

# 29<sup>th</sup> Annual Report

## 2013-2014

Corporate Identity Number (CIN) of Company

**L24123UP1984PLC014111**



**Continental Chemicals Limited**

**BOARD OF DIRECTORS**

Mr. Pradeep K Chopra	Chairman & Director
Mr. Naresh K Chibba	Managing Director
Dr. Vishwanath	Director (up to 11.02.2014)
Mr. Akshat Bhaskar	Director (from 07.03.2014)

**AUDIT COMMITTEE**

Mr. Akshat Bhaskar	Chairman & Director
Mr. Naresh K Chibba	Managing Director
Dr. Vishwanath	Director (up to 11.02.2014)
Mr. Pradeep K Chopra	Director

**KEY MANAGERIAL PERSONNEL**

Mr. Naresh K Chibba	Managing Director
Mr. Sourav Malhotra	Company Secretary (from 10.03.2014) & Compliance Officer
Mr. Urminder Singh	Chief Financial Officer

**INDEPENDENT AUDITORS**

M/s. Hari Bhushan & Associates  
Chartered Accountants  
New Delhi

**BANKERS**

INDIAN OVERSEAS BANK  
ICICI BANK

**REGISTRAR AND SHARE TRANSFER AGENT**

BEETAL FINANCIAL & COMPUTER SERVICES PVT. LTD.  
BEETAL HOUSE, 3<sup>RD</sup> FLOOR 99,  
MADANGIR BEHIND LOCAL SHOPPING CENTRE,  
NEAR DADA HARSUKH DASS MANDIR,  
NEW DELHI - 110062

**REGISTERED OFFICE**

**A-7, Sector-7, Noida**  
**Dist. Gautam Buddh Nagar**  
**U.P. INDIA**  
**Pin – 201 301,**

**LISTED ON STOCK EXCHANGES**

BOMBAY STOCK EXCHANGE, MUMBAI  
DELHI STOCK EXCHANGE, DELHI  
UP STOCK EXCHANGE, UTTAR PRADESH

**NOTICE TO THE SHAREHOLDERS**

Notice is hereby given that the 29<sup>th</sup> Annual General Meeting of Continental Chemicals Limited will be held on Monday, the 29th September 2014 at 4.30 P.M. at the Registered Office of the company at A-7, Sector-VII, Noida, Gautam Buddh Nagar, Pin. 201301 (U.P) to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Directors' Report for the year ended 31st March 2014, Audited Statement of Profit and Loss for the year, Balance Sheet as at that date, and the Report of the Auditors thereon.
2. To appoint M/s. B K Kapoor & Company, Chartered Accountants having (Firm Registration No: 000852C) , as Statutory Auditors of the Company in place of M/s. Hari Bhushan & Associates, the retiring Statutory Auditors (who have showed their unwillingness to be re-appointed), to hold office from the conclusion of this Annual General Meeting, until the conclusion of sixth Annual General Meeting to be held after this meeting, subject to ratification at every Annual General Meeting and to fix their remuneration for the financial year ending 31st March, 2015.

**SPECIAL BUSINESS**

3. To Appoint Mr. Pradeep Kumar Chopra as 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 provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Pradeep Kumar Chopra (DIN 02306030) who has been a Non Executive Director of the Company from November 25, 2010 onwards and who was designated as Independent Director and Chairman under clause 49 of Listing Agreement and who holds office up to the date of this Annual General Meeting, in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years up to the conclusion of the 34<sup>th</sup> AGM of the Company.”

4. To Appoint Mr. Akshat Bhaskar as 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 provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Akshat Bhaskar (DIN 06826121), who was appointed as an Additional Independent Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years up to the conclusion of the 34<sup>th</sup> AGM of the Company.”

## 5. To Appoint Ms. Suniana Chibba as a Non-Executive and Woman Director of the Company

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

**“RESOLVED THAT** Ms. Sunaina Chibba (DIN 00370454), in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013, signifying his intention to propose Ms. Sunaina Chibba as a candidature for the office of Director of the Company, be and is hereby appointed as Non Executive and Woman Director of the Company and liable to retire by rotation”.

## 6. To Re-appoint Mr. Naresh K. Chibba as Managing Director of the Company and to fix his remuneration.

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

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197 & 203 of the Companies Act 2013 read with Schedule V of the said Act (including any amendment, modification, variation or re-enactment thereof), (Corresponding to Section 198, 269, 309 Schedule XIII to the Companies Act, 1956) and subject to approval of the Central Government, if any, the approval of members of the Company be and is hereby accorded to the re-appointment of Mr. Naresh K. Chibba (DIN. 00376963) as the Managing Director of the Company for a period of five years effective from August 1, 2015 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts things and deeds as may be necessary to give effect to the above resolution.”

## 7. To Change the Name of the Company

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

**“RESOLVED THAT** subject to the approval of the Central Government under section 13 of the Companies Act 2013 the Name of the Company be changed to any one of the following as the Board may in its absolute discretion may decide and as may be made available by the Registrar of Companies.”

- |                                 |                                    |
|---------------------------------|------------------------------------|
| a) Intersoft Limited            | b) Continental Engineering Limited |
| c) Interads Engineering Limited | d) Inter Infratech Limited         |
| e) Continental Services Limited | e) Continental Solutions Limited   |

**RESOLVED FURTHER THAT** Board is hereby authorized to decide any other name from the names as set out in explanatory statement no. 7 in case of any discrepancy or refusal on application for reservation of name by Registrar of Companies.

**RESOLVED FURTHER THAT** Board is hereby authorized to do all such acts deeds and things as may be required to give effect to the above resolution.”

## 8. To Alter the Memorandum of Association and Articles of Association

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

**“RESOLVED THAT** pursuant to the provisions of section 13 & 14 of the Companies Act 2013 & pursuant to the change of name of the company, Clause I of the Memorandum of Association of the company be and is hereby altered to the new name which may be made available by the Registrar of Companies.

**RESOLVED FURTHER THAT** the Articles of association of the Company be and is hereby altered to include the new name which may be made available by the Registrar of Companies.

**RESOLVED FURTHER THAT** the alterations as mentioned in this resolution be noted in the Memorandum of Association & Articles of Association.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take all such steps as may be necessary to give effect to the above resolution.”

9. To approve the borrowing of money in excess of the aggregate of the paid up share capital and free reserves of the Company

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

“**RESOLVED THAT** the consent of the Members of the Company under the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and its underlying rules as may be amended from time to time and the relevant provisions of the Articles of Association of the Company, to borrow any sum or sums of money (including External Commercial Borrowings in foreign denominated currencies from any foreign source/countries as prescribed by guidelines, if any, in this respect) be and is hereby accorded by the Board of Directors of the Company from one or more Banks, Financial Institutions and Other Persons, Firms, Bodies Corporate and, of all moneys deemed by them to be requisite for the purpose of carrying on the business of the Company, apart from temporary loans repayable on demand or within six months from the date of the loan or temporary loans accepted in the ordinary course of business, if any, obtained from the Company’s bankers outstanding at any time shall not exceed Rupees 500,000,000 (Rupees Fifty Crores) notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (including temporary loans, if any, obtained for the purpose of financing expenditure of a capital nature) will exceed the aggregate of the paid-up share capital of the Company and its free reserves.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard of Borrowing(s) aforesaid and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.

10. To Approve Related Party Transactions

To consider and, if thought fit to pass, with or without modification(s) the following Resolution for related party transaction as a Special Resolution:

“**RESOLVED THAT** pursuant to Section 188 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the consent of the Audit Committee and the Board of Directors vide resolution passed in their respective meetings held on August 22, 2014, the consent of the Company be and is hereby accorded for entering into contract or arrangement with the related parties as defined under the Act and the Rules made there under, as per details and on terms & conditions as set out under Item no. 10 of the Explanatory Statement annexed to this Notice.”

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby severally authorized to perform and execute all such acts, deeds, matters and things including delegate such authority, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto.”

By Order of the Board of Directors

Sd/-  
Sourav Malhotra  
Company Secretary

PLACE : NOIDA  
DATE : 22.08.2014

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as 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 carrying voting rights may appoint a single proxy as proxy and such person cannot act as a proxy of any other person or shareholder.

The instrument of proxy in order to be effective should be deposited at the registered office of the Company duly completed and signed not less than 48 hours before the commencement of meeting.

2. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to Vote.
3. Members are requested to bring their copies of the Annual Report and Photo ID proof with them at the meeting.
4. Members/Proxies are further requested to fill in the enclosed attendance slip and deposit the same at the registration table at the time of attending the meeting.
5. Members having any queries relating to the Annual Report are requested to send their questions to the Directors at the registered office of the Company at least 7 days before the date of Annual General Meeting.
6. Members holding shares under more than one folio are requested to send their Shares Certificate to the RTA of the Company for consolidation under one folio.
7. The Share Transfer Books, Members Register of the company shall remain closed from 26.09.2014 to 29.09.2014 (Both days inclusive).
8. An Explanatory Statement on the business to be transacted at the meeting is annexed hereto.
9. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote by electronic means, as an alternative to vote physically at the Annual General Meeting (AGM), and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL). Similarly, Members opting to vote physically can do the same by remaining present at the meeting and should not exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e physically and e-voting, then votes casted through e-voting shall be only be taken into consideration and treated valid whereas votes casted physically at the meeting shall be treated as invalid.

