

**30TH ANNUAL
REPORT FOR THE
FINANCIAL YEAR
2018-2019**

CREMICA AGRO FOODS LIMITED

(CIN: L15146PB1989PLC009676)

Regd. Office: B-XXX III-324, G.T. ROAD (WEST),
NEAR JALANDHAR BYE PASS, LUDHIANA-141005, PUNJAB

COMPANY INFORMATION

CIN:	L15146PB1989PLC009676
BOARD OF DIRECTORS Sh. Surendar Kumar Sood Sh. Anoop Bector Smt. Rajni Bector Sh. Atul Verma Sh. Pankaj Dawar Sh. Ajay Bector Sh. Shantilal Sukalal Chaudhari	Chairman & Independent Director Director Wholetime Director Independent Director Independent Director Wholetime Director Executive Director
CHIEF FINANCIAL OFFICER Sh. Rishi Kumar Bector	COMPANY SECRETARY Ms. Chhaya Bharti
SHARE TRANSFER AGENTS	Link Intime India Private Limited Noble Heights, 1st Floor, NH-2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi- 110058
AUDITORS	M/s Kumar Sunil & Associates,Ludhiana
REGISTERED OFFICE	B-XXX-III-324, G.T. Road (West), Near Jalandhar Bye pass, Ludhiana-141005, Punjab
CORPORATE OFFICE	Theing Road Phillaur-144410 Jalandhar 144410
STOCK EXCHANGE	Metropolitan Stock Exchange of India Limited

NOTICE OF 30TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the **30TH Annual General Meeting** of the members of Cremica Agro Foods Limited will be held on Friday, the 20th day of September, 2019 at 10:30 A.M. at Regal Hall, Maharaja Regency, Aarti Chowk, Ferozepur Road, Ludhiana-141001 to transact the following matter as:

ORDINARY BUSINESS

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

1. To receive, consider and adopt audited annual financial statements of the Company for the financial year ended on 31st March, 2019 including Audited Balance Sheet as on 31st March, 2019, the statement of Profit & Loss for the financial year ended on 31st March, 2019 along with the Notes to Accounts and Cash Flow Statement appended thereto and Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Sh. Shantilal Sukalal Chaudhari (DIN: 02315224), Director who retires by rotation in accordance with the Articles of Association of the Company and being eligible, offers himself for re-appointment.
3. **To appoint M/s. Anush Kaileshwar & Co., Chartered Accountants, Firm Registration No: 013077N, as Statutory Auditors of the Company**

Consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 139 of the Companies Act, 2013, M/s. Anush Kaileshwar & Co., Chartered Accountants, Firm Registration No: 013077N from whom certificate pursuant to section 139 of the Companies Act has been received, be and are hereby appointed as the Statutory auditor of the company to hold office from the conclusion of the this annual general meeting till the conclusion of 35th annual general meeting of the company to be held in year 2024 at a remuneration to be determined by the Board of Directors of the Company.”

SPECIAL BUSINESS

1. **To appoint Ms. Samridhi Seth (DIN: 08532336) as an Independent Director of the Company**

To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the recommendation of Nomination and remuneration committee and approval of Board of Directors of the company and in accordance with Section 152 read with rules 8, 9 and 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013 and the applicable provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended Ms. Samridhi Seth (DIN: 08532336) be and is hereby appointed as an Independent Director to hold office till 11th August, 2022, who shall not be liable to retire by rotation, on the board of the Company subject to the remuneration as may be mutually agreed between the Board of Directors of the Company and the Director.”

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

**Sd/-
Chhaya Bharti
Company Secretary**

Date: 12.08.2019

Place: Gurgaon

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE BLANK PROXY FORM IS ENCLOSED.

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The relevant details as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Paragraph 1.2.5 of Secretarial Standard on General Meetings issued by ICSI, of person seeking appointment or re-appointment as Director under Item No. 2 of Ordinary Business and Item No. 1 of Special business of this Notice are also annexed herewith
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. AGM Notice and Annual Report are being sent by e-mail to those Members who have registered their e-mail ID.s with their Depository (in case of electronic shareholding) / the Company's Registrar and Share Transfer Agent M/s Link Intime India Private Limited ('Link Intime') (in case of physical shareholding) for receipt of documents in electronic mode. The physical copies of AGM Notice and Annual Report are being sent by permitted mode to those Members whose e-mail ID's are not registered.
5. AGM Notice and Annual Report are being sent to all Members, whose names appear in the Register of Members / List of Beneficial Owners as received from National Securities Depository Limited ('Nsdl') / Central Depository Services (India) Limited ('Cdsl'), as on Friday, August 9, 2019. AGM Notice and Annual Report are also available on the Company's website i.e. www.cafi.co.in in the Investor Section as well as on Link Intime's website i.e. <https://instavote.linkintime.co.in>
6. Only those Members, whose names appear in the Register of Members / List of beneficial owners as on Friday, 13th September, 2019 (**Cut-off Date**), shall be entitled to vote (through remote e-voting / physical ballot paper) on the resolutions set forth in this Notice and their voting rights shall be in proportion to their shares in the paid up equity share capital of the Company as on the Cut-off Date. A person who is not a Member as on the Cut-off Date should treat this Notice for information only.
7. In compliance with provisions of Section 108 of The Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its Members the facility to exercise their right to vote by electronic means and the business may be transacted through remote e-voting facility (i.e. facility of casting votes by using an electronic voting system from a place other than the venue of AGM). The Company has engaged the services of Link Intime as the Agency to provide remote e-voting facility. **E-voting is optional.**
8. The Company shall also provide facility for voting through physical ballot paper at the AGM and Members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right to vote at the AGM.
9. Members can opt for only one mode of voting i.e. either by physical ballot paper or by remote e-voting. However, if Members cast their vote through both mode of voting, then the voting through remote e-voting shall prevail.
10. The remote e-voting facility shall be available during the following period:

Commencement of remote e-voting	:	From 9:00 A.M. on Tuesday, September 17, 2019
End of remote e-voting	:	Up to 5:00 P.M. on Thursday, September 19, 2019

The remote e-voting shall not be allowed beyond the aforesaid time and date and the e-voting module shall be disabled by Link Intime upon expiry of the aforesaid period.
11. The e-Voting Event Number, User ID and Password for remote e-voting are being sent by e-mail, to those Members who have registered their e-mail ID's and along with physical copy of AGM Notice to those Members, who have not registered their e-mail ID's.

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

12. The Members, who have cast their votes by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again.
13. The Board of Directors has appointed Ms. Sanchita Bhardwaj, Practicing Company Secretary (C.P. No.: 20701) representing GA & Associates, Company Secretaries LLP as the Scrutinizer to scrutinize the remote e-voting and physical voting process at the AGM in a fair and transparent manner.
14. The Scrutinizer will make a consolidated Scrutinizers Report of the total votes cast in favour or against and invalid votes if any, to the Chairman or in his absence to any other Director authorized by the Board, who shall countersign the same. Based on the Scrutinizer's Report, the result will be declared by the Chairman or in his absence by the Company Secretary within 48 hours from the conclusion of the AGM at the Registered Office of the Company.
15. The result declared along with the Scrutinizer's Report will be displayed on the notice board of the Company at its Registered Office and shall also be placed on the Company's website www.cafli.co.in and also on Link Intime's website <https://instavote.linkintime.co.in> The result shall also be submitted with the Stock Exchanges, where the Company's shares are listed.
16. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM i.e. September 20, 2019.
17. Members holding shares in physical form are requested to immediately notify change in their address/Bank details to the Company's Share Transfer Agent i.e. M/s. Link Intime India Pvt. Ltd. having its Registered Office at Noble Heights, 1st Floor, NH-2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi-110058 or to the Company's Registered Office at 455, Sohan Palace, 2nd Floor, The Mall, Ludhiana-141001, Punjab, together with the proof of address.
18. Since the Company's shares are in compulsory demat trading, to ensure better service and elimination of risk of holding shares in physical form, we request shareholders holding shares in physical form to dematerialize their shares at the earliest.
19. Members seeking any information with regard to Annual Accounts at the time of meeting are requested to send their queries to the Company at least 7 days before the date of meeting so as to enable the management to keep the information ready.
20. 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.
21. Members are requested to bring their attendance slip along with their copy of Annual Report along with them at the Meeting.
22. The documents referred to in the Notice are open for inspection at the Registered Office of the Company on any working day (except Sunday and holiday) between 10.00 A.M. to 12.00 Noon up to the date of Annual General Meeting.
23. The Register under Section 189 (4) of the Companies Act, 2013 shall be produced at the commencement of the meeting and shall remain open and accessible during the continuance of the meeting.
24. The facility for voting, via ballot or polling paper shall also be made available at the meeting and members attending the meeting shall be able to exercise their right at the meeting;
25. The route map of the venue of the Meeting is given in the Notice.
26. Members are requested to carefully read the Procedures and Instructions for Remote e-Voting mentioned hereunder:

Instructions for shareholders to vote electronically:

❖ Log-in to e-Voting website of Link Intime India Private Limited (LIPL)

1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
 - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
 - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (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).

