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CREMICA AGRO FOODS LTD.

**Date: 07<sup>th</sup> September 2020**

To,  
**Metropolitan Stock Exchange of India Limited  
The Listing Department,  
4th Floor, Vibgyor Tower  
Opposite Trident Hotel,  
Bandra-Kurla Complex,  
Mumbai, India – 400 098**

**Trading Symbol: CREMICA**

**Series: EQ**

**ISIN: INE050S01019**

**Dear Sir/Madam,**

**Subject: Submission of Annual Report for the Financial Year 2019-20 including Notice convening the 31<sup>st</sup> Annual General Meeting of Cremica Agro Foods Limited**

Dear Sir/Ma'am,

In Compliance to Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith a copy of the Annual Report for the Financial Year 2019-20, including the Notice convening the 31st Annual General Meeting of the Company scheduled to be held on Wednesday, 30th September, 2020 at 11:00 A.M. by Video Conferencing (VC)/Other Audio Visual Means (OAVM)

The Deemed venue of the Annual General Meeting shall be registered office of the Company situated at 455, Sohan Palace, 2nd Floor, The Mall, Ludhiana 141001 Punjab.

You are requested to take the information on your records.

**Thanking You,**

Yours faithfully

For **Cremica Agro Foods Limited**

**SURENDAR KUMAR SOOD**

**(Director)**

**DIN: 01091404**

**Address: 455, Sohan Palace, 2nd Floor,  
The Mall Ludhiana - 141001 Punjab**

Corporate Identity Number (CIN) : L15146PB1989PLC009676

Regd. Office: 455, Sohan Palace, 2nd Floor, The Mall, Ludhiana - 141 001, Punjab (India)

Corporate Office: Theing Road, Phillaur-144410, Distt. Jalandhar (Pb.) INDIA, Phone: 01826-222826,

Email: manager.cafl@gmail.com Website: www.cafl.co.in



**31<sup>ST</sup> ANNUAL REPORT FOR THE  
FINANCIAL YEAR 2019-2020**

**CREMICA AGRO FOODS LIMITED**  
(CIN: L15146PB1989PLC009676)  
Regd. Office: 455, SOHAN PALACE, 2<sup>ND</sup>  
FLOOR, THE MALL, LUDHIANA-141001, PUNJAB

## INDEX

<b>PARTICULARS</b>	<b>PAGE NO</b>
Corporate Information	3
Notice of Agm (along with Notes)	4
Explanatory statement to Notice	15
Directors Report	22
Particulars of energy conservation, technology absorption and foreign exchange earnings and outgo	37
Company's policy on directors' appointment and remuneration	39
Secretarial Audit Report	41
DETAILS PERTAINING TO REMUNERATION	45
AOC-2	47
MGT-9	51
Management Discussion and Analysis Report	65
Corporate Governance Report	68
Independent Auditors Report along with its Annexures	69
Balance Sheet as at 31 <sup>st</sup> March 2020 along with its Annexures	80

## COMPANY INFORMATION

<b>CIN:</b>	L15146PB1989PLC009676
<b>BOARD OF DIRECTORS</b> Sh. Surendar Kumar Sood Smt. Samridhi Seth Sh. Atul Verma Sh. Ajay Bector* Sh. Shantilal Sukalal Chaudhari	Chairman & Independent Director Independent Director Independent Director Whole Time Director Whole Time Director & CEO
<b>CHIEF FINANCIAL OFFICER</b> Sh. Rishi Kumar Bector	<b>COMPANY SECRETARY</b> Ms. Nageeta Chander
<b>SHARE TRANSFER AGENTS</b>	M/s Link Intime India Private Limited Noble Heights, 1st Floor, NH-2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi-110058
<b>STATUTORY AUDITORS</b>	M/s Anush Kaileshwar & Co., Ludhiana
<b>SECRETARIAL AUDITORS</b>	M/s GA & Associates Company Secretaries LLP
<b>REGISTERED OFFICE</b>	455, Sohan Palace, 2 <sup>nd</sup> Floor, The Mall, Ludhiana-141001, Punjab
<b>CORPORATE OFFICE</b>	Theing Road Phillaur-144410 Jalandhar 144410
<b>STOCK EXCHANGE</b>	Metropolitan Stock Exchange of India Limited
<b>WEBSITE OF THE COMPANY</b>	<a href="http://www.cafil.co.in">www.cafil.co.in</a>

Sh. Ajay Bector has been vacated from the position of Director (Whole Time Director) of the Company w.e.f. 31<sup>st</sup> August 2020

## NOTICE OF 31<sup>ST</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the **31<sup>st</sup> Annual General Meeting (AGM)** of the members of M/s Cremica Agro Foods Limited will be held on Wednesday, the 30<sup>th</sup> day of September, 2020 at 11:00 A.M through Video Conferencing/ Other Audio Visual Means (“VC”/“OAVM”) to transact the following matter(s):

The venue of the Meeting shall be deemed to be the Registered Office of the Company at 455, Sohan Palace, 2<sup>nd</sup> Floor, The Mall, Ludhiana-141001, Punjab.

### **ORDINARY BUSINESS**

To Consider and if thought fit to pass with or without modification(s) following resolution as an Ordinary Resolution:

1. To receive, consider and adopt audited annual financial statements (Standalone) of the Company for the financial year ended on 31<sup>st</sup> March, 2020 including the Audited Balance Sheet as at 31<sup>st</sup> March, 2020, the statement of Profit & Loss for the financial year ended on that date along with the Notes to Accounts and Cash Flow Statement appended thereto and Reports of the Auditors and Directors Report thereon.
2. To appoint a Director in place of Sh. Shantilal Sukalal Chaudhari (DIN: 02315224), Director who retires by rotation in accordance with the Articles of Association of the Company and being eligible, offers himself for re-appointment

### **SPECIAL BUSINESS**

1. Re-appointment of Mr. Atul Verma (DIN: 01518019) as an Independent Director of the Company.

To Consider and if thought fit to pass with or without modification(s) following resolution as Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149(10), 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b), 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), and based on the recommendation of the Nomination and Remuneration Committee and the Board of

Directors, Mr. Atul Verma (DIN:01518019) (aged 36 years) (Non-Executive) Independent Director of the Company who has submitted a declaration that he meets the criteria for independence and who is eligible for reappointment and in respect of whom Notice has been received from a Member under Section 160 of the Act proposing his re-appointment as Director, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office with effect from 03<sup>rd</sup> March 2020 for a another period of five consecutive years, who shall not be liable to retire by rotation and whose remuneration shall be mutually agreed between the Board of Directors of the Company and Mr. Atul Verma.”

2. Re-appointment of Mr. Surendar Kumar Sood (DIN:01091404) as an Independent Director of the Company.

To Consider and if thought fit to pass with or without modification(s) following resolution as Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149(10), 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b),17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors Mr. Surendar Kumar Sood (DIN:01091404) (Non-Executive) Independent Director (aged 81 years) of the Company who has submitted a declaration that he meets the criteria for independence and who is eligible for reappointment and in respect of whom Notice has been received from a Member under Section 160 of the Act proposing his re-appointment as Director, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office with effect from 03<sup>rd</sup> March 2020 for a another period of five consecutive years, who shall not be liable to retire by rotation and whose remuneration shall be mutually agreed between the Board of Directors of the Company and Mr. Surendar Kumar Sood.”

3. To increase the borrowing limit under Section 180(1)(c) of the Companies, Act, 2013

To consider, and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the approval of the board, the provisions of Section

180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, the consent of the shareholders of the Company be and is hereby accorded to borrow money, as and when required, from, including without limitation, any Bank and/or other Financial Institution and/or foreign lender and/or any body corporate/ entity/entities and/or authority/authorities, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding a sum of Rs. 100 crores (Rupees One Hundred Crores only) for the Company, notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

4. To take approval to sell or dispose of undertakings under Section 180(1)(a) of the Companies, Act, 2013

To consider, and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the approval of the board, the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, consent of the shareholders of the company be and is hereby accorded, to sell, dispose of, pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking [as defined under Explanation of section 180(1)(a) of the Companies Act, 2013] of the Company, to the purchaser/third party, on such terms and conditions and with such modifications as the Board may deem fit and appropriate in the interest of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

5. To approve the limits for the Loans and Investment by the Company in terms of the provisions of Section 186 of the Companies Act, 2013

To consider, and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the approval of the board, the provisions of Section 186 of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force), if any, the approval of the members of the Company be and is hereby accorded to (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any body corporate or person and (c) acquire by way of subscription, purchase or otherwise, securities of any body corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding Rs. 100 Crores (Rupees One Hundred Crores Only) notwithstanding that such investments, outstanding loans given or to be given and guarantees and securities provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** in case of divestment of the investment, the Directors of the Company be and are hereby authorized to sign the necessary applications, papers, forms, documents etc. for effective implementation of decision of divestment taken by the Company from time to time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, Board of Directors of the Company and/or any person authorized by the Board from time to time be and is hereby empowered and authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters



arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

6. Approval For Contribution under the provisions of Section 181 of the Companies Act, 2013.

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

“**RESOLVED THAT** pursuant to the provisions of Section 181 of the Companies Act, 2013, and all other applicable provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), if any, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors for making a contribution under the provisions of the Section 181 of the Companies Act, 2013 up to a sum of Rs. 100,00,00,000/- (Rupees One Hundred Crores Only) in such installments as may be thought fit by the Board in its own discretion.”

7. Approval for Related Party Transactions

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

“**RESOLVED THAT** pursuant to the approval of the board, the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with any related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for the transactions covered under section 188(1) of Companies Act, 2013, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 100 Crores (Rupees One Hundred Crores only).

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any of the Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

**By order of Board of directors  
For Cremica Agro Foods Limited**

**Sd/-  
Nageeta Chander  
Company Secretary**

**Date:** 07<sup>th</sup>September, 2020

**Place:** Ludhiana

**NOTES:**

In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5,2020 read with circulars dated 8thApril, 2020 and 13thApril, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM. This notice is sent to all the members whose name appears as on 28thAugust, 2020(cut-off date) in the Register of Members.

1. 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 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 for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
2. The Annual Report 2019-20 is being sent through electronic mode only to those members whose email address are registered with the Company/Depository Participant(s). Pursuant to circular no. 20/2020 dated 05th May, 2020 issued by MCA, dispatch of Physical copy of annual report is dispensed.
3. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

Notice.

4. The relevant explanatory statement pursuant to section 102 of the Companies Act, 2013 in respect of the Special Businesses as set out above is annexed hereto and form part of this notice.

5. Additional Information, pursuant to regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, In respect of the directors seeking appointment/re-appointment at the AGM, is furnished as annexure to the Notice.

6. Members, who have not registered their e-mail address so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Financial Results, Circulars, etc. from the Company electronically. Members seeking further information on the Accounts or any other matter contained in the Notice are requested to write to the Company at least 7 days before the meeting so that relevant information can be kept ready at the meeting.

Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants in case the shares are held in electronic form and in case the shares are held in physical form to the Company's Registrar and Share Transfer Agents,

7. The Notice for the Annual General Meeting and the Annual Report will be available for inspection at the Registered Office of the Company on all working days in business hour up to the date of Annual General Meeting. The above said shall also be available on the Company's website at [www.cafl.co.in](http://www.cafl.co.in).

8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their de-mat account.

Member holding shares in physical form can submit their PAN details to the Company at the Registered Office of the Company.

9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

10. The Register of Members and Share Transfer Books shall remain closed from 24.09.2020 to 30.09.2020 (Both days inclusive) (Record date- 23<sup>rd</sup> September 2020).

The Company has fixed its first cut-off date as 28<sup>th</sup> August 2020 for the purpose of dispatch of Notice of AGM along with Annual report. Any person who acquires shares after the first cutoff date but before the record date i.e 23<sup>rd</sup> September 2020 may obtain the ID-password from the Company's RTA i.e Link Intime Private Limited.

11. 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

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

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 to the Scrutinizer by email through its registered email address to manager.cafl@gmail.com with a copy marked to instameet@linkintime.co.in.

12. The Board of Directors has appointed Ms. Sanchita Bhardwaj, Partner of GA & Associates, Company Secretaries LLP as the Scrutinizer for conducting the voting and remote e-voting process in accordance with the law and in a fair and transparent manner and he has consented to act as scrutinizer.

13. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall, prepare and present a consolidated report of the total votes cast in favour or against, if any, to the Chairman or any other Key Managerial Personnel who shall countersign the same and declare the results of the voting within 48 hours of conclusion of Annual General Meeting.

14. The results declared along with the report of Scrutinizer shall be placed on the website of the Company immediately after the declaration of results by the Chairman or any other Key Managerial Personnel. The results shall also be forwarded to the Stock Exchange within 48 hours of the conclusion of Annual General Meeting.

15. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). However, if he / she is already registered with LIPL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.

16. The business set out in this Notice shall be conducted through e-voting. In compliance with the provisions of the Section 108 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 Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility as an alternate to all its Members to enable them to cast their votes electronically instead of casting their vote at the Meeting.

17. The members may cast their votes through electronic voting system (remote e-voting). The remote e-voting period will commence at 9.00 a.m. on Sunday, September 27, 2020 and will end at 5.00 p.m. on Tuesday, September 29, 2020. In addition, the facility for e-voting shall also be made available during the AGM. Members participating in the AGM through Video Conference/ Other Audio Visual Means who have not cast their vote by remote evoting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to participate in the AGM; however, they shall not be eligible to vote at the meeting.

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

18. Members may join the 31st AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 10:45 a.m. IST i.e. 15 minutes before the time scheduled to start the 31st AGM and the Company may close the window for joining the VC/OAVM Facility 15 minutes after the scheduled time to start the 31st AGM. Members may note that the VC/OAVM Facility allows participation of at least 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 31st AGM without any restriction on account of first-come-first-served principle.

19. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form 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 their Depository Participant with whom they are maintaining their demat account the Company or Company's Registrars and Transfer Agents for assistance in this regard.

#### 20. Voting through electronic means:

Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>. Select the "Company" and 'Event Date' and register with your following details: -

- A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No  
Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.  
Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.  
Shareholders/ members holding shares in physical form shall provide Folio Number with the Company.