**The instructions for members for voting electronically are as under:-  
In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, Select "EVSN" of CONTINENTAL CHEMICALS LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Select EVSN" of CONTINENTAL CHEMICALS LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same. through e-mail [bsgoyal1@gmail.com](mailto:bsgoyal1@gmail.com) with a copy marked to [evoting@cdsl.co.in](mailto:evoting@cdsl.co.in)

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) Members can cast their vote online from 9:00 AM of September 23, 2014 UPTO 6:00 PM of September 25, 2014.
- (C) E-Voting shall not be allowed beyond 6:00 PM of September 25, 2014. During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the record date may cast their vote electronically. The record date for the purpose of e-voting is August 22, 2014.

The Company has appointed Mr. B.S Goyal, Practising Company Secretary as the Scrutinizer to count the votes casted in favour or against the resolutions proposed from item No. 1 to 10 of the Notice and to comply with the provisions of Section 108 of the Companies Act, 2013. He will submit his report on 27<sup>th</sup> September, 2014 to the Chairman of the Company and in turn the Chairman will announce the same on the date of Annual General Meeting.

**EXPLANATORY STATEMENT AS PER SECTION 102 OF COMPANIES ACT 2013****ITEM NO. 3 and 4**

Mr. Pradeep Kumar Chopra, who has been a Non Executive Director of the Company from November 25, 2010 onwards and who was designated as Independent Director and Chairman of the Company in Board Meeting held on November 6, 2013 under clause 49 of the Listing Agreement and Mr. Akshat Bhaskar was appointed as Additional Independent Director of the company on March 7, 2014 pursuant to section 260 of the companies Act, 1956 and both of them hold office up to the date of forthcoming Annual General Meeting only.

In accordance with Section 149 and 152 read with Schedule IV of the Companies Act, 2013 that have come into effect from 1 April 2014 and subsequent notification by the Ministry of Corporate Affairs vide its General circular no.14/2014 dated 9 June 2014, the Company is required to appoint its Independent Directors, including its existing Independent Directors in accordance with the provisions of the Companies Act, 2013 before 31 March 2015. Further, pursuant to the above provisions, the term of such Independent Directors are not liable to retire by rotation.

The Company has received from Mr. Pradeep Kumar Chopra and Mr. Akshat Bhaskar (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) declaration that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The Company has also received notices from member along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of the above Directors for the office of Directors of the Company.

In the Opinion of the Board, Mr. Pradeep Kumar Chopra and Mr. Akshat Bhaskar, fulfill the conditions specified in Companies Act, 2013 and rules made thereunder for their appointment as Independent Directors of the Company and are independent of the management. Accordingly, the Board recommends the resolutions in relation to appointment of Mr. Pradeep Kumar Chopra and Mr. Akshat Bhaskar as Independent Directors, for the approval by the shareholders of the Company.

A copy of the draft letter of appointment setting out the terms and conditions of appointment of Mr. Pradeep Kumar Chopra and Mr. Akshat Bhaskar is available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days up to the date of AGM.

Except, Mr. Pradeep Kumar Chopra and Mr. Akshat Bhaskar, no other Director or Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolutions set out at Item no. 3 and 4 of the Notice.

**ITEM 5**

Pursuant to the provisions of Section 149(1) of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement, the Company shall have mandatorily atleast one woman director. In view of this, it is



proposed to appoint Ms. Sunaina Chibba (Daughter of Mr. Naresh K Chibba, Managing Director & Promoter) in the capacity of Non Executive and Woman Director of the Company.

The Company has received from Ms. Sunaina Chibba (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect she is not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 and a copy of the draft letter of appointment setting out the terms and conditions of appointment of Ms. Sunaina Chibba is available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days up to the date of AGM.

The Company has also received notice from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of the Ms. Sunaina Chibba for the office of Director of the Company. Board recommends passing of the resolution as an Ordinary Resolution.

Except, Ms. Sunaina Chibba and Mr. Naresh K Chibba, no other Director or Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item no. 5 of the Notice.

#### ITEM NO. 6

The present term of appointment of Mr. Naresh K. Chibba as Managing Director of the Company expires on July 31, 2015. The Board of Directors feel that for the sake of efficient running of the company and continuity of the present management the services of Mr. Naresh K. Chibba should be available to the company for a further period of 5 years. In terms of the provisions of the Articles of Association of the company and provisions of the Companies Act, 2013 as amended up to date, the re-appointment and remuneration payable to Mr. Naresh K. Chibba is subject to the approval of the members of the company.

#### DRAFT OF THE AGREEMENT BETWEEN MR. NARESH K. CHIBBA & THE COMPANY

- (I) Salary  
Salary of Rs. 200,000/-per month from August 1, 2015 with an increase of 10% annually or inflation rates of the previous year whichever is higher.
- (II) Perquisites  
In addition to the above, Mr. Naresh K. Chibba as Managing Director shall be entitled to the following perquisites restricted to an amount equal to fifty percent of the salary.

#### Category 'A'

- (a) Housing: Rent free accommodation, with free use of all facilities and amenities.
- (b) Gas, Electricity, water and Furnishing: The expenditure incurred by the Company towards Gas, Electricity, Water, Hard furnishing, soft furnishing shall be valued as per Income Tax Rules.
- (c) Other Allowances: Guest entertainment, Sweeper allowance, Gardener allowance, security guard allowance and any other perquisites shall be valued as per Income Tax Rules as may be applicable from time to time.
- (d) Club Fess: Fees of clubs, subject to a maximum of two clubs (Excluding admission and Life Membership fees).
- (e) Leave travel concession: For self and members of the family up to a maximum of one month's salary.
- (f) Medical reimbursement: Reimbursement of all medical expenses, incurred for self and family including hospitalization, membership of any hospital or Doctor's scheme.
- (g) Medical Insurance and personal Accident Insurance: As per Company rules.
- (h) Interest subsidy on housing/soft loan: Reimbursement of Interest in respect of Housing/soft loan as per the policy applicable to the employees of the company.

Note: The family for the purpose of Leave Travel Concession, personal Accident Insurance, Mediciam Insurance and Medical Benefits shall, besides the Managing Director, consist of spouse, wholly dependent parents and wholly dependent children of the Managing Director.'

The value of the perquisites to be evaluated as per Income Tax Rules, wherever applicable, and at costs. In addition to the above perquisites, the Board of Directors be and is hereby authorized to grant other perquisites to Mr. Naresh K Chibba, Managing Director from time to time as they may deem fit within the above mentioned overall ceiling.

#### Category 'B'

- (i) Company's Contribution
  - (a) towards provident Fund : as per Company rules
  - (b) towards superannuation Fund/Annuity Fund : as per company rules

Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling of perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

- (ii) Gratuity : As per rules of the Company, Payable in accordance with the approved fund at the rate of 15 days salary for each completed year of service. Part service in excess of six months shall be reckoned as completed year of service.
- (iii) Encashment of Leave on Retirement: Appointee shall be entitled to encashment of leave at the time of retirement or his tenure that may be lying to his credit. The amount of leave salary to be encashed shall be calculated on the basis of last pay drawn. This will not be included in calculation of ceiling of perquisites.

Category 'C':

- (i) Conveyance: Use of Company's car with driver. Use of car with driver for official purpose shall not be considered as perquisites.
- (ii) Telephone: Use of telephone at residence .Use of telephone for official purposes shall not be considered as perquisites.
- (iii) Employees Stock Ownership Plan: The Managing Director shall be entitled to the Employees stock Ownership plan (ESOP) as decided by the Board of the company from time to time. Besides this the managing Director shall also be entitled to an incentive plan which will be separately executed and which will be co-terminus with the Supplemental Agreement. This will not be included in calculation of perquisites and will be outside the purview of perquisites under Category A and the overall ceiling will not apply.
- (III) Commission: In addition to salary and perquisites, the Managing Director shall be entitled to a commission of 1% of the net profit of the Company. Salary and perquisites will be subject to the overall ceiling laid down in Sections 197 and 198 of the companies Act, 2013 and computed in accordance with the provisions of the Companies Act, 2013.
- (IV) Other terms applicable to remaining tenure: In the event of loss or inadequacy of profits in any financial year, Mr. Naresh K Chibba, managing Director shall be paid the above remuneration by way of salary and perquisites as minimum remuneration.

Terms & Conditions set out for reappointment and/or agreement shall be altered and varied from time to time by the Board as it may, as its discretion, deem fit so as not to exceed the limits specified in Schedule V of the companies Act, 2013 or any amendments made hereafter in this regard.

The Managing Director will be entitled to earn privilege leave on full pay and allowance as per rules of the company. But not more than 1 month's leave will be allowable for every 11 months of service. However, accumulated leave will not be allowed to be encashed.

The Managing Director shall not be paid any sitting fee for attending the meetings of the Board of Directors of committees thereof.

The draft agreement between the company and Mr. Naresh K Chibba is available for inspection at the registered office of the company on any working day up to the date of the Annual General Meeting between 11 am to 1.00 pm excluding Sundays and holidays.

The Managing Director holds office as such, subject to the provisions of Section 164 of the Companies Act, 2013. The Resolution at item no.6 is recommended for approval of the Members in the best interests of the Company. These appointments have been made under Schedule V in part II in Section II of the Companies Act, 2013.

