

33rd Annual Report

2017-2018

Corporate Identity Number (CIN) of Company

L24123UP1984PLC014111



Continental Chemicals Limited

BOARD OF DIRECTORS

Mr. Pradeep K Chopra	Chairman & Independent Director
Mr. Naresh K Chibba	Managing Director
Ms. Sunaina Chibba	Director
Mr. Akshat Bhaskar	Independent Director
Mr. Dhiraj Kumar Choudhary	Director

KEY MANAGERIAL PERSONNEL

Mr. Naresh K Chibba	Managing Director
Ms. Pratima Agarwal	Company Secretary & Compliance Officer
Mr., Amit Kumar	Chief Finance Officer

INDEPENDENT AUDITORS

M/s. B.K. Kapur & Co.
Chartered Accountants
Ghaziabad

BANKERS

INDIAN OVERSEAS BANK
ICICI BANK
CANARA BANK
INDUSIND BANK

REGISTRAR AND SHARE TRANSFER AGENT

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

REGISTERED OFFICE

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

Continental Chemicals Limited

CIN - L24123UP1984PLC014111 REGISTERED OFFICE: A-7, SECTOR-VII, NOIDA-201301, U.P
Tel : 91-120-2423316 Fax: 91-120-2423316 Email: info@continentalsoft.com, nkc@continentalsoft.com
web: www.continentalchemicalsltd.com

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 33rd Annual General Meeting of Continental Chemicals Limited will be held on Saturday, the 29th September 2018 at 4.00 P.M. at the Registered Office of the company at A-7, Sector-VII, Noida, Gautam Budh 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 2018, audited Statement of Profit and Loss for the year, Balance Sheet as on that date, and the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Dhiraj Kumar Choudhary (DIN :06470386), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To consider and approve the payment of remuneration to Mr. Naresh Kumar Chibba, Managing Director of the Company for a further period of 2(Two) years of his present tenure and if thought fit, pass the following resolution as **Special Resolution**, with or without modification(s):

"**RESOLVED THAT** pursuant to the provisions under Section 196, 197, 198, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act") including any statutory amendments, modifications or re-enactment thereof and subject to such other requisite approvals, as may be required in this regard, the consent of the Shareholders be and is hereby accorded for the payment of remuneration as specified in Explanatory Statement to Mr. Naresh Kumar Chibba, Managing Director of the Company for a further period of 2(Two) years of his tenure w.e.f. 1st August, 2018 on the terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and as set out in the explanatory statement which forms part of this resolution notwithstanding that the remuneration may exceed the limits prescribed in the provisions of Section 197, 198 and within the limits prescribed under Schedule V to the Companies Act, 2013 in case of no profits/inadequate profits.

RESOLVED FURTHER THAT the remuneration as set out in the explanatory statement which forms part of this resolution, payable to Mr. Naresh Kumar Chibba, Managing Director of the Company for a period of 2 (Two) years w.e.f. 1st August, 2018.

RESOLVED FURTHER THAT notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/re-enactment thereof or any revised/new schedule thereof, in the event of absence of profits or inadequate profits in any financial year, the salary, perquisites and statutory benefits, as set out in the explanatory statement which forms a part of this resolution, be paid as minimum remuneration to Mr. Naresh Kumar Chibba.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

By Order of the Board of Directors

Sd/-
Pratima Agarwal
Company Secretary

PLACE : NOIDA
DATE : 29.08.2018

a. NOTES:

1. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. **A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself. The proxy need not be a member of the company. A blank form of proxy is enclosed and if intended to be used, it should be deposited duly completed at the registered office of the company not less than forty eight hours before the scheduled time of the meeting.**
3. **A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
4. Corporate members intending to send their authorized representative to attend the meeting are requested to send the Company a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
5. In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote. The Registers of Members and Share Transfer Books of the Company will remain closed from Sunday, **the 23.09.2018 to Saturday 29.09.2018 (Both days inclusive).**

6. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturday & Sundays, during business hours up to the date of the Meeting.
7. In terms of Section 72 of the Companies Act, 2013, the shareholders of the Company may nominate a person on whom the shares held by him/them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit nomination in Form SH-13.
8. The Company has entered into agreements with CDSL to offer depository services to the Shareholders. Shareholders can open account with any of the depository participants registered with CDSL.
9. Members are requested to bring their copies of Annual Report at the meeting, as extra copies will not be supplied.
10. Pursuant to the requirement of the listing agreement, the Company declares that its equity shares are listed on the stock exchange as Bombay Stock Exchange.
11. Only registered members carrying the attendance slips and the holders of valid proxies registered with the Company will be permitted to attend the meeting.
12. Members may also note that the Notice of the 33rd Annual General Meeting and the Annual Report for 2017-2018 will also be available on the Company's website www.continentalchemicalsltd.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Noida for inspection during normal business hours on working days. Even after registering for communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: info@continentalsoft.com, compliance@continentalsoft.com.
13. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company. Members are requested to keep the same updated.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or RTA of Company.
15. In terms of section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members, who have registered their email ids with their respective depository participants or with the RTA of the Company.
16. Members, who still hold share certificates in physical form, are advised to dematerialize their shareholding to avail of the numerous benefits of dematerialization, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries. As per the recent amendment in the SEBI(Listing Obligation and Disclosure Requirements) Regulation the transfer of the shares in the physical form has been restricted since 5th December 2018, The Shareholders holding shares in Physical mode are advised to convert their shares in Demat mode for further liquidation.
17. Documents referred to in the Notice and the explanatory statement shall be open for inspection by the members at the registered office of the Company on all working days (Monday to Friday) from 10.00 a.m. to 1.00 p.m. except holidays, up to the date of the meeting.
18. The Company has been maintaining, inter alia, the following statutory registers at its registered office at Noida, which are open for inspection in terms of the applicable provisions of Companies Act, 2013 by members and others as specified below:
 - i. Register of contracts or arrangements in which directors are interested under section 189 of the Companies Act, 2013, on all working days during business hours. The said Register shall also be produced at the commencement of the annual general meeting of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.
 - ii. Register of Directors and Key Managerial Personnel and their shareholding under section 170 of the Companies Act, 2013, on all working days during business hours. The said Register shall be kept open for inspection at the annual general meeting of the Company and shall be made accessible to any person attending the meeting.
19. Members/Proxies are requested to bring the copies of annual reports and attendance slips to the meeting, if the same are received in physical form.
20. For more details on shareholders' matters, please refer to the chapter on General Shareholder Information, included in the Annual Report.

21. Voting through electronic means

- A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and SEBI (LODR) Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote at the 33rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e- Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services Limited(CDSL).
- B. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- C. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- D. The remote e-voting period commences on 26th September, 2018 (10:00 am) and ends on 28th September, 2018 (05:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 26th September, 2018 (10:00 am) and ends on 28th September, 2018 (05:00 pm).. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (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 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:

For Members holding shares in Demat Form and Physical Form

- PAN Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
- Members who have not updated their PAN with 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.
 - 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.
- Dividend Bank Details OR Date of Birth (DOB) Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
- If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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 EVSN for the relevant 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a 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.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

ANNEXURE TO NOTICE

Information pursuant to regulation 36 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India regarding the directors proposed to be appointed/ re-appointed

Mr. Dhiraj Kumar Choudhary:

Mr .Dhiraj Kumar Choudhary, aged 38, is a Non- Executive Director of Continental Chemicals Limited. He holds Bachelors' degree in physics. He has over 15 years experience of work in IT companies. He also has vast experience of the management of the company as he has experience of around 6 year as director of IT Company. He is on the Board of the Company since July, 23rd 2015. He does not hold any shares in the company. He has not withdrawn any remuneration during his term as director. During the financial year ended March 31st, 2018, Mr. Dhiraj Kumar Choudhary attended all 8 meetings of the board..

He is also the Director in the following companies:

Continental Software Solutions Limited

He is also member in the Stakeholders Relationship Committee of Continental Chemicals Limited.

On reappointment Mr. Dhiraj Kumar Choudhary is liable to retire by rotation. He is not related to any other Director and Key Managerial Personnel of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION102 OF THE COMPANIES ACT, 2013

Item no. 3

Mr. Naresh Kumar Chibba was re-appointed as Managing Director of the Company at a Salary of Rs. 1,00,000/- p.m with effect from 1 August, 2015 for a period of 5 years at the 29th Annual General Meeting of the shareholders held on 29 September, 2014. He is also entitled to perquisites and allowances including Contribution to Provident Fund, Gratuity provided that the aggregate of the remuneration shall be within the maximum limits as laid down under Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Act as amended from time to time.

Minimum Remuneration: In terms of the provisions of Section II of Part II of Schedule V of the Companies Act, 2013, where in any financial year, during the currency of the tenure of managerial personnel, the Company has no profits or its profits are inadequate, the remuneration can be paid by the Company to its managerial personnel as minimum remuneration within the limits arrived at in accordance with the requirements of the said section II, subject to the following:-

- i. The payment of remuneration is approved by a resolution passed by the Board and by the Nomination and Remuneration Committee of Directors.
- ii. There is no default in repayment of any of its debts or interest payable thereon.
- iii. A special resolution has been passed at a general meeting of the Company.

The Company has inadequate profits in the previous year 2017-18 and for the period ended 30 June, 2018 in current financial year 2018-19 However, out of abundant caution and in view of the relevant extant provisions of law relating to managerial remuneration, the Company is complying with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013. The Board of Directors and Nomination and Remuneration Committee at their meeting held on 29 August, 2018 and 14 August, 2018 respectively, have already approved the same remuneration as approved by shareholders in their meeting held on 29th September 2014, in terms of remuneration payable to Mr. Naresh Kumar Chibba , Managing Director of the Company as set out in the following draft agreement for your ready reference. Further, the Company has not made any default in repayment of any of its debts or interest payable thereon.

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

- i. Salary
Salary of Rs. 100,000/-per month from Aug 1st ,2018 with an increase of 10% annually or inflation rate 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, Mediclaim 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 Section 198 and 309 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 particulars required to be disclosed in the explanatory statement in accordance with provisions of Schedule V of the Companies Act, 2013, are enclosed in a separate statement and forms a part of this notice.

These approvals of remuneration are subject to the approval of Members of the Company by way of Special Resolutions.

Mr. Naresh Kumar Chibba is interested in the resolutions set out respectively at Item No. 3 of the Notice, which pertain to approval of remuneration payable to Mr. Naresh Kumar Chibba. Ms. Sunaina Chibba, Director of Company is also interested as being Daughter of Mr. Naresh Kumar Chibba. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company /their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the special resolution(s) set forth at item no. 3 of the Notice for the approval of the members.

STATEMENT OF INFORMATION FOR THE MEMBERS PURSUANT TO SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013.

I. General Information

1. Nature of industry:

The Company is engaged into IT and IT product-based services to its clients.

2. Date of commencement of commercial production:

The Company commenced business from 11th January 1985.

3. Financial performance based on given indicators:

Standalone Financial Results:

	(in Lakh except EPS)	
Particulars	2016-17	2017-18
Profit (Loss) after Tax	3.89	3.80
Net Worth (including balance in Profit & Loss Account)	150.08	153.89
Earnings Per Share	0.39	0.38
Turnover	59.66	61.09

4. Foreign investments or collaboration, if any:

The Company has not made any foreign investment and collaboration for this purpose.

II. Information about the Appointee

Background details: Mr. Naresh Kumar Chibba is graduate with Honours in Commerce from Delhi university in 1978. He has experience of management of around 35 years. He joined the family business in 1978 Interads Advertising Private Limited and worked there until 1984 and was also inducted on the board and continues to on the board as Director till date. Gained valuable experience during this time. In the year 1984 he founded M/s. Continental Chemicals (CCL) New Delhi, India in the year 1984. CCL is a public limited company and Naresh Chibba has been the

Managing Director of the company ever since. After 1998 the company changed its business from Chemicals to Software and provides software solutions to exhibition organisers around the world. The company's products and features include Online Exhibitor Manuals, Interactive Floorplans, CMS, Mobile Websites and apps. Naresh Chibba has played an integral part in the Business Development and in making the company grow.

2. Past remuneration:

The remuneration paid/payable to Mr. Naresh Kumar Chibba, Managing Director) for the last financial year 2017-2018 is as follows:
(` in Rs)

Basic Salary	Allowances	Perquisites+ to PF/other funds	Contribution	Total
5,04,000	6,95,481		41,067	1,240,548

* Remuneration to the Managing Director is within the limits specified under Schedule V of the Companies Act,

3. Recognition or awards:

Mr. Naresh Kumar Chibba is widely recognized in the industry however has not received any awards.

4. Job Profile and suitability:

Mr. Naresh Kumar Chibba, Managing Director of the Company, is highly experienced and controls the affairs of the Company as a whole under the direction of the Board of Directors of the Company. He has successfully and in a sustained way contributed significantly towards growth in performance of the Company. He has extensive experience in the IT and Software industry. He is actively involved in international markets, business strategy, business development functions of the Company.

5. Remuneration Proposed:

Remuneration proposed for approval of the Shareholders at this 33rd Annual General Meeting of the Company is as mentioned in the explanatory statement of the resolution no. 3 of this notice and same as approved by the shareholders in the 29th Annual general meeting of company.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

The current remuneration being paid to the Managing Director (looking at the profile of the position and person) is lower than the remuneration being paid by the Companies of comparable size in the industry in which the Company operates.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Apart from the remuneration and perquisites paid to them as Managing Director as stated above and their respective shareholding held no pecuniary relationship directly or indirectly in the Company and Ms. Sunaina Chibba, Daughter of Mr. Naresh Kumar Chibba is also director of the Company.

III. Other Information

1. Reasons of loss or inadequate profits and steps taken or proposed to be taken for improvement:

The Company has reported a inadequate profit on standalone basis as the company is in development phase and developing new products. Due to development of these products the company is now not able to generate profit. After the development of these new products the company is expecting the increase in its turnover and profits.

2. Expected increase in productivity and profits inmeasurable terms:

It is difficult to forecast the productivity and profitability in measurable terms. However, the Company expects that productivity and profitability may improve and would be comparable with the industry average.

IV. Disclosures:

The disclosures in respect of remuneration package and other details of all the Directors are given at appropriate places in the Corporate Governance Report annexed to the Directors' Report.

