

# Chaman Lal Setia Exports Ltd.

(A Govt. Recognised Star Export House)

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

Ajnala Road, Amritsar-143002 India

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

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

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

CIN No. : L51909PB1994PLCO15083

An ISO 22000 : 2005  
Certified Co.

Date: 06.09.2021

To  
The Manager,  
Bombay Stock Exchange Limited  
Floor 25, P.J. Towers  
Dalal Street  
Mumbai-400001  
Scrip Code:- 530307

To  
The Manager,  
National Stock Exchange of India Limited  
"Exchange Plaza" Plot No. C/1, G.  
Block, Bandra-Kurla Complex,  
Mumbai - 400051  
Symbol :- CLSEL 'Series : EQ

Dear Sir,

Sub: Submission of Notice of Annual General Meeting and Annual Report for financial year 2020-21

Dear Sir,

Pursuant to Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of Annual Report for the Financial Year 2020-21 along with the Notice of 27<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Wednesday, 29.09.2021 at 04:30 p.m. to transact the business as set out in the Notice.

Kindly take the same in your record and oblige.

Thanks & Regards

For Chaman Lal Setia Exports Ltd.



Secretary & Compliance Officer

**RICE MILLS**

Kaithal Road,  
Karnal.

Tel : 0184-2990758

Visit us at :

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

**RICE MILLS**

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

Tel : 0183-2590318, 0183-2592708



Pure Fragrant Original Basmati Rice

27<sup>th</sup> Annual Report  
2020-2021

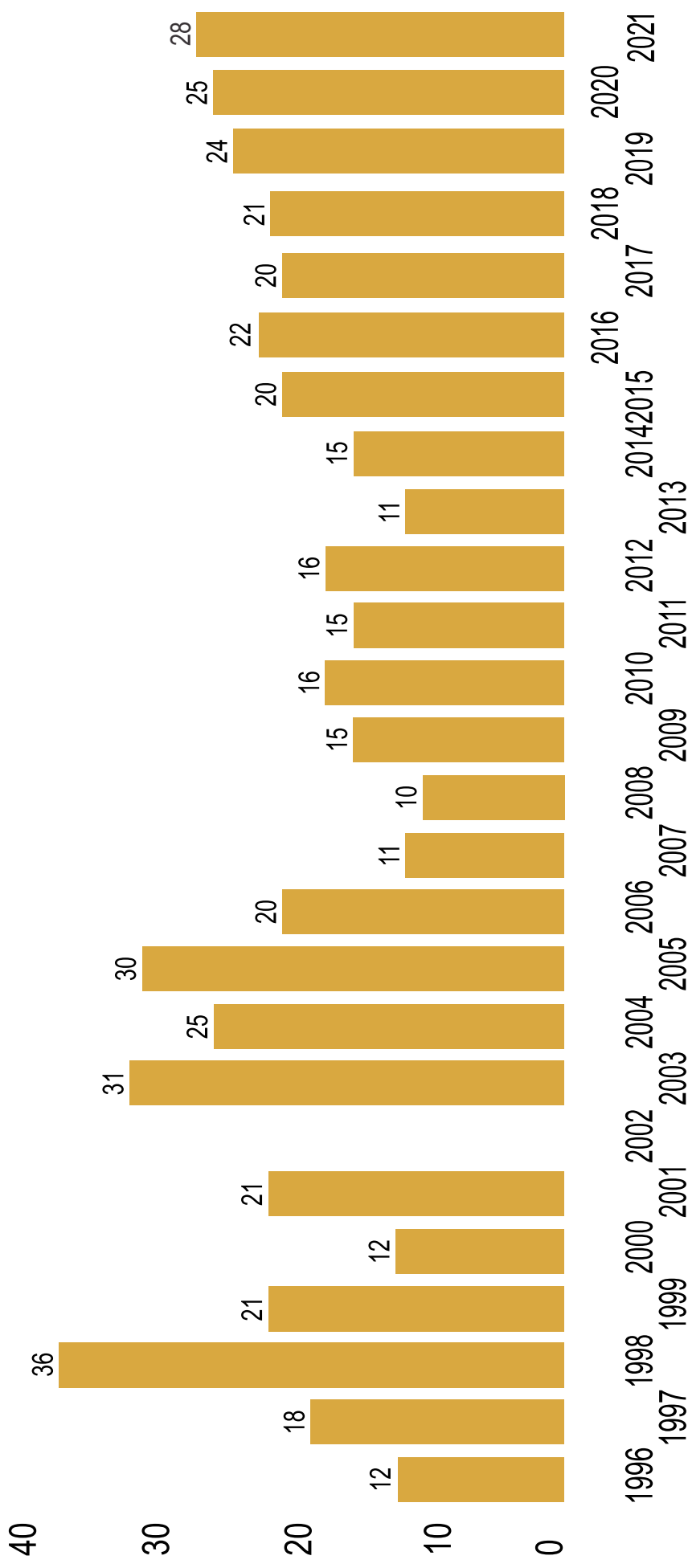
Maharani Basmati Rice  
"Zubaan se Dil tak"





# Chaman Lal Setia Exports Ltd.

495% Dividend since inception



28% Dividend Proposed in 2020-21

## 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 and C.F.O w.e.f 28.08.2020)

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

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

**Sankesh Setia (Din :- 06620109)**  
(Whole Time 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)**  
(Independent Woman 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, Kamal,  
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, 2021 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](http://www.maharanirice.in) Email: [clsetia@rediffmail.com](mailto:clsetia@rediffmail.com)

### **NOTICE TO THE MEMBERS**

Notice is hereby given that the 27<sup>th</sup> Annual General Meeting of the Members of CHAMAN LAL SETIA EXPORTS LTD. will be held on Wednesday, the 29<sup>th</sup> day of September, 2021 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 31.03.2021 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 31<sup>st</sup> March, 2021.
3. To appoint a Director in place of Mr. Sankesh Setia (Din: 06620109), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. 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.

### **SPECIAL BUSINESS :-**

5. **To Revise remuneration of Mr. Vijay Kumar Setia (DIN:-01125966) 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 Section 197 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 in consideration of recommendation of the Nomination and Remuneration Committee and approval of Board of Directors of Company (hereinafter referred to as "the Board" including any committee constituted by the Board) , the consent of the Members of the Company be and is hereby accorded for revision in remuneration of Mr. Vijay Kumar Setia (Din:- 01125966) Chairman and Managing Director of the Company from Rs. 4,00,000 per month to Rs. 8,00,000 per month w.e.f 01.04.2021 upon such terms and conditions as mentioned below:-

### **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. 8, 00,000 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 as certainable 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, notwithstanding that the annual aggregate remuneration payable to Mr. Vijay Kumar Setia, Mr. Rajeev Setia, Mr. Ankit Setia, Mr. Sukarn 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 remaining tenure of his appointment and the approval of shareholders shall be valid during the remaining 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."



**6. To Revise remuneration of Mr. Rajeev Setia (DIN:-01125921) Joint Managing Director & CFO of Company 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 Section 197 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 in consideration of recommendation of the Nomination and Remuneration Committee and approval of Board of Directors of Company (hereinafter referred to as “the Board” including any committee constituted by the Board) , the consent of the Members of the Company be and is hereby accorded for revision in remuneration of Mr. Rajeev Setia (Din:- 01125921) Joint Managing Director & CFO of the Company from Rs. 4,00,000 per month to Rs. 8,00,000 per month w.e.f 01.04.2021 upon such terms and conditions as mentioned below:-

**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. 8, 00,000 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 to 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, notwithstanding that the annual aggregate remuneration payable to Mr. Rajeev Setia, Mr. Vijay Kumar Setia, Mr. Ankit Setia, Mr. Sukarn 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 remaining tenure of his appointment and the approval of shareholders shall be valid during the remaining 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.”

**7. To Revise remuneration of Mr. Ankit Setia (DIN:-01133822) Executive 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 Section 197 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 in consideration of the recommendation of the Nomination and Remuneration Committee and approval of 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 increase in remuneration of Mr. Ankit Setia (Din:- 01133822) Executive Director of the Company from Rs. 2,00,000 per month to Rs. 4,00,000 per month w.e.f 01.04.2021 upon such terms and conditions as mentioned below

**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 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 Executive 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 Executive 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 here by authorised to alter and vary the remuneration payable to Mr. Ankit Setia, as it may deem fit and as may be acceptable to Mr. Ankit 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 there of 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. Ankit Setia (DIN : 01133822), as mentioned in the foregoing paragraphs, in the capacity of the Executive Director of the Company, notwithstanding that the annual aggregate remuneration payable to Mr. Ankit Setia, Mr. Vijay Kumar Setia, Mr. Rajeev Setia, Mr. Sukarn 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 remaining tenure of his appointment and the approval of shareholders shall be valid during the remaining 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. Ankit Setia as Executive 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 here in conferred to any committee of directors to give effect to the aforesaid resolution."

**8. To Revise remuneration of Mr. Sankesh Setia (DIN:-06620109) Executive 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 Section 197 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 in consideration of the recommendation of the Nomination and Remuneration Committee and approval of 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 increase in remuneration of Mr. Sankesh Setia (Din:- 06620109) Executive Director of the Company from Rs. 2,00,000 per month to Rs. 4,00,000 per month w.e.f 01.04.2021 upon such terms and conditions as mentioned below:-

## **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 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 Executive 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 Executive 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 as 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. Sankesh Setia, as it may deem fit and as may be acceptable to Mr. Sankesh Setia, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof or otherwise as may be permissible at law.

**RESOLVED FURTHER THAT** 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. Sankesh Setia (DIN : 06620109), as mentioned in the foregoing paragraphs, in the capacity of the Executive Director of the Company , notwithstanding that the annual aggregate remuneration payable to Mr. Rajeev Setia, Mr. Vijay Kumar Setia, Mr. Sankesh Setia, Mr. Sukarn 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 Act, in any year during the remaining years tenure of his appointment and the approval of shareholders shall be valid during the remaining 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. Sankesh Setia an executive 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:28.08.2021

#### **IMPORTANT NOTES:**

1. In view of second wave of Covid-19 pandemic, social distancing norms and restrictions on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020, 20/2020 and 02/2021 dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021, respectively issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as 'MCA Circulars') and Circular Nos. SEBI/HO/CFD/ CMD1/CIR/ P/2020/79 and SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated May 12, 2020 and January 15, 2021, respectively issued by the Securities and Exchange Board of India (collectively referred to as 'SEBI Circulars'), holding of the Annual General Meeting ('AGM') through VC/OAVM, without the physical presence of the Members, is permitted. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/ OAVM which does not require physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM. The detailed procedure for participation in the meeting through VC/OAVM is as per the instructions given below and available at the Company's website [www.maharanirice.in](http://www.maharanirice.in)
2. The relative Explanatory Statements, pursuant to Section 102 of the Act, in respect of the Special Business set out are annexed hereto.
3. 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, CSR Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. 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.

5. 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.
6. 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 and MCA circular dated No. 2/2021 dated 13th January, 2021.
7. In compliance with the aforesaid MCA Circulars and SEBI Circulars, the Notice of the 27<sup>th</sup> AGM along with Annual Report 2020-2021 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 2020-21 will also be available on the website of Company i.e. [www.maharanirice.in](http://www.maharanirice.in), on the website of Stock Exchanges i.e. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.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 27<sup>th</sup> AGM and the Annual Report for the year 2020-21 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](mailto:clsetia@rediffmail.com) or to RTA at: [beetalrta@gmail.com](mailto:beetalrta@gmail.com)
- b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
8. 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 8 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 .
9. 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 23<sup>rd</sup> Annual General Meeting held on 28.09.2017.
10. 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](mailto:clsetia@rediffmail.com)
11. 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.
12. 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](http://www.maharanirice.in) during the time of AGM.

13. 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](mailto:clsetia@rediffmail.com) at least 7 days in advance of AGM, so that the information, to the extent practicable, can be reply suitably.
14. 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.
15. 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.
16. 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.
17. 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 up dated their bank account details and wish to avail such facility in future are requested to up date their bank account details by submitting the requisite documents and for this can contact Company/RTA at [clsetia@rediffmail.com](mailto:clsetia@rediffmail.com) or [beetalrta@rediffmail.com](mailto:beetalrta@rediffmail.com).
18. 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.
19. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed Companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company Secretary or Beetal Financial and Computer Services Private Limited, Company's Registrar and Share Transfer Agents ("RTA") for assistance in this regard.
20. 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
21. The Registers of Members and Share Transfer Books of the Company will remain closed from Thursday 23<sup>rd</sup> September, 2021 to Wednesday 29<sup>th</sup> September, 2021 (both days inclusive) for the purpose of Annual General Meeting.
22. The Board of Directors has recommended a Dividend in their Board Meeting held on 31.05.2021@28% i.e. Rs.0.56 per Equity Share of face value of Rs. 2/- each for the Financial year ended March 31, 2021, that is proposed

to be paid on and from 29.09.2021, subject to approval of shareholders at the 27<sup>th</sup> 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.

23. Electronic copy of all the documents referred to in the accompanying Notice of the 27<sup>th</sup> AGM and the Explanatory Statement be available for inspection up to the 27<sup>th</sup> Annual General Meeting in the Investor Section of the website of the Company at [www.maharanirice.in](http://www.maharanirice.in).
24. Pursuant to Finance Act, 2020, dividend in come 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 shareholders at the prescribed rates in the Income Tax Act, 1961 ("the IT Act"). For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. In general, to enable compliance with TDS requirements, Members are requested to complete and/or up date 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.
25. 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 31.03.2013 to the Investor Education and Protection Fund (IEPF). Shareholders who have not encashed the dividend warrant(s) so far in respect of financial year 31.03.2014 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 2013-2014 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, 2021. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of respective financial years on the website of the Company viz. [www.maharanirice.in](http://www.maharanirice.in) under "Investors Section" and same information has also been uploaded on the website of IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in)
26. 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 15500 equity Shares which belongs to total 14 shareholders of the Company whose dividend was not been paid or claimed seven consecutive years or more into the Demat Account of the IEPF Authority held with NSDL (DPID/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.
27. 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.
28. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
29. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date of Wednesday, 22nd September, 2021.
30. Mr. Sukarn Setia and Mr. Sankesh Setia – Directors liable to 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. SANKESH SETIA
Director Identification Number	01133561	06620109
AGE	41 YEARS	34
DOB	19.09.1980	31.07.1987
Designation	Executive Director	Executive Director
Qualification	Commerce Graduate & Diploma holder in import & export from shilling University London	Graduate
Date of Appointment on the Board	28.09.2001	29.09.2014
EXPERTISE IN SPECIFIC AREA	Marketing Strategies	Expert in export marketing
Shareholding in Chaman Lal Setia Exports Ltd. as on 31.03.2021	56029	276100
Directorship/Memberships/ Chairmanships of Board Committees in Other Companies as on 31.03.2021	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. Rajeev Setia, Mr. Ankit Setia and Mr. Sankesh Setia.	Mr. Sankesh Setia is an executive Director of the Company and he is a relative of Mr. Vijay Kumar Setia, Mr. Rajeev Setia, Mr. Sukarn Setia and Mr. Ankit Setia.
No. of Board Meeting Attended	4	5

31. Process For Members Opting For E-Voting are given below. The Members are requested to go through them carefully.
32. **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 27<sup>th</sup> 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.
33. 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.
34. 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.
35. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.maharanirice.in](http://www.maharanirice.in) and on the website of CDSL <https://www.evotingindia.com> after the declaration of result by the Chairman. The Company shall simultaneously forward the results to BSE Limited and NSE Limited where the shares of the Company are listed.



36. The resolutions will be deemed to passed on the AGM date subject to receipt of the requisite numbers of votes in favour of the Resolutions.

**THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ELECTRONICALLY ARE AS UNDER:**

- (i) The remote e-voting facility begins on 26.09.2021 from 10:00 a.m. and ends on 28.09.2021 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. 22.09.2021, 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) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol>

	<p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.**

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now Enter your UserID
  - a. For CDSL: 16 digits beneficiaryID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits ClientID,
  - 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-into CDSL's EASI/ **EASIEST** e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- 4) Next enter the Image Verification Code/Captcha Code as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and vote done earlier Voting of any company, then your existing password is to be used.
- 6) If you are a first time user follow the steps given below:

	For Physical Shareholders other than individual Shareholders holding share in demat.
PAN	<ul style="list-style-type: none"> <li>Enter your 10 digital alphanumeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> </ul>
	<ul style="list-style-type: none"> <li>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.s</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> <li>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login</li> </ul>
	<ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- 7) After entering these details appropriately, click on "SUBMIT" tab.
  - 8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, share holders holding shares in demat form will now reach ' Password Creation' menu where in 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.
  - 9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - 10) Click on the relevant EVSN of Chaman Lal Setia Exports Ltd. for the relevant on which you choose to vote.
  - 11) 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.
  - 12) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - 13) 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.
  - 14) Once you "**CONFIRM**" your vote on the resolution, you will not be allowed to modify your vote.
  - 15) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
  - 16) 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.
  - 17) Share holder 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) Additional facilities 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](http://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](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - 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](mailto: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. 22.09.2021

**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 [toclsetia@rediffmail.com](mailto:toclsetia@rediffmail.com)/[beetalrta@gmail.com](mailto:beetalrta@gmail.com).
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

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

1. Share holder 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 afore said 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](mailto:clsetia@rediffmail.com) from 24.09.2021 to 27.09.2021. Those share holders 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 27.09.2021 from their registered email address mentioning their name, demat account number/folio number, email id, mobile number at [clsetia@rediffmail.com](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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, NM Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto: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:-**

Mr. Vijay Kumar Setia is one of the Promoter and is associated with the Company since its inception. Mr. Vijay Kumar Setia is Chairman and Managing Director of Company. Ever since his Directorship in the Company has made tremendous strides as reflected by the present prosperous position of the Company. Mr. Vijay Kumar Setia is having vast experience of around 44 years in the field of Rice Industries. He is having specialization in Quality controlling, Production and technical difficulties.

Keeping in view of involvement of Mr. Vijay Kumar Setia, Chairman and Managing Director of Company and also increased responsibilities to meet the challenges of competition, the Board of Directors at their meeting held on 31.03.2021, on the recommendation of the Nomination & Remuneration Committee, has approved the revision in remuneration of Mr. Vijay Kumar Setia (Din No. 01125966) Chairman and Managing Director of Company from Rs. 400000 per month to Rs. 800000 per month w.e.f 01.04.2021, thus in accordance with the provisions of section 197 of the Companies Act, 2013 and rules made there under approval of Shareholders are required for passing a Special Resolution as set out at Special Business under Item No. 5 for the year ending March 31, 2021.

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.

For the sake of brevity the particulars of the proposed remuneration, perquisites and benefits of Mr. Vijay Kumar 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 (Din 01125966) may be deemed to be concerned or interested in this resolution. Mr. Ankit Setia (Din:- 01133822), Mr. Rajeev Setia (Din : 01125921), Mr. Sukarn Setia (DIN:01133561) 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. 5 of the Notice calling AGM.

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

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

Mr. Rajeev Setia is one of the Promoter and is associated with the Company since its inception. Mr. Rajeev Setia is Joint Managing Director & CFO of Company Ever since his Directorship in the Company has made tremendous strides as reflected by the present prosperous position of the Company. Mr. Rajeev Setia is having vast experience of around 43 years in the field of Rice Industries. He is having specialization in Banking, Export Marketing and Finance Controller.

Keeping in view of involvement of Mr. Rajeev Setia, Joint Managing Director & CFO of Company and also increased responsibilities to meet the challenges of competition, the Board of Directors at their meeting held on 31.03.2021, on the recommendation of the Nomination & Remuneration Committee, has approved the remuneration of Mr. Rajeev Setia (Din No. 01125921) Joint Managing Director & CFO of Company from Rs. 400000 per month to Rs. 800000 per month w.e.f 01.04.2021, thus in accordance with the provisions of section 197 of the Companies Act, 2013 and rules made there under approval of Shareholders are required for passing a Special Resolution as set out at Special Business under Item No. 6 for the year ending March 31, 2021.

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. Sankesh Setia, Mr. Sukarn 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 remaining 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 in to 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 (Din 01125921) may be deemed to be concerned or interested in this resolution. Mr. Ankit Setia (Din:-01133822), Mr. Vijay Kumar Setia (Din : 01125966), Mr. Sukarn Setia (DIN:01133561) and Mr. Sankesh Setia (Din:-06620109) Directors of Company 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. 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. Ankit Setia is Executive Director of Company. Ever since his Directorship in the Company has made tremendous strides as reflected by the present prosperous position of the Company. Mr. Ankit Setia is having vast experience of around 18 years in the field of Rice Industries. He is having specialization in Export Marketing, Quality Controlling and Production. Keeping in view of involvement of Mr. Ankit Setia, Executive Director of Company and also increased responsibilities to meet the challenges of competition, the Board of Directors at their meeting held on 31.03.2021, on the recommendation of the Nomination & Remuneration Committee, has approved the remuneration of Mr. Ankit Setia (Din:- 01138822) Executive Director of Company from Rs. 200000 per month to Rs. 400000 per month w.e.f 01.04.2021, thus in accordance with the provisions of section 197 of the Companies Act, 2013 and rules made there under approval of Shareholders are required for passing a Special Resolution as set out at Special Business under Item No. 7 for the year ending March 31<sup>st</sup>, 2021.

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. Ankit Setia, Mr. Rajeev Setia, Mr. Sankesh Setia, Mr. Sukarn Setia and Mr. Vijay Kumar 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 remaining tenure of his appointment.

For the sake of brevity the particulars of the proposed remuneration, perquisites and benefits of Mr. Ankit 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. Ankit Setia which is required to be sent to every member pursuant to Section 190 of the Companies Act, 2013.

Mr. Ankit Setia (Din: 01133822) may be deemed to be concerned or interested in this resolution. Mr. Rajeev Setia (Din:- 01125921), Mr. Vijay Kumar Setia (Din : 01125966), Mr. Sukarn Setia (DIN:01133561) and Mr. Sankesh Setia (Din:- 06620109) Directors of Company and relatives of Mr. Ankit 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 Special Resolution set out at Item No. 7 of the Notice for approval by the members.

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

Mr. Sankesh Setia is one of the Promoter and is associated with the Company since its inception. Mr. Sankesh Setia is Executive Director of Company. Ever since his Directorship in the Company has made tremendous strides as reflected by the present prosperous position of the Company. Mr. Sankesh Setia is having vast experience of around 14 years in the field of Rice Industries. He is having specialization in Export Marketing and quality Control.

Keeping in view of involvement of Mr. Sankesh Setia, Executive Director of Company and also increased responsibilities to meet the challenges of competition, the Board of Directors at their meeting held on 31.03.2021, on the recommendation of the Nomination & Remuneration Committee, has approved the remuneration of Mr. Sankesh Setia (Din No. 06620109) Executive Director of Company from Rs. 200000 per month to Rs. 400000 per month w.e.f 01.04.2021, thus in accordance with the provisions of section 197 of the Companies Act, 2013 and rules made there under approval of Shareholders are required for passing a Special Resolution as set out at Special Business under Item No. 8 for the year ending March 31<sup>st</sup>, 2021.

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. Sankesh Setia, Mr. Rajeev Setia, Mr. Vijay Kumar Setia, Mr. Sukarn 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 remaining tenure of his appointment.

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

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

Mr. Sankesh Setia (Din 06620109) may be deemed to be concerned or interested in this resolution. Mr. Ankit Setia (Din:-01133822) , Mr. Vijay Kumar Setia (Din : 01125966), Mr. Sukarn Setia (DIN:01133561) and Mr. Rajeev Setia (Din:-01125921) Directors of Company and relatives of Mr. Sankesh 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. 8 of the Notice calling AGM.

The Board of Directors recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the members.

For and on behalf of the Board of Directors

Place:Amritsar  
Date:28.08.2021

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

## DIRECTOR'S REPORT

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

Your Director's have pleasure in presenting before you the 27<sup>th</sup> Annual Report on the business and operations of the Company, together with the Audited Financial Statements for the financial year ended 31.03.2021

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

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

**The Company's financial performance, for the year ended March 31<sup>st</sup>, 2021 is summarized below**

(Rs. in Lacs, except as stated)

Particulars	FY 2020-2021	FY 2019-2020
Revenue From Operations	85149.42	79769.34
Other Income	330.68	267.02
Total Income	85480.10	80036.36
Profit before Interest & Depreciation	12121.03	8072.35
Interest	646.00	572.75
Provision For Depreciation	509.19	487.15
Profit before Tax	10965.84	7012.45
Less Provisions for taxation	2765.24	1765.00
Profit after taxation	8200.60	5247.45
Other Comprehensive Income	0.00	0
Total Comprehensive Income	8200.60	5247.45
Transfer to General Reserve	820.06	524.74
Current Assets	46591.66	37664.58
Current Liabilities	11058.56	10152.72
Working Capital	35533.10	27511.86
Capital Employed	40856.51	32234.47
EPS (Rs.)	15.86	10.15
Book Value (Rs.)	67.57	52.82

### 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 31<sup>st</sup> March, 2021 the Company's revenue from operations was Rs. 85149.42 lakhs as against Rs. 79769.34 lakhs during the corresponding period of previous financial year. Further Profit Before Tax was Rs. 10965.84 lakhs as against Rs. 7012.45 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. 84572.84 Lacs against previous year sales of Rs.78043.51 lacs.

#### **5. EXPORTS**

The Company continues to strengthen its exports during the year 2020-2021. Exports during the year increased to Rs. 77069.07 lakhs from Rs 70030.87 lakhs in financial year 2019-20.

#### **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 become or ceased to be the subsidiary, joint venture or Associate Company.

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

The Company has transferred an amount of Rs. 820.06 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. 0.56 per equity share of Rs. 2/- each (i.e. 28%) for the financial year ended March 31<sup>st</sup>, 2021 in their Board Meeting held on 31<sup>st</sup> May, 2021. 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. 238558/- was lying unpaid/unclaimed with the Company for a period of seven years after Declaration of Dividend for the financial year ended 2012-2013 was transferred to the Investor Education and Protection Fund. The Unpaid / Unclaimed amount for the Financial Year 2013-14 will be transferred during November 2021. 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 15500/- Equity Shares which belongs to total 14 shareholders of the Company whose dividend was not been paid or claimed seven consecutive years or more into the Demat Account of the IEPF Authority 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](mailto:clsetia@rediffmail.com).

Details of unclaimed dividend and year of transfer: -

Year of declaration	Balance as on 31.03.2021 (in lakhs)	Due date of transfer to IEPF
2014	4.49	04.11.2021
2015	2.23	04.11.2022
2016	2.45	18.04.2023
2017	4.29	03.11.2024
2018	1.86	04.11.2025
2019	2.16	03.11.2026
2020	2.36	03.11.2027

**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 WE REAPPOINTED OR HAVE RESIGNED DURING THE YEAR AND TILL THE DATE OF THIS REPORT:-**

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sukarn Setia (DIN:-01133561) and Mr. Sankesh Setia (DIN:-06620109) whole time 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 27<sup>th</sup> Annual General Meeting.

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 and their appointment has been approved by shareholders in 26<sup>th</sup> Annual General Meeting of Company.

Further the Board of Directors of Company pursuant to the recommendation of Nomination and Remuneration Committee, at their meeting held on 28.08.2020 appointed Mrs. Pooja Kukar as an additional Director of Company w.e.f 28.08.2020 under the category of Independent Non-Executive taking into consideration her integrity, expertise and experience, for a period of 5 (Five) consecutive years from 28<sup>th</sup> August, 2020 to 27<sup>th</sup> August, 2025, and her appointment had been regularised in 26<sup>th</sup> Annual General Meeting of Company and shareholders of Company has given their approval for the same.

Further 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 and he further confirmed that there being no other material reason other than mentioned by him for his resignation as an Independent Director.

Further Mr. Naresh Kumar Suneja (Din:-01383235 ) an Independent Director and member of Audit Committee and Nomination and Remuneration Committee has given his resignation from the post of Directorship and consequent cessation as the member of Audit Committee and Nomination and Remuneration Committee w.e.f 05.02.2021 due to pre- occupation and health issues and he further confirmed that there being no other material reason other than mentioned by him for his resignation as an Independent Director.

#### **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 Nevatia Company Secretary are the Key Managerial Personnel of the Company..

## **13. AUDIT COMMITTEE**

The Company has an Audit Committee in place, constituted as per the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, information about composition of Audit Committee and other details are given in Corporate Governance Report, forming part of this Annual Report. During the year, the Board accepted the recommendations of Audit Committee whenever made by the Committee during the year. Due to the resignation of Mr. Inder Dev Kukar an Independent Director and Chairman of Audit Committee w.e.f 28.08.2020, Audit Committee has been reconstituted and Mrs. Pooja Kukar has been appointed as Chairman of Audit Committee. Further Mr. Naresh Kumar Suneja has given his resignation from the post of Directorship and consequent cessation as the Membership of Audit Committee and Nomination and Remuneration Committee w.e.f 05.02.2021, currently the Audit Committee is comprising of Mrs. Pooja Kukar (w.e.f 28.08.2020) as Chairman, Mr. Raghav Peshawaria and Mr. Vijay Kumar Jhamb as members.

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

During the Financial year 2020-2021, the Board of Directors duly met 6 times on 30.06.2020, 06.08.2020, 28.08.2020, 05.11.2020, 05.02.2021 and 31.03.2021. 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 26.03.2021 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 2020- 21' 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 2020-21 in accordance with the frame work and details for the same has been provided in the Corporate Governance Report, which is a part of this Annual Report.

## **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 31<sup>st</sup> March, 2021, 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<sup>st</sup>, 2021 and of the profit of the company for the Financial year ended March, 31<sup>st</sup>, 2021;
- (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 safe guarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the Annual Financial Statement for the year ended on March 31<sup>st</sup>, 2021 have been prepared 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 out go, 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 Share holder information is given in item no.10 of the Report on Corporate Governance forming part of the Annual Report.

#### **20. DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES**

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

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

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

Pursuant to the provisions of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014, A copy of the Extracts of the Annual return of the Company in Form MGT-9, is attached as '**Annexure C**' and forming part of this report.



Further, a copy of the Annual Return of the Company containing the particulars as prescribed u/s 92 of the Companies Act, 2013, in Form MGT-7, is available on the Company's website [www.maharanirice.in](http://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 23<sup>rd</sup> AGM (held on 28<sup>th</sup> September, 2017) to hold office for a period of 5 years until the conclusion of the 28<sup>th</sup> 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 2020-2021 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 2020-21 is enclosed as **Annexure D** to this report.

### **Annual Secretarial Compliance Report**

Annual Secretarial Compliance Report for the financial year ended 31<sup>st</sup> March, 2021 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](http://www.maharanirice.in). full details of CSR has been given under **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 :-

Facilitie	Amount (Rs. Crore)	Rating
Long-Term Rating	Rs. 125 crore(Enhanced from Rs. 95 Crore)	CRISIL A-/Positive (Outlook revised from 'Stable' ; Rating Reaffirmed)

## 28. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (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 Work place (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 rules framed there under.

## 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), where by 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 31.03.2021, about 99.11% of the Company's Equity Shares has been held in dematerialized form.

The Company has appointed M/s. Beetal Financial & Computer Services Private Limited, SEBI registered RTA 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<sup>st</sup>, 2021 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 Exchanges:- Bombay Stock Exchange (BSE) and National Stock Exchange of India Limited (NSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai -400001 and "Exchange Plaza", Plot No. C/1, G Block, Mumbai-400051

## 32. PARTICULARS OF LOAN(S), GUARANTEE(S) OR INVESTMENT(S) UNDER SECTION 186 OF THE COMPANIES ACT, 2013:-

During the financial year ended March 31<sup>st</sup>, 2021, 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 2020-2021 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 2020-21, 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 12(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](http://www.maharanirice.in)

#### **34. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM/WHISTLE BLOWER POLICY**

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

#### **35. INDUSTRIAL RELATION**

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

#### **36. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURED 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 EXCHANGES**

The Company confirms that it has paid the Annual Listing fee for the year 2021-2022 to BSE where the Company's Shares are listed and further w.e.f 12.05.2021 shares of Company has been listed on NSE also and all applicable listing fees has been paid.

#### **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 in

timated to BSE also and full copy of amended code of conduct has been uploaded at the website of the Company i.e. [www.maharanirice.in](http://www.maharanirice.in). The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors, Promoters and designated employees of the Company.