For Shareholders holding shares in Demat Form or Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said de-mat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number as recorded in your demat account or in the company records for the said demat account or folio number. Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/ or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (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)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

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

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

❖ **Cast your vote electronically**

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTAVote. Select/ View “Event No” of the company, you choose to vote.

7. On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against for voting.

Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.

8. If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.

9. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, 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.

10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

11. You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.

❖ **General Guidelines for shareholders:**

|| Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as ‘**Custodian / Mutual Fund / CorporateBody**’.

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.

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

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

|| In case the shareholders have any queries or issues regarding e-voting, please click here or you may refer the Frequently Asked Questions (“FAQs”) and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to insta.vote@linkintime.co.in or Call us :- Tel : 022 - 49186000.

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Paragraph 1.2 .5 of Secretarial Standard on General Meetings]

Particulars	Mr. Shantilal Sukalal Chaudhari	Ms. Samridhi Seth
Date of Birth	01.05.1962	19.08.1992
Date of first Appointment as Director	01.04.2008	NA
Qualifications	M.Sc (Food Tech)	Company Secretary
Expertise in specific functional area	He has experience of around 33 years	She has an experience of 4 years
Board Membership of other listed Companies as on March 31, 2019	NIL	NIL
Membership / Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee) as on 31st March, 2019	NIL	NIL
Number of equity shares held in the Company as on 31 st March 2019	NIL	NIL
Relationship with other Directors and Key Managerial Personnel	None	None
Remuneration Last Drawn from the Company	NIL	NIL
No of meetings of the Board attended during the year	6 (Six)	NA

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

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

ITEM NO. 1: Appointment of Ms. Samridhi Seth (DIN: 08532336) as an Independent Director of the Company

The Board of Directors of the Company had appointed Ms. Samridhi Seth (DIN: 08532336) as an Additional Director of the Company in their meeting held on 12th August, 2019, subject to approval of shareholders

The Company has received from Ms. Samridhi Seth:

- (i) consent to act as director of the Company; and
- (ii) a declaration that she is not disqualified from being appointed as a director of the Company.

The resolution is placed before the shareholders to consider and approve the appointment of Ms. Samridhi Seth (DIN: 08532336) as an Independent Director of the Company for a period of 3 years starting from 12th August, 2019 to 11th August 2022.

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

Qualification

Ms. Samridhi Seth is a Company secretary working in Ms. Super Fine Knitters Limited as Company Secretary and Compliance officer, having an experience of 4 years in the field of corporate compliance, with her enriched experience she would contribute to the management of the company as a Non-executive Director.

Your Board recommends the Ordinary resolution as set out in this notice for your approval.

Save and except Ms. Samridhi Seth and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 1 of Special business of the Notice.

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

**Sd/-
Chhaya Bharti
Company Secretary**

Place: Gurgaon

Date: 12.08.2019

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting this 30th Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended on 31st March, 2019.

12. Standalone Financial Summary or performance of the company:

(In Rupees'000)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Sales for the year(Net)	231.00	-
Other Income	4,053.75	2,415.92
Total Income	4,284.75	2,415.92
Less: Expenses	2,037.84	1,782.47
Profit/(Loss) before Financial Expenses, Preliminary expenses, Depreciation and Taxation	2,246.91	633.45
Less: Financial expenses(Finance Cost)	-	-
Operating Profit/(Loss) before Preliminary expenses, Depreciation & Taxation	2,246.91	633.45
Less: Depreciation and amortization & Preliminary expenses written off	90.28	90.29
Profit/(Loss) before Taxation	2,156.63	543.16
Less : Provision for Taxation		
Current Tax	575.41	146.14
Deferred Tax Charge/ (Credit)	7.52	17,270.98
Income Tax of earlier years	-	-
Deferred Tax charge / (credit) for previous year	-	-
Profit/(Loss)for the year	1,573.69	(16,873.96)

13. Operations

During the year under review there has been revenue of Rs. 231.00 thousands from the operations of the Company. However, there has been other income of Rs. 4,053.75 thousands during the year under review as compared to other income of Rs. 2415.92 thousands in the previous year. The Net Profit for the year under review amounted to Rs. 1573.69 thousands as compared to Net Loss of Rs. 16,873.96 thousands in the previous year.

14. Transfer to reserves

As during the year under review company has transferred Rs. 1573.69 thousand to the General Reserve.

15. Dividend

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

16. 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).

17. 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.

18. 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

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

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

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

7. Subsidiary Company/Joint Venture/Associate Company.

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

8. Statutory Auditor & Audit Report:

M/s Sunil Kumar & Associates, Chartered Accountants, Statutory Auditors of the Company having registration number FRN No. 006263N who was appointed as Statutory Auditor to hold the office of Statutory Auditors for the period of four years from Financial year 2015-2019 i.e. (from conclusion of 26th Annual General Meeting) till (30th Annual General meeting) is liable to retire and M/s Anush Kaileshwar & Co. , Chartered Accountants, FRN No. 013077N as recommended by Audit Committee and proposed by the Board of Directors, the resolution for appointment forms part of the Notice convening the ensuing annual general meeting. The Company has received a certificate from the statutory auditors to the effect that their re-appointment, if made, would be within the limits prescribed.

There are no qualifications or observations or remarks made by the Auditors in their Report.

9. Change in the nature of business:

As required to be reported pursuant to Section 134(3)(q) read with Rule 8(5) (ii) of Companies (Accounts) Rules, 2014, There is no change in the nature of business carried on by company during the financial year 2018-19.

10. Details of directors or key managerial personnel;

The following is the constitution of the Board of Directors as on 31st March, 2019:

(i)	Mr. Surendar Kumar Sood	Chairman & Independent Director.
(ii)	Mrs. Rajni Bector*	Executive Woman Director.
(iii)	Mr. Anoop Bector*	Director
(iv)	Mr. Ajay Bector	Whole Time Director
(v)	Mr. Shantilal Sukalal Chaudhary	Whole time Director, Chief Executive Officer
(vi)	Mr. Pankaj Dawar	Independent Director
(vii)	Mr. Atul Verma	Independent Director
(viii)	Mr. Rishi Kumar Bector	Chief Financial Officer
(ix)	Ms. Chhaya Bharti	Company Secretary

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

* Mr. Anoop Bector and Ms. Rajni Bector have resigned from the position of Director w.e.f 12th August, 2019.

11. Meetings held during the F.Y. 2018-19

The Agenda and Notice of the Meetings were circulated well in advance to the respective Directors. During the year under review, 8 (Eight) Board Meetings, 5 (Five) Audit Committee Meetings, 3 (Three) Stakeholders Relationship Committee Meetings, 3 (Three) Nomination and Remuneration Committee meeting, 1 (One) Independent Directors Meeting and 1(One) internal complaint committee were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 i.e. the maximum interval between any two meetings did not exceed 120 days.

12. Composition of Committees of the Board as on 31st March 2019:

a) Audit Committee:

In compliance with the provisions of Section 177 of the Companies Act, 2013, the primary objective of the audit committee is

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

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.	Pankaj Dawar	Chairman	Independent Director
2.	Anoop Bector	Member	Director
3.	Surendra Kumar Sood	Member	Independent Director

b. Nomination and Remuneration Committee:

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

S.No.	Name of Member	Designation	Category
1.	Atul Verma	Chairman	Independent Director
2.	Pankaj Dawar	Member	Independent Director
3.	Surendra Kumar Sood	Member	Independent Director

c. Stakeholders' relationship Committee:

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

S.No.	Name of Member	Designation	Category
1.	Pankaj Dawar	Chairman	Independent Director
2.	Anoop Bector	Member	Director
3.	Atul Verma	Member	Independent Director

d. Internal Complaint Committee

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

S.No.	Name of Member	Designation	Category
1.	Rajni Bector	Chairperson	Wholetime Director
2.	Anoop Bector	Member	Director
3.	Atul Verma	Member	Independent Director
4.	Chhaya Bharti	Member	Company Secretary

7. Declaration by Independent Directors

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

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

8. Deposits:

(In Rupees)

Deposits accepted during the year(including renewed during the year)	Nil
Deposits remained unpaid or unclaimed as the end of the year	Nil
Default in repayment of deposits or payment of interest thereon during the year and if so number of such cases and the total amount involved (i) at the beginning of the year; (ii) maximum during 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

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

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

10. Corporate Social Responsibility:

Regarding CSR activities. We would like to inform you that as per applicable provisions of Companies Act 2013, there was a profit of Rs. 1573.69 thousands and accordingly CSR provisions were not applicable during the year under review.