By Order of the Board of Directors

Sd/-
Pratima Agarwal
Company Secretary

PLACE : NOIDA
DATE : 29.08.2018

Route Map of Venue of AGM



CONTINENTAL CHEMICALS LIMITED
CIN:L24123UP1984PLC014111
A-7, Sector VII, Noida, Gautam Buddha Nagar, U.P – 201301
ATTENDANCE SLIP

MEMBER FOLIO NO.
CLIENT ID NO.
DP ID NO.
NAME & ADDRESS OF THE SHARE HOLDERS :
(IN BLOCK LETTERS)

NO. OF SHARES HELD :

NAME OF PROXY :
(If applicable)

I hereby record my presence at the **33rd ANNUAL GENERAL MEETING** of the Company held on Saturday **on the 29th day of September 2018 at 4.00 P. M.** at the registered office of the Company at above mentioned address.

Notes:

1. Members/Proxy holders are requested to produce the attendance slip duly signed for admission to the meeting hall.
2. Members are requested to bring their copy of Annual Report.

Signature of Member/ Proxy

Form No. MGT-11
CONTINENTAL CHEMICALS LIMITED
CIN:L24123UP1984PLC014111
A-7, Sector VII, Noida, Gautam Budha 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) holdingshares of the above named Company, hereby appoint

1. Name : Address:.....

.....E.maillD:.....Signature:.....or failing him

2. Name : Address:.....

.....E.maillD:.....Signature:..... or failing him

3. Name : Address:.....

.....E.maillD:.....Signature:.....as my/our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the .33rd Annual General Meeting of the Company, to be held on the 29th September, 2018 at 4.00 P.M at A-7, Sector VII, Noida, Gautam Budha Nagar, U.P - 201301 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. 1: To receive, consider and adopt the Directors' Report for the year ended 31st March 2018, audited Statement of Profit and Loss for the year, Balance Sheet as on that date, and the Report of the Auditors thereon.

2. To appoint a Director in place of Mr. Dhiraj Kumar Choudhary (DIN :06470386), who retires by rotation and being eligible, offers himself for re-appointment.

3. To consider and approve the payment of remuneration to Mr. Naresh Kumar Chibba, Managing Director of the Company for a further period of 2(Two) years of his present tenure

Signed this.....day of2018.

Affix
Revenue
Stamp

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.

DIRECTOR'S REPORT

To,

The Members,

Your Directors have immense pleasure in presenting their 33rd Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2018.

Financial Results

The summary of the Company's financial performance for financial year 2017-18 compared to previous year 2016-17 is given as below
(Amt. in Rs.)

	2017-18	2016-17
Revenue from operations & other income	9873770.86	99,05709.00
Profit and Loss before exceptional Item and tax	567511.54	534612.47
Exceptional items	-	-
Profit before tax	567511.54	534612.47
Tax Expense: - Current Tax (net) -Less MAT Credit entitlement	1,08,139.32	1,04,530.00 1,04,530.00 -
Deferred Tax	1,20,834.00	1,50,861.00
Total other comprehensive Income	41,878.83	5,929.00
Total comprehensive Income	3,80,417.04	3,89,680.47

Dividend

Company has not declared any dividend for the year ended March 31, 2018.

OPERATIONS

The company is in the business of sale, purchase and licensing of Software within and outside India. Company has many new projects to expand its business in the coming years. During the year under review, the revenue from operations increased to Rs. 61,09,373.49 as against Rs. 59,66,041.00 in previous year, but the total comprehensive income recorded for the year declined during the year to Rs. 3,80,417.04 as against Rs. 3,89,680.47 of previous year.

Other Equity

Company has transferred Rs. 3,80,417.04 to the other equity account.

Finance

1. Share Capital

The paid up equity share capital as on 31 March 2018 was Rs. 99,90,000. There was no public issue, rights issue, bonus issue or preferential issue etc. during the year under review. The Company has not issued shares with differential voting rights, sweat equity shares nor has it granted any stock options.

2. Deposit

The Company has not accepted any deposit under section 73 of the Companies Act, 2013.

3. Particulars of loan, guarantees and investments

The Company has not provided any loan, guarantee and has not made any investment covered under the provisions of Section 186 of the Companies Act, 2013.

Vigil Mechanism/ Whistle Blower Policy

Pursuant to Section 177(9) of the Companies Act, 2013 and Listing Regulation, 2015, the Company has formulated a Whistle Blower Policy to establish a vigil mechanism for directors and employee of the Company. The Purpose and objective of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects the employees wishing to raise concern about serious irregularities within the Company. The detail of Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company.

Management Discussion And Analysis

The Management Discussion and Analysis forms part of this Annual Report for the year ended 31st March 2018 as Annexure I.

Extract of Annual Return

The extract of the annual return is attached as annexure - II. The Copy of annual return has been available on the Company website www.continentalchemicalsltd.com.

Significant and Material Orders Passed by the Regulators or Courts

The Company has received an order from the Commissioner, Service Tax for raising a demand of Rs. 10,63,284 + interest thereon. The Company has filed an appeal against this order.

Change in The Nature of Business

There was no change in the nature of business of the company during the financial year under review.

Directors and Key Managerial Personnel

1. Appointment

During the year, Ms. Sunaina Chibba has been reappointed as director who was eligible to retire by rotation in last AGM. Mr. Ram kumar, Chief Financial Officer, has resigned at 29th April 2017 and Mr. Amit Kumar was appointed as CFO at 7th September 2018.

2. Retire by Rotation

In accordance with provision of Companies Act, 2013 and Articles of Association of the Company, Mr. Dhiraj Kumar Choudhary, Director liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

3. Meetings

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. During the year 8 Board Meetings and 5 Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report.

4. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder Relationship Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

5. Declaration by an Independent Director(s)

All independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

6. Managerial Remuneration

Detail of all elements of remuneration paid to all Directors are given in the Corporate Governance Report.

Detail of particulars pursuant to section 197 (12) of the Companies Act, 2013 read with rules of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, are annexed as Annexure –III.

7. Nomination and Remuneration Policy

The Board has, on recommendation of the Nomination and Remuneration Committee, framed a Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel. More detail of the same is given in the Corporate Governance Report.

Details of Subsidiary/Joint ventures/ Associate Companies

The Company has no Subsidiary/ Joint Ventures/Associate Companies.

Particulars of Employees

The Section 197 (12) of Companies Act, 2013 read with provision of Rule 5(2) (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 requiring particulars of the employees. All required applicable details under The Section 197 (12) of Companies Act, 2013 read with provision of Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 has been attached with the board report as Annexure III.

Related Party Transaction

The Company has an agreement with a related party for securing business from abroad and the shareholders of the company approved it. All related party transaction held during the year was approved and reviewed by the audit committee as per the provisions of listing agreement and Companies Act, 2013 and in compliance of the approval provided by the shareholders. The details of the related party transactions are provided in Annexure IV. **All Related party Transactions as required under Accounting Standard AS-18 are reported in Note – 23 (e) – Notes to Accounts of the Standalone financial statements of your Company.**

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of the Section 134(3) (c) of the Companies Act, 2013:

- (i) That in the preparation of the annual financial statements for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) That such accounting policies, as mentioned in the Financial Statements as 'Significant Accounting Policies' have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2018 and of the profit of the Company for the year ended on that date;
- (iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the annual financial statements have been prepared on a going concern basis;
- (v) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- (vi) That proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Corporate Governance

A Report on Corporate Governance is annexed herewith as "Annexure – V".

Auditors

1. Statutory Auditor

The Auditors, M/s B K Kapur & Company, Chartered Accountants, have been appointed as Statutory Auditors of the Company for a period of 5 years at the 29th annual general meeting held on 29th September 2014 and Shareholders also ratified his appointment in last AGM held on 28th September 2017. As required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors have confirmed that they hold a valid certificate issued by Peer Review Board of the Institute of Chartered Accountants of India.

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

The requirement of rectification of auditor is removed by Companies (Amendment) Act, 2017 effective from 7th May 2017 So the Company is not required to rectify the appointment of Auditor every year.

2. Cost Audit

The services provided by Company are not covered under cost audit and therefore, pursuant to Section 148 of Companies Act, 2013 with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company is not required to maintain the cost audit records.

3. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s B. S. Goyal & Co. a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as Annexure-VI.

The secretarial audit Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

4. Internal Audit & Controls

Mr. Dhiraj Kumar Choudhary has been appointed as internal auditor of the Company. During the year, the Company continued to implement his suggestions and recommendations to improve the control environment. His scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas.

Conservation of Energy, Technology absorption and Foreign Exchange Earning and Out go

Conservation of Energy

(a) Energy conservation has been an important thrust area for the Company. The adoption of energy conservation measures has helped the Company in reduction of cost and reduced machine down-time.

(b) Energy conservation is an ongoing process and new areas are continuously identified and suitable investments are made, wherever necessary.

(c) Various on-going measures for conservation of energy include (i) use of energy efficient lighting and better use of natural lighting, (ii) reduction of energy loss, and (iii) replacement of outdated energy intensive equipment, But Company has not made any big investment for this purpose.

Technology absorption

(1) During the year 2017-18 the company took some minor efforts for new technology absorption.

(2) No absorption of imported technology has been taken place during year 2017-18.

(3) No expenses incurred for Research and Development during financial year 2017-18.

Foreign Exchange Earning and Out go

There is no foreign exchange outgo in the Company. During the year of concern the Company has foreign exchange inflow of Rs. 57,66,610/-

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

As the no. of employees in the company is less than 10 so as per section 6(1) of THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 company is not required to constitute a Internal Complaint Committee. During the year Company has not received any complaint of harassment.

Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

There is no material change affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

Personnel

Employee relations continued to be cordial throughout the year in the Company. Your Directors express their appreciation for the contribution made by the employees to the operations of the Company during the year.

Risk Management Policy:

The Risk management policy of your Company, formulated and approved by the Board states the Company's approach to address uncertainties in its endeavors to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of various stakeholders within your Company, the structure for managing risks and the framework for risk management.

This policy and the Internal Financial Controls comprehensively address the key strategic/business risks and operational risks respectively.

Corporate Social Responsibility (CSR)

The concept of Corporate Social Responsibility is not applicable to the Company under section 135 of the Companies Act, 2013.

Acknowledgement

Your Directors convey their sincere thanks to the various agencies of the Central Government, State Governments, Banks and other concerned agencies for all the help and cooperation extended to the Company. The Directors also deeply acknowledge the trust and confidence the shareholders and investors have placed in the Company. Your Directors also record their appreciation for the dedicated services rendered by the workers, staff and officers of the Company.

Place: Noida

Date :29. 08.2018

For and on behalf of Board of Directors

Sd/-

Naresh K Chibba

Managing Director

Sd/-

Dhiraj Kumar Choudhary

Director

ANNEXURE INDEX

Annexure	Content
I	Management and Discussion and Analysis
II	Annual Return Extracts in MGT 9
III	Statement under section 197 and rule 5 of Companies (Appointment and remuneration) rule, 2014
IV	AOC 2 – Related Party Transactions disclosure
V	Report on Corporate Governance
VI	Secretarial Audit Report

Management, Discussion and Analysis

This report discusses and analysis the performance for the year ended 31st March 2018.

Operation and Industry

The company is in the business of sale, purchase and licensing 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 concern for the growth of the industry. The Company is contributing positively in the same and providing the best services to the customers.

Risk and Concerns

Business is exposed to external and internal risks. Some risks can be predicted and minimized with careful planning and implementing the measures to mitigate them, Your Company has been facing many risks such as market risk, foreign exchange fluctuations, tax regime changes and Intellectual Property Risk etc. The Company is dealing in Indian as well as global market so quotation in local currencies have been highly controlled but in the foreign transactions the fluctuation in exchange rate effects the company to mitigate it we opt to hedge a portion of our forex earnings

Segment –Wise or Product –wise Performance

The Company is dealing in single segment as IT and Software Services. The Company has secured business and new order from overseas and expecting good growth in future.

Outlook

The company is making 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. The Company is maintaining high quality products and services and confident of achieving better results in the future. The Company is engaged in development of new products. It is estimated by the management that the development of new products will be completed within 3 to 5 years. After completing these products, the company is expecting larger market coverage and increase in its revenues.

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 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 actions 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, 2013. 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 efficiently to contribute to developing and achieving individual excellence, departmental objectives continuously and 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.

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2018**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1. CIN	L24123UP1984PLC014111
2. Registration Date	27.11.1984
3. Name of the Company	Continental Chemicals Limited
4. Category/Sub-category of the Company	Public Company and limited by Shares
5. Address of the Registered office & contact details	A-7, Sector-7, Noida, U.P. -201301 India 0120- 2423316
6. Whether listed company	Yes
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	BEETAL Financial & Computer Services Pvt Ltd. BEETAL HOUSE, 3rd Floor, 99, Madangir, behind LSC, New Delhi - 110062 Ph. 011-29961281-283 Fax 011-29961284

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Software consultancy services	6201	100

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

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	133110	0	133110	13.32	133110	0	133110	13.32	0	
b) Central Govt	0	0	0	0	0	0	0	0	0	
c) State Govt(s)	0	0	0	0	0	0	0	0	0	
d) Bodies Corp.	0	0	0	0	0	0	0	0	0	
e) Banks / FI	0	0	0	0	0	0	0	0	0	
f) Any other	0	0	0	0	0	0	0	0	0	
(2) Foreign										
a) NRI - Individual/	0	0	0	0	0	0	0	0	0	
b) Other - Individual/	0	0	0	0	0	0	0	0	0	
c) Bodies Corp.	0	0	0	0	0	0	0	0	0	
d) Banks / FI	0	0	0	0	0	0	0	0	0	
e) Any Others	0	0	0	0	0	0	0	0	0	
Total	133110	0	133110	13.32	133110	0	133110	13.32	0	
shareholding of Promoter (A)										
B. Public Shareholding										
1. Institutions										
a) Mutual Funds	0	0	0	0	0	0	0	0	0	
b) Banks / FI	0	100	100	0.01	0	100	100	0.01	0	
c) Central Govt	0	0	0	0	0	0	0	0	0	

d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture	0	0	0	0	0	0	0	0	0
Capital Funds									
f) Insurance	0	0	0	0	0	0	0	0	0
Companies									
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign	0	0	0	0	0	0	0	0	0
Venture Capital									
Funds									
i) Others	0	0	0	0	0	0	0	0	0
(specify)									
Sub-total	0	100	100	0.01	0	100	100	0.01	0
(B)(1):-									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	26	13550	13576	1.3590	200	13550	13750	1.3764	0.0174
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	8424	843690	852114	85.2967	11350	8504540	851590	85.2442	-0.0524
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)									
HUF	100	0	100	0.01	450	0	450	0.0450	.035
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total	6950	858840	865790	86.67	8550	857240	865790	86.67	0
(B)(2):-	6950	858940	865890	86.68	8550	857340	865890	86.68	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	141660	857340	999000	100.0	145110	853890	999000	100.0	0