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

#### **40 . FUTURE EXPANSION**

The Future expansion endeavor 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 INFUTURE:-**

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 2020-21.

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

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

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

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

#### **46. IMPACT OF COVID -19 PANDEMIC**

The Company is engaged into the business of manufacturing and selling of rice and hence forth falls under essential services category. Due to the lock-downs and consequent guidelines issued by the Govt from time to time related to the COVID-19 pandemic situation, the State Governments has granted permission to the Company to continue its business with SOPs. Keeping the overall situation in mind the management assess that the company is very well equipped with the supply chain as it possess before the outbreak of Covid 19 pandemic and has ample stock of Inventory to support the demand of rice both in home as well as abroad markets . The Company has set up risk elimination policies for the health and wellness of its employees and plant has been operating with all and necessary SOPs issued by Authorities concerned based on the management's assessment of the impact of outbreak of pandemic on company's operations, financial performance and position as at and for the year ended March, 2021, it has been concluded that there is no impact which is required to be recognized in these financial statements. Hence no need of any adjustment to these financials. Further Keeping in view the overall performance of the company, its increasing strength in market both in India and Overseas it is to be concluded that there is no impact on the ability of the company to continue as Going Concern.

**47. CASH FLOW STATEMENT**

The Cash Flow Statement for the financial year ended 31<sup>st</sup> March, 2021 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. NSE LISTING**

The Company has received listing approval from National Stock Exchange Limited on 10.05.2021 and trading in shares of Company on NSE has been commenced w.e.f 12.05.2021 under symbol CLSEL and Series EQ.

**52. ACKNOWLEDGEMENT:**

Your Directors would also like to extend their gratitude for the co-operation received from financial institutions, the Government of India and regulatory authorities, and the governments of the countries we have operations in. 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 Exchanges, depositories, auditors, consultants, business associates and other stakeholders.

For and on behalf of the Board of Directors

Place: Amritsar  
Date: 28.08.2021

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 31<sup>st</sup> March, 2021.

### 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. For conservation of energy Company is continuously increasing its solar plant installation capacity. Earlier Solar Plant installation capacity was 500 KW, however currently it has been increased to 1000 KW. 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 it self 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 get scruised in to 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.

Carbon emission reduced by installing solar plant at our karnal unit inline with enviroment friendly step towards green initiative.

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: 28.08.2021

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 2020-2021:

Name of the Directors	Ratio of Median Remuneration
Mr. Chaman Lal Setia *	10.44
Mr. Vijay Kumar Setia **	63.77
Mr. Rajeev Setia ***	67.43
Mr. Sukarn Setia	5.80
Mr. Ankit Setia	31.79
Mr. Sankesh Setia	35.18

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

\*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, and same has been approved by shareholders in 26<sup>th</sup> 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, and same has been approved by shareholders in 26<sup>th</sup> AGM.

2. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the Financial year 2020-21 :-

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 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, and same has been approved by shareholders in 26<sup>th</sup> 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, and same has been approved by shareholders in 26<sup>th</sup> 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 2020-2021

The percentage increase in the median remuneration of employees during the year is 5.47%

4. The number of permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2021 : 194



**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 2020-21 was **19.48%**, 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 and some old employees who left 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. Rajeev Setia*	Joint MD & CFO	15778394	Post Graduate	43	21.09.1994	66	First Employment
2	Mr. Vijay Kumar Setia**	Chairman & Managing Director	14924707	Graduate	44	21.09.1994	68	First Employment
3	Mr. Sankesh Setia	Wholetime Director	8232194	Graduate	14	29.09.2014	34	First Employment
4	Mr. Ankit Setia	Wholetime Director	7439200	Graduate/ Diploma in Food Technology	18	30.09.2003	37	First Employment
5	Mr. Sukarn Setia	Wholetime Director	1360167	Graduate	20	28.09.2001	41	First Employment
6	Mr. Sunaina	Marketing Manager	960000	Graduate	11	02.09.2019	44	First Employment
7	Mr. Devender Singh	International Marketing Executor	877565	Graduate	5	01.02.2019	29	Asia/Africa
8	Mr. Manu Arora	Accounts Manager	761600	M.COM	18	01.05.2004	43	First Employment
9	Mr. Dinesh Malik	Marketing Manager	720600	Graduate	21	01.09.2001	43	First Employment
10	Mr. Nirmal Kumar	Purchase Manager	720600	Under Graduate	45	01.04.1996	64	First Employment

**\*\* 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, and same has been approved by shareholders in 26<sup>th</sup> 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, and same has been approved by shareholders in 26<sup>th</sup> AGM.**

For and on behalf of the Board of Directors

Place: Amritsar  
Date: 28.08.2021

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 31.03.2021**

(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 & NSE)
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	BEETAL FINANCIAL & COMPUTER SERVICES PVT LTD. BEETAL HOUSE, IIIRD FLOOR, 99 MADANGIR, BEHIND LSC, NEW DELHI -110062 Email id :- beetalrta@gmail.com Telephone :- 011-29961281-283 Fax Number :- 011-29961284

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

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

S.No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	RICE	10612	99.25%

#### 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, 2020)				No. of Shares held at the end of the financial year (As on 31 <sup>st</sup> March, 2021)#				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters &amp; Promoters Group</b>									
(1) Indian									
a) Individual / HUF	38203117	10450	38213567	73.87	38203117	10450	38213567	73.87	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other									
<b>Sub Total (A) (I)</b>	<b>38203117</b>	<b>10450</b>	<b>38213567</b>	<b>73.87</b>	<b>38203117</b>	<b>10450</b>	<b>38213567</b>	<b>73.87</b>	<b>0</b>
<b>2. FOREIGN</b>									
a. Individuals (Non Residents Individuals /Foreign Individuals)	0	0	0	0	0	0	0	0	0
b. Bodies Corporate	0	0	0	0	0	0	0	0	
c. Institutions	0	0	0	0	0	0	0	0	0
d. Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
e. Any Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Shareholding of promoter and Promoter Group(A) = (A)1+(A)(2)	38203117	10450	38213567	73.87	38203117	10450	38213567	73.87	0
<b>(B) Public Shareholding</b>									
1 Institution									
(A) Mutual Funds/UTI	0	0	0	0	0	0	0	0	0
(b) Financial Institutions/ Banks	127	0	127	0	15	0	15	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	177028	0	177028	0.34	70855	0	70855	0.14	(0.20)
(g) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(h) Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
(i) Any Other (specify)	0	0	0	0	0	0	0	0	0
<b>Sub Total (B) (I)</b>	<b>177155</b>	<b>0</b>	<b>177155</b>	<b>0.34</b>	<b>70870</b>	<b>0</b>	<b>70870</b>	<b>0.14</b>	<b>(0.20)</b>
<b>B2 . Non-Institutions</b>									
a) Bodies Corp.	786310	19800	806110	1.56	512228	19800	532028	1.03	(0.53)
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	7325500	458188	7783688	15.05	7500915	432238	7933153	15.33	0.28
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2981694	0	2981694	5.76	2689612	0	2689612	5.20	(0.56)
c) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(d) Any Other (specify)									
(d-i) Non Resident Indians	1165776	0	1165776	2.25	1631211	0	1631211	3.15	0.9

(d-ii) Clearing Members	24939	0	24939	0.05	122596	0	122596	0.24	0.19
(d-iii) HUF	383802	0	383802	0.74	328194	0	328194	0.63	(0.11)
(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	196189	0	196819	0.38	212319	0	212319	0.41	0.03
<b>Sub-total (B)(2):-</b>	<b>12864840</b>	<b>477988</b>	<b>13342828</b>	<b>25.79</b>	<b>12997075</b>	<b>452038</b>	<b>13449113</b>	<b>26.00</b>	<b>(0.21)</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	13041995	477358	13519353	26.13	13067945	462488	13519983	26.13	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>51245112</b>	<b>488438</b>	<b>51733550</b>	<b>100</b>	<b>51271062</b>	<b>462488</b>	<b>51733550</b>	<b>100</b>	

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

S. No.	Shareholder's Name	No. Of Shares held at the beginning of the year 1st April, 2020			Shareholder's Name	No. Of Shares held at the end of the year 31 <sup>st</sup> March, 2021			% 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	56029	0.11	0	Sukarn Setia	56029	0.11	0	0
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

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

\*Due to death of Late Mr. Chaman Lal Setia on 15.07.2021, his shares has been transmitted to his sons named Mr. Vijay Kumar Setia and Mr. Rajeev Setia existing promoters of Company on 26.08.2021 and w.e.f 26.08.2021 post holding of Mr. Rajeev Setia is 18881775 and Mr. Vijay Kumar Setia is 18213635

**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, 2020)		Change during the year	Increase/Decrease in Shareholding		Cumulative Shareholding during the Year		Shareholding at the end of the year as on 31.03.2021	
		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	56029	0.11				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

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

\*Due to death of Late Mr. Chaman Lal Setia on 15.07.2021, his shares has been transmitted to his sons named Mr. Vijay Kumar Setia and Mr. Rajeev Setia existing promoters of Company on 26.08.2021 and w.e.f 26.08.2021 post holding of Mr. Rajeev Setia is 18881775 and Mr. Vijay Kumar Setia is 18213635

**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	Manohar Devabhaktuni		
	At the beginning of the year	20523	0.04
2	Rishta Khaitan		
	At the beginning of the year	472800	0.91
3	Sangeetha S		
	At the beginning of the year	472390	0.91
4	Sunaina		
	At the beginning of the year	386100	0.74
5	Sameer Kishore		
	At the beginning of the year	269370	0.52
	At the end of the year	670260	1.30
	At the end of the year	472750	0.91
	At the end of the year	472390	0.91
	At the end of the year	386100	0.74
	At the end of the year	269370	0.52

6	C Ramasamy Anandakrishnan		
	At the beginning of the year	124117	0.24
	At the end of the year	230898	0.44
7	Anjoo Gupta		
	At the beginning of the year	169625	0.33
	At the end of the year	157661	0.30
8	Kalpana Krishnamurthy		
	At the beginning of the year	115000	0.22
	At the end of the year	145000	0.28
9	Jagan Mohan Rao Ravela		
	At the beginning of the year	128929	0.25
	At the end of the year	128929	0.25
10	Satyanarayana Reddy Vurugonda		
	At the beginning of the year	128405	0.25
	At the end of the year	128405	0.25

\*As on 31.03.2021, 99.11% shareholding of Company are in dematerialised form. Shares of Company are listed on BSE Ltd. and NSE Ltd. (w.e.f 12.05.2021) 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	56029	0.11%	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	NIL

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

\*\*Due to death of Late Mr. Chaman Lal Setia on 15.07.2021, his shares has been transmitted to his sons named Mr. Vijay Kumar Setia and Mr. Rajeev Setia existing promoters of Company on 26.08.2021 and w.e.f 26.08.2021 post holding of Mr. Rajeev Setia is 18881775 and Mr. Vijay Kumar Setia is 18213635

# 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, and same has been approved by shareholders in 26<sup>th</sup> 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, and same has been approved by shareholders in 26<sup>th</sup> 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 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 has been approved by shareholders in 26<sup>th</sup> 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	211957534.00	467790924	-----	679748458
ii) Interest due but not paid	-----	-----	-----	-----
iii) Interest accrued but not due	-----	-----	-----	-----
Total (i+ii+iii)	211957534.00	467790924	-----	679748458
Change in Indebtedness during the financial year	-----	-----	-----	-----
* Addition/Reduction	181413063	97015012		278428075
Net Change		-----	-----	
Indebtedness at the end of the financial year				
i) Principal Amount	393370597	564805936		958176533
ii) Interest due but not paid	-----	-----	-----	-----
iii) Interest accrued but not due	-----	-----	-----	-----
<b>Total (i+ii+iii)</b>	<b>393370597</b>	<b>564805936</b>		<b>958176533</b>

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

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

SN	Particulars of Remuneration	Name of Managing Director and Whole-time Directors						Total Amount
		Mr. Chaman Lal Setia*	Mr. Vijay Kumar Setia**	Mr. Rajeev Setia***	Mr. Sukarn Setia	Mr. Ankit Setia	Mr. Sankesh Setia	
		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	20,00,000	48,00,000	48,00,000	6,00,000	24,00,000	24,00,000	17000000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	442907	124707	978394	760167	39200	832194	3177569
	(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	----	50,00,000	50,00,000	3,00,00,000
5	Others, please specify	-	-	-	-			
	Total (A)	24,42,907	14924707	15778394	1360167	7439200	8232194	50177569
	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, and same has been approved by shareholders in 26<sup>th</sup> 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, and same has been approved by shareholders in 26<sup>th</sup> AGM..**

#### **B. Remuneration to other Directors**

**(Amount in Rs.)**

SN	Particulars of Remuneration	Name of Directors						
		Mr. Inder Dev Kukar*	Mr. Naresh Kumar Suneja	Mr. Raghav Peshawaria	Mrs. Amar Jyoti Bagga	Mr. Vijay Kumar Jhamb	Mr. Arun Kumar Verma	Mrs. Pooja Kukar**
1	Independent Directors							
	Fee for attending Board & Committee meetings	4000	10000	15000	8000	15000	13000	6000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	4000	10000	15000	8000	15000	13000	6000
2	Other Non-Executive Directors	N.A	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	N.A
	Commission	N.A	N.A	N.A	N.A	N.A	N.A	N.A
	Others, please specify							
	Total (2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total =(1+2)	4000	10000	15000	8000	15000	13000	6000

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

**\*\*Mrs. Pooja Kukar has 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 has been approved by shareholders in 26<sup>th</sup> AGM.**



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

(Amount in Rs.)

SN	Particulars of Remuneration		
		<b>CS</b>	<b>Total</b>
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: 28.08.2021

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

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2021**

[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, 2020 and ended on 31<sup>st</sup> March, 2021, 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 31<sup>st</sup> March, 2021 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.

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:- A014500C000851281

Place: Amritsar  
Date: 28.08.2021

\*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 31.03.2021 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 prevailing second wave of COVID-19 and subsequent lockdowns. we have conducted online verification & examination of records as provided by the Company and based on these on records, this report is being issued.

For Sunil Dhawan & Associates  
(Practising Company Secretaries)

Place: Amritsar  
Date: 28.08.2021

Sd/-  
Sunil Dhawan  
Proprietor  
ACS No. 14500  
C. P No.:3690  
UDIN:- A014500C000851281

## 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. 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. The Composition of CSR Committee:-

S.I No.	Name of the Member	Designation	Status	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Arun Kumar Verma	Independent Director	Chairman	4	4
2.	Mr. Rajeev Setia*	Joint Managing Director & CFO	Member	4	4
3.	Mr. Vijay Kumar Setia**	Chairman & Managing Director	Member	4	4

\* 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, and same has been approved by the shareholders in 26<sup>th</sup> 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, and same has been approved by the shareholders in 26<sup>th</sup> AGM.

Mrs. Kanika Nevatia Company Secretary acts as the Secretary to the Committee.