11. Directors' Responsibility Statement:

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

(i) in the preparation of the annual accounts for the financial year ended 31st March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2019 and of the profit and loss of the company for that period;

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

(iv) the directors had prepared the annual accounts on a going concern basis;

(v) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and

(vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

Your Board of directors has constituted Nomination and Remuneration Committee of the Board consisting of Sh. Atul Verma (DIN: 01518019), Sh. Pankaj Dawar (DIN: 06479649) and Sh. Surendar Kumar Sood (DIN: 01091404) in terms of Section 178 of the Companies Act 2013 read with rule 6 of the Companies (Meeting of Board and its Power) Rules 2014. The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 in order to pay equitable remuneration to the Directors, KMPs and employees of the Company and to harmonise the aspirations of human resources consistent with the goals of the Company Objective and purpose of the policy

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

The objectives and purpose of this policy are:

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

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

13. Secretarial Audit Report:

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

14. Explanation or Comments on qualifications, reservations or adverse remarks or disclaimers made by the Auditors and the Practicing Company Secretary in their reports.

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

15. Particulars of Employee:

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

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

16. Related Party Transactions:

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

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

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

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

Your Company has not issued any equity shares with differential rights, sweat shares, employee stock options and made any provision of money for purchase of its own shares by trustees or employees for the benefit of employees till 31.03.2019., However, the Company in its meeting held on 2nd July, 2018 had approved the issuance of Bonus Shares in the ratio of 2:1 which resulted in increase in the Paid up Share Capital of the Company.

19. Audit Committee and Vigil Mechanism

The Board of directors of the Company has constituted an audit committee consisting of Sh. Pankaj Dawar (DIN: 06479649), Sh. Anoop Bector (DIN: 00108589) and Sh. Surendar Kumar Sood (DIN: 01091404) in terms of section 177 of the Companies Act 2013 and rule 6 of the Companies (Meeting of Board and its Powers) Rules 2014.

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the Company established a Vigil Mechanism process as an extension of Company's Code of Conduct whereby any employee, directors, customers, vendors etc., can report the genuine concerns or grievances to the members of

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

the Committee about unethical behavior, actual or suspected, fraud or violation of Company's Code of Conduct so that appropriate action can be taken to safeguard the interest of the Company. The Mechanism also provides for adequate safeguards against victimization of persons who uses such mechanism. The mechanisms provide for direct access to the chairperson/chairman of the Audit Committee in appropriate or exceptional cases. The Audit Committee regularly review the working of the Mechanism. No complaint was received during the year under review.

20. Risk Management Policy

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

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

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

22. Disclosure regarding issue of Sweat Equity Shares

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

23. Disclosure regarding issue of Employee Stock Options

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

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

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

Notes: -

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

Particulars	
(a) Directors and key managerial personnel	Not Applicable
Rajni Bector	Not Applicable
Anoop Bector	Not Applicable
Ajay Bector	Not Applicable
Shantilal Sukalal Chaudhari	Not Applicable
Pankaj Dawar	Not Applicable
Surendar Kumar Sood	Not Applicable

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

Atul Verma	Not Applicable
Rishi Bector	Not Applicable
Chhaya Bharti	Not Applicable
(b) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year (includes employees and group company employees)	Not Applicable
(c) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Not Applicable

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

The Company is complying with the provisions of Section 129 or 134 of Companies Act, 2013, so there was no voluntary revision done by the company during financial year 2018-19.

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

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

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

The Company has not paid any Commission to the Directors of the Company for the Financial Year 2018-19.

27. Board Evaluation

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

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

28. Fraud Reporting

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

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

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

During the financial year 2018-19, the Company has not received any complaints on sexual harassment and hence no compliant are pending as of 31 March, 2019.

30. Separate meeting of Independent Directors

The Company's Independent Directors met on 18th March, 2019, without the attendance of Non Independent Directors and members of the management. All Independent Directors were present at the meeting. At the meeting, they:-

- Reviewed the performance of non-independent directors and the Board as a whole;
- Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- Assessed the quality and timeliness of flow of information between the Company management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

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

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

A. Details of Loans:

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

B. Details of Investments:

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

C. Details of Guarantee / Security Provided:

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

32. Internal financial control

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

33. Internal Auditors

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

34. Management Discussion and Analysis Report

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

35. Industrial Relations

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

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

36. 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

Place: Gurgaon
Date: 12.08.2019

Sd/-
Surendar Kumar Sood
(Chairman)
DIN: 01091404
Address: 4275, Street No. 7,
DurgaPuri, Haibowal
Kalan, Ludhiana 141001

Annexure –A

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

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

A. CONSERVATION OF ENERGY

(i) Following steps have been taken for conservation of energy.

- 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.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(In Rupees)

Particulars	2018-2019	2017-2018
Total Foreign Exchange Received (F.O.B. Value of Export)	Nil	Nil
TOTAL FOREIGN EXCHANGE USED		
i) Raw Materials	0	0
ii) Consumable Stores	0	0
iii) Capital Goods	0	0
iv) Foreign Travels	0	0

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

v) Others	0	0
Total	0	0

By order of Board of Directors
For Cremica Agro Foods Limited

Place: Gurgaon
Date: 12.08.2019

Sd/-
Surendar Kumar Sood
(Chairman)
DIN: 01091404
Address: 4275, Street No. 7,
DurgaPuri, Haibowal
Kalan, Ludhiana 141001

Annexure –B

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

Constitution of the Nomination and Remuneration Committee

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

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

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

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

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

By order of Board of Directors

For Cremica Agro Foods Limited

Sd/-

Surendar Kumar Sood

(Chairman)

DIN: 01091404

Address: 4275, Street No. 7

DurgaPuri, Haibowal

Kalan, Ludhiana 141001

Place: Gurgaon
Date: 12.08.2019

Form No. MR-3

Secretarial Audit Report

(For the Financial Year Ending 31.3.2019)

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

To
The 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 B XXX III 324 GT Road, West Ludhiana, Punjab 141005, 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 31.03.2019**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

Under the Companies Act, 2013, Cremica Agro Foods Limited, is Public Limited Company. However, since the Company was exclusively listed on OTCEI and was referred to dissemination board on 28.02.2015. As per the SEBI notification, all Companies on OTCEI/ RSE have been referred to dissemination board was to be treated as Unlisted Company. In order to become listed on the Metropolitan Stock Exchange of India Limited, the company has complied with the eligibility criteria of the exchange and accordingly increased its authorized share capital and came up with the bonus issue and on 16th July 2018 got the admission on the esteemed exchange. Since the company got listed in the middle of July 2018, the company has started complying with the listing regulations from the end of September, 2018 quarter.

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 31.3.2019 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 thereunder 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 thereunder;- **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**

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

g Listing Agreements entered into with Metropolitan Stock Exchange of India Limited; and

i. Listing Obligation and Disclosure Requirements Regulation, 2015.

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

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

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

2. We further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- 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: 12/08/2019
Place: New Delhi**

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

Annexure A'

(Forming Integral Part of Secretarial Audit Report for the financial year ending 31.3.2019)

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

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

Date: 12/08/2019
Place: New Delhi

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

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 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 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 2018-19	% increase in remuneration in the financial year 2018-19	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)	2,26,836	2.89%	NA	-
2.	Chhaya Bharti (Company Secretary)	67,065	0%	NA	-

- ii) The median remuneration of employees of the company during the financial year was – Rs. 1,90,951
- iii) In the financial year, there was an increase in the median remuneration of employees; -N.A.
- iv) There were Three permanent employees on the rolls of company as on March 31, 2019;
- v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e.2017-18- 116%
- vi) It is hereby affirmed that the remuneration paid is as per the Appointment and Remuneration Policy of the Company for Directors, Key Managerial Personnel and other Employees.