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Naresh Kumar Chibba	133110	13.32	0.00	133110	13.32	0.00	0.00

C) Change in Promoters' Shareholding

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Naresh Kumar Chibba				
	At the beginning of the year	133110	13.32	133110	13.32
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-		
	At the end of the year	133110	13.32	133110	13.32

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

At the beginning of the year

INTERADS ADVERTISING P LTD.	10000	1.001
MAHENDRA GIRDHARILAL WADHAWANI	1850	0.1852
G POONAM CHAND	1800	0.1802
PUKHRAJ DEVI PANSARI	1400	0.1401
SUBHASH MODI	1200	0.1201
P.P. ZIBI ZOSE	1100	0.1101
INDRA KUMAR BAGRI	1100	0.1101
UMESH CHAND MITTAL	1050	0.1051
RAKESH JAIN	1050	0.1051
RASIKLAL J SHAH	1050	0.1051
DEEPAK WAHI	1000	0.1001
BHAGWAN SINGH KACHHAWA	1000	0.1001
BISHAN SINGH KACHHAWA	1000	0.1001
USHA KUMARI	1000	0.1001
LAXMI DEVI DESWAL	1000	0.1001
BHIKU RAM JAIN	1000	0.1001
NAGESH MARTAPPA NILKUND	1000	0.1001
JAGDISH SINGH DABAS	1000	0.1001
SANDHYA KACHHAWA	1000	0.1001
SHYAM BEHARI SHARMA	1000	0.1001

Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):

INTERADS ADVERTISING P LTD.
MAHENDRA GIRDHARILAL WADHAWANI
G POONAM CHAND
PUKHRAJ DEVI PANSARI
SUBHASH MODI
P.P. ZIBI ZOSE
INDRA KUMAR BAGRI
UMESH CHAND MITTAL
RAKESH JAIN
RASIKLAL J SHAH
DEEPAK WAHI
BHAGWAN SINGH KACHHAWA
BISHAN SINGH KACHHAWA
USHA KUMARI
LAXMI DEVI DESWAL
BHIKU RAM JAIN

No Changes During the year

NAGESH MARTAPPA NILKUND
JAGDISH SINGH DABAS
SANDHYA KACHHAWA
SHYAM BEHARI SHARMA

At the end of the year

INTERADS ADVERTISING P LTD.	10000	1.001
MAHENDRA GIRDHARILAL WADHAWANI	1850	0.1852
G POONAM CHAND	1800	0.1802
PUKHRAJ DEVI PANSARI	1400	0.1401
SUBHASH MODI	1200	0.1201
P.P. ZIBI ZOSE	1100	0.1101
INDRA KUMAR BAGRI	1100	0.1101
UMESH CHAND MITTAL	1050	0.1051
RAKESH JAIN	1050	0.1051
RASIKLAL J SHAH	1050	0.1051
DEEPAK WAHI	1000	0.1001
BHAGWAN SINGH KACHHAWA	1000	0.1001
BISHAN SINGH KACHHAWA	1000	0.1001
USHA KUMARI	1000	0.1001
LAXMI DEVI DESWAL	1000	0.1001
BHIKU RAM JAIN	1000	0.1001
NAGESH MARTAPPA NILKUND	1000	0.1001
JAGDISH SINGH DABAS	1000	0.1001

E) Shareholding of Directors and Key Managerial Personnel:*

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Naresh Kumar Chibba				
	At the beginning of the year	133110	13.32	133110	13.32
	Date wise Increase / Decrease in Promoters Shareholding during the year	NIL	NIL		
	At the end of the year	133110	13.32		
SN		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
2	Pradeep Kumar Chopra (Chairman & Independent Director)*				
3	Akshat Bhaskar (Independent Director)*	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Sunaina Chibba (Director)*				
5	Dhiraj Kumar Choudhary(Director)*				
6	Pratima Agarwal(CS)*				
7	Ram Kumar (CFO)*				
	At the beginning of the year	NIL	NIL	NIL	NIL
	No increase / decrease during the year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

* the shareholding of the KMP from SN. 2-7 is nil.

(F)

INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amt. in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	14,45,578			14,45,578
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	130,665			130,665
Total (i+ii+iii)	15,76,243			15,76,243

Change in Indebtedness during the financial year

* Addition

* Reduction

Net Change

Indebtedness at the end of the financial year

i) Principal Amount	14,45,578	14,45,578
ii) Interest due but not paid	-	-
iii) Interest accrued but not due	175,283	175,283
Total (i+ii+iii)	16,20,861	16,20,861

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(Amt. in Rs.)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Naresh Kumar Chibba	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,99,481	11,99,481
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission	NIL	NIL
	- as % of profit		NIL
	- others, specify...		
5	Others, please specify	NIL	NIL
	Total (A)	11,99,481	11,99,481
	Ceiling as per the Act*	60,00,000	60,00,000

* As Company has inadequate profit so as per sub section 2 of section 197 read with schedule V of Companies Act, 2013 the ceiling as per Act is Rs. 60,00,000.

B. Remuneration to other directors

(Amt. in Rs.)

SN.	Particulars of Remuneration	Name of Directors		Total Amount
		Pradeep Chopra	Akshat Bhaskar	
1	Independent Directors			
	Fee for attending board committee meetings	NIL	NIL	NIL
	Commission	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	Total (1)	NIL	NIL	NIL
2	Other Non-Executive Directors	Name of Director		Total Amount
		Sunaina Chibba	Dhiraj Kumar Choudhary	
	Fee for attending board committee meetings	NIL	NIL	NIL
	Commission	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL
	Total (B)=(1+2)			NIL
	Total Managerial Remuneration*	NIL	NIL	NIL
	Overall Ceiling as per the Act	NIL*	NIL	NIL*

*As Company does not have adequate profit. There is no ceiling allotted to non executive directors

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

(Amt. in Rs.)

SN	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO	

Gross salary					
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	Pratima Agarwal	297500	Ram Kumar 19,167 Amit Kumar <u>2,71,429</u> <u>2,90,596</u>	5,88,096
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-		-	-	-
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-		-	-	-
2 Stock Option	-		-	-	-
3 Sweat Equity	-		-	-	-
4 Commission	-		-	-	-
- as % of profit	-		-	-	-
others, specify...	-		-	-	-
5 Others, please specify	-		-	-	-
Total			2,97,500	<u>2,90,596</u>	5,88,096

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

PARTICULARS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Part A

(i) The ratio of the remuneration of each director to the median employee's remuneration for the financial year and such other details as prescribed is as given below:

Name	Ratio
Pradeep Kumar Chopra (Chairman and Independent Director*)	N.A
Naresh Kumar Chibba (Managing Director)	4.48:1
Akshat Bhaskar (Independent Director)*	N.A.
Sunaina Chibba (Director)*	N.A
Dhiraj Kumar Choudhary (Director)*	N.A

*No remuneration has been paid to director.

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name	Designation	% Increase
Naresh Kumar Chibba*	Managing Director	Nil
Ram Kumar	Chief Financial Officer	Nil**
Amit Kumar	Chief Financial Officer	Nil**
Pratima Agarwal	Company Secretary	0%#

*There was no increase in remuneration of Shri Naresh Kumar Chibba during the financial year 2017-18.

** The increase in salary is calculated after averaging last year salary to full year as Mr. Ram resigned on 29.04.2017 so last year salary was for that period only and Amit joined the company as CFO at 7th September 2017 so no last year data is available for Comparison.

#The increase in salary is calculated after averaging last year salary to full year. There is no increase in salary during the year the difference of payment is due to salary deduction difference due to leaves.

(iii) The percentage increase/ Decrease () in the median remuneration of employees in the financial year: 0.21

(iv) There are Three (3) permanent employees on the rolls of company on 31st March 2018.

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:

There is only one Whole Time Director i.e. Managing Director. There was no change in the remuneration .

(vi) If remuneration is as per the remuneration policy of the company: Yes

Part :B

Employee Designation	Remuneration	Nature of Employment	Qualification and Experience	Date of Commencement of Employment	Age	Last Employment	Share holding in Company	Relation with Directors
Managing Director	12,40,548	Permanent	B.Com	27.11.1984	60	Interads Advertising (P) Ltd.	13.32%	Daughter is also a director
Software Developer (Team Lead)	8,11,700	Permanent	MCA/12 Years	07.07.2007	36	Infotech software solutions	Nil	N.A.
Web Designer	2,59,000	Permanent	BA/ 7 year	01.02.2011	32	Mutagen info Solutions p Ltd.	Nil	N.A.
Chief Financial Officer	2,71,429	Permanent	B.Com/4 years	01.05.2016	32	SV Infra Properties Pvt. Ltd.	Nil	N.A.
Web Designer	2,62,935	Permanent	BA/ 6 year	14.02.2013	32	Cordtecnosoft P ltd.	Nil	N.A.
Company Secretary	2,97,500	Permanent	C.S., M.Com/8 Year	18.05.2015	33	SHA Associates	Nil	N.A.
Software Developer	2,08,000	Permanent	MCA/5 Year	25.09.2015	28	KeskintechSoftware Solutions Ltd.	Nil	N.A
Software Developer	2,38,194	Permanent	B.Tech/5 Year	28.07.2014	30	S M Web Solutions P Ltd.	Nil	N.A
Software Developer	2,04,100	Permanent	.B.Tech/ 4 Year	14.09.2015	27	Infobool Technologies	Nil	N.A

For and on behalf of the Board

Place: **Noida**
Date: 29.08.2018

Sd/-
Naresh K Chibba
Managing Director

Sd/-
Dhiraj Kumar Choudhary
Director

FORM NO. AOC -2

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

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

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Interads E Communications Limited
b)	Nature of contracts/ arrangements/ transaction	Providing software service
c)	Duration of the contracts/ arrangements/ transaction	Till termination by either party
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	60% to 85% of resale value of original values of the IECL contract with its client. Transaction of Rs. 61,05,137/-held during the financial year 2017-18
e)	Justification for entering into such contracts or arrangements or transactions'	To secure business.
f)	Date of approval by the Board	8.10.2014
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	29.09.2014

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

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

Place: Noida
Date :29.08.2018

For and on behalf of Board of Directors

Sd/-	Sd/-
Naresh K Chibba	Dhiraj Kumar Choudhary
Managing Director	Director

Report on Corporate Governance

1. Company's philosophy on Code of Corporate Governance

The principles of Corporate Governance and the Code of Business Conduct & Ethics are the cornerstones of your Company. Your Company has consistently striven to implement best corporate governance practices reflecting its strong value system and ethical business conduct. The Company's philosophy on Corporate Governance envisages attainment of highest levels of transparency, accountability and integrity in the functioning of the Company with a view to create value that can be sustained continuously for the benefit of its stakeholders. All employees are bound by a Code of Conduct that sets forth Company's policies on important issues including our relationship with consumers, shareholders and Government.

2. Board of Directors

The Board of Directors consisted of 5 Directors as on 31st March, 2018. The Board has a healthy blend of executive and non-executive directors which ensures the desired level of independence in functioning and decision making. The Board comprises of a Chairman, a Managing Director and Three Non-Executive Directors. Except the managing Director all four directors are non-executive directors out of them two directors are independent Director and one is woman Director and one is non-executive director.

The primary role of the Board is to protect the interest and to enhance value for all the stakeholders. The Board operates within the framework of a well-defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company, ensuring fairness in decision making process, integrity and transparency of the Company's dealing with its members and other stakeholders.

(A) Composition of the Board:

Name of Director	Category	No. of Board Meeting during the 2017-18		Whether attended last AGM	No. of Director ship in other body corporates	No. of Committee position in other Body Corporates
		Held	Attended			
Pradeep Kumar Chopra *	Chairman and Independent Director	8	8	Yes	NIL	NIL
Naresh Kumar Chibba	Promoter and Managing Director	8	7	Yes	3	NIL
Akshat Bhaskar*	Independent Director	8	8	Yes	NIL	NIL
Sunaina Chibba*	Non-Executive Director	8	4	Yes	1	NIL
Dhiraj Kumar Choudhary*	Non-Executive Director	8	8	Yes	1	NIL

* Directors without Remuneration

(B) Number of Board Meeting:

During the financial year 2017-18 Eight (8) board meeting were held. The Board Meetings were held on 29th April, 2017, 16th August 2017, 7th September, 2017, 9th October 2017, 14th December 2017, 12th January 2018, 14th February 2018 and 21st February 2018. The maximum interval between any two meetings was not more than 4 months.

(C) Performance Evaluation:

In compliance with the provisions of the Companies Act, 2013 ('the Act') the Board during the year adopted a formal mechanism for evaluation of its performances as well as that of its committees and individual Directors, including the Chairman of the Board. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the Board. The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

(D) Independent Directors' Meeting:

In compliance with Section 149(8) of the Act read along with Schedule IV of the Act, the Independent Directors met on 12.08.2017 inter alia, to discuss:

- Evaluation of the performance of non- Independent Directors and the Board as a whole;
- Evaluation of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- Evaluation of the quality, quantity and timeliness of flow of information between the company. Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting.

(E) Code of Conduct:

The Board of Directors of the Company have adopted Code of Business Conduct & Ethics. This Code is based on three fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary conduct and is applicable to all the Directors and senior management personnel. The Code of Business Conduct & Ethics, as approved by the Board of Directors, has been displayed at the website of the company. All the members of the Board and senior management personnel have affirmed compliance with the Code for the year ended 31st March, 2018 and a declaration to that effect signed by the Managing Director is attached and forms part of this report.

(F) Code of Conduct for Prevention of Insider Trading:

The Company has a Code of Conduct for Prevention of Insider Trading in the shares and securities of the Company. This Code, inter alia, prohibits purchase/sale of shares of the Company by Directors and employees while in possession of unpublished price sensitive information in relation to the Company. This Code is available on the Company's website.

3. Committees of the Board

With a view to have more focused attention on various facets of business and for better accountability; the Board has constituted various mandatory and other Committees from time to time. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. The minutes of the Committee meetings are circulated to all Directors individually or tabled at the Board meetings.

(a) Audit Committee:

The Audit Committee is chaired by a Independent Director and the composition of audit committee is in pursuant to Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015. Some of the important functions performed by the Committee are:

Financial Reporting and Related Processes

- Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgement by the Management, significant adjustments made in the financial statements and / or recommendation, if any, made by the Statutory Auditors in this regard.
- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditors its judgement about the quality and appropriateness of the Company's accounting principles with reference to the Ind As 2015.