#### 3. Web-link to the CSR Composition, CSR Policy and CSR projects or programmes approved by the Board :-[www.maharanirice.in](http://www.maharanirice.in)

#### 4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): **NOT APPLICABLE for financial year 2020-2021**

#### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **NOT APPLICABLE**

Sl. NO.	Financial Year	Amount available for set-off from preceding financial year (in Rs.)	Amount required to be set off for the financial year, if any in Rs.
		Nil	

#### 6. Average net profit of the company as per section 135(5): Rs. 610206980.86

7. (a) Two percent of average net profit of the company as per section 135(5): Rs.12204139.617  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL  
 (c) Amount required to be set off for the financial year, if any: N.A  
 (d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 12204139.617
8. (a) CSR amount spent or unspent for the financial year:

(Amount in Lakhs)

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
77.65 lacs	44.39 lacs	30.04.2021	NA	NA	NA

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

1	2	3	4	5		6	7	8	9	10	11
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency
				State	District		(₹)	(₹)			
1.	Guru Nanak Dev Hospital	Healthcare	Yes	Punjab	Amritsar	3 years	2423700	423700	2000000	YES	N.A
2.	Iscon (Infrastructure facilities for animals)	Social Welfare	YES	PUNJAB	Amritsar	3 years	1062400	62400	1000000	YES	N.A
3	Bhai Kahnia Ji BirthGhar	Social Welfare	Yes	Punjab	Amritsar	3 years	1741648	741648	1000000	YES	N.A
4	Baba Bhore Wala, Goushala Sewa Samiti, (Infrastructure facilities for animals)	Social Welfare	YES	PUNJAB	Amritsar	3 years	815068	376068	439000	YES	N.A
<b>Total</b>							<b>6042816</b>	<b>1603816</b>	<b>4439000</b>		

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Project Item from the list of activities Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project	Mode of implementation Direct (Yes/No)	Mode of implementation Through implementing Agency	
				State	District			Name	CSR registration No., if already registered
1.	Prime Minister National Relief Fund	PM Care Fund	NO	PM CARE FUND		Rs. 251000	YES	N.A	N.A
2.	Project of providing education facility to needy students	Promoting Education And social welfare	Yes	Sewa Bharti Haryana Pradesh Regd., Arjun Gate, Haryana, Karnal		Rs. 80000	YES	N.A	N.A
3.	Project for Covid Care support	Health Care Social Security	Yes	Nuova Enterprises ,Haryana, Karnal		Rs. 140000	YES	N.A	N.A
4.	Project for Covid Care support	Health Care Social Security	Yes	Mittal Enterprises, Haryana, Karnal		Rs. 54200	YES	N.A	N.A
5.	Project of providing infrastructure facility for benefit of animals	Promoting Social Welfare	Yes	Shri Krishan Gopal Gaushala - Haryana, Karnal		Rs. 39000	YES	N.A	N.A
6.	Project of Ration Distribution	Eradication of hunger & poverty	Yes	Local/ Village Area, Haryana- Karnal		Rs. 308430	YES	N.A	N.A
7.	Project of Ration Distribution	Eradication of hunger & poverty	Yes	Local/Village area—Haryana, Karnal		Rs. 189310	YES	N.A	N.A
8.	Project of Ration Distribution	Eradication of hunger & poverty	Yes	Local/Village area—Haryana, Karnal		Rs. 46756	YES	N.A	N.A
9.	Project of Ration Distribution	Eradication of hunger & poverty	Yes	Local Area, Haryana, Karnal		Rs. 182199	YES	N.A	N.A
10.	Project of providing education facility to needy students	Promoting Education	Yes	NIIFA, Haryana, Karnal		Rs. 100000	YES	N.A	N.A

11.	Project of providing education facility to needy students	Promoting Education	Yes	Village Area, Haryana, Karnal	Rs. 76590/-	YES	N.A	N.A
12.	Project of providing education facility to needy students	Promoting Education	Yes	Bharat Lok Shiksha Parishad, Haryana, Karnal	Rs. 22000/-	YES	N.A	N.A
13.	Project of providing education facility to needy students	Promoting Education	Yes	Federation of Indian chambers of commerce, Federation House, (New Delhi), Delhi	Rs.429000/-	YES	N.A	N.A
14.	Project for providing healthcare facilities	Health Care Social Security	Yes	Village Area, Haryana, Karnal	Rs. 346650/-	YES	N.A	N.A
15.	Project for Covid Care support	Health Care Social Security	Yes	Village Area, Haryana, Karnal	Rs. 140120/-	YES	N.A	N.A
16.	Project of Ration Distribution	Eradication of hunger & poverty	Yes	Village/Rural Area, Punjab, Amritsar	Rs.1985130/-	YES	N.A	N.A
17.	Project for Medical Facilities to needy people	Health Care Social Security	Yes	Local Area Gurugram, Haryana	Rs. 562662/-	YES	N.A	N.A
18.	Project of providing sewing machines to poor and needy ladies	Promoting livelihood and Social Welfare	Yes	Village Area, Punjab, Amritsar	Rs. 15120	YES	N.A	N.A
19.	Project for Covid Care support	Health Care Social Security	YES	Village Area, Punjab, Amritsar	Rs. 78081	YES	N.A	N.A
20.	Project of providing fees to needy students	Promoting Education	YES	Govt. School Heir, Punjab, Amritsar	Rs. 16605	YES	N.A	N.A
21.	Project of providing medicine and healthcare facilities	Promoting Healthcare	YES	NandaHospital Amritsar-Punjab	Rs. 290419	YES	N.A	N.A
22.	Project of providing food facility for benefit of animals	Promoting Social Welfare	YES	Village Area, Punjab, Amritsar	Rs. 76000	YES	N.A	N.A
23.	Project of providing medical facilities to handicapped people	Promoting Social Welfare & health Care	YES	Rajasthan Bal Kalyan Samiti	Rs. 300000	YES	N.A	N.A
24.	Project of providing food and medical facilities for benefit of animals	Promoting Social Welfare	YES	Mohanram Gaushala Wazirabad, Delhi	Rs. 199731.6	YES	N.A	N.A
	<b>Total</b>				<b>5929003.6</b>			



- (d) Amount spent in Administrative Overheads: Rs. 232320/-
- (e) Amount spent on Impact Assessment, if applicable: NOT APPLICABLE
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 12204139.617
- (g) Excess amount for set off, if any ( ` in Lakhs): NIL

Rs.(in lakhs)

S.No.	Particulars	Amount
i.	Two percent of average net profit of the company as per section 135(5)	Rs.12204139.617
ii.	Total amount spent for the Financial Year	Rs. 12204139.617
iii.	Excess amount spent for the financial year [(ii)-(i)]	Nil
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

S. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
N.A							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed/ Ongoing
						(in Rs)	(in Rs.)	
N.A								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: (asset-wise details):

- (a) Date of creation or acquisition of the capital asset(s): **Nil**
- (b) Amount of CSR spent for creation or acquisition of capital asset: **Nil**
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **N.A.**
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **N.A.**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).: NOT APPLICABLE

For and on behalf of the Board of Directors

-Sd/-  
Arun Kumar Verma)  
Chairman –CSR Committee  
DIN:- 08145624

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

Place: Amritsar  
Date: 28.08.2021

## ANNEXURE-F (Director's Report)

### FORM NO. AOC -2

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

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

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

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

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

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

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

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

For and on behalf of the Board of Directors

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

Place: Amritsar  
Date: 28.08.2021

## Management Discussion and Analysis

### 1. Indian Economy Overview

In response to the global pandemic, Government took several preventive and mitigating measures starting with progressive tightening of international travel and nationwide lockdown to contain the spread of Covid-19 while ramping up the health infrastructure in the country.

According to National Statistics Office (NSO) estimates, COVID-19 pandemic and several containment measures are expected to cause India's Gross Domestic Product (GDP) growth contraction by 7.7% in FY21 as against 4.2% growth in FY20. The contraction by 7.7% in FY21 as against 4.2% growth in FY20. The contraction is a consequence of 'once in a century crisis' hit by the pandemic and associated public health measures. GDP at current prices or nominal GDP in FY21 is estimated to be pegged at ` 195.86 trillion vis-a-vis ` 203.51 trillion in FY20, contracting by 3.8%.

Agriculture, Forest & Fisheries and Electricity, Gas, Water Supply & Other Utility services are the only two sectors projected to register positive growth of 3.4% and 2.7%, respectively. On the other hand, Trade, Hotels, Transport, Communication & Services related to Broadcasting, Construction, Mining & Quarrying and Manufacturing sector are estimated to degrow by 21.4%, 12.6%, 12.4% and 9.4% respectively. India's per capita income is estimated at ` 85,929 in FY21 as compared to ` 94,566 in FY20.

India adopted a four-pillar strategy of containment, fiscal, financial and long-term structural reforms to overcome the COVID-19 led economic setback. The government's calibrated fiscal and monetary support gave a fillip to consumption and unlocked investment opportunities. Additionally, a favourable monetary policy provided adequate liquidity and immediate aid to debtors, thereby smoothening the monetary policy transmission. Despite global adversities, India continued to be a preferred investment destination in FY21. The Foreign Portfolio Investment (FPI) inflows pumped ` 2.74 trillion into the Indian equity markets during FY21, reflecting the confidence of foreign investors in the sound fundamentals of the Indian Economy.

According to Doing Business Report (DBR), India's Ease of Doing Business rankings improved to 63rd position in 2020 from 77th in 2018. India also entered the list of top 50 innovative countries and stood at 48th rank on the Global Innovation Index 2020. India was placed at 52nd position in 2019.

India's GDP growth is estimated to bounce back at 11% in FY22 led to the government's Atma Nirbhar Bharat Abhiyaan resulting in a stimulus package of ` 29.8 trillion translating to 15% of India's GDP. India's anticipated recovery will be enabled by a robust rise in consumption and investment coupled with a mega vaccination drive and bounce-back in the services sector. The reinstatement of inter and intra state movement and record-high monthly GST collections resonate with the unlocking of industrial and commercial activities. Additionally, a surge in commercial paper issuances, easing yields and steady credit growth to Micro, Small and Medium Enterprises (MSMEs) has renewed Government's focus on MSMEs to survive and grow.

### 1.2 Global Economy

The Covid-19 outbreak which started early in the year 2020 continuing till date has wrecked almost every industry worldwide. The COVID-19 pandemic continues to have significant implications on the global economy.

The International Monetary Fund is expecting a stronger economic recovery in 2021 as Covid-19 vaccine rollouts get underway, but it also warns of "daunting challenges" given the emergence of second wave of Covid-19 infections in various parts of the world and different rates of administering vaccine shots across the globe. The organization said it expects the world economy to grow by 6% in 2021, up from its 5.5% forecast in January. Looking further ahead, global GDP growth rate for 2022 is projected to be 4.4%, higher than an earlier estimate of 4.2%. (Source: IMF World Economic Outlook, April 21)

Even with high uncertainty about the path of the pandemic, the recovery in Advanced Economies is expected to out-pace that in Emerging Market and Developing Economies due to earlier access to vaccinations and conducive macroeconomic policies.

## 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 and in the year 2020 it has again shown its importance in the Indian economy. Actually agriculture is the primary source of livelihood for more than 50 percent of India's population and India 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. Agriculture was the only sector to grow for April-June 2020 amongst the eight sectors used to compute India's Gross Domestic Product (GDP). Agriculture's GVA (gross value added) is estimated to have grown by 7.3% during FY 21, where overall GVA is estimated to dip by 4.2%. Contribution of agriculture in total GVA during 2020-21 is estimated to be the highest since 2001 at 19.8%. These numbers itself shows importance of Agriculture in Indian economy.

India has consistently maintained trade surplus in the agricultural products over the years. Even, during the difficult time of Pandemic, India took care not to disturb the world food supply chain and continued to export. The export of Agri and allied commodities during 2020-2021 were Rs. 2.74 lakh Crore approx. as compared to Rs. 2.31 Crore in the same period last year indicating an increase of 18.49%.

The commodities which posted significant positive growth in exports were wheat, Other Cereals, Rice (other than Basmati), Soya meal, Spices, Sugar, Raw Cotton, Fresh Vegetable, Processed Vegetables, and Alcoholic Beverages etc.

Wheat and other cereals posted huge growth over last year, i.e., increasing from Rs. 425 Crore to Rs. 3283 Crore and Rs. 1318 Crore to Rs. 4542 Crore, respectively. On specific demand from countries, NAFED has exported 50,000 MT wheat to Afghanistan and 40,000 MT wheat to Lebanon under G2G arrangement. India has witnessed tremendous growth of 727 % for Wheat export.

Country has witnessed significant growth of 132% in export of (Non-Basmati) Rice. Export of Non-Basmati Rice has gone up from Rs 13,030 crores in 2019-20 to Rs 30,277 crores in 2020-21. This increase in exports is on account of multiple factors, mainly being India capturing new markets namely, Timor-Leste, Papua New Guinea, Brazil, Chile, and Puerto Rico. Exports were also made to go, Senegal, Malaysia, Madagascar, Iraq, Bangladesh, Mozambique, Vietnam, Tanzania Rep and Madagascar.

India also enhanced export of Soya meals by 132%. Soya meal has gone up from Rs 3087 crores in 2019-20 to Rs 7224 crores in 2020-21.

Other commodities of Agri & Allied basket witnessing significant increase in export during April, 2020 to February, 2021 as compared to corresponding period during 2019-20, have been Spices (Rs 26257 crore vs Rs 23562 crore; growth 11.44%), Sugar (Rs 17072 crore vs Rs 12226 crore; growth 39.64%), Raw Cotton (Rs 11373 crore vs Rs 6771 crore; growth 67.96%), Fresh Vegetable (Rs 4780 crore vs Rs 4067 crore; growth 17.54%) and Processed Vegetables (Rs 2846 crore vs Rs 1994 crore; growth 42.69%). (Source press release dated 21.04.2021 by Ministry of Agriculture & Farmers Welfare)

India's food grain production in the 2020-21 crop year is estimated to rise by 2% to reach an all-time high production of 303.34 million tonnes (MT) on the back of better output of rice, wheat, pulses and coarse cereals amid good monsoon rains Last year. In the 2019-20 crop year, the country's food grain output (comprising wheat, rice, pulses and coarse cereals) stood at record 297.5 million tonnes (MT).

## 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. India accounts for more than 22% of the world's rice production through its 48 million hectares of rice plantation area.

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. Mainly the two major varieties of rice that dominate the Indian Market are basmati and non-basmati rice.

Rice is grown in India throughout the year heaving region-wise favourable rice growing seasons. Eastern, North-eastern and Southern are major rice-producing region because of a pleasant climate throughout the year.

India is amongst the top two rice consuming nations after China and together with China accounts for nearly 50% of the global rice consumption. Rice consumption in India in 2019-20 was estimated to be around 102 million tonnes, an increase of 3% from the previous year. Consumption is expected to increase further in 2020-21 to 108 million tonnes with the government pushing more subsidized rice. The government in its recent announcement approved an increase in minimum support prices (MSP) for various kharif crops or the summer-sown crops for marketing season 2021-22.

In India total rice production during FY21 is estimated to have stood at record 120.3 million tonnes as compared to 118.9 million tonnes in year 2020. However India still remains the cheapest supplier in the world today.

Further the demand for non-basmati rice increased to a record high of 13 million tonne (valued at \$4.796 billion) last year as more countries purchased the cereal amidst supply issues in Asean region and the Covid pandemic to ensure food supplies. Freight costs across the globe have more than doubled over the past year. African nations are among the biggest buyers of the Indian non-basmati rice. Africa as a market accounted for 54% of India's \$4.79 billion non-basmati rice shipments during 2020-21. African countries imported rice valued at \$2.59 billion during 2020-21 and Benin was the largest importer valued at \$443 million.

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.

### **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.

Basmati rice accounts for 2.1% of the total rice production. 2020, the global production of rice reached almost 497.76 million metric tons. Valued at around USD 11,230 million in 2020, the global basmati rice market is expected to reach USD 18,320 million by 2026 after growing at a CAGR of 8.5%. Haryana, Punjab, Himachal Pradesh, Jammu and Kashmir and Delhi are the major basmati rice producing states in India.

Accounting for nearly 85% of the global Basmati exports are from India. In India the Basmati exports is about 37% of the total rice exports by quantity and 60% by value. Exporting basmati rice to nearly 90 countries, nearly 60% of India's basmati rice production is exported.

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 have also prove to be a cause of concern for the Indian basmati rice exporters. However, for the FY21 the overall basmati rice export is expected to witness a 4% growth over the previous on the back of the easing lockdown restrictions and rise in the pent-up demand.

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.

India is the leading exporter of Basmati Rice to the global market. In the current FY 2020/21 season, the total export is expected to be around 46,30,444.10 mt in terms of volume as compared to 44,54,656.70 mt of basmati rice.

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.

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. 2020-2021	F.Y. 2019-2020
1.	Debtors Turnover Ratio	47	50
2.	Inventory Turnover Ratio	97	82
3.	Interest Coverage Ratio	17.97	13.24
4.	Current Ratio	4.21	3.71
5.	Debt. Equity Ratio	0.27	0.25
6.	Operating margin Ratio	13.94	10.34
7.	Net Profit margin	9.70	6.72
8.	Return on net worth	31.37	27.76

### Our Business Company Overview

Chaman Lal Setia Exports Limited was founded back in 1974 by Late 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 and further on the National Stock Exchange on the 12.05.2021. The company is engaged in the business of milling and processing of basmati rice. The company has been involved in export operations since 1982 erstwhile firm Chaman Lal and Sons 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 ~91% of its revenue from operations from exports, as compared to ~88% 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 having vast experience in the field of rice industry.