The Explanatory Statement should be treated as an abstract of the terms of the Agreement of concern or interest under Section 190 of the Companies Act, 2013.

Except, Mr. Naresh K. Chibba, no other Director or Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item no. 6 of the Notice.

## ITEM NO 7

Pursuant to the main business activities of the company having changed, the Directors of the company have proposed to change the name of the company and the proposal for change in name is under due process for which Form INC 1 for reservation of name has been filed with Registrar of Companies for approval.

The optional names for application in case of any discrepancy or refusal for reservation of name by Registrar of Companies are as follows:

- |  |   |
|--|---|
| a) Continental Web Solutions Limited   | b) Continental Softwares Limited        |
| c) Continental Infrastructures Limited | d) Continental Online Solutions Limited |
| e) Continental Infratech limited       | f) Continental web designers Limited    |
| g) Continental Creations Limited       | h) Continental Infrasoft Limited        |
| i) Continental Technologies Limited    | j) Continental Show Biz Limited         |
| k) Continental IT Solutions Limited    | l) Continental IT Developers Limited    |

The provisions of the Companies Act, 2013, inter alia, require approval of the Members of the Company by way of Special Resolution for change of name of the Company and for consequential alteration of Memorandum and Articles of Association of the Company.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the resolution at Item No. 7 of the Notice

## ITEM NO 8

With reference to resolution set out at Item no 8 in the notice it will become necessary to alter the Memorandum of Association & the Articles of Association of the Company to include the new name of the company subject to the approval of Registrar of Companies.

The provisions of the Companies Act, 2013, inter alia, require approval of the Members of the Company by way of Special Resolution for altering the provisions of the Memorandum of Association & the Articles of Association of the Company.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the resolution at Item No. 8 of the Notice.

## ITEM NO 9

Section 180 of the Companies Act, 2013 (the Act) (corresponding to Section 293 of the Companies Act, 1956) has been notified by Ministry of Corporate Affairs (MCA) with effect from September 12, 2013. In terms of Section 180(1)(c) which corresponds to Section 293(1)(d) of the Companies Act, 1956 read with borrowing powers mentioned in Articles of Association of the Company, borrowings by the Company (apart from temporary loans repayable on demand or within six months from the date of the loan or temporary loans accepted in the ordinary course of business, if any, obtained from the Company's bankers other than loans raised for the purpose of financing expenditure of a capital nature), in excess of the paid-up capital of the Company and its free reserves, require the approval of the Members by way of special resolution.

The loan as mentioned in resolution in the notice above shall be applied in the main business activities of the Company. Pursuant to the above clarification, it is proposed to seek approval of the Members under Section 180 of the Companies Act, 2013.

The Company is bearing a charge of Rupees 2,700,000 (Rupees Twenty Seven lacs) till now.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the resolution at Item No. 9 of the Notice.

## ITEM NO 10

Related party transactions: The Board of Directors of the Company, at their meeting held on August 22, 2014 has approved a proposal for entering into following related party transactions:-

Name of the related party	Name of the director or key managerial personnel who is related, if any	Nature of Relationship and Interest	Nature, material terms, and particulars of the contract or arrangement
Interads E Communications Limited (Company)	1. Naresh K Chibba 2. Sunaina Chibba 3. Aditya Vikram Chibba	Self is Shareholder Daughter of Naresh K Chibba is Shareholder Son of Naresh K Chibba is Director and Shareholder	Provide Software Services
World Pro Solutions Limited (Company)	1. Sunaina Chibba 2. Aditya Vikram Chibba	Daughter of Naresh K Chibba is Director and Shareholder Son of Naresh K Chibba is Director and Shareholder	Provide Software Services
Greenfield Communications Limited (Company)	1. Naresh K Chibba	Self is Shareholder	Provide Software Services
Continental Software Solutions Limited (Company)	1. Naresh K Chibba 2. Sunaina Chibba	Self is Shareholder Daughter of Naresh K Chibba is Shareholder	Provide Software Services

The amount of the above mentioned transactions cannot be estimated but the limit of transactions with each company shall not exceed Rupees Two Crores. The transactions are Related Party Transactions and in terms of Section 188 of the Companies Act, 2013 and the applicable rules there under require approval of the Shareholders by passing Special Resolution for all the transactions in future until or unless any of the above transaction mentioned above is revoked by either of the related party.

Further, in terms of Section 188 of the Companies Act, 2013, the Mr. Naresh K Chibba being interested will not vote on these resolutions as shareholders of the Company.

The Board of Directors recommends the passing of this Resolution by special resolution.

Except the Mr. Naresh K Chibba, none of the Directors or Key managerial persons of the Company or their relatives are, in any way, concerned or interested, financial or otherwise, in the resolution.

By Order of the Board of Director

PLACE : NOIDA  
DATE : 22.08.2014

Sd/-  
Sourav Malhotra  
Company Secretary

**DIRECTORS' REPORT****TO THE MEMBERS OF CONTINENTAL CHEMICALS LIMITED**

Dear Shareholders,

Your Directors have pleasure in presenting the 29<sup>th</sup> Annual Report along with Audited Annual Accounts of the Company for the year ended March 31, 2014.

**Financial Results**

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2014 (In Rupees)</b>	<b>Year ended 31<sup>st</sup> March, 2013 (In Rupees)</b>
Income from Operations	1,19,88,845	78,63,200
Expenditure	1,07,28,527.59	72,02,325.76
Gross Profit/ (Loss) (Before Depreciation)	1,260,267.41	6,60,874.24
Depreciation	10,41,026	10,58,295
Profit before Tax	2,19,291.41	(3,97,420.76)
Taxes (Including Deferred Taxes)	(615,407)	548,411
Net Profit/ (Loss) After Taxes	(396,115.59)	1,50,990.24

**Performance Review**

During the period under review the total income was Rs. 1,19,88,845 After providing for expenditure Rs. 1,07,28,527.59 & depreciation Rs. 10,41,026 and after the provision for deferred tax (5,67,904.00) and income tax Rs.(47,503) the Company has incurred net loss of Rs. (3,96,115.59).

**Financial Year**

The Company closed its Financial Year on March 31, 2014.

The Financial result for year ended 31st March 2014 have been reviewed by the Audit Committee and approved by board of Directors in their meetings held on June 10, 2014. The statutory Auditors of the company have also audited the financial results for the year ended March 31, 2014.

**Dividend**

No Dividend has been declared for the year ended March 31, 2014.

**Future prospects**

The Company has been working for the expansion of its Software Business throughout the world and has succeeded to spread its functions not only in India, but also in the many foreign countries. The Company keeps the influence and enthusiasm to survive successfully in the competitive Software Market and expanding its functions and flourishing with immense growth rate.

The Company has launched many new projects and also executing new contracts in different Countries like USA, UK, UAE, Australia and Malaysia and also looking for further deals for spreading out its business for Company's progress in all aspects. With passionate team and innovative professionals company is moving towards rising path and aims to generate great revenues in the coming year.

The Company is going to diversify its business and will enter into other segments as mentioned in other objects of its Memorandum of Association in a manner which will make our business more profitable.

**Fixed Deposits**

The Company has not accepted any deposit under section 58 A of the Companies Act, 1956.

**Industrial Relations**

The employee-employer relations remained cordial throughout the year.

## Directors

Mr. Pradeep Kumar Chopra, who has been a Non Executive Director of the Company from November 25, 2010 onwards and was designated as Independent Director and Chairman of the Company in the Board Meeting held on November 6, 2013, in compliance of Board Composition under clause 49 of the Listing Agreement.

Dr. Vishwanath, Director of the Company expired on February 11, 2014. Company recorded his sudden and untimely sad demise in the Board Meeting held on March 7, 2014 and also his invaluable contributions made as a Director of the company from the time of his appointment until his death.

Mr. Akshat Bhaskar was appointed as Additional Independent Director on place of Late Dr. Vishwanath in the Board Meeting held on March 7, 2014, who shall hold the office till the conclusion of forthcoming Annual General Meeting.

## Directors' Responsibility Statement

The directors report that

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The Directors have 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 at the end of the financial year and of the profit and loss account of the company for that period.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the annual accounts on a going concern basis.
- v) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- 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.

## Listing on Stock Exchanges

The shares of the company are listed on UP Stock Exchange, Delhi Stock Exchange and Bombay Stock Exchange. However, the trading of shares on Bombay Stock Exchange is suspended and the revocation of suspension is in due process.

## Secretarial Compliance

Secretarial Compliance certificate as per Section 383A of Companies Act 1956 is placed as annexure to this report. No adverse comments have been made in the said report by the Practicing Company Secretary.

## Personnel

Your Directors also place on record their appreciation of the all round co-operation & contributions made by the employees at all levels. The statement of Employees u/s 217 (2A) of the Companies Act, 1956 is not annexed since none of the employees falls in this category.

## Auditors

M/s Hari Bhushan & Associates, Chartered Accountants, Independent Auditors of the Company will retire at the forthcoming Annual General Meeting and have showed their unwillingness to be re-appointed. In accordance with the Companies Act 2013, it is proposed to appoint new Auditors M/s. B K Kapoor & Company from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting to be held in year 2019, subject to the approval of shareholders.

**Auditors Report**

The observations made by the auditors in their report are explained in the respective notes to the accounts which are self-explanatory and do not call for further explanation.

**Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo**

Information as per section 217(1)(e) read with companies ( disclosure of particular in the Report of Board of Directors ) Rules ,1988 in not being given since the company has suspended its Manufacturing Activities.

Particulars relating to Technology absorption are Nil. Information relating to Foreign Exchange Earnings and Outgo during the year under review is provided in additional information.

**Acknowledgement**

Your Directors wish to place on record their appreciation for the whole hearted and sincere co-operation the Company has received from its bankers, Indian Overseas Bank, ICICI Bank and various Government agencies. Your Directors also wish to thank all the employees for their co-operation.

**For and on behalf of Board of Directors**

**Place: Noida**

**Date: 22.08.2014**

**Sd/-  
Naresh K Chibba  
Managing Director**

**Sd/-  
Pradeep Chopra  
Director**

**Sd/-  
Akshat Bhaskar  
Director**

**Sd/-  
Sourav Malhotra  
Company Secretary**

## **MANAGEMENT DISCUSSION AND ANALYSIS**

This report discusses and analyses the performance for the year ended 31st March 2014.

### **Operation and Industry**

The company is in the business of sale, purchase and leasing of Software within and outside India. Company has many new projects to expand its business in the coming years. The Indian Software Industry plays an important role in increasing the GDP of the economy of the Country and is on expansion with passing of time.

### **Opportunities and Threats**

The Countries like China and Philippines are also creating competition in Software Industry But; we have an edge over others with our quality and timely execution of services. The dynamic business conditions and adverse movement of foreign exchange rate of the Rupee is major concerns for the growth of the industry. The Company is contributing positively in the same and providing the best services to the customers.

### **Outlook**

The company is taking all efforts to improve the quality of its Services and to take more projects and has been involved in diversified activities in the Software Industry. Company is maintaining high quality products and services and confident of achieving better results in the future.

### **Internal Control Systems and their Adequacy**

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly.

The internal control is exercised through documented policies, guidelines and procedures. It is supplemented by an extensive program of internal audits conducted by in house trained personnel. The audit observations and corrective action taken thereon are periodically reviewed by the audit committee to ensure effectiveness of the internal control system. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of persons.

### **Financial and Operational Performance**

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956. Please refer Directors' Report in this respect.

### **Human Resources/Industrial Relations**

The Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity to contribute to developing and achieving individual excellence and departmental objectives continuously improve performance to realize the full potential of our personnel.

### **Cautionary Statement**

Statements made herein describing the Company's expectations or predictions are "forward-looking statements". The actual results may differ from those expected or predicted. Prime factors that may make a difference to the Company's performance include market conditions, input costs, govt. regulations, economic development within/outside country etc.



## BOARD OF DIRECTORS, AUDIT COMMITTEE, CODE OF CONDUCT AND OTHER DISCLOSURES INCLUDING CORPORATE GOVERNANCE

### Company Philosophy on Good Corporate Governance

The company aims at not only its own growth but also maximization of benefits to the shareholders, employees, customers, government and also the general public at large. For this purpose the company continuously strives to improve its level of overall efficiency through good corporate governance, which envisages transparency, professionalism and accountability in all its operations. The disclosures being part of Clause 49 of the Listing Agreement and other applicable laws on the Company are as follows:

#### 1. Board of Directors

Composition of Board and category of Directors

Serial Number	Category	Name of the Director
1	Independent-Non Executive Director and Chairman	Mr. Pradeep Kumar Chopra Non Executive Director (from 25.11.2010) Independent Director and Chairman (from 06.11.2013)
2	Promoter-Executive and Managing Director	Mr. Naresh K. Chibba
3	Executive Director	Dr. Vishwanath (up to 11.02.2014)
4	Independent and Non Executive Director	Mr. Akshat Bhaskar (from 07.03.2014)

Attendance of each Director at the Board Meeting and Last Annual General Meeting last

Name of the Director	No. of Board Meetings attended	Attendance at the last AGM	No. of other Directorships held	No. of Membership in committees of other Board
Mr. Naresh K Chibba	13	Present	3	NIL
Dr. Vishwanath	10	Present	13 (till 11.02.2014)	NIL
Mr. Pradeep Kumar Chopra	14	Present	NIL	NIL
Mr. Akshat Bhaskar	3	NA	NIL	NIL

Fourteen Board Meetings were held during the year on 30.04.2013, 27.05.2013, 27.05.2013, 26.07.2013, 21.10.2013, 28.10.2013, 6.11.2013, 6.11.2013, 24.01.2014, 10.02.2014, 20.02.2014, 07.03.2014, 11.03.2014 and 29.03.2014. Last Annual General Meeting was held on September 27, 2013.

#### 2 Audit Committee

Brief description of terms of reference to oversee the company's financial reporting process, internal control systems, reviewing the accounting policies and practices, ensuring that financial statements are correct, sufficient and credible, reviewing with management the annual financial statements for submission to the Board, reviewing the internal audit observations and action taken thereon, ensuring compliance with Stock Exchange and other legal requirements and also recommending of the appointment and removal of independent auditors, fixation of audit fee and also approval for payment for any other services. The composition, role, functions and powers of the Audit Committee are in consonance with the requirements of applicable laws, rules and regulations

Composition and names of members:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Naresh K. Chibba	4	4
Mr. Pradeep Kumar Chopra	4	4
Dr. Vishwanath	4	4
Mr. Akshat Bhaskar	NIL	NIL

The Committee met four times in the year on 27.05.2013, 26.07.2013, 21.10.2013 and 24.01.2014.

Mr. Akshat Bhaskar, who was appointed as Additional and Independent Director on 07.03.2014 was designated as Chairman of the Audit Committee in Board Meeting held on 18.04.2014.

### 3 Code of Conduct

The Board adopted a code of conduct for all Board members and employees of the company. The Code reflects the diverse business, cultural and other factors that have a bearing on the health of the Continental Chemicals Limited Brand.

The code has been circulated to all members of the Board and employees and the compliance of the same has been affirmed by them. The Code of Conduct has also been uploaded on the website of the Company.

A declaration signed by the Chairman and Director is given below.

I hereby confirm that:

“The company has obtained from all the members of the Board and employees, affirmation that they have complied with the code of conduct for directors and senior employees in respect of the financial year 2013-14”

Sd/-  
Pradeep Kumar Chopra  
Chairman and Director

### 4 Directors' Remuneration

The Managing Director was paid remuneration of Rs. 702,000 consisting of Rs. 282,000 as salary and 420,000 as allowances for the year.

No remuneration was paid to any other Director during the Financial Year 2013-14.

No Sitting Fees was paid to Managing Director or any other Director during the Financial Year 2013-14.

### 5 Name and change in designation of Compliance officer

Mr. Naresh K Chibba, Managing Director of the Company was the Compliance Officer till March 7, 2014. Mr. Sourav Malhotra, Associate Member of Company Secretaries of India was appointed as Company Secretary and Compliance Officer of the Company in the Board Meeting held on March 7, 2014 and designated as Compliance Officer i.e. March 10, 2014.

### 6 Name and appointment of Chief Financial Officer

Mr. Urminder Singh, Controller of Accounts of the Company was appointed as Chief Financial Officer (CFO) of the Company in the Board Meeting held on June 23, 2014 in terms of Section 203 (Appointment and Remuneration of Key Managerial Personnel) of Companies Act, 2013.

### 7 General Body Meetings

The Annual General Meetings of last three years were held as follows:

Year	Venue	Date	Day	Time
2012-13	A-7, Sector-7, Noida, Gautam Budh Nagar U.P	27.09.2013	Friday	4:30 PM
2011-12	A-7, Sector-7, Noida, Gautam Budh Nagar U.P	27.09.2012	Thursday	9:30 AM
2010-11	A-7, Sector-7, Noida, Gautam Budh Nagar U.P	28.02.2012	Tuesday	9:30 AM

Whether any Special Resolution in the previous 3 AGMs; No  
Whether Special Resolution passed through postal ballots; No  
Are votes proposed to be conducted through postal ballots this year: No

**8 Other Disclosures**

All transactions with related parties were in the ordinary course of business and at arm's length. The company has not entered into any transaction of a material nature with any of the related parties which are in conflict with the interest of the company.

**Compliance of Listing Agreement**

Details of non-compliance by the company or penalty imposed on the company by Stock Exchange, SEBI or any statutory authority, on any matter related to capital markets, during the last three years is NIL.

**Compliance with Accounting Standards**

In the preparation of financial statements there is no deviation from the prescribed Accounting Standards.

**Whistle blower policy / Vigil Mechanism**

The company has put in place a Vigil mechanism for reporting illegal or unethical behavior in pursuance of Section 177(9) of the Companies Act, 2013 and the mechanism has also been uploaded on the Website of the Company. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified persons. The reports received from any employee will be reviewed by the audit committee. It is affirmed that no person has been denied access to the audit committee in this respect. The Directors and senior management are to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practice.

**Means of Communication**

The Quarterly and Yearly Financial Results and Notices of the Company are published in the National Newspaper 'The Pioneer' in English and Hindi Language.