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

Name of Director	Category	Meetings held on				
		29.04.2017	12.08.2017	07.09. 2017	14.09.2017	14.02.2018
Shri Akshat Bhaskar	Chairman	Present	Present	Present	Present	Present
Shri Naresh K. Chibba	Managing Director and Member	Present	Present	Present	Leave of absence granted	Present
Shri Pradeep Kumar Chopra	Member / Independent Director	Present	Present	Present	Present	Present

The Company Secretary acts as the Secretary of the Committee.

All the members of the Audit Committee were present at the last AGM held on 28th September 2017.

All the recommendations of the Audit Committee during the year were accepted by the Board of Directors.

Whistle Blower Policy

The Company has formulated Whistle Blower Policy to establish a Vigil Mechanism for directors and employees of the Company. This Policy covers malpractices and events which have taken place, suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers. This Policy is intended to encourage and enable employees to raise serious concerns within the Company prior to seeking resolution outside the company.

The purpose and objective of this Policy is to provide a framework to promote responsible and secure whistle blowing. It protects the employees wishing to raise a concern about serious irregularities within the Company. The Company encourages its directors and employees who have genuine concern about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A vigil (Whistle Blower) mechanism provides a channel to the employees and directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and directors to avail of the mechanism and also provide for direct access to the Chairperson of the Audit Committee in exceptional cases.

This policy, however, neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and/ or colleagues in general. It is affirmed that no personnel has been denied access to the Audit Committee.

The Whistle Blower Policy of the Company has been uploaded and can be viewed on the Company's website.

(b) Stakeholders Relationship Committee –

The Committee was constituted as per the provision of the section 178 of the Companies Act, 2013. This Committee ensures speedy disposal of all grievances/complaints relating to shareholders/investors. The terms of reference of the Committee include the following:

- To specifically look into complaints received from the shareholders of the Company;
- To oversee the performance of the Registrar and Transfer Agent of the Company;
- To approve the transfer of the Shares in the physical mode.
- To recommend measures for overall improvement in the quality of services to the investors;

The Committee comprised of:

Shri Akshat Bhaskar	Chairman	Independent Non-Executive Director
Shri Dhiraj Kumar Choudhary	Member	and Non-Executive Director
Shri Naresh Kumar Chibba	Member	and Director

Company Secretary of Company is the Compliance Officer of the Company.

The Stakeholders Relationship Committee comprised of the following directors of the Company:

Name of Director	Category	Meeting held on					
		22.06. 2017	08.12. 2017	29.12. 2017	22.02. 2018	20.03. 2018	28.03. 2018
Shri Akshat Bhaskar	Chairman	Present	Present	Present	Present	Present	Present
Shri Dhiraj Kumar Choudhary	Member	Present	Present	Present	Present	Present	Present
Shri Naresh Kumar Chibba	Member	Leave of absence granted	Leave of absence granted	Present	Present	Leave of absence granted	Leave of absence granted

All valid requests for share transfers received during the year 2017-18 have been recorded in the Companies records by the Company and no transfer is pending.

(c) Nomination and Remuneration Committee:

In compliance with Section 178 of the Act read along with the applicable Rules thereto and Listing Regulations, the Board has constituted a Nomination and Remuneration Committee.

The terms of reference of the Committee inter alia, include the following:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and senior management personnel;
- b) To evaluate the performance of the members of the Board as well as Key Managerial Personnel and senior management personnel and to provide rewards linked directly to their efforts, performance, dedication and achievement relating to Company's operations;
- c) To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and senior management personnel;
- d) Assessing the independence of Independent Directors;
- e) To make recommendation to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of the Managing/Whole-Time Directors, subject to the provisions of law and their service contracts;
- f) To retain, motivate and promote talent and to ensure long term sustainability of talented management personnel and create competitive advantage;
- g) To devise a policy on Board diversity;
- h) To develop a succession plan for the Board and to regularly review the plan.

The Nomination & Remuneration Committee comprised of the following directors of the Company:

Name of Director	Category
Ms. Sunaina Chibba	Chairman Member /
Shri Akshat Bhaskar	Independent Director
Shri Pradeep Kumar Chopra	Member / Independent Director

The only two meeting of Nomination and Remuneration Committee were held on 12th August, 2017 and 7th September, 2017 attended by Mr .Akshat Bhaskar and Pradeep Kumar Chopra in the financial year 2017-18.

Appointment & Remuneration Policy:

A. Policy for appointment and removal of directors, KMP and senior management personnel

(i) Appointment Criteria and Qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as director, KMP or senior management personnel and recommend to the Board his/her appointment.
- b) A person should possess adequate qualifications, expertise and experience for the position, he/she is considered for appointment. The Committee has discretion to decide whether qualifications, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing/ Whole-time Director who has attained the age of seventy years, provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

(ii) Term/Tenure

a) Managing Director/Whole-time Director

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms of upto a maximum of five years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director, provided that the Independent Director shall not, during the said period of three years be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

(iii) Evaluation

The Committee shall carry out evaluation of performance of every Director, Key Managerial Personnel and senior management personnel at regular intervals. The Company have adopted a policy for evaluation of the managerial person the Board and independent director of the company evaluate the performance of the directors as per the policy adopted.

(iv) Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules & Regulations thereunder, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, Key Managerial Personnel or senior management personnel subject to the provisions and compliance of the said Act, Rules & Regulations.

(v) Retirement

The Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP and senior management personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

B. Policy for remuneration to directors, KMP and senior management personnel

(i) Remuneration to Managing/Whole-time Directors, KMP and senior management personnel

The remuneration/ compensation/ commission etc. to be paid to Managing/Whole-time Directors shall be governed as per provisions of the Companies Act, 2013 and Rules made there under or any other enactment for the time-being in force.

(ii) Remuneration to Non-Executive/ Independent Director

The non-executive Independent /Non-Independent Director may receive remuneration/compensation/ commission as per the provisions of the Act. The amount of sitting fees shall be subject to ceiling/limits as provided under the Act and Rules made there under or any other enactment for the time being in force.

The Nomination & Remuneration Policy of the Company has been uploaded and can be viewed on the Company's website.

(c) Details of remunerations paid to the Directors during the financial year 2017-18: (Figures in Rs.)

Name of Director	Relationship with other Directors	Basic Salary	Allowances	Perquisites+ Contribution to PF/other funds	Commission	Sitting fee	Total
Mr. Pradeep Kumar Chopra	-	-	-	-	-	-	-
Mr. Naresh Kumar Chibba	Father of Ms. Sunaina Chibba	5,04,000	6,95,481	41,067	-	-	1,240,548
MS. Sunaina Chibba	Daughter of Mr. Naresh Kumar Chibba	-	-	-	-	-	-
Mr. Akshat Baskar	-	-	-	-	-	-	-
Mr. Dhiraj Kumar Choudhary	-	-	-	-	-	-	-

(d) Risk Management Committee:

Not applicable to your Company*

* as company has Paid Up Share capital of less than 10 Crore company is eligible for the exemption granted under regulation 15 of SEBI(LODR) Regulation,2015.

4. Annual General Meetings

The last three Annual General Meetings of the Company were as under:

Financial Year	Date	Time	Special Resolution passed	Place
2014-15	22.09.2015 (Adjourn in want of quorum)	4.00 P.M	No	A-7, Sector-VII, Noida Gautam Budh Nagar, Pin. 201301 (U.P)
2014-15	29.09.2015 (Adjourned Meeting)	4.00 P.M	No	
2015-16	29.09.2016	4.00 P.M.	No	
2016-17	28.09.2017	4.00 P.M.	Yes	

4. Reconciliation of Share Capital Audit

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate in regard to the same is submitted to BSE Limited and is also displayed on Company website.

Dematerialisation of Shares and Liquidity

The break-up of equity shares held in Physical and Dematerialised form as on March 31, 2018, is given below:

Particulars	No. of Shares	Percentage
Physical Segment	853890	85.47
Demat Segment		
NSDL	0	0
CDSL	145110	14.52
Total	999000	100.00

Distribution of Shareholding as on March 31, 2018

Range of Holding (In Rs.)	No. of Shareholders	% to Total	No. of Shares	% of Total
Up to 5000	6,820	99.07	8,00,240	80.1041
5001-10000	53	0.76	44,050	4.4094
10001-20000	9	0.13	11,600	1.1612
20001-30000	-	-	-	-
30001-40000	-	-	-	-
40001-50000	-	-	-	-
50001-100000	1	0.01	10,000	1.0010
100001 and above	1	0.01	1,33,110	13.3243

Shareholding Pattern as on March 31, 2018

Particulars	No. of share holders	No. of Shares	% of Shareholding
Promoters		Sub Total	Total
1.Naresh Kumar Chibba	1	133110	13.32
Total Promoters Holding	1	133110	13.32
Bank, Financial Institutions, Insurance Companies & Mutual Funds			
Bank	1	100	0.01
Financial Institutions Insurance Companies Mutual Funds/UTI			
Financial Institutions	-	-	-
Insurance Companies	-	-	-
Mutual Funds/UTI	-	-	-

Central & State Governments	-	-	-
Foreign Institutional Investors	-	-	-
NRIs/Foreign Nationals	-	-	-
Body Corporates	17	13750	1.38
Individuals/ Hindu undivided Family	6865	852040	85.29
Public and Others	6883	865890	86.68
Total	6884	999000	100

Statement showing Shareholding of more than 1% of the Capital in category of "Public" as on March 31, 2018

Sr. No.	Name of the shareholders	No. of Shares	Percentage of Capital
1	Interads Advertising P Ltd	10000	1.00
	Total	10000	1.00

5. Disclosures

(i) There were no transactions of material nature with the directors or the management or relatives etc. during the year that had potential conflict with the interests of the Company at large. The details of related party transactions have been reported in the Notes to Accounts.

(ii) The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and in conformity, in all material respects, with the generally accepted accounting principles and standards in India. The estimates/judgments made in preparation of these financial statements are consistent, reasonable and on prudent basis so as to reflect true and fair view of the state of affairs and results/operations of the Company.

(iii) The Company has formulated Whistle Blower Policy to establish a Vigil Mechanism for directors and employees of the Company and the details are provided above in this report.

(iv) The Company has not raised any funds from the capital market public/rights/preferential issues etc. during the financial year under review.

(vii) The Company had been suspended from trading by BSE due to some non compliance in past few years. However, after continuous follow up, Bombay Stock Exchange has revoked the suspension with effect from 16th December, 2015 and security of the company is available for trading. Revocation at Delhi Stock Exchange and UP Stock Exchange are not required as these stock exchanges has been de-recognized by SEBI.

(viii) The details of the equity shares of the Company held by the Directors as on 31st March, 2018 are as under:

Mr. Naresh Kumar Chibba : 133110 Shares

(ix) The Company is eligible to the exemption granted under Regulation 15 of SEBI(Listing Obligation and Disclosure Requirements) Regulation, 2015 however company attached herewith the Certificate on corporate Governance as Annexure - A

Pending Investors' Grievances

Any Member / Investor, whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary at the Registered Office with a copy of the earlier correspondence.

7. Means of communication

The Quarterly, Half Yearly and Annual Results are communicated to the BSE Limited, where the Company's shares are listed as soon as they are approved and taken on record by the Board of Directors of the Company. Further, the quarterly and half-yearly results are published in newspapers such as 'Pioneer' (English) and 'Pioneer' (Hindi). The results are not sent individually to the shareholders. The financial results are also displayed on the web-site of the Company at www.continentalchemicalsltd.com.

In order to redress shareholders' queries and grievances, the Company has a separate e-mail ID info@continentalsoft.com.

The Management Discussion and Analysis Report forms part of the Directors' Report.

8. Auditors' Certificate on Corporate Governance.

Auditor's Certificate on corporate governance is attached with this corporate governance report as annexure A .

9. CEO/CFO Certification

The MD and the CFO have issued certificate pursuant to the provisions of Schedule V of the listing Regulations certifying that the financial statements do not contain any untrue statements and these statements represent a true and fair view of the Company's' affairs. The said certificate is attached with this corporate governance report as Annexure B.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting:

Date 29th September, 2018
Time 4.00 PM
Venue A-7, Sector-VII, Noida
Gautam Budha Nagar,
Pin. 201301 (U.P)

Posting of Annual Reports : Till 3.09.2018
Last Date For Receipt of Proxy Forms : 27.09.2018 till 4.00PM

E-Voting Facility to members

In compliance with 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 the facility to exercise their right to vote at the 32nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL). Pursuant to the amendments made in clause 35B of the Listing Agreement by SEBI, the company has sent assent/dissent forms to the members to enable those who do not have access to e-Voting facility to cast their vote on the shareholders resolution to be passed at the ensuing Annual General Meeting, by sending their assent or dissent in writing.

Extraordinary General Meeting (EGM)

During the year under review, no Extraordinary General Meeting (EGM) has been held.
During the year under review, no resolution has been passed through the exercise of postal ballot.

Meetings for approval of quarterly and annual financial results were held on the following dates:

Quarter	Date of Board Meeting
1 st Quarter	7 th September, 2017
2 nd Quarter	14 th December, 2017

3rd Quarter 14th February, 2018
4th Quarter 21st May, 2018

Financial Calendar 2018-19 (Tentative):

Board Meetings to take on record

Financial results for Quarter ended 30.06.2018
Financial results for Quarter ended 30.09.2017
Financial results for Quarter ended 31.12.2017
Financial results for Quarter/year ended 31.03.2018
Book Closure Date

14th August, 2018
Second week of October, 2018
Second week of February, 2019
Second week of May, 2019
23rd September, 2018 to 29th September, 2018(both days inclusive)

Dividend payment date:

NO Dividend has been declared for the year ended March 31, 2018.

Listing:

Name & address of stock exchange

BSE Limited

PhirozeJeejeebhoy Towers, Dalal Street, Mumbai – 400 001

The Company has paid annual listing fee to BSE for the year 2018-19.

