



CREMICA AGRO FOODS LTD.

**Date: 04<sup>th</sup> September, 2021**

To,

**Metropolitan Stock Exchange of India Limited  
The Listing Department, 4th Floor, Vibgyor Tower  
Opposite Trident Hotel, Bandra- Kurla Complex,  
Mumbai – 400098**

**Trading Symbol: CREMICA**

**ISIN: INE050S01019**

**Subject: Submission Of Annual Report For the Financial Year 20-21 including notice convening the 32<sup>nd</sup> Annual General Meeting of Cremica Agro Foods Limited**

Dear Sir/ Ma'am

In Compliance to Regulation 30 and Regulations 34 of the SEBI (Listing Obligations and disclosures Requirements) Regulation, 2015, we submit herewith a copy of the Annual Report For the Financial year 20-21 including the Notice Convening the 32<sup>nd</sup> Annual General Meeting of the company scheduled to be held on Monday, 27th September, 2021 at 11:00 A.M through Video-conferencing mode (VC)/Other Audio Visual Mode(OAVM).

Kindly take the same on record

**Thanking You,**

**For Cremica Agro Foods Limited**

**Malti Devi**

**(Company Secretary & Compliance Officer)**

**Office Address: Theing Road**

**Phillaur, Jalandhar 144410**

**Date: 04<sup>th</sup> September, 2021**

**Place: Jalandhar**

# **CREMICA AGRO FOODS LIMITED**

## **32<sup>ND</sup> ANNUAL REPORT FOR THE**

### **FINANCIAL YEAR 2020-2021**

**CREMICA AGRO FOODS LIMITED**

**(CIN: L15146PB1989PLC009676)**

**Regd. Office:** 455, Sohan Palace, 2<sup>nd</sup>

Floor, The Mall, Ludhiana-141001, Punjab

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**COMPANY INFORMATION**

<b>CIN:</b>	L15146PB1989PLC009676
<b><u>BOARD OF DIRECTORS</u></b> Mr. Surendar Kumar Sood Ms. Samridhi Seth Mr. Nem Chand Jain* Mr. Shantilal Sukalal Chaudhari Mr. Atul Verma** Mr. Ajay Bector***	<b><u>DESIGNATION</u></b> Chairman and Independent Director Independent Director Additional Independent Director Whole Time Director & CEO Independent Director
<b><u>CHIEF FINANCIAL OFFICER</u></b> Mr. Rishi Kumar Bector	<b><u>COMPANY SECRETARY</u></b> Ms. Nageeta Chander* Ms. Bhawna Makhija** Ms. Malti Devi***
<b>SHARE TRANSFER AGENTS</b>	M/s Link Intime IndiaPrivate 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., Chartered Accountants
<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, Jalandhar – 144410, Punjab
<b>STOCK EXCHANGE</b>	Metropolitan Stock Exchange of India Limited
<b>WEBSITE OF THE COMPANY</b>	<a href="http://www.cafl.co.in">www.cafl.co.in</a>

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

\*Mr. Nem Chand Jain was appointed as an Additional Independent Director of the company w.e.f 08<sup>th</sup> February, 2021.

\*\* Mr. Atul Verma had resigned from the position of the Independent Director of the Company w.e.f 08<sup>th</sup> February, 2021.

\*\*\*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

\*Ms. Nageeta Chander has resigned from the position of Company Secretary of the Company w.e.f- 09<sup>th</sup> November, 2020

\*\*Ms. Bhawna Makhija was appointed as Company Secretary of the Company w.e.f 29<sup>TH</sup> December, 2021 and has resigned from the said position w.e.f-16<sup>th</sup> April, 2021

\*\*\*Ms. Malti Devi was appointed as Company Secretary of the Company w.e.f- 16<sup>th</sup> April, 2021.

### **NOTICE OF 32<sup>ND</sup> ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the **32<sup>nd</sup> Annual General Meeting (AGM)** of the members of M/s Cremica Agro Foods Limited will be held on Monday, the 27<sup>th</sup> day of September, 2021 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 situated at 455, Sohan Palace, 2nd 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 the Audited Financial Statements (Standalone) of the Company for the financial year ended on 31<sup>st</sup> March, 2021 including the Audited Balance Sheet as at 31<sup>st</sup> March, 2021, the statement of Profit & Loss and Cash Flow Statement for the financial year ended on that date along with the Notes appended thereto and Reports of the Auditors and Directors Report thereon.
2. To appoint a Director in place of **Mr. Shantilal Sukalal Chaudhari (DIN: 02315224)**, Whole Time 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:**

3. **Appointment of Mr. Nem Chand Jain (DIN: 02894923) as an Independent Director of the Company.**

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 sections 149(6), 150, 161 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) (including any statutory modification(s) or re-enactments thereof for the time being in force) and as per the Regulation 17 and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), on the recommendations of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Nem Chand Jain (DIN: 02894923) who was appointed as an Additional Independent Director of the Company w.e.f. 08th February, 2021 and who has submitted a declaration of independence as provided under Section 149(6) of the Act and applicable rules made thereunder and Regulation 16(1)(b) of the Listing Regulations and is eligible for appointment and who holds the office up to this Annual General Meeting, be and is hereby appointed as the Non- Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five years on such remuneration as may be decided by the Board of Directors. .

**RESOLVED FURTHER THAT** any Director of the Company be and is hereby jointly or severally authorized to sign and file necessary forms / documents for intimation of the above appointment with the Registrar of Companies and other concerned authorities.”

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

**Malti Devi  
Company Secretary and Compliance Officer  
Registered Office: 455, Sohan Palace, 2<sup>nd</sup> Floor,  
The Mall, Ludhiana-141001, Punjab**

**Date:** 03<sup>rd</sup> September, 2021

**Place:** Ludhiana

**NOTES:**

In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated January 13, 2021 read together with circulars dated 8<sup>th</sup> April, 2020 and 13<sup>th</sup> April, 2020 and 05<sup>th</sup> May, 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM/ Meeting") through Video Conferencing ("VC")/ Other Audia visual means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), Securities and Exchange Board of India (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 03<sup>rd</sup> September, 2021 (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 2020-21 is being sent through electronic mode only to those members whose email addresses are registered with the Company/Depository Participant(s). Pursuant to circular no. 20/2020 dated 05<sup>th</sup> 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 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 21.09.2021 to 27.09.2021 (Both days inclusive) (Record date- 20<sup>th</sup> September, 2021).

The Company has fixed its first cut-off date as 03<sup>rd</sup> September, 2021 for the purpose of dispatch of Notice of AGM along with Annual report. Any person who acquires shares after the first cut-offdate but before the record date i.e 20<sup>th</sup> September 2021 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 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.caf@gmail.com](mailto:manager.caf@gmail.com) with a copy marked to [instameet@linkintime.co.in](mailto: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 she 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 Link Intime India Pvt. Ltd (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 Friday, 24<sup>th</sup> September, 2021 and will end at 5.00 p.m. on Sunday, 26<sup>th</sup> September, 2021. 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 e-voting 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.
18. Members may join the 32<sup>nd</sup> 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 32<sup>nd</sup> AGM and the Company may close the window for joining the VC/OAVM Facility 15 minutes after the scheduled time to start the 32<sup>nd</sup> 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 32<sup>nd</sup> AGM without any restriction on account of first-come-first-served principle.
19. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 de-mat account.

## **20. Voting through electronic means:**

### **Remote e-Voting Instructions for shareholders:**

1. Open the internet browser and launch the URL:

<https://instavote.linkintime.co.in>

**Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:**

► Click on **“Sign Up”** under **‘SHARE HOLDER’** tab and register with your following details: -

**A. User ID:** Enter your User ID

- 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** Event No + Folio Number registered 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. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

- Shareholders/ members holding shares in **CDSL demat account shall provide either ‘C’ or ‘D’, above**

- Shareholders/ members holding shares in **NSDL demat account shall provide ‘D’, above**

- Shareholders/ members holding shares in **physical form** but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above

► Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).

► Click “confirm” (Your password is now generated).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

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 e-voting 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.

**If you have forgotten the password:**

- Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
  - Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
  - Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
  - The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.
  - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in the 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".

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

In case shareholders/ 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 [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 -4918 6000.

**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: -

**B. 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 registered 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 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 Shareholders/ Members to Speak during the Annual General Meeting**

**through InstaMeet:**

1. Shareholders who would like to speak during the meeting must register their request 7 days in advance with the company on the [manager.cafl@gmail.com](mailto:manager.cafl@gmail.com) created for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder 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.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

**Instructions for Shareholders/ Members to Vote during the Annual General Meeting through**

**InstaMeet:**

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

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. 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'.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.



Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

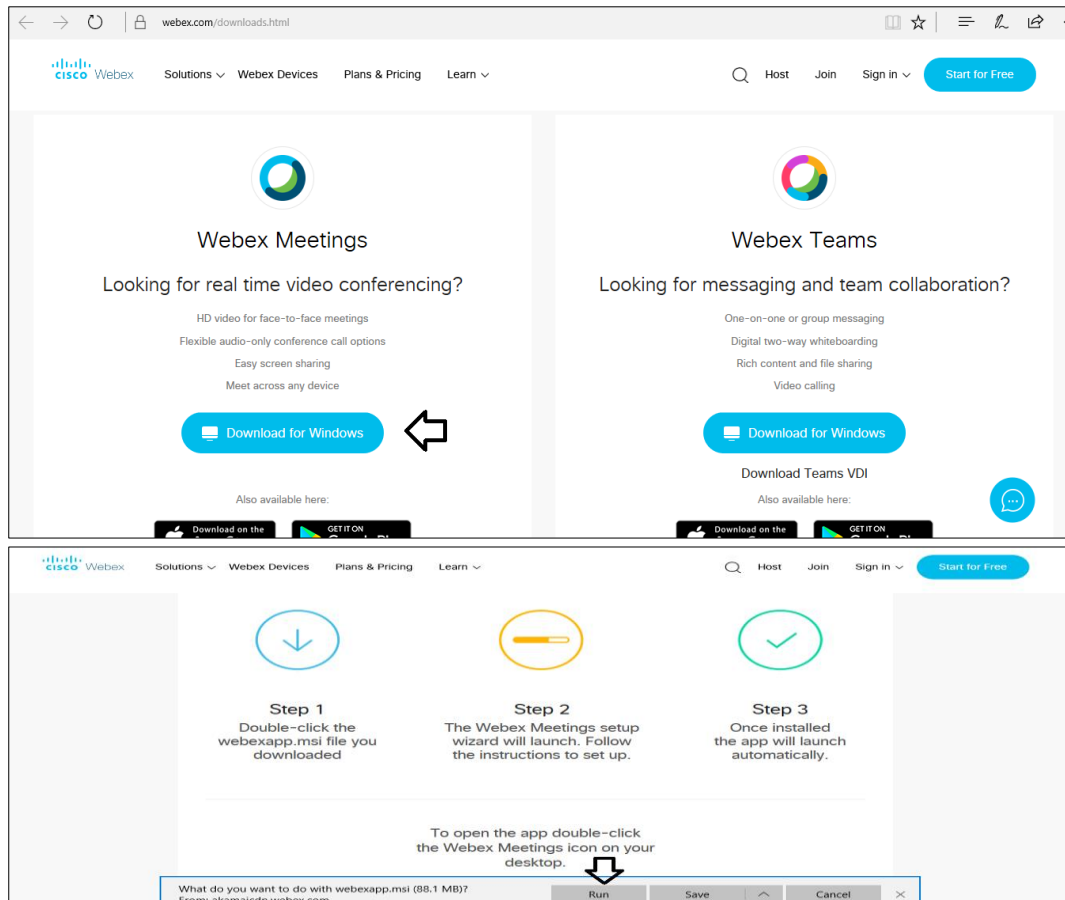
**InstaMeet Support Desk**  
**Link Intime India Private Limited**

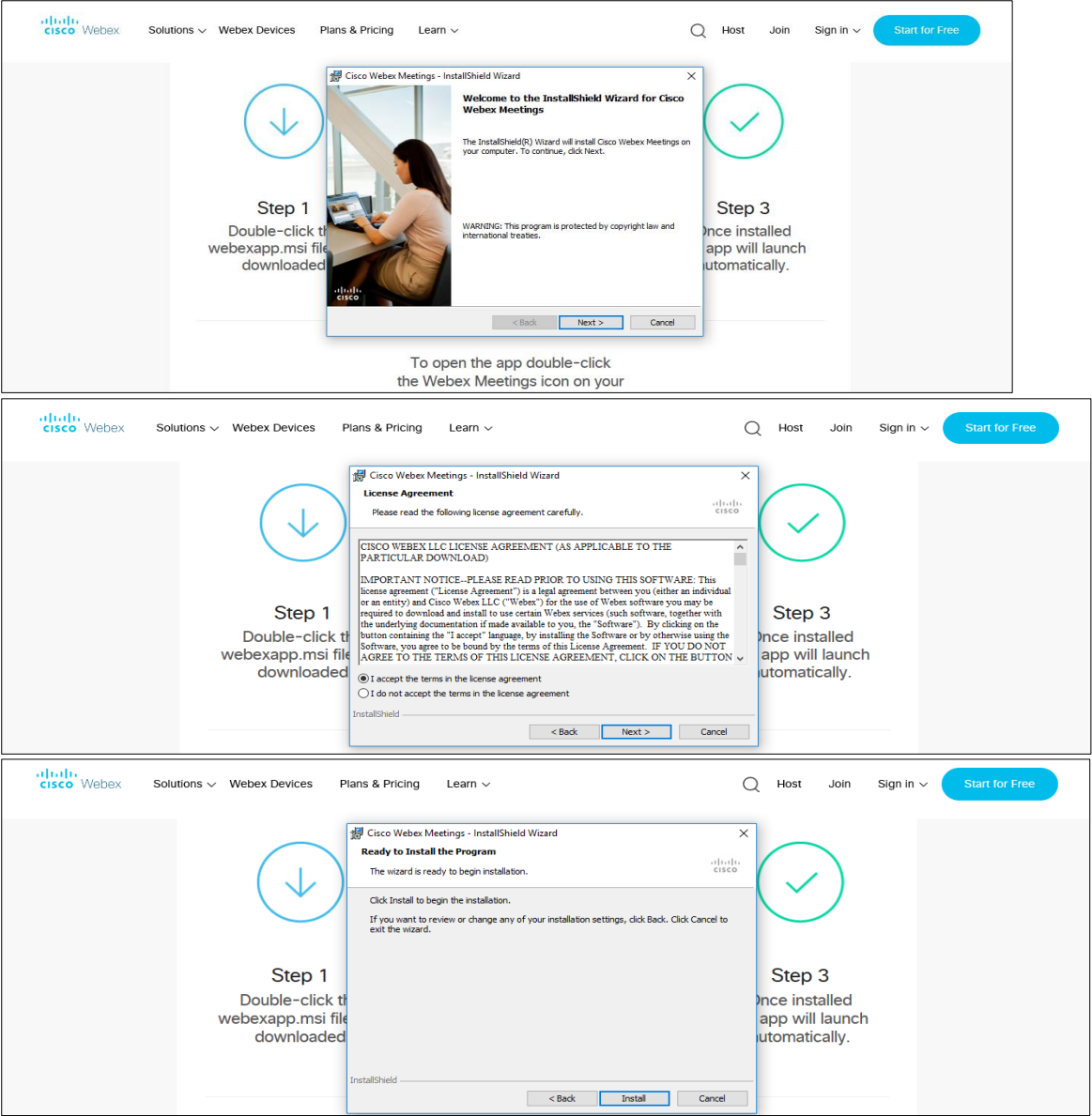
**Annexure**

**Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET**

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>





or

## Cremica Agro Foods Limited

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- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or <a href="#">Run a temporary application</a> . Click on <a href="#">Run a temporary application</a> , an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now

CISCO Webex

Event Information:

Event status:  
Date and time:  
Duration:  
Description:

By joining this event, you are accepting the Cisco Webex [Terms of Service](#) and [Privacy Statement](#).

Join Event Now

You cannot join the event now because it has not started.

First name:   
Last name:   
Email address:   
Event password:

Join by browser **NEW!**

If you are the host, [start your event](#).

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

**Malti Devi  
Company Secretary and Compliance Officer  
Registered Office: 455, Sohan Palace, 2<sup>nd</sup> Floor,  
The Mall, Ludhiana-141001, Punjab**

Date: 03<sup>rd</sup> September, 2021

Place: Ludhiana

**ANNEXURE TO THE NOTICE**

**I. DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**ITEM NO.2**

**TO APPOINT A DIRECTOR IN PLACE OF MR. SHANTILAL SUKALAL CHAUDHARI (DIN: 02315224). WHOLE TIME DIRECTOR WHO RETIRES BY ROTATION IN ACCORDANCE WITH THE ARTICLES OF ASSOCIATION OF THE COMPANY AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT**

In terms of Section 152(6) of the Companies Act, 2013, Mr. Shantilal Sukalal Chaudhari, Whole Time Director of the Company shall retire by rotation at this Annual General Meeting (AGM) and being eligible, offers himself for reappointment. The Board of Directors of the Company recommends his re-appointment.

Mr. Shantilal Sukalal Chaudhari was appointed as a Whole Time Director w.e.f. 01<sup>st</sup> April, 2008.

**Information about the Appointee Directors:**

Mr. Shantilal Sukalal Chaudhari

**Brief Profile:**

Mr. Shantilal Sukalal Chaudhari, being equipped with immense management skills, knows how to harmonize the team with the company's goals. Having a rich experience in financial and marketing sector, with best intentions, she shares a vision to put out fires instead of working to unite the people as a Team.