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions



Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Instructions for Members to Speak during the Annual General Meeting through InstaMeet:

1. Members who would like to speak during the meeting must register their request 3 days in advance with the company on manager.cafl@gmail.com.
2. Members will get confirmation on first cum first basis depending upon the provision made by the client.
3. Members will receive “speaking serial number” once they mark attendance for the meeting.
4. Other Members may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
6. Members are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, Members who have not exercised their vote through the remote e-voting can cast the vote as under:

On the Shareholders VC page, click on the link for e-Voting “Cast your vote”

Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.

2. Click on 'Login' under 'SHARE HOLDER' tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.
4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
7. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the evoting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund /Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same. For members holding shares in physical form, the details can be used only for voting on the

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

resolutions contained in this Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

Members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case Members have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or contact on: - Tel: 022-49186175/011-4141 0592/93/94.

**By order of Board of directors  
For Cremica Agro Foods Limited**

**Sd/-  
Nageeta Chander  
Company Secretary**

**Date:** 07<sup>th</sup>September, 2020

**Place:** Ludhiana

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

The following statement sets out all material facts relating to all the Special Business mentioned in the accompanying Notice:

### **ITEM NO. 1: Re-appointment of Atul Verma (DIN:01518019) as an Independent Director of the Company**

Mr. Atul Verma (DIN: 01518019) is a Non-Executive Independent Director of the Company and Chairman of the Nomination & Remuneration Committee of the Board of Directors of the Company. He joined the Board of the Company in March 2015. He was appointed as a Non-Executive Independent Director to hold office for five consecutive years for a term up to 06<sup>th</sup> March 2020, by the Shareholders of the Company in the 26<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2015. Based on the performance evaluation of Independent Directors and as per recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the SEBI(Listing Obligations and Disclosure Requirements)Regulation 2015(‘The Listing Regulations’), given the background and experience and contribution made by Mr. Atul Verma during his tenure, the Board considers that the continued association of Mr. Atul Verma would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of five consecutive years and shall be eligible for re-appointment on passing a special resolution by the Company for another term of up to five consecutive years on the Board of a Company.

The Board of Directors of the Company had re-appointed Mr. Atul Verma as an Independent Director of the Company by passing resolution by circulation on 03<sup>rd</sup> March, 2020, subject to approval of shareholders.

The Company has also received from Mr. Atul Verma:

- (i) consent to act as director of the Company; and
  - (ii) a declaration that he is not disqualified from being appointed as a director of the Company.
- Accordingly, it is proposed to re-appoint Mr. Atul Verma as an Independent Director of the Company, not liable to retire by rotation for a second term with effect from 03<sup>rd</sup> March 2020 for another tenure of five consecutive years till the year 2025.

A brief profile of Mr. Atul Verma and other requisite details, pursuant to the provisions of the Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company

Secretaries of India are annexed to this statement. The Board recommends the resolution as Special Resolution as set out in the Notice for the approval of the Shareholders of the Company. None of the Directors or Key Managerial Personnel or their relatives, except Mr. Atul Verma are in any way concerned or interested in the proposed resolution as set out in the Notice.

**ITEM NO. 2: Re-appointment of Mr. Mr. Surendar Kumar Sood (DIN: 01091404) as an Independent Director**

Mr. Surendar Kumar Sood (DIN: 01091404) is a Non-Executive Independent Director of the Company and Chairman of the Meetings of Board of Directors of the Company. He joined the Board of the Company in March 2015. He was appointed as a Non-Executive Independent Director to hold office for five consecutive years for a term up to 06<sup>th</sup> March 2020, by the Shareholders of the Company in the 26<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2015. Based on the performance evaluation of Independent Directors and as per recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the SEBI(Listing Obligations and Disclosure Requirements )Regulation 2015(“The Listing Regulations”), given the background and experience and contribution made by Mr. Surendar Kumar Sood during his tenure, the Board considers that the continued association of Mr. Surendar Kumar Sood would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of five consecutive years and shall be eligible for re-appointment on passing a special resolution by the Company for another term of up to five consecutive years on the Board of a Company.

The Board of Directors of the Company had re-appointed Mr. Surendar Kumar Sood as an Independent Director of the Company by passing resolution by circulation on 03<sup>rd</sup> March, 2020, subject to approval of shareholders.

The Company has also received from Mr. Surendar Kumar Sood:

- (i) Consent to act as director of the Company; and
  - (ii) a declaration that he is not disqualified from being appointed as a director of the Company.
- Accordingly, it is proposed to re-appoint Mr. Surendar Kumar Sood as an Independent Director of the Company, not liable to retire by rotation for a second term with effect from 03<sup>rd</sup> March 2020 for another tenure of five consecutive years till the year 2025.

**Justification of appointment-**

As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), with effect from April 1, 2019, no listed company shall appoint or continue the directorship of a Non-Executive Director who has attained the age of 75 (Seventy Five) years, unless a Special Resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed

Creteca Agro Foods Limited

(CIN: L15146PB1989PLC009676)

to the Notice for such appointment.

Mr. Surender Kumar Sood is the Non Executive Independent Director of the Company appointed w.e.f from 07<sup>th</sup> March 2015.

- He has the experience of more than 40 years in Industry & Trade.
- He has also started manufacturing automotive & industrial filters since 1980. It was a small scale unit under the name & style M/s Purafil Industries, duly registered with the industries department & also with the excise and taxation department.
- He has also been president of Lions Club Ludhiana.
- A brief profile of Mr. Surender Kumar Sood and other requisite details, pursuant to the provisions of the Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India are annexed to this statement.

The Board recommends the resolution as Special Resolution as set out in the Notice for the approval of the Shareholders of the Company.

None of the Directors or Key Managerial Personnel or their relatives, except Mr. Surender Kumar Sood are in any way concerned or interested in the proposed resolution as set out in the Notice.

### **ITEM NO. 3: Increase the borrowing limit under Section 180(1)(c) of the Companies, Act, 2013**

Keeping in view the Company’s existing and future financial requirements to support its business operations, the Company may need additional funds. For this purpose, the Company may, from time to time, be required to raise finance from various Banks and/or Financial Institutions and/ or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits to Rs. 100 Crores for the Company.

Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting by way of special resolution.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the proposed resolution. The Board recommends the resolution to be passed by Special Resolution.

### **ITEM NO. 4: To take approval to sell or dispose of undertakings under Section 180(1)(a) of**



Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

## **the Companies, Act, 2013**

The company proposes to sell or transfer or otherwise dispose-off its Undertaking(s) [as defined under Explanation of section 180(1)(a) of the Companies Act, 2013] of the Company to purchaser/third party investor. The Board keeping in view the hardship incurred under Covid Pandemic has not received the expected growth, it feels that its prudent to withdraw investment from the Undertaking(s) [as defined under Explanation of section 180(1)(a) of the Companies Act, 2013] in the best interest of the Company. Such sale, lease or otherwise dispose of will amount to sale of substantial interest in undertaking by the Company, your Directors propose resolution under section 180(1)(a) of the Companies Act, 2013 for the approval of the shareholders.

Members of the Company are further requested to note that Section 180(1)(a) of the Companies Act, 2013 mandates that the Board of Directors of the company shall exercise the power to sell, lease or otherwise dispose-off the whole or substantially the whole of any undertaking(s) of the company, only with the approval of the members of the Company by way of a special resolution.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the proposed resolution. The Board recommends the resolution to be passed by Special Resolution.

### **ITEM NO. 5: Approval of the limits for the Loans and Investment by the Company in terms of the provisions of Section 186 of the Companies Act, 2013**

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate or as and when required.

Pursuant to the provisions of section 186(3) of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders / members by way of special resolution passed at the General Meeting in case the amount of investment, loan, guarantee or security proposed to be made is more than the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account.

Accordingly, the Board of Directors of the Company proposes to obtain approval of shareholders by way of special resolution for an amount not exceeding Rs. 100 Crores (Rupees One Hundred Crores Only) notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

The Directors therefore, recommend the Special Resolution for approval of the shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution.

**ITEM NO. 6: Approval For Contribution under the provisions of Section 181 of the Companies Act, 2013.**

Under Section 181 of the Companies Act 2013, the Board of Directors of the Company is authorized to make contributions to charitable and other funds, provided that prior permission of the Members is required for such contributions during a financial year exceeding five percent of its average net profits during the three immediately preceding financial years. The approval of the Members is being sought, pursuant to Section 181 of the Act, for authorizing the Board of Directors of the Company to make contributions to bona fide charitable and other funds, in a financial year, exceeding five percent of the Company's average net profits during the three immediately preceding financial years.

The Board recommends the resolution as ordinary resolution for approval by the members of the Company.

None of the Directors of the Company and their relatives is concerned or interested, financial or otherwise.

**ITEM NO. 7: Approval for Related Party Transactions**

To ensure stability of supplies in terms of quality, your Company proposes to enter into any transaction(s) with any related party. The total value of the proposed transaction(s) could reach upto Rs. 100 Crores.

Section 188 of the Companies Act, 2013 and the applicable Rules framed thereunder provide that any Related Party Transaction will require prior approval of shareholders through ordinary resolution, if the aggregate value of transaction(s) amounts to more than the limit prescribed under the specific transactions under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 as the case may be as per last audited financial statements of the Company.

The transaction(s) entered into with related party comes within the meaning of Related Party transaction(s) in terms of provisions of the Act, applicable Rules framed thereunder read with the Listing Regulations.

Hence, approval of the shareholders is being sought for the said Related Party Transaction(s) proposed to be entered into by your Company with any related party.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) with any related party are as follows:

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

S. No.	Particulars	Remarks
1.	Name of the Related Party	Any Related Party
2.	Name of the Director or KMP who is related	Any Director or KMP
3.	Nature of Relationship	Related Party
4.	Nature, material terms, monetary value and particulars of the contract or arrangement	Contract or transactions of any kind covered under section 188(1) of the Companies Act, 2013 upto Rs.100 crores.
5.	Any other information relevant or important for the members to take a decision on the proposed resolution.	N.A

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution.

The Board of Directors recommends passing of the resolution as an Ordinary Resolution.

**DETAILS OF DIRECTORS (BRIEF PROFILE) SEEKING RE-APPOINTMENT AT  
THE ANNUAL GENERAL MEETING  
[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015 and Paragraph 1.2.5 of Secretarial Standard on General Meetings]**

Particulars	Mr. Shantilal Sukalal Chaudhari	Mr. Atul Verma	Mr. Surendar Kumar Sood
DIN	02315224	01518019	01091404
Date of Birth	01.05.1962	11/02/1984	29/04/1939
Age	58	36	81
Date of first Appointment as Director	01.04.2008	07.03.2015	07.03.2015
Qualifications	M.Sc (Food Tech)	Under Graduate	FA

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

Expertise in specific functional area	He has experience of around 34 years	Having business experience of more than 15 years in Industry and Trade	Having business experience of more than 45 years in Industry and Trade
Board Membership of other listed Companies as on March 31, 2020.	NIL	NIL	2
Membership / Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee) as on 31st March, 2020.	NIL	NIL	4
Number of equity shares held in the Company as on 31 <sup>st</sup> March 2020.	NIL	NIL	NIL
Relationship with other Directors and Key Managerial Personnel.	No	No	No
Remuneration Last Drawn from the Company.	NIL	NIL	NIL
No of meetings of the Board attended during the year.	2	3	4

**By order of Board of directors  
For Cremica Agro Foods Limited**

**Sd/  
Nageeta Chander  
Company Secretary**

**Place:** Ludhiana

**Date:** 07<sup>th</sup> September, 2020

**DIRECTORS' REPORT****Dear Members,**

Your Directors have pleasure in presenting this 31<sup>st</sup> Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended on 31<sup>st</sup> March, 2020.

**1. Standalone Financial Summary or performance of the Company:****(In Rupees'000)**

<b>Particulars</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
Sales for the year(Net)	-	231.00
Other Income	4877.74	4,053.75
<b>Total Income</b>	<b>4877.74</b>	<b>4,284.75</b>
<b>Less: Expenses</b>	<b>3,688.23</b>	<b>2,037.84</b>
<b>Profit/(Loss) before Financial Expenses, Preliminary expenses, Depreciation and Taxation</b>	<b>1,189.51</b>	<b>2,246.91</b>
Less: Financial expenses(Finance Cost)	-	-
<b>Operating Profit/(Loss) before Preliminary expenses, Depreciation &amp; Taxation</b>	<b>1,189.51</b>	<b>2,246.91</b>
Less: Depreciation and amortization & Preliminary expenses written off	53.26	90.28
<b>Profit/(Loss) before Taxation</b>	<b>1,136.25</b>	<b>2,156.63</b>
Less : Provision for Taxation		
Current Tax	302.43	575.41
Deferred Tax Charge/ (Credit) Deferred Tax charge / (credit)	(29.28)	7.52
Income Tax of earlier years	-	-
Deferred Tax Charge/ (Credit)	-	-
<b>Profit/(Loss)for the year</b>	<b>863.10</b>	<b>1,573.69</b>

**2. Operations**

During the year under review there has been revenue of Rs. NIL from the operations of the Company. However, there has been other income of Rs.4, 877.74 (Rs in thousands) during the year under review as compared to other income of Rs. 4053.75 (Rs in thousands) in the previous year. The Net Profit for the year under review amounted to Rs. 863.10 (Rs in thousands) as compared to Net Profit of Rs. 1,573.69 (Rs in thousands) in the previous year.

**3. Transfer to Reserves**

As during the year under review company has transferred Rs. 863.10 (Rs in thousands) to



the General Reserve.

**4. Dividend**

During the year under review, the Board of Directors has not recommended any dividend on the equity share capital.

**5. Transfer of amounts to Investor Education and Protection Fund**

There were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**6. Internal Controls System and Adequacy**

Your Company continuously invests in strengthening its internal control processes. The Company has put in place an adequate system of internal control commensurate with its size and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies.

**7. Material Changes between the date of the Board report and end of financial year.**

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

**8. Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:**

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**7. Subsidiary Company/Joint Venture/Associate Company.**

The company has no subsidiary or Joint venture company. However, your Company is an associate company of Mrs. Bectors Food Specialties Limited.

**8. Statutory Auditor & Audit Report:**

M/s Anush Kaileshwar & Co., Chartered Accountants, Statutory Auditors of the Company having registration number FRN No. 013077N who was appointed as Statutory Auditors to hold the office of Statutory Auditors for the period of five years from Financial year 2019-2024 i.e. (from conclusion of 30<sup>th</sup> Annual General Meeting till 35<sup>th</sup> Annual General meeting). There are no qualifications or observations or remarks made by the Auditors in their Report.