Stock Code:

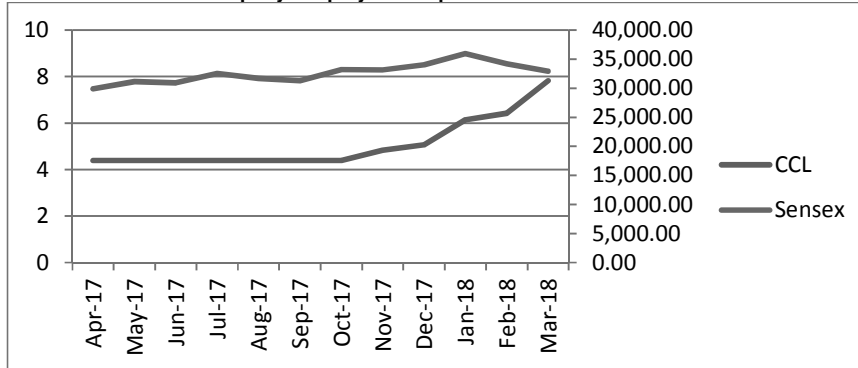
BSE Limited, Mumbai : 506935
Demat ISIN in CDSL for equity shares : INE423K01015

Market Price Data:

Monthly high and low of market price of the Company's equity shares traded on stock exchange (BSE) during 2017-18 is given as follows:

Month	Open	High	Low	Close
April	4.39	4.39	4.39	4.39
October	4.39	4.39	4.39	4.39
November	4.18	4.83	4.18	4.83
December	5.07	5.07	4.59	5.07
January	5.32	6.14	5.32	6.14
February	5.84	6.43	5.55	6.43
March	6.45	7.82	6.13	7.82

Performance of the Company's equity in comparison to BSE Sensex:



The above chart is based on the monthly closing price of the equity shares of the company at BSE and monthly closing BSE Sensex.

Share Transfer System:

The transfers are normally processed within a period of 15 days from the date of receipt if the documents are complete in all respects. Requests for dematerialization of shares are processed and confirmation is given to the respective depositories i.e. CDSL within 15 days. The connectivity with CDSL is maintained through M/s BEETAL Financial & Computer Services Pvt Ltd.. The Shareholders have the option to open account with any of the depository participants registered with CDSL. In the case of off market/ private transactions involving transfer of shares in physical form, SEBI has made mandatory for the transferee(s) to furnish copy of PAN card to the Company/RTA. The shareholders/investors are advised to comply with the same while filing transfer documents with the company/RTA.

Share Transfer Agents and Demat Registrar:

The Company has appointed M/s **BEETAL Financial & Computer Services Pvt Ltd.**, New Delhi as the Registrar & Share Transfer Agents for handling both physical share registry work and demat share registry work having their office at:

BEETAL Financial & Computer Services Pvt Ltd.
BEETAL HOUSE, 3rd Floor,
99, Madangir, behind LSC, New Delhi - 110062
Ph. 011-29961281-283 Fax 011-29961284

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants.

Regd. Office:

Continental Chemicals Limited
A-7, Sector -7,
Noida GautamBudh Nagar
U.P- 201301

Work Location:

A-7, Sector -7,
Noida GautamBudh Nagar U.P- 201301

For and on behalf of Board of Directors
Sd/-
Naresh K Chibba
Managing Director
Sd/-
Dhiraj Kumar Choudhary
Director

B. S. GOYAL & CO.
405 Skylark Building 60, New Delhi-110 019 (Mobile: 9811081491)

CERTIFICATE ON CORPORATE GOVERNANCE

Certificate on Corporate Governance to the Members of Continental Chemicals Limited.

We have examined the compliance of conditions of Corporate Governance by Continental Chemicals Ltd. for the year ended March 31, 2018 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company which are presented to Stakeholders Relationship Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For B. S. Goyal & Co.
Company Secretaries

B. S. Goyal
(Proprietor)
CP. No. 2915

Place: New Delhi
Date: 10.07.2018

Declaration Regarding Code of Conduct

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.

Sd/-

(Naresh Kumar Chibba)
Managing Director

Place: Noida
Date: 21.05.2018

CEO/CFO CERTIFICATE

The Board of Directors,
Continental Chemicals Limited

We have reviewed the financial statements and the cash flow statement of Continental Chemicals Ltd. for the year ended March 31, 2017 and to the best of our knowledge and belief:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date:21.05.2018
Place: Noida

Sd/-

Amit Kumar
Chief Financial Officer

Sd/-

Naresh K Chibba
Managing Director

B. S. GOYAL & CO.
405 Skylark Building 60, New Delhi-110 019 (Mobile: 9811081491)
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

To,
The Members,
Continental Chemicals Limited
A-7, SECTOR-7,
Noida Gautam Budh Nagar
Uttar Pradesh-201301

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Continental Chemicals Limited having its registered office at A-7, Sector-7, Noida Gautam Budh Nagar, Uttar Pradesh-201301**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial period ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Continental Chemicals Limited ("the Company") for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
- (v) Other applicable Laws to the Company.

I have also examined compliance with the applicable clauses of the following:

- (I) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (II) The Listing Agreements entered into by the Company Delhi, Kanpur and Bombay Stock Exchange (s).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Etc. mentioned above.

I further report that

The Board of Directors of the Company is consisting of Executive Directors, Non- Executive Directors and Independent Directors.

The Company has complied with the all the applicable Regulations as per the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 of listing Agreement.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance before the meeting.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no other events having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For B. S. Goyal & Co.
Company Secretaries
Sd/-

B. S. Goyal
(Proprietor)
CP. No. 2915

Place: New Delhi
Date: 10.07.2018

Note: This report should be read with our letter of even date which is annexed as Annexure A and forms are integral part of this report.

To
The Members,
Continental Chemicals Limited
A-7, SECTOR-7,
Noida Gautambudh Nagar
Uttar Pradesh-201301

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For B. S. Goyal & Co.
Company Secretaries
Sd/-
B. S. Goyal
(Proprietor)
CP. No. 2915

Place: New Delhi
Date: 10.07.2018

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF CONTINENTAL CHEMICALS LIMITED**

Report on the Ind AS Financial Statements

We have audited the accompanying financial statements of **CONTINENTAL CHEMICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereafter referred to as Ind AS Financial Statements").

Management Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143(11) of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c. The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- e. On the basis of written representations received from the directors as on March 31,2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2018 from being appointed as a director in terms of section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 24 to the Ind AS financial statements.- refer note 24 to the Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For B.K.KAPUR& Co.,
Chartered Accountants,
Firm Registration No. 00852C**

(M.S.KAPUR) F.C.A.

Place : Noida

Dated :21st May,2018

**Sd/-
Partner
M.No.074615**

“ANNEXURE A” TO THE AUDITORS’ REPORT”

(Referred to in paragraph (1) of our Report on other Legal and Regulatory requirements section of our report of even date)

1. a. The company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
 - b. The fixed assets of the company have been physically verified during the year by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
 - c. According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company.
2. Since the company does not have any inventory information required under Para 3(ii) is not being given.
3. According to information made available to us , the company has not granted any loan , secured or unsecured to companies, firms, LLPs or other parties covered in the register maintained under section 189 of the Act, accordingly Para 3(iii) (a) & (c) of the Order are not applicable to the company.
4. On the basis of information and explanation given to us, the company has not entered into transactions mentioned in section 185 and 186 of the Act, accordingly paragraph 3(iv) of the Order is not applicable.
5. On the basis of information and explanation given to us and our scrutiny of company’s records, in our opinion, the company has not accepted any public deposits.
6. To the best of our knowledge and belief and according to information given to us, Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for the products of the Company.
7. (a) According to the information and explanation given to us the company is generally regular in depositing with appropriate authorities the undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, custom duty, excise duty, value added tax, cess and any other statutory dues applicable to it. Further, there was no arrears of undisputed statutory dues outstanding as at 31stMarch, 2018 for a period of more than six month from the date they became payable.
 - (b) According to the information and explanations given to us, there are no tax dues of income-tax, sales-tax, service tax, custom duty, excise duty, value added tax which have not been deposited on account of any dispute.
8. Based on our examination and according to the information and explanation given us, the company has not defaulted in repayment of dues to banks. There are no dues to financial institution or debenture holders.
9. The company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
10. To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit for the year ended 31 March, 2018.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For B.K.KAPUR AND CO.,
Chartered Accountants
Firm Registration No. 000852C**

(M.S.KAPUR) F. C A.

Sd/-

**(Partner)
Membership No: 074615**

**PLACE: NOIDA
DATED:21/05/2018**

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of CONTINENTAL CHEMICALS LIMITED ("the Company") as at 31 March, 2018 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For B.K.KAPUR AND CO.,
Chartered Accountants,**

Firm Registration No. 000852C

PLACE: NOIDA

DATED:21-05-2018

**Sd/-
(M.S.KAPUR) F. C A.
(Partner)
Membership No: 074615**

CONTINENTAL CHEMICALS LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2018

(Amt. in Rs.)

Particulars	Note No.	Figures as at the end of the Current reporting period i.e.31st March 2018	Figures as at the end of the previous reporting period i.e.31st March 2017	Figures as at the beginning of transition period i.e 01st April 2016
<u>ASSETS</u>				
(1) Non-current assets				
Share Capital				
(a) Property, Plant and Equipment	4	1,85,55,557.00	1,91,12,867.35	1,97,89,576.06
(b) Other non-current assets	5	74,66,130.47	66,43,285.00	53,79,980.00
Current assets				
(2) (a) Financial Assets	6	5,73,682.47	-	-
(i) Trade receivables	7	12,51,209.41	3,42,494.36	2,15,349.00
(ii) Cash and cash equivalents	8	6,32,112.75	4,60,470.00	6,03,722.00
(b) Other current assets				
Total Assets		2,84,78,692.10	2,65,59,116.70	2,59,88,627.06
EQUITY AND LIABILITIES				
Equity		99,90,000.00	99,90,000.00	99,90,000.00
(a) Equity Share Capital	9	53,99,110.57	50,18,693.53	46,57,774.06
(b) Other Equity	10			
Liabilities				
Non- Current Liabilities				
(1) (a) Financial Liabilities		14,45,578.00	14,45,578.00	10,96,357.00
(i) Borrowings	11			
(b) Provisions	12	6,65,877.00	6,53,890.00	5,97,640.00
(c) Deferred tax liabilities (Net)	13	6,30,222.26	4,91,612.05	3,38,224.00
Current Liabilities				
(2) (a) Financial Liabilities	14	25,08,383.00	10,00,665.00	15,80,914.00
(i) Other financial liabilities	15	76,75,795.94	78,00,898.12	73,89,817.00
(b) Other current liabilities	12	55,586.00	53,250.00	51,006.00
(c) Provisions	16	1,08,139.32	1,04,530.00	2,86,895.00
(d) Current tax Liabilities (Net)				
Total Equity and Liabilities		2,84,78,692.10	2,65,59,116.70	2,59,88,627.06

AS PER OUR REPORT OF EVEN DATE ATTACHED

Significant Accounting Policies

And notes on accounts forming part of the Financial Statements

For BK Kapur & Co.
Chartered Accountants
Firm Reg.No.: 000852C

Sd/-
(M.S.KAPUR) F. C A Partner
Membership No: 074615
Date: 21-05-2018

Sd/-
Naresh K Chibba
Managing Director

Sd/-
Dhiraj Kumar Choudhary
Director

Sd/-
Pratima Agarwal
Company Secretary

Sd/-
Amit Kumar
Chief Financial officer

CONTINENTAL CHEMICALS LIMITED

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st March, 2018

(Amt. in Rs.)

	Note No.	Figures for the Current re porting period 31.03.2018	Figures for the previous reporting period 31.03.2017
Revenue:			
I. Revenue from operations	17	61,09,373.49	59,66,041.00
II. Other income	18	37,64,397.37	39,39,668.00
III. Total Income (I+II)		98,73,770.86	99,05,709.00
IV. Expenses:			
Employees benefit Expenses	19	43,01,639.68	53,34,072.76
Processing Fees for listing on BSE		2,50,000.00	2,00,000.00
Finance Costs	20	61,174.66	83,513.61
Depreciation and Amortization of Expenses	4	6,73,902.18	6,76,709.00
Other Expenses	21	40,19,542.80	30,76,801.16
Total Expenses (IV)		93,06,259.32	93,71,096.53
V. Profit/(loss) before exceptional items and tax (I-IV)		567,511.54	5,34,612.47
VI. Exceptional items		-	-
VII. Profit/ (loss) before tax (V-VI)		567,511.54	5,34,612.47
VIII. Tax Expense:			
(1) Current Tax	22	1,08,139.32	1,04,530.00
Less :- MAT Credit Receivable		-	1,04,530.00
(2) Deferred Tax		120,834.00	1,50,861.00
IX Profit (Loss) for the period from continuing operations (VII-VIII)		3,38,538.21	3,83,751.47
X Profit/(loss) from discontinued operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII Profit/(loss) for the period (IX+XII)		3,38,538.21	3,83,751.47
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		59,716.00	8,454.00
(ii) Income tax relating to items that will not be reclassified to profit or loss		(17837.17)	(2,525.00)
XIV			
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income		41878.83	5,929.00
Earnings per equity share (for continuing operation):			
(1) Basic		0.38	0.39
XVI (2) Diluted		0.38	0.39

Significant Accounting Policies
and Notes Forming Part of The Financial Statements

AS PER OUR REPORT OF EVEN DATE ATTACHED

For BK Kapur & Co.
Chartered Accountants
Firm Reg.No.: 000852C
Sd/-
(M.S.KAPUR) F. C A Partner
Membership No: 074615
Date: 21/05/2018

Sd/-
Naresh K Chibba
Managing Director

Sd/-
Dhiraj Kumar Choudhary
Director

Sd/-
Pratima Agarwal
Company Secretary

Sd/-
Amit Kumar
Chief Financial officer

CONTINENTAL CHEMICALS LIMITED

Other Equity

Particulars	Securities Premium Reserve	Revaluation Reserve	Retained Earnings	Other Comprehensive Income	Total Other Equity
Balance as at 01.04.2017	-	-	50,18,693.53		50,18,693.53
Changes in equity during the year ended 31st March,2018					
Profit for the year			3,38,538.21		3,38,538.21
Other Comprehensive income/(loss) for the year				41,878.83	41,878.83
Transfer from/to other comprehensive income/retained earnings			41,878.83	(41,878.83)	
Balance as at 31st March, 2018			53,99,110.57	-	53,99,110.57

Other Equity

	Securities Premium Reserve	Revaluation Reserve	Retained Earnings	Other Comprehensive Income	Total Other Equity
Balance as at 01.04.2016	-	-	46,57,774.06		46,57,774.06
Less Prior period Adjustment			(28761.00)		(28761.00)
Changes in equity during the year ended 31st March,2017					
Profit for the year			3,83,751.47		3,83,751.47
Other Comprehensive income/(loss) for the year				5,929.00	5,929.00
Transfer from/to other comprehensive income/retained earnings			5,929.00	(5,929.00)	-
Balance as at 31st March, 2017			50,18,693.53	-	50,18,693.53

In term of our report attached
For B K Kapur & Co.
 Chartered Accountants
 Firm Reg.No.: 000852C

Sd/-
Naresh K Chibba
 Managing Director

Sd/-
Dhiraj Kumar Choudhary
 Director

Sd/-
(M.S.KAPUR) F. C A Partner
 Membership No: 074615
 Date: 21/05/2018

Sd/-
Sd/-
Pratima Agarwal
 Company Secretary

Sd/-
Sd/-
Amit Kumar
 Chief Financial officer

CONTINENTAL CHEMICALS LIMITED

Notes to standalone financial statements for the year ended 31 March 2018

1. Corporate information

Continental Chemicals Ltd.(CCL)is a public limited company incorporated and domiciled in India. The registered office of the Company is situated at A-7 sector -7, Noida-201301 (U.P.) India.