**Nature of his expertise in specific functional areas:**

He is an imperative person of the management of the Company. His management expertise and rich experience is continuously helping the business to develop and is further facilitating in the proposed expansion of business. He has been a part of Company's decision making, quality and regulatory operations and has played an imperative role in formulating the business strategies.

**Disclosure of relationship between Directors inter-se:**

He has not any relationship with any of the Directors on Board.

Name	Shantilal Sukalal Chaudhari
Age	59 Years
Name of the Listed Companies in which Directorship held	NA
Name of the Listed Companies in which Committee Membership held	NA
Shareholding in the Company	NA

## **II. 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.3:**

#### **APPOINTMENT OF MR. NEM CHAND JAIN (DIN: 02894923) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

Pursuant to the Section 149 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. The term shall be effective prospectively.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is in consistent with the Companies Act, 2013.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Nem Chand Jain, (DIN: 02894923) being eligible, offer themselves for appointment, and are proposed to be appointed as Independent Directors for a term as stated in their respective resolutions.

Copy of the letter of appointment of Mr. Nem Chand Jain, (DIN: 02894923) as

Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

Therefore, the Directors of your Company recommend the aforesaid resolutions for your consideration and approval.

Except Mr. Nem Chand Jain, being appointees, none of the Director and Key Managerial personnel of the Company and their relatives are concerned or interested, financial or otherwise in the resolutions as set out in Item Nos. 3.

The Board of Directors therefore, recommends the resolutions for appointment of Mr. Nem Chand Jain as an Independent Directors of the Company for approval of the members by passing an Ordinary resolution.

**Information about the Appointee Directors:**

Mr. Nem Chand Jain

**Brief Profile:**

Mr. Nem Chand Jain is 71 years old. He is currently an Independent Director of Mrs. Bectors Food Specialities Limited (Our Company, being associate of Mrs. Bectors Food Specialities Limited). He holds a bachelor's degree in science and master's degree in science from Panjab University, Chandigarh. He is a certified associate of The Indian Institute of Bankers.

**Nature of her expertise in specific functional areas:**

He has over 36 years of experience in the Banking sector. He has previously worked with Punjab National Bank as a General manager. He is currently an advisor for the Nehru Sidhant Kender Trust.

**Disclosure of relationship between Directors inter-se:**

He has not any relationship with any of the Directors on Board.

Name	Mr. Nem Chand Jain
Age	71

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Name of the Listed Companies in which Directorship held	NA
Name of the Listed Companies in which Committee Membership held	NA
Shareholding in the Company	NA

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

**Malti Devi**  
**Company Secretary and Compliance Officer**  
**Registered Office:** 455, Sohan Palace, 2<sup>nd</sup> Floor,  
The Mall, Ludhiana-141001, Punjab

Date: 03<sup>rd</sup> September, 2021

Place: Ludhiana



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

Your Directors have pleasure in presenting this 32<sup>nd</sup> Directors' Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended on 31<sup>st</sup> March, 2021.

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

<b>Particulars</b>	<b>Year Ended 31.03.2021</b>	<b>Year Ended 31.03.2020</b>
Sales for the year(Net)	137.50	-
Other Income	2,154.84	4877.74
<b>Total Income</b>	<b>2,292.34</b>	<b>4877.74</b>
<b>Less: Expenses</b>	<b>1,730.8</b>	<b>3,688.23</b>
<b>Profit/(Loss) before Financial Expenses, Preliminary expenses, Depreciation and Taxation</b>	<b>561.54</b>	<b>1,189.51</b>
Less: Financial expenses(Finance Cost)	-	-
<b>Operating Profit/(Loss) before Preliminary expenses, Depreciation &amp; Taxation</b>	<b>561.54</b>	<b>1,189.51</b>
Less: Depreciation and amortization & Preliminary expenses written off	53.26	53.26
<b>Profit/(Loss) before Taxation</b>	<b>508.28</b>	<b>1,136.25</b>
Less : Provision for Taxation		
Current Tax	139.21	302.43
Deferred Tax Charge/ (Credit) Deferred Tax charge / (credit)	(7.43)	(29.28)
Income Tax of earlier years	-	-
Deferred Tax Charge/ (Credit)	-	-
<b>Profit/(Loss)for the year</b>	<b>376.5</b>	<b>863.10</b>

**2. Operations**

During the year under review there has been revenue of Rs. 1,37,500 (One Lakhs thirty seven thousand five hundred only) from the operations of the Company as compared to NIL in the previous year. However, there has been other income of Rs. 21,54,840 (Twenty-one Lakhs fifty four thousand Eight hundred forty only) during the year under review as compared to other income of Rs. 48,77,740 (Forty-Eight Lakhs seventy seven thousand seven hundred forty only) in the previous year. The Net Profit for the year under review amounted to Rs. 3,76,500 (Three Lakhs Seventy Six thousand Five hundred only) as compared to Net Profit of Rs. 8,63,100 (Eighty Lakhs Sixty three thousand one hundred only) in the previous year.

**3. Transfer to Reserves**

As during the year under review company has transferred Rs. 21,64,400 (Twenty-One Lakhs Sixty four thousand four hundred only) 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.

**9. 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.

**10. 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 2019 till 2024 i.e. (from conclusion of 30<sup>th</sup> Annual General Meeting till the conclusion of 35<sup>th</sup> Annual General Meeting). There are no qualifications or observations or remarks made by the Auditors in their Report.

**11. 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 2020-21.

**12. Details of directors or key managerial personnel:**

**The following is the constitution of the Board of Directors as on 31<sup>st</sup> March, 2021:**

S. No.	Name of the Directors and Key Managerial Personnel (KMPs)	Designation
1.	Mr. Surendar Kumar Sood	Chairman & Independent Director.
2.	Mr. Shantilal Sukalal Chaudhari	Whole time Director & Chief Executive Officer
3.	Mr. Nem Chand Jain*	Additional Independent Director
4.	Ms. Samridhi Seth	Independent Director

5.	Mr. Ajay Bector**	Director
6.	Mr. Rishi Kumar Bector	Chief Financial Officer
7.	Ms. Bhawna Makhija***	Company Secretary

\*Mr. Nem Chand Jain has been appointed as an Additional Independent Director of the Company w.e.f- 08<sup>th</sup> February, 2021 and Mr. Atul Verma has resigned from the position of Independent Director w.e.f 08<sup>th</sup> February, 2021.

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

\*\*\*Ms. Bhawna Makhija has been appointed as Company Secretary & Compliance Officer of the Company w.e.f- 28<sup>th</sup> December, 2020 and resigned from the post of Company Secretary and Compliance Officer of the Company w.e.f. 16<sup>th</sup> April, 2021.

- a) During the Year under review Ms. Nageeta Chander had resigned from the post of Company Secretary and Compliance Officer of the Company w.e.f. 09<sup>th</sup> November, 2020.
- b) Ms. Malti Devi has been appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 16<sup>th</sup> April, 2021.

### **13. Meetings held during the F.Y. 2020-21**

The Agenda and Notice of the Meetings were circulated well in advance to the respective Directors. During the year under review, 6 (Six) Board Meetings, 5 (Five) Audit Committee Meetings, 2 (Two) Stakeholders Relationship Committee Meetings, 3 (Three) Nomination and Remuneration Committee meeting, 1 (One) Independent Directors Meeting and 1(One) Internal complaints committee meeting 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 Board and Audit Committee meetings did not exceed -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
			Atul Verma

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27.06.2020	5	4	Surendar Kumar Sood
			Samridhi Seth
			Shantilal Sukalal Chaudhari
07.09.2020	4	3	Atul Verma
			Surendar Kumar Sood
			Samridhi Seth
09.11.2020	4	3	Surendar Kumar Sood
			Samridhi Seth
			Shantilal Sukalal Chaudhari
29.12.2020	4	4	Surendar Kumar Sood
			Samridhi Seth
			Shantilal Sukalal Chaudhari
			Atul Verma
08.02.2021	4	3	Surendar Kumar Sood
			Samridhi Seth
			Shantilal Sukalal Chaudhari
22.03.2021	4	4	Surendar Kumar Sood
			Samridhi Seth
			Nem Chand Jain
			Shantilal Sukalal Chaudhari

Type of Committee meting	Date of the Committee Meeting	Members Strength at the date of the meeting	No. of directors who attended the Meeting	Name of the directors present
Audit Committee Meeting	27.06.2020	3	3	Atul Verma
				Surendar Kumar Sood
				Shantilal Sukalal Chaudhari
Audit				Atul Verma