**9. Change in the nature of business:**

As required to be reported pursuant to Section 134(3)(q) read with Rule 8(5) (ii) of Companies (Accounts) Rules, 2014, There is no change in the nature of business carried on by company during the financial year 2019-20.

**10. Details of directors or key managerial personnel;****The following is the constitution of the Board of Directors as on 31<sup>st</sup> March, 2020:**

(i)	Mr. Surendar Kumar Sood	Chairman & Independent Director.
(ii)	Mr. Ajay Bector*	Whole Time Director
(iii)	Mr. Shantilal Sukalal Chaudhary	Whole time Director & Chief Executive Officer
(iv)	Ms. Samridhi Seth	Independent Director
(v)	Mr. Atul Verma	Independent Director
(vi)	Mr. Rishi Kumar Bector	Chief Financial Officer
(vii)	Ms. Nageeta Chander	Company Secretary

Sh. Shantilal Sukalal Chaudhary (DIN: 02315224), shall retire by rotation at the ensuing Annual General Meeting of the Company pursuant to the provisions of Articles of Association of the company, and being eligible, offer themselves for re-appointment.

- Mr. Pankaj Dawar have resigned from the position of Director w.e.f 07<sup>th</sup> February, 2020.

\*Mr. Ajay Bector has been vacated from the post of Directorship of the Company w.e.f 31<sup>st</sup> August 2020.

**11. Meetings held during the F.Y. 2019-20**

The Agenda and Notice of the Meetings were circulated well in advance to the respective Directors. During the year under review, 4(Four) Board Meetings, 4 (Four) Audit Committee Meetings, 4 (Four) Stakeholders Relationship Committee Meetings, 3 (Three) Nomination and Remuneration Committee meeting, 1 (One) Independent Directors Meeting and 1(One) Internal complaint committee were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 i.e. the maximum interval between any two meetings did not exceed -0]120 days.

Date of the Board Meeting	Board Strength at the date of the meeting	No. of directors who attended the meeting	Name of the directors present
28.05.2019	7	4	Anoop Bector
			Shantilal Sukalal Chaudhary
			Atul Verma
			Surendar Kumar

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

			Sood
12.08.2019	7	4	Surendar Kumar Sood
			Anoop Bector
			Shantilal Sukalal Chaudhary
11.11.2019	6	3	Atul Verma
			Surendar Kumar Sood
			Samridhi Seth
07.02.2020	6	3	Atul Verma
			Surendar Kumar Sood
			Samridhi Seth

The Agenda and Notice for the meetings were prepared and circulated in advance to all the Directors. The necessary quorum was present for all the meetings.

<b>Sr. No</b>	<b>Name of The Director</b>	<b>Number of Board Meetings Director was entitled to attend</b>	<b>Number of Board Meetings attended</b>
1.	Ajay Bector	4	0
2.	Shantilal Sukalal Chaudhary	4	2
3.	Atul Verma	4	3
4.	Surendar Kumar Sood	4	4
5.	Samridhi Seth	2	2
6.	Anoop Bector	2	2
7.	Rajni Bector	2	0
8.	Pankaj Dawar	4	0

The intervening gap between the meetings was within the time period prescribed under the Companies Act, 2013.

## 12. Composition of Committees of the Board as on 31<sup>st</sup> March 2020:

### a) Audit Committee:

In compliance with the provisions of Section 177 of the Companies Act, 2013, the primary objective of the audit committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurately and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The composition of Audit Committee of the Company is as following:

S.No.	Name of Member	Designation	Category
1.	Surendra Kumar Sood	Chairman	Independent Director
2.	Shantilal Sukalal Chaudhary	Member	Whole Time Director & CEO
3.	Atul Verma	Member	Independent Director

### b. Nomination and Remuneration Committee:

In compliance with provisions of 178(1) of the Companies Act, 2013, the purpose of the committee is to screen and review individuals qualified to serve as executive directors, non-executive directors and independent directors and to review their remuneration, consistent with criteria approved by the Board, and to recommend, for approval by the Board of the Board. The composition of Nomination and Remuneration Committee of the Company is as following:

S.No.	Name of Member	Designation	Category
1.	Atul Verma	Chairman	Independent Director
2.	Samridhi Seth	Member	Independent Director
3.	Surendar Kumar Sood	Member	Independent Director

**c. Stakeholders' relationship Committee:**

In compliance with provisions of 178(5) of the Companies Act, 2013, the purpose of the committee is to assist the Board and the Company in maintaining healthy relationships with all stakeholders. The composition of Shareholder's Relationship Committee of the Company is as following:

<b>S.No.</b>	<b>Name of Member</b>	<b>Designation</b>	<b>Category</b>
1.	Surendar Kumar Sood	Chairman	Independent Director
2.	Shantilal Sukalal Chaudhary	Member	Whole Time Director
3.	Atul Verma	Member	Independent Director

**d. Internal Complaint Committee**

In compliance with provision of Section 4 (1) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the purpose of the committee is to address the complaints raised by women employee relating to sexual harassment at workplace. The composition of Internal Complaint Committee of the Company is as following:

<b>S.No.</b>	<b>Name of Member</b>	<b>Designation</b>	<b>Category</b>
1.	Samridhi Seth	Chairperson/Presiding Officer	Independent Director
2.	ShantilalSukalal Chaudhary	Member	Whole Time Director& CEO
3.	AtulVerma	Member	Independent Director
4.	NageetaChander	Member	Company Secretary

**7. Declaration by Independent Directors**

The Independent Directors have submitted their declarations of independence, as required pursuant to provisions of section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in subsection (6).



**8. Deposits:****(In Rupees)**

Deposits accepted during the year(including renewed during the year)	Nil
Deposits remained unpaid or unclaimed as the end of the year	Nil
Default in repayment of deposits or payment of interest thereon during the year and if so number of such cases and the total amount involved ( i) at the beginning of the year; (ii) maximum during theyear (iii) at the end of theyear	Nil
Deposits which are not in compliance with requirement of chapter V of the Companies Act 2013	Nil

**9. Conservation of energy, technology absorption, foreign exchange earnings and outgo:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014 is attached herewith as **Annexure –A**

**10. Corporate Social Responsibility:**

Regarding CSR activities. We would like to inform you that as per applicable provisions of Companies Act 2013, there was a profit of Rs. 863.10 (Rs in thousands) and accordingly CSR provisions were not applicable during the year under review.

**11. Directors' Responsibility Statement:**

Pursuant to the requirement under section 134(3)(C)of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(i) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) The directors had selected such 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 as at March 31,2020 and of the profit and loss of the company for that period;

(iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act ,2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (iv) the directors had prepared the annual accounts on a going concern basis;
- (v) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- (vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**12. Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178;**

Your Board of directors has constituted Nomination and Remuneration Committee of the Board consisting of Sh. Atul Verma (DIN: 01518019), Ms. Samridhi Seth (DIN: 08532336) and Sh. Surendar Kumar Sood (DIN: 01091404) in terms of Section 178 of the Companies Act 2013 read with rule 6 of the Companies (Meeting of Board and its Power) Rules 2014. The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 in order to pay equitable remuneration to the Directors, KMPs and employees of the Company and to harmonise the aspirations of human resources consistent with the goals of the Company Objective and purpose of the policy.

The objectives and purpose of this policy are:

- a. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive and Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- b. To formulate the criteria for evaluation of performance of all the Directors on the Board;
- c. To devise a policy on Board diversity; and
- d. To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's Goals.

A Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, and independence of a director recommended by the Nomination and Remuneration Committee of the Board and approved by the Board of directors is attached as **Annexure-B**.

**13. Secretarial Audit Report:**

M/s. GA & Associates Company Secretaries, LLP, has been appointed to conduct Secretarial Audit of the Company pursuant to section 204 of the Companies Act 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014. A report submitted by them is attached herewith as **Annexure -C**.

**14. Explanation or Comments on qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors and the Secretarial Auditors in their**

**reports.**

Reports of the Auditors and the Secretarial Auditors are self-explanatory, reservations or adverse remarks or disclaimers made by the Auditors and the Practicing Company Secretary in their reports.

**15. Particulars of Employee:**

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is annexed as **Annexure-D** and form part of this report.

Further During the year under review, No employee of the Company was in receipt of remuneration exceeding the limits as provided under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**16. Related Party Transactions:**

All related party transactions that were entered into/continued during the year under review were on arm's length basis and in the ordinary course of business. The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 has been disclosed in form **AOC-2** attached herewith as **Annexure-E**.

**17. Extract of the annual return in form MGT-9:**

Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules 2014. Extract of the annual return is attached with this report as **Annexure-F**

**18. Share Capital and provision of money by Company for purchase of its own shares by trustees or employees for the benefit of employees:**

Your Company has not issued any equity shares with deferential rights, sweat shares, employee stock options and made any provision of money for purchase of its own shares by trustees or employees for the benefit of employees till 31.03.2020.

**19. Audit Committee and Vigil Mechanism**

The Board of directors of the Company has constituted an audit committee consisting of Sh. Shantilal Sukalal Chaudhari (DIN: 02315224), Sh. Atul Verma (DIN: 01518019) and Sh. Surendar Kumar Sood (DIN: 01091404) in terms of section 177 of the Companies Act 2013 and rule 6 of the Companies (Meeting of Board and its Powers) Rules 2014.

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the Company established a Vigil Mechanism process as an extension of Company's Code of Conduct whereby any employee, directors, customers, vendors etc., can report the genuine concerns or grievances to the members of the Committee about unethical behavior, actual or suspected, fraud or violation of Company's Code of Conduct so that appropriate action can be taken to

safeguard the interest of the Company. The Mechanism also provides for adequate safeguards against victimization of persons who uses such mechanism. The mechanisms provide for direct access to the chairperson/chairman of the Audit Committee in appropriate or exceptional cases. The Audit Committee regularly review the working of the Mechanism. No complaint was received during the year under review.

## 20. Risk Management Policy

The Company has a Risk Management Policy with an objective to formalize the process of identification of potential risk and adopt appropriate risk mitigation measures through a risk management structure. The Risk Management Policy is a step taken by the Company towards strengthening the existing controls. The Business of the Company solely depends upon the agricultural produce which is highly seasonal and this is a major element of risk which may threaten the existence of the Company.

## 21. Disclosure regarding Issue of Equity Shares with Differential Rights.

The company under the provision of Section 43 read with Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 has not issued any equity shares with differential rights.

## 22. Disclosure regarding issue of Sweat Equity Shares

The company under the provision of Section 54 read with Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014 has not issued any sweat equity shares.

## 23. Disclosure regarding issue of Employee Stock Options

There is no issue of employee stock option during the year.

The Board of directors, shall, inter alia, disclose in the Directors' Report for the year, the details as provided in rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014.

<b>Particulars</b>	Not Applicable
Approval	Not Applicable
Options granted	Not Applicable
Options vested	Not Applicable
Options exercised	Not Applicable
Total number of shares arising out of exercise of options	Not Applicable
Options forfeited/lapsed/cancelled	Not Applicable
Variations of terms of options	Not Applicable
Money realized by exercise of options	Not Applicable
Total number of options in force	Not Applicable

Notes: -

## 1. Details of options granted during the fiscal Year: NIL

<b>Particulars</b>	
(a) Directors and key managerial personnel	Not Applicable
Ajay Bector	Not Applicable
Shantilal Sukalal Chaudhari	Not Applicable
Surendar Kumar Sood	Not Applicable
Atul Verma	Not Applicable
Rishi Bector	Not Applicable
Samridhi Seth	Not Applicable
Nageeta Chander	Not Applicable
(b) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year (includes employees and group company employees)	Not Applicable
(c) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Not Applicable

**24. Voluntary Revision of Financial Statements or Board's Report**

The Company is complying with the provisions of Section 129 or 134 of Companies Act, 2013 so there was no voluntary revision done by the company during financial year 2019-20.

**25. Statement in Respect of Adequacy of Internal Financial Control with Reference to the Financial Statements**

Pursuant to Section 134 (3)(q) read with Rule 8(5) (viii) of Companies (Accounts) Rules, 2014, and ICAI guidance note on adequacy on internal financial controls with reference to financial statements, it is stated that there is adequate internal control system in the Company

**26. Receipt of any commission by MD/WTD from a Company or for receipt of commission/remuneration from its holding or subsidiary.**

The Company has not paid any Commission to the Directors of the Company for the Financial Year 2019-20.

### **27. Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board carried out a formal Annual performance evaluation of its own, Board Committees and individual Directors as per the criteria laid down by the Nomination and Remuneration Committee of the Company.

The Board evaluation was carried out through a structured evaluation process by all the Directors based on the criteria such as composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board. They were evaluated on parameters such as their education, knowledge, experience, expertise, skills, behaviour, leadership qualities, level of engagement and contribution, independence of judgement, decision making ability for safeguarding the interest of the Company, stakeholders and its shareholders. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Board was satisfied with the evaluation process and the result thereof.

### **28. Fraud Reporting**

During the year under review, No fraud has been committed by company.

### **29. Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has zero tolerance for sexual harassment of women at workplace and has adopted a policy against sexual harassment in line with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

During the financial year 2019-2020, the Company has not received any complaints on sexual harassment and hence no complaint are pending as of 31 March, 2020.

### **30. Separate meeting of Independent Directors**

The Company's Independent Directors met on 27<sup>th</sup> June, 2020, without the attendance of Non Independent Directors and members of the management. The meeting was scheduled after the close of the financial year as it was previously scheduled for last week of March, 2020 but due to implementation of lockdown owing to Covid-19 pandemic could not be held with. All Independent Directors were present at the meeting. At the meeting, they:-

- i. Reviewed the performance of non-independent directors and the Board as a whole;
- ii. Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

- iii. Assessed the quality and timelines of flow of information between the Company management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

### 31. Particulars of Loan, Investments, Guarantees, Securities and (LIGS), under Section 186

As required to be reported pursuant to Section 134(3)(g) of Companies Act, 2013, the Complete details of LIGS covered under Sec 186 of CA, 2013, as per following format:

#### A. Details of Secured Loans:

SL No	Date of making loan	Detail of Borrower	Amt	Purpose for which the loan is to be utilized by the recipient	Time period for which it is given	Date of BR	Date of SR (if reqd.)	Rate of Interest	Security
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

#### B. Details of Investments:

SL No	Date of investment	Details of Investment	Amt	Purpose for which the proceeds from investment is proposed to be utilized by the recipient	Date of BR	Date of SR (if reqd.)	Expected rate of return
NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA

#### C. Details of Guarantee / Security Provided:

SL No	Date of providing security/guarantee	Details of recipient	Amt	Purpose for which the security/guarantee is proposed to be utilized by the recipient	Date of BR	Date of SR (if any)	Commission
NA	NA	NA	NA	NA	NA	NA	NA



NA	NA	NA	NA	NA	NA	NA	NA
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### 32. Internal Financial Control

The Board has adopted the policies and 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.