## **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 FY2020-21**

The company recorded a total operating income of Rs. 851.49 crores in FY21, up as compared to Rs. 797.69 crores in FY20. The profit after tax of the company stood at Rs. 82.00 in FY21 as compared to Rs. 52.47 crores. in FY20.





## **HEALTH & SAFETY**

The Company continuously focuses on the health and safety of all its workers and staff. Adequate safety measures have been taken at the plant for the prevention of accidents or other untoward incident. The necessary medical facilities are available for the workers and staff to maintain good health. During the pandemic worldwide, the Company ensures proper sanitisation and safety measures. During the worldwide pandemic situation the Company followed all the worldwide pandemic situation the Company followed all the norms and advisory issued by the Government of India/State Government.

## **STATUTORY COMPLIANCE**

All the statutory compliance with respect to Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015, Income Tax Act, Sales Tax Act, Companies Act, 2013 and all other applicable Acts, and Rules & Regulations are complied with.

## **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**

The Company has always valued its workforce as their biggest asset. The Company has pool of competitive, dedicated and enthusiastic personnel which is the driving force behind its accelerated growth. The Company's policies and practices ensure a favourable working environment with innovation and motivation.

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.

The number of permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2021 : 194

## **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. Company disclaims any duty to update or amend any forward looking statements to represent events or circumstances that might occur in the future.

## 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. For Chaman Lal Setia Exports Ltd., maintaining the highest standards of corporate governance is not a matter of mere form but also of substance. 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.

The Company's compliance of Corporate Governance guidelines of the SEBI(Listing Obligations and Disclosure Requirements) Regulations,2015 is as follows:-

### 2. COMPOSITION OF THE BOARD AND RECORD OF OTHER DIRECTORSHIPS HELD: -

- 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 31<sup>st</sup> March, 2021 is 10 Directors out of which 5 are Executive and 5 are Independent. 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.

The composition of the Board of Directors of the Company is in conformity with the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sukarn Setia (DIN:- 01133561) & Mr. Sankesh Setia (DIN:- 06620109) whole time 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 27<sup>th</sup> Annual General Meeting.

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 and their appointment has been approved by shareholders in 26<sup>th</sup> Annual General Meeting of Company.

Further the Board of Directors of Company pursuant to the recommendation of Nomination and Remuneration Committee ,at their meeting held on 28.08.2020 appointed Mrs. Pooja Kukar as an additional Director of Company w.e.f 28.08.2020 under the category of Independent Non-Executive taking into consideration her integrity, expertise and experience, for a period of 5 (Five) consecutive years from 28<sup>th</sup> August, 2020 to 27<sup>th</sup> August, 2025, and her appointment had been regularised in 26<sup>th</sup> Annual General Meeting of Company and shareholders of Company has given their approval for the same.

Further 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 and he further confirmed that there being no other material reason other than mentioned by him for his resignation as an Independent Director.

Further Mr. Naresh Kumar Suneja (Din:-01383235 ) an Independent Director and member of Audit Committee and Nomination and Remuneration Committee has given his resignation from the post of Directorship and consequent cessation as the member of Audit Committee and Nomination and Remuneration Committee w.e.f 05.02.2021 due to pre- occupation and health issues and he further confirmed that there being no other material reason other than mentioned by him for his resignation as an Independent Director.

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

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in all companies as on March 31<sup>st</sup>, 2021 are given herein below.

### ATTENDANCE RECORD OF EACH DIRECTOR AT THE BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2020-2021 AND LAST ANNUAL GENERAL MEETING OF COMPANY HELD ON 29.09.2020 AND THE MEMBERS OF COMPANIES/COMMITTEES WHERE HE/SHE IS A DIRECTOR/MEMBER ARE AS UNDER :-

Name of Directors	Category	DIN	No. of Board Meeting Held During 2020-2021	No. of Board Meeting attended	Whether Attended last AGM held on September 29, 2020	No. of Directorship in all Companies* as on 31.03.2021	No. Of Committee Positions held in all Companies** as on 31.03.2021**	
							Member	Chairman
Mr. Chaman Lal Setia*	Managing Director & Chairman (upto 28.08.2020)	01125789	6	2	-	-	-	-
Mr. Vijay Kumar Setia**	Chairman & Managing Director (w.e.f 28.08.2020)	01125966	6	5	YES	1	-	-
Mr. Rajeev Setia***	Joint Managing Director (w.e.f 28.08.2020) & CFO	01125921	6	6	YES	1	1	-
Mr. Sukam Setia	Executive Director	01133561	6	4	YES	1	-	-
Mr. Ankit Setia	Executive Director	01133822	6	5	YES	1	-	-
Mr. Sankesh Setia	Executive Director	06620109	6	5	YES	1	-	-
Mr. Inder Dev ****	Independent Director	01193209	6	2	****	-	-	-
Mr. Naresh Kumar Suneja*****	Independent Director	01383235	6	4	YES	-	-	-
Mr. Raghav Peshawaria	Independent Director	01386434	6	6	YES	1	2	1
Mrs. Amarjyoti Bagga	Independent Director	06958408	6	6	YES	1	-	-
Mr. Vijay Kumar Jhamb	Independent Director	07021080	6	6	YES	1	1	-
Mr. Arun Kumar Verma	Independent Director	08145624	6	5	YES	1	1	-
Mrs. Pooja Kukar*****	Independent Director	08846984	6	3	YES	1	1	1

\* 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, and same has been approved by the shareholder in 26<sup>th</sup> 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, and same has been approved by the shareholder in 26<sup>th</sup> 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.

\*\*\*\*Mr. Naresh Kumar Suneja has given his resignation from post of Directorship and consequent cessation as a member of Audit Committee and Nomination Remuneration Committee w.e.f 05.02.2021.

\*\*\*\* Mrs. Pooja Kukar who was appointed as an additional Director w.e.f 28.08.2020 has been regularised as an Independent Director in the Annual General Meeting held on 29.09.2020.

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	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. Raghav Peshawaria	Marketing strategies
7.	Mrs. Amarjyoti Bagga	Marketing & Information Technology
8.	Mr. Vijay Kumar Jhamb	Insurance Sector
9.	Mr. Arun Kumar Verma	Specialized knowledge in material management and audit
10.	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 2020-2021:-

Date of Board Meetings	No. of Directors on Board	No. of Directors in Attendance
30.06.2020	12	9
06.08.2020	12	12
28.08.2020	11	10
05.11.2020	11	11
05.02.2021	10	10
31.03.2021	10	7

During the year under review, 06 (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 7 (Seven) 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 and his re-designation has been approved by shareholders in this 26<sup>th</sup> 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 and his re-designation has been approved by shareholders in this 26<sup>th</sup> AGM. 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. Further Mr. Sukarn Setia, Wholetime Director of the company is the son of Mr. Rajeev Setia and brother of Mr. Sankesh Setia.

## 2.7 DETAILS OF EQUITY SHARES OF THE COMPANY HELD BY THE NON EXECUTIVE DIRECTORS AS ON MARCH 31<sup>ST</sup>, 2021 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 2020-21, the Independent Directors met separately on 26.03.2021 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](http://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, 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 effective from 01.04.2019.

## 2.13 THE COMPANY HAS NOT ISSUED ANY CONVERTIBLE INSTRUMENTS

## 2.14 DURING THE YEAR 2020-2021, 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 2020-21	
			Held	Attended
Mr. Inder Dev *	Chairman	Independent Non Executive Director	5	2
Mrs. Pooja Kukar*	Chairman	Independent Non Executive Director	5	3
Mr. Naresh Kumar Suneja***	Member	Independent Non Executive Director	5	4
Mr. Vijay Kumar Jhamb	Member	Independent Non-Executive Director	5	5
Mr. Raghav Peshawaria	Member	Independent Non-Executive Director	5	1

During the year under review, the Audit Committee met 5 (Five) times on 30.06.2020, 06.08.2020, 28.08.2020, 05.11.2020 and 05.02.2021. As stipulated, the gap between two committee meetings did not exceed one hundred and twenty days.

\*\*Mrs. Pooja Kukar (DIN: 08846984) who was appointed as Additional Director (categorized as Non- Executive Independent Director) of the Company, w.e.f 28.08.2020, has been regularised as Independent Director by the shareholders of Company at 26<sup>th</sup> 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.

\*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.

\*\*\*W.e.f 05.02.2021 Mr. Naresh Kumar Suneja has given his resignation from post of Independent Directorship and consequent cessation as the member of Audit Committee. Therefore Board of Directors re-constituted its Audit Committee w.e.f 05.02.2021

Mrs. Pooja Kukar, Chairman of the Audit Committee was present at the last Annual General Meeting of Company held on 29.09.2020. The necessary quorum was present for all the meetings. Mrs. Kanika Nevatia, Company Secretary, acts as Secretary to the Committee.

### 3.3 TERMS OF REFERENCE & REVIEW OF THE AUDIT COMMITTEE ARE BROADLY 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 supervise 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 the Director	Status	Category	No. of meetings during the financial year 2020-21	
			Held	Attended
Mr. Vijay Kumar Jhamb	Chairman	Independent Non Executive Director	4	4
Mr. Naresh Kumar Suneja*	Member	Independent Non Executive Director	4	2
Mr. Raghav Peshawaria	Member	Independent Non Executive Director	4	4
Mrs. Amarjyoti Bagga**	Member	Independent Non-Executive Director	4	2

During the period under review, Nomination and Remuneration Committee met 4 (Three) times on 28.08.2020, 05.11.2020, 05.02.2021 and 31.03.2021.

- Mr. Naresh Kumar Suneja has given his resignation from Directorship w.e.f 05.02.2021 and consequent cessation from post of membership of Audit Committee and Nomination and Remuneration Committee.
- Mrs. Amarjyoti Bagga has been appointed as member of Nomination and Remuneration Committee w.e.f 05.02.2021

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

Mr. Vijay Kumar Jhamb was present at the last Annual General Meeting held on 29.09.2020. 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/Whole time 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*	20,00,000	4,42,907	-----	24,42,907
Mr. Vijay Kumar Setia**	48,00,000	1,24,707	1,00,00,000	1,49,24,707
Mr. Rajeev Setia***	48,00,000	9,78,394	1,00,00,000	157,78,394
Mr. Sukarn Setia	6,00,000	7,60,167	-----	13,60,167
Mr. Ankit Setia	24,00,000	39,200	50,00,000	74,39,200
Mr. Sankesh Setia	24,00,000	8,32,194	50,00,000	82,32,194

\*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 and shareholders of Company has given their approval in 26<sup>th</sup> 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 and shareholders of Company has given their approval in 26<sup>th</sup> 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	4000	10000	15000	8000	15000	13000	6000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	4000	10000	15000	8000	15000	13000	6000
2	Other Non-Executive Directors	N.A	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	N.A
	Commission	N.A	N.A	N.A	N.A	N.A	N.A	N.A
	Others, please specify							
	Total (2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total =(1+2)</b>	<b>4000</b>	<b>10000</b>	<b>15000</b>	<b>8000</b>	<b>15000</b>	<b>13000</b>	<b>6000</b>

\*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.

\*\*W.e.f 05.02.2021 Mr. Naresh Kumar Suneja has given his resignation from post of Independent Directorship and Consequent cessation from Membership of Audit Committee and Nomination and Remuneration Committee.

\*\*\*Mrs. Pooja Kukar has been appointed as an additional Director under independent Director category w.e.f 28.08.2020 and further regularise as an Independent Director by the shareholder in 26<sup>th</sup> 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](http://www.maharanirice.in)

## (d) PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder and SEBI ( Listing Obligations and Disclosure Requirements) Regulations 2015 (including any amendment thereunder from time to time ) the Board, on recommendation of the Nomination and Remuneration Committee , has carried out an annual performance evaluation of its own performance, Committees of the Board and individual Directors and for this, separate exercise

was carried out to evaluate the performance of individual Directors of the Board who were evaluated on parameters such as level of engagements and contribution and independence of judgement thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. However Directors who were subject to evaluation did not participate. The performance evaluation of Non Independent Directors were carried out by the independent Directors. The Board also carried out annual performance evaluation of its committees also. The Director express their satisfaction with the evaluation process.

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

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

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

**6.2 COMPOSITION AND ATTENDANCE DURING THE YEAR :-**

Name of the Director	Status	Category	No. of meetings during the financial year 2020-21	
			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 30.06.2020, 28.08.2020, 05.11.2020 and 05.02.2021.

Mrs. Kanika Nevatia, Company Secretary act as a Secretary of the Company.

**6.3 TERMS OF REFERENCE :-**

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

**6.4** Mr. Raghav Peshawaria, a Non- Executive Independent Director, is the Chairman of the Stakeholder's Relationship Committee. Mr. Raghav Peshawaria, Chairman of the Committee was present at the last Annual General Meeting of Company held on 29.09.2020.

**6.5** The Company has received 25 complaints from the investors during the year. All of these have been redressed. There is no pending complaint as on March 31, 2021.

**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 2020-21	
			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 31.03.2021 the Corporate Social Responsibility Committee met four times on 30.06.2020, 28.08.2020, 05.11.2020 and 05.02.2021.

\*\*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 and his re-designation has been approved by shareholders in 26<sup>th</sup> 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 and his re-designation has been approved by shareholders in 26<sup>th</sup> 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](http://www.maharanirice.in). The Annual Report on CSR activities for the Financial Year 2020-21 forms a part of the Directors' Report.

## 8. GENERAL BODY MEETING:

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

Date	Venue & Time	Special Resolution Passed
SEP 29, 2020	Through Video Conferencing (VC) at 04:30 p.m.	<b>Re-designation of Mr. Vijay Kumar Setia (Din : 01125966) as the Chairman and Managing Director of Company</b> <b>Re-designation of Mr. Rajeev Setia (Din : 01125921) as the Chairman and Managing Director of Company</b>
SEP 28, 2019	Hotel P.R Residency, 101, Distt. Shopping Centre, Ranjit Avenue, Amritsar at 4:30 p.m.	Re-appointment of Mr. Chaman Lal Setia as Managing Director of Company -Approval of continuation of payment of remuneration to Mr. Vijay Kumar Setia (Din :- 01125966) Executive Director and Promoter -Approval of continuation of payment of remuneration to Mr. Rajeev Setia (Din :- 01125921) Executive Director and Promoter -Approval of continuation of payment of remuneration to Mr. Sukarn Setia (Din :- 01133561) Executive Director and member of Promoter and Promoter Group -Approval of continuation of payment of remuneration to Mr. Sankesh Setia (Din :- 06620109) Executive Director and member of Promoter and Promoter Group - Approval of continuation of payment of remuneration to Mr. Ankit Setia (Din :- 01133822) Executive Director and member of Promoter and Promoter Group -Approval of continuation of payment of remuneration to Mr. Chaman Lal Setia (Din :- 01125789) Managing Director and Promoter

		-Re-appointment of Mr. Inder Dev Kukar (DIN:- 01193209) as an Independent Non -Executive Director of Company. -Re-appointment of Mr. .Naresh Kumar Sumeja (DIN:- 01383235)) as an Independent Non -Executive Director of Company. -Re-appointment of Mr. Raghav Peshawaria (DIN:- 01386434)) as an Independent Non -Executive Director of Company. -Re-appointment of Mrs. Amarjyoti Bagga (DIN:- 06958408)) as an Independent Non -Executive Director of Company. -Re-appointment of Mr. Vijay Kumar Jhamb (DIN:- 07021080)) as an Independent Non -Executive Director of Company.
SEP 29, 2018	Hotel P.R Residency, 101, Distt. Shopping Centre, Ranjit Avenue, Amritsar at 4:30 p.m.	To approve the re-classification of persons/entities forming part of 'Promoter and Promoter Group' to 'Public Category' To approve the Borrowing Limits of the Company To approve creation of Charge, mortgage under Companies Act, 2013

The Company will hold the next Annual General Meeting on Sep 29, 2021 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](http://www.maharanirice.in) and also uploaded on the website of the BSE Ltd. During the year Company has not issued any press release, however for Audited Results for the year ended 31.03.2020, 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](http://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 and Venue

Day Wednesday  
 Date 29.09.2021  
 Time at 4.30 p.m  
 Venue Through Video Conferencing (VC) or other Audio Visual Means (OAVM)  
 Company's Registered Office i.e. P.O Central Jail, Mirankot Road, Amritsar-143002 will be considered as Venue for the purpose of this Annual General Meeting

### B. FINANCIAL YEAR 1st April to 31<sup>st</sup> March

### C. DIVIDEND PAYMENT DATE FOR THE YEAR 2020-21

The Board of Directors of your Company has recommended a dividend @ 28% i.e.Rs. 0.56/- per equity share of face value of Rs.2/- each for the financial year 2020-2021 in the Board Meeting held on 31.05.2021, subject to approval of shareholders in this 27<sup>th</sup> Annual General Meeting.