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

Sr. No.	Name & Designation	Remuneration received (In Rs)	Nature of Employment (Contractual 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	2,26,836	Permanent	10+2	01.04.2016	43	N.A.	Nil	No
2.	Varinder Pal	95,484	Permanent	Graduate	01.04.2018	--	N.A.	Nil	No
3.	Chhaya Bharti (Company Secretary)	67,065	Permanent	CS	26.12.2018	24	N.A.	Nil	No

By order of Board of Directors
For Cremica Agro Foods Limited

Place: Phillaur
Date: 12.08.2019

Surendar Kumar Sood
(Chairman)
DIN: 01091404
Address: 4275, street No. 7, DurgaPuri,

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

Annexure –E

FORM NO. AOC –2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

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

(A) Related Party Transactions with Mrs. Bectors Food Specialties Limited

(a) Name(s) of the related party and nature of relationship	Mrs. Bectors Food Specialties Limited hereinafter referred as MBFSL (a Public company which holds 43.09% equity shares of company)		
(b) Nature of contracts/arrangements/transactions	Rent Paid and Payable for Capital Goods		
(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		
	Rent to MBFSL	Payable for Corporate office of the Company	Rs 11,800
	Sale to MBFSL	Payable for Capital Goods	Rs 60,60,501
(e) Justification for entering into such contracts or arrangements or transactions	MBFSL is a company which deals in Manufacturing, sale and distribution of Biscuits, Breads and Buns		
(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	1. For the purchase of Land 2. Trade Payable		
(c) Duration of the contracts/arrangements/transactions	Contract for one year		
(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		
	Advance against Land given		Rs 145,57,071
	Trade Payable		Rs. 39,43,965
(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 Anoop Bector

(a) Name(s) of the related party and nature of relationship	Availing Unsecured Loan from Mr. Anoop Bector. Mr. Anoop Bector is director of the company
---	--

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

(b) Nature of contracts/arrangements/transactions	Unsecured Loan Received
(c) Duration of the contracts/arrangements/transactions	Contract for one year
(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 <u>Borrow Money</u> <u>Rs. 80,00,000</u>
(f) Date(s) of approval by the board	06.06.2018

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

**Surendar Kumar Sood
(Chairman)**

DIN: 01091404

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

Place: Phillaur
Date: 12.08.2019

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

ANNEXURE-F

FORM MGT-9

EXTRACT OF ANNUAL RETURNAS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

[Pursuant to section 92(3) of the Companies Act,2013 and

rule12(1) of the Companies (Management and

Administration)Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

I	CIN	L15146PB1989PLC009676
li	Registration Date	06/09/1989
lii	Name of the Company	CREMICA AGRO FOODS LIMITED
Iv	Category/Sub-Category of the Company	Company limited by shares / Indian non- Government company
V	Address of the Registered office and contact details	B XXX III 324G T ROAD WEST LUDHIANA PUNJAB PB 141005
Vi	Whether Listed Company	Yes
Vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd Noble Heights, 1 st Floor, Plot No-NH-2, C-1, Block, LSC, Near savitri Market, Janakpuri, New Delhi-110058 Delhi-110028 Phone: +91 11 4141 0592 Fax: +91 11 4141 0591 E-mail: delhi@linkintime.co.in Website : www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products/services	NIC Code of the Product/ Service	% to total turnover of the Company
1.	Manufacture of bread	10711	Nil
2.	Manufacture of other bakery products N.E.C.	10719	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

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

i. Category-wise Shareholdings

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
(a) Individuals	91158	0	91158	6.08	104364	0	104364	2.32	-3.76
(b) Central Government / State Government(s)	0	0	0	0	0	0	0	0	0
(c) Bodies Corporate	899186	0	899186	60.00	1937268	0	1937268	43.09	-16.91
(d) Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
(e) Any Other (Specify)	0	0	0	0	0	0	0	0	
Sub Total (A)(1)	990344	0	990344	66.08	2041632	0	2041632	45.41	-20.67
(2) Foreign									
(a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b) Bodies Corporate	0	0	0	0	0	0	0	0	0
(c) Institutions	0	0	0	0	0	0	0	0	0
(d) Any Other (Specify)	0	0	0	0	0	0	0	0	0
Sub Total (A)(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	990344	0	990344	66.08	2041632	0	2041632	45.41	-20.67
(B) Public Shareholding									
(1) Institutions	0	0	0	0	0	0	0	0	0
(a) Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
(b) Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
(c) Central Government / State Government(s)	0	0	0	0	0	0	0	0	0
(d) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(e) Insurance Companies	0	0	0	0	0	0	0	0	0
(f) Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
(g) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

(h) Any Other (Specify)	0	0	0	0	0	0	0	0	0
(2) Non-Institutions									
(a) Bodies Corporate									
(i) Indian	0	53900	53900	3.60	774640	60400	835040	18.57	14.97
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh.	11100	392565	403665	26.94	51400	652100	703500	15.65	-11.29
(ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	0	50291	50291	3.36	252360	649968	902328	20.07	16.71
(c) Any Other (Specify)									
(i) HUF	300	0	300	0.02	900	0	900	0.02	0.00
(ii) Non Resident Indians (Repat)	0	0	0	0	12100	0	12100	0.27	0.27
Sub Total (B)(2)	11400	496756	508156	33.91	1091400	1362468	2453868	54.58	20.67
Total Public Shareholding(B)=(B)(1)+(B)(2)	11400	496756	508156	33.91	1091400	1362468	2453868	54.58	20.67
Total (A)+(B)	1001744	496756	1498500	100.00	3133032	1362468	4495500	100.00	0
Shares held by custodians and against which depository receipts have been issued									
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
Public	0	0	0	0	0	0	0	0	0
Total (A)+(B)+(C)	1001744	496756	1498500	100.00	3133032	1362468	4495500	100.00	100.00

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

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

(ii) Change in Promoters Shareholding

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year – 2018		Cumulative Shareholding at the end of the year – 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	MRS. BECTORS FOOD SPECIALITIES LTD	673506	44.95		
	At The End of the Year			1937268	43.09
3	ANOOP BECTOR	16775	1.12		
	At The End of the Year			50325	1.12
4	DHARAMVIR BECTOR	18013	1.20		
	At The End of the Year			54039	1.20
	Total :	990344	66.08	2041632	45.41

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

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

Sr. No.	Name & Designation	Shareholding at the beginning of the year – 2018		Cumulative Shareholding at the end of the year – 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	AJAY BECTOR (Whole time Director)	20191	1.35		
	At The End of the Year			60573	1.35
2	ANOOP BECTOR (Director)	16775	1.12		
	At The End of the Year			50325	1.12
3	RAJNI BECTOR (Whole time Director)	0	0		
	At The End of the Year			0	0
4	SURENDAR KUMAR SOOD (Director)	0	0		
	At The End of the Year			0	0
5	ATUL VERMA (Director)	0	0		
	At The End of the Year			0	0
6	SHANTILAL SUKALAL CHAUDHARI (Whole time Director)	0	0		
	At The End of the Year			0	0
7	PANKAJ DAWAR (Director)	0	0		
	At The End of the Year			0	0
8	RISHI KUMAR BECTOR (CFO(KMP))	20	0.0013		
	At The End of the Year			60	0.0013
9	CHHAYA BHARTI (Company Secretary)	0	0		
	At The End of the Year			0	0

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – 2018		Cumulative Shareholding at the end of the year – 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1.	CREMICA FOOD INDUSTRIES LIMITED	225680	15.06		
	AT THE END OF THE YEAR			677040	15.06
2.	SANJAY KUMAR	0	0.00		
	AT THE END OF THE YEAR			138810	3.08
	AKSHAY BECTOR	56370	3.76		
	AT THE END OF THE YEAR			135210	3.01
3	D.V. & SONS (HUF)	30100	2.01		
	AT THE END OF THE YEAR			90300	2.01
4	SONIA AGGARWAL	0	0.00		
	AT THE END OF THE YEAR			83250	1.85
5	DATT ENTERPRISES PRIVATE LIMITED	25700	1.72		
	AT THE END OF THE YEAR			51400	1.14
6	NIKHIL BECTOR	27000	1.80		
	AT THE END OF THE YEAR			46800	1.04
7	SANA BECTOR	15600	1.04		
	AT THE END OF THE YEAR			46800	1.04
8	SBI CAPITAL MARKETS LIMITED	19200	1.28		
	AT THE END OF THE YEAR			46200	1.03
9	ROMESH WADHWANI	13600	0.91		
	AT THE END OF THE YEAR			40800	0.91
10	AKHILESH BECTOR UGO AKSHAY BECTOR	12500	0.8342		
	AT THE END OF THE YEAR			37500	0.83