The Company's shares are listed on the Bombay Stock Exchange and National Stock Exchange of India Ltd. The Company is engaged in the business of Computer Programming, consultancy and related activities.

Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2018 are the first the Company has prepared in accordance with Ind AS. (Refer Note 4.1 for information on how the Company has adopted Ind AS.)

The Company has adopted all the "Ind AS standards and the adoption was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in note 4.3 and 4.4.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments (including derivative instruments) which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The financial statements are presented in Indian rupees (INR) and all values are are presented in full, except otherwise indicated.

2. Summary of significant accounting policies

2.1 Current Vs Non- current classification

The company presents assets and liabilities in the Balance Sheet base on current/non-current classification.

An asset is current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current

A liability is current when it is:

- i) Expected to be settled in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are treated as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

CONTINENTAL CHEMICALS LIMITED

Notes to standalone financial statements for the year ended 31 March 2018

2.2 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms and inclusive of excise duty, taking into account contractually defined terms of payment excluding taxes or duties collected on behalf of the government.

Income from project and services

Revenue from long term service contracts is recognized using the proportionate completion method, and recognised net of service tax. Completion is determined as a proportion of cost incurred till date to the total estimated contract cost. Provision is made for any loss in the period in which it is foreseen. Billing in excess of contract revenue has been reflected as 'Billing in excess of revenues' under 'Other liabilities' in the Balance Sheet. In case of contracts where payments have been received in advance, revenue is deferred until the related service is complete as per the terms of the agreement with the customers and shown as "Unbilled revenue" under other current assets.

In case of other service contracts, revenue is recognized when services are rendered. In case of services are rendered as per the terms of contract."

Interest income

Interest income is recognized using effective interest method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but doesn't consider the expected credit losses. Interest income is included in the other income in the Statement of Profit and Loss."

Dividend income

Dividend income from investments is recognized when the shareholder's rights to receive payment have been established.

2.3 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.4 Property, plant and equipment (PPE) and Investment property

Under the previous GAAP (Indian GAAP), fixed assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs, if capitalization criteria are met directly attributable cost of bringing the asset to its working condition for the intended use.

Property, plant and equipment are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). All significant costs relating to the acquisition and installation of property, plant and equipment are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Profit and Loss during the financial period in which they are incurred.

Borrowing cost relating to acquisition / construction of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Depreciation and Amortisation

Depreciation is charged on the basis of useful life of assets on Straight line method which are as follows:-

Asset Category	Life in Year	Basis for useful life
Building		
Air conditioner		Life as prescribed under Schedule-II of Companies Act, 2013
Generator		
Plant & Machinery		
Furniture & Fixtures		
Office Equipments		
Electrical Installations		
Vehicles		
Computers	5	Based on internal assessment by technical personal
Software	7	

Freehold land is carried at cost.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognized of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.5 Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Intangible assets with finite life are amortized on a written down value basis over the estimated useful economic life of 7 years.

2.6 Employees benefits

Short term employee benefits

Short term benefits comprise of employee costs such as salaries, bonuses, and accumulated absents are accrued in the year in which the associated services are rendered by employees of the Company and are measured at the amounts expected to be paid when the liabilities are settled.

The liabilities are presented as current employee benefit obligations in the balance sheet."

Compensated absences

Provision for compensated absence is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefits.

Other long term employee benefits

The liabilities which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are classified as long term employee benefits. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields of Indian Government at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss."

Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity and
- (b) defined contribution plans such as provident fund."

(a) Gratuity

The Company has unfunded benefit plans in the form of post retirement gratuity. The liability or asset recognised in the balance sheet in respect of defined benefit is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, if any. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost."

(b) Defined contribution plan

A defined contribution plan is a plan under which the Company pays fixed contributions into an independent fund administered by the government. The entity has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution. Contributions to provident fund, labour welfare fund and employee state insurance are deposited with the appropriate authorities and charged to the Statement of Profit and Loss on accrual basis. The Company has no further obligations under these plans beyond its monthly contributions."

2.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.8 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement..

For arrangements entered into prior to the date of transition, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

The Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Assets acquired on leases where substantial risks and rewards incidental to ownership are not transferred to the Company are classified as operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term after considering effects of escalation unless the payments are structured to increase in line with general inflation to compensate for lessors expected inflationary cost increase.

The Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments are structured to increase in line with general inflation to compensate expected inflationary cost increase. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership are transferred from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.9 Earnings per share

"Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.10 Segment reporting

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

In accordance with the Ind-As 108 -" Operating segments" , the company has determined its business segment as business process outsourcing. Since there are no other business segments in which the company operates, there are no reportable segments. Therefore, the segment revenue, results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statement.

2.11 Taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing and applicable for the relevant assessment year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income taxes are recognised for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their tax bases in the financial statements. The effect on deferred tax assets and liabilities of a change in the tax rates is recognised using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

"The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Impairment of non-financial assets

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately

2.12 Provisions, contingent liabilities, contingent assets and commitments

A provision are recognised when there is a present legal or constructive obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, and in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. A disclosure for a contingent liability is made where there is a possible obligation arising out of past event, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising out of past event where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.13 Foreign currency transactions

The standalone financial statements are presented in currency INR, which is also the functional currency of the Company. Functional currency is the currency of the primary economic environment in which the entity operates.

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

2.14 Fair value measurement

The Company measures financial instruments, such as, investments and derivatives, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- > In the principal market for the asset or liability, or
- > In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- > Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- > Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- > Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted/quoted financial assets measured at fair value.

External valuers are involved for valuation of unquoted financial assets and financial liabilities. Involvement of external valuers is decided upon annually by the Management. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with The Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on a yearly basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

A) Debt instruments

i) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to loans, security deposits given, trade and other receivables.

ii) Debt instrument at FVTOCI

A debt instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has not classified any financial asset into this category.

iii) Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

B) Equity instruments

All equity instruments are subsequently measured at fair value in the balance sheet, with value changes recognised in statement of profit and loss, except for those equity instruments for which the Company has elected to present value changes in "other comprehensive income". If an equity instrument is not held for trading, the Company may make an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income. The Company makes such election on an instrument by instrument basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, The Company may transfer the cumulative gain or loss within equity.

The Company has elected to present all equity instruments, other than those in subsidiary, through FVTPL and all subsequent changes are recognized in Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- > The rights to receive cash flows from the asset have expired, or
- > The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure;

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances
- b. Financial assets that are debt instruments and are measured as at other comprehensive income (FVTOCI)
- c. Lease receivables under Ind AS 17
- d. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- > Trade receivables or contract revenue receivables; and
- > All lease receivables resulting from transactions within the scope of Ind AS 17

Under the simplified approach the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period the credit risk reduces since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed. The Company has presumed that default doesn't occur later than when a financial asset is 90 days past due.

ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / (expense) in the statement of profit and loss (P&L). This amount is reflected under the head " Other Expense" in the P&L. The impairment loss is presented as an allowance in the Balance Sheet as a reduction from the net carrying amount of the trade receivable, loan, deposits and lease receivable respectively.

Financial liabilities

Initial recognition and measurement

All financial liabilities are initially recognised at fair value. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdraft and derivative financial instruments.

Subsequent measurement

Subsequent measurement of financial liabilities depends on their classification as fair value through Profit and loss or at amortized cost.

All changes in fair value of financial liabilities classified as FVTPL is recognized in the Statement of Profit and Loss. Amortised cost category is applicable to loans and borrowings, trade and other payables. After initial recognition the financial liabilities are measured at amortised cost using the EIR method. Gains and losses are recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are integral part of the EIR. The EIR amortization is included as finance cost in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial instruments

After initial recognition, no reclassification is made for financial assets which are equity instruments. For financial assets, which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Company reclassifies the financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in the business model.

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.16 Related party transactions

Disclosure of transactions with Related Parties, as required by Ind-As 24 "Related Party Disclosures" has been set out in a separate note. Related parties as defined under Ind-As 24 have been identified on the basis of representations made by key managerial personnel and information available with the Company.

CONTINENTAL CHEMICALS LIMITED

Notes to standalone financial statements for the year ended 31 March 2018

3 Explanatory notes to first time adoption of Ind AS

These financial statements of Continental Chemicals Limited ('the Company') for the year ended 31 March 2018 have been prepared in accordance with Ind AS. This is Company's first set of standalone financial statements prepared in accordance with Ind AS for period upto and included the year ended 31 March 2017, the Company prepared its financials statements in accordance with Accounting Standards as notified under section 133 of the Companies Act 2013, read with paragraph 7 of Companies (Accounts) Rules 2014 (Indian GAAP), accordingly the Company has prepared its first of financials statement that comply Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed under Ind AS 101- First Time adoption of Indian Accounting Standard, with 1 April 2015 as the transition date.

The transition to Ind AS has resulted in the changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies in note 3 have been applied in preparing the financial statements for the year ended on 31 March 2018. This note explains the principal adjustments made by the Company in restating its IGAAP financial statements including balance sheet as at 1 April 2015 and financials statements as at and for the period ended 31 March 2016. Further, exemption on first time adoption of Ind AS availed in accordance with Ind AS have been set out in note 4.1.

3.1 Ind AS optional exemption and exceptions availed:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following Ind AS 101 exemptions from the transition date i.e. 01 April 2015 :

- a) The Company has elected to avail exemption under Ind AS 101 to use Indian GAAP carrying value as deemed cost at the date of transition for all items of property, plant and equipment, intangible assets and investment properties as per the statement of financial position prepared in accordance with Indian GAAP.

- b) "Estimates:

The estimates as at 01 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

Impairment of financial assets based on the risk exposure and application of expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 01 April 2015, the date of transition to Ind AS, 31 March 2016 and as of 31 March 2017."

- c) Ind AS 109: Designation of previously recognized financial instruments: Financial assets and financial liabilities are classified as fair value through profit and loss or fair value through other comprehensive income based on facts and circumstances as at the date of transition to Ind AS. Financial assets and liabilities are recognized at fair value as at the date of transition to Ind AS and not from the date of initial recognition.
- d) "The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition. Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well."
- e) At the date of transition to Ind AS, determining whether there has been a significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Company has recognized a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognized.

3.2 Significant accounting estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

CONTINENTAL CHEMICALS LIMITED

Note 4

Particulars	Gross Block As on	Additions During	Disposal During	Any other	Gross Block As on	Accumulated Depreciation UPTO	Depreciation	Accumulated Depreciation UPTO	Net Block	
	01.04.2016	The Year	The Year	Adjustments	31.03.2017	31.03.2016	For the Year	31.03.2017	As On 31.03.2017	As On 31.03.2016
Lease Hold Land	1,356,267	-	-	-	1,356,267	-	-	-	1,356,267	1,356,267
Office Building	16,218,104	-	-	-	16,218,104	-	282,233	282,233	15,935,871	16,218,104
Furniture & Fixture	-	-	-	-	-	-	-	-	-	-
Vehicles	37,200	-	-	-	37,200	-	-	-	37,200	37,200
Vehicles II	1,913,443	-	-	-	1,913,443	-	299,175	299,175	1,614,268	1,913,443
Office Equipments I	-	-	-	-	-	-	-	-	-	-
BLOCK-II	133,415	-	-	-	133,415	-	45,905	45,905	87,510	133,415
Electrical Fitting & Equipments	-	-	-	-	-	-	-	-	-	-
BLOCK-II	43,818	-	-	-	43,818	-	4,695	4,695	39,123	43,818
Computer	-	-	-	-	-	-	-	-	-	-
Block I	-	-	-	-	-	-	-	-	-	-
Block II	2,064	-	-	-	2,064	-	-	-	2,064	2,064
Block III	85,266	-	-	-	85,266	-	44,701	44,701	40,565	85,266
Total	19,789,577				19,789,577		676,709	676,709	19,112,868	19,789,577

CONTINENTAL CHEMICALS LIMITED

Note # 4

Particulars	Gross Block	Additions	Disposal	Any other	Gross Block	Accumulated	Depreciation	Accumulated	Net Block	
	As on								During	During
	01.04.2017	The Year	The Year		31.03.2018	UPTO	For the Year	UPTO	31.03.2018	31.03.2018
						31.03.2017		31.03.2018		
Lease Hold Land	1,356,267	-	-	-	1,356,267	-	-	-	1,356,267	1,356,267
Office Building	16,218,104	-	-	-	16,218,104	282,233	282,234	564,467	15,653,637	16,218,104
Furniture & Fixture	-	-	-	-	-	-	-	-	-	-
Vehicles	37,200	-	-	-	37,200	-	-	-	37,200	37,200
Vehicles II	1,913,443	-	-	-	1,913,443	299,175	299,175	598,350	1,315,093	1,913,443
Office Equipments I	-	-	-	-	-	-	-	-	-	-
BLOCK-II	133,415	-	-	-	133,415	45,905	53,141	99,046	34,369	133,415
Electrical Fitting & Equipments	-	-	-	-	-	-	-	-	-	-
BLOCK-II	43,818	86,560.00	-	-	130,378	4,695	4,695	9,390	120,988	43,818
Computer	-	-	-	-	-	-	-	-	-	-
Block I	-	-	-	-	-	-	-	-	-	-
Block II	2,064	-	-	-	2,064	-	-	-	2,064	2,064
Block III	85,266	-	-	-	85,266	44,701	34,658	79,350	5,907	85,266
Total	19,789,577	86,560			1,98,76,137	676,709	673,902	1350,611	18,525,526	19,789,577

CONTINENTAL CHEMICALS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018 (Amt. in Rs.)

