89% in FY19. 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 Kumar Setia (Chairman & Managing Director w.e.f 28.08.2020) 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 never faced any difficulty in servicing its debts and other financing arrangements and with the required number of skilled employees, all the financial activities have been carried out on time without any delay/disruption. Further Company has adequate financial resources to meet its working capital requirement. The Company has never in the past defaulted on any interest or loan payment and does not see any issue meeting future obligations too

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.

V. Dependency on favourable Climatic Conditions

Besides the quality of the foundational seed itself the cultivation of Basmati closely depends on the vagaries of the weather. Any inclemency can upset the potential sales of the brand.

Opportunities

As Basmati is un-disputedly the king of grains, given its association with being the best, it finds natural uptake across nations and especially in the middle east where rice preparations are part of culture. Higher usage of Rice as a staple diet again dovetails into higher consumption of Basmati.

Threats

Continuing trade wars and the CoVID-19 pandemic both are likely to significantly lower global trade and resultantly international sales. Being a daily staple Basmati though could be less impacted.

Performance Discussion FY2019-20

The company recorded a total operating income of 797.69 cr. in FY20, up as compared to 764.99 cr. in FY19.

The profit after tax of the company stood at 52.47 cr. in FY20 as compared to 34.40 cr. in FY19.

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, 2020 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.

However due to resignation of Mr. Chaman Lal Setia from the post of Chairman and Managing Director of Company w.e.f 28.08.2020 because of his health issue and age factor, Board currently comprises of 11 Directors out of which 5 are Executive and remaining 6 are Non- Executive Independent Directors that includes two women Director out of which one woman Director named Mrs. Pooja Kukar (DIN: 08846984) has been appointed as Additional Director (categorized as Non-Executive Independent Director) of the Company, w.e.f 28.08.2020, holding office till the upcoming Annual General Meeting and recommended her appointment as Director (Independent) to the shareholders at upcoming Annual General Meeting.

The Board of Directors of the Company at its meeting held on 28.08.2020, re-designated Mr. Vijay Kumar Setia (Din:- 01125966) Executive Director of Company as Chairman and Managing Director of Company and Mr. Rajeev Setia Executive Director and CFO of the Company as Joint Managing Director and CFO of the Company for a period of five years w.e.f 28.08.2020 to 27.08.2025, subject to approval of shareholders in this 26th Annual General Meeting of Company.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sukarn Setia (DIN:- 01133561) and Mr. Ankit Setia (DIN 01133822) wholetime Director of Company are 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.

As stipulated under the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and SS-2 issued by ICSI, the brief resume of the Directors proposed to be appointed/ re-appointed is given in the notice convening the 26th Annual General Meeting.

As stipulated under the Clause (A) of Part II of Section II of Schedule V of the Companies Act, 2013, the details of directors re-designated are given in the Notice convening 26th Annual General Meeting.

During the year, in 25th Annual General Meeting of Company held on 28.09.2019, Company regularised appointment of Mr. Inder Dev Kukar, Mr. Raghav Peshawaria and Mr. Naresh Kumar Suneja from Additional Director to Independent Director and further re-appointed them for a second term of five consecutive years commencing from 01.04.2019 to 31.03.2024.

However Mr. Inder Dev (Din 01193209) an Independent Director and Chairman of Audit Committee has given his resignation from the post of Directorship and consequent cessation as the Chairman of Audit Committee w.e.f 28.08.2020 due to pre-occupation and health issues and further he has given confirmation that there being no material reasons other than those mentioned by him for his resignation as the Independent Director from the Board of Directors of the Company.

Further in Annual General Meeting held on 28.09.2019, Mrs. Amar Jyoti Bagga (DIN:- 06958408) an Independent Non-Executive Director of Company has been re-appointed as an Independent Director for second term of 5 (five) consecutive years w.e.f 29.09.2019 to 28.09.2024.

Further in Annual General Meeting held on 28.09.2019, Mr. Sankesh Setia (DIN:- 06620109) has been re-appointed as Whole Time Director of Company for further period of five years w.e.f 29.09.2019 to 28.09.2024.

Further in Annual General Meeting held on 28.09.2019, Mr. Vijay Kumar Jhamb (DIN:-07021080) an Independent Non-Executive Director of Company has been re-appointed as Independent Non- Executive Director of the Company for a second term of 5 (five) consecutive years w.e.f 13.10.2019 to 12.08.2024.

Further in Annual General Meeting held on 28.09.2019, Mr. Chaman Lal Setia Chairman and Managing Director of Company has been re-appointed for further period of five years w.e.f 21.09.2019 to 20.09.2024. However w.e.f 28.08.2020, Mr. Chaman Lal Setia has given his resignation from post of Chairman and Managing Director due to his health and age factor.

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 31st, 2020 are given herein below.

ATTENDANCE RECORD OF EACH DIRECTOR AT THE BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2019-2020 AND LAST ANNUAL GENERAL MEETING OF COMPANY HELD ON 28.09.2019 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 2019-2020	No. of Board Meeting attended	Whether Attended last AGM held on September 28, 2019	No. of Directorship in all Companies* as on 31.03.2020	No. Of Committee Positions held in all Companies** as on 31.03.2020**	
							Member	Chairman
Mr. Chaman Lal Setia*	Managing Director & Chairman (upto 28.08.2020)	01125789	5	5	YES	1	-	-
Mr. Vijay Kumar Setia**	Chairman & Managing Director (w.e.f 28.08.2020)	01125966	5	4	YES	1	-	-
Mr. Rajeev Setia***	Joint Managing Director (w.e.f 28.08.2020) & CFO	01125921	5	5	YES	1	1	-
Mr. Sukarn Setia	Executive Director	01133561	5	3	YES	1	-	-
Mr. Ankit Setia	Executive Director	01133822	5	3	NO	1	-	-
Mr. Sankesh Setia	Executive Director	06620109	5	5	NO	1	-	-
Mr. Inder Dev ****	Independent Director	01193209	5	5	YES	1	1	1
Mr. Naresh Kumar Suneja	Independent Director	01383235	5	5	YES	1	1	-
Mr. Raghav Peshawaria	Independent Director	01386434	5	5	YES	1	1	1
Mrs. Amarjyoti Bagga	Independent Director	06958408	5	5	YES	1	-	-
Mr. Vijay Kumar Jhamb	Independent Director	07021080	5	4	YES	1	1	-
Mr. Arun Kumar Verma	Independent Director	08145624	5	5	YES	1	1	-
Mrs. Pooja Kukar*****	Additional Independent Director	08846984						

* This includes Directorships in all Companies, including Chaman Lal Setia Exports Ltd. (Listed, Unlisted Public and Private Limited Companies) incorporated in India.

** Committee Memberships/ Chairmanships are reported for listed and unlisted public companies put together (including Chaman Lal Setia Exports Limited) in terms of Regulation 26(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Committee Memberships include Chairmanship, if any. Committees considered for the purpose are those prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz. Audit Committee and Stakeholders' Relationship Committee.

*Mr. Chaman Lal Setia has given his resignation from the post of Chairman and Managing Director w.e.f 28.08.2020.

**Mr. Vijay Kumar Setia executive Director of Company has been re-designated as Chairman and Managing Director of Company w.e.f 28.08.2020, subject to approval of shareholders in this 26th AGM.

***Mr. Rajeev Setia executive Director & CFO of the Company has been re-designated as Joint Managing Director & CFO of Company w.e.f 28.08.2020, subject to approval of shareholders in this 26th AGM.

****Mr. Inder Dev has given his resignation from post of Directorship and consequent cessation as a chairman of Audit Committee w.e.f 28.08.2020.

***** Mrs. Pooja Kukar has been appointed as an additional Director under independent Director category and as Chairman of Audit Committee w.e.f 28.08.2020 and further her appointment as an Independent Director for a term of five consecutive years w.e.f 28.08.2020 to 27.08.2025 is proposed for shareholders approval in this 26th AGM.

Skills/ Expertise/Competence of the Board of Directors including the areas as identified by the Board in the context of the Company's business:-

The Company is a Fast Moving FMCG Company with the individual Members of its Board of Directors bringing in knowledge and experience from a variety of sectors, demonstrating breadth and depth of management and leadership experience. The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business:-

Accountancy & Audit 2. Finance & Taxation 3. Insurance & Information Technology 4. Overseeing the development and implementation of Risk Management 5. Building effective Sales, Marketing strategies & brand management . Guiding and seeing the pace for Company's Operations and future development by aiding implementation of best systems and processes., Knowledge on Company's businesses policies and culture and Technical / Professional skills and specialized knowledge.