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

V. INDEBTEDNESS

(Amount in Rs. '000)

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	2625.00	Nil	2625.00
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	2625.00	Nil	2625.00
Change in Indebtedness during the financial year				
- Addition	Nil	3200.00	Nil	3200.00
- Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	3200.00	Nil	3200.00
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	5825.00	Nil	5825.00
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	5825.00	Nil	5825.00

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
	Independent Directors · Fee for attending board committee meetings · Commission · Others, please specify				
	Total(1)				
	Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, (Consultancy Fees)				
	Total (2)				
	Total (B) = (1+2)				
	Total Managerial Remuneration				

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

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

(Amount in Rs. '000)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	67.07	226.84	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil
	Stock Option	Nil	Nil	Nil	Nil
	Sweat Equity	Nil	Nil	Nil	Nil
	- Commission as % of profit	Nil	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	67.07	226.84	Nil

vii. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

By order of Board of Directors
For Cremica Agro Foods Limited

Sd/-
Surendar Kumar Sood
(Chairman)

DIN: 01091404

Address: 4275, Street No. 7,
Durga Puri, Haibowal

Place: Phillaur
Date: 12.08.2019

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.

OPPORTUNITIES AND THREATS

There are a lot of opportunities related to the Company which can contribute to the rising income and aspiration of consumers, large & profitable domestic and international markets and rural growth in India. People prefer fresh bread and other products. Bakery products are an item of mass consumption in view of its low price and with rapid growth and changing eating habits of people, bakery products have gained popularity among masses. Besides above, Untapped geographies in India is also a huge area of opportunity.

These opportunities are equally visible to the current and future competitors of your Company and that constitutes the primary threat. Intensified competition due to lower industry growth. A combination of ahead-of-market innovations, consistent quality delivery, supporting the brand aggressively through consistent and competitive investment and continuous enhancement of capability and efficiency of distribution pipeline will help your Company address the threats.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

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

FUTURE OUTLOOK

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

RISKS AND CONCERNS

In today's complex business environment, almost every business decision requires executives and managers to balance risk and reward. Effective risk management is therefore critical to an organization's success. Globalization, with increasing integration of markets, newer and more complex products & transactions and an increasingly stringent regulatory framework has exposed organizations to newer risks. As a result, today's operating environment demands a rigorous and integrated approach to risk management. Timely and effective risk management is of prime importance to our continued success. Increased competition and market volatility has enhanced the importance of risk management.

The sustainability of the business is derived from the following:

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

FINANCIAL/OPERATION PERFORMANCE

During the year under review there have been revenue of Rs. 231.00 thousands from the operations of the Company. However,

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

there have been other income of Rs. 4,053.75 thousands during the year under review as compared to other income of Rs. 2415.92 thousands in the previous year. The Net Profit for the year under review amounted to Rs. 1573.69 thousands as compared to Net Loss of Rs. 16,873.96 thousands in the previous year. The detailed performance has already been discussed in the Directors report under column operational review.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

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

CAUTIONARY STATEMENT

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

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

Sd/-

**Surendar Kumar Sood
(Chairman)**

DIN: 01091404

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

**Place: Gurgaon
Date: 12.08.2019**

Independent Auditors' Report

To,
The Members
Cremica Agro Foods Limited

Report on the Audit of the Standalone Financial Statements

1. Opinion

We have audited the standalone financial statements of Cremica Agro Foods Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

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

3. 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.

4. 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.

5. 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.

6. 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.

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

- (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 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls 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 2019 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.
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.
- (C) With respect to the matter to be included in the Auditor's Report under section 197(16):
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Kumar Sunil and Associates
Chartered Accountants

Sd/-
CA Sunil Kumar Aggarwal
Partner
M.No. 084958

Date: 28.05.2019
Place: Ludhiana

Annexure A referred to the Independent Auditor's report to the Members of Cremica Agro Foods Limited on the standalone financial statements for the year ended 31 March 2019

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

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

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) According to information and explanations given to us, the inventories, except goods in transit, have been physically verified by the management during the year. For goods in transit in respect of purchase and sales of material, all material is substantially received or delivered until the date of issuance of this report. In our opinion, the frequency of such verification is reasonable.
- (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 2019 for a period of more than six months from the date they became payable.

The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax since effective 1 July 2017, these statutory dues have been subsumed into Goods and Services Tax.

- (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)

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

- (xiii) 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.
- (xiv) 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.
- (xv) 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.
- (xvi) 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.
- (xvii) 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 Kumar Sunil and Associates
Chartered Accountants

Sd/-
CA Sunil Kumar Aggarwal
Partner
M. No. 084958

Date: 28.05.2019

Place: Ludhiana

**Annexure B to the Independent Auditor's report on the standalone financial statements of
Cremica Agro Foods Limited for the period ended 31 March 2019.**

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 2019 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 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and

detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as “the Act”).

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For Kumar Sunil and Associates
Chartered Accountants**

Sd/-
CA Sunil Kumar Aggarwal
Partner
M. No. 084958

Date: 28.05.2019

Place: Ludhiana

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

Balance Sheet as at March 31 2019

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

Particulars		As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	144.67	234.93
Deferred tax assets	5	0.00	0.00
Other non-current assets	6	44197.07	48501.98
Total Non-Current assets		44341.74	48736.91
Current assets			
Inventories		0.00	220.00
Financial assets			
(i) Trade receivables	7(i)	0.00	0.00
(ii) Cash and cash equivalents	7(ii)	14797.86	12010.18
(iii) Bank balances other than above	7(iii)	44027.27	44027.27
(iii) Other financial assets	4(i)	78.27	91.79
Current tax assets	8	2344.51	2487.96
Other current assets	9	52.40	52.40
Total Current assets		61300.31	58889.59
TOTAL ASSETS		105642.04	107626.50
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	44955.00	14985.00
Other equity			
Reserves and surplus	11	43007.08	71403.35
Total Equity		87962.08	86388.35
LIABILITIES			
Current liabilities			
Financial liabilities			
(i) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises			
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	12(i)	9768.44	10456.25
(ii) Borrowings	12(ii)	5825.00	2625.00
(iii) Other financial liabilities	12(iii)	345.00	345.00
Other current liabilities	13	1741.52	7811.91
Total Current Liabilities		17679.96	21238.16
Total liabilities		17679.96	21238.16
TOTAL EQUITY AND LIABILITIES		105642.04	107626.50

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

For Kumar Sunil & Associates
Firm Registration No.006263N
Chartered Accountants

For and on behalf of directors of Cremica Agro Foods Limited

Sd/-
CA Sunil Kumar
Partner
Membership No. 084958

Sd/-
Anoop Bector
Director
dIN: 00108589

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

Place : Ludhiana
Date : 28.05.2019

Sd/-
Chhaya Bharti
Company Secretary
M.No-54747

Sd/-
Rishi Kumar Bector
Chief Financial Officer

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

Statement of Profit and Loss

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

Particulars	Notes	Year ended 31st March 2019	Year ended 31st March 2018
Revenue from operations	14	231.00	-
Other income	15	4,053.75	2,415.92
Total income		4,284.75	2,415.92
Expenses			
Cost of materials consumed	16	220.00	-
Employee benefit expense	17	465.74	1,266.4C
Depreciation and amortization expense	18	90.24	90.29
Other expenses	19	1,352.1C	516.07
Total expenses		2,128.12	1,872.76
Profit before exceptional items and tax		2,156.62	543.16
Exceptional items		-	-
Profit before tax		2,156.62	543.16
Income tax expense:			
- Current tax	8	575.41	146.14
- Deferred tax	5	7.52	17,270.9E
Total tax expense		582.93	17,417.12
Profit for the year		1,573.69	(16,873.96)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		1,573.69	(16,873.96)
Earnings per equity share for profit from operations attributable to owners			
Basic earnings per share	26	0.35	(11.26)
Diluted earnings per share	26	0.35	(11.26)