**Place: Noida**

**Date : 22.08.2014**

**Sd/-  
Naresh K Chibba  
Managing Director**

**Sd/-  
Pradeep Chopra  
Director**

**Sd/-  
Akshat Bhaskar  
Director**

**Sd/-  
Sourav Malhotra  
Company Secretary**

**ANNEXURE TO THE DIRECTOR'S REPORT**  
**COMPLIANCE CERTIFICATE**

CIN : L24123UP1984PLC014111  
 Nominal Capital : Rs. 30,000,000 (Rupees Three Crore Only)

To,  
 The Members,  
 Continental Chemicals Ltd.  
 A-7, Sector VII  
 Noida, 201301  
Gautam Buddh Nagar U.P.

I have examined the registers, records, books and papers of Continental Chemicals Limited as required to be maintained under the Companies Act, 1956 and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:-

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company is a Public Limited Company and no comment is required.
4. The Board of Directors duly met fourteen times respectively on 30.04.2013, 27.05.2013, 27.05.2013, 26.07.2013, 21.10.2013, 28.10.2013, 6.11.2013, 6.11.2013, 24.01.2014, 10.02.2014, 20.02.2014, 07.03.2014, 11.03.2014 and 29.03.2014 respect of which proper notices were given and the proceedings were properly recorded & signed in the Minutes Book maintained for the purpose. No circular resolutions have been passed by the company during the financial year.
5. The Company closed its Register of Members during the financial year from 25<sup>th</sup> September, 2013 to 27<sup>th</sup> September, 2013 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.03.2013 was held on 27 September, 2013 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extraordinary meeting was held during the financial year.
8. The Company has not advanced any loan to its directors or persons or firms or companies referred to under Section 185 of the Companies Act, 2013.
9. The Company has not entered into any contract falling within the purview of Section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company was not required to obtain any approvals from the Board of directors, members or Central Government, as the case may be.
12. The Company has not issued any duplicate share certificate during the financial year.
13. The Company:
  - i) has made transfer of shares during the Financial Year.
  - ii) was not required to deposit any amount in a separate Bank Account as no dividend was declared during the financial year.
  - iii) was not required to post warrants to any member of the company as no dividend was declared during the financial year.
  - iv) has no amount lying in unpaid dividend account, application money due for refund and there are no deposits, debentures etc. as on 31<sup>st</sup> March 2014.
  - v) has duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. There was no appointment of director except appointment of Additional Independent Director to fill casual vacancy during the financial year and also change in designation of Director as Independent Director. There was no appointment of alternate directors.
15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the year.
16. The Company has not appointed any sole selling agent during the financial year.
17. The Company was not required to obtain approval of Central Government, Company Law Board or any other authority designated under the Act, during the financial year.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares / debentures / other securities during the financial year and complied with the provisions of the Act.
20. The Company has not bought back any shares during the financial year.
21. The Company has not redeemed any preference shares or debentures.
22. There was no event necessitating the Company to keep in abeyance the right to dividend, rights shares and bonus shares pending registration of Transfer of Shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the Financial Year.
24. The Company has not borrowed from Financial Institutions, Banks and others during the financial year.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under securities.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny and complied with the provisions of the Act.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its articles of association during the financial year as prescribed by law.
31. There was no prosecution initiated against or show cause notices received by the company, during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. According to information and explanations provided to us, the Company has made Contribution to the Provident Fund pursuant to section 418 of the Act.

**Place: New Delhi**  
**Date: 30.05.2014**

**For B.S. Goyal & Co.**  
**Company Secretaries**

**B.S. Goyal**  
**Proprietor**

**ANNEXURE – 'A'****LIST OF REGISTERS MAINTAINED BY THE COMPANY**

<b><u>Sl. No.</u></b>	<b><u>Particulars</u></b>	<b><u>Under Section</u></b>
1	Register of Charges	143
2	Register and Returns	163
3	Books of Accounts	209
4	Register of Members	150
5	Index of Members	151
6	Minutes Book of Board Meeting	193
7	Minutes Book of General Meeting	193
8	Register of Contracts	301
9	Register of Directors	303
10	Register of Directors Shareholding	307
11	Register of Share Transfers	108
12	Register of Share Certificates issued ( Duplicate / Consolidation etc. )	

**ANNEXURE – 'B'**

List of forms and returns as filed by the company with Registrar of Companies, Regional Director, Central Government or other authorities during the Financial Year ended 31<sup>st</sup> March, 2014.

Sl. No	Form / Return	Filed Under Section	For the matters	Date of Filing	Whether filed within prescribed time Yes/No	If delay in filing whether prescribed additional fee paid Yes/No
1	Form No. 23AC XBRL & 23 ACA XBRL	220	Balance Sheet & P/L A/c as at 31.03.2013	28.12.2013	Yes	N/A
2	Form No. 66	383(A)	Compliance Certificate for the year ending 31.03.2013	16.11.2013	Yes	N/A
3	Form No. 20B	159	Annual Return on the date of AGM on 27.09.2013	07.04.2014	No	Yes
4	Form No. 23B	224	Intimation of Appointment of Auditor 27.09.2013	6.12.2013	No	Yes
5	Form No. 8	127	Registration of Charge created on 15.02.2014	07.03.2014	Yes	N/A
6	Form No. 32	260	Appointment of Additional Director and Death of Director on 07.03.2014	08.03.2014	Yes	N/A

# INDEPENDENT AUDITORS' REPORT

**To The Members of M/S CONTINENTAL CHEMICALS LIMITED**

## **Report on the Financial Statements**

We have audited the accompanying financial statements of M/s CONTINENTAL CHEMICALS LIMITED which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, the statement of Profit and Loss for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### ***Management's Responsibility for the financial Statements***

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act 1956 and in accordance with the accounting policies generally accepted in India. This responsibility includes the design, Implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedure selected depends on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014, and;



(b) in the case of the Statement of Profit and Loss of the Company for the year ended on that date.

(c) In the case of Cash Flow Statement of the cash flow for the year ended on that date.

**Report on Other Legal and regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in the terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have 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 Balance Sheet and the Statement, of Profit and Loss dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet and the Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of Section 274(1) (g) of the Act.

**For Hari Bhushan & Associates**  
**Chartered Accountants**  
**Firm Reg. No. : 007618C**

**(CA. Hari Bhushan)**  
**Partner**  
Membership Number: 076688  
Place: Delhi  
Date: 30<sup>th</sup> May, 2014

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

**Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Continental Chemicals Limited on the accounts for the year ended March 31st, 2014. We Report that:**

- i) In respect of its fixed assets:
  - (a) The company has maintained proper records showing full particulars including quantitative details and situations of the fixed assets.
  - (b) The Company has a phased programme of physical verification of its fixed assets which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. In accordance with such programme, the management during the year has physically verified all the fixed assets and no material discrepancies were noticed on such verification.
  - (c) In our opinion, a substantial part of fixed assets has not been disposed off by the company during the year.
- ii) In respect of its inventories:
  - (a) The inventory has not purchased/sold goods during the year nor is there any opening stock, requirement of reporting on physical verification of stocks or maintenance of inventory records, in our opinion, does not arise.
- (iii) In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the act:
  - (a) According to information made available to us, The Company has not granted unsecured loan from Companies covered in the register maintained under section 301 of the Companies Act, 1956.
  - (b) According to information made available to us, the Company has taken unsecured loans of Rs. 15.92 Lacs from one director's relatives covered in the register maintained under section 301 of the Act, 1956. Further the company has not taken any secured loan from aforesaid parties.
    - 1. Except rate of interest other terms & condition of unsecured loan not prejudicial to the interest of the company.
    - 2. There is no overdue amount of principal as on 31.03.2014
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of fixed assets and other assets. During the course of our Audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in to the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in to the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. Five lacs have been made at the prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) Based on our scrutiny of the company's records and according to the information and explanations provided by the management, in our opinion, the company has not accepted any loans or deposits which are 'deposits' within the meaning of Rule 2(b) of the Companies (Acceptance of Deposit's) Rules, 1975.
- (vii) The company has Internal Audit System commensurate with its size and nature of its business.

- (viii) In terms of clause (d) of subsection (1) of the section 209 of the Companies Act, 1956 the Central Government has not prescribed maintenance of cost records by the company.
- (ix) (a) According to the information and explanations given to us, and to the best of our knowledge the Company has been regular in depositing with appropriate authorities undisputed statutory dues including Income-tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty and any other statutory dues applicable to it.
- (b) According to the information and explanations given to us, and to the best of our knowledge the Company has no undisputed amounts payable in respect of Income-tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty which have remained outstanding as at March 31st, 2014, for a period exceeding six months from the date they become payable.
- (c) According to the information and explanations given to us, there are no dues of sales tax, income tax, Custom Duty, wealth tax, cess and Excise Duty, which have not been deposited on account of any dispute.
- (x) In our opinion, the accumulated losses of the Company are not more than 50% of its net worth. The Company has not incurred cash losses in the financial year immediately preceding such financial year.
- (xi) In our opinion and according to the information and explanation given to us, The Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The special statutes applicable to Chit Fund, Nidhi or Mutual Benefit Society are not applicable to the Company.
- (xiv) The Company has dealt in or traded in shares, securities, debentures or other investments.
- (xv) According to the records of the company and the information and explanation provided by the management, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the records of the company, the company has not obtained any term loans, Hence, comments under the clause are not called for.
- (xvii) According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we report that the no funds raised on short – term basis have been used for long term investment. No long-term funds have been used to finance short term assets except permanent working capital.
- (xviii) The Company has not made any preferential allotment of shares to the parties and the Companies covered under section 301 of the Companies Act.
- (xix) The Company has not issued debentures during the year.
- (xx) The company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**For Hari Bhushan & Associates**  
**Chartered Accountants**  
**Firm Reg.No.: 007618C**