Dividend will be paid on & from 29.09.2021, subject to the approval of shareholder 27<sup>th</sup> Annual General Meeting.

D. BOOK CLOSURE 23.09.2021 to 29.09.2021 (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. Further w.e.f 12.05.2021 Company's shares listed on NSE too and applicable fees have been paid.

F. Name of the Stock Exchanges

The equity shares of the Company are listed at:-

The National Stock Exchange of India Ltd. (NSE),

Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra (E), Mumbai-400051

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. Stock Code

BSE :- 530307

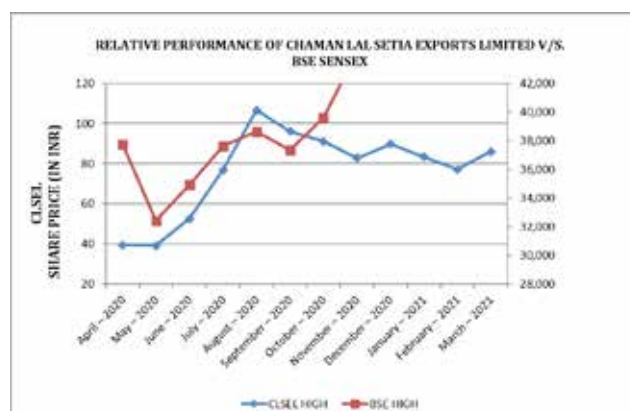
NSE :- CLSEL

I. Corporate Identity Number ("CIN ") of the Company :- L51909PB1994PLC015083

J. Market Price data:- Monthly High & Low prices and volume of the equity shares of the Company at BSE Limited during financial year 2020-21 are as under :-

Month	BSE		
	Highest price	Lowest Price	Volume
April, 2020	44.10	35.05	19673426
May, 2020	40.00	37.00	11944206
June, 2020	57.80	39.40	50104031
July, 2020	76.90	57.80	141129958
August, 2020	114.40	79.00	290648936
September, 2020	101.25	83.50	130886708
October, 2020	101.50	87.00	89999496
November, 2020	92.60	76.50	98740182
December, 2020	97.80	78.00	153052242
January, 2021	94.00	78.80	88496587
February, 2021	90.40	74.50	87316614
March, 2021	94.00	76.00	116053643

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



## B. 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.

## C. DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2021

Shareholding of Nominal Value	As on 31.03.2021				As on 31.03.2020			
	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	11865	94.06	4019083	7.7688	8099	91.07	3549568	6.8612
5001-10000	414	3.28	1490161	2.8805	439	4.93	1567237	3.0294
10001-20000	179	1.41	1243972	2.4046	180	2.02	1224505	2.3669
20001-30000	52	0.41	634102	1.2257	61	0.68	753544	1.4566
30001-40000	27	0.21	485159	0.9378	30	0.33	536931	1.0379
40001-50000	17	0.13	386656	0.7474	18	0.20	403478	0.7799
50001-100000	27	0.21	10014606	1.9357	32	0.35	1128732	2.1818
100001 above	32	0.25	42473011	82.0995	34	0.38	42569555	82.2862
<b>Total</b>	<b>12613</b>	<b>100.00</b>	<b>51733550</b>	<b>100.00</b>	<b>8893</b>	<b>100.00</b>	<b>51733550</b>	<b>100.00</b>

## D. TOP TEN SHAREHOLDERS (OTHER THAN PROMOTERS) AS ON 31.03.2021: -

Name of shareholder	Number of Shares
Manohar Devabhaktuni	670260
Rishta Khaitan	472750
Sangeetha S	472390
Sunaina	386100
Sameer Kishore	269370
C RAMASAMY ANANDAKRISHNAN	230898
Anjoo Gupta	157661
Kalpna Krishnamurthy	145000
Jagan Mohan Rao Ravela	128929
Satyanarayana Reddy Vurugonda	128405

K. Shareholding & Distribution Pattern (as on 31.03.2021)

Category	No. of Shares Held
Promoters & Promoters Group	38213567
Clearing Members	122596
Indian Public/Resident Individuals/HUF	10950959
NRI/OCB/Body Corporates/Others	2163239
Foreign Portfolio Investors/Financial	21663
Institutions/Banks/Alternate Investment Fund	49207
IEPF	212319

L. 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 31.03.2021 about 99.11% of the Company's Equity Shares has been held in dematerialized form with NSDL & CDSL.

M. 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 31<sup>st</sup> March 2021, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

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

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

O. Plant Locations **Corporate Office Address** **Packing Unit**

The Company has a manufacturing facility Plant at Kaithal Road, Plant at P.O Central Jail, Meerankot Road, Amritsar	Chaman Lal Setia Exports Ltd. Udyog Vihar, Phase –III, Gurgaon-122001	Gandhidham, Gujarat Alipur –Delhi
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P. 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

Q. 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 party 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 12(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](http://www.maharanirice.in)**

**(b) MATERIAL DISCLOSURES**

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

**(c) DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES:-**

Please refer to Management Discussion and Analysis Report 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](http://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 2012-13 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 2013-14 will be due to transfer to IEPF later this year. Shareholders who have not claimed their dividend for the Financial year 2013-2014 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) (IEPFRules) 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 31.03.2021 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 and same has been approved by the shareholders in the 26<sup>th</sup> 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-1.**

## **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 2020-21.

## **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.

#### 17. SHAREHOLDING PROFILE

Mode of Holding	As on 31 <sup>st</sup> March, 2021		As on 31 <sup>st</sup> March, 2020	
	No. of Shares	% to Equity	No. of Shares	% to Equity
Demat	51271062	99.106	51245112	99.06
Physical	462488	0.894	488438	0.94
Total	51733550	100.00	51733550	100.00

#### 18. DETAIL OF SHARES HELD BY DIRECTORS

Name	Shareholding as on 31/03/2021	Dividend Paid for year ended 2020-2021	Shareholding as on 31/03/2020
Sh. Chaman Lal Setia*	11600050	5800025	11600050
Sh. Vijay Kumar Setia**	12413610	6206805	12413610
Sh. Rajeev Setia***	13081750	6540875	13081750
Sh. Sukarn Setia	56029	28014	56029
Sh. Ankit Setia	158297	79148	158297
Sh. Sankesh Setia	276100	138050	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, and same has been approved by shareholders in 26<sup>th</sup> 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 and same has been approved by shareholders in 26<sup>th</sup> 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. 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, 2021. 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 31<sup>st</sup> March, 2021 have been prepared as per applicable Indian Accounting Standards (IND-AS) and policies and that sufficient care has been taken for maintaining adequate applicable accounting records.

## 24. COMPLIANCE ON CORPORATE GOVERNANCE:-

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

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

## 25. 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 2020-2021 are as below:-

Particulars	As at 31 March 2021 Amount (Rs. in lakhs)
Payment to Auditor includes:	
Statutory Audit Fees	1.50
Tax audit fees	0.50
Taxation Matters	1.00
GST Audit & other matters	0.50
<b>Total</b>	<b>3.50</b>

## 27. CREDIT RATINGS:-

Following are the details of Credit Rating :-

Facilitie	Amount (Rs. Crore)	Rating
Long-Term Rating	Rs. 125 crore(Enhanced from Rs. 95 Crore)	CRISIL A-/Positive (Outlook revisedn from 'Stable' ; Rating Reaffirmed)

## 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 2020-21, 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.

## 30. 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.

## 31 STATUTORY COMPLIANCE, PENALTIES AND STRICTURES

Your Company has complied with all applicable provisions of the SEBI Listing Regulations and other applicable regulations and guidelines issued by the SEBI and Stock Exchanges. Further, no penalties or strictures were imposed by any Stock Exchange or SEBI or any other Statutory Authorities for any violation related to the Capital Market during the last 3 (Three) years.

## 32 PROCEEDS FROM PUBLIC ISSUES, RIGHT ISSUES, PREFERENTIAL ISSUES, ETC.

During the year, your Company has not raised any proceeds from public issue, right issue, preferential issues etc. and hence, there are no unutilized issue proceeds.

For and on behalf of Board of Directors

sd/-

Place: Amritsar  
Date: 28.08.2021

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

## **ANNUAL 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 31<sup>st</sup> March, 2021.

Place: Amritsar  
Date: 28.08.2021

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, Vijay Kumar Setia, Chairman & Managing Director and Mr. Rajeev Setia, Joint Managing 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 31<sup>st</sup> March, 2021 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 31<sup>st</sup> March, 2021 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 2020-21 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: 31.05.2021

Sd/-  
Vijay Kumar Setia  
(Managing Director)

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

**ENCLOSURE -1**  
**Directors List for CG Report 2020-2021**

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS  
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, returns and disclosures received from Directors of Chaman Lal Setia Exports Ltd. having CIN L51909PB1994PLC015083 and having registered office at P.O Central Jail, Mirankot Road, Amritsar-143002 (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Chaman Lal Setia Exports Ltd. for the Financial year ended on 31<sup>st</sup> March, 2021 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.

Sl. NO.	Name of Directors	DIN	Date of Appointment
1.	Mr. Chaman Lal Setia*	01125789	21/09/1994
2.	Mr. Vijay Kumar Setia**	01125966	21/09/1994
3.	Mr. Rajeev Setia***	01125921	21/09/1994
4.	Mr. Ankit Setia	01133822	30/09/2003
5.	Mr. Sukarn Setia	01133561	28/09/2001
6.	Mr. Sankesh Setia	06620109	29/09/2014
7.	Mr. Inderdev Kukkar****	01193209	26/05/1997
8.	Mr. Naresh Kumar Suneja*****	01383235	30/09/2002
9.	Mr. Raghav Peshawaria	01386434	29/09/2004
10.	Mr. Vijay Kumar Jhamb	07021080	13/10/2014
11.	Ms. Amarjyoti Bagga	06958408	29/09/2014
12.	Mr. Arun Kumar Verma	08145624	29/05/2018
13.	Ms. Pooja Kukar*****	08846984	28/08/2020

\*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 and same has been approved by shareholders in this 26<sup>th</sup> 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 and same has been approved by shareholders in this 26<sup>th</sup> 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.

\*\*\*\*\* W.e.f 28.08.2020 Mr. Naresh Kumar Suneja has given his resignation from post of Independent Directorship and consequent cessation from the post of membership of Audit Committee and Nomination and Remuneration Committee.

Therefore Board of Directors re-constituted its Audit Committee w.e.f 05.02.2021

\*\*\*\*\*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, and further regularise as an Independent Director by the shareholder in 26<sup>th</sup> AGM.

Ensuring the eligibility of for the appointment /continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Sunil Dhawan & Associates

SD/-

(Sunil Dhawan) Proprietor

ACS :- 14500

COP NO. 3690

UDIN:-A014500C000851358

Date :- 28.08.2021

Place: Amritsar





## **Auditor's Compliance Certificate on Corporate Governance To The Members of Chaman Lal Setia Exports Ltd.**

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

We have examined the compliance of conditions of Corporate Governance by Chaman Lal Setia Exports Ltd. ("the Company") for the year ended on 31<sup>st</sup> March, 2021, 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 31<sup>st</sup> March, 2021.

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 31<sup>st</sup> March, 2021.

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 : 28.08.2021

M.No: 514576  
FRN No. 022992N  
UDIN:-21514576AAAAAFX1290

## INDEPENDENT AUDITORS' REPORT

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

#### 1. Opinion

We have audited the accompanying financial statements of CHAMAN LAL SETIA EXPORTS LTD. ("the Company"), which comprises of Balance Sheet as at March 31<sup>st</sup>, 2021, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2021, its profits (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### 2. Basis for opinion

**We conducted our audit in accordance with the Standards on auditing (SAs) specified under section 143(10) of the act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 together with the ethical requirements that are relevant to our audit of the standalone 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 of our opinion on the Standalone Financial Statements.**

#### Key Audit Matters: -

3. 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.

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
Refer Note 4 in the Summary of significant accounting policies and other explanatory information	<ul style="list-style-type: none"> <li>Our audit work included, but was not limited to, the following procedures:</li> </ul>
The Company recognised an amount of Rs. 85149.42 lacs revenue for the year ended 31 <sup>st</sup> March, 2021, as disclosed in Note 17 to the standalone financial statements.	<ul style="list-style-type: none"> <li>Obtained an understanding of the process of each revenue stream, particularly of sale of rice and by products;</li> <li>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;</li> </ul>
Revenue for the Company primarily comprises of revenue from sale of rice either manufactured or traded.	<ul style="list-style-type: none"> <li>Performed substantive analytical procedures on revenue which includes ratio analysis and region wise analysis;</li> <li>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;</li> </ul>

<p>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.</p> <p>Due to the above factors, we have identified testing of revenue recognition as a key audit matter.</p>	<ul style="list-style-type: none"> <li>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;</li> <li>Performed other substantive audit procedures including obtaining debt or 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;</li> <li>Tested, on sample basis, manual journal entries recorded in revenue accounts, credit notes and claims, to the relevant approvals and the supporting documents;</li> <li>Evaluated disclosures made in the financial statements for revenue recognition from sale of goods for appropriateness in accordance with the accounting standards.</li> </ul>
<p><b>Inventory existence and valuation</b></p>	<p>Our audit work included, but was not limited to the following procedures:</p>
<p>The Company held inventories amounting to Rs. 23329.53 lacs as at 31st March 2021. Which represent 51% of total Current Assets of the company and 44% Total Assets of The Company. The inventory primarily comprises of Paddy as raw material, packing such as Bardana/Empties 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 plinths, godown, 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 with the help of computer aided devices. The valuation process involves estimation around determination of –</p> <p>Determination of Weighted average Cost</p> <ul style="list-style-type: none"> <li>Allocable overheads and their absorption rates;</li> <li>Determination of net realisable value of by products such as husk, bran, etc, and</li> <li>Determination of net realisable value of the different variety of finished product.</li> </ul>	<p>Existence:</p> <ul style="list-style-type: none"> <li>Obtained an understanding of the management's process of inventory management and inventory physical verification performed subsequent to year-end;</li> <li>Evaluated the design effectiveness of controls over inventory management process/inventory physical verification and tested key controls for their operating effectiveness;</li> <li>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.;</li> <li>Obtained inventory records and results of management conducted count;</li> <li>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;</li> <li>Reviewing the Stock Auditor Report of an Independent Chartered Accountant M/s AJ Mohan and Associates on 31.12.2020 along with its valuation.</li> <li>Obtained an understanding of management process of inventory valuation;</li> <li>Evaluated design effectiveness of controls over inventory valuation process and tested key controls for their operating effectiveness;</li> <li>Tested inputs into the valuation process from source documents general ledger accounts;</li> <li>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;</li> <li>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,</li> </ul>

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.	•	Checked net realisable value of by-products from actual sale proceeds near/ subsequent to the year-end;
	•	Tested arithmetical accuracy of valuation calculations; and
	•	Evaluated appropriateness of disclosure of inventory year-end balance in the financial statements.

#### **4. Information other than the Standalone Financial Statements and Auditors' Report thereon**

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Standalone Financial Statements and our auditors report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the audit of Standalone Financial Statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our Knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **5. 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.

#### **6 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.

## **7 Report :-**

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 31st, 2021
- (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.

## **8 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, 2021, taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2021, 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 31.03.2021 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 31.03.2021 on its financial position in its financial statements. Refer Note No. 7 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, 2021;

For R Chopra & Associates  
Chartered Accountants

(Rakesh Chopra)  
Prop.