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

For Kumar Sunil & Associates
Firm Registration No.006263N
Chartered Accountants

For and on behalf of directors of Cremica Agro Foods Limited

Sd/-
CA Sunil Kumar
Partner
Membership No. 084958

Sd/-
Anoop Bector
Director
diN: 00108589

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

Place : Ludhiana
Date : 28.05.2019

Sd/-
Chhaya Bharti
Company Secretary
M.No-54747

Sd/-
Rishi Kumar Bector
Chief Financial Officer

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

Statement of Changes in Equity

a. Equity Share Capital

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

Particulars	Number	INR
As at 1 April 2017	1,498.50	14,985.00
Changes in equity share capital	-	-
As at 31 March 2018	1,498.50	14,985.00
Changes in equity share capital	2,997.00	2,997.00
As at 31 March 2019	4,495.500	4,495.500

b. Other equity

Description	Reserves & Surplus				Total
	Capital Reserve	Securities premium reserve	General Reserve	Retained Earnings	
Balance at 1 April 2018	8,448.00	2,742.90	7,950.03	52,262.46	71,403.39
Profit for the year	-	-	-	1,573.69	1,573.69
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	0.00	0.00	0.00	1,573.69	1,573.69
Bonus Shares Issued	-	(2,742.90)	(7,950.03)	(19,277.07)	(29,970.00)
Balance at 31 March 2019	8,448.00	-	-	34,559.08	47,3007.08

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

For Kumar Sunil & Associates
Firm Registration No.006263N
Chartered Accountants

Sd/-
CA Sunil Kumar
Partner
Membership No. 084958

Place : Ludhiana
Date : 28.05.2019

For and on behalf of directors of Cremica Agro Foods Limited

Sd/-
Anoop Bector
Director
diN: 00108589

Sd/-
Chhaya Bharti
Company Secretary
M.No-54747

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

Sd/-
Rishi Kumar Bector
Chief Financial Officer

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

Statement of Cash Flows

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

Particulars	Year ended 31 march 2019	Year ended 31 march 2018
Cash flow from operating activities		
Profit before income tax and exceptional items	2,156.62	543.16
Adjustments for:		
Depreciation and amortisation expense	90.28	90.29
Interest income from financial assets at amortised cost	(2,674.05)	(2,395.92)
	(898.57)	(2,305.63)
Changes in operating assets and liabilities		
Decrease/ (Increase) in trade receivables	-	725.00
(Increase)/Decrease in other current financial assets	13.53	(91.79)
Decrease /(Increase) in inventories	(220.00)	(220.00)
Decrease/ (Increase) in other non-current assets	4,304.91	-
Increase/(Decrease) in trade payables	(687.80)	(500.00)
Decrease in other current liabilities	(6,070.39)	227.51
Cash generated from operations	(2,219.77)	140.72
Income taxes paid	(439.48)	(295.64)
Net cash inflow from operating activities	(3,984.96)	(1,917.39)
Cash flow from investing activities		
Investments in bank deposits (having original maturity of more than three months)	-	36.98
Interest income from non-financial assets at amortized cost	898.60	
Interest received from financial assets at amortised cost	2,674.05	2,395.92
Net cash outflow from investing activities	3,572.65	2,432.90
Cash flow from financing activities		
Proceeds from unsecured borrowings	3200.00	1,625.00
Net cash outflow from financing activities	3200.00	1,625.00
Net (decrease)/increase in cash and cash equivalents	2,787.69	2,140.51
Cash and cash equivalents at the beginning of the financial year	12,010.16	9,869.65
Cash and cash equivalents at the end of the financial year	14,797.86	12,010.16
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents [note 7(iii)]		
Balances with banks	14,789.41	11,950.34
Cash on hand	8.45	59.84
	14,797.86	12,010.16

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

For Kumar Sunil & Associates
Registration No.006263N
Chartered Accountants

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

Sd/-
CA Sunil Kumar
Partner
Membership No. 084958

Sd/-
Anoop Bector
Director
dIN: 00108589

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

Place : Ludhiana
Date : 28.05.2019

Sd/-
Chhaya Bharti
Company Secretary
M.No-54747

Sd/-
Rishi Kumar Bector
Chief Financial Officer

Notes to Financial Information

3 Property, plant and equipment

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

	Plant & Equipment	Crates	Furniture & Fixtures	Computers	Lab Equipment	Total
Year ended 31 March 2018						
Gross carrying amount						
Opening gross carrying amount as on April 1, 2017	254.51	-	139.76	178.31	-	572.58
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Closing gross carrying amount	254.51	-	139.76	178.31	-	572.58
Accumulated depreciation						
Opening accumulated depreciation	97.61	-	46.43	103.32	-	247.36
Depreciation charge during the year	34.83	-	18.43	37.03	-	90.29
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Closing accumulated depreciation	132.44	-	64.86	140.35	-	337.65
Net carrying amount	122.074018	-	74.901706	37.961000	-	234.93
Year ended 31 March 2019						
Gross carrying amount						
Opening gross carrying amount as on April 1, 2018	254.51	-	139.76	178.31	-	572.58
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Closing gross carrying amount	254.51	-	139.76	178.31	-	572.58
Accumulated depreciation						
Opening accumulated depreciation	132.44	-	64.86	140.34	-	337.63
Depreciation charge during the year	34.83	-	18.43	37.03	-	90.28
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Closing accumulated depreciation	167.27	-	83.28	177.37	-	427.91
Net carrying amount	87.24	-	56.48	0.95	-	144.67

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

4 Statement of financial assets

4(ii) Statement of other financial assets	As at March 31, 2019		As at March 31, 2018	
	Current	Non- Current	Current	Non-Current
(i) Derivatives				
Foreign exchange forward contracts		-		-
(ii) Others				
Security deposits				
-Considered good	-	-	-	-
-Considered doubtful				
	-	-	-	-
Less : Provision for doubtful security deposits	-	-	-	-
Net security deposits	-	-	-	-
Long term deposits with bank with maturity period more than 12 months [Refer Note (a) below]				
Unbilled revenue [Refer Note (b) below]				
Less: Provision for doubtful unbilled revenue				
Less: Unwinding of discount				
Net unbilled revenue	-	-	-	-
Interest accrued on deposits with banks	78.27	-	91.79	-
Total other financial assets	78.27	-	91.79	-

5. Statement of deferred tax assets (net)	As at March 31, 2019		As at March 31, 2018
The balance comprise temporary differences attributable to:			
Opening Balance	-		17,270.98
Depreciation on fixed assets	-		-
Charged to profit & loss a/c	-		(17,270.98)
Subtotal	-		-
Reversal under section 43B	-		-
Loss on shares carried forward	-		-
Total deferred tax assets	-		-
Movement in deferred tax assets			
	Opening	Fixed Asset	Total
At 31 March, 2018	-	-	17,283.52
(charged)/credited:	(0.00)	(13.67)	(13.67)
- to profit or loss - deferred tax*	0.00	13.67	13.68

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

	-	-	0.01
At 31st March , 2019	-	-	-
(charged)/credited:			-
- to profit or loss - deferred tax*	7.52	-	7.52
At 31st March 2019	7.52	-	7.52

*The above amount represents balance of deferred tax asset as at March 31, 2017 charged off to Profit & Loss A/c in the current year.

6 Other non-current assets	31 March 2019	31 March 2018
Capital Advances	36,057.07	40,361.98
Advance Recoverable in cash and kind	8,140.00	8,140.00
Total other non-current assets	44,197.07	48,501.98
Inventories	31 march 2019	31 march 2018
Raw material and packing material	-	220.00
Total Inventories	-	220.00
7(i) Trade receivables	31 march 2019	31 march 2018
Unsecured, considered good	-	-
Total receivables	-	-
Current Portion		
Non-Current Portion	-	-
Break-up of security details	31 March 2019	31 March 2018
Unsecured, considered good	-	-
Total	-	-
Allowance for doubtful debts	-	-
Total trade receivables	-	-
7(ii) Cash and cash equivalents	31 March 2019	31 March 2018
Balances with Banks		
- in current accounts	14,789.41	11,950.34
	14,789.41	11,950.34
Cash on hand	8.45	59.85
	8.45	59.85
Total cash and cash equivalents	14,797.86	12,010.18
7(iii) Statement of other bank balances	31 March 2019	31 March 2018
Deposits with maturity more than 3 months but less than 12 months	44,027.27	44,027.27
Interest accrued on Fixed Deposits		
Total Bank Balances other than (ii) above	44,027.27	44,027.27
8 Current tax assets	31 March 2019	31 march 2018
Advance Income Tax	2,919.92	2,634.10

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

Less: Provision for Tax	<u>575.41</u>	<u>146.14</u>
Total current tax assets	<u>2,344.51</u>	<u>2,487.96</u>

A. Amounts recognized in profit or loss

	<u>For the year ended</u> <u>31 march 2019</u>	<u>For the year ended</u> <u>31 march 2018</u>
Current tax expense		
Current year	<u>575.41</u>	<u>146.14</u>
	575.41	146.14
Deferred tax credit		
Changes in recognised temporary differences	-	-
Reversal of deferred tax assets	<u>7.52</u>	<u>17,270.98</u>
	7.52	17,270.98
Total tax expense	<u>582.93</u>	<u>17,417.12</u>

B. Reconciliation of effective tax rate

	<u>For the year ended</u>		<u>For the year ended</u>	
	<u>31 march 2019</u>		<u>31 march 2018</u>	
	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>
Profit before tax from continuing operations				
Tax using the Company's domestic tax rate	26.00%	2,156.62	25.75%	543.16
Tax effect of:		560.72		139.14
Non-deductible expenses	0.68%	14.69	2.33%	12.64
Deferred tax asset written off*	-	-	-	-

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

Tax effect of:

Non-deductible expenses	0.68%	14.69	2.33%	12.64
Deferred tax asset written off*	-	-	-	-

Tax expense	26.68%	575.41	28.08%	152.52
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* The above amount represents balance of deferred tax asset as at March 31, 2017 charged off to Profit & Loss A/c in the current year. Consequent to which the effective tax rate has gone up to current level.