**(CA. Hari Bhushan)**  
**Partner**  
 Membership No.: 076688  
 Place: New Delhi  
 Date: 30th May, 2014

**BALANCE SHEET AS AT 31st MARCH, 2014**

Particulars	Note No.	31.03.2014	31.03.2013
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholder's Funds</b>			
(a) Share Capital	2	9,945,500.00	9,945,500.00
(b) Reserves & Surplus	3	1,190,905.79	1,587,021.38
<b>Non- Current Liabilities</b>			
(a) Deferred Tax Liabilities	4	567,904.00	-
(b) Long Term Borrowings	5	307,551.47	-
<b>Current Liabilities</b>			
(a) Trade Payables	6	8,556,863.76	4,023,592.00
(b) Short-term provisions		47,503.00	7,000.00
(c) Other Current Liabilities	7	2,006,828.00	1,232,666.25
<b>Total</b>		<b>22,623,056.02</b>	<b>16,795,779.63</b>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
(a) Fixed Assets			
(i) Tangible assets	8	18,950,918.00	19,194,901.00
(b) Long Term Loan & Advances	9	204,195.00	274,043.00
<b>Current assets</b>			
(a) Cash and cash equivalents	10	(279,288.08)	(3,415,762.37)
(b) Short Term Loan & Advances	11	3,172,668.00	435,214.00
(c) Other current assets	12	574,563.10	307,384.00
<b>Total</b>		<b>22,623,056.02</b>	<b>16,795,779.63</b>

**Significant Accounting Policies** 1  
**and Notes on Accounts forming part of the Financial Statements**

AS PER REPORT OF EVEN DATE ATTACHED

Sd/-  
**Naresh K Chibba**  
**Managing Director**

Sd/-  
**Pradeep Chopra**  
**Director**

Sd/-  
**Akshat Bhaskar**  
**Director**

Sd/-  
**Sourav Malhotra**  
**Company Secretary**

**For Hari Bhushan & Associates**  
**Chartered Accountants**  
**Firm Reg.No.: 007618C**

**(CA. Hari Bhushan)**  
**Partner**  
 Membership No.: 076688  
 Place: New Delhi  
 Date: 30th May, 2014

**PROFIT & LOSS STATEMENT**

Particulars	Note No.	31.03.2014	31.03.2013
<b>Revenue:</b>			
Revenue from operations	13	5,767,000.00	3,343,200.00
Other income	14	6,221,845.00	4,520,000.00
<b>Total Revenue</b>		<b>11,988,845.00</b>	<b>7,863,200.00</b>
<b>Expenses:</b>			
Employees benefit Expenses	15	2,928,912.00	3,148,933.00
Finance Costs		13,564.88	4,520.00
Other Expenses	16	7,786,050.71	4,048,872.76
Depreciation and Amortization of Expenses	17	1,041,026.00	1,058,295.00
<b>Total Expenses</b>		<b>11,769,553.59</b>	<b>8,260,620.76</b>
<b>Profit (Loss) before exceptional and extraordinary items &amp; tax</b>		<b>219,291.41</b>	<b>(397,420.76)</b>
Exceptional & extraordinary items		-	-
<b>Profit (Loss) before tax</b>		<b>219,291.41</b>	<b>(397,420.76)</b>
Tax Expense:			
(a) Current tax		(47,503.00)	(7,000.00)
(b) Deffered tax		(567,904.00)	555,411.00
<b>Profit (Loss) for the period</b>		<b>(396,115.59)</b>	<b>150,990.24</b>
<b>Earnings per Equity Share of Rs. 10</b>			
(a) Basic after tax		<b>(0.40)</b>	<b>0.15</b>

**Significant Accounting Policies** 1  
**and Notes on Accounts forming part of the Financial Statements**

AS PER REPORT OF EVEN DATE ATTACHED

Sd/-  
**Naresh K Chibba**  
**Managing Director**

Sd/-  
**Pradeep Chopra**  
**Director**

Sd/-  
**Akshat Bhaskar**  
**Director**

Sd/-  
**Sourav Malhotra**  
**Company Secretary**

**For Hari Bhushan & Associates**  
**Chartered Accountants**  
**Firm Reg.No.: 007618C**

**(CA. Hari Bhushan)**  
**Partner**  
 Membership No.: 076688  
 Place: New Delhi  
 Date: 30th May, 2014

**NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014****SHARE CAPITAL****NOTE NO. : 2**

<b>PARTICULARS</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
<b>Authorised</b>		
30,00,000 Equity Shares of Rs. 10 each	30,000,000.00	30,000,000.00
<b>Issued</b>		
999,000 Equity Shares of Rs.10 each.	9,990,000.00	9,990,000.00
<b>Subscribed &amp; Fully Paid up</b>		
9,90,100 Equity Shares of Rs.10 each fully paid up.	9,901,000.00	9,901,000.00
<b>Subscribed but not fully Paid up</b>		
8,900 Equity Shares of Rs.10 each.	89,000.00	89,000.00
	9,990,000.00	9,990,000.00
Less: Calls In Arrears	44,500.00	44,500.00
	<b>9,945,500.00</b>	<b>9,945,500.00</b>

2(a) Shares in the company held by each shareholders holding more than 5% shares

Name of Equity Shareholders	As at 31.03.2014		As at 31.03.2013	
	No. of Shares held	% Holding	No. of Shares held	% Holding
Naresh Kumar Chibba	129,910	13%	109,860	11%

2(b) For the period of five years immediately preceeding the date at which the balance sheet is prepared

<b>Particulars</b>	<b>No.of Shares</b>
Aggregate number and class of shares allotted as fully paid up pursuant to Contract(s) without payment being received in cash	Nil
Aggregate number and class of shares allotted as fully paid up by way of bonus shares	Nil
Aggregate number and class of shares bought back	Nil

2(c) There are no securities (Previous Year no) convertible into Equity/Preferential shares.

<b>PARTICULARS</b>	<b>NUMBER</b>	<b>NUMBER</b>
Shares outstanding at the beginning of the year	999,000	999,000
Shares Issued during the year	-	-
Shares outstanding at the end of the year	<b>999,000</b>	<b>999,000</b>

**RESERVES & SURPLUS****NOTE NO. : 3**

<b>PARTICULARS</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
<b>General Reserves</b>		
Balance in the Profit & Loss Account - Opening	1,587,021.38	1,436,031.14
Add: Profit/(Loss) during the year	(396,115.59)	150,990.24
	<b>1,190,905.79</b>	<b>1,587,021.38</b>

**Deferred Tax Liabilities****NOTE NO. : 4**

<b>PARTICULARS</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Deferred Tax Liabilities	567,904.00	-
	<b>567,904.00</b>	<b>-</b>

## SCHEDULE OF FIXED ASSETS FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2014

Note No. 8

S. No.	PARTICULARS	RATE	C O S T			D E P R E C I A T I O N					W. D. V.	
			UP TO 01.04.13	ADDITIONS DURING THE YEAR	WRITTEN BACK	AS ON 31.03.14	UP TO 01.04.13	FOR THE YEAR	WRITTEN BACK	UP TO 31.03.14		AS ON 31.03.14
<b>Tangible Assets</b>												
(1)	Lease Hold Land	0.00%	1,356,267.00	0.00	0.00	1,356,267.00	0.00	0.00	0.00	0.00	1,356,267.00	1,356,267.00
(2)	Office Building	3.34%	20,583,969.00	743,543.00	0.00	21,327,512.00	3,921,897.00	708,045.00	0.00	4,629,942.00	16,697,570.00	16,662,072.00
(3)	Furniture & Fixture	6.33%	378,297.00	0.00	0.00	378,297.00	347,981.00	23,946.00	0.00	371,927.00	6,370.00	30,316.00
(4)	Vehicles	9.50%	2,331,000.00	0.00	0.00	2,331,000.00	1,315,097.00	221,445.00	0.00	1,536,542.00	794,458.00	1,015,903.00
(5)	Office Equipments I	7.07%	1,037,406.00		0.00	1,037,406.00	1,001,729.00	35,677.00	0.00	1,037,406.00	0.00	35,677.00
	Block II	7.07		53,500.00	0.00	53,500.00		1,130.00	0.00	1,130.00	52,370.00	0.00
(6)	Electrical Fitting & Equipments	7.07%	603,636.00	0.00	0.00	603,636.00	564,005.00	39,631.00	0.00	603,636.00	0.00	39,631.00
(7)	Computer BLOCK I	16.21%	1,957,718.00	0.00	0.00	1,957,718.00	1,957,718.00	0.00	0.00	1,957,718.00	0.00	0.00
	BLOCK II	16.21%	68,800.00	0.00	0.00	68,800.00	13,765.00	11,152.00	0.00	24,917.00	43,883.00	55,035.00
	<b>Total</b>		<b>28,317,093.00</b>	<b>797,043.00</b>	<b>0.00</b>	<b>29,114,136.00</b>	<b>9,122,192.00</b>	<b>1,041,026.00</b>	<b>0.00</b>	<b>10,163,218.00</b>	<b>18,950,918.00</b>	<b>19,194,901.00</b>
	Previous Year		<b>28,274,341.00</b>	<b>105,052.00</b>	<b>62,300.00</b>	<b>28,317,093.00</b>	<b>8,063,897.00</b>	<b>1,058,295.00</b>	<b>0.00</b>	<b>9,122,192.00</b>	<b>19,194,901.00</b>	<b>20,210,444.00</b>

**NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014**

<b>LONG-TERM BORROWINGS</b>		<b>NOTE NO. : 5</b>
<b>PARTICULARS</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Long Term Borrowings	307,551.47	-
	<b>307,551.47</b>	<b>-</b>
<b>TRADE PAYABLES</b>		<b>NOTE NO. : 6</b>
<b>PARTICULARS</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Trade Payables	8,556,863.76	4,023,592.00
	<b>8,556,863.76</b>	<b>4,023,592.00</b>
<b>OTHER CURRENT LIABILITIES</b>		<b>NOTE NO. : 7</b>
<b>PARTICULARS</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Expenses Payables	866,828.00	932,666.25
Security Received	1,140,000.00	300,000.00
	<b>2,006,828.00</b>	<b>1,232,666.25</b>
<b>LONG -TERM LOANS AND ADVANCES</b>		<b>NOTE NO. : 9</b>
<b>PARTICULARS</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Loan to staff	-	120,000.00
Security Deposited	204,195.00	154,043.00
	<b>204,195.00</b>	<b>274,043.00</b>
<b>CASH AND CASH EQUIVALENTS</b>		<b>NOTE NO. : 10</b>
<b>PARTICULARS</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Cash Balance	52,667.00	27,755.53
Balances with Banks		
- In Current Accounts	(331,955.08)	55,367.89
	<b>(279,288.08)</b>	<b>83,123.42</b>
<b>SHORT -TERM LOANS AND ADVANCES</b>		<b>NOTE NO. : 11</b>
<b>PARTICULARS</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Short Term Loans & Advances	3,172,668.00	435,214.00
	<b>3,172,668.00</b>	<b>435,214.00</b>
<b>OTHER CURRENT ASSETS</b>		<b>NOTE NO. : 12</b>
<b>PARTICULARS</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Other Current Assets	574,563.10	285,576.00
FBT Refundable	-	1,532.00
Prepaid Insurance	-	20,276.00
	<b>574,563.10</b>	<b>307,384.00</b>
<b>REVENUE FROM OPERATIONS</b>		<b>NOTE NO. : 13</b>
<b>PARTICULARS</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Gross Turnover / Services	5,767,000.00	3,343,200.00
	<b>5,767,000.00</b>	<b>3,343,200.00</b>



**NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014****OTHER INCOME** **NOTE NO. : 14**

<b>PARTICULARS</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Rental Income	4,120,000.00	1,205,000.00
Interest Recd.	51,506.00	-
Other Income	2,050,339.00	3,315,000.00
	<b>6,221,845.00</b>	<b>4,520,000.00</b>

**EMPLOYEE BENEFITS EXPENSES** **NOTE NO. : 15**

<b>PARTICULARS</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Salary & Allowances	2,123,339.00	2,694,830.00
Directors salary & Remuneration	702,000.00	382,000.00
Staff welfare	65,669.00	58,430.00
Gratuity	37,904.00	13,673.00
	<b>2,928,912.00</b>	<b>3,148,933.00</b>

**OTHER EXPENSES** **NOTE NO. : 16**

<b>PARTICULARS</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Electricity Expenses	214,113.00	245,313.00
Security Service Charges	204,000.00	234,949.00
Vehicle Running & Maintenance	327,127.00	115,557.00
Loss on Foreign Remittances	-	232,456.64
Repair & Maintenance	834,138.80	862,760.00
Office Expenses	3,999.00	162,533.00
Computer Repair & Maintenance	120,469.00	20,875.00
Compensation to (D G S & D)	3,783,927.76	-
Legal & Professional Charges	684,332.00	431,506.00
ROC Fees	7,500.00	6,000.00
Business Promotion	504,940.12	110,566.83
Travelling and Conveyance Expenses	152,512.38	653,653.23
Listing Fees	21,750.00	17,796.00
Insurance Expenses	49,637.00	19,072.00
Audit Fees	55,000.00	15,000.00
Advertisement & Publicity	54,613.23	75,983.00
Misc. Expenses	267,487.00	56,093.00
Internet Charges	29,707.71	27,489.00
Telephone & Fax Charges	211,610.04	138,454.38
AGM Expenses	91,300.00	90,000.00
Printing & Stationery	18,563.00	8,625.00
Income Tax of earlier years	-	434,168.00
Courier, Postage & Registries	8,801.00	6,889.00
Subscription & Dues	1,067.42	9,771.00
Bank Charges & Processing Fees	29,998.25	15,342.53
Software Development Expense	-	57,281.79
Postage & Revenue Stamp	-	646.00
Short & Excess	-	92.36
Duty & Taxes	3,957.00	-
Exp. Written Off	105,500.00	-
	<b>7,786,050.71</b>	<b>4,048,872.76</b>

<b>DEPRICIATION &amp; AMORTIZATION OF EXPENSES</b>		<b>NOTE NO. : 17</b>
<b>PARTICULARS</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Depriciation on Fixed Assets	1,041,026.00	1,058,295.00
	<b>1,041,026.00</b>	<b>1,058,295.00</b>

AS PER REPORT OF EVEN DATE ATTACHED

**Sd/-**  
**Naresh K Chibba**  
**Managing Director**

**Sd/-**  
**Pradeep Chopra**  
**Director**

**Sd/-**  
**Akshat Bhaskar**  
**Director**

**Sd/-**  
**Sourav Malhotra**  
**Company Secretary**

**for Hari Bhushan & Associates**  
**Chartered Accountants**  
**Firm Reg.No.: 007618C**

**(CA. Hari Bhushan)**  
**Partner**  
Membership No.: 076688  
Place: New Delhi  
Date: 30th May, 2014

**CONTINENTAL CHEMICALS LIMITED,****NOTE No. 1****SIGNIFICANT ACCOUNTING POLICIES  
AND NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS****(A) Company Overview:**

The Company was incorporated on 27.11.1984 presently having its Registered Office at A-7, Sector-7, Noida, U.P.-201301.

**(B) Significant Accounting Policies:**ACCOUNTING CONVENTION

The Accounts are prepared on Accrual Basis under the Historical Cost Convention in accordance with the applicable Accounting Standards and relevant provision of the Companies Act, 1956.

FIXED ASSETS

All Fixed Assets are stated at Historical Cost less Depreciation.

DEPRECIATION

Depreciation on Fixed Assets is provided on **Straight Line Method** in accordance with & in the manner specified in amended Schedule XIV to the Companies Act, 1956, read with circular no. 14/93 dt. 20.12.1993 of the Department of Company Affairs.

TAX EXPENSES

Current Tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961. Deferred Tax Assets and Liabilities is recognized in respect of current year and prospective years.-

**(C) Notes on Accounts:**

1. There are contingent liabilities of Rs. NIL of the Company as on **31<sup>st</sup> March, 2014**.
2. None of the employees of the company were drawing emoluments more than what has been specified under the newly amended Companies (Particulars of Employees) Rules, 1975.
3. In the opinion of the Board of Directors the Current Assets, Loans & Advances are having the value at which they are stated in the Balance Sheet, if realised in the ordinary course of Business.
4. The previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.
5. The Company has been advised that the Computation of Net Profit for the purpose of Director's remuneration under Section 349 of the Companies Act, 1956 need not be enumerated since no commission has been paid to the Directors.
6. No dividend has been recommended for the year ended **31<sup>st</sup> March, 2014**.
7. EARNING PER SHARE
  - i) Earning per share of the company has been calculated considering the profit(loss)after Taxation, Rs. (396115.59(previous year Rs 150990.24 are numerator
  - ii) Number of equity shares used as denominator is 999000.
  - iii) The basic and diluted EPS for the year on the above mentioned basis comes to Rs. (0.40) previous year Rs. 0.15
8. The Managing director's remuneration has been provided only at the minimum remuneration as per the companies Act, 1956.
9. The company's refund claims for refund due under The Excise Act amounting to Rs. 1062137/- (Previous years Rs. 1062137/-) are pending with excise authorities at various levels. This has not been taken in accounts.
10. Claims against the company not acknowledge as debt are as under:

In respect of electricity charges Rs. 1210595.90 (Previous Year Rs. 1210595.90). This has not been taken in account.

11. Electricity Charges paid Rs. 67097/- was under protest and the matter of refund of the said amount is still pending with the court. This amount has not been taken in accounts.

12. The company has lost the case against Union of India and acknowledged financial liability of Rs. 37.84 Lac, as per the final order passed by the Supreme Court of India.

13. Balance Confirmation Certificates from Sundry Debtors & Sundry Creditors are yet to be received.

14. Auditors Remuneration

	<b>2013-2014 (Rs.)</b>	<b>2012-2013(RS.)</b>
Audit Fee	27,500.00	15,000.00
	<u>27,500.00</u>	<u>15,000.00</u>

15. Expenditure in foreign exchange:

	<b>(Rs.)</b>
Foreign Travelling	7,561.37
Business Promotion	10,578.14

16. Income in foreign exchange:

Sale during the year in foreign currency	57,67,000.00
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Auditor's Report

In terms of our separate report of even date, annexed.