Name of Directors having aforesaid skills/expertise/competence

Sr. No.	Name of Director	Expertise/Skill
1.	Mr. Vijay Kumar Setia	Guiding and seeing the pace for Company's Operations and future development by aiding implementation of best systems and processes, Production and Technical aspects
2.	Mr. Rajeev Setia	Accountancy & Audit, Finance & Taxation, Export Marketing,
3.	Mr. Sukarn Setia	Export Marketing, Marketing strategies
4.	Mr. Ankit Setia	Building effective Sales, Marketing strategies & brand management
5.	Mr. Sankesh Setia	Building effective Sales, Marketing strategies & brand management
6.	Mr. Naresh Kumar Suneja	Overseeing the development and implementation of Risk Management
7.	Mr. Raghav Peshawaria	Marketing strategies
8.	Mrs. Amarjyoti Bagga	Marketing & Information Technology
9.	Mr. Vijay Kumar Jhamb	Insurance Sector
10.	Mr. Arun Kumar Verma	Specialised knowledge in material management and audit
11.	Mrs. Pooja Kukar	Marketing & Management

2.3 BOARD MEETINGS AND PROCEDURES

A. BOARD MEETINGS

Company's Corporate Governance requires the Board to meet at least four times in a year. The maximum gap between two Board Meetings should not be more than 120 (One hundred and twenty) days as prescribed under Regulation 17 of the SEBI Listing Regulations. Additional Board Meetings may be convened to address the specific needs of the Company. In case of business exigencies or matters of urgency, the Board may also approve resolutions by Circulation as permitted under Companies Act, 2013.

B. BOARD PROCEDURE

The meeting of Board of Directors and Committees of Board of Directors are governed with the structured agenda. The Agenda is prepared in consultation with the Chairman of the Board/Committees of Board and other Board/Committee Members. The Agenda for the Meetings of the Board/Committees of Board together with the appropriate

supporting documents are circulated well in advance to all the Members of Board/Committee members. The Board/Committee Members also reviews periodical compliances of all laws, rules and regulations at the Board/Committees Meeting. Members of the Senior Management team are also invited to attend the Board/ Committees Meetings as and when required, which provides additional inputs to the items being discussed by the Board/Committees Meetings.

2.4 DETAILS OF BOARD MEETINGS HELD AND ATTENDED BY DIRECTORS DURING FINANCIAL YEAR 2019-20:-

Date of Board Meetings	No. of Directors on Board	No. of Directors in Attendance
29.05.2019	12	11
14.08.2019	12	11
28.08.2019	12	10
13.11.2019	12	11
13.02.2020	12	11

During the year under review, 05 (five) 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.

2.5 LIMIT ON THE NUMBER OF DIRECTORSHIPS

None of the Directors on the Board hold Directorship in more than 10 Public Companies .

In compliance with Regulation 25 of the SEBI Listing Regulations, the Independent Directors on the Board of the Company does not serve as an Independent Directors in more than 7 (Seven) Listed Companies and in case he/she is serving as a Whole Time Director in any Listed Company, does not hold position as an Independent Director in more than 3 (Three) Listed Companies.

Also as required under Regulation 17A of the amended SEBI Listing Regulations, 2015, the Board Members of the Company does not serve as a Director in more than 8 (eight) listed entities and in case he/she is serving as Independent Director on the Board of the Company, does not hold position as an Independent Director in more than 7 (Seven) Listed Companies and in case he/she is serving as a Whole Time/Managing Director in any Listed Company, does not hold position as an Independent Director in more than 3 (Three) Listed Companies.

Accordingly, all Directors are in compliance with the above mentioned provisions of Companies Act, 2013 and SEBI Listing Regulations.

2.6 DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTERSE :-

Mr. Vijay Kumar Setia is a brother of Mr. Rajeev Setia and father of Mr. Ankit Setia has been designated as Chairman and Managing Director of the company w.e.f 28.08.2020, subject to approval of shareholders in this 26th AGM and Mr. Rajeev Setia is a brother of Mr. Vijay Kumar Setia and father of Mr. Sukarn Setia and Mr. Sankesh Setia has been designated as Joint Managing Director & CFO of the Company w.e.f 28.08.2020, subject to approval of shareholders in this 26th AGM. Further Mr. Sukarn setia, Wholetime Director of the company is the son of Mr. Rajeev Setia and brother of Mr. Sankesh Setia. Further Mr. Sankesh Setia, Wholetime Director of the company is the son of Mr. Rajeev Setia and brother of Mr. Sukarn Setia and Mr. Ankit Setia, Wholetime Director of the company is the son of Mr. Vijay Kumar Setia.

2.7 DETAILS OF EQUITY SHARES OF THE COMPANY HELD BY THE NON EXECUTIVE DIRECTORS AS ON MARCH 31ST, 2020 IS GIVEN BELOW:-

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

** Mr. Inder Dev Kukkar has given his resignation w.e.f 28.08.2020.

2.8 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 fulfill 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.

Further in terms of Regulation 25(8) of Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

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.

2.9 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.

2.10 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 2019-20, the Independent Directors met separately on 13.03.2020 without the presence of any Non-Independent Directors or representatives of management and discussed the aforesaid items.

2.11 FAMILIARIZATION 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

2.12 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. 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, 2018 and SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019, 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.

2.13 THE COMPANY HAS NOT ISSUED ANY CONVERTIBLE INSTRUMENTS

2.14 DURING THE YEAR 2019-2020, 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 2019-20	
			Held	Attended
Mr. Inder Dev *	Chairman	Independent Non Executive Director	4	4
Mr. Naresh Kumar Suneja	Member	Independent Non Executive Director	4	4
Mr. Vijay Kumar Jhamb	Member	Independent Non Executive Director	4	3
Mrs. Pooja Kukar**	Chairman	Additional Independent Non Executive Director	N.A	N.A

During the year under review, the Audit Committee met 4 (Four) times on 29.05.2019, 14.08.2019, 13.11.2019 and 13.02.2020. As stipulated, the gap between two committee meetings did not exceed one hundred and twenty days.

Mr. Inder Dev, Chairman of the Audit Committee was present at the last Annual General Meeting of Company held on 28th September, 2019. The necessary quorum was present for all the meetings. Mrs. Kanika Nevatia, Company Secretary, acts as Secretary to the Committee.

*W.e.f 28.08.2020 Mr. Inder Dev has given his resignation from post of Independent Directorship and consequent cessation as the Chairmanship of Audit Committee.

Further Mrs. Pooja Kukar (DIN: 08846984) has been appointed as Additional Director (categorized as Non-Executive Independent Director) of the Company, w.e.f 28.08.2020, holding office till the upcoming Annual General Meeting and recommended her appointment as Director (Independent) to the shareholders at upcoming Annual General Meeting and she has also been appointed as Chairman of Audit Committee.

Therefore Board of Directors re-constituted its Audit Committee w.e.f 28.08.2020.

3.3 TERMS OF REFERENCE & REVIEW OF THE AUDIT COMMITTEE ARE BROADLY ARE EXPLAINED 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 during the financial year 2019-20	
			Held	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 28.08.2019, 13.11.2019 and 13.02.2020.

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 28.09.2019. Mrs. Kanika Nevatia Company Secretary act as 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.)
Mr. Chaman Lal Setia*	48,00,000	1,52,722	1,00,00,000	1,49,52,722
Mr. Vijay Kumar Setia**	48,00,000	1,25,794	1,00,00,000	1,49,25,794
Mr. Rajeev Setia***	48,00,000	7,88,700	1,00,00,000	1,55,88,700
Mr. Sukarn Setia	6,00,000	5,35,770	-----	11,35,770
Mr. Ankit Setia	24,00,000	39,200	50,00,000	74,39,200
Mr. Sankesh Setia	24,00,000	2,96,540	50,00,000	76,96,540

*Mr. Chaman Lal Setia has given his resignation from the post of Chairman and Managing Director w.e.f 28.08.2020.

**Mr. Vijay Kumar Setia executive Director of Company has been re-designated as Chairman and Managing Director of Company w.e.f 28.08.2020, subject to approval of shareholders in this 26th AGM.

***Mr. Rajeev Setia executive Director & CFO of Company has been re-designated as Joint Managing Director & CFO of Company w.e.f 28.08.2020, subject to approval of shareholders in this 26th AGM.

(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*	Mr. Naresh Kumar Suneja	Mr. Raghav Peshawaria	Mrs. Amar Jyoti Bagga	Mr. Vijay Kumar Jhamb	Mr. Arun Verma	Ms. Pooja Kukkar**
1	Independent Directors							
	Fee for attending Board & Committee meetings	9000	12000	12000	5000	10000	13000	
	Commission	NIL	NIL	NIL	NIL	NIL	NIL	
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	
	Total (1)	9000	12000	12000	5000	10000	13000	
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)	9000	12000	12000	5000	10000	13000	

*W.e.f 28.08.2020 Mr. Inder Dev has given his resignation from post of Independent Directorship and Consequent cessation from Chairmanship of Audit Committee.

****Mrs. Pooja Kukar has been appointed as an additional Director under independent Director category w.e.f 28.08.2020** and further her appointment as an Independent Director for a term of five consecutive years w.e.f 28.08.2020 to 27.08.2025 is proposed for shareholders approval in this 26th AGM.

(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

(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 meetings during the financial year 2019-20	
			Held	Attended
Sh. Raghav Peshawaria	Chairman	Independent Non Executive Director	4	4
Sh. Rajeev Setia*	Member	Joint Managing Director and CFO	4	4
Sh. Arun Kumar Verma	Member	Independent Non Executive Director	4	4

*Mr. Rajeev Setia executive Director and CFO of Company has been re-designated as Joint Managing Director and CFO of Company w.e.f 28.08.2020.