AS AT 31.03.2018 AS AT 31.03.2017 AS AT 01.04.2016

NOTE - 5: OTHER NON CURRENT ASSET

a) Capital Advances	64,97,122.47	5,709,575.00	45,55,000.00
b) Security Deposits	285,256.00	249,958.00	245,758.00
c) MAT Receivable	683,752.00	683,752.00	579,222.00
	7,466,130.47	6,643,285.00	5,379,980.00

NOTE - 6: TRADE RECEIVABLES

a) Secured, Considered good :	-	-	-
b) Unsecured, Considered good :	573,682.47	-	-
	573,682.47	-	-

NOTE - 7: CASH & CASH EQUIVALENT

a) Balances with Banks	1,089,122.69	312,850.36	213,261.00
b) Cash on hand	162,086.72	29,644.00	2,088.00
	1,251,209.41	342,494.36	215,349.00

NOTE - 8: OTHER CURRENT ASSETS

a) Prepaid Expenses	8,872.75	53,186.00	18,756.00
b) TDS Receivable	623,240.00	407,284.00	584,966.00
	632,112.75	460,470.00	603,722.00

NOTE - 9: EQUITY SHARE CAPITAL**Authorised**

30,00,000 Equity Shares of Rs. 10 each 30,000,000.00 30,000,000.00 30,000,000.00

Issued

999,000 Equity Shares of Rs.10 each. 9,990,000.00 9,990,000.00 9,990,000.00

Subscribed & Fully Paid up

999,000 Equity Shares of Rs.10 each fully paid up. 9,990,000.00 9,990,000.00 9,990,000.00

9,990,000.00 9,990,000.00 9,990,000.00

Shares in the company held by each shareholders holding more than 5% shares

As at 31.03.2018		
Name of Equity Shareholders	No. of Shares	% Holding
		held
Naresh Kumar Chibba	133,110.00	13.32

As at 31.03.2017		
Name of Equity Shareholders	No. of Shares	% Holding
		held
Naresh Kumar Chibba	133,110.00	13.32

There are Nil number of shares (Previous Year Nil) reserved for issue under option and contracts/commitment for the sale of shares /disinvestment including the terms and amounts.

For the period of five years immediately preceding the date at which the balance sheet is prepared

Particulars

Aggregate number and class of shares allotted as fully paid up pursuant to Contract(s)

without payment being received in cash

Aggregate number and class of shares allotted as fully paid up by way of bonus shares

Aggregate number and class of shares bought back

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

Reconciliation of No. of Shares Outstanding:		
Shares outstanding at the beginning of the year	999,000.00	999,000.00
Shares Issued during the year	-	-
Shares outstanding at the end of the year	999,000.00	999,000.00

Terms & Conditions of Equity Shares

The Company has one class of Equity Shares having a par value of Rs.10/- each.

Each Shareholder is eligible for one vote per shares held.

The Dividend, if any, proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting, except in the case of interim dividend.

In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all

Preferential amounts, in proportion of their shareholding.

CONTINENTAL CHEMICALS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018 (Amt. in Rs.)

NOTE -10: OTHER EQUITY

	AS AT 31.03.2018	AS AT 31.03.2017
Retained earnings		
Balances as per last Balance sheet	5,018,693.53	4,657,774.06
Add/Less : Prior Period Adjustments		(28,761.00)
Add: Profits for the year	380,417.04	389,680.47
Closing balance	5,399,110.57	5,018,693.53

	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
<u>NOTE - 11 : FINANCIAL LIABILITIES (NON CURRENT ASSETS)</u>			
<i>Borrowings (Secured)</i>			
a)Term loans from banks	1,445,578.00	1,445,578.00	1,096,357.00
	1,445,578.00	1,445,578.00	1,096,357.00

Terms & Conditions of Secured Loans**a) Security Clauses:**

b) Bank loan from ICICI bank is secured by mortgage of flat financed by them

c) Rate of Interest

10.25%

Installment will start from the year in which possession of flat is obtained in 120 monthly installments

NOTE - 12 : PROVISIONS

Provision for gratuity

Non Current	665,877.00	653,890.00	597,640.00
Current	55,586.00	53,250.00	51,006.00
	721,463.00	707,140.00	648,646.00

NOTE - 13: DEFERRED TAX

Deferred Tax Liabilities	609,860.09	489,085.00	338,224.00
Deferred Tax liability on remeasurement	20,362.17	2,525.00	-
Net Deferred Tax Assets/Liabilities	630,222.26	491,610.00	338,224.00

NOTE - 14: OTHER FINANCIAL LIBILITIES

Current maturities of long-term debt;	-	-	620,202.00
Interest accrued but not due on Borrowings	175,283.00	130,665.00	90,712.00
Security Deposits	2,333,100.00	870,000.00	870,000.00
	2,508,383.00	1,000,665.00	1,580,914.00

NOTE - 15 : OTHER CURRENT LIABILITIES

Advances from customers	3,000,000.00	3,000,000.00	3,000,000.00
Statutory Liabilities	185,275.18	28,761.00	56,026.00
Liability for Expenses	706,593.00	988,209.36	549,863.00
Other Expenses	3,783,927.76	3,783,927.76	3,783,928.00
	7,675,795.94	7,800,898.12	7,389,817.00

NOTE - 16: CURRENT TAX LIABILITIES(NET)

Income Tax	108,139.32	104,530.00	286,895.00
	108,139.32	104,530.00	286,895.00

CONTINENTAL CHEMICALS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018 (Amt. in Rs.)

	FOR THE YEAR ENDED 31.03.2018	FOR THE YEAR ENDED 31.03.2017
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NOTE - 17 : REVENUE FROM OPERATIONS

Sale of Services	6,109,373.49	5,966,041.00
	6,109,373.49	5,966,041.00

NOTE - 18: OTHER INCOME

Rental Income	3,607,273.00	2,839,805.00
Miscellaneous Income	-	1,093,573.00
Other Income	157,124.37	6,290.00
	3,764,397.37	3,939,668.00

NOTE - 19: EMPLOYEE BENEFIT EXPENSES

Salary & Allowances	4,301,639.68	5,334,072.76
	4,301,639.68	5,334,072.76

NOTE - 20: FINANCE COSTS

Interest Expenses	61,174.66	83,513.61
	61,174.66	83,513.61

NOTE - 21: OTHER EXPENSES**Administrative and Other Expenses**

Electricity Expenses	224,233.00	290,265.26
Security Service Charges	216,000.00	216,000.00
Vehicle Running & Maintenance	66,190.50	42,535.22
Repair & Maintenance	1,607,467.83	317,469.00
Office Expenses	236,800.00	10,673.60
Computer Repair & Maintenance	126,504.00	60,433.50
Legal & Professional Charges	457,203.40	372,804.00
ROC Fees	16,313.80	3,113.00
Business Promotion	2,741.07	245,821.00
Travelling and Conveyance Expenses	73,438.85	66,386.00
Accounting charges	20,000.00	260,757.00
Insurance Expenses	67,436.25	51,061.75
Audit Fees	42,500.00	40,000.00
Advertisement & Publicity	42,200.10	44,144.00
Misc. Expenses	63,534.04	235,927.13
Telephone & Fax Charges	220,770.09	226,523.70
AGM Expenses	17,760.00	22,360.00
Printing & Stationery	39,639.68	154,326.00
Courier, Postage & Registries	50,505.00	301,580.00
Commission Charges	387,700.00	-
Service tax	2,036.00	5,250.00
Software expenses	24,419.86	55,970.00
Exchange Fluctuation	8,669.33	53,401.00
Income Tax Paid	5,480.00	-
	4,019,542.80	3,076,801.16

Note No.: 22 Tax expense

Particulars	As at	As at
	31st March, 2018	31st March, 2017
Current tax	108,139.32	104,530.00
Deferred tax	120,834.00	150,861.00
Minimum Alternate tax (MAT) Credit entitlement	-	(104,530.00)
Income tax for earlier year		
Total	228,973.32	150,861.00
Reconciliation of tax expenses		
Profit before tax	338,538.21	534,612.47
Applicable tax rate % (33.06%)		
Computed tax expenses	101,866.15	160,864.89
Adjustments for :		
tax impact of loss	268,966.48	123,642.49
Tax expenses of deduction claimed	(171,215.11)	(151,176.04)
other	29,355.80	17,529.66
Net adjustments	127,107.17	(10,003.89)
Tax Expenses	228,973.32	150,861.00

Note no.: 23

- a. All the Current Assets, Loans and Advances, in the opinion of the Board, have a value on Realization which in the ordinary course of business shall at least be equal to the amount at Which it is stated in the Balance Sheet.
- b. There is no dues from Micro, Small and Medium Enterprises
- c. In terms of Ind AS 36 on impairment of assets, there was no impairment indicators exist as of reporting date as per the internal management estimates done and hence no impairment charge is recognized during the year under review.
- d. **Employee Benefits:**

As per Indian Accounting Standard – 19 “Employees Benefits”, the disclosures of Employees Benefits are as follows:

Gratuity

The gratuity plan is governed by the payment of Gratuity Act 1972, under the said Act an employee who has completed five years of service is entitled to specific benefit. The gratuity plan provides a lump sum payment to employees at retirement death, incapacitation or termination of employment. The level of benefits provided depends on the member’s length of service and salary at retirement age.

(i) Detail of unfunded post retirement Defined Benefit obligations are as follows:

Employee benefits in respect of Gratuity and Leave Encashment are based on actuarial valuation as on 31st March 2018. The details are given below:

Particulars	31.03.2018	31.03.2017
A) Change in the Present Value of obligation		
a) Present Value of obligation as at 1 st April 2017	7,07,140	6,48,646
b) Interest Cost	52,399	45,081
c) Past Service Cost	-	-
d) Current Service Cost	21,640	21,866
e) Benefits Paid	(0)	0
f) Actuarial Loss/(Gain)	(59,716)	(8,454)
g) Present Value of Obligation as at 31 st March 2018		
Current Liability	55,586	53,250
Non - Current Liability	6,65,877	6,53,890
B) Change in Fair Value of Plan Assets		
C) Amount recognized in Balance Sheet (A-B)	7,21,463	7,07,140
D) Expenses recognized in the Profit & Loss Account		
a) Current Service Cost	21,640	21,866
b) Past Service Cost		
c) Interest Cost	52,399	45,081
E) Expenses recognized in Other Comprehensive Income		
a) Actuarial Loss/(Gain)	(59,716)	(8,454)
Net Cost		
b) Details of Plan Assets		
c) Actuarial Assumptions		
a) Discount Rate	7.41%	7.41%
b) Rate of escalation in Salary (Per Annum)	5.00%	5.00%
c) Mortality Table	IALM (2006 - 08)	IALM (2006 - 08)
d) Retirement Age (Years)	65	65

e. Related Party Disclosures:-

The disclosures in respect of Related Parties as required under IndAS 24 'Related Party Disclosures' is stated herein below:

- (i) **Parties where control exists** **NIL**
- (ii) **Other related parties where transaction have taken place during the year**

a. Key Management Personnel (KMP):

Naresh Kumar Chibba	: Managing Director
Sunaina Chibba	: Director
Pradeep Kumar Chopra	: Director
Akshat Bhaskar	: Director
Dhiraj Kumar Choudhary	: Director
Pratima Agarwal	: Company Secretary
Amit Kumar	: CFO
Ram Kumar	: CFO (upto April 2017)

b. Enterprises where Significant Influence exists :

Interads E Communications Limited
Continental Software Solution Limited.

c. Details of Transactions with the above related parties in the ordinary course of business:-

Name Of Enterprises	Transactions during the year	Amount Of Transactions (Rs)		Outstanding Balances Rs.		
		Year Ended 31.03.2018	Year Ended 31.03.2017	As at 31.03.2018	As at 31.03.2017	
Interads Communications Ltd.	E Export Sales	61,05,137	59,59,041	4,11,853.47	NIL	
Key Management Personnel (KMP)						
Naresh Kumar Chibba	Remuneration & Perquisites	12,40,548	12,40,548	Remuneration Payable	84953	84760
Pratima Agarwal	Remuneration & Perquisites	2,97,500	2,77,070	Remuneration Payable	25000	24194
Ram Kumar	Remuneration & Perquisites	19,167	3,00,000	Remuneration Payable	NIL	25000
Amit Kumar	Remuneration & Perquisites	2,71,429	NIL	Remuneration Payable	25000	NIL

f. Auditors' Remuneration:

Particulars	(Rs. in lakhs)	
	Current Year	Previous Year
(a) As Statutory Auditors	42500	40000
(b) For Tax Audit	-	-
(c) For Taxation Matters	-	-
(d) For other Matters	-	-
Total	42500	40000

g. Earnings per share (EPS)

Particulars	Current Year	Previous Year
a) Profit / (Loss) attributable to the Equity Shareholders (Rs. in lakhs)	3,80,417.04	3,89,680.47
b) Weighted average number of equity shares outstanding	999000	9,99000
i) <u>Basic:</u> Weighted average number of equity shares at the end		
c) ii) <u>Diluted</u> Weighted average number of shares as in b(i)	999000	999000
d) Paid up value of share	9990000	9990000
e) Basic Earnings per share(Rs)(a/bi)	0.38	0.39
f) Diluted Earnings per share (Rs.) (a/bii)	0.38	0.39

CONTINENTAL CHEMICALS LIMITED

Notes to standalone financial statements for the year ended 31 March 2018

24. Capital management

The Company's capital management objective are to ensure Company's ability to continue as a going concern as well to create value for shareholders by facilitating the meeting of long term and short term goals of the Company. The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through cash generated from operations, long term and short term bank borrowings. The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments. The table below summarises the capital, net debt and net debt to equity ratio of the company.