AS PER REPORT OF EVEN DATE ATTACHED

**Sd/  
Naresh K Chibba  
Managing Director**

**Sd/  
Pradeep Chopra  
Director**

**Sd/  
Akshat Bhaskar  
Director**

**Sd/  
Sourav Malhotra  
Company Secretary**

**For Hari Bhushan & Associates  
Chartered Accountants  
Firm Reg.No.: 007618C**

**(CA. Hari Bhushan)  
Partner**

Membership No.: 076688

Place: New Delhi

Date: 30th May, 2014

**CASH FLOW STATEMENT FOR THE PERIOD ENDING 31.03.2014**

Particulars	31.03.2014	31.03.2013
<b>Cash Flow from Operating Activities</b>		
Net Profit/(Loss) Before Tax	219,291.41	(397,420.76)
Adjustment for :-		
Depreciation	1,041,026.00	1,058,295.00
Expenses of earlier year	30,000.00	434,168.00
Fixed Assets Written Off	-	62,300.00
Interest Paid	13,564.88	4,520.00
<b>Operating Profit before working capital Charges</b>	<b>1,303,882.29</b>	<b>1,161,862.24</b>
Adjustment for :-		
Changes in Trade Receivables	-	5,088,940.00
Changes in Short Term Loans & Advances	(2,737,454.00)	(435,214.00)
Changes in Long Term Loans & Advances	69,848.00	-
Changes in Other Current Assets	(274,179.10)	(155,108.00)
Changes in Trade Payables	4,533,271.76	(5,639,534.00)
Changes in Other Current Liabilities	774,161.75	335,232.25
	<b>3,669,530.70</b>	<b>356,178.49</b>
Cash Flow from extraordinary items	-	-
Cash generated from operations	<b>3,669,530.70</b>	<b>356,178.49</b>
Net Income Tax (Paid)/Refunds	(30,000.00)	(434,168)
<b>Net Cash Flow from Operating Activities</b>	<b>3,639,530.70</b>	<b>(77,989.51)</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(797,043.00)	(105,052.00)
	(797,043.00)	(105,052.00)
Cash Flow from extraordinary items	-	-
	(797,043.00)	(105,052.00)
Net Income Tax (Paid)/Refunds	-	-
<b>Net Cash Flow from Investing Activities</b>	<b>(797,043.00)</b>	<b>(105,052.00)</b>
<b>Cash Flow from Financing Activities</b>		
Interest Paid	(13,564.88)	(4,520.00)
Short Term Borrowings	-	(3,318,324.86)
Long Term Borrowings	307,551.47	-
	293,986.59	(3,322,844.86)
Cash Flow from extraordinary items	-	-
<b>Net Cash Flow from Financing Activities</b>	<b>293,986.59</b>	<b>(3,322,844.86)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>3,136,474.29</b>	<b>(3,505,886.37)</b>
Opening cash and Cash Equivalent	(3,415,762.37)	90,124.00
<b>Closing Cash &amp; Cash Equivalent</b>	<b>(279,288.08)</b>	<b>(3,415,762.37)</b>

**AUDITORS CERTIFICATE**

We have examined the above Cash Flow Statement of CONTINENTAL CHEMICALS LTD. for the year ended 31st March 2014.

AS PER REPORT OF EVEN DATE ATTACHED

Sd/-  
Naresh K Chibba  
Managing Director

Sd/-  
Pradeep Chopra  
Director

Sd/-  
Akshat Bhaskar  
Director

For Hari Bhushan & Associates  
Chartered Accountants

Sd/-  
Sourav Malhotra  
Company Secretary

Firm Reg.No.: 007618C  
(CA. Hari Bhushan)  
Partner

Membership No.: 076688  
Place: New Delhi  
Date: 30th May, 2014

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

## I. REGISTRATION DETAILS

REGISTRATION NO. 20-14111/330 STATE CODE (1)

BALANCE SHEET DATE DATE (31) MONTH 3 YEAR 2014

## II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue	Right Issue
NIL	NIL
Bonus issue	Private Placement
NIL	NIL

## III. Position of Mobilisation &amp; Development of Funds (Amt. In Rs. Thousand )

Total Liabilities	Total Assets
11486.65	22623.05

## Source of Funds

Paid up capital	Reserve & Surplus
9945.50	1190.90
Secured Loans	Unsecured Loans
307.55	---

## Application of Funds

Net Assets	Misc. Expenditure
11136.41	---

## IV. Performance of Company (Amount in Rs. Thousand )

Total Income	Total Expenditure
11988.84	11769.55
+ - Profit / Loss Before Tax	+ - Profit / Loss After Tax
(+) 219.29	(-) (396.11)
Profit per Share In Rs.	Dividend Rate %
(0.40)	NIL

## V. Generic Names of Three Principal Product /Services of Company

Item Code No. (ITC Code ) 3401.20, 3401.10, 3402.90, 3405.20,85.24

Product description SOAP, DETERGENTS &amp; ALLIED PRODUCT &amp; SOFTWARE

Sd/-  
Naresh K Chibba  
Managing Director

Sd/-  
Pradeep Chopra  
Director

Sd/-  
Akshat Bhaskar  
Director

Sd/-  
Sourav Malhotra  
Company Secretary

**For Hari Bhushan & Associates**  
**Chartered Accountants**  
**Firm Reg.No.: 007618C**

**(CA. Hari Bhushan)**  
**Partner**

Membership No.: 076688

Place: New Delhi

Date: 30th May, 2014

**Continental Chemicals Ltd.**  
**A-7 , Sector - VII, NOIDA**  
**Pin -201301**  
**Distt. : Gautam Buddha Nagar**  
**U.P**

REGD. FOLIO NO. ....

**ATTENDANCE SLIP**

NAME & ADDRESS OF THE SHARE HOLDERS :  
 ( IN BLOCK LETTERS )

NO. OF SHARE HELD :

NAME OF PROXY :  
 (If applicable )

I hereby record my presence at the TWENTY NINTH ANNUAL GENERAL MEETING of the Company held on Monday on the 29<sup>TH</sup> September 2014 at 4.30 P. M. at the registered office of the Company at above mentioned address.

Form No. MGT-11

**CONTINENTAL CHEMICALS LIMITED**

CIN: L24123UP1984PLC014111

A-7, Sector VII, Noida, Gautam Buddha Nagar, U.P – 201301

**PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies ( Management and Administration, Rules, 2014)

Name of the member (s) :

.....

Registered Address : .....

E.Mail Id : ..... Folio No./Client Id : ..... DP ID.....

I/We, being the member(s) holding .....shares of the above named Company, hereby appoint

1. Name :.....

Address:.....

.....E.mailID:.....Signature:.....or failing him

2. Name :.....

Address:.....

.....E.mailID:.....Signature:..... or failing him

3. Name :.....

Address:.....

.....E.mailID:.....Signature:.....as

my/our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 29<sup>th</sup> Annual General Meeting of the Company, to be held on the 29<sup>th</sup> September, 2014 at 4.30 P.M at A-7, Sector VII, Noida, Gautam Buddha Nagar, U.P - 201301 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1:.....2:.....3:.....

Signed this.....day of .....2014

Signature of shareholder

Signature of Proxy holder(s)

**Note:** This form duly filled up, stamped and signed by the appointer or his attorney duly authorized in writing or if the appointer is a Body Corporate, under the seal or signed by an attorney duly authorized by it shall be deposited at the Registered Office of the Company along with the power of Attorney, if any under which the Proxy Form is signed, not less than 48 hours before the time for holding the meeting.

If undelivered , please return to :  
**Continental Chemicals Ltd.**  
**A-7 , Sector - VII, NOIDA**  
**Pin -201301**  
**Distt. : Gautam Buddha Nagar**  
**U.P**



# Continental

# Chemicals Ltd

Regd. & Head Office : A-7, Sector-7, Noida-201301 (U.P.) India

Tel. : 91-120-2423316

Fax : 91-120-2423316

E-mail : info@continentalsoft.com

: nkc@continentalsoft.com

Web : www.continentalchemicalsltd.com

CIN : L24123UP1984PLC014111

## FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company:	Continental Chemicals Limited
2	Annual financial statements for the year ended	31 <sup>st</sup> March 2014
3	Type of Audit observation	No any Un-qualified / Matter of Emphasis remarks as per audit report of statutory auditors & independent auditors
4	Frequency of observation	No any unqualified remarks mentioned or repeated in last 5 years annual report.
5	To be signed by- Managing Director Auditors /CFO/ Chairman Audit Committee	

For Continental Chemicals Ltd.

Naresh K. Chibba  
Managing Director

Managing Director

Urminder Singh

Chief Financial Officer

Continental Chemicals Limited  
Chief Financial Officer

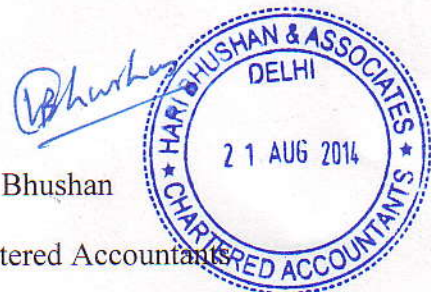
21/8/14

Hari Bhushan

Chartered Accountants

Akshat Bhaskar

Chairman of Audit Committee



21/8/14