### 33. Internal Auditors

Pursuant to the provisions of section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Company has appointed Mr. Ranjeev Grover as Internal Auditor of the Company. The Company is also having an Internal Audit Department to test the adequacy and effectiveness of Internal Control Systems laid down by the management and to suggest improvement in the systems.

### 34. Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review as stipulated under the clause 49 of the listing agreement/ SEBI (LODR) Regulations, 2015 with the Stock Exchanges in India is enclosed as per Annexure-G and forms the part of this Report.

### 35. Industrial Relations

The industrial relations remained cordial throughout the year and the excellent results were achieved with the whole hearted co-operation of employees at all levels.

### 36. Corporate Governance Report

The Corporate Governance Report as per Regulation 15(2) is not applicable on the Company Please find enclosed Non applicability Certificate as Annexure-I.

### 37. Acknowledgment:

Your Directors take this opportunity to place on record their appreciation and sincere gratitude to all associates for their valuable support and look forward to their continued co-operation in the years to come. Your Directors acknowledge the support and co-operation received from the employees and all those who have helped in the day to day management.

By order of Board of Directors  
For Cremica Agro Foods Limited

Surendar Kumar Sood

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

**Place:** Ludhiana

**Date:** 07<sup>th</sup> September, 2020

(Chairman)

**DIN:** 01091404

**Address:** 4275, Street No.  
7, Durga Puri, Haibowal  
Kalan, Ludhiana 141001

**Annexure –A**

**Particulars of energy conservation, technology absorption and foreign exchange earnings and outgo required under Rule 8 of the Companies (Accounts) Rules 2014 are provided below.**

The Company operates in a safe and environmentally responsible manner for the long- term benefit of all stake holders. The Company is committed to take effective measures to conserve energy and drive energy efficiency in operations.

**A. CONSERVATION OF ENERGY**

- (i) Following steps have been taken for conservation of energy.
- Replacement of florescent lamps with LED Lights in all plants/ units has been initiated.
  - Occupancy sensors have been installed in corporate office to minimize power usage.
  - Auto-timers for Air conditioners and lights have been installed at corporate office to shut down power supply after office hours.
  - In-house training for energy conservation to the plant members and employees.
  - Installations of Wind ventilators on sheds of different units.
- (ii) Following steps taken by the Company for utilizing alternate source of energy.  
The Company is exploring the option of installing solar panels for generation of electricity at all plant locations

**B. TECHNOLOGY ABSORPTION**

The efforts made towards technology absorption:

The company is motivated to continuously work for the process and technology development on need basis .The team undertakes specific time-bound programmes to improve technology which are tried on pilot scale / lab to achieve desired results and then up scaled at the manufacturing level. The team works in close co-ordination with other outside agencies to ensure smooth transfer of technology. Appropriate documents are created for quality control and food safety.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(InRupees)

Particulars	2019-20	2018-2019
Total Foreign Exchange Received (F.O.B. Value of Export)	Nil	Nil
<b>TOTAL FOREIGN EXCHANGE USED</b>		
i) Raw Materials	0	0
ii) Consumable Stores	0	0
iii) Capital Goods	0	0

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

iv) Foreign Travels	0	0
v) Others	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

By order of Board of Directors  
**For Cremica Agro Foods Limited**

**Place:** Ludhiana

**Date:** 07<sup>th</sup> September, 2020

**Surendar Kumar Sood**

(Chairman)

**DIN:**01091404

**Address:** 4275, Street No.

7, Durga Puri,

Haibowal Kalan,

Ludhiana 141001

## **Annexure –B**

**Company’s policy on directors’ appointment and remuneration including criteria for determining qualifications, positive attributes, and independence of a director recommended by the Nomination and Remuneration Committee of the Board and approved by the Board of directors.**

### **Constitution of the Nomination and Remuneration Committee**

The Board has constituted the “Nomination and Remuneration Committee” of the Board. This is in line with the requirements under the New Act. The Board has authority to reconstitute this Committee from time to time.

### **Policy for appointment including criteria for determining qualifications, positive attributes, and independence of a director of Director, KMPs and Senior Management**

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his / her appointment. A person to be appointed as Director, KMP or senior management level should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the company’s growth. Independence of directors is decided on the basis of definition of independent director contained in sub section 6 of section 149 of the Companies Act 2013.

### **Policy relating to the remuneration for Directors, KMPs and other employees**

The remuneration / compensation / commission etc. to Directors will be determined by the Committee and recommended to the Board for approval. The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director. Where any insurance is taken by the Company on behalf of its Managing Director and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration. The remuneration and reward structure for employees depends upon their qualification and experience. The Committee would determine the remuneration of the

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

Directors and formulate guidelines for remuneration payable to the employees.

By order of Board of Directors  
**For Cremica Agro Foods Limited**

**Place:** Ludhiana

**Date:** 07<sup>th</sup> September, 2020

**Surendar Kumar Sood**

(Chairman)

**DIN:**01091404

**Address:** 4275, Street No.

7, Durga Puri,

Haibowal Kalan,

Ludhiana 141001

**Form No. MR-3**  
**Secretarial Audit Report**

(For the Financial Year Ending 31.3.2020)

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

To  
The Board of Directors  
**Cremica Agro Foods Limited,**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Cremica Agro Foods Limited, having registered office at 455, Sohan Palace, 2nd Floor, The Mall Ludhiana Punjab 141001, and Corporate Identification No. L15146PB1989PLC009676 (**hereinafter called the Company**).

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 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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the **audit period ended on 31.03.2020**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein after:

1. We have examined the books, papers, minute books, forms and returns filed and their records maintained by (“**The Company**”) for the period ended on 31.3.2020 according to the provisions of:
  - i. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
  - ii. Foreign Exchange Management Act,1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;- **Not Applicable during the period under review.**
  - iii. The Securities Contracts (Regulation) Act, 1956 (**‘SCRA’**) and the Rules made there under;-**Not Applicable during the period under review.**

- iv. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 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, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009; **Not Applicable during the period under review** and
  - d. 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; **Not Applicable during the period under review** and
  - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;- **Not Applicable during the period under review** and
  - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations,1998;- **Not Applicable during the period under review** and
  - i. Listing Obligation and Disclosure Requirements Regulation, 2015.

**We have also examined compliance with the applicable clauses of the following, wherever applicable:**

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The listing agreement entered into by the company with Metropolitan Stock Exchange of India Limited(MSEI).

*As per the Management of the Company, no other acts are applicable on the Company and thus reporting on the same is not required.*

**2. We further report that:**

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors 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.



Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

- b. Adequate notices were given to all Directors to schedule the Board Meetings. Also, agenda and detailed notes on Agenda were sent to all the Directors at least seven days in advance. Also, 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. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For GA & Associates  
Company Secretaries LLP**

**Sd/-  
CS Sanchita Bhardwaj  
(Partner)  
M. No.A43096  
COP No.: 20701**

**Date:** 05<sup>th</sup> September 2020

**Place:** New Delhi

**UDIN:- A043096B000669293**

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

**Annexure A' (of MR-3)**

(Forming Integral Part of Secretarial Audit Report for the financial year ending 31.3.2020)

To  
The Members,  
**Cremica Agro Foods Limited,**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process 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 process 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. which forms the integral part to express our opinion in Form MR-3.
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 procedure on test basis as the Secretarial Auditors.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For GA & Associates**  
**Company Secretaries LLP**

Sanchita Bhardwaj

(Partner)

**M. No.** A43096

**COP No.:** 20701

**Date:** 05.09.2020

**Place:** New Delhi

**ANNEXURE- D****A. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of the Director/ KMP and Designation	Remuneration of Director/ KMP for the financial year 2019-20	% increase in remuneration in the financial year 2019-20	Ratio of Remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP Against the performance of the Company
1.	Rishi Bector (CFO)	2,39,110	5.41%	NA	-
3.	Nageeta Chander (Company Secretary)	66,000	0%	NA	-

- ii) The median remuneration (average in this case) of employees of the company during the financial year was – Rs. 152555/-
- iii) In the financial year, there was an increase in the median remuneration of employees; -3.81%
- iv) There were Two permanent employees on the rolls of company as on March 31, 2020;
- v) Average percentage increase made in the salaries of employees other than the

managerial personnel in the last financial year i.e.2019-2020

vi) It is hereby affirmed that the remuneration paid is as per the Appointment and Remuneration Policy of the Company for Directors, Key Managerial Personnel and other Employees.

**B. DETAIL OF TOP TEN EMPLOYEES OF THE COMPANY IN TERMS OF SALARY DRAWN AS REQUIRED UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

Sr . No.	Name & Designation	Remuneration received (InRs )	Nature of Employment (Contr actual otherwise)	Quali fication and Exper ience	Date of Comm enceme nt of Emplo yment	Age	Last Em plo yment	%a ge of Equ ity sha res hel d	Whether relative of any director or manager
1.	Rishi Bector	2,39,110	Perman ent	10+2	01.04.2016	44	N.A .	0.00	N o
4.	Nageeta Chander	66,000	Perman ent	CS	22.01.2020	28	N.A .	Nil	N o

By order of Board of Directors  
**For Cremica Agro Foods Limited**

**Place:** Ludhiana

**Date:** 07<sup>th</sup> September, 2020

**Surendar Kumar Sood**

(Chairman)

**DIN:**01091404

**Address:** 4275, Street  
 No. 7,Durga Puri,  
 Haibowal Kalan,  
 Ludhiana 141001

**Annexure –E**

**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 arm's length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
  2. Details of material contracts or arrangements or transactions at arm's length basis
- A. Related Party Transactions with Mrs. Bectors Food Specialties Limited**

(a) Name(s) of the related party and nature of relationship	Mrs. Bectors Food Specialties Limited hereinafter referred as MBFSL (a Public company which holds 43.09% equity shares of company)
(b) Nature of contracts/arrangements/transactions	Rent Paid (Rs 60000/- yearly)
(c) Duration of the contracts/arrangements/transactions	Continuous Basis
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Contracts or arrangements or transactions are at arm's length basis having value (in Rs.)as follows
(e) Justification for entering into such contracts or arrangements or transactions	Taking on lease the registered office of the Company
(f) Date(s) of approval by the board	19.02.2018

**B. Related Party Transactions with Mr. Sunil Kumar**

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

(a) Name(s) of the related party and nature of relationship	Mr. Sunil Kumar
(b) Nature of contracts/arrangements/transactions	Rent Paid (Rs 60000/- yearly)
(c) Duration of the contracts/arrangements/transactions	Continuous Basis
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Contracts or arrangements or transactions are at arm's length basis having value (in Rs.)as follows
(e) Justification for entering into such contracts or arrangements or transactions	Taking on lease the registered office of the Company
(f) Date(s) of approval by the board	28.05.2019

**C. Related Party Transactions with Cremica Food Industries Limited**

(a) Name(s) of the related party and nature of relationship	Cremica Food Industries Limited (a Limited company in which directors hold more than 2% shares)
(b) Nature of contracts/arrangements/transactions	Trade Payables(Rs 39,36,000/- outstanding)
(c) Duration of the contracts/arrangements/transactions	Continuous Basis
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Contracts or arrangements or transactions are at arm's length basis having value (in Rs)as follows
(e) Justification for entering into such contracts or arrangements or transactions	Cremica Food Industries Limited is a company which deals in Manufacturing, sale and distribution of Sauce.
(f) Date(s) of approval by the board	30.05.2017

**D. Related Party Transactions with Cremica Food Specialites Limited**

(a) Name(s) of the related party and nature of relationship	Cremica Food Specialities Limited (a Limited company in which there are common directors)
(b) Nature of contracts/arrangements/transactions	Rent Payable (Rs 35,400/- outstanding)

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

(c) Duration of the contracts/arrangements/transactions	Continuous Basis
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Contracts or arrangements or transactions are at arm's length basis having value (in Rs)as follows
(e) Justification for entering into such contracts or arrangements or transactions	Cremica Food Industries Limited is a company which deals in Manufacturing, sale and distribution of Sauce.
(f) Date(s) of approval by the board	30.05.2017

**E.Related Party Transactions with Mr. Anoop Bector**

(a) Name(s) of the related party and nature of relationship	Availing Unsecured Loan from Mr. Anoop Bector. Mr. Anoop Bector has however resigned w.e.f 12 <sup>th</sup> August 2019 from directorship of the company
(b) Nature of contracts/arrangements/transactions	Unsecured Loan Received
(c) Duration of the contracts/arrangements/transactions	Continuous Basis
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Contracts or arrangements or transactions are at arm's length basis having value upto (in Rs)as follows Outstanding Borrowed Money Rs. 32,00,000
(f) Date(s) of approval by the board	06.06.2018

**F.Related Party Transactions with Ms. Rajni Bector**

(a) Name(s) of the related party and nature of relationship	Availing Unsecured Loan from Ms. Rajni Bector. Ms. Rajni Bector has however resigned w.e.f 12 <sup>th</sup> August 2019 from directorship of the company
(b) Nature of contracts/arrangements/transactions	Unsecured Loan Received
(c) Duration of the contracts/arrangements/transactions	Continuous Basis

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Contracts or arrangements or transactions are at arm's length basis having value upto (in Rs)as follows Outstanding Borrowed Money Rs. 11,25,000
(f) Date(s) of approval by the board	28.05.2019