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	
Equity share capital	9,990,000	9,990,000	9,990,000	
Other equity	5,357,232	5,018,694	4,657,775	
Total equity	15,347,232	15,008,694	14,647,775	
Non-current borrowings	1,445,578	1,445,578	1,096,357	-
Short term borrowings	-	-	-	-
Current maturities of long term borrowings (refer note 29)	-	-	-	-
Gross Debt	1,445,578	1,445,578	1,096,357	-
Gross debt as above	1,445,578	1,445,578	1,096,357	-
Less: Cash and cash equivalents	1,251,209	342,494	215,349	-
Less: Margin money with banks against working capital facilities	-	-	-	-
Net Debt	194,369	1,103,084	881,008	-
Net debt to equity	0.013	0.073	0.060	-

25. Fair value measurement

(a) The carrying value and fair value of financial instruments by categories as of 31 March 2018 is as follows :

Particulars	Fair value through other comprehensive income	Fair value through other profit & loss	Amortised Cost
Financial assets			
Trade receivables		-	573,682
Cash and cash equivalents		-	1,251,209
Others financial assets		-	632,113
	-	-	2,457,005
Financial liabilities			
Borrowings		-	1,445,578
Other financial liabilities		-	609,919
	-	-	2,055,497

(b) The carrying value and fair value of financial instruments by categories as of 31 March 2017 is as follows :

Particulars	Fair value through other comprehensive income	Fair value through other profit & loss	Amortised Cost
Financial assets			
Cash and cash equivalents		-	342,494
Others financial assets		-	460,470
	-	-	802,964
Financial liabilities			
Borrowings		-	1,445,578
Other financial liabilities		-	519,293
	-	-	1,964,871

(c) The carrying value and fair value of financial instruments by categories as of 31 March 2016 is as follows:

Particulars	Fair value through other comprehensive income	Fair value through other profit & loss	Amortised Cost
Financial assets			
Cash and cash equivalents		-	215,349
Others financial assets		-	603,722
	-	-	819,071
Financial liabilities			
Borrowings	-	-	1,096,357
Other financial liabilities	-	-	338,224
	-	-	1,434,581

"The carrying amounts of trade payables and other payables, working capital borrowing current loan and cash & cash equivalents are considered to be the same as fair value, due to short term in nature

26. Fair value hierarchy**(a) Financial assets and liabilities measured at fair value**

Particulars	As at 31 March 2018			
	Level 1	Level 2	Level 3	Total
Assets				
Investments equity instruments (other than investments in subsidiaries)			-	-
Derivative instrument	-	-	-	-
Total	-	-	-	-
Particulars	As at 31 March 2017			
	Level 1	Level 2	Level 3	Total
Assets				
Investments equity instruments (other than investments in subsidiaries)	-	-	-	-
Derivative instrument	-	-	-	-
Total	-	-	-	-
Particulars	As at 31 March 2016			
	Level 1	Level 2	Level 3	Total
Assets				
Investments equity instruments (other than investments in subsidiaries)			-	-
Derivative instrument	-	-	-	-
Total	-	-	-	-

27. The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk. Company's principal financial liabilities comprises, loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liability is to finance company's operation. Company's principal financial asset include loan to subsidiaries, investments, trade and other receivables, security deposits and cash and cash equivalent, that directly derive from its business.

(a) Credit Risk

Credit Risk in case of the company arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Credit Risk Management

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits etc. the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 March 2018, as summarised below:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Cash and cash equivalents	1,251,209	342,494	215,349	-
Trade receivables	573,682	-	-	-
	1,824,892	342,494	215,349	-

The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties only.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

(i) Financing arrangements

The Company has no undrawn borrowing facilities at the end of the reporting period:

(ii) Maturities of financial liabilities

31 March 2018	Less than 1 year	Over 1 and less than 3 year	Over 3 and less than 5 year	More than 5 years	Total
Non-derivatives					
Borrowings	-	-	-	1,445,578	1,445,578
Security deposits	2,333,100	-	-	-	2,333,100

31 March 2017	Less than 1 year	Over 1 and less than 3 year	Over 3 and less than 5 year	More than 5 years	Total
Non-derivatives					
Borrowings	-	-	-	1,445,578	1,445,578
Security deposits	870,000	-	-	-	870,000
31 March 2016					
	Less than 1 year	Over 1 and less than 3 year	Over 3 and less than 5 year	More than 5 years	Total
Non-derivatives					
Borrowings	-	-	-	-	1,096,357
Security deposits	870,000	-	-	-	870,000

(c) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other payables and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2017, 31 March 2016 and 1 April 2015.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity, pension and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analyses:

The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in respective market risks. This is based on financial assets and financial liabilities held at 31 March 2017 and 1 April 2016 including the effect of hedge accounting.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any long term borrowings with floating interest rate and carrying short term borrowings with floating interest rate. The company's investment in fixed deposit carries fixed interest rate.

(i) Below is the overall exposure of the Company to interest rate risk:

Particulars	31 March 2018	31 March 2017	31 March 2016
Variable rate borrowing			
Fixed rate borrowing	1,445,578.00	1,445,578.00	1,096,357.00
Total borrowings	1,445,578	1,445,578	1,096,357
Amount disclosed under borrowings			

Sensitivity

1% increase in base rate will not have any impact on profit or loss.

(e) Foreign Currency Risk

The foreign currency risk is the risk that the fair value or future cash flow of an exposure will fluctuate because of change in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the export made by the company which are made during the year however same is very negligible as compare to total turnover.

28. Recent accounting pronouncements**Standards issued but not yet effective**

"The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs("MCA") has issued certain amendments to Ind AS through (Indian Accounting Standards) Amendment Rules, 2018. These amendments maintain convergence with IFRS by incorporating amendments issued by International Accounting Standards Board(IASB) into Ind AS and has amended the following standards:

1. Ind AS 115-Revenue from Contract with Customers
2. Ind AS 21-The effect of changes in foreign exchanges rates
3. Ind AS 40-Investment Property
4. Ind AS 12-Income Taxes
5. Ind AS 28-Investment in Associates and Joint Ventures
6. Ind AS 112-Disclosure of Interest in Other Entities

These amendments are effective for annual periods beginning on or after April 01, 2018. Application of these amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

These amendments does not have material impact on Company's financial statements. The Company will adopt these amendments, if applicable, from their applicability date.

Sd/-

Naresh K Chibba
Managing Director

Sd/-

Dhiraj Kumar Choudhary
Director

Sd/-

Pratima Agarwal
Company Secretary

Sd/-

Amit Kumar
Chief Financial officer

AS PER OUR REPORT OF EVEN DATE ATTACHED

For BK Kapur & Co.
Chartered Accountants
Firm Reg.No.: 000852C

Sd/-

(M.S. Kapur)FCA
Partner

Membership No.: 074615

Date: 21st May 2018

29. On First Time adoption of IND AS**Explanation of transition to Ind AS**

These financial statements for the year ended 31st March 2018. are the first financial statements, the company has prepared in accordance with Ind AS.

Accordingly, the Company has prepared financial statements; the company has prepared financial statements which comply with Ind As applicable for year ended 31st March 2018, together with the comparative figures for the year ended 31st March 2017, as described in the summary of significant accounting policies.

In preparing these financial statements, the company's opening balance sheet was prepared as at 1st April 2016, i.e the date of transition to Ind AS

This note explains the principal adjustments made by the company and an explanation on how the transition from the previous GAAP to Ind AS has affected its financial statements, including the balance sheet as at 1st April 2016, and the financial statements for the year ended 31st March 2017.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from the previous GAAP to Ind AS.

Deemed Cost

- a) The Company has elected to continue with carrying value of all property, plant and equipment under the previous GAAP as deemed cost as at the transition date i.e. 1st April 2016. Under the previous GAAP, property, plant and equipment were stated at their original cost (net of accumulated depreciation, amortization and impairment), if any, adjusted by revaluation of freehold land.
- b) The Company has elected to continue with the carrying value of Capital work in progress as recognized under the previous GAAP as deemed cost as at the transition date.
- c) The Company has elected to continue with the carrying value for intangible assets (computer software) as recognized under the previous GAAP as deemed cost as at the transition date, under the previous GAAP, computer software was stated at its original cost, net of accumulated amortization.

Estimates

The estimates as at 1st April 2016 and as at 31st March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies)

Classification and Measurement of Financial Assets

Ind AS 101 requires the de-recognition requirements of Ind AS 109 to be applied prospectively to transactions occurring on or after the date of transition.

Therefore, the company has not recognized financial assets and liabilities under Ind AS which were derecognized under the previous GAAP as a result of a transaction that occurred before the date of transition.

Note No. : 29**Disclosure as required by Ind AS -101 First time adoption of Indian Accounting Standard-Reconciliation between Previous GAAP and Ind AS****Reconciliation of equity as at 1st April 2016**

Particulars	Previous GAAP	Adjustments	(In Lakhs)
			Ind AS
I. ASSETS			
(1) Non-Current Assets			
(a) Property, plant and equipment	19,112,867.35	-	19,112,867.35
(b) Other Non-Current assets	6,643,285.00		6,643,285.00
Total (1)	25,756,152.35	-	25,756,152.35
(2) Current assets			
a) Financial assets			
Trade receivables			
Cash and cash equivalents	342,494.36		342,494.36
(b) Other Current assets	460,470.00	-	460,470.00
Total [2]	802,964.36	-	802,964.36
Total Assets (1+2)	26,559,116.71	-	26,559,116.71
II EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	9,990,000.00	-	9,990,000.00
(b) Other Equity	4,853,193.70	165,499.83	5,018,693.53
(2) Non-Current Liabilities			
(a) Financial Liabilities			
Borrowings	1,445,578.00	-	1,445,578.00
(b) Provisions	-	653,890.00	653,890.00
(c) Deferred tax liabilities (Net)	489,085.00	2,527.05	491,612.05
Total (1+2)	16,777,856.70	821,916.88	17,599,773.58
(3) Current Liabilities			
(a) Other financial liabilities	1,000,665.00	-	1,000,665.00
(b) Short Term Provisions	-	53,250.00	53,250.00
(c) Other Current liabilities	8,676,065.00	(875,166.88)	7,800,898.12
(d) Current Tax Liabilities (Net)	104,530.00	-	104,530.00
Total (3)	9,781,260.00	(821,916.88)	8,959,343.12
Total Equity & Liabilities (1+2+3)	26,559,116.71	(0.00)	26,559,116.71

Note No. : 29**Disclosure as required by Ind AS -101 First time adoption of Indian Accounting Standard-Reconciliation between Previous GAAP and Ind AS
Reconciliation of equity as at 1st April 2017**

Particulars	Previous GAAP	Adjustments	(In Lakhs)
			Ind AS
I. ASSETS			
(1) Non-Current Assets			
(a) Property, plant and equipment	19,112,867.35	-	19,112,867.35
(b) Other Non-Current assets	6,643,285.00		6,643,285.00
Total (1)	25,756,152.35	-	25,756,152.35
(2) Current assets			
a) Financial assets			
Trade receivables			
Cash and cash equivalents	342,494.36		342,494.36
(b) Other Current assets	460,470.00	-	460,470.00
Total [2]	802,964.36	-	802,964.36
Total Assets (1+2)	26,559,116.71	-	26,559,116.71
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	9,990,000.00	-	9,990,000.00
(b) Other Equity	4,853,193.70	165,499.83	5,018,693.53
(2) Non-Current Liabilities			
(a) Financial Liabilities			
Borrowings	1,445,578.00	-	1,445,578.00
(b) Provisions	-	653,890.00	653,890.00
(c) Deferred tax liabilities (Net)	489,085.00	2,527.05	491,612.05
Total (1+2)	16,777,856.70	821,916.88	17,599,773.58
(3) Current Liabilities			
(a) Other financial liabilities	1,000,665.00	-	1,000,665.00
(b) Short Term Provisions	-	53,250.00	53,250.00
(c) Other Current liabilities	8,676,065.00	(875,166.88)	7,800,898.12
(d) Current Tax Liabilities (Net)	104,530.00	-	104,530.00
Total (3)	9,781,260.00	(821,916.88)	8,959,343.12
Total Equity & Liabilities (1+2+3)	26,559,116.71	(0.00)	26,559,116.71

CONTINENTAL CHEMICALS LIMITED

Reconciliation of Statement of Profit and Loss for the year ended 31st March 2017

Particulars	Previous GAAP	Adjustments	Ind AS
I. Revenue from operations	5,966,041.00	-	5,966,041.00
II. Other income	3,939,668.00	-	3,939,668.00
III. Total Income (I+II)	9,905,709.00	-	9,905,709.00
IV. Expenses			
Employee benefits expense	5,336,438.00	(2,365.24)	5,334,072.76
Processing Fee for Listing on BSE	200,000.00	-	200,000.00
Finance costs	38,432.00	45,081.61	83,513.61
Depreciation and amortization expense	676,709.00	-	676,709.00
Other expenses	3,076,801.16	-	3,076,801.16
Total expenses	9,328,380.16	42,716.37	9,371,096.53
V. Profit before exceptional items and tax (III-IV)	577,328.84	(42,716.37)	534,612.47
Prior Period Expenses	28,761.00	-	-
VI. Exceptional items	-	-	-
VII. Profit before tax (V-VI)	548,567.85	(42,716.37)	534,612.47
VIII. Tax expense			-
Tax expense:			
(1) Current tax	104,530.00		104,530.00
Less. MAT Credit Receivable	104,530.00		104,530.00
IX. (2) Deferred tax	150,861.00		150,861.00
Profit / (Loss) after Tax	397,706.85	(42,716.38)	383,751.47
X. Other Comprehensive income			-
A (i) Items that will not be reclassified to Profit or loss			8,454.00
(ii) Income tax relating to above not be reclassified to profit or loss			(2,525.00)
Total Other Comprehensive Income			5,929.00
XI.	397,706.85	(42,716.38)	389,680.47

Footnotes to the reconciliation of equity as at 1st April 2016 and 31st March, 2017 and Statement of profit and Loss for the year ended 31st March 2017

(a) Property plant and equipment

Under Ind AS the Company has elected to opt for cost model with respect to property, plant and equipments, capital work in progress and computer software.

(b) Provision for expected credit loss on trade receivables

The Company has made impairment for trade receivable as per simplified approach based on the life time expected credit loss model. No impact on the transition date is recognized in opening reserves and changes thereafter in Profit and Loss Account.

(c) Defined benefit Liabilities

As per Ind AS 19 - Employee Benefits, actuarial Gain of Rs.0.59 are recognized in other comprehensive income as compared to being recognized in the statement of profit and loss under previous GAAP. Consequently the tax effect of Rs 0.18 has also been recognized in other comprehensive income under Ind As instead of profit and loss.

(d) Deferred tax

Previous GAAP required differed tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the year Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which were not required under the previous GAAP. Moreover, carry forward of unused tax credits are to be treated as deferred tax assets which was earlier considered as other non- current non- financial assets.

In addition, the various transitional adjustments lead to temporary differences and consequently deferred tax adjustments have been recognized in correlation to the underlying transaction in retained earnings.

(a) Cash Flow Statement

The transition from the previous GAAP to Ind AS has not material impact on Cash Flow Statement.

(f) Retained Earnings

Retained earnings as at the transition date has been adjusted consequent to the above Ind AS transitional adjustment.

(g) Total Comprehensive Income and Other Comprehensive Income

Under the previous GAAP, the Company did not present total comprehensive income and other comprehensive income. Hence, it has reconciled previous GAAP profit to profit as per Ind AS, Further, the previous GAAP profit is reconciled to other comprehensive income and total comprehensive income as per Ind AS.

Note no. 25

The previous year figures as on the date of transition have been reworked, regrouped, rearranged and reclassified wherever necessary amounts and other disclosures for the preceding year including figures as at the date of transition are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

In term of our report attached
For BK Kapur & Co.
Chartered Accountants