9 Statement of other current assets	31 march 2019	31 march 2018
Prepayments	-	-
Balance with government authorities	52.40	52.40
Other Advances	-	-
Total other current assets	52.40	52.40

10 Equity share capital and other equity

(a) Equity share capital

Authorized equity share capital

	Number of shares	Amount
As at 01 April 2017	2,000.00	20,000.00
Increase during the year	-	-
As at 31 March 2018	2,000.00	20,000.00
Increase during the year	3000.00	30,000.00
As at 31 March 2019	5,000.00	50,000.00

(i) Movements in equity share capital

	Number of shares	Equity share capital (par value)
As at 01 April 2017	1,498.50	14,985.00
Movement during the year	-	-
As at 31 march 2018	1,498.50	14,985.00
Movement during the year	2,977.00	2,977.00
As at 31 march 2019	4,495.50	44,955.00

Terms and rights attached to equity shares

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

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

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

Name of Shareholder	Equity Shares					
	31 march 2019		31 march 2018		1 April 2017	
	No. of Shares held	% of Holding	No. of shares held	% of Holding	No. of shares held	% of Holding
Mrs. Bectors Food Specialities Limited	1,937.27	43.05%	673.51	44.95%	673.51	44.95%
Cremica Food Industries Limited	677.04	15.06%	225.68	15.06%	225.68	15.06%
Total	2,614.31	58.15%	899.19	60.01%	899.19	60.01%

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.

11. Reserves and Surplus	31 march 2019	31 march 2018	01 April 2017
Capital Reserve	8,448.00	8,448.00	8,448.00
Securities premium reserve	--	2,742.90	2,742.90
General Reserve	--	7,950.03	7,950.03
Retained Earnings	34,559.08	52,262.44	69,136.40
Total reserve and surplus	43,007.08	71,403.37	88,277.33

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

	31 March 2019	31 March 2018	01 April 2017
(i) Capital Reserve			
Opening Balance	8,448.00	8,448.00	8,448.00
Closing balance	8,448.00	8,448.00	8,448.00
(ii) Securities Premium Reserve			
Opening Balance	2,742.90	2,742.90	2,742.90
Less: Transferred to Non-current liability- Borrowings	(2,742.90)	-	-
Closing balance	-	2,742.90	2,742.90
(iii) General Reserve			
Opening balance	7,950.03	7,950.03	7,950.03
Less: Bonus Shares Issued	(7,950.03)	-	-
Closing balance	7,950.03	7,950.03	7,950.03
(iv) Retained Earnings			
Opening balance	52,262.44	69,136.40	68,446.71
Balance transferred from Statement of Profit and Loss	1573.69	(16,873.96)	689.69
Bonus Shares Issued	(19,277.07)	-	-
Closing balance	34,559.08	52,262.44	69,136.40

Nature and purpose of other reserves

Securities premium account

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the companies act.

General Reserve

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

Capital Reserve

The Capital Reserve is as per requirement of Companies Act, 2013 in respect of Companies incorporated in India.

11. Trade payables	31 March 2019	31 March 2018
Current		
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	9,768.44	10,456.23
Total trade payables	9,768.44	10,456.23

*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.

12 (ii)	31 March 2019	31 March 2018
Current Borrowings		
Unsecured loans		
Loan from related parties*	5,825.00	2625.00
Total borrowings	5,825.00	2,625.00

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

12 (iii)	
Other financial liabilities	

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

	31 March 2019	31 March 2018
Current		
Security and other trade deposits	345.00	345.00
Total other current financial liabilities	345.00	345.00
13 Other current liabilities	31 march 2019	31 march 2018
Advances from customers	1,560.05	6,060.05
Statutory dues including provident fund and tax deducted at source	7.84	12.47
Other Payable	153.14	135.03
Employee benefits payable	20.49	1,604.36
Total other current liabilities	1,741.52	7,811.91
	Year ended march 31, 2019	Year ended march 31, 2018
14 Continuing Operations		
Revenue from operations	231.00	-
Total revenue from continuing operations	231.00	-
15 Other income		
Interest income from financial assets at amortized cost	2,674.05	2,395.92
Other non-operating income	1,379.70	20.00
Total other income	4,053.75	2,415.92
16 Cost of materials consumed		
Raw material at the beginning of the year	220.00	-
Add: Purchases	-	220.00
Less: Raw material at the end of the year	-	220.00
Total cost of material consumed	220.00	-
17 Employee benefits expense		
Salaries and wages	465.74	1,266.40
Total employee benefit expense	465.74	1,266.40
18 Depreciation and amortization expense		
Depreciation of property, plant and equipment	90.28	90.29
Total depreciation and amortization expense	90.28	90.29
19 Other expenses		
Rates & taxes	250.63	57.28
Printing and stationery	3.95	12.69
Rent	70.80	11.80
Legal and Professional	792.73	403.96
Payment to auditors (Refer Note 20(A) below)	25.96	23.60
Miscellaneous expenses	208.03	6.74
	1352.10	516.07

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

20A Payments to auditors (excluding taxes)

As auditor:

Audit Fee	25.96	23.60
Total payments to auditors	25.96	23.60

22. Financial instruments – Fair values and risk management

A. Financial instruments by category

	As at 31 March, 2019		As at 31 March, 2018	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Non-current loans	-	-	-	-
Other non-current financial assets	-	-	-	-
Investments	-	-	-	-
Trade receivables	-	-	-	-
Cash and cash equivalents	-	14,797.86	-	12,010.18
Bank balances other than cash and cash equivalents	-	44,027.27	-	44,027.27
Current loans	-	-	-	-
Other current financial assets	-	78.27	-	91.79
	-	58,903.40	-	56,129.24
Financial liabilities				
Non-current borrowings	-	-	-	-
Short term borrowings	-	5,825.00	-	-
Trade payables	-	9,768.44	-	11,606.71
Other financial liabilities	-	345.00	-	345.00
	-	15,938.44	-	11,951.71

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

	As at 31 March, 2019		As at 31 March, 2018	
	Level 1	Level 2	Level 1	Level 2
Financial assets	-	-	-	-
Non-current loans	-	-	-	-
Other non-current financial assets	-	-	-	-
Trade receivables	-	-	-	-
Cash and cash equivalents	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	-	-
Current loans	-	-	-	-
Other current financial assets	-	-	-	-
Total financial assets	-	-	-	-
Financial liabilities	-	-	-	-
Non-current borrowings	-	-	-	-

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

Short term borrowings	-	-	-	-
Trade payables	-	-	-	-
Other financial liabilities	-	-	-	-
Total financial liabilities	-	-	-	-

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.

Fair value of financial assets and liabilities measured at amortised cost

	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Trade receivables	-	-	-	-
Cash and cash equivalents	14,797.86	14,797.86	12,010.18	12,010.18
Bank balances other than cash and cash equivalents	44,027.27	44,027.27	44,027.27	44,027.27
Other current financial assets	78.27	78.27	91.79	91.79
	58,903.39	58,903.39	56,129.24	56,129.24
Financial liabilities				
Short term borrowings	5,825.00	5,825.00	2,625.00	2,625.00
Trade payables	9,768.44	9,768.44	10,456.25	10,456.25
Other current financial liabilities	345.00	345.00	345.00	345.00
	15,938.44	15,938.44	13,426.25	13,426.25

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.

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

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.