During the year under review, Stakeholders' Relationship Committee met 4 (times) on 29.05.2019, 14.08.2019, 13.11.2019 and 13.02.2020.

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

6.3 TERMS OF REFERENCE :-

The broad terms of reference of the Stakeholders Relationship Committee are:- To consider and redress Shareholders/ Investors Grievances relating to Transfer/Transmission of shares, Non receipt of declared dividend, Non receipt of Annual Reports, Demat/ Remat of shares, Issue of Duplicate Certificates, and all such complaints, 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 28.09.2019.

6.5 The Company has received 16 complaints from the investors during the year. All of these have been redressed. There is no pending complaint as on March 31, 2020.

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 during the financial year 2019-20	
			Held	Attended
Sh. Vijay Kumar Setia**	Member	Chairman & Managing Director (w.e.f 28.08.2020)	4	3
Sh. Rajeev Setia*	Member	Joint Managing Director (w.e.f 28.08.2020) & CFO	4	4
Sh. Arun Kumar Verma	Chairman	Non Executive Independent Director	4	4

During the year ended on 31.03.2020 the Corporate Social Responsibility Committee met four times on 29.05.2019, 28.08.2019, 13.11.2019 and 13.02.2020.

**Mr. Vijay Kumar Setia executive Director of Company has been re-designated as Chairman and Managing Director of Company w.e.f 28.08.2020, subject to approval of shareholders in this 26th AGM.

*Mr. Rajeev Setia executive Director and CFO of Company has been re-designated as Joint Managing Director and CFO of Company w.e.f 28.08.2020, subject to approval of shareholders in this 26th AGM.

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. The Annual Report on CSR activities for the Financial Year 2019-20 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 28, 2019	Hotel P.R Residency, 101, Distt. Shopping Centre, Ranjit Avenue, Amritsar at 4:30 p.m.	<p>-Re-appointment of Mr. Chaman Lal Setia as Managing Director of Company</p> <p>-Approval of continuation of payment of remuneration to Mr. Vijay Kumar Setia (Din :- 01125966) Executive Director and Promoter</p> <p>-Approval of continuation of payment of remuneration to Mr. Rajeev Setia (Din :- 01125921) Executive Director and Promoter</p> <p>-Approval of continuation of payment of remuneration to Mr. Sukarn Setia (Din :- 01133561) Executive Director and member of Promoter and Promoter Group</p> <p>-Approval of continuation of payment of remuneration to Mr. Sankesh Setia (Din :- 06620109) Executive Director and member of Promoter and Promoter Group</p> <p>- Approval of continuation of payment of remuneration to Mr. Ankit Setia (Din :- 01133822) Executive Director and member of Promoter and Promoter Group</p> <p>-Approval of continuation of payment of remuneration to Mr. Chaman Lal Setia (Din :- 01125789) Managing Director and Promoter</p> <p>-Re-appointment of Mr. Inder Dev Kukar (DIN:- 01193209) as an Independent Non -Executive Director of Company.</p> <p>-Re-appointment of Mr. .Naresh Kumar Sumeja (DIN:- 01383235)) as an Independent Non -Executive Director of Company.</p> <p>-Re-appointment of Mr. Raghav Peshawaria (DIN:- 01386434)) as an Independent Non -Executive Director of Company.</p> <p>-Re-appointment of Mrs. Amarjyoti Bagga (DIN:- 06958408)) as an Independent Non -Executive Director of Company.</p> <p>-Re-appointment of Mr. Vijay Kumar Jhamb (DIN:- 07021080)) as an Independent Non -Executive Director of Company.</p>
SEP 29, 2018	Hotel P.R Residency, 101, Distt. Shopping Centre, Ranjit Avenue, Amritsar at 4:30 p.m.	<p>To approve the re-classification of persons/entities forming part of 'Promoter and Promoter Group' to 'Public Category'</p> <p>To approve the Borrowing Limits of the Company</p> <p>To approve creation of Charge, mortgage under Companies Act, 2013</p>
SEP 28, 2017	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 29, 2020 at 4.30 p.m. Through Video Conferencing (VC) or other Audio Visual Means (OAVM)

- (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 extracts of the Quarterly, Half yearly Un-audited Financial Results and the Annual Audited Financial Results as approved and taken on record by Board of Directors of the Company are published during the year under review in leading newspapers i.e. – 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 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 and further for Audited Results for the year ended 31.03.2020 the Company called conference call on 14.08.2020.

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 29.09.2020 at 4.30 p.m

Venue Through Video Conferencing (VC) or other Audio Visual Means (OAVM)

B. FINANCIAL YEAR 1st April to 31st March

C. DIVIDEND PAYMENT DATE FOR THE YEAR 2019-20

The Board of Directors of your Company has recommended a dividend @ 25% i.e.Rs. 0.50/- per equity share of face value of Rs.2/- each for the financial year 2019-2020 in the Board Meeting held on 30.06.2020, subject to approval of shareholders in this 26th Annual General Meeting.

Dividend will be paid on & from 29.09.2020, subject to the approval of shareholder 26th Annual General Meeting.

D. BOOK CLOSURE 23.09.2020 to 29.09.2020 (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

BSE Limited. 530307

Phiroze Jeejeebhoy Towers

Dalal Street, Mumbai-400001

G. ISIN Code for the Company's Equity Share

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

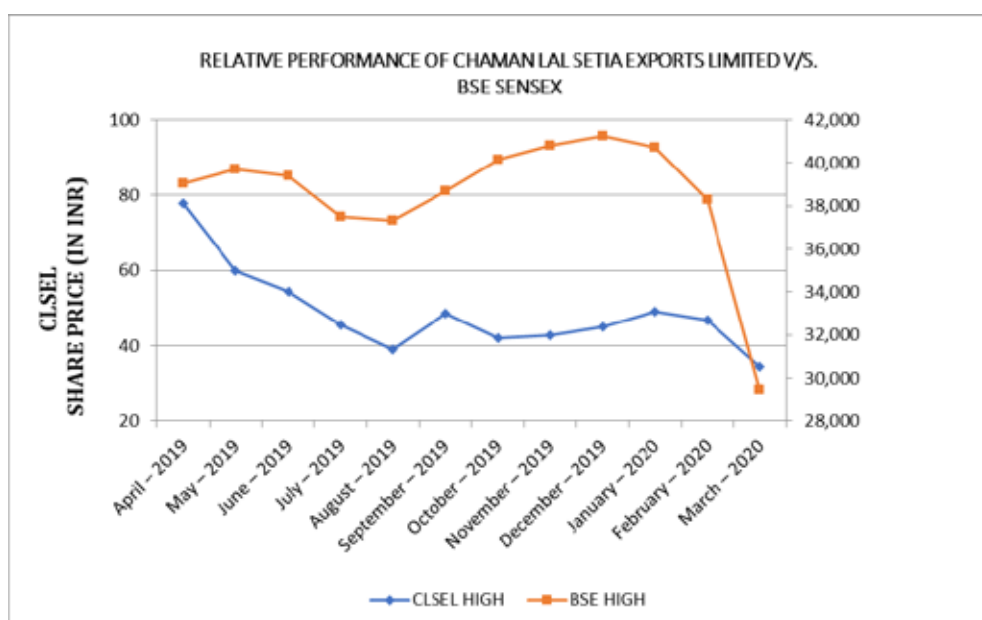
H. Corporate Identity Number ("CIN ") of the Company :-

L51909PB1994PLC015083

I. Market Price data:- Monthly High & Low prices and volume of the equity shares of the Company at BSE Limited during financial year 2019-20 are as under :-

Month	BSE		
	Highest price	Lowest Price	Volume
April ,2019	89.90	77.00	24774466
May, 2019	80.00	56.50	37070294
June, 2019	59.95	51.60	18954474
July, 2019	58.00	37.75	26957663
August, 2019	48.60	37.05	12611947
September, 2019	67.00	39.20	35715672
October, 2019	52.60	39.80	22696606
November, 2019	47.35	41.50	8747646
December, 2019	45.75	41.00	9391348
January, 2020	59.40	43.50	24363170
February, 2020	59.65	46.00	45431012
March ,2020	53.45	24.35	25234434

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



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 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

The Company's shares are traded in the Stock Exchanges compulsorily in demat mode. Pursuant to the changes made in provisions of Regulation 40 of SEBI Listing Regulations, the transfer of securities shall not be processed unless the securities are held in dematerialized form with effect from 01 April 2019. Board reviews the share transmissions approved by the RTA and/or Company Secretary Cum Compliance Officer of Company, who have been delegated with requisite authority.

L. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2020

	As on 31.03.2020				As on 31.03.2019			
Shareholding of Nominal Value	No. of Shares Holders	% of shares holders	Number of Shares	% of share holding	No. of Shares Holders	% of shares holders	Number of Shares	% of share holding
Upto 5000	8099	91.07	3549568	6.8612	8123	90.96	3618046	6.9936
5001-10000	439	4.93	1567237	3.0294	422	4.72	1522239	2.9425
10001-20000	180	2.02	1224505	2.3669	208	2.32	1424147	2.7528
20001-30000	61	0.68	753544	1.4566	57	0.63	703612	1.3601
30001-40000	30	0.33	536931	1.0379	33	0.36	582796	1.1265
40001-50000	18	0.20	403478	0.7799	15	0.16	335384	0.6483
50001-100000	32	0.35	1128732	2.1818	40	0.44	1458326	2.8189
100001 above	34	0.38	42569555	82.2862	32	0.35	42089000	81.3573
Total	8893	100.00	51733550	100.00	8930	100.00	51733550	100.00

M. TOP TEN SHAREHOLDERS (OTHER THAN PROMOTERS) AS ON 31.03.2020: -

Name of shareholder	Number of Shares
Rishta Khaitan	472800
Sangeetha S	472390
Yelanchali Bebi Sarojini	391820
Sunaina	386100
Sameer Kishore	269370
Devabhaktuni Krishna Kumari	257917
Gautam Aggarwal	216768
Rowenta Networks Private Limited	192324
Anjoo Gupta	169625
Jagan Mohan Rao Ravela	128929

N. Shareholding & Distribution Pattern (as on 31.03.2020)

Category	No. of Shares Held
Promoters & Promoters Group	38213567
Clearing Members	24939
Indian Public/Resident Individuals/HUF	11149184
NRI/OCB/Body Corporates/Others	1971886
Foreign Portfolio Investors/Financial	
Institutions/Banks/Alternate Investment Fund	177155
IEPF	196819

O. DEMATERIALIZATION OF SHARES AND LIQUIDITY

Pursuant to the provisions of Regulation 31 of SEBI Listing Regulations, the Company's shares are required to be traded compulsorily in the Dematerialized form and are available for trading under both the depository systems in India – NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's Equity Shares under the depository system is INE419D01026. The Annual Custodial Fees has been paid to both the Depositories.

As on 31.03.2020 about 99.06% of the Company's Equity Shares has been held in dematerialized form with NSDL & CDSL.

P. OUTSTANDING ADR'S/GDRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS 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 2020, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

Q. Commodity price risk or foreign exchange risk and hedging activities

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

R. Plant Locations

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

Corporate Office Address

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

S. Address For Correspondence

**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

Packing Unit

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

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

11. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:-

- (a) The Board of Directors have 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 Note 13(ii)(a) of the significant accounting policies and notes to Financial Statements forming part of this Annual Report. 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

(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 forming part of this Annual Report for the same.

(d) DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS:-

The Company has complied with the Indian Accounting Standards (Ind AS) as laid down by the Institute of Chartered Accountants of India (ICAI) and notified by the Ministry of Corporate Affairs in preparation of its financial statements.

The Basis of preparation, measurement and accounting treatment are disclosed in significant accounting policies forming part of this Annual Report.

(e) DISCLOSURE REGARDING APPOINTMENT AND REAPPOINTMENT OF DIRECTORS :-

The disclosure regarding the appointment of Directors is given under the head Board of Directors forming part of the Report on Corporate Governance. The relevant details are also forming part of Notice calling AGM of the Company.

(f) 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

(g) CORPORATE SOCIAL RESPONSIBILITY:-

The detailed Annual Report on Corporate Social Responsibility is disclosed as **Annexure-E** in the Directors' Report section forming part of the Annual Report.

(h) 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 2011-12 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 2012-13 will be due to transfer to IEPF later this year. Shareholders who have not claimed their dividend for the Financial year 2012-2013 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 31.03.2020 does not contain any modified opinion.
- d) **Separate posts of Chairperson and MD/CEO:** Mr. Vijay Kumar Setia has been designated as the Chairman and Managing Director of the Company w.e.f 28.08.2020, subject to approval of shareholders in this 26th AGM.
- e) **Reporting of Internal Auditor:** The Internal Auditor of the Company has direct access to the Audit Committee.

13. CERTIFICATE PURSUANT TO THE REGULATION 34 AND SCHEDULE V (C) (10) (I) OF SEBI LISTING REGULATIONS READ WITH SECTION 164 OF COMPANIES ACT, 2013 REGARDING QUALIFICATION/ DISQUALIFICATION TO ACT AS DIRECTOR 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 financial year 2019-20.

15. SHARE TRANSFER SYSTEM:

As per amendment in Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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. 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.

Therefore trading in equity shares of the Company through recognised Stock Exchange can be done only in dematerialised form. All communications regarding share certificates, change of address, dividends etc. should be addressed to Registrar and Share Transfer Agent of the Company. **The Company has delegated authority for approving transmission of shares to RTA and Company Secretary cum Compliance Officer of Company and a summary of all approved transmission etc. so approved by delegate officials, is placed in subsequent meeting of the Board for their noting, review and advise.**

All share transmissions are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Company obtains the certificate of

compliance for share transfer/transmission formalities as required under Regulation 40(9) and 40(10) of SEBI Listing Regulations, from a Company Secretary in whole time practice and filed the same with the Stock Exchange as well on half yearly basis and also placed before the Board of Directors of Company for noting, comments and advise.

16. SEBI COMPLAINTS REDRESS 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 the weblink https://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, 2020		As on 31st March, 2019	
	No. of Shares	% to Equity	No. of Shares	% to Equity
Demat	51245112	99.06	51164662	98.90
Physical	488438	0.94	568888	1.099
Total	51733550	100.00	51733550	100%

18. DETAIL OF SHARES HELD BY DIRECTORS

Name	Shareholding as on 31/03/2020	Dividend Paid for year ended 31/03/2019	Shareholding as on 31/03/2019
Sh. Chaman Lal Setia*	11600050	5568024	11600050
Sh. Vijay Kumar Setia**	12413610	5958533	12413610
Sh. Rajeev Setia***	13081750	6279240	13081750
Sh. Sukarn Setia	56029	21343	44465
Sh. Ankit Setia	158297	75983	158297
Sh. Sankesh Setia	276100	132528	276100

*Mr. Chaman Lal Setia has given his resignation from the post of Chairman and Managing Director w.e.f 28.08.2020.

**Mr. Vijay Kumar Setia executive Director of Company has been re-designated as Chairman and Managing Director of Company w.e.f 28.08.2020, subject to approval of shareholders in this 26th AGM.

***Mr. Rajeev Setia executive Director & CFO of Company has been re-designated as Joint Managing Director & CFO of Company w.e.f 28.08.2020, subject to approval of shareholders in this 26th AGM.

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 Stakeholder Relationship Committee members and Board of Directors of the Company for noting, comments and advice. 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, 2020. 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, 2020 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-paras (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

25. DETAILS OF DEMAT/ UNCLAIMED SUSPENSE ACCOUNT:

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

26. AUDITOR REMUNERATION

The Company has appointed M/S. R Chopra & Associates, Chartered Accountants (Firm Registration No. 022992N) as the Statutory Auditor. The particulars of payment to Statutory Auditor by the Company during the financial year 2019-2020 are as below:-

Particulars	As at 31 March 2020 Amount (Rs. in lakhs)
Payment to Auditor includes:	
Statutory Audit Fees	1.00
Tax audit fees	0.5
Taxation Matters	1.00
GST Audit & other matters	0.80
Total	3.30

27. CREDIT RATINGS:-

Following are the details of Credit Rating :-

Facilities	Amount (Rs. Crore)	Rating
Long-Term Rating	95.00 (Rs. Ninety-Five Crore Only)	CRISIL A-Stable (Assigned)

28. FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:-

Pursuant to the provisions of Regulation 17(7) read with Part A of Schedule II of SEBI Listing Regulations, the Company placed before the Board of Directors on Quarterly basis, the quarterly details of Foreign Exchange Exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

During the year 2019-20, the Company had managed the foreign exchange risk and hedged it to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports.

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

The Company is committed to provide a protective environment at workplace for all its Employees' man and women to ensure that every Employee is treated with dignity and respect. 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: 28.08.2020

sd/-
Vijay Kumar Setia
(Chairman & Managing Director)
Din: 01125966



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, 2020.

Place: Amritsar
Date: 28.08.2020

Sd/-
Vijay Kumar Setia
(Chairman & Managing Director)
Din : 01125966

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, 2020 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, 2020 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 2019-20 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: 30.06.2020

Sd/-
Chaman Lal Setia
(Managing Director)

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

ENCLOSURE -1
Directors List for CG Report 2019-2020

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

*Mr. Chaman Lal Setia has given his resignation from the post of Chairman and Managing Director w.e.f 28.08.2020.

**Mr. Vijay Kumar Setia executive Director of Company has been re-designated as Chairman and Managing Director of Company w.e.f 28.08.2020, subject to approval of shareholders in this 26th AGM.

***Mr. Rajeev Setia executive Director & CFO of Company has been re-designated as Joint Managing Director & CFO of Company w.e.f 28.08.2020, subject to approval of shareholders in this 26th AGM.

****W.e.f 28.08.2020 Mr. Inder Dev has given his resignation from post of Independent Directorship and consequent cessation from the post of Chairmanship of Audit Committee. Therefore Board of Directors re-constituted its Audit Committee w.e.f 28.08.2020.