M.No.:- 514576

FRN No.:- 022992N

UDIN: 21514576AAAAEQ5162

Place: Amritsar  
Date: 31.05.2021

## 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<sup>st</sup> March 2021, 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 31<sup>st</sup> March 2021, 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

Place: Amritsar  
Date: 31.05.2021

sd/-  
(Rakesh Chopra)  
Prop.  
M.No.:- 514576  
FRN No.:- 022992N  
UDIN: 21514576AAAAEQ5162



## **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT – 31ST MARCH 2021**

(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 31<sup>st</sup> March, 2021 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 2021 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: 31.05.2021

sd/-  
(Rakesh Chopra)  
Prop.  
M.No.:- 514576  
FRN No.:- 022992N  
UDIN: 21514576AAAAEQ5162

## BALANCE SHEET AS AT 31ST MARCH, 2021

(Amount in Rs. Lakhs unless otherwise stated)

Particulars	Refer Note No.	AS AT 31 MARCH 2021	AS AT 31 MARCH 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
1 (a) Property, plant and equipment	1	4760.87	3680.74
(b) Capital work in progress		523.21	1003.79
(c) Intangible assets		8.09	7.25
(d) Other non-current assets	2	31.24	30.83
Total Non-Current assets		<u>5323.41</u>	<u>4722.61</u>
<b>2 Current assets</b>			
(a) Inventories	3	23329.53	21308.33
(b) Financial Assets			
(i) Investments	4	42.90	77.13
(ii) Trade receivables	5	11847.14	10078.03
(iii) Cash and cash equivalents	6	5146.30	15.74
(iv) Other bank balances	7	1174.85	1528.38
(iv) Loans	8	221.89	351.98
(c) Other current assets	9	4829.05	4304.99
Total Current assets		<u>46591.66</u>	<u>37664.58</u>
<b>TOTAL ASSETS</b>		<u><b>51915.07</b></u>	<u><b>42387.19</b></u>
<b>II. EQUITY and LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	10	1034.67	1034.67
(b) Other Equity	11	33926.29	26291.44
Total equity		<u><b>34960.96</b></u>	<u><b>27326.11</b></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	5761.06	4779.07
(b) Deferred tax liabilities (Net)		134.49	129.29
Total non-current liabilities		<u><b>5895.55</b></u>	<u><b>4908.36</b></u>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	3820.70	2018.40
(ii) Trade payables	14		
Total outstanding dues of micro enterprises and small enterprises		64.02	22.51
Total outstanding dues of creditors other than micro enterprises and small enterprises		1412.00	2244.60
(b) Other current liabilities	15	1185.61	2268.58
(c) Short-term provisions	16	4576.23	3598.63
Total current liabilities		<u><b>11058.56</b></u>	<u><b>10152.72</b></u>
<b>Total Equity and Liabilities</b>		<u><b>51915.07</b></u>	<u><b>42387.19</b></u>

The accompanying accounting policies and notes on accounts form an integral part of the financial statement

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 : 31.05.2021

sd/-  
VIJAY KUMAR SETIA  
CHAIRMAN CUM MANAGING DIRECTOR  
DIN : 01125966

sd/-  
KANIKA NEVTIA  
COMPANY SECRETARY  
MEMBERSHIP NO. : A29680

For and on behalf of the Board of Directors

sd/-  
RAJEEV SETIA  
JOINT MANAGING DIRECTOR & CFO  
DIN : 01125921

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in Rs. Lakhs unless otherwise stated)

Particulars	Refer Note No.	AS AT 31 MARCH 2021	AS AT 31 MARCH 2020
I. Revenue from operations	17	85149.42	79769.34
II. Other income	18	330.68	267.02
<b>III. Total Revenue</b>		<b>85480.10</b>	<b>80036.36</b>
IV. Expenses:			
Cost of materials consumed	19	9410.08	10015.69
Purchases of Stock-in-Trade		51670.95	53460.47
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20	-2278.52	-4126.50
Employee benefits expense	21	1106.70	1128.24
Finance costs	22	646.00	670.56
Depreciation and amortization expense	23	509.19	487.15
Other expenses	24	13449.86	11388.30
Total expenses		74514.26	73023.91
<b>V. Profit before exceptional and extraordinary items and tax</b>		<b>10965.84</b>	<b>7012.45</b>
VI. Exceptional items			
<b>VII. Profit before extraordinary items and tax</b>		<b>10965.84</b>	<b>7012.45</b>
VIII. Extraordinary Items			
<b>IX. Profit before tax</b>		<b>10965.84</b>	<b>7012.45</b>
X. Tax expense:			
(1) Current tax		2760.04	1756.7
(2) Deferred tax		5.2	8.3
<b>XI Profit for the period from continuing operations</b>		<b>8200.60</b>	<b>5247.45</b>
XII Profit from discontinuing operations			
XIII Tax expense of discontinuing operations			
<b>XIV Profit from Discontinuing operations (after tax)</b>			
XV Profit for the period		8200.60	5247.45
XVI Other comprehensive income		0.00	0.00
<b>XVII Total comprehensive income</b>		<b>8200.60</b>	<b>5247.45</b>
XVIII Earnings per equity share:			
(1) Basic (Rs.)		15.86	10.15
(2) Diluted (Rs.)		15.86	10.15

The accompanying accounting policies and notes on accounts form an integral part of the financial statement

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/-  
VIJAY KUMAR SETIA  
CHAIRMAN CUM MANAGING DIRECTOR  
DIN : 01125966

sd/-  
RAJEEV SETIA  
JOINT MANAGING DIRECTOR & CFO  
DIN : 01125921

PLACE : AMRITSAR  
DATE : 31.05.2021

sd/-  
KANJIKA NEVTIA  
COMPANY SECRETARY  
MEMBERSHIP NO. : A29680

## Statement of Changes In Equity

(Amount in Rs. Lakhs)

<b>A</b>	Equity share capital	
	Balance at 1 April 2019	1034.67
	Changes in equity share capital	0
	<b>Balance as at 31 March 2020</b>	<b>1034.67</b>
	Changes in equity share capital	0
	<b>Balance as at 31 March 2021</b>	<b>1034.67</b>

<b>B Other equity</b>	<b>Securities premium Reserve</b>	<b>Shares Forfeited Account</b>	<b>General reserve</b>	<b>Retained Earnings</b>	<b>Other comprehensive income</b>	<b>Total</b>
<b>Balances as on 1 April 2019</b>	<b>1031.83</b>	<b>7.33</b>	<b>2497.03</b>	<b>17985.64</b>	<b>0</b>	<b>21521.84</b>
(+)Profit for the year				5247.45	0	
					0	
(-)Prior period tax/dividend adjustments				299.37	0	
(+)(-)Transfer To general reserve			524.74	524.74	0	
<b>(+)Prior period tax/dividend adjustments</b>				<b>178.47</b>		
<b>Balance as at 31 March 2020</b>	<b>1031.83</b>	<b>7.33</b>	<b>3021.77</b>	<b>22230.51</b>	<b>0</b>	<b>26291.44</b>
(+)Profit for the year				8200.60	0	
(-)Dividends includind DDT				258.67	0	
(+)(-)Transfer To general reserve			820.06	820.06	0	
(+)Prior period tax/dividend adjustments				307.09	0	
<b>Balance as at 31 March 2021</b>	<b>1031.83</b>	<b>7.33</b>	<b>3841.83</b>	<b>29045.29</b>	<b>0</b>	<b>33926.29</b>

For and on behalf of the Board of Directors

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

sd/-  
VIJAY KUMAR SETIA  
CHAIRMAN CUM MANAGING DIRECTOR  
DIN : 01125966

sd/-  
RAJEEV SETIA  
JOINT MANAGING DIRECTOR & CFO  
DIN : 01125921

PLACE : AMRITSAR  
DATE : 31.05.2021

sd/-  
KANIKA NEVTIA  
COMPANY SECRETARY  
MEMBERSHIP NO. : A29680

## CASH FLOW STATEMENT FOR YEAR ENDING 31.03.2021

(Amount in Rs. Lakhs)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	10965.84	7012.45
ADJUSTMENT FOR:-		
DEPRECIATION/AMORTISATION	509.18	487.15
DEFERRED TAX LIABILITY	5.20	8.30
INTEREST RECEIVED/DIVIDEND	329.16	213.89
BAD DEBTS	1.94	1.59
FINANCE COST	646.00	670.56
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>11799.00</b>	<b>7966.16</b>
ADJUSTMENT FOR:		
INCREASE/DECREASE IN TRADE RECEIVABLES	1769.11	1253.49
INCREASE /DECREASE IN INVENTORIES	2021.20	3100.43
INCREASE/DECREASE IN OTHER CURRENT ASSETS	64.35	580.11
INCREASE/DECREASE IN TRADE PAYABLES/OTHERS	872.53	1800.34
<b>CASH GENERATED FORM OPERATION</b>	<b>7071.81</b>	<b>7339.45</b>
DIVIDEND /ADJUSTED/OTHERS	570.95	477.83
DIRECT TAXES PAID	2760.04	1765.00
BAD DEBTS	1.94	1.59
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>3738.88</b>	<b>5095.03</b>
<b>NET CASH FROM OPERATING ACTIVITIES:</b>	<b>3738.88</b>	<b>5095.03</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE OF FIXED ASSETS ( NET )	1109.57	2069.85
SALE OF FIXED ASSETS	0.00	0.00
INCREASE/DECREASE IN LONG TERM ADVANCES	0.42	0.29
INCREASE IN OTHER NON CURRENT ASSETS	0.00	0.00
INTEREST RECEIVED/DIVIDEND	329.16	213.89
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-780.83</b>	<b>-1855.67</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
FINANCE COST	646.00	670.56
PROCEEDS/ REPAYMENT FROM BORROWINGS	2784.28	3825.82
INCREASE/DECREASE IN CURRENT INVESTMENTS	34.23	1224.51
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>2172.51</b>	<b>-3271.87</b>
		0.00
NET INCREASE IN CASH AND CASH EQUIVALENTS	5130.56	-32.51
CASH AND CASH EQUIVALENTS	15.74	48.25
(OPENING BALANCE)		
CASH AND CASH EQUIVALENTS	<b>5146.30</b>	<b>15.74</b>
(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/-  
VIJAY KUMAR SETIA  
CHAIRMAN CUM MANAGING DIRECTOR  
DIN : 01125966

sd/-  
RAJEEV SETIA  
JOINT MANAGING DIRECTOR & CFO  
DIN : 01125921

PLACE : AMRITSAR  
DATE : 31.05.2021

sd/-  
KANIKA NEVTIA  
COMPANY SECRETARY  
MEMBERSHIP NO. : A29680

### 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, 2021 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 : 31.05.2021

**SCHEDULE OF DEPRECIATION AS ON 31ST MARCH, 2021**

**NOTE-1**

(Amount in Rs. Lakhs)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	BALANCE AS AT 01/04/2020	ADDITIONS	DISPOSAL	BALANCE AS AT 31/03/2021	BALANCE AS AT 01/04/2020	FOR THE YEAR	DISPOSAL DURING THE YEAR	BALANCE AT 31/03/2021	AS AT 31/03/2021
LAND	1135.37	73.26		1208.63				1208.63	1135.37
BUILDING:	1877.77	1137.16		3014.93	767.77	91.75		859.52	2155.41
FURNITURE & FIXTURES	39.80	2.51		42.31	30.19	3.05		33.24	9.07
OFFICE EQUIP- MENTS	178.32	4.38		182.70	143.47	4.89		148.36	34.34
PLANT & MA- CHINERY:	3228.86	260.36	78.70	3410.52	2112.78	273.37	57.85	2328.30	1082.22
VEHICLES:	777.27	95.54		872.81	505.63	117.31		622.94	249.87
OTHERS	176.60	37.78	0.84	213.54	173.39	18.82		192.21	21.33
TOTAL	7413.99	1610.99	79.54	8945.44	3733.23	509.19	57.85	4184.57	4760.87
CAPITAL WORK IN PROGRESS	1003.79	934.27	1414.85	523.21	0.00	0.00	0.00	0.00	523.21
									1003.79

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**Note no. : 2**

(Amount in Rs. Lakhs)

Other non current assets	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Securities	31.24	30.83
<b>Total</b>	<b>31.24</b>	<b>30.83</b>

**Note no. : 3 Non-Inventories**

Non-Inventories	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
a. Raw Materials and components	3520.40	3916.03
b. Finished goods	18701.80	16423.28
c. Packing Material	1107.33	969.02
<b>Total</b>	<b>23329.53</b>	<b>21308.33</b>

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

**Note no. : 4 Current Investments**

Current Investments	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(a) Trade investments (at cost)</b>		
PNB Gilts Ltd.	8.86	8.86
Mutual Funds	32.00	66.23
PNB Equity Shares (Fully Paid quoted)	2.04	2.04
<b>Total</b>	<b>42.90</b>	<b>77.13</b>

**Note no. : 5 Trade Receivables**

Trade Receivables	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	11199.15	9793.99
Unsecured, considered doubtful	6.69	
Sub -Total	11205.84	9793.99
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	641.30	284.04
Unsecured, considered doubtful		
Sub -Total	641.30	284.04
<b>Total</b>	<b>11847.14</b>	<b>10078.03</b>



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

<b>Cash and cash equivalents</b>	<b>As at 31<sup>st</sup> March 2021</b>	<b>As at 31<sup>st</sup> March 2020</b>
a. Cash on hand	8.05	15.74
b. Fixed Deposit	5138.25	-
<b>Total</b>	<b>5146.30</b>	<b>15.74</b>

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

<b>Other Bank Balances</b>	<b>As at 31<sup>st</sup> March 2021</b>	<b>As at 31<sup>st</sup> March 2020</b>
a. Balances with banks*	1174.85	1528.38
Earmarked Balances (eg/- unpaid dividend accounts)	30.08	32.08
<b>Total</b>	<b>1174.85</b>	<b>1528.38</b>

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

<b>Short-term loans and advances</b>	<b>As at 31<sup>st</sup> March 2021</b>	<b>As at 31<sup>st</sup> March 2020</b>
<b>a. Others (Staff Members)</b>		
Secured, considered good		
Unsecured, considered good to staff	25.59	26.65
b. Advances other than staff	196.30	325.33
<b>Total</b>	<b>221.89</b>	<b>351.98</b>

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

<b>Other current Assets</b>	<b>As at 31<sup>st</sup> March 2021</b>	<b>As at 31<sup>st</sup> March 2020</b>
<b>Expenses</b>		
Prepaid and Unexpired	38.12	23.31
Advance Tax/TDS	3993.44	3756.07
Gst/ Vat /Service Tax	786.71	515.96
Advance against pending appeal	9.65	9.65
Other Current Assets	1.13	0
<b>Total</b>	<b>4829.05</b>	<b>4304.99</b>

**NOTE : 10 Share Capital**

(Amount in Rs. Lakhs)

Share Capital	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorized, Issued &amp; Paid up capital</b>				
<b>Authorised Capital</b>				
Equity Shares of 2/- each	60,000,000	120,000,000	60,000,000	120,000,000
<b>Issued Capital</b>				
Equity Shares of 2/- each	52194550	1043.89	52194550	1043.89
<b>Subscribed &amp; Paid up</b>				
Equity Shares of 2/- each	51733550	1034.67	51733550	1034.67

1. The Company has only one class of share referred to as equity shares having a par value Rs.2 / .Each holder of equity shares is entitled to one vote per share.
2. The Company declares and pays dividend in Indian rupees.Board of Directors recommended Dividend on 31.05.2021 for the F.Y ended 31.03.2021@28% i.e is 0.56/- per share subject to approval of shareholders in ensuing Annual General Meeting.
3. In the event of liquidation of the Company,the holder of equity shares will be entitled to receive any of the remaining assets of the company,after distribution of all preferential amounts.The distribution will be in proportion to number of equity shares held by the shareholders
4. No Share was reserved for issue under options and contracts.
5. No shares was bought back .
6. The shares of Directors/officers are fully paid up.