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Committee Meeting	07.09.2020	3	3	Surendar Kumar Sood
				Shantilal Sukalal Chaudhari
Audit Committee Meeting	09.11.2020	3	3	Surendar Kumar Sood
				Atul Verma
				Shantilal Sukalal Chaudhari
Audit Committee Meeting	08.02.2021	3	2	Surendar Kumar Sood
				Shantilal Sukalal Chaudhari
Audit Committee Meeting	20.03.2021	3	3	Surendar Kumar Sood
				Nem Chand Jain
				Shantilal Sukalal Chaudhari
Nomination and Remuneration Committee Meeting	07.09.2020	3	3	Surendar Kumar Sood
				Samridhi Seth
				Atul Verma
Nomination and Remuneration Committee Meeting	29.12.2020	3	2	Surendar Kumar Sood
				Samridhi Seth

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Nomination and Remuneration Committee Meeting	08.02.2021	3	2	Surendar Kumar Sood
				Samridhi Seth
Stakeholders Relationship Committee Meeting	10.07.2020	3	3	Surendar Kumar Sood
				Shantilal Sukalal Chaudhari
				Atul Verma
Stakeholders Relationship Committee Meeting	25.03.2021	3	3	Surendar Kumar Sood
				Shantilal Sukalal Chaudhari
				Nem Chand Jain
Internal Complaints Committee	10.03.2021	3	3	Nem Chand Jain
				Shantilal Sukalal Chaudhari
				Samridhi Seth
Independent Directors Meeting	15.03.2021	3	3	Nem Chand Jain
				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.

Sr.No	Name of The Director	Number of Board Meetings Director was entitled to attend	Number of Board Meetings attended
1.	Surendar Kumar Sood	6	6
2.	Shantilal Sukalal Chaudhari	6	5
3.	Atul Verma	5	3
4.	Samridhi Seth	6	6
5.	Nem Chand Jain	1	1
6.	Mr. Ajay Bector	1	0

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

#### **14. COMPOSITION OF COMMITTEES OF THE BOARD AS ON 31<sup>ST</sup>MARCH 2021:**

##### **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 Chaudhari	Member	Whole Time Director& CEO
3.	Nem Chand Jain	Member	Additional 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.	Samridhi Seth	Chairperson	Independent Director
2.	Surendar Kumar Sood	Member	Independent Director
3.	Nem Chand Jain	Member	Additional 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:

S.No.	Name of Member	Designation	Category
1.	Surendar Kumar Sood	Chairman	Independent Director
2.	Shantilal Sukalal Chaudhari	Member	Whole Time Director & CEO
3.	Nem Chand Jain	Member	Additional 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:

S.No.	Name of Member	Designation	Category
1.	Samridhi Seth	Chairperson/Presiding Officer	Independent Director

2.	Shantilal Sukalal Chaudhari	Member	Whole Time Director& CEO
3.	Nem Chand Jain	Member	Additional Independent Director
4.	Malti Devi	Member	Company Secretary

**15. 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).

**16. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

In terms of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company familiarizes the Directors about their role and responsibility at the time of their appointment through a formal letter of appointment. Presentations are regularly made at the meetings of the Board and its various Committees on the relevant subjects. The details of programs for familiarization of Independent Directors can be accessed on the Company website.

**17. 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 the year (iii) at the end of the year	Nil
Deposits which are not in compliance with requirement of chapter V of the Companies Act 2013	Nil

**18. 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.**

**19. CORPORATE SOCIAL RESPONSIBILITY:**

Regarding CSR activities. We would like to inform you that as per Section 135 of the Companies Act 2013, there was a profit of Rs. 2164.40 (Rs in thousands) and accordingly CSR provisions were not applicable during the year under review.

**20. 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<sup>st</sup>

- (i) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2021, 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 31<sup>st</sup> March, 2021 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.

**21. 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. Nem Chand Jain (DIN: 02894923), 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 harmonize 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.**

**22. 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.**

**23. 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.

**24. 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.

**25. 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**.

**26. EXTRACT OF THE ANNUAL RETURN IN FORM MGT-9:**

In terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, the Annual Return in Form MGT-7 for the financial year ended March 31, 2021 is placed on the Company's website and can be accessed at [www.cafl.co.in](http://www.cafl.co.in).

**27. 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 differential rights, sweat equity

shares, employee stock options and neither made any provision of money for purchase of its own shares by trustees or employees for the benefit of employees till 31.03.2021.

## **28. AUDIT COMMITTEE AND VIGIL MECHANISM**

The Board of directors of the Company has constituted an audit committee consisting of Sh. Surendar Kumar Sood (DIN: 01091404), Sh. Shantilal Sukalal Chaudhari (DIN: 02315224) and Sh. Nem Chand Jain (DIN: 02894923) 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.

## **29. CORPORATE POLICY**

We seek to promote and follow the highest level of ethical standards in our business transactions. The Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2018 and Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 mandated the formulation of certain policies for all listed companies. All the policies are available on the website of the Company.

The Policies are reviewed periodically by the Board and updated on the basis of need and new Compliance.

**The Key Policies are as follows:**

Name of The Policy	Brief Description
<b>Risk Management Policy</b>	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.
<b>Policy for determining materiality of event or Information</b>	The Objective of this policy is to outline the guidelines to be followed by the Company for consistent, transparent and timely public disclosures of material information events/information and to ensure that such information is adequately disseminated to the stock Exchange(s) where the securities of the Company are listed in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.
<b>Policy of Preservation of Records</b>	This policy sets the Standards for classifying, managing and storing the records of the Company. The Purpose of this policy is to establish framework for effective records Management and the process for Subsequent archival of such records.
<b>Sexual Harassment Policy</b>	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 2020-2021, the Company has not received any complaints on sexual

	harassment and hence no complaint are pending as of 31 March, 2021.
<b>Other policies</b>	Policies like: Policy For Determining Material Subsidiaries, Insider Trading Prohibition Code Pursuant to SEBI (PIT) Regulations, 2015, Policy on Related Party Transaction(S), Policy on Familiarization of Independent Directors are prepared by the Company and followed in its true letter and spirit.

### **30. 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.

### **31. 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.

### **32. 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.

Notes: -

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

### **33. 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 2020- 21.

**34. 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.

**35. 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 2020-21.

**36. BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) 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 results thereof.

**37. HUMAN RESOURCES**

The Company recognizes people as its most valuable asset and it has built an open, transparent and meritocratic culture to nurture this asset. The company has kept a sharp focus on Employee Engagement. The Company's Human Resources is commensurate with the size, nature and operation of the Company.

**38. FRAUD REPORTING**

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

**39. SEPARATE MEETING OF INDEPENDENT DIRECTORS**

The Company's Independent Directors met on 15<sup>th</sup> March, 2021, without the attendance of Non Independent Directors and members of the management. 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.

**40. PARTICULARS OF LOAN, INVESTMENTS, GUARANTEES, SECURITIES UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

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

**A. Details of Secured Loans:**

Date of making Loan	NA
Details of Borrower	NA
Amount	NA
Purpose for which the loan is to be utilized by the recipient	NA
Time period for which it is given	NA

Date of Board Resolution	NA
Date of Special Resolution (if required)	NA
Rate of Interest	NA
Security	NA

**B. Details of Investments:**

Date of Investment	NA
Details of Investment	NA
Amount	NA
Purpose for which the proceeds from investment is proposed to be utilized by the recipient	NA
Date of Board Resolution	NA
Date of Special Resolution (if required)	NA
Expected rate of return	NA

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

Date of providing security/guarantee	NA
Details of recipient	NA
Amount	NA
Purpose for which the security/guarantee is proposed to be utilized by the recipient	NA
Date of Board Resolution	NA
Date of Special Resolution (if required)	NA
Commission	NA

**41. 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.

**42. 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.

#### **43. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in India is enclosed as per **Annexure-F** and forms the part of this Report.

#### **44. 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.

#### **45. 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-G**.

#### **46. 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**  
**(Independent Director)**

**DIN: 01091404**

**Office Address: 455, Sohan**

**Shantilal Sukalal Chaudhari**  
**(Whole Time Director & CEO)**

**DIN: 02315224**

**Office Address: 455, Sohan**

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

**Palace, 2<sup>nd</sup> floor, The Mall  
Ludhiana-141001**

**Palace, 2<sup>nd</sup> floor, The Mall  
Ludhiana-141001**

Date: 03<sup>rd</sup> September, 2021

Place: Ludhiana

## **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.
  - a) Replacement of florescent lamps with LED Lights in all plants/ units has been initiated.
  - b) Occupancy sensors have been installed in corporate office to minimize power usage.
  - c) Auto-timers for Air conditioners and lights have been installed at corporate office to shut down power supply after office hours.
  - d) In-house training for energy conservation to the plant members and employees.
  - e) 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.