*****Further Mrs. Pooja Kukar (**DIN: 08846984**) has been appointed as Additional Director (**categorized as Non-Executive Independent Director**) of the Company, w.e.f 28.08.2020, holding office till the upcoming Annual General Meeting and recommended her appointment as Director (Independent) to the shareholders at upcoming Annual General Meeting.

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

SD/-

(Sunil Dhawan)

Proprietor

ACS :- 14500

COP NO. 3690

UDIN:-A014500B000628212



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, 2020, 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, 2020.

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, as 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 and representations made by the Management, 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 for the year ended on 31st March, 2020.

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.

For R Chopra & Associates
Chartered Accountants

Sd/-
(Rakesh Chopra)
Prop.

Place : Amritsar
Date : 28.08.2020

M.No: 514576
FRN No. 022992N
UDIN:- 20514576AAAACQ8508

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 CHAMANLAL SETIA EXPORTS LTD. ("the Company"), which comprises of Balance Sheet as at March 31st, 2020, 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 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 2020, its profits (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Key Audit Matters:-

2. 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.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

3. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition – Sale of Goods	Our audit work included, but was not limited to, the following procedures:
Refer Note 4 in the Summary of significant accounting policies and other explanatory information	<ul style="list-style-type: none"> Obtained an understanding of the process of each revenue stream, particularly of sale of rice and by products;
The Company recognised an amount of Rs. 79769.34 lacs revenue for the year ended 31 st March, 2020, as disclosed in Note 17 to the standalone financial statements.	<ul style="list-style-type: none"> Evaluated the design and implementation and tested the operating effectiveness of controls over revenue recognition including around quantity sold, pricing and accounting of revenue transactions;
Revenue for the Company primarily comprises of revenue from sale of manufactured goods (rice), traded goods and by products.	<ul style="list-style-type: none"> Performed substantive analytical procedures on revenue which includes ratio analysis and region wise analysis;
In accordance with Standards on Auditing, there is a presumed fraud risk relating to revenue recognition. Accordingly, occurrence and existence of revenue is a key focus area on account of the multiplicity of Company's products, multiple channels for sales, various categories of customers having varying terms of contracts and the volume of the sales made to them.	<ul style="list-style-type: none"> Evaluated the terms and conditions of the contracts, including incoterms, with customers to ensure that the revenue recognition criteria are assessed by the management in accordance with the accounting standards;
Due to the above factors, we have identified testing of revenue recognition as a key audit matter.	<ul style="list-style-type: none"> On a sample basis, tested revenue transactions recorded during the year, and revenue transactions recorded in the period before and after year-end with supporting documents, such as invoices, agreements with customers, proof of deliveries, and subsequent collection of payment; Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis, reviewed the subsequent collection of payment and proof of deliveries document of such selected debtors. Further, reconciling revenue recorded during the year with statutory returns; Tested, on sample basis, manual journal entries recorded in revenue accounts, credit notes and claims, to the relevant approvals and the supporting documents; Evaluated disclosures made in the financial statements for revenue recognition from sale of goods for appropriateness in accordance with the accounting standards.

Inventory existence and valuation	Our audit work included, but was not limited to the following procedures:
<p>Refer Note 15 in the Summary of significant accounting policies and other explanatory information.</p> <p>Inventory of the Company consists primarily of variety of rice, paddy and their by-products, manufactured during the process of conversion of paddy into rice.</p> <p>The Company held inventories amounting to Rs. 21308.33 as at 31st March 2020. The inventory primarily comprises of Paddy as raw material, packing material and finished goods in the form of rice and by-products. Inventory holding is generally significant considering the finished goods are aged for 6-9 months and also due to seasonality of the purchase of paddy. Such inventory is stored in plants, warehouses, silos, and storage bags. High quantity of inventory makes inventory physical verification an extensive procedure for the management, at the year end.</p> <p>The valuation of finished rice and by products is a comprehensive exercise and is carried out manually. The valuation process involves estimation around determination of –</p> <ul style="list-style-type: none"> • Allocable overheads and their absorption rates; • Determination of net realisable value of by products such as husk, bran, etc, and • Determination of net realisable value of the different variety of finished product. <p>Due to outbreak of the COVID-19, there has been a lockdown enforced in the country near year end and several restrictions were imposed by the government on travel and movement considering public health and safety measures which resulted into complexities for us to observe the physical verification of inventory conducted by the management. This necessitated using alternate audit techniques as further described in our audit procedures.</p> <p>Accordingly, existence and valuation of the yearend inventory balance, which is significant with respect to the total assets held by the Company, is considered to be one of the areas which required significant auditor attention owing to the complexity and judgements involved in the process of physical count and valuation.</p>	Existence:
	<ul style="list-style-type: none"> • Obtained an understanding of the management's process of inventory management and inventory physical verification performed subsequent to year-end;
	<ul style="list-style-type: none"> • Evaluated the design effectiveness of controls over inventory management process/ inventory physical verification and tested key controls for their operating effectiveness;
	<ul style="list-style-type: none"> • Reviewed the instructions given by senior management to stock count teams, including ensuring proper segregation of stock, use of calibration scales/charts, identification of damaged inventory, if any, etc.;
	<ul style="list-style-type: none"> • Obtained inventory records and results of management conducted count;
	<ul style="list-style-type: none"> • Reviewed reconciliation of differences, if any, between management physical count and inventory records, and tested the necessary adjustment made in the inventory records by the management;
	<ul style="list-style-type: none"> • Reviewing the Stock Auditor Report of an Independent Chartered Accountant M/s A.K Govil and Co As on 30.11.2019 along with its valuation .
	<ul style="list-style-type: none"> • Verified movement of the recounted inventory, on sample basis, between the period between the date of stock take and 31 March 2020 with the supporting documents which includes, purchase invoice, internal transfer document for production for manufactured goods, sales invoice, dispatch register, gate inward/outward register, etc. to substantiate the existence of inventory as at the reporting date;
	Valuation:
	<ul style="list-style-type: none"> • Obtained an understanding of management process of inventory valuation;
	<ul style="list-style-type: none"> • Evaluated design effectiveness of controls over inventory valuation process and tested key controls for their operating effectiveness;
	<ul style="list-style-type: none"> • Tested inputs into the valuation process from source documents general ledger accounts;
	<ul style="list-style-type: none"> • Tested reconciliation of opening inventory, purchase/ production, sales and year-end inventory to validate the amount of yield during the year and to identify any abnormal production loss;
	<ul style="list-style-type: none"> • Compared key estimates, including those involved in computation of allocable overheads and their absorption rate, to prior years and enquired reasons for any significant variations,
	<ul style="list-style-type: none"> • Checked net realisable value of by-products from actual sale proceeds near/ subsequent to the year-end;
	<ul style="list-style-type: none"> • Tested arithmetical accuracy of valuation calculations; and
	<ul style="list-style-type: none"> • Evaluated appropriateness of disclosure of inventory year-end balance in the financial statements.

4. 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.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

5. AUDITORS' RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and

timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

6. Opinion:-

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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, 2020
- (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.

7. 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, 2020, taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2020, 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 31.03.2020 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 31.03.2020 on its financial position in its financial statements. Refer Note No. 8 to Notes of Accounts.
 - 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, 2020;
 - iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For R Chopra & Associates
Chartered Accountants

(Rakesh Chopra)
Prop.

M.No.:- 514576

FRN No.:- 022992N

UDIN: 20514576AAAAABZ8509

Place: Amritsar
Date: 30.06.2020

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 2020, 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.
 - i) 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.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.
- (vi) (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 2020 , 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.

Name of the statute	Nature of dues	Amount(in lacs)	Amount paid under protest(in lacs)	Period to which relates(Financial Year)	Forum which dispute is pending
Punjab Value Added Tax Act,2005	Value Added Tax/Cental sale Tax	7.91	1.97	2010-11	Commissioner Excise and Taxation

Punjab Value Added Tax Act, 2005	Value Added Tax/Cental sale Tax	19.25	4.81	2011-12	Commissioner Excise and Taxation
Punjab Value Added Tax Act, 2005	Value Added Tax/Cental sale Tax	Not Determined	Not Determined		Hon'ble Punjab and Haryana High Court
Custom Act, 1962	Penalty	17.50		2013-14	Custom Authorities, kandla

- (vii) 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.
- (viii) 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.
- (ix) 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.
- (x) 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.
- (xi) 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.
- (xii) 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.
- (xiii) 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

sd/-

(Rakesh Chopra)

Prop.