**Share Capital**

(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	<b>51733550</b>	<b>1034.67</b>	-	-

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

Name of Shareholder	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	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**

<b>Other equity</b>	<b>As at 31<sup>st</sup> March 2021</b>	<b>As at 31<sup>st</sup> March 2020</b>
<b>a. Securities Premium Account</b>	1031.83	1031.83
<b>b. Shares Forfeited account</b>	7.33	7.33
<b>c. General Reserves</b>		
Opening Balance	3021.77	2497.03
(+) Current Year Transfer	820.06	524.74
Closing Balance	3841.83	3021.77
<b>d. Surplus</b>		
Opening balance	22230.51	17985.64
(+) Net Profit/(Net Loss) For the current year	8200.60	5247.45
(-)(+) Prior Period Tax/Dividend Adjustments	307.09	178.47
(-) Transfer to General Reserves	820.06	524.74
(-) Dividend Including Dividend Tax	258.66	299.37
Closing Balance	29045.30	22230.51
<b>Total</b>	<b>33926.29</b>	<b>26291.44</b>

**Note no. : 12 Borrowings**

<b>Borrowings</b>	<b>As at 31<sup>st</sup> March 2021</b>	<b>As at 31<sup>st</sup> March 2020</b>
<b><u>Secured</u></b>		
(a) Vehicle Loan	113.01	101.16
<b><u>Unsecured</u></b>		
(a) Directors' Deposits	5648.05	4677.91
<b>Total</b>	<b>5761.06</b>	<b>4779.07</b>

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

**Note no. : 13 Borrowings**

<b>Short Term Borrowings</b>	<b>As at 31<sup>st</sup> March 2021</b>	<b>As at 31<sup>st</sup> March 2020</b>
<b><u>Secured</u></b>		
(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.	3820.70	2018.40
<b>Total</b>	<b>3820.70</b>	<b>2018.40</b>

**Note no. : 14 Trade Payables**

<b>Trade Payables</b>	<b>As at 31<sup>st</sup> March 2021</b>	<b>As at 31<sup>st</sup> March 2020</b>
Total outstanding dues of micro enterprised and small enterprises	64.02	22.51
Total outstanding dues of creditors other than micro enterprises and small enterprises	1412.00	2244.60
<b>Total</b>	<b>1476.02</b>	<b>2267.11</b>

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

<b>Other Current Liabilities</b>	<b>As at 31<sup>st</sup> March 2021</b>	<b>As at 31<sup>st</sup> March 2020</b>
(a) TDS Payables	432.47	393.41
(b) Income received in advance	4.26	4.36
(c) Unpaid Dividends	37.01	39.00
(d) Other Payables	711.87	1831.81
<b>Total</b>	<b>1185.61</b>	<b>2268.58</b>

**Note no. : 16 Provisions**

<b>Provisions</b>	<b>As at 31<sup>st</sup> March 2021</b>	<b>As at 31<sup>st</sup> March 2020</b>
(a) Provision for employee benefits		
Salary & Reimbursements	59.49	21.73
(b) Provision for tax	4516.74	3576.9
<b>Total</b>	<b>4576.23</b>	<b>3598.63</b>

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

<b>Revenue from Operation</b>		
<b>P&amp;L (I)</b>		
<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2021</b>	<b>As at 31<sup>st</sup> March 2020</b>
Sale of products	84572.84	78043.51
Other operating revenues	576.58	1725.83
<b>Total</b>	<b>85149.42</b>	<b>79769.34</b>

**Note no. : 18 Other income**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2021</b>	<b>As at 31<sup>st</sup> March 2020</b>
Interest Income (in case of a company other than a finance company)	300.99	78.34
Misc Income	0.32	36.69
Rental Income	1.20	0.6
Profit On Sale Of Fixed Assets/Mutual Funds	0.00	15.84
Dividend/Interest	1.29	135.55
Interest on Income Tax Refund (A.Y 2019-20)	26.88	0
<b>Total</b>	<b>330.68</b>	<b>267.02</b>

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

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2021</b>	<b>As at 31<sup>st</sup> March 2020</b>
Cost of Raw material consumed		
Indigenous	9410.08	10015.69
<b>Total</b>	<b>9410.08</b>	<b>10015.69</b>

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

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2021</b>	<b>As at 31<sup>st</sup> March 2020</b>
Paddy	9410.08	10015.69
<b>Total</b>	<b>9410.08</b>	<b>10015.69</b>

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

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2021</b>	<b>As at 31<sup>st</sup> March 2020</b>
<b>Inventories (at close)</b>		
Finished Goods/Stock in trade	18701.80	16423.28
<b>Inventories(at commencement)</b>		
Finished Goods/Stock in trade	16423.28	12296.78
<b>Total</b>	<b>-2278.52</b>	<b>-4126.50</b>

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

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Employee benefits consist of;		
Salaries , Wages and Allowances	759.15	684.75
Commission To Directors	300.00	400
Contribution to:		
Gratuity fund/Provident Fund/Labour Fund	36.15	36.93
Staff welfare expenses/Training and Medical exp	11.40	6.56
<b>Total</b>	<b>1106.70</b>	<b>1128.24</b>

**Note no. : 22 Finance Cost**

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Bank charges	89.61	97.81
Interest	556.39	572.75
<b>Total</b>	<b>646.00</b>	<b>670.56</b>

**Note-**Interest Includes Director's Interest

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

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Depreciation	509.19	487.15
<b>Total</b>	<b>509.19</b>	<b>487.15</b>

## Other Expenses

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

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>These Includes the following</b>		
Rent,Rate & Taxes	18.93	3.22
Postage,Telegram & Courier Charges	26.07	44.41
Printing, Stationery & Compter exp	7.76	10.76
Insurance Charges	242.65	216.65
Vehicle Running & Maintenance	29.23	32.54
Membership Fees & Subscription	4.33	1.58
Professional & Consultancy	52.14	68.68
Payment to Auditor	3.50	3.3
Travelling,Lodging,Boarding	44.49	131.49
Donation	0.34	0.76
CSR exp	77.65	72.57
General Exp	61.04	66.58
<b>Total</b>	<b>568.14</b>	<b>652.54</b>

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

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>These Includes the following</b>		
Payment to Auditors includes:		
Statutory Audit Fees	1.5	1
Tax audit fees	0.5	0.5
Taxation Matters	1	1
GST Audit & Other Matters	0.5	0.8
<b>Total</b>	<b>3.5</b>	<b>3.3</b>

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

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2021</b>	<b>As at 31<sup>st</sup> March 2020</b>
Export Commission	521.96	785.42
E.C.G.C Expenses	76.93	111.05
Advertisement & business promotion exp	52.04	55.05
Direct Export Expenses	6889.99	4932.54
Brokerage	37.80	55.85
BAD Debts	1.94	1.59
LOSS IN TRANSIT		31.42
<b>Total</b>	<b>7580.66</b>	<b>5972.92</b>

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

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2021</b>	<b>As at 31<sup>st</sup> March 2020</b>
Power & Fuel	382.76	362.71
Machinery Repair & Maintenance	216.14	175.48
Sheller Lease/Godown Lease EXPENSES	237.27	213.49
Bardana Repair	26.46	19.88
Packing Expenses	706.92	593.40
Stacking, Weighing Loading etc	188.94	155.45
Packing Material/Empty Cost	3188.02	2981.78
Sample Testing	107.33	87.66
Fumigation	136.18	94.31
Other Repair	81.61	54.35
security exp	29.43	24.33
<b>Total</b>	<b>5301.06</b>	<b>4762.84</b>
<b>Grand Total of Other Expenses</b>	<b>13449.86</b>	<b>11388.30</b>



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2021

### 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 be useful to the users of financial statements in making economic decisions.

The financial statements for the year ended 31st March 2021 (including comparatives) are duly approved by the Board on 31.05.2021 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.

### 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 Summary of Significant Accounting Policies :

#### 4.1 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.

Export sales are recognized at exchange rate prevalent on the date of shipping bills.

Domestic sales are recognized net of discounts, Scheme on Sales, Sale Returns and GST.

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

Revenue in respect of Interest is measured as per effective interest method provided in IND-AS 109.

#### **4.2 Dividend to equity shareholders**

Dividend to equity shareholders is recognized as a liability and deducted from total 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.

#### **4.3 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

#### **4.4 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..

#### **4.5 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

#### **4.6 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.

#### **4.7 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.

#### **4.8 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.

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

- a) 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 non refundable 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.

##### **d) 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.

#### **4.10 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.

#### **4.11 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.

#### **4.12 Inventories**

##### **a) 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.

##### **b) 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. Cost is calculated on FIFO basis in case of raw material and Weighted average in case of finish goods. Discount and GST does not form part of cost in case of inventory.

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.

#### **4.13 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.

#### **4.14 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.

#### **4.15 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.

#### **4.16 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.

#### **4.17 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.

#### **4.18 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.

There is no quality assets covered under as AS-16 of Borrowing Cost, hence no Interest has been capitalized. The Block of Capital work In progress Consist of Different Separable fixed assets put Together under one head for purpose of Accounting.

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.

#### **4.19 Corporate Social Responsibility :-**

CSR 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.

#### **4.20 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. Stores, Spares and Labour in respect of internally carried out repair and maintenance of Plant and Machinery and

Building have not been charged separately but have been directly charged to stores and spares consumed and wages account.

5. Confirmation of some of the accounts at year-end included under heads 'Sundry Debtors', Sundry Creditors' and Loans and Advances have yet to be received as at the date of the Auditors Report.
6. Payment against supplies from small scale and ancillary undertakings are generally made in accordance with agreed credit terms and to the extent ascertained from available information, there was no amount overdue in this regard.
7. Contingent liabilities as at 31.3.2021
7. 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.
- (e) During the year 2019-20 same amount of appeal was due under contingent liability.
8. Prior period items if any include Expenses/Income related to previous year not provided for are separately classified as prior period expenditure/income during the current year in accounts.
9. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of the current assets', loan & advances, deposits in the ordinary course of business will not be less than the value stated in Balance Sheet.
10. 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 have to the unpaid dividend account to the Investor Education and Protection Fund (IEPF) established by the Central Government.
11. The status of dividend remaining unclaimed as on 31.03.2021 is given here under:

YEAR	(Rupees in Lacs)
2013-2014	4.49
2014-2015	2.23
2015-2016	2.45
2016-2017	4.29
2017-2018	1.86
2018-2019	2.16
2019-2020	2.36

**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 2013-14 and thereafter immediately. The Company had, accordingly, transferred Rs. 238558/- 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.

## 12. 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:

	2020-21(Rs.)	2019-20 (Rs.)
Contribution to Provident Fund	2241706	2197421
Contribution to Pension Scheme, Insurance scheme & ESI	1130811	926306

### 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 2020-21 Rs. 583097 has been paid to LIC towards groups gratuity scheme of employees, however last year 2019-2020 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. (For year ended 31.03.2020)	Amount outstanding as on 31.03.2020 (In Rs.)	Amount in Rs. (For year ended 31.03.2021)	Amount outstanding as on 31.03.2021)
Sh. Chaman Lal Setia	Managing Director & Chairman** (upto 28.08.2020)	Remuneration Interest	14952722 11416345	144580564 CR	2442907 13287647	156014783 CR
Sh. Vijay Kumar Setia	Chairman & Managing Director *** (w.e.f 28.08.2020)	Remuneration Interest	14925794 7356436	92641236 CR	14924707 9978366	137605260 CR
Sh. Rajeev Setia	Joint Managing & CFO**** (w.e.f 28.08.2020)	Remuneration Interest	15588700 11029769	141612587 CR	15778394 14484509	200636884 CR
Shri Sukarn Setia	Executive Director	Remuneration Interest	1135770 1210039	1132463 CR	1360167 1349593	10258658 DR
Shri Sankesh Setia	Executive Director	Remuneration Interest	7696540 2039942	20120990 CR	8232194 730396	1447298 CR
Shri Ankit Setia	Executive Director	Remuneration Interest	7439200 5699585	67703083 CR	7439200 6775334	79360369 CR
Smt. Isha Setia	Director's Wife	Remuneration	600000	NIL	600000	NIL
Smt. Richa Setia	Director's Wife	Remuneration	360000	NIL	480000	NIL
Setia Rice Mills	Sister Concern	Lease Rent	300000	2816142 DR	300000	2832434 DR
S.A Exports	Sister Concern	Rice Sale/Job/ Work/Rent	N.A	NIL	1499040	94539 DR
Avn Group	Sister Concern	Lease/ Rent/ Others	20168498	182897 CR	21503982	8968 CR
Star Exports	Sister Concern	Sale/Purchase of Rice	13643238	9130538 CR	32446604	5964721 CR
Select Exports	Sister Concern	Sale/Purchase of Rice	2955500	4829527 CR	1148650	6379177 CR

\*\* 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, and same has been approved by shareholder in 26th 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 in the year 2021 is Rs. 46605845/- and in the year 2020 was Rs. 38752116/-

- (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 2019-2020 = Rs. 10.15

EPS 2020-2021 = Rs. 15.86

- (iv) Ind-AS-12 Deferred Taxes

In accordance with the Ind-AS-12 the deferred tax has been accounted for during the year ended 31.03.2021. 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.520000/- (P.Y 830000) and current outstanding as at 31.03.2021 is Rs. 13449595 /- (P.Y 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.

13. The provisions of the Industries (Development and Regulation) Act, 1951, relating to licensed capacity are not applicable to the Company. The installed capacities in metric tones per hour are as under:

Karnal 12 MT Rice per hour.

The installed capacity is as certified by the management and relied upon by the Auditors, being a technical matter

14. Stores & Spares are charged to Profit & Loss at time of Purchase and no inventory in respect of these is being maintained.
15. The payment due to SSI unit cannot be confirmed in the absence of information regarding the status of concerned creditors.
16. Disclosure as per the requirement of Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006:



Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	64.02	22.51
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year		
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006		
The amount of interest accrued and remaining unpaid at the end of each accounting year		
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.		
<b>Total</b>	<b>64.02</b>	<b>22.51</b>

- 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 been made given.

17. Additional Information Pursuant to point no. 5 of part-II of Schedule-III to the Companies Act 2013:

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

	31.03.2021	31.03.2020
Licensed Capacity (per hour)	12 MT	12 MT
Installed Capacity (per hour)	12 MT	12 MT
Actual Production (In Qtls)	291236	239091

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

Opening Stock as at		Closing Stock as at	
01.04.2019	01.04.2020	31.03.2020	31.03.2021
212506	333887	333887	439158

**(C) Expenditure in Foreign Exchange**

Particulars	For the year ended March 31 <sup>st</sup> , 2021	For the year ended March 31 <sup>st</sup> , 2020
Value of Import of Capital Goods	30910376	4446790
Export Commission	52196159	78542199
Travelling Expenses	2730923	10850054
Ocean Freight	307666168	158977631

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

Particulars	For the year ended March 31 <sup>st</sup> , 2021	For the year ended March 31 <sup>st</sup> , 2020
Value of Goods Exported	7357142854	6844119336

**(E) Raw Material Consumed:**

31.03.2021	31.03.2021	31.03.2020	31.03.2020
Quantity	Value	Quantity	Value
453763	941008999	363813	1001569477

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

The Board of Directors has recommended Equity Dividend of 28% i.e. Rs. 0.56 per share (Previous year 25% i.e. Rs. 0.50 per share) for the financial year 2020-2021..

- 19.** 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. 610206980.86. Company has to spent Rs. 12204139.617 i.e. 2% on average net profit of Company. However during the year 2020-2021 Company has spent Rs.7765139.62.
- 20.** 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 15500 equity Shares which belongs to total 14 shareholders of the Company whose dividend was not been paid or claimed seven consecutive years or more into the Demat Account of the IEPF Authority held with NSDL (DPID/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.
- 21.** The Company has not taken/given any assests on lease.
- 22.** The Company has received listing approval from National Stock Exchange Limited on 10.05.2021 and trading in shares of Company on NSE has been commenced w.e.f 12.05.2021 under symbol CLSEL and Series EQ.
- 23.** Previous years figures have been regrouped & rearranged where ever considered necessary

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/-  
VIJAY KUMAR SETIA  
CHAIRMAN CUM MANAGING DIRECTOR  
DIN : 01125966

sd/-  
RAJEEV SETIA  
JOINT MANAGING DIRECTOR & CFO  
DIN : 01125921

PLACE : AMRITSAR  
DATE : 31.05.2021

sd/-  
KANIKA NEVTIA  
COMPANY SECRETARY  
MEMBERSHIP NO. : A29680

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# OUR PLANT IN KARNAL



Rice Millers • Processors • Exporters



**Maharani**<sup>®</sup>  
Rice



## Chaman Lal Setia Exports Ltd.

(A Govt. Recognised Star Exports House)

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

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

Processing Unit : Gandhidham, Gujrat

CIN : L51909PB1994PLC015083

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