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(In Rupees)

Particulars	2020-21	2019-2020
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
iv) Foreign Travels	0	0
v) Others	0	0
<b>Total</b>	0	0

By order of Board of Directors

**For Cremica Agro Foods Limited**

**Surendar Kumar Sood**  
**(Independent Director)**  
**DIN: 01091404**  
**Office Address: 455, Sohan**  
**Palace, 2<sup>nd</sup> floor, The Mall**  
**Ludhiana-141001**

**Shantilal Sukalal Chaudhari**  
**(Whole Time Director & CEO)**  
**DIN: 02315224**  
**Office Address: 455, Sohan**  
**Palace, 2<sup>nd</sup> floor, The Mall**  
**Ludhiana-141001**

Date: 03<sup>rd</sup> September, 2021

Place: Ludhiana

## **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



Cremica Agro Foods Limited

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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 Directors and formulate guidelines for remuneration payable to the employees.

By order of Board of Directors

**For Cremica Agro Foods Limited**

**Surendar Kumar Sood**  
**(Independent Director)**  
**DIN: 01091404**  
**Office Address: 455, Sohan**  
**Palace, 2<sup>nd</sup> floor, The Mall**  
**Ludhiana-141001**

**Shantilal Sukalal Chaudhari**  
**(Whole Time Director & CEO)**  
**DIN: 02315224**  
**Office Address: 455, Sohan**  
**Palace, 2<sup>nd</sup> floor, The Mall**  
**Ludhiana-141001**

Date: 03<sup>rd</sup> September, 2021

Place: Ludhiana

**Annexure-C**

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

(For the Financial Year Ending 31.3.2021)

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

To  
The 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 31.03.2021**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made 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 31.3.2021 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:**

**Cremica Agro Foods Limited**

(CIN: L15146PB1989PLC009676)

- 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.
- 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:** 27<sup>th</sup> August, 2021

**Place:** New Delhi

**UDIN:- A043096C000848296**

**Annexure A' (of MR-3)**  
(Forming Integral Part of Secretarial Audit Report for the financial year ending  
31.3.2021)

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

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

(Partner)

**M. No. A43096**

**COP No.: 20701**

**Date:** 27.08.2021

**Place:** New Delhi

**UDIN:- A043096C000848296**

**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 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 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 2020- 21	% increase in remuneration in the financial year 2020- 21	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)	2,39,043	N.A	N.A	N.A
2.	Nageeta Chander (Company Secretary)	2,40,900	N.A	N.A	N.A

	(Resigned On 09TH November, 2020)				
3.	Bhawna Makhija (Company Secretary) (Resigned On 16 <sup>th</sup> April, 2021)	86,710	N.A	N.A	N.A

- ii. The median remuneration (average in this case) of employees of the company during the financial year is NIL.
- iii. In the financial year, there was no increase in the median remuneration of employees;
- iv. There were Two permanent employees on the rolls of company as on March 31, 2021;
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e.2020-2021.
- 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**



Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

Sr. No.	Name & Designation	Remuneration received (In Rs)	Nature of Employment (Contractual or otherwise)	Qualification and Experience	Date of Commencement of Employment	Age	Last Employment	% age of Equity shares held	Whether relative of any director or manager
1.	Rishi Bector	2,39,043	Permanent	10+2	01.04.2016	45	N.A	Nil	No
2.	Nageeta Chander (Resigned On 09TH November, 2020)	2,40,900	Permanent	CS	22.01.2020	29	N.A	Nil	No
3.	Bhawna Makhija (Resigned On 16 <sup>th</sup> April, 2021)	86,710	Permanent	CS	29.12.2020	25	N.A	Nil	No

By order of Board of Directors

**For Cremica Agro Foods Limited**

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

**Surendar Kumar Sood  
(Independent Director)**

**DIN: 01091404**

**Office Address: 455, Sohan  
Palace, 2<sup>nd</sup> floor, The Mall  
Ludhiana-141001**

**Shantilal Sukalal Chaudhari  
(Whole Time Director & CEO)**

**DIN: 02315224**

**Office Address: 455, Sohan  
Palace, 2<sup>nd</sup> floor, The Mall  
Ludhiana-141001**

Date: 03<sup>rd</sup> September, 2021

Place: Ludhiana

**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 M/s 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 70800/- 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 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 39,71,690/- 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

**C. 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 Repaid of Rs. 32,00,000
(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. NIL
(f) Date(s) of approval by the board	06.06.2018

**D. 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 Repaid of Rs.1,125,000
(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.Nil
(f) Date(s) of approval by the board	28.05.2019

**E. 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**  
**(Independent Director)**  
**DIN: 01091404**  
**Office Address: 455, Sohan**  
**Palace, 2<sup>nd</sup> floor, The Mall**  
**Ludhiana-141001**

**Shantilal Sukalal Chaudhari**  
**(Whole Time Director & CEO)**  
**DIN: 02315224**  
**Office Address: 455, Sohan**  
**Palace, 2<sup>nd</sup> floor, The Mall**  
**Ludhiana-141001**

Date: 03<sup>rd</sup> September, 2021

**Place: Ludhiana**

**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 2020 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 able Board, under whose guidance and able 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**

**Surendar Kumar Sood**  
**(Independent Director)**  
**DIN: 01091404**  
**Office Address: 455, Sohan**  
**Palace, 2<sup>nd</sup> floor, The Mall**  
**Ludhiana-141001**

**Shantilal Sukalal Chaudhari**  
**(Whole Time Director & CEO)**  
**DIN: 02315224**  
**Office Address: 455, Sohan**  
**Palace, 2<sup>nd</sup> floor, The Mall**  
**Ludhiana-141001**

Date: 03<sup>rd</sup> September, 2021

Place: Ludhiana

## **ANNEXURE-I**

### **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, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) 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, 2021.



**ANUSH KAILESHWAR & CO.  
CHARTERED ACCOUNTANTS  
OPP. CANARA**

**B-XVI/564, 1<sup>ST</sup> FLOOR,  
INDRA COMPLEX,**

**BANK, GILL ROAD,  
LUDHIANA-141003  
MOBILE : 9814959375**

Email: [anushkaileshwar@yahoo.com](mailto:anushkaileshwar@yahoo.com)

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of 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 Ltd ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, 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 2021, 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls 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 2021 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.

(B) 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 ANUSK KAILESHWAR  
& CO  
CHARTERED ACCOUNTANTS**

**CA ANUSH KAILESHWAR**

**PLACE: LUDHIANA  
DATE: 02.06.2021  
UDIN : 21091063AAAABZ4681**

**PARTNER  
M.NO. 091063**



**Annexure A referred to to the Independent Auditor's report to the Members of Cremica Agro Foods Limited for on the standalone financial statements the year ended 31 March 2021, 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. Richa Aggarwal and of Rs.1.45 Cr.to Cremica Food industries Ltd.for purchase of Land.
- (ii) The inventory is NIL as on 31.03.2021 , 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 2021 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 ANUSH KAILESHWAR AND CO.  
CHARTERED ACCOUNTANTS**

**CA. ANUSH KAILESHWAR**

**PLACE: LUDHIANA  
DATE: 02.06.2021**

**PARTNER  
M.NO. 091063**

**Annexure B to the Independent Auditor's report on the standalone financial statements of Cremica Agro Foods Limited for the period ended 31 March 2021.**

**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 2021 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 2021, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 ANUSH KAILESWAR & CO  
CHARTERED ACCOUNTANTS**

**CA ANUSH KAILESHWAR  
PARTNER  
M.NO. 091063**

**PLACE: LUDHIANA  
DATE: 02.06.2021**

**Cremica Agro Foods Limited (CIN: L15146PB1989PLC009676)****Balance sheet as at 31 March 2021***(All amounts in Rs. '000, unless otherwise stated)*

<b>Particulars</b>	<b>Note</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	38.15	91.41
Deferred tax assets	4	29.19	21.76
Other non-current assets	5	42,197.07	42,197.07
<b>Total non-current assets</b>		<b>42,264.41</b>	<b>42,310.24</b>
<b>Current assets</b>			
<b>Financial assets</b>			
(i) Cash and cash equivalents	6	6,491.27	16,619.53
(ii) Bank balances other than above	7	51,700.00	43,950.04
(iii) Other financial assets	8	477.85	28.17
Current tax assets	9	18.08	-
Other current assets	10	-	-
<b>Total current assets</b>			<b>60,597.74</b>



			58,687.20	
<b>Total assets</b>				<b>102,907.98</b>
			<b>100,951.61</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	11			44,955.00
		44,955.00		
Other equity	12			43,870.18
		46,034.58		
<b>Total equity</b>				<b>88,825.18</b>
		<b>90,989.58</b>		
<b>Liabilities</b>				
<b>Current liabilities</b>				
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
		9,178.67		
(ii) Borrowings	14		-	4,325.00
(iii) Other financial liabilities	15			525.00
		525.00		
Other current liabilities	16			200.13
		258.36		
Current tax liabilities (net)	17		-	40.02
<b>Total current liabilities</b>				<b>14,082.80</b>
		<b>9,962.03</b>		

<b>Total liabilities</b>	<b>14,082.80</b>
	<b>9,962.03</b>
<b>Total equity and liabilities</b>	<b>102,907.98</b>
	<b>100,951.61</b>

-

The above balance sheet should be read in conjunction with the accompanying notes.