M.No.:- 514576

FRN No.:- 022992N

UDIN: 20514576AAAAABZ8509

Place: Amritsar
Date: 30.06.2020



ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT – 31ST MARCH 2020

(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, 2020 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 2020, 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

Place: Amritsar
Date: 30.06.2020

sd/-
(Rakesh Chopra)
Prop.
M.No.:- 514576
FRN No.:- 022992N
UDIN: 20514576AAAABZ8509

BALANCE SHEET AS AT 31ST MARCH, 2020

(Amount in Rs. Lakhs unless otherwise stated)

Particulars	Refer Note No.	AS AT 31 MARCH 2020	AS AT 31 MARCH 2019
ASSETS			
Non-current assets			
1 (a) Property, plant and equipment	1	3680.74	2927.96
(b) Capital work in progress		1003.79	175.29
(c) Intangible assets		7.25	5.83
(d) Other non-current assets	2	30.83	31.12
Total Non-Current assets		<u>4722.61</u>	<u>3140.20</u>
2 Current assets			
(a) Inventories	3	21308.33	18207.90
(b) Financial Assets			
(i) Investments	4	77.13	1301.64
(ii) Trade receivables	5	10078.03	11331.53
(iii) Cash and cash equivalents	6	15.74	48.25
(iv) Other bank balances	7	1528.38	259.40
(iv) Loans	8	328.06	240.37
(c) Other current assets	9	4304.99	5081.55
Total Current assets		<u>37640.66</u>	<u>36470.64</u>
TOTAL ASSETS		<u>42363.27</u>	<u>39610.84</u>
II. EQUITY and LIABILITIES			
EQUITY			
(a) Equity Share capital	10	1034.67	1034.67
(b) Other Equity	11	26291.44	21521.83
Total equity		<u>27326.11</u>	<u>22556.50</u>
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	4779.07	4530.54
(b) Deferred tax liabilities (Net)		129.29	120.99
Total non-current liabilities		<u>4908.36</u>	<u>4651.53</u>
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	2018.40	6092.75
(ii) Trade payables	14		
Total outstanding dues of micro enterprises and small enterprises		22.51	9.58
Total outstanding dues of creditors other than micro enterprises and small enterprises		2244.60	1177.42
(b) Other current liabilities	15	2244.66	1434.26
(c) Short-term provisions	16	3598.63	3688.80
Total current liabilities		<u>10128.80</u>	<u>12402.81</u>
Total Equity and Liabilities		<u>42363.27</u>	<u>39610.84</u>
The accompanying accounting policies and notes on accounts form an integral part of the financial statement (100-109)			

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 : 30.06.2020

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

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in Rs. Lakhs unless otherwise stated)

Particulars	Refer Note No.	AS AT 31 MARCH 2020	AS AT 31 MARCH 2019
I. Revenue from operations	17	79769.34	76499.24
II. Other income	18	267.02	222.03
III. Total Revenue		80036.36	76721.27
IV. Expenses:			
Cost of materials consumed	19	10015.69	9943.53
Purchases of Stock-in-Trade		53460.47	49412.48
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20	-4126.50	-375.28
Employee benefits expense	21	1128.24	1095.58
Finance costs	22	670.56	746.66
Depreciation and amortization expense	23	487.15	440.35
Other expenses	24	11388.30	10169.36
Total expenses		73023.91	71432.68
V. Profit before exceptional and extraordinary items and tax		7012.45	5288.59
VI. Exceptional items			
VII. Profit before extraordinary items and tax		7012.45	5288.59
VIII. Extraordinary Items			
IX. Profit before tax		7012.45	5288.59
X. Tax expense:			
(1) Current tax		1756.7	1820.20
(2) Deferred tax		8.3	27.80
XI Profit for the period from continuing operations		5247.45	3440.59
XII Profit from discontinuing operations			
XIII Tax expense of discontinuing operations			
XIV Profit from Discontinuing operations (after tax)			
XV Profit for the period		5247.45	3440.59
XVI Other comprehensive income		0.00	0.00
XVII Total comprehensive income		5247.45	3440.59
XVIII Earnings per equity share:			
(1) Basic		10.15	6.65
(2) Diluted		10.15	6.65

The accompanying accounting policies and notes on accounts form an integral part of the financial statement (100-109)

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 : 30.06.2020

sd/-
KANJIKA NEVTIA
COMPANY SECRETARY
MEMBERSHIP NO. : 29680

Statement of Changes In Equity

(Amount in Rs. Lakhs)

A	Equity share capital	
	Balance at 1 April 2018	1034.67
	Changes in equity share capital	0
	Balance as at 31 March 2019	1034.67
	Changes in equity share capital	0
	Balance as at 31 March 2020	1034.67

B Other equity	Securities premium Reserve	Shares Forfeited Account	General reserve	Retained Earnings	Other comprehensive income	Total
Balances as on 1 April 2018	1031.83	7.33	2152.98	15190.23	0	18382.37
(+)Profit for the year				3440.59	0	
					0	
(-)Prior period tax/dividend adjustments				261.98	0	
(+)(-)Transfer To general reserve			344.05	344.05	0	
(+)Prior period tax/dividend adjustments				39.15		
Balance as at 31 March 2019	1031.83	7.33	2497.03	17985.64	0	21521.83
(+)Profit for the year				5247.45	0	
(-)Dividends includind DDT				299.37	0	
(+)(-)Transfer To general reserve			524.74	524.74	0	
(+)Prior period tax/dividend adjustments				178.47	0	
Balance as at 31 March 2020	1031.83	7.33	3021.77	22230.51	0	26291.44

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 : 30.06.2020

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

CASH FLOW STATEMENT FOR YEAR ENDING 31.03.2020

(Amount in Rs. Lakhs)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	7012.45	5288.59
ADJUSTMENT FOR:-		
DEPRECIATION ON OLD FIXED ASSETS		
DEPRECIATION/AMORTISATION	487.15	440.35
INTEREST RECEIVED	78.34	37.38
PROFIT ON SALE OF FIXED ASSETS/OTHERS	0.00	9.11
FINANCE COST	670.56	746.66
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	8091.82	6429.11
ADJUSTMENT FOR:		
INCREASE/DECREASE IN TRADE RECEIVABLES	1253.49	2571.72
INCREASE/DECREASE IN INVENTORIES	3100.43	3005.06
INCREASE/DECREASE IN OTHER CURRENT ASSETS	580.11	655.10
INCREASE/DECREASE IN TRADE PAYABLES/OTHERS	1800.34	175.70
INCREASE/DECREASE IN CURRENT INVESTMENTS	1224.51	27.36
CASH GENERATED FORM OPERATION	8689.62	-5.83
DIVIDEND /ADJUSTED/OTHERS	477.83	261.98
DIRECT TAXES PAID	1765.00	1887.15
CASH FLOW BEFORE EXTRAORDINARY ITEMS	6446.79	-2154.96
NET CASH FROM OPERATING ACTIVITIES:	6446.79	-2154.96
B) CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS (NET)	2069.85	918.16
SALE OF FIXED ASSETS	0.00	412.52
INCREASE/DECREASE IN LONG TERM ADVANCES	0.29	0.00
INCREASE IN OTHER NON CURRENT ASSETS	0.00	11.08
INTEREST RECEIVED	78.34	37.38
NET CASH USED IN INVESTING ACTIVITIES	w-1991.22	-479.34
C) CASH FLOW FROM FINANCING ACTIVITIES		
FINANCE COST	670.56	746.66
PROCEEDS/ REPAYMENT FROM BORROWINGS	3825.82	3284.85
DEFERRED TAX LIABILITY	8.30	27.80
NET CASH FROM FINANCING ACTIVITIES	-4488.08	2565.99
		0.00
NET INCREASE IN CASH AND CASH EQUIVALENTS	-32.51	-68.31
CASH AND CASH EQUIVALENTS	48.25	116.56
(OPENING BALANCE)		
CASH AND CASH EQUIVALENTS	15.74	48.25
(CLOSING BALANCE)		

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 : 30.06.2020

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, 2020 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 : 30.06.2020

SCHEDULE OF DEPRECIATION AS ON 31ST MARCH, 2020

NOTE-1

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	BALANCE AS AT 01/04/2019	ADDITIONS	DISPOSAL	BALANCE AS AT 31/03/2020	BALANCE AS AT 01/04/2019	FOR THE YEAR	DISPOSAL DURING THE YEAR	BALANCE AT 31/03/2020	AS AT 31/03/2020	AS AT 31/03/2019
LAND	434.32	703.19	2.14	1135.37	0.00				1135.37	434.32
BUILDING:	1664.07	213.70	0.00	1877.77	699.36	68.41		767.77	1110.00	964.71
FURNITURE & FIXTURES	36.97	2.83	0.00	39.80	27.01	3.18		30.19	9.61	9.96
OFFICE EQUIPMENTS	178.13	19.75	19.56	178.32	147.49	15.54	19.56	143.47	34.85	30.64
PLANT & MACHINERY:	3106.91	164.41	42.46	3228.86	1848.33	304.45	40.00	2112.78	1116.08	1258.58
VEHICLES:	684.81	137.10	44.64	777.27	465.22	81.87	41.46	505.63	271.64	219.59
OTHERS	169.85	6.75		176.60	159.69	13.70		173.39	3.21	10.16
CAPITAL WORK IN PROGRESS	175.29	1054.12	225.64	1003.77	0.00			0.00	1003.77	175.29
TOTAL	6450.35	2301.85	334.44	8417.76	3347.10	487.15	101.02	3733.23	4684.53	3103.25

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note no. : 2

(Amount in Rs. Lakhs)