Particulars	As at March 31, 2018	As at March 31, 2017
Financial assets for which loss allowance is measured using Lifetime Expected Credit Losses		
Trade Receivables	-	725.00
Reconciliation of loss allowance provision	-	-

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.

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

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

	Carrying amount		Contractual cash flows
	As at 31 March , 2018	Total	Upto 1 year
Financial liabilities			
Non-current borrowings	-	-	-
Short term borrowings	1,125.00	1,125.00	1,125.00
Trade payables	10,252.04	10,252.04	10,252.04
Other current financial liabilities	<u>345.00</u>	<u>345.00</u>	<u>345.00</u>
Total	11,722.04	11,722.04	11,722.04

iii. Market risk

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

Exposure to interest rate risk

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

Particulars	Nominal Amount	
	As at March 31, 2019	As at March 31, 2018
Fixed-rate instruments		
Financial assets	44,119.0€	48,501.98
	<u>44,119.06</u>	<u>48,501.98</u>

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.

23. 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.

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

	As at March 31, 2019	As at March 31, 2018
Total liabilities	17,679.96	21,238.16
Less : Cash and cash equivalent	14,797.86	12,010.18
Adjusted net debt (a)	2,882.11	9,227.97
Total equity (b)	87,962.08	86,388.35
Capital gearing ratio (a/b)	3%	11%

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

24. Related Party Transaction

(a) Names of related parties and nature of relationship

March 31, 2019	March 31, 2018
A. Key Management Personnel	A. Key Management Personnel
Anoop Bector , Director	Anoop Bector , Director
S.S Chaudhary, Whole Time Director & CEO	S.S Chaudhary, Whole Time Director & CEO
Ajay Bector	Ajay Bector
	Dharamvir Bector, Director (Ceased w.e.f 26.12 2017 due to death)
Rajni Bector, Director	Rajni Bector, Director
Rishi Bector, Chief Financial Officer	Rishi Bector, Chief Financial Officer
Neha Gupta, Company Secretary	Neha Gupta, Company Secretary
B. Entities under which Key Management Personnel are interested	B. Entities under which Key Management Personnel are interested
Mrs. Bectors Cremica Dairies Private Limited	Mrs. Bectors Cremica Dairies Private Limited
Mrs. Bectors Food Specialities Limited	Mrs. Bectors Food Specialities Limited
Cremica Food Specialities Limited	
Sunshine Foods	Sunshine Foods
Hira Mal Lachman Das	Hira Mal Lachman Das
Him Valley Food Processors	Him Valley Food Processors
Ajay Bector (HUF)	Ajay Bector (HUF)
Dharamvir & Sons (HUF)	Dharamvir & Sons (HUF)
Anoop Bector (HUF)	Anoop Bector (HUF)
Akshay Bector (HUF)	Akshay Bector (HUF)

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

(b) Key management personnel compensation

	For the year ended March 31, 2019	For the year ended March 31, 2018
Remuneration paid to Director	-	-

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

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

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

(b) Details of balances with related parties at year end

Balances as at year end	For the year ended March 31, 2019	For the year ended March 31, 2018
Trade and other payables/payable for capital goods		
-Associates		-
-Entities controlled by KMPs	5,504.37	10,004.37
Unsecured loans		
-KMPs		
-Relatives of KMPs		
Advances and other receivables		
-Associates	-	-
-Entities controlled by KMPs	14,557.07	14,557.07

25. Contingent liabilities

(a) Contingent Liabilities

The Company had contingent liabilities in respect of Sales Tax Appeal amounting to Rs. 2537.83 as at March 31, 2019 (Rs. 253 7.83 as at March 31,2018)

(b) Contingent Assets

The Company does not have any contingent assets as at 31st March 2019 and as at March 31 2018.

Cremica Agro Foods Limited

(CIN: L15146PB1989PLC009676)

26. Statement of earnings per share

	31st March 2019	31st March 2018
(a) Basic earnings per share		
From continuing operations attributable to the equity holders of the company	0.35	(11.26)
(b) Diluted earnings per share		
From continuing operations attributable to the equity holders of the company	0.35	(11.26)
(c) Basis for Calculating Earning Per Share		
	-	-
	31st March 2019	31st March 2018
Profit from continuing operations attributable to the equity holders of the company used for Basic and diluted earnings per share	1,573.69	(16,873.96)
(d) Weighted average number of shares used as the denominator		
	31st March 2019	31st March 2018
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	4,495.50	1,498.50

27. Segment Information

Basis for segmentation

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

Operating Segments

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

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

For Kumar Sunil & Associates

Firm Registration No.006263N

Chartered Accountants

Sd/-
CA Sunil Kumar

Partner

Membership No. 084958

Place : Ludhiana

Date : 28.05.2019

For and on behalf of directors of Cremica Agro Foods Limited

Sd/-
Anoop Bector

Director

DIN: 00108589

Sd/-
Chhaya Bharti

Company Secretary

Sd/-
Shantilal Sukhalal Chaudhari

Whole Time Director & CEO

DIN: 02315224

Sd/-
Rishi Kumar Bector

Chief Financial Officer

ROUTE MAP
30TH ANNUAL GENERAL MEETING
CREMICA AGRO FOODS LIMITED



Cremica Agro Foods Limited

Regd. Office: 455, Sohan Palace, 2nd Floor, The Mall, Ludhiana-141001, Punjab
 Corporate office: Theing Road, Phillaur, Jalandhar, Punjab -144410
 CIN: L15146PB1989PLC009676; Website: www.cafli.co.in
 Tel No.: 01826-222826; Fax No.: 01826 – 222915; E-mail: manager.cafli@gmail.com

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

ATTENDANCE SLIP

*DPID	Name & Address of the registered Shareholder
Regd.FolioNo./*Client Id.	
No.of Share(s)held	

(*Applicable for Members holding Shares in electronic form)

I hereby record my presence at the 30th Annual General Meeting of the members of M/s. Cremica Agro Foods Limited will be held on Friday, the 20th day of September, 2019 at 10.30 A.M. at the Regal Hall, Maharaja Regency, Aarti Chowk, Ferozepur Road, Ludhiana-141001.

_____ Member's/ Proxy's Signature

-----TEAR HERE-----

Cremica Agro Foods Limited

Regd. Office: 455, Sohan Palace, 2nd Floor, The Mall, Ludhiana-141001, Punjab
 Corporate office: Theing Road, Phillaur, Jalandhar, Punjab -144410
 CIN: L15146PB1989PLC009676; Website: www.cafli.co.in
 Tel No.: 01826-222826; Fax No.: 01826 – 222915; E-mail: manager.cafli@gmail.com

FORM NO. MGT-11

PROXYFORM

[Pursuant to Section105 (6) of the Companies Act, 2013 and Rule19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):
Registered Address:
E-mail Id:
*DPId.
Regd.Folio No./*Client Id.

(*Applicable for Members holding Shares in electronic form)

I/We, being the member(s) of Cremica Agro Foods Limited Holding _____ shares of the above named company, hereby appoint:

- (1) Name: _____ Address: _____
 E-mail id: _____ Signature _____ or failing him;
- (2) Name: _____ Address: _____
 E-mail id: _____ Signature _____ or failing him;
- (3) Name: _____ Address: _____
 E-mail id: _____ Signature _____

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the members of M/s. Cremica Agro Foods Limited will be held on Friday, the 20th day of September, 2019 at 10.30 A.M. at the Regal Hall, Maharaja Regency, Aarti Chowk, Ferozepur Road, Ludhiana-141001. And at any adjournment thereof in respect of such resolution as are indicated below:

Resolution No.	Matter of Resolution	For	Against
1.	To receive, consider and adopt audited annual financial statements of the Company for the financial year ended on 31st March, 2019.		
2.	To re-appointment Director Sh. Shantilal Sukalal Chaudhari, (DIN: 02315224))		
3.	To appoint M/s. Anush Kaileshwar & Co., Chartered Accountants, Firm Registration No: 013077N, as Statutory Auditors of the Company		
4.	To appoint Ms. Samridhi Seth (DIN: 08532336) as an Independent Director of the Company		

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

Signature of Shareholder(s):

Signature of Proxy holder(s):.....

Affix One
 rupee
 revenue
 Stamp

Note:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

CREMICA AGRO FOODS LIMITED

(CIN: L15146PB1989PLC009676)

Regd. Office: B-XXX III-324, G.T. ROAD (WEST),
NEAR JALANDHAR BYE PASS, LUDHIANA-141005, PUNJAB