As per our report of even date attached

**For Anush Kaileshwar & Co**

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

*Chartered Accountants*

Firm Registration No.013077N

**CA Anush Kaileshwar**

**Surendar Kumar Sood**

**Shantilal**

**Sukalal**

**Chaudhari**

*Partner*

*Chairman & Independent Director*

*Wholetime Time Director & CEO*

Membership No. 091063

DIN: 01091404

DIN:  
02315224

Place : Ludhiana

**Malti Devi**

**Rishi Kumar**

**Bector**

Date : 2nd June 2021

*Company Secretary*

*Chief Financial Officer*

M.NO. A64732

**Cremica Agro Foods Limited (CIN:  
L15146PB1989PLC009676)**  
**Statement of profit and loss for the year  
ended 31 March 2021**  
*(All amounts in Rs. '000, unless otherwise  
stated)*

<b>Particulars</b>	<b>Note</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
<b>Income</b>			
Revenue from operations	18	137.50	-
Other income	19	2,154.84	4,877.74
<b>Total income</b>		<b>2,292.34</b>	<b>4,877.74</b>
<b>Expenses</b>			
Cost of Traded Goods	20	125.00	-
Employee benefits expense	21	619.97	578.11
Depreciation and amortisation expense	22	53.26	53.26
Other expenses	23		

		985.83	3,110.12
<b>Total expenses</b>		<b>1,784.06</b>	<b>3,741.49</b>
<b>Profit before exceptional items and tax</b>		<b>508.28</b>	<b>1,136.25</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>508.28</b>	<b>1,136.25</b>
<b>Tax expense:</b>			
Current tax	4	139.21	302.43
Deferred tax	4	(7.43)	(29.28)
<b>Total tax expense</b>		<b>131.78</b>	<b>273.15</b>
<b>Profit for the year</b>		<b>376.50</b>	<b>863.10</b>
<b>Income Tax refund earlier years</b>		<b>1,787.90</b>	
<b>Total comprehensive income for the year</b>		<b>2,164.40</b>	<b>863.10</b>

**Earnings per equity share for profit from operations attributable to owners**

Basic earnings per share	28	0.48	0.19
Diluted earnings per share	28	0.48	0.19

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The above statement of profit and loss should be read in conjunction with the accompanying notes.

As per our report of even date attached

**For Anush Kaileshwar & Co**

*Chartered Accountants*

Firm Registration No.013077N

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

**CA Anush Kaileshwar**

*Partner*

**Surendar Kumar Sood**

*Chairman &  
Independent Director*

**Shantilal Sukalal Chaudhari**

*Wholetime Time Director & CEO*

Membership No. 091063

DIN:  
01091404

DIN: 02315224

Place : Ludhiana

**Malti Devi**

**Rishi Kumar  
Bector**

Date : 2nd June 2021

*Company  
Secretary*  
M.NO.  
A64732

*Chief Financial Officer*

**Cremica Agro Foods Limited (CIN: L15146PB1989PLC009676)****Statement of cash flows for the period ended 31 March 21***(All amounts in Rs. '000, unless otherwise stated)*

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A. Cash flow from operating activities</b>		
<b>Profit before income tax and exceptional items</b>	508.28	1136.25
<b>Non-cash adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation expense	53.26	53.26
Interest income	-2154.84	-4039.23
<b>Operating profit before working capital changes</b>	<b>(1,593.30)</b>	<b>(2,849.73)</b>
<b>Movement in working capital:</b>		
Decrease in inventories	-	-
Decrease in other current assets	-	52.40
Increase in other financial assets	(449.68)	-
Decrease in other non current assets	-	2,000.00
(Decrease) in trade payables	186.02	(775.79)
(Decrease) in other current liabilities	58.23	(1,533.87)
Increase in other financial liabilities	-	180.00
<b>Cash generated from operations</b>	<b>(205.43)</b>	<b>(77.26)</b>

Income tax refund/(paid)	1,590.59	2082.09
<b>Net cash used in operating activities</b>	<b>(208.14)</b>	<b>(844.90)</b>

#### **Cash flow from investing activities**

Purchase of property, plant and equipment		
Net redemption/(investments) in bank deposits (having original maturity of more than three months)	(7,749.96)	77.23
Interest received	2,154.84	4089.33
<b>Net cash from investing activities</b>	<b>(5,595.12)</b>	<b>4,166.56</b>

#### **Cash flow from financing activities**

Proceeds/(repayments) from/to current borrowings	(4,325.00)	(1,500.00)
<b>Net cash (used in)/from financing activities</b>	<b>(4,325.00)</b>	<b>(1,500.00)</b>

<b>Net increase in cash and cash equivalents</b>	<b>(10,128.26)</b>	<b>1,821.66</b>
Cash and cash equivalents at the beginning of the year	16,619.53	14,797.87
<b>Cash and cash equivalents at the end of the year</b>	<b>6,491.27</b>	<b>16,619.53</b>

#### **Cash and cash equivalents as per above comprise of the following**

Cash and cash equivalents		
Balances with banks	6,491.27	16,619.53
Cash on hand		



6,491.27

16,619.53

The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our report of even date attached

**For Anush Kaileshwar & Co**

*Chartered Accountants*

Firm Registration No.013077N

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

**CA Anush Kaileshwar**

*Partner*

Membership No. 091063

**Surendar Kumar Sood**

*Chairman & Independent Director*

DIN: 01091404

**Shantilal Sukalal  
Chaudhari**

*Wholetime Time Director &  
CEO*

DIN: 02315224

Place : Ludhiana

Date : 2nd June 2021

**Malti Devi**

*Company Secretary*

M.NO. A64732

**Rishi Kumar Bector**

*Chief Financial Officer*

**Cremica Agro Foods Limited (CIN: L15146PB1989PLC009676)**

**Statement of Changes in Equity for the year ended 31 March 2021**

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

**(a) Equity share capital**

Particulars	Number	Amount
<b>As at 1 April 2018</b>	<b>1,498,500</b>	<b>14,985.00</b>
Changes in equity share capital	2,997,000	29,970.00
<b>As at 31 March 2019</b>	<b>4,495,500</b>	<b>44,955.00</b>
Changes in equity share capital	-	-
<b>As at 31 March 2021</b>	<b>4,495,500</b>	<b>44,955.00</b>
Changes in equity share capital	-	-
<b>As at 31 March 2020</b>	<b>4,495,500</b>	<b>44,955.00</b>
Changes in equity share capital	-	-
<b>As at 31 March 2021</b>	<b>4,495,500</b>	<b>44,955</b>

**(b) Other equity**

Particulars	Reserves & surplus				Total
	Capital reserve	Securities premium reserve	General reserve	Retained earnings	
<b>Balance as at 1 April 2018</b>	<b>8,448.00</b>	<b>2,742.90</b>	<b>7,950.03</b>	<b>52,262.46</b>	<b>71,403.39</b>
Profit for the year	-	-	-	1,573.69	1,573.69
Other comprehensive income for the year	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,573.69</b>	<b>1,573.69</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>-</b>	<b>-</b>	<b>34,559.08</b>	<b>43,007.08</b>
<b>Balance as at 1 April 2019</b>	<b>8,448.00</b>	<b>-</b>	<b>-</b>	<b>34,559.08</b>	<b>43,007.08</b>
<b>Profit for the year ended 31 March 20</b>				<b>863.10</b>	<b>863.10</b>
	<b>8,448.00</b>	<b>-</b>	<b>-</b>	<b>35,422.18</b>	<b>43,870.18</b>

<b>Balance as at 1 April 2019</b>	<b>8,448.00</b>	<b>-</b>	<b>-</b>	<b>34,559.08</b>	<b>43,007.08</b>
Profit for the year	-	-	-	863.10	863.10
Other comprehensive income for the year	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>8,448.00</b>	<b>-</b>	<b>-</b>	<b>35,422.18</b>	<b>43,870.18</b>
	-		-	-	-
Bonus shares issued	-		-	-	-
<b>Balance at 31 March 2020</b>	<b>8,448.00</b>	<b>-</b>	<b>-</b>	<b>35,422.18</b>	<b>43,870.18</b>
<b>Balance as at 1 April 2020</b>	<b>8,448.00</b>	<b>-</b>	<b>-</b>	<b>35,422.18</b>	<b>43,870.18</b>
Profit for the year				<b>2,164.40</b>	<b>2,164.40</b>
Other comprehensive income for the year					-
<b>Total comprehensive income for the year</b>	<b>8,448.00</b>	<b>-</b>	<b>-</b>	<b>37,586.58</b>	<b>46,034.58</b>

The accompanying notes form an integral part of the financial statement.