Other non current assets	As at 31 March 2020	As at 31 March 2019
Securities	30.83	31.12
Total	30.83	31.12

Note no. : 3 Non-Inventories

Non-Inventories	As at 31 March 2020	As at 31 March 2019
a. Raw Materials and components	3916.03	5089.80
b. Finished goods	17392.30	13118.10
Total	21308.33	18207.90

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

Note no. : 4 Current Investments

Current Investments	As at 31 March 2020	As at 31 March 2019
Non Trade investments (at cost)		
PNB Gilts Ltd.	8.86	8.86
Mutual Funds	65.65	1290.74
PNB Equity Shares (Fully Paid quoted)	2.04	2.04
Fixed Deposit	0.58	0.00
Total	77.13	1301.64

Note no. : 5 Trade Receivables

Trade Receivables	As at 31 March 2020	As at 31 March 2019
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	9793.99	11206.05
Unsecured, considered doubtful		
Sub -Total	9793.99	11206.05
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	284.04	125.48
Sub -Total	284.04	125.48
Total	10078.03	11331.53

Rs 31.52 Lacs 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

Cash and cash equivalents	As at 31 March 2020	As at 31 March 2019
a. Cash on hand	15.74	13.89
b. Cheques, drafts on hand	0	34.36
Total	15.74	48.25

Note no. : 7 Other Bank Balances

Other Bank Balances	As at 31 March 2020	As at 31 March 2019
a. Balances with banks*	1528.38	259.40
This Includes		
Earmarked Balances (eg/- unpaid dividend accounts)	32.08	30.98
Total	1528.38	259.40

Note no. : 8 Short-term loans and advances

Short-term loans and advances	As at 31 March 2020	As at 31 March 2019
a. Others (Staff Members)		
Secured, considered good		
Unsecured, considered good to staff	2.73	9.06
b. Advances other than staff	325.33	231.31
Total	328.06	240.37

Note no. : 9 Other current Assets

Other current Assets	As at 31 March 2020	As at 31 March 2019
Expenses		
Prepaid and Unexpired	23.31	45.58
Advance Tax/TDS	3756.07	4212.86
Gst/ Vat /Service Tax	515.96	798.60
Advance against pending appeal	9.65	8.82
Other Current Assets	0	15.69
Total	4304.99	5081.55

NOTE : 10 Share Capital

(Amount in Rs. Lakhs)

Share Capital	As at 31 March 2020		As at 31 March 2019	
	Number of Shares	Amount	Number of Shares	Amount
Authorized, Issued & Paid up capital				
Authorised Capital				
Equity Shares of 2/- each	60,000,000	120,000,000	60,000,000	120,000,000
Issued Capital				
Equity Shares of 2/- each	52194550	1043.89	52194550	1043.89
Subscribed & Paid up				
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 face value of 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 30.06.2020 for the F.Y ended 31.03.2020 @25% i.e. Rs. 0.50/- per equity share of face value of Rs. 2/- each, 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 were bought back.
6. The shares of Directors/officers are fully paid up.

Share Capital

(Amount in Rs. Lakhs)

Reconciliation of Share Capital				
Particulars	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	51733550	1034.67	-	-

List of Share holder holding more than 5 % share

Name of Shareholder	As at 31 March 2020		As at 31 March 2019	
	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	12413610	24.00
SH.RAJEEV SETIA	13081750	25.29	13081750	25.29

Note no. : 11 Other equity

Other equity	As at 31 March 2020	As at 31 March 2019
a. Securities Premium Account	1031.83	1031.83
b. Shares Forfeited account	7.33	7.33
c. General Reserves		
Opening Balance	2497.03	2152.98
(+) Current Year Transfer	524.74	344.05
Closing Balance	3021.77	2497.03
d. Surplus		
Opening balance	17985.64	15190.23
(+) Net Profit/(Net Loss) For the current year	5247.45	3440.59
(-)(+) Prior Period Tax/Dividend Adjustments	178.47	39.15
(-) Transfer to General Reserves	524.74	344.05
(-) Dividend Including Dividend Tax	299.37	261.98
Closing Balance	22230.51	17985.64
Total	26291.44	21521.83

Note no. : 12 Borrowings

Borrowings	As at 31 March 2020	As at 31 March 2019
<u>Secured</u>		
(a) Vehicle Loan	101.16	70.45
<u>Unsecured</u>		
(a) Directors' Deposits	4677.91	4460.09
Total	4779.07	4530.54

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

Short Term Borrowings	As at 31 March 2020	As at 31 March 2019
<u>Secured</u>		
(a) Loans repayable on demand		
From banks		
HDFC		
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.	2018.40	5211.32
Loan Against Security/Mutual Fund	0	881.43
Total	2018.40	6092.75

Note no. : 14 Trade Payables

Trade Payables	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro enterprised and small enterprises	22.51	9.58
Total outstanding dues of creditors other than micro enterprises and small enterprises	2244.60	1167.84
Total	2267.11	1177.42

Note no. : 15 Other Current Liabilities

Other Current Liabilities*	As at 31 March 2020	As at 31 March 2019
(a) TDS Payables	393.41	172.91
(b) Income received in advance	4.36	4.47
(c) Unpaid Dividends	39.00	35.27
(d) Cheque issued not presented for payment		240.76
(e) Other Payables	1807.89	980.85
Total	2244.66	1434.26

Note no. : 16 Provisions

Provisions	As at 31 March 2020	As at 31 March 2019
(a) Provision for employee benefits		
Salary & Reimbursements	21.73	22.64
(b) Provision for tax	3576.9	3666.16
Total	3598.63	3688.80

Note no. : 17 Revenue from Operation

Revenue from Operation		
P&L (I)		
Particulars	As at 31 March 2020	As at 31 March 2019
Sale of products	78043.51	76975.86
Other operating revenues	1725.83	-476.62
Total	79769.34	76499.24

Note no. : 18 Other income

Particulars	As at 31 March 2020	As at 31 March 2019
Interest Income (in case of a company other than a finance company)	78.34	37.38
Misc Income	36.69	26.31
Rental Income	0.6	2.40
Profit On Sale Of Fixed Assets/Mutual Funds	15.84	9.11
Short Term /Long Term Gain	0	78.48
Dividend/Interest	135.55	68.35
Total	267.02	222.03

Note no. : 19 Cost of material consumed

Particulars	As at 31 March 2020	As at 31 March 2019
Cost of Raw material consumed		
Indigenous	10015.69	9943.53
Imported		
Total	10015.69	9943.53

Note no. : 19A Particulars of material consumed

Particulars	As at 31 March 2020	As at 31 March 2019
Paddy	10015.69	9943.53
Total	10015.69	9943.53

Note no. : 20 Changes in Inventories of Finished Goods

Particulars	As at 31 March 2020	As at 31 March 2019
Inventories (at close)		
Finished Goods/Stock in trade	16423.28	12296.78
Inventories(at commencement)		
Finished Goods/Stock in trade	12296.78	11921.50
Total	-4126.50	-375.28

Note no. : 21 Employee Benefit Expenses

Particulars	As at 31 March 2020	As at 31 March 2019
Employee benefits consist of;		
Salaries , Wages and Allowances	684.75	640.12
Commission/Professional fees to Directors	400.00	400.00
Contribution to:		
Gratuity fund/Provident Fund/Labour Fund	36.93	43.46
Staff welfare expenses/Training and Medical exp	6.56	12.00
Total	1128.24	1095.58

Note no. : 22 Finance Cost

Particulars	As at 31 March 2020	As at 31 March 2019
Bank charges	97.81	84.99
Interest	572.75	661.67
Total	670.56	746.66

Note-Interest Includes Director's Interest

Note no. : 23 Depreciation & Amortization Expenses

Particulars	As at 31 March 2020	As at 31 March 2019
Depreciation of Tangible Assets	487.15	440.35
Amortization of Intangible Assets	0	0
Total	487.15	440.35

Other Expenses

Note no. : 24(1) Establishment Expenses

Particulars	As at 31 March 2020	As at 31 March 2019
These Includes the following		
Rent,Rate & Taxes	3.22	1.52
Postage,Telegram & Courier Charges	44.41	47.88
Printing, Stationery & Compter exp	10.76	13.89
Insurance Charges	216.65	160.15
Vehicle Running & Maintenance	32.54	31.75
Membership Fees & Subscription	1.58	2.24
Professional & Consultancy	68.68	41.71
Payment to Auditor	3.30	2.50
Travelling,Lodging,Boarding	131.49	187.62
Donation	0.76	2.83
CSR exp	72.57	49.21
General Exp	66.58	60.40
Total	652.54	601.70

Note no. : 24(2) Payment To Auditor

Particulars	As at 31 March 2020	As at 31 March 2019
These Includes the following		
Payment to Auditors includes:		
Statutory Audit Fees	1	0.5
Tax audit fees	0.5	0.5
Taxation Matters	1	1.00
GST Audit & Other Matters	0.8	0.5
Total	3.3	2.50