**G. Related Party Transactions with M/s Cremica Food Industries Limited**

(a) Name(s) of the related party and nature of relationship	Cremica Food Industries Limited (a Limited company in which directors hold more than 2% shares)
(b) Nature of contracts/arrangements/transactions	Advance & Other Receivables (advance against Land purchase)
(c) Duration of the contracts/arrangements/transactions	Continuous Basis
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Contracts or arrangements or transactions are at arm's length basis having value upto (in Rs)as follows Advance & Other Receivables Rs. _____ 14557.07 _____
(f) Date(s) of approval by the board	28.05.2019

**By order of Board of directors  
For Cremica Agro Foods Limited**

**Surendar Kumar Sood  
(Chairman)**

**DIN:** 01091404

**Address:** 4275, street  
No.7, DurgaPuri,  
Haibowal Kalan,  
Ludhiana 141001

**Place:** Ludhiana

**Date:** 07.09.2020



**ANNEXURE-F**

**FORM MGT-9**  
**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON**  
**31<sup>st</sup> MARCH, 2020**

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

I	CIN	L15146PB1989PLC009676
Ii	Registration Date	06/09/1989
Iii	Name of the Company	CREMICA AGRO FOODS LIMITED
Iv	Category/Sub-Category of the Company	Company limited by shares / Indian non-Government company
V	Address of the Registered office and contact details	455, Sohan Palace, 2nd Floor, The Mall, Ludhiana-141001, Punjab
Vi	Whether Listed Company	Yes
Vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd  Noble Heights, 1 <sup>st</sup> Floor, Plot No-NH-2, C-1, Block, LSC, Near savitri Market, Janakpuri, New Delhi-110058 Delhi-110028 Phone: +91 11 4141 0592 Fax: +91 11 4141 0591 E-mail: <a href="mailto:delhi@linkintime.co.in">delhi@linkintime.co.in</a> Website : <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of main products/services	NIC Code of the Product/ Service	% to total turnover of the Company
1.	Manufacture of bread	10711	Nil

2.	Manufacture of other bakery products N.E.C.	10719	100
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### **III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

<b>S N O</b>	<b>Name and address of company</b>	<b>CIN/GLN</b>	<b>Holding/Subsidiary/Associate</b>	<b>% of share held</b>	<b>Applicable section</b>
1.	Mrs. Bectors Food Specialties Limited	U74899PB1995PLC033417	Associate	43.09	2 (6)

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

#### **i. Category-wise Shareholdings**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
1) Indian									
(a) Individuals	104364	0	104364	2.32	104364	0	104364	2.32	0
(b) Central Government / State Government(s)	0	0	0	0	0	0	0	0	0
(c) Bodies Corporate	1937268	0	1937268	43.09	1937268	0	1937268	43.09	0
(d) Financial Institutions / Banks	0	0	0	0	0	0	0	0	0

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

(e) Any Other (Specify)	0	0	0	0	0	0	0	0	
<b>Sub Total (A)(1)</b>	<b>2041632</b>	<b>0</b>	<b>2041632</b>	<b>45.41</b>	<b>2041632</b>	<b>0</b>	<b>2041632</b>	<b>45.41</b>	<b>0</b>
(2) Foreign									
(a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b) Bodies Corporate	0	0	0	0	0	0	0	0	0
(c) Institutions	0	0	0	0	0	0	0	0	0
(d) Any Other (Specify)	0	0	0	0	0	0	0	0	0
<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	<b>2041632</b>	<b>0</b>	<b>2041632</b>	<b>45.41</b>	<b>2041632</b>	<b>0</b>	<b>2041632</b>	<b>45.41</b>	<b>0</b>
<b>(B) Public Shareholding</b>									
(1) Institutions	0	0	0	0	0	0	0	0	0
(a) Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
(b) Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
(c) Central Government / State Government(s)	0	0	0	0	0	0	0	0	0

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

(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 Investors	0	0	0	0	0	0	0	0	0
(g) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(h) Any Other (Specify)	0	0	0	0	0	0	0	0	0
<b>(2) Non-Institutions</b>									
(a) Bodies Corporate									
(i) Indian	7746 40	6040 0	835040	18.57	8062 40	2930 0	83554 0	18.59	0.02
(ii) Overseas	0	0	0	0	0	0	0	0	0.00
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh.	5140 0	6521 00	703500	15.65	5910 0	6437 00	70280 0	15.63	-0.02
(ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	2523 60	6499 68	902328	20.07	2523 60	6499 68	90232 8	20.07	0.00
(c) Any Other (Specify)	900	0	900	0.02	1100	0	1100	0.02	0.00
(i) HUF									
(ii) Non Resident Indians (Repat)	1210 0	0	12100	0.27	1210 0	0	12100	0.27	0.00

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

<b>Sub Total (B)(2)</b>	<b>1091 400</b>	<b>1362 468</b>	<b>245386 8</b>	<b>54.58</b>	<b>1130 900</b>	<b>1322 968</b>	<b>24538 68</b>	<b>54.58</b>	<b>0.00</b>
<b>Total Public Shareholding(B)=(B)(1)+(B)(2)</b>	<b>1091 400</b>	<b>1362 468</b>	<b>245386 8</b>	<b>54.58</b>	<b>1130 900</b>	<b>1322 968</b>	<b>24538 68</b>	<b>54.58</b>	<b>0.00</b>
<b>Total (A)+(B)</b>	<b>3133 032</b>	<b>1362 468</b>	<b>449550 0</b>	<b>100.00</b>	<b>3172 532</b>	<b>1322 968</b>	<b>44955 00</b>	<b>100.00</b>	<b>0.00</b>
Shares held by custodians and against which depository receipts have been issued									
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
Public	0	0	0	0	0	0	0	0	0
<b>Total (A)+(B)+(C)</b>	<b>3133 032</b>	<b>1362 468</b>	<b>449550 0</b>	<b>100.00</b>	<b>3172 532</b>	<b>1322 968</b>	<b>44955 00</b>	<b>100.00</b>	<b>0.00</b>

\*Where ever necessary the figures of the last year have been made comparable with this year's figures.

**(ii) Change in Promoters Shareholding**

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year – 2019		Cumulative Shareholding at the end of the year – 2020	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	MRS. BECTORS FOOD SPECIALITIES LTD	1937268	43.09		
	At The End of the Year			1937268	43.09
2	ANOOP BECTOR	50325	1.12		
	At The End of the Year			50325	1.12
3	DHARAMVIR BECTOR	54039	1.20		
	At The End of the Year			54039	1.20
	<b>Total :</b>	<b>2041632</b>	<b>45.41</b>	<b>2041632</b>	<b>45.41</b>

**(iii) No. of shares held by directors and KMP**

Sr. No.	Name & Designation	Shareholding at the beginning of the year – 2019		Cumulative Shareholding at the end of the year – 2020	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	AJAY BECTOR (Whole time Director)	60573	1.35		
	At The End of the Year			60573	1.35
2	SURENDAR KUMAR SOOD (Director)	0	0		
	At The End of the Year			0	0
3	ATUL VERMA (Director)	0	0		
	At The End of the Year			0	0
4	SHANTILAL SUKALAL CHAUDHARI (Whole time Director and CEO)	0	0		
	At The End of the Year			0	0
5	PANKAJ DAWAR (Director) <i>(Resigned from</i>	0	0		

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

	<i>the post of directorship w.e.f. 07.02.2020)</i>				
	At The End of the Year			0	0
6	RISHI KUMAR BECTOR (CFO(KMP))	60	0.0013		
	At The End of the Year			60	0.0013
7	NAGEETA CHANDER (Company Secretary) ( <i>Appointed as Company Secretary w.e.f. 22.01.2020)</i>	0	0		
	At The End of the Year			0	0
8	SAMRIDHI SETH (Director) ( <i>Appointed as Independent Director w.e.f. 20.09.2019)</i>	0	0		
	At The End of the Year			0	0



**(iv). Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – 2019		Cumulative Shareholding at the end of the year – 2020	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1.	<b>CREMICA FOOD INDUSTRIES LIMITED</b>	677040	15.06		
	AT THE END OF THE YEAR			677040	15.06
2.	<b>SANJAY KUMAR</b>	138810	3.08		
	AT THE END OF THE YEAR			138810	3.08
3.	<b>AKSHAY BECTOR</b>	135210	3.01		
	AT THE END OF THE YEAR			135210	3.01
4.	<b>D.V. &amp; SONS (HUF)</b>	90300	2.01		
	AT THE END OF THE YEAR			90300	2.01
5.	<b>SONIA AGGARWAL</b>	83250	1.85		
	AT THE END OF THE YEAR			83250	1.85
6.	<b>DATT ENTERPRISES PRIVATE LIMITED</b>	51400	1.14		

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

	AT THE END OF THE YEAR			77100	1.72
7.	<b>NIKHIL BECTOR</b>	81000	1.80		
	AT THE END OF THE YEAR			81000	1.80
8.	<b>SANA BECTOR</b>	46800	1.04		
	AT THE END OF THE YEAR			46800	1.04
9.	<b>SBI CAPITAL MARKETS LIMITED</b>	57600	1.28		
	AT THE END OF THE YEAR			57600	1.28
10.	<b>ROMESH WADHWANI</b>	40800	0.91		
	AT THE END OF THE YEAR			40800	0.91
11.	<b>AKHILESH BECTOR UGO AKSHAY BECTOR</b>	37500	0.83		
	AT THE END OF THE YEAR			37500	0.83

**V. INDEBTEDNESS****(Amount in  
Rs. '000)**Indebtedness of the Company including interest  
outstanding/accrued but not due for payment

	<b>Secured Loans excluding deposits</b>	<b>Unsecure d Loans</b>	<b>Depo sits</b>	<b>Total Indebtedne ss</b>
<b>Indebtedness at the beginning of the financial year</b>	Nil	5825.00	Nil	5825.00
i) <b>Principal Amount</b>	Nil	Nil	Nil	Nil
ii) <b>Interest due but not paid</b>	Nil	Nil	Nil	Nil
iii) <b>Interest accrued but not due</b>	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>5825.00</b>	<b>Nil</b>	<b>5825.00</b>
<b>Change in Indebtedness during the financial year</b>				
- <b>Addition</b>	Nil	Nil	Nil	Nil
- <b>Reduction</b>	Nil	1500.00	Nil	1500. 00
<b>Net Change</b>	<b>Nil</b>	<b>1500.00</b>	<b>Nil</b>	<b>1500.00</b>
<b>Indebtedness at the end of the financial year</b>				
i) <b>Principal Amount</b>	Nil	4325.00	Nil	4325. 00
ii) <b>Interest due but not paid</b>	Nil	Nil	Nil	Nil
iii) <b>Interest accrued but not due</b>	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>4325.00</b>	<b>Nil</b>	<b>4325.00</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
1	Gross salary	Nil	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - As% of profit - Others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
6	Total(A)	Nil	Nil	Nil

**B. Remuneration to other Directors:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
	Independent Directors	<b>NIL</b>			
	· Fee for attending board committee meetings				
	· Commission				
	· Others, please specify				

	Total(1)					
	<u>Other Non-Executive Directors</u> ·Fee for attending board committeemeetings ·Commission ·Others, (ConsultancyFees)					
	Total (2)					
	Total (B) = (1+2)					
	Total Managerial Remuneration					

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

(Amount in  
Rs. '000)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (Ms. Nageeta Chander)	CFO (Mr. Rishi Bector)	Total
	Gross Salary (a) Salary as per provisions contained in section17(1) of the Income-tax Act, 1961	Nil	66	239.11	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil
	Stock Option	Nil	Nil	Nil	Nil
	Sweat Equity	Nil	Nil	Nil	Nil
	- Commission as % ofprofit - Others, specify...	Nil	Nil	Nil	Nil

	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	66	239.11	Nil

**VII. 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)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C. Other Officers in Default</b>					
Penalty					
Punishment					
Compounding					

By order of Board of Directors  
For Cremica Agro Foods Limited

**Surendar Kumar Sood**  
(Chairman)

**DIN:01091404**

**Address:** 4275, Street No. 7, Durga  
Puri, Haibowal Kalan, Ludhiana 141001

**Place:** Ludhiana

**Date:** 07<sup>th</sup> September, 2020

## ANNEXURE- G

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **INDUSTRY STRUCTURE AND DEVELOPMENT**

Your Company was engaged in the manufacture of bread and other bakery products. Though the industry of bread and bakery is showing huge growth both domestic and at the international level Firstly due to the availability of different variety of breads and bakery items having better ingredients and Secondly due to education which has brought in awareness and changed the eating habits of people in India at large, who used to eat their traditional food have now shifted to other food items. Since, in the Last year under review your Company did not do any business so we cannot comment on the performance of the company in comparison with the other companies at large. And also due to widespread unprecedented Covid 19 across globe in Feb-March has further led to drop down in sales.

#### **OPPORTUNITIES AND THREATS**

There are a lot of opportunities related to the Company which can contribute to the rising income and aspiration of consumers, large & profitable domestic and international markets and rural growth in India. People prefer fresh bread and other products. Bakery products are an item of mass consumption in view of its low price and with rapid growth and changing eating habits of people, bakery products have gained popularity among masses. Besides above, Untapped geographies in India is also a huge area of opportunity. These opportunities are equally visible to the current and future competitors of your Company and that constitutes the primary threat. Intensified competition due to lower industry growth. A combination of ahead-of-market innovations, consistent quality delivery, supporting the brand aggressively through consistent and competitive investment and continuous enhancement of capability and efficiency of distribution pipeline will help your Company address the threats.

#### **SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

Since there was no business last year therefore the management cannot comment on this head.

#### **FUTURE OUTLOOK**

In the near term, Company is planning to once again start its business. It has formed a very good and abled Board, under whose guidance and abled support it is expected that Company will do well and will attain new targets and goals better than what it used to achieve when it was in full flow.

#### **RISKS AND CONCERNS**

In today's complex business environment, almost every business decision requires executives and managers to balance risk and reward. Effective risk management is therefore critical to an organization's success. Globalization, with increasing integration of markets,

newer and more complex products & transactions and an increasingly stringent regulatory framework has exposed organizations to newer risks. As a result, today's operating environment demands a rigorous and integrated approach to risk management. Timely and effective risk management is of prime importance to our continued success. Increased competition and market volatility has enhanced the importance of risk management.