As per our report of even date attached

**For Anush Kaileshwar & Co**

*Chartered Accountants*

Firm Registration No.013077N

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

**CA Anush Kaileshwar**

*Partner*

Membership No. 091063

**Surendar Kumar Sood**

*Chairman & Independent Director*

DIN: 01091404

**Shantilal Sukalal Chaudhari**

*Whole Time Director & CEO*

DIN: 02315224

Place : Ludhiana

Date : 2nd June 2021

**Malti Devi**

*Company Secretary*

M.NO. A64732

**Rishi Kumar Bector**

*Chief Financial Officer*

**Cremica Agro Foods Limited (CIN: L15146PB1989PLC009676)**

**Notes to the financial statements for the year ended 31 March 2021**

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

**3. Property, plant and equipment**

<b>Particulars</b>	<b>Plant and machinery</b>	<b>Furniture and fixtures</b>	<b>Computer</b>	<b>Total</b>
<b>Period ended 31 March 2021</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	202.10	101.71	177.36	481.17
Depreciation charge during the year	34.83	18.43	-	53.26
Disposals	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>236.93</b>	<b>120.14</b>	<b>177.36</b>	<b>534.43</b>

<b>Net carrying amount</b>	<b>17.58</b>	<b>19.62</b>	<b>0.95</b>	<b>38.15</b>
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<b>Particulars</b>	<b>Plant and machinery</b>	<b>Furniture and fixtures</b>	<b>Computer</b>	<b>Total</b>
<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>

**Cremica Agro Foods Limited (CIN:L15146PB1989PLC009676)**

**Notes to the financial statements for the year ended 31 March 2021**

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

**4 Income Tax**

**Amounts recognised in profit**

**A. or loss**

	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
<b>Current tax expense</b>		
Current year	139.21	294.22
Tax expense relating to earlier years	-	8.21
	<b>139.21</b>	<b>302.43</b>
<b>Deferred tax credit</b>		
Changes in recognised temporary differences	(7.43)	(29.28)
	<b>(7.43)</b>	<b>(29.28)</b>
<b>Total tax expense</b>		



**131.78**

**273.15**

**B. Reconciliation of effective tax rate**

	<b>Rate</b>	<b>For the year ended 31 March 2021</b>	<b>Rate</b>	<b>For the year ended 31 March 2020</b>
<b>Profit before tax from continuing operations</b>	25.17%	508.28	25.17%	1,136.25
Tax using the Company's domestic tax rate		127.92		285.97
Tax effect of:				
Non-deductible expenses	1.46%	7.43	0.56%	6.32
Changes in estimates related to prior years	0.00%		0.72%	8.21
Others	3.01%	3.86	0.17%	1.93
<b>Tax expense</b>	<b>29.64%</b>	<b>139.21</b>	<b>26.62%</b>	<b>302.43</b>

**C. Deferred tax assets**

<b>Particulars</b>	<b>As at 1 April 2020</b>	<b>Recognized in P&amp;L</b>	<b>As at 31 March 2021</b>
<b>Deferred Tax Liability/(Asset)</b>			
<b>At 1 April 2020</b>			
Property, plant and equipment	21.76	7.43	29.19
<b>Net Deferred Tax Liabilities/(Asset)</b>	<b>21.76</b>	<b>7.43</b>	<b>29.19</b>
<b>Particulars</b>	<b>As at 1 April 2019</b>	<b>Recognized in P&amp;L</b>	<b>As at 30 June 2019</b>
<b>Deferred Tax Liability/(Asset)</b>			
<b>At 1 April 2019</b>			
Property, plant and equipment	7.52	1.42	6.20
<b>Net Deferred Tax Liabilities/(Asset)</b>	<b>7.52</b>	<b>1.42</b>	<b>6.20</b>

**5 Other non-current assets**

<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
------------------------------------	--------------------------------

Capital advances	36,057.07	36,057.07
Other advances	6,140.00	6,140.00
<b>Total other non-current assets</b>	<b>42,197.07</b>	<b>42,197.07</b>

<b>6 Cash and cash equivalents</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Balances with banks - in current accounts	6,491.27	16,619.53
Cash on hand	-	-
<b>Total cash and cash equivalents</b>	<b>6,491.27</b>	<b>16,619.53</b>

<b>7 Bank balances other than cash and cash equivalents above</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Deposits with maturity more than 3 months but less than 12 months	51,700.00	43,950.04
<b>Total Bank Balances other than cash and cash equivalents above</b>	<b>51,700.00</b>	<b>43,950.04</b>

<b>8 Other financial assets</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Interest accrued on deposits with banks	477.85	28.17
<b>Total other financial assets</b>	<b>477.85</b>	<b>28.17</b>
<b>9 Current tax assets</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Advance income tax (net of provision for tax)	-	-
Advance Income Tax		
Less :- Provision for the year		
Less :-Income Tax refund		
<b>Total current tax assets</b>	<b>-</b>	<b>-</b>
<b>10 Other current assets</b>	<b>As at 31 March</b>	<b>As at 31 March 2020</b>

	<b>2021</b>
Balance with govt. authorities	-
<b>Total other current assets</b>	<b>-</b>

**Cremica Agro Foods Limited (CIN: L15146PB1989PLC009676)**

**Notes to the financial statements for the year ended 31 March 2021**

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

## **11 Equity share capital**

<b>Particulars</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Authorised</b> 5,000,000 (as at 31 March 2019: 5,000,000) equity shares of Rs. 10/- each	50,000.00	50,000.00
<b>Issued, subscribed and paid-up</b> 4,495,500 (as at 31 March 2019: 4,495,500) equity shares of Rs.	44,955.00	44,955.00

10/- each		
<b>Total</b>	<b>44,955.00</b>	<b>44,955.00</b>

**a. Terms and rights attached to equity shares**

(i) 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.

(ii) 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.

**b. Reconciliation of number of shares outstanding at the beginning and end of the year :**

<b>Particulars</b>	<b>Number of Shares</b>	<b>Amount</b>
<b>Outstanding as at 1 April 2018</b>		14,985.00
Bonus shares issued during the year	1,498,500	29,970.00
	2,997,000	
<b>Outstanding as at 31 March 2019</b>		<b>44,955.00</b>
	<b>4,495,500</b>	
Bonus shares issued during the year		-
	-	
<b>Outstanding as at 31 March 2020</b>		<b>44,955.00</b>

	<b>4,495,500</b>	
<b>Outstanding as at 31 March 2021</b>	4,495,500	44,955.00
<b>Outstanding as at 31 March 2021</b>	4,495,500	44,955.00

**c. Details of shareholders holding more than 5% shares in the Company:**

<b>Particulars</b>	<b>As at 31 March 2021</b>		<b>As at 31 March 2020</b>	
	<b>No. of Shares</b>	<b>% holding in the class</b>	<b>No. of Shares</b>	<b>% holding in the class</b>
Mrs. Bectors Food Specialities Limited	1,937,268	43.09%	1,937,268	43.09%
Cremica Food Industries Limited	677,040	15.06%	677,040	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.

## 12 Other equity

Particulars		As at 31 March 2021	As at 31 March 2020
<b>a</b>	<b>Capital reserve</b>		
	Balance at the beginning of the year	8448.00	8,448.00
	Less: Movement during the year		-
	<b>Balance at the end of the year</b>	<b>8,448.00</b>	<b>8,448.00</b>
<b>b</b>	<b>Securities premium</b>		
	Balance at the beginning of the year	0	-
	Less: Bonus shares issued	0	-
	<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>



<b>c</b>	<b>General reserve</b>		
	Balance at the beginning of the year	0	-
	Less: Bonus shares issued	0	-
	<b>Balance at the end of the year</b>	-	-
<b>d</b>	<b>Surplus in the statement of profit &amp; loss</b>		
	Balance at the beginning of the year	35,422.18	34,559.08
	Add: Profit for the year	2,164.40	863.10
	Less: Bonus shares issued		-
	<b>Balance at the end of the year</b>	<b>37,586.58</b>	<b>35,422.18</b>
	<b>Total</b>	<b>46,034.58</b>	<b>43,870.18</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 utilising securities premium in accordance with 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.

### **Cremica Agro Foods Limited (CIN: L15146PB1989PLC009676)**

#### **Notes to the financial statements for the year ended 31 March 2021**

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

#### **13 Trade payables**

Trade payables  
to micro and small enterprises\*  
to others  
**Total trade payables**

<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
9,178.67	8,992.65
<b>9,178.67</b>	<b>8,992.65</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.

#### 14 Current Borrowings

##### Unsecured Loans

From related parties\*

##### Total current borrowings

As at 31 March 2021	As at 31 March 2020
-	4,325.00
-	4,325.00

\*These represent interest free short term loans given by related parties to cover working capital requirements. These loans are repayable on demand.