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

Particulars	As at 31 March 2020	As at 31 March 2019
Export Commission	785.42	527.48
E.C.G.C Expenses	111.05	107.72
Advertisement & business promotion exp	55.05	63.72
Direct Export Expenses	4932.54	4260.54
Brokerage	55.85	60.79
BAD Debts	1.59	15.22
LOSS BY THEFT	0	35.15
LOSS IN TRANSIT	31.42	48.72
Total	5972.92	5119.34

Note no. : 24 (4) Manufacturing Expenses*

Particulars	As at 31 March 2020	As at 31 March 2019
Power & Fuel	362.71	326.44
Machinery Repair & Maintenance	175.48	100.55
Sheller Lease/Godown Lease Expenses	213.49	220.93
Bardana Repair	19.88	19.37
Packing Expenses	593.40	362.50
Stacking, Weighing Loading etc	99.13	365.47
Packing Material/Empty Cost	2981.78	2794.51
Sample Testing	87.66	47.69
Fumigation	94.31	96.43
Other Repair	54.35	44.06
Overheads	56.32	46.31
security exp	24.33	24.06
Total	4762.84	4448.32
Grand Total of Other Expenses	11388.30	10169.36

Note: The Amount of Stacking, Weighing, loading etc has reduced considerably due to inclusion of some part of it under packing expenses to make it homogeneous, grouping, comparable and meaningful.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020

1. Company Overview

Chaman Lal Setia Exports Ltd is a Limited Company domiciled in India and was incorporated on 21.09.1994. Company has been running successfully into rice business since 1974. 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 beuseful to the users of financial statements in making economic decisions.

The financial statements for the year ended 31st March 2020 (including comparatives) are duly approved by the Board on 30.06.2020 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.

(2.3) 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 and all incidental expenses.

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.

De-recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the statement of profit and loss when the item is derecognized.

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 is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties, if any. The Company recognizes revenue when it transfers control over a product or service to a customer.

To determine whether to recognize revenue, the Company follows a 5-step process:

- Identifying the contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied.

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.

Interest Income:-

Interest income is recognized using the time proportion method based on the rates implicit in the transaction.

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 31st March, 2020	For the year ended 31st March, 2019
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	22.51	9.58
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.		
Total	22.51	9.58

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. Tax Expense:-

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax

10. Current tax

Current tax is measured at the amount expected to be paid/ recovered to/from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

11. 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.

12. Employees Benefits

a. 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.

b. 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.

13. 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.

14. 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.

15. Inventories

Raw materials, stores and spares and packing materials:-

Raw materials, stores and spares and packing materials are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is calculated on weighted average cost method and it comprises all costs incurred in bringing the inventories to their present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Obsolete, slow moving and defective inventories are identified at the time of physical verification and wherever necessary a provision is made.

Finished goods and by products

Finished goods are valued at lower of cost and net realisable value. Cost of inventories of finished goods includes cost of raw materials, direct and indirect overheads which are incurred to bring the inventories to their present location and condition.

By-products are valued at net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

16. 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.

17. Foreign Exchange 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.

18. 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.

19. 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.

20. 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.

21. 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.

22. 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. 570033281/- . Company has to spent Rs. 11400666/- i.e. 2% on average net profit of Company. However during the year 2019-2020 Company has spent Rs. 7256772/- & amount unspent is Rs. 4143894/-

23. Earning Per Share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.

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. The Inventory as on 31.03.2020 could not be taken by Management due to lockdown as per guidelines of Government Of India for Covid-9 Pandemic which started from 23.03.2020 .However the Inventory was taken on the opening date of lockdown was removed and the Management derived the position as on 31.03.2020 by following the backward method of movement of goods and was certified and valued by the Management team.
5. Stores, Spares and Labour in respect of internally carried out repair and maintenance of Plant and Machinery and Building have not been charged separately but have been directly charged to stores and spares consumed and wages account.
6. Confirmation of some of the accounts at year-end included under heads 'Sundry Debtors', Sundry Creditors' and Loans and Advances have yet to be received as at the date of the Auditors Report.
7. Payment against supplies from small scale and ancillary undertakings are generally made in accordance with agreed credit terms and to the extent ascertained from available information, there was no amount overdue in this regard.
8. Contingent liabilities as at 31.3.2020
9.
 - 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.
10. 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.
11. In the opinion of the Board and to the best of their knowledge and belief,the value on realization of the current asssets,loan & advances, deposits in the ordinary course of business will not be less than the value stated in Balance Sheet.

12. 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.
13. The status of dividend remaining unclaimed as on 31.03.2020 is given here under:

YEAR	(Rupees in Lacs)
2012-2013	2.40
2013-2014	4.49
2014-2015	2.24
2015-2016	2.48
2016-2017	2.53
2017-2018	1.83
2018-2019	2.29

Note: Some of the year end balances of unclaimed dividend as stated above, has increased due to cancellation of drafts by bank being returned unpaid.

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 2012-13 and thereafter immediately. The Company had, accordingly, transferred Rs. 263365/- being the unpaid and unclaimed dividend amount pertaining to Final Dividend for the financial year ended 2012--2013 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 received from some of the suppliers regarding their status under the MSMED Act 2006. Hence, disclosures, relating to amounts unpaid as at the year end, together with interest paid/ payable as required under the said act have made given.

14. 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:

	2019-20(Rs.)	2018-19 (Rs.)
Contribution to Provident Fund	2197421	2974715
Contribution to Pension Scheme, Insurance scheme & ESI	926306	1129741*

*Last year Director Insurance premium under key man policy was wrongly taken in the amount of contribution to Pension scheme, Insurance scheme and ESI amounting to Rs 25 Lacs now Corrected.

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. 183846.00 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** (upto 28.08.2020)	Remuneration Interest	14952722 11416345
Sh. Vijay Kumar Setia	Chairman & Managing Director *** (w.e.f 28.08.2020)	Remuneration Interest	14925794 7356436
Sh. Rajeev Setia	Joint Managing & CFO**** (w.e.f 28.08.2020)	Remuneration Interest	15588700 11029769
Shri Sukarn Setia	Executive Director	Remuneration Interest	1135770 1210039
Shri Sankesh Setia	Executive Director	Remuneration Interest	7696540 2039942
Shri Ankit Setia	Executive Director	Remuneration Interest	7439200 5699585
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/Other	20168498
Star Exports	Sister Concern	Sale/Purchase of Rice	13643238
Select Exports	Sister Concern	Sale/Purchase of Rice	2955500

** Mr. Chaman Lal Setia has given his resignation from post of Chairman & Managing Director w.e.f 28.08.2020

*** Mr. Vijay Kumar Setia has been re-designated as Chairman & Managing Director w.e.f 28.08.2020 subject to approval of shareholders in ensuing AGM.

**** Mr. Rajeev Setia has been re-designated as Joint Managing Director w.e.f 28.08.2020 subject to approval of shareholders in ensuing AGM.

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

(b) Interest on unsecured loans paid to directors during the year@ 9% p.a is Rs. 38752116.00/-

(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. 10.15

(iv) Ind-AS-12 Deferred Taxes

In accordance with the Ind-AS-12 the deferred tax has been accounted for during the year ended 31.03.2020 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.830000/- and current outstanding as at 31.03.2020 is Rs. 12929595 /-

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.

15. 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

16. Stores & Spares are charged to Profit & Loss at time of Purchase and no inventory in respect of these is being maintained.
17. The payment due to SSI unit cannot be confirmed in the absence of information regarding the status of concerned creditors.
18. 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:-

	31.03.2020	31.03.2019
Licensed Capacity (per hour)	12MT	12 MT
Installed Capacity (per hour)	12MT	12 MT
Actual Production (In Qtls)	250349	239788

(B) Quantitative Stocks (In Qtls)

Opening Stock as at		Closing Stock as at	
01.04.2018	01.04.2019	31.03.2019	31.03.2020
249735	212506	212506	333887

C) Expenditure in Foreign Exchange

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Value of Import of Capital Goods	4446790	nil
Export Commission	78542199	52748833
Travelling Expenses	10850054	16611498
Ocean Freight	158977631	165646001

D) Value of Exports (FOB)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Value of Goods Exported	6844119336	6610217932

E) Raw Material Consumed:

(In Qtls)			
31.03.2020	31.03.2020	31.03.2019	31.03.2019
Quantity	Value	Quantity	Value
363813	1001569477	370958	994353812

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

The Board of Directors has recommended Equity Dividend of 25% i.e. Rs. 0.50 per share (Previous year 24% i.e. Rs. 0.48 per share) for the financial year 2019-2020..

20. 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

PLACE : AMRITSAR
DATE : 30.06.2020

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

sd/-
KANJIKA NEVTIA
COMPANY SECRETARY
MEMBERSHIP NO. : 29680

For and on behalf of the Board of Directors

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

OUR PLANT IN KARNAL



Rice Millers • Processors • Exporters



Maharani[®]
Rice



Chaman Lal Setia Exports Ltd.
(A Govt. Recognised Star Exports House)

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

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

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

CIN : L51909PB1994PLC015083

Email : setia@setiarice.com | setia@maharanirice.org | clsetia@rediffmail.com | begum@futurerice.com

Website : www.maharanirice.in