The sustainability of the business is derived from the following:

- ❖ Identification of the diverse risks faced by the company.
- ❖ The evolution of appropriate systems and processes to measure and monitor them.
- ❖ Risk management through appropriate mitigation strategies within the policy framework.
- ❖ Monitoring the progress of the implementation of such strategies and subjecting them to periodical audit and review.
- ❖ Reporting these risk mitigation results to the appropriate managerial levels

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The company has adequate internal control systems and procedures which commensurate with the nature of its business and the size of its operations. The internal control system are adequate to ensure that all assets and resources of the company are safeguarded and protected against loss from unauthorized use or disposition and all transactions are authorized, recorded and reported correctly. The company also ensures compliance with all statutes and regulatory policies and guidelines.

Further the company is also having internal audit department which carries out audit work throughout the year. The main objective of such audit is to test the adequacy and effectiveness of internal control systems laid down by the Management and to suggest improvement in the systems.

Besides, an audit committee consisting of three directors has been constituted. All the significant audit observation and follow up action thereon are taken care of by the audit committee. The audit committee met four times during the financial year under review.

### **FINANCIAL/OPERATION PERFORMANCE**

During the year under review there have been revenue of Rs. NIL from the operations of the Company. However, there has been other income of Rs.4,877.74 thousands during the year under review as compared to other income of Rs. 4053.75 thousands in the previous year. The Net Profit for the year under review amounted to Rs. 863.10 thousands as compared to Net Profit of Rs. 1,573.69 thousands in the previous year. The detailed performance has already been discussed in the Directors report under column operational review.

### **HUMAN RESOURCES/INDUSTRIAL RELATIONS**

During the year under review the Company had no person on the rolls of the Company.

### **CAUTIONARY STATEMENT**



Though the statement and views expressed in the above said report are on the basis of best judgment but the actual future results might differ from whatever is stated in the report.

**By order of Board of Directors  
For Cremica Agro Foods Limited**

**Sd/-**

**Surendar Kumar Sood**

**Place: Ludhiana**

**(Chairman)**

**Date: 07.09.2020**

**DIN:01091404**

**Address:4275, StreetNo.7, DurgaPuri,  
Haibowal Kalan, Ludhiana141001**

CORPORATE GOVERNANCE REPORT

M/s Cremica Agro Foods Limited believes in adopting best practices in the area of Corporate Governance and follows the principles of full transparency and accountability.

Cremica has been practicing the broad principles of Corporate Governance within the regulatory framework. While following the Corporate Governance principles, it lays strong emphasis on trusteeship, transparency, accountability and integrity in all facets of its operations and in all its interactions with shareholders, employees, Government and its customers.

As per Regulation 15 of the SEBI (Listing Regulations and Disclosure Obligations Requirements) Regulations, 2015, the provisions of Chapter IV of the said Listing Regulations, 2015 shall be applicable to all Companies whose specified securities are listed on any recognized stock exchange either on the main board or on SME Exchange or on institutional trading platform. However, the Compliance with the corporate governance provisions as specified in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V shall not be mandatory, for the time being, in respect of the following class of companies:

- A. The listed entity having paid up equity share capital not exceeding Rs.10 Crore and Net Worth not exceeding Rs. 25 Crore, as on the last day of the previous financial year;
- B. The Listed Entity which has listed its specified securities on the SME Exchange.

In view of the aforesaid, I would like to affirm you that provisions stipulated under Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 of the SEBI (Listing Regulations and Disclosure Obligations Requirements) Regulations, 2015 **are not applicable on the Company** since it is neither listed exclusively on the SME Exchange nor its paid-up share capital and net worth exceeds the prescribed threshold limits as on the last day of the Financial Year ended on 31<sup>st</sup> March, 2020.

## Independent Auditors' Report

**To,  
The Members  
Cremica Agro Foods Limited**

### **Report on the Audit of the Standalone Financial Statements**

#### **1. Opinion**

We have audited the standalone financial statements of Cremica Agro Foods Limited (“the Company”), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including 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 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit and 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 for our opinion.

#### **3. Key Audit Matters**

We draw attention to the finalization of Standalone financial results, as regards the management’s evaluation of COVID-19 impact on the future performance of the Company. Due to the unprecedented outbreak of COVID-19 globally and in India. The Management

has made initial assessment of the impact on economic environment in general and financial risks on account of COVID-19.

However, the Management is of the view that there are no major change in the financial performance as estimated prior to COVID-19 impact and hence, it believes that there is no major impact on the Company's ability to continue as going concern and meeting its liabilities as and when they fall due.

Our opinion is not modified in respect of this matter.

#### **4. Other Information**

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 Directors report, but does not include the financial statements and our auditor's report thereon. The Directors Report is expected to be made available after the date of this auditor's report.

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 standalone financial statements, our responsibility is to read the other information identified above when it becomes available 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 communicate the matter to those charged with governance.

We have nothing to report in this regard.

#### **5. Management's Responsibility for the Standalone Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and 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 (Ind AS) specified 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 of 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 ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## **6. Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 made by management.
- Conclude on the appropriateness of management’s 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

## **7. Report on Other Legal and Regulatory Requirements**

- (A) As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of section 143 (11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order.
- (B) 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 purposes 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 standalone balance sheet, the standalone statement of profit and loss, the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
  - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company did not have any pending litigations as at 31 March 2020 on its financial position in its standalone financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (C) With respect to the matter to be included in the Auditor’s Report under section 197(16): In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For Anush Kaileshwar & Co.  
Chartered Accountants**

**Sd/-  
CA Anush Kaileshwar  
Partner  
M.No. 091063**

**Date:** 27.06.2020

**Place:** Ludhiana

**Annexure A referred to the Independent Auditor's report to the Members of Cremica Agro Foods Limited on the standalone financial statements for the year ended 31 March 2020**

**We report that:**

- (i) (a) According to information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment and intangible assets).
- (b) According to information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are physically verified by the management in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year. In our opinion, the periodicity of physical verification is reasonable having regards to the size of the Company and the nature of its assets. As informed to us, no discrepancies have been noticed on such verification.
- (c) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties are held in the name of the Company, further company has given capital advances of Rs 2.15 Cr.to Mrs. RichaAggarwal and of Rs.1.45 Cr.to Cremica Food industries Ltd.for purchase of Land.
- (ii) The inventory is NIL as on 31.03.2020, Accordingly para (ii) of the Order is not applicable to the Company.
- (iii) According to information and explanations given to us, the Company has not granted any loans secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company has not provided any loan, guarantee or security as specified under section 185 of the Act, Further, the Company has complied with the provisions of section 186 of the Act in relation to investment made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.



(vi) According to the information and explanations given to us, the Central Government has not prescribed for the maintenance of cost records under section 148 (1) of the Act for any goods sold or services rendered by the company. Accordingly para 3 (vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income tax, and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been slight delays in deposit of income-tax, in few cases though not serious.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income tax, , Sales tax, Service tax, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to its bankers or to any financial institutions. The Company did not have any outstanding dues to any debenture holder.

(ix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the term loans taken by the Company has been applied for the purposes for which they were obtained. As informed to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no managerial remuneration has been paid or provided by the Company.

- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them. Accordingly para 3(xv) of the Order is not applicable to the Company.
- (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 AnushKaileshwar& Co.  
Chartered Accountants**

**Sd/-  
CA AnushKaileshwar  
Partner  
M.No. 091063**

**Date:** 27.06.2020  
**Place:** Ludhiana

**Annexure B to the Independent Auditor’s report on the standalone financial statements of  
Cremica Agro Foods Limited for the period ended 31 March 2020.**

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (Referred to in paragraph 6(B)(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

**Opinion**

We have audited the internal financial controls with reference to financial statements of **Cremica Agro Foods Limited** (“the Company”) as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements 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 (the “Guidance Note”).

**Management’s Responsibility for Internal Financial Controls**

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as “the Act”).

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 adequate internal financial controls with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to financial statements.

### **Meaning of Internal Financial controls with Reference to Financial Statements**

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

## **Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For AnushKaileshwar& Co.  
Chartered Accountants**

**Sd/-  
CA AnushKaileshwar  
Partner  
M.No. 091063**

**Date:** 27.06.2020

**Place:** Ludhiana

## Balance Sheet as at March 31, 2020

(All amounts in Rs. '000 , unless  
otherwise stated)

Particulars		As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	91.41	144.67
Deferred tax assets	4	21.76	0.00
Other non-current assets	5	42,197.07	44197.07
<b>Total Non-Current assets</b>		<b>42,310.24</b>	<b>44341.74</b>
<b>Current assets</b>			
Inventories		0.00	220.00
<b>Financial assets</b>			
(i) Trade receivables		0.00	0.00
(ii) Cash and cash equivalents	6	16,619.53	14797.86
(iii) Bank balances other than above	7	43,950.04	44027.27
(iii) Other financial assets	8	28.17	78.27
Current tax assets	9	0.00	2344.51
Other current assets	10	0.00	52.40
<b>Total Current assets</b>		<b>60,597.74</b>	<b>61300.31</b>
<b>TOTAL ASSETS</b>		<b>1,02,907.98</b>	<b>105642.04</b>

### EQUITY AND LIABILITIES

#### Equity

Equity share capital	11	44955.00	44955.00
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#### Other equity

Reserves and surplus	12	43,870.18	43007.08
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<b>Total Equity</b>		<b>88,825.18</b>	<b>87,962.08</b>
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#### LIABILITIES

##### Current liabilities

Financial liabilities

(i) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises			
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	13	8,992.65	9768.44
(ii) Borrowings	14	4,325.00	5825.00
(iii) Other financial liabilities	15	525.00	345.00
Other current liabilities	16	200.13	1741.52
Current tax liabilities (net)	17	40.02	0.00
<b>Total Current Liabilities</b>		<b>14,082.80</b>	<b>17679.96</b>
<b>Total liabilities</b>		<b>14,082.80</b>	<b>17679.96</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,02,907.98</b>	<b>105642.04</b>

The above balance sheet should be read in conjunction with the accompanying notes. This is the balance sheet referred to in our report of even date.

**For AnushKaileshwar & Co**  
**Cre mica Agro Foods Limited**  
**Firm Registration No. 013077N**  
**Chartered Accountants**

**Sd/-**  
**CA AnushKaileshwar**  
**Partner**

**For and on behalf of directors of**

**Sd/-**  
**Surendar**  
**Kumar Sood**  
**Chairman &**  
**Independent**  
**Director**

**Sd/-**  
**Shantilal**  
**Sukhalal**  
**Chaudhari**  
**Whole Time**  
**Director &**

**CEO**

**Membership No.  
091063**

**DIN: 01091404**

**DIN: 02315224**

**Place : Ludhiana**

**Sd/-  
Nageeta  
Chander  
Company  
Secretary  
M.No.-A60047**

**Sd/-  
Rishi Kumar Bector  
Chief Financial Officer**

**Date : 27.06.2020**



## Statement of Profit and Loss

(All amounts in Rs. '000 , unless otherwise stated)

Particulars 31st	Notes	Year ended March	Year ended 31 <sup>st</sup> March 2019
<b>2020</b>		-	231.00
Revenue from operations	18		
Other income	19	4,877.74	4,053.75
<b>Total income</b>		<b>4,877.74</b>	<b>4,284.75</b>
<b>Expenses</b>			
Cost of materials consumed	20	-	220.00
Employee benefit expense	21	578.11	465.74
Depreciation and amortization expense	22	53.26	90.28
Other expenses	23	3,110.12	1,352.10
<b>Total expenses</b>		<b>3,741.49</b>	<b>2,128.12</b>
<b>Profit before exceptional items and tax</b>		<b>1,136.25</b>	<b>2,156.62</b>
Exceptional items		-	<b>2,156.62</b>
<b>Profit before tax</b>		<b>1,136.25</b>	
Tax expense:	4	302.43	575.41
- Current tax			
- Deferred tax	4	(29.28)	7.52
<b>Total tax expense</b>		<b>273.15</b>	<b>582.93</b>
<b>Profit for the year</b>		<b>863.10</b>	<b>1,573.69</b>
<b>Other comprehensive income for the year, net of tax</b>		-	-
<b>Total comprehensive income for the year</b>		<b>863.10</b>	<b>1,573.69</b>
<b>Earnings per equity share for profit from operations attributable to owners</b>			
Basic earnings per share	28	0.19	0.35
Diluted earnings per share	28	0.19	0.35

The above balance sheet should be read in conjunction with the accompanying notes. This is the balance sheet referred to in our report of even date.

**For AnushKaileshwar& Co  
Cremica Agro Foods Limited  
Firm Registration No. 013077N  
Chartered Accountants**

**For and on behalf of directors of**

**Sd/-  
CA AnushKaileshwar  
Partner**

**Sd/-  
Surendar  
Kumar Sood  
Chairman &  
Independent  
Director  
DIN: 01091404**

**Sd/-  
Shantilal Sukhalal  
Chaudhari  
Whole Time Director &  
CEO  
DIN: 02315224**

**Membership No.  
091063**

**Place : Ludhiana**

**Date : 27.06.2020**

**Sd/-  
Nageeta  
Chander  
Company  
Secretary  
M. No.-A60047**

**Sd/-  
Rishi Kumar Bector  
Chief Financial Officer**

## Statement of Cash Flows

(All amounts in Rs. '000 , unless otherwise stated)

Particulars ended 31	Year March2020	Year ended 31 March 2019
<b>Cash flow from operating activities</b>		
Profit before income tax and exceptional items	1,136.25	2,156.62
<b><u>Adjustments for:</u></b>		
Depreciation and amortisation expense	53.26	90.28
Interest income	(4,039.23)	(3,572.62)
<b>Operating profit before working capital changes</b>	<b>(3,985.97)</b>	<b>(3,482.34)</b>
<b>Movement in working capital:</b>		
Decrease in inventories	-	220.00
Decrease in other current assets	52.40	-
Decrease in other financial assets	-	13.53
Decrease in other noncurrent assets	2,000.00	4,304.91
(Decrease) in trade payables	(775.79)	(687.80)
(Decrease) in other current liabilities	(1,533.87)	(6,070.40)
Increase in other financial liabilities	180.00	-
<b>Cash generated from operations</b>	<b>(77.26)</b>	<b>(2,219.76)</b>
Income tax refund/(paid)	2082.09	
	(439.48)	
<b>Net cash used in operating activities</b>	<b>(844.89)</b>	<b>(3,984.96)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	-	-
Net redemption/(investments) in bank deposits (having original maturity of more than three months)	77.23	-
Interest received	4089.33	3572.65
<b>Net cash from investing activities</b>	<b>4,166.56</b>	<b>3,572.65</b>

**Cash flow from financing activities**

Proceeds/(repayments) from/to current borrowings	<u>(1,500.00)</u>	3200.00
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<b>Net cash (used in)/from financing activities</b>	<b><u>(1,500.00)</u></b>	<b><u>3200.00</u></b>
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<b>Net increase in cash and cash equivalents</b>	<b>1,821.67</b>	<b>2,787.</b>
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	<b>69</b>	
Cash and cash equivalents at the beginning of the year	<u>14,797.86</u>	
	<u>12,010.16</u>	

<b>Cash and cash equivalents at the end of the year</b>	<b><u>16,619.53</u></b>	
	<b><u>14,797.86</u></b>	

Cash and cash equivalents as per above comprise of the following

Cash and cash equivalents		
Balances with banks	16,619.53	14,789.41
Cash on hand	-	8.45
	<u>16,619.53</u>	
	<b><u>14,797.86</u></b>	

The above balance sheet should be read in conjunction with the accompanying notes. This is the balance sheet referred to in our report of even date.

**For AnushKaileshwar& Co**  
**Cremica Agro Foods Limited**  
**Firm Registration No. 013077N**  
**Chartered Accountants**

**For and on behalf of directors of**

**Sd/-**  
**CA AnushKaileshwar**  
**Partner**

**Sd/-**  
**Surendar**  
**Kumar Sood**  
**Chairman &**  
**Independent**  
**Director**

**Sd/-**  
**Shantilal Sukhalal**  
**Chaudhari**  
**Whole Time Director &**  
**CEO**

**Membership No.  
091063**

**Place : Ludhiana**

**Date : 27.06.2020**

**DIN: 01091404**

**Sd/-  
Nageeta  
Chander  
Company  
Secretary  
M. No.-A60047**

**DIN: 02315224**

**Sd/-  
Rishi Kumar Bector  
Chief Financial Officer**

## Statement of Changes in Equity

### a. Equity Share Capital

(All amounts in Rs. '000 , unless otherwise stated)

Particulars	Number	Amount
<b>As at 1 April 2018</b>	14,98,500	14,985.00
Changes in equity share capital	29,97,000	29,970.00
<b>As at 31 March 2019</b>	44,95,500	44,955.00
Changes in equity share capital	-	-
<b>As at 31 March 2020</b>	44,95,500	44,955.00

### b. Other equity

Particulars	Reserves & Surplus				Total
	Capital Reserve	Securities premium reserve	General Reserve	Retained Earnings	
<b>Balance at 1 April 2018</b>	8,448.00	2,742.90	7,950.03	52,262.46	71,403.39
Profit for the year	-	-	-	1,573.69	1,573.69
Other comprehensive income	-	-	-	-	-
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,573.69</b>	<b>1,573.69</b>

<b>comprehensive income for the year</b>					
Bonus Shares Issued	-	(2,742.90)	(7,950.03)	(19,277.07)	(29,970.00)
<b>Balance at 31 March 2019</b>	<b>8,448.00</b>	-	-	<b>34,559.08</b>	<b>47,3007.08</b>
<b>Profit for the year</b>	-	-	-	<b>863.10</b>	<b>863.10</b>
<b>Other comprehensive income for the year</b>	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	<b>863.10</b>	<b>863.10</b>
<b>Bonus shares issued</b>	-	-	-	-	-
<b>Balance at 31 March 2020</b>	<b>8,448.00</b>	-	-	<b>35,422.18</b>	<b>43,870.18</b>

The above balance sheet should be read in conjunction with the accompanying notes. This is the balance sheet referred to in our report of even date.

**For AnushKaileshwar& Co**      **For and on behalf of directors of**  
**Cremica Agro Foods Limited**  
**Firm Registration No. 013077N**  
**Chartered Accountants**

**Sd/-**  
**CA AnushKaileshwar**  
**Partner**

**Sd/-**  
**Surendar**  
**Kumar Sood**  
**Chairman &**  
**Independent**  
**Director**  
**DIN: 01091404**

**Sd/-**  
**ShantilalSukhalalChaudhar**  
**i**  
**Whole Time Director &**  
**CEO**  
**DIN: 02315224**

**Membership No.**  
**091063**

**Place : Ludhiana**

**Sd/-**  
**NageetaChande**

**Sd/-**  
**Rishi Kumar Bector**

**Date : 27.06.2020**

**r  
Company  
Secretary  
M. No.-A60047**

**Chief Financial Officer**



## Notes to Financial Information

### 3 Property, plant and equipment

(All amounts in Rs. '000,  
unless otherwise stated)

'Particulars	Plant & machinery	Furniture & Fixtures	Computers	Total
<b>Year ended 31 March 2020</b>				
<b>Gross carrying amount</b>				
Opening gross carrying amount	254.51	139.76	178.31	572.58
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Closing gross carrying amount</b>	<b>254.51</b>	<b>139.76</b>	<b>178.31</b>	<b>572.58</b>
<b>Accumulated depreciation</b>				
Opening accumulated depreciation	167.27	83.28	177.36	427.91
Depreciation charge during the year	34.83	18.43	-	53.26
Disposals	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>202.10</b>	<b>101.71</b>	<b>177.36</b>	<b>481.17</b>
<b>Net carrying amount</b>	<b>52.41</b>	<b>38.05</b>	<b>0.95</b>	<b>91.41</b>
'Particulars	Plant & machinery	Furniture &	Computers	Total

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**Fixtures**

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**Year ended 31  
March 2019  
Gross carrying  
amount**

Opening gross carrying amount	254.51	139.76	178.31	572.58
Additions	-	-	-	-
Disposals	-	-	-	-

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<b>Closing gross carrying amount</b>	<b>254.51</b>	<b>139.76</b>	<b>178.31</b>	<b>572.58</b>
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**Accumulated depreciation**

Opening accumulated depreciation	132.44	64.86	140.34	337.63
Depreciation charge during the year	34.83	18.43	37.02	90.28
Disposals	-	-	-	-

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<b>Closing accumulated depreciation</b>	<b>167.27</b>	<b>83.28</b>	<b>177.36</b>	<b>427.91</b>
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<b>Net carrying amount</b>	<b>87.24</b>	<b>56.49</b>	<b>0.95</b>	<b>144.67</b>
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#### 4. Income Tax

##### A Amounts recognized in profit or loss

		<b>For the year ended 31march 2020</b>	<b>For the year ended 31 march2019</b>
<b>Current tax expense</b>			
Current year		294.22	
Tax expense relating to earlier years		575.41	8.21
		-	
		<b>302.43</b>	<b>575.41</b>
<b>Deferred tax credit</b>			
Changes in recognised temporary differences	(29.28)	7.52	
<b>Total tax expense</b>			
<b>273.15</b>	<b>582.93</b>		

##### B. Reconciliation of effective tax rate For the year ended

	<b>For the year ended</b>			
	<b>31march 2020</b>		<b>31 march2019</b>	
	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>
<b>Profit before tax from continuing operations</b>	25.17%	1,136.2	26.0	2,156.6
		5	0%	2
Tax using the Company's domestic tax rate		285.97		560.72
Tax effect of:				
Non-deductible expenses	0.56%	6.32	0.68	14.69
			%	
Changes in estimates related to prior years	0.72%	8.21	0.00%	-

Others	0.17%	1.92	0.00%	-
<b>Tax expense</b>	<b>26.62%</b>	<b>302.43</b>	<b>26.68%</b>	<b>575.41</b>

### C. Deferred tax assets

Particulars	As at 1 April 2019	Recognized in P&L	As at 31 March 2020
<b>At 1 April 2019</b>			
<b>Deferred Tax Liability/(Asset)</b>			
Property, plant and equipment	7.52	(29.28)	(21.76)
<b>Net Deferred Tax Liabilities/(Asset)</b>	<b>7.52</b>	<b>(29.28)</b>	<b>(21.76)</b>

Particulars	As at 1 April 2018	Recognized in P&L	As at 31 March 2019
<b>At 1 April 2018</b>			
<b>Deferred Tax Liability/(Asset)</b>			
Property, plant and equipment	-	7.52	7.52
<b>Net Deferred Tax Liabilities/(Asset)</b>	<b>-</b>	<b>7.52</b>	<b>7.52</b>

### 5 Other non-current assets

<u>31March 2020</u>	<u>31March</u>
<u>2019</u>	<u>01 April 2016</u>

Capital Advances	36,057.07	36,057.07
		18,592.18
Other advances	6,140.00	8,140.00
	8,140.00	
<b>Total other non-current assets</b>	<b>42,197.07</b>	<b>44,197.07</b>
		<b>26,732.18</b>
<b>Inventories</b>	<b>31march 2020</b>	<b>31march</b>
	<b>2019</b>	<b>01 April 2016</b>
Raw material and packing material	-	
	220.00	
<b>Total Inventories</b>	<b>-</b>	
	<b>220.00</b>	
	<b>-</b>	
<b>6 Cash and cash equivalents</b>	<b>31March 2020</b>	<b>31March</b>
	<b>2019</b>	<b>01 April 2016</b>
Balances with Banks		
- in current accounts	16,619.53	14,789.41
	<b>16,619.53</b>	<b>14,789.41</b>
Cash on hand	- 8.45	
	-	<b>8.45</b>
<b>Total cash and cash equivalents</b>	<b>16,619.53</b>	<b>14,797.86</b>
<b>7 Bank balances other than cash and cash equivalents above</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Deposits with maturity more than 3 months but less than 12 months	43,950.04	44,027.27
<b>Total Bank Balances other than cash and cash equivalents above</b>	<b>43,950.04</b>	<b>44,027.27</b>
<b>8 Statement of financial assets</b>		
<b>Statement of other financial assets</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
	<b>Curren t</b>	<b>Curren t</b>
	<b>Non-Curren t</b>	<b>Non-Curren t</b>

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**(i) Derivatives**

Foreign exchange forward contracts	-	-
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**(ii) Others**

Security deposits

-Considered good	-	-
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-Considered doubtful	-	-
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<b>Less : Provision for doubtful security deposits</b>	-	-
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Net security deposits	-	-
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Long term deposits with bank with maturity period more than 12 months [Refer Note (a) below]

Unbilled revenue [Refer Note (b) below]

**Less:** Provision for doubtful unbilled revenue**Less:** Unwinding of discount

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Net unbilled revenue	-	-
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Interest accrued on deposits with banks	28.17	-	78.27	-
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<b>Total other financial assets</b>	<b>28.17</b>	<b>-</b>	<b>78.27</b>	<b>-</b>
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**9 Current tax assets****31March 2020****31march 2019**

Advance income tax (net of provision for tax)	-	2,344.51
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<b>Total current tax assets</b>	<b>-</b>	<b><u>2,344.51</u></b>
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**10 Other current assets**

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**31 march  
2020**

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**31 march 2019**

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Balance with government authorities	-	52.40
<b>Total other current assets</b>	<b>-</b>	<b>52.40</b>

## 11 Equity share capital and other equity

### (a) Equity share capital

Authorized equity share capital (All amounts in Rs. '000, unless otherwise stated)

	Number of shares	Amount
<b>5,000,000 (as at 31 March 2019: 5,000,000) equity shares of Rs. 10/- each</b>	5000,000.00	50,000.00

### (i) *Movements in equity share capital*

	Number of shares	Equity share capital (par value)
<b>4,495,500 (as at 31 March 2019: 4,495,500) equity shares of Rs. 10/- each</b>	4,495,500.00	44,955.00

### *Terms and rights attached to equity shares*

The company has one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the company, the holders of the equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (ii) **Details of shareholders holding more than 5% shares in the Company**

Name of Shareholder	31 march 2020		31 march 2019	
	No. of Shares held	% of Holding	No. of shares held	% of Holding
Mrs. Bectors Food Specialities Limited	1937268	43.09%	19,37,268	43.09%
Cremica Food Industries Limited	677040	15.06%	6,77,040	15.06%

As per records of the company, including its register of shareholders/members and other

declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

1. **Other Equity**

	<b>31 march 2020</b>	<b>31 march 2019</b>
Capital Reserve	8,448.00	8,448.00
Securities premium reserve	--	-
General Reserve	--	-
Retained Earnings	35,422.18	34,559.08
<b>Total reserve and surplus</b>	<b><u>43,870.18</u></b>	<b><u>43,007.08</u></b>

	<b>31 march 2020</b>	<b>31 march 2019</b>
<b>(i) Capital Reserve</b>		
Opening Balance	8,448.00	8,448.00
<b>Closing balance</b>	<b><u>8,448.00</u></b>	<b><u>8,448.00</u></b>
<b>(ii) Securities Premium Reserve</b>		
Opening Balance	-	2,742.90
Less: Transferred to Non current liability- Borrowings		-
<b>Closing balance</b>	<b><u>-</u></b>	<b><u>2,742.90</u></b>
<b>(iii) General Reserve</b>		
Opening balance	-	7,950.03
Less: Bonus Shares Issued (7,950.03)	-	
<b>Closing balance</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>(iv) Surplus in the statement of profit or loss</b>		
Opening balance	34,559.08	52,262.44
Balance transferred from Statement of Profit and Loss		
863.10		1573.69
Bonus Shares Issued (19,277.07)		-
<b>Closing balance</b>	<b><u>35,422.18</u></b>	
<b><u>34,559.08</u></b>		

**Nature and purpose of other reserves**

**Securities premium account**



Securities premium account is used to record the premium on issue of shares. During the financial year 2018-19, bonus shares have been issued by utilizing securities premium in accordance with the provisions of the Companies Act, 2013.

### General Reserve

The General Reserve is as per the requirements of Companies Act, 2013 in respect of companies incorporated in India.

(All amounts in Rs. '000, unless otherwise stated)

<b>13.</b>	<b>Trade payables</b>		<b>31march 2020</b>
	<b>31 march 2019</b>		
	<b>Current</b>		
	Trade payables		
	(a) Total outstanding dues of microenterprises and small enterprises*	-	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	8992.65	9,768.44
	<b>Total trade payables</b>	<b>8992.65</b>	<b>9,768.44</b>

\*The Company has during the year, not received any intimation from any of its suppliers regarding their status under the MSMED Act. Based on the above facts, there are no dues to parties registered under MSMED Act. Accordingly, disclosures required under MSMED act are not given.

<b>14.</b>	<b>Current Borrowings</b>		<b>31march 2020</b>	<b>31</b>
	<b>march 2019</b>			
	<b>Unsecured loans</b>			
	Loan from Related Parties*	4,325.00		
	5,825.00			
	<b>Total Current borrowings</b>	<b>4,325.00</b>	<b>5,825.00</b>	
	*These represent interest free short term loans given by related parties to cover working capital requirements. These loans are repayable on demand.			

15.	<b>Other financial liabilities</b>	
		<b>31march 2020</b> <b>31 march 2019</b>
	<b>Current</b>	
	Security Deposits	525.00
	345.00	
	<b>Total other Current Financial liabilities</b>	<b>525.00</b>
	<b>345.00</b>	

16.	<b>Other current liabilities</b>	<b>31 march</b>	<b>31 march</b>
		<b>2020</b>	<b>2019</b>
	Capital Creditors	-	1,560.05
	Statutory dues	0.64	7.84
	Other Payables	126.89	153.14
	Employee benefits payable	72.60	20.49
	<b>Total other current liabilities</b>	<b>200.13</b>	<b>1,741.52</b>

17.	<b>Current Tax Liabilities(Net)</b>	<b>31 march</b>	<b>31 march</b>
		<b>2020</b>	<b>2019</b>
	Income Tax(Net of advance Tax)	40.02	-
	<b>Total Current Tax Liabilities(Net)</b>	<b>40.02</b>	<b>-</b>

## Notes to Financial Information

(All amounts in Rs. '000 ,  
unless otherwise stated)

	<b>Year ended</b>	<b>Year ended</b>
	<b>march 31,</b>	<b>march 31,</b>
	<b>20</b>	<b>20</b>
	<b>20</b>	<b>19</b>
<b>18 Revenue from operations</b>	-	
Revenue from operations		231.00
<b>Total revenue from operations</b>	<b>-</b>	<b>231.00</b>
<b>19 Other income</b>		
Interest income from financial assets at		

amortized cost	2,542.00	2,674.05
Interest income from others	1,497.23	898.57
Excess & short recovery	838.51	481.13
<b>Total other income</b>	<b>4,877.74</b>	<b>4,053.75</b>

**20 Cost of materials consumed**

Opening inventories	-	220.00
Add: Purchases	-	-
Less: Raw material at the end of the year	-	-
<b>Total cost of material consumed</b>	<b>-</b>	<b>220.00</b>

**21 Employee benefits expense**

Salaries and wages including provident fund & bonus	578.11	465.74
<b>Total employee benefit expense</b>	<b>578.11</b>	<b>465.74</b>

**22 Depreciation and amortization expense**

Depreciation of property, plant and equipment	53.26	90.28
<b>Total depreciation and amortization expense</b>	<b>53.26</b>	<b>90.28</b>

**23 Other expenses**

Rates & taxes	88.12	250.63
Printing and stationery	71.75	3.95
Rent		70.80

Legal and Professional fees	109.03	792.73
Payment to auditors (Refer Note (a) below)	461.40	25.96
Bad Debts written off	29.50	
Miscellaneous expenses	2000.00	-
	350.32	208.03
	<b>3,110.12</b>	
		<b>1352.10</b>

**Details of payments to auditors**

**(a) Payments to auditors (excluding taxes)**

**As auditor:**

Audit Fee

	29.50	25.96
<b>Total payments to auditors</b>	<b>29.50</b>	<b>25.96</b>

## 24. Financial instruments – Fair values and risk management

### A. Financial instruments by category

March , 2019	As at 31 March , 2020		As at 31	
	<b>FVTP L</b>	<b>Amortis ed Cost</b>	<b>FVTP L</b>	<b>Amortis ed Cost</b>
<b>Financial assets</b>				
Cash and cash equivalents	-	16,619.53	-	14,797.86
Bank balances other than cash and cash equivalents	-	43,950.04	-	44,027.27
Other current financial assets	-	28.17	-	78.27
	-	<b>60,597.74</b>	-	<b>58,903.40</b>
<b>Financial liabilities</b>				
Non-current borrowings	-	-	-	-
Short term borrowings	-	4,325.00	-	5,825.00
Trade payables	-	8,992.65	-	9,768.44
Other financial liabilities	-	525.00	-	345.00
	-	<b>13,842.65</b>	-	<b>15,938.44</b>

### B. Fair value hierarchy

"This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- (a) recognised and measured at fair value and
- (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the Indian Accounting Standard 113. An explanation of each level follows underneath the table."

**Assets and liabilities which are measured at amortised cost for which fair values are disclosed**

<b>As at 31 March , 2020</b>	<b>As at 31 March , 2019</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 1</b>	<b>Level 2</b>
<b>Financial assets</b>				
Cash and cash equivalents	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	-	-
Other current financial assets	-	-	-	-
<b>Total financial assets</b>			-	-
<b>Financial liabilities</b>				
Short term borrowings	-	-	-	-
Trade payables	-	-	-	-
Other financial liabilities	-	-	-	-
<b>Total financial liabilities</b>	-	-	-	-

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices/NAV published.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

### **Valuation process**

The finance department of the Company performs the valuations of financial assets and liabilities required for financial reporting purposes for level 3 fair values. The Company relies on them for instruments measured using level 1 valuation. Discussions of valuation processes and results are held between the CFO and the finance team at least once every year in line with the Company's reporting periods.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period.

### **Fair value of financial assets and liabilities measured at amortised cost**

**As at March 31, 2020**

**As at March 31, 2019**

	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>
<b>Financial assets</b>				
Cash and cash equivalents	16,619.53	16,619.53	14,797.86	14,797.86
Bank balances other than cash and cash equivalents	43,950.04	43,950.04	44,027.27	44,027.27
Other current financial assets	28.17	28.17	78.27	78.27
	<b>60,597.04</b>	<b>60,597.04</b>	<b>58,903.40</b>	<b>58,903.40</b>
<b>Financial liabilities</b>				
Short term borrowings	4,325.00	4,325.00	5,825.00	5,825.00
Trade payables	8,992.65	8,992.65	9,768.44	9,768.44
Other current financial liabilities	525.00	525.00	345.00	345.00
	<b>13,842.65</b>	<b>13,842.65</b>	<b>15,938.44</b>	<b>15,938.44</b>



The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, current loans, other current financial assets, short-term borrowings, trade payables, other current financial liabilities are considered to be the same as their fair values, due to their short-term nature. Non-current borrowings represents approximate to the fair values. Accordingly, the same has not been discounted.

The fair values for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit.

## **B. Financial risk management**

### **Risk management framework**

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

#### **i. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans and advances, cash and cash equivalents and deposits with banks.

#### **Trade receivables**

"The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. An impairment analysis is performed at each reporting date.

The risk management committee has established a credit policy under which each new customer is analysed individually for credit worthiness before the standard payments and delivery terms & conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties. "

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

### **Cash and cash equivalents and deposits with banks**

Cash and cash equivalents of the Company are held with banks which have high credit rating. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

<b>Particulars at March 31, 2019</b>	<b>As at March 31, 2020</b>	<b>As</b>
<b>Financial assets for which loss allowance is measured using Lifetime Expected Credit Losses</b>		
Trade Receivables	-	-

-

## ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the cash flow generated from operations to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

## Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and exclude the impact of netting agreements.

	Carrying amount		Contractual cash flows
	As at 31 March , 2020	Total	Upto 1 year

**Financial liabilities**

Short term borrowings	4,325.00	4,325.00	4,325.00
Trade payables	8,992.65	8,992.65	8,992.65
Other current financial liabilities	345.00	525.00	525.00
<b>Total</b>	<b>13,842.65</b>	<b>13,842.65</b>	<b>13,842.65</b>

	Carrying amount		Contractual cash flows
	As at 31 March , 2019	Total	Upto 1 year
<b>Financial liabilities</b>			
Short term borrowings	5,825.00	5,825.00	5,825.00
Trade payables	9,768.44	9,768.44	9,768.44
Other current financial liabilities	345.00	345.00	345.00
<b>Total</b>	<b>15,938.44</b>	<b>15,938.44</b>	<b>15,938.44</b>

### iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Exposure to interest rate risk

The interest rate profile of the Company’s interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	Nominal Amount	
	As at March 31, 2020	As at March 31, 2019
<b>Fixed-rate instruments</b>		
Financial assets	44,105.54	44,197.07
	<b>44,105.54</b>	<b>44,197.07</b>

## Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

## 25. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital on a yearly basis as well as the level of dividends to ordinary shareholders which is given based on approved dividend policy. The board of directors seek to maintain a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position.

The company capital consists of equity attributable to equity holders that includes equity share capital, reserves, retained earnings and long term borrowings.

	As at March 31, 2020	As at March 31, 2019
Total liabilities	14,082.80	17,679.96
Less : Cash and cash equivalent	16,619.53	14,797.86
<b>Adjusted net debt (a)</b>	<b>(2,536.72)</b>	<b>2,882.10</b>
Total equity (b)	88,825.18	88,962.08
Capital gearing ratio (a/b)	-3%	3%

As a part of its capital management policy the company ensures compliance with all covenants and other capital requirements related to its contractual obligations.

## 24. Related Party Transaction

### (a) Names of related parties and nature of relationship

<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>A. Key Management Personnel</b>	<b>A. Key Management Personnel</b>
AnoopBector , Director (Resigned from the company w.e.f 12.08.2019)	AnoopBector , Director
S.S Chaudhary, Whole Time Director & CEO	S.S Chaudhary, Whole Time Director & CEO
Ajay Bector	Ajay Bector
RajniBector, Director (Resigned from the company w.e.f 12.08.2019)	RajniBector, Director
Rishi Bector, Chief Financial Officer NageetaChander, Company Secretary	Rishi Bector, Chief Financial Officer Chhaya Bharti, Company Secretary
<b>B. Entities under which Key Management Personnel are interested</b>	<b>B. Entities under which Key Management Personnel are interested</b>
Mrs. BectorsCremica Dairies Private Limited	Mrs. BectorsCremica Dairies Private Limited
Mrs. Bectors Food Specialities Limited	Mrs. Bectors Food Specialities Limited
Cremica Food Specialities Limited	Cremica Food Specialities Limited
Sunshine Foods	Sunshine Foods
Hira Mal Lachman Das	Hira Mal Lachman Das
Him Valley Food Processors	Him Valley Food Processors
Ajay Bector (HUF)	Ajay Bector (HUF)
Dharamvir& Sons (HUF)	Dharamvir& Sons (HUF)
AnoopBector (HUF)	AnoopBector (HUF)
AkshayBector (HUF)	AkshayBector (HUF)

**(b) Transactions with related parties during the course of ordinary business:**

"A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over those entities. A number of these entities transacted with the Company during the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or those which might reasonably be expected to be available, in respect of similar transactions with non-key management personnel related entities on an arm's length basis.

The aggregate value of the Company's transactions relating to key management personnel and entities over which they have control or significant influence is as follows:"

<b>Transactions</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
<b>KMPs</b>		
- AnoopBector	-	-
-Ishaan Bector	-	-
<b>Relatives of KMP</b>		
-DharamvirBector	-	-
-RajniBector	-	-
<b>Rent paid</b>		
-Entities controlled by KMPs	120.00	70.80

(c) **Details of balances with related parties at year end**

<b>Outstanding Balances</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
<b>Related Party Balances at Year End:</b>		
<b>Trade and other payables/payable for capital goods</b>		
-Associates	-	-
-Entities controlled by KMPs	3,971.69	5,504.37
<b>Unsecured loans</b>		
-KMPs	3,200.00	4,700.00
-Relatives of KMPs	1,125.00	1,125.00
<b>Advances and other receivables</b>		
-Associates	-	-
-Entities controlled by KMPs	14,557.07	14,557.07

**25. Contingent liabilities**

**(a) Contingent Liabilities**

The Company had contingent liabilities in respect of Sales Tax Appeal amounting to Rs. NIL as at March 31, 2020 (Rs. 2537.83 as at March 31,2019 )

**(b) Contingent**



*Assets*

The Company does not have any contingent assets as at 31st March 2020 and as at March 31, 2019.

## 26. Statement of earnings per share

	<b>31st March 2020</b>	<b>31st March 2019</b>
<b>(a) Basic earnings per share</b>		
From continuing operations attributable to the equity holders of the company	0.19	(0.35)
<b>(b) Diluted earnings per share</b>		
From continuing operations attributable to the equity holders of the company	0.19	(0.35)
<b>(c) Basis for Calculating Earning Per Sahre</b>		
	<b>31st March 2020</b>	<b>31st March 2019</b>
Profit from continuing operations attributable to the equity holders of the company used for Basic and dilluted earnings per share	863.10	1,573.69
<b>(d) <i>Weighted average number of shares used as the denominator</i></b>		
	<b>31st March 2019</b>	<b>31st March 2018</b>
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	44,95,500	44,95,500

## 27. Segment Information

### **Basis for segmentation**

Segment information is presented in respect of the company's key operating segments. The operating segments are based on the company's management and internal reporting structure

### **Operating Segments**

The Company's Board of directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decisions with respect to the preparation and execution of business plan, preparation of budget, planning, alliance, merger and acquisition, and expansion of any new facility.

In the opinion of the Board, there is only one reportable segment ("Revenue from food products"). Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company.

**For**  
**AnushKaileshwar**  
**& Co**  
**Chartered**  
**Accountants**  
**Firm Registration**  
**No.013077N**

**For and on behalf of directors of Cremica**  
**Agro Foods Limited**

**CA**  
**AnushKaileshwar**  
**Partner**

**Surendar**  
**Kumar Sood**  
**Chairman**  
**&**  
**Independent**  
**Director**  
**DIN:**

**ShantilalSukhalalChaud**  
**hari**  
**Whole Time Director &**  
**CEO**  
**DIN: 02315224**

**Membership No.**

**091063**

**01091404**

**Place : Ludhiana**

**Nageeta Chand  
er  
Company  
Secretary  
M.No. A60047**

**Rishi Kumar Bector**

**Chief Financial Officer**

**Date : 27.06.2020**

**CREMICA AGRO FOODS LIMITED**  
(CIN: L15146PB1989PLC009676)  
Regd. Office: 455, SOHAN PALACE, 2<sup>ND</sup>  
FLOOR, THE MALL, LUDHIANA-141001, PUNJAB