#### 15 Other financial liabilities

##### Current

Security Deposits

##### Total other current financial liabilities

As at 31 March 2021	As at 31 March 2020
525.00	525.00
525.00	525.00

**16 Other current liabilities**

Capital creditors

Statutory dues

Other payables

Employee benefits payable

**Total other current liabilities**

As at 31 March 2021	As at 31 March 2020
-	-
7.00	0.64
55.50	126.89
195.86	72.60
<b>258.36</b>	<b>200.13</b>

**17 Current tax liabilities (net)**

Income tax (net of advance tax)

**Total current tax liabilities (net)**

18.08	40.02
<b>18.08</b>	<b>40.02</b>

**Cremica Agro Foods Limited (CIN: L15146PB1989PLC009676)****Notes to the financial statements for the year ended 31 March 2021***(All amounts in Rs. '000, unless otherwise stated)*

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>18 Revenue from operations</b>		

Sale of finished goods	137.50	-
<b>Total revenue from operations</b>	<b>137.50</b>	<b>-</b>
<b>19 Other income</b>		
Interest income from financial assets at amortized cost	2,048.30	2,542.00
Interest from Income Tax		1,497.23
Interest income from others	106.54	-
Other Non operating Incomes		-
Excess & short recovery	-	838.51
<b>Total other income</b>	<b>2,154.84</b>	<b>4,877.74</b>
<b>20 Cost of Traded Goods Purchased</b>		
Opening inventories	-	-
Add: Purchases (net)		

	125.00	-
Less: Closing inventories	-	-
<b>Total cost of materials consumed</b>	<b>125.00</b>	<b>-</b>
<b>21 Employee benefits expense</b>		
Salaries and wages including provident fund & bonus	619.97	578.11
<b>Total employee benefits expense</b>	<b>619.97</b>	<b>578.11</b>
<b>22 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment	53.26	53.26
<b>Total depreciation and amortisation expense</b>	<b>53.26</b>	<b>53.26</b>
<b>23 Other expenses</b>		
Rent	130.80	109.03

Rates and taxes	16.02	88.12
Printing and stationery	-	71.75
Legal and professional fees	382.40	461.40
Payment to auditor (refer note (a) below)	32.45	29.50
Bad debts written off	-	2,000.00
Miscellaneous expenses	424.16	350.32
<b>Total other expenses</b>	<b>985.83</b>	<b>3,110.12</b>
<b>(a) Payment to auditors (excluding taxes)</b>		
<b>As auditor:</b>		
Audit Fee	32.45	29.50
Other works	-	-
<b>Total payment to auditors</b>	<b>32.45</b>	<b>29.50</b>

**Notes to the financial statements for the year ended 31 March 2021**

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

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

**A. Financial instruments by category**

	As at 31 March 2021		As at 31 March 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial assets</b>				
Cash and cash equivalents		6,491.27	-	16,619.53
Bank balances other than cash and cash equivalents		51,700.00	-	43,950.04
Other current financial assets		477.85	-	28.17
		<b>58,669.12</b>		<b>60,597.74</b>
<b>Financial liabilities</b>				
Non current borrowings				
Short term borrowings	-	<b>0.00</b>	-	4,325.00



Trade payables	-	9178.67	-	8,992.65
Other financial liabilities	-	525.00	-	525.00
	-	9,703.67	-	13,842.65

### 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

Particulars	As at 31 March 2021	
	Level 1	Level 2
<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>	-	-

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

-		
Particulars	As at 31 March 2020	
	Level 1	Level 2
<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>	<b>-</b>	<b>-</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 31 March 2021	As at 31 Mar 2020	
	FVTPL	Amortised Cost	2020 Amortised Cost
<b>Financial assets</b>			
		6,491.27	16,619.53
Cash and cash equivalents			
		51,700.00	43,950.04
Bank balances other than cash and cash equivalents			
Other current financial assets		477.85	28.17
		<b>58,669.12</b>	<b>60,597.74</b>

#### **Financial liabilities**

Short term borrowings	-	4,325.00
Trade payables	9,178.67	8,992.65
Other current financial liabilities	525.00	525.00

-	9,703.67	13,842.65
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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.

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**Particulars**

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**Financial assets for which loss allowance is measured using Lifetime Expected Credit Losses**

Trade Receivables

Reconciliation of loss allowance provision

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**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	Carrying amount	Contractual cash flows
	As at 30 March 2021	Total Upto 1 year	As at 30 March 2020	Upto 1 year
<b>Financial liabilities</b>				
Short term borrowings	-	-	4,325.00	4,325.00
Trade payables	9,178.67	9,178.67	8,992.65	8,992.65
Other current financial liabilities	525.00	525.00	525.00	525.00
<b>Total</b>	<b>9,703.67</b>	<b>9,703.67</b>	<b>13,842.65</b>	<b>13,842.65</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.

<b>Particulars</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Fixed-rate instruments</b>		
Financial assets	42,197.07	42,197.07
	<b>42,197.07</b>	<b>42,197.07</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 seeks to maintain a balance between the higher returns that might be possible with higher levels 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 31 March 2020	As at 31 March 2021
Total liabilities	14082.80	9,962.03
Less : Cash and cash equivalent	16,619.53	6,491.27
<b>Adjusted net debt (a)</b>	(2,536.72)	3,470.77
Total equity (b)	88,825.18	90,989.58
Capital gearing ratio (a/b)	-3%	4%

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

**Cremica Agro Foods Limited (CIN: L15146PB1989PLC009676)**

**Notes to the financial statements for the year ended 31 March 2021**

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

## **26. Related Party Transaction**

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

31 March 2021
<b>A. Key Management Personnel</b> S.S Chaudhary, Whole Time Director & CEO Rishi Bector, Chief Financial Officer Malti Devi Company Secretary, Joined on 16.04.2021 Bhawana Makhija Company Secretary ,Joined on 29.12.2020 Resigned on 16.04.2021 Nageeta Chander , Company Secretary Resigned on 09.11.2020  <b>B. Entities under which Key Management Personnel are interested</b> Mrs. Bectors Food Specialities Limited

**(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:

Transactions	31 March ,2021	31 March, 2020
<b>Unsecured loan repaid to</b>		
- Anoop Bector	3,200.00	1,500.00
<b>Relatives of KMPs</b>		
- Rajni Bector	1,125.00	-
<b>Others</b>		
<b>Rent paid</b>		
-Entities controlled by KMPs	70.80	70.80

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

<b>Outstanding balances</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Related party balances as at the year end:</b>		
<b>Trade and other payables/payable for capital goods</b>		
-Associates	-	-
-Entities controlled by KMPs	3,971.69	3,971.69
<b>Unsecured loans</b>		
-KMPs	Nil	3,200.00
-Relatives of KMPs	Nil	1,125.00
<b>Advances and other receivables</b>		
-Associates	-	-
-Entities controlled by KMPs	14,557.07	14,557.07

**Cremica Agro Foods Limited (CIN: L15146PB1989PLC009676)**

**Notes to the financial statements for the year ended 31 March 2021**

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

**27      Contingent liabilities**

***(a) Contingent Liabilities***

The Company had contingent liabilities in respect of Sales Tax Appeal amounting to Rs. Nil as at 31st March 2021 (Nil as at 31 March 2020).

***(b) Contingent Assets***

The Company does not have any contingent assets as at 31 March 2021 and as at 31 March 2020.

**28      Statement of earnings per share**

	As at 31 March 2021	As At 31 March 2020
<i>(a) Basic earnings per share</i>		
From continuing operations attributable to the equity holders of the company	0.48	0.19

(b) *Diluted earnings per share*

From continuing operations attributable to the equity holders of the company

0.48      0.19

(c) *Basis for Calculating Earning Per Sahre*

	<b>As At 31 March 2021</b>	<b>As At 31 March 2020</b>
Profit from continuing operations attributable to the equity holders of the company used for Basic and dilluted earnings per share	2164.40	863.10

(d) *Weighted average number of shares used as the denominator*

	<b>As At 31 March 2021</b>	<b>As At 31 March 2020</b>
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	4,495,500	4,495,500

**29      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.

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**For Anush Kaileshwar & Co**

*Chartered Accountants*

Firm Registration No.013077N

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

**CA Anush Kaileshwar**

*Partner*

**Surendar  
Kumar Sood**

*Chairman &  
Independent  
Director*

**Shantilal  
Sukhalal  
Chaudhari**  
*Whole Time  
Director & CEO*

Membership No. 091063

DIN:  
01091404

DIN: 02315224

Place : Ludhiana

Date : 2nd June, 2021

**Malti  
Devi**  
*Company  
Secretary*  
M.NO.  
A64732

**Rishi Kumar  
Bector**  
*Chief Financial  
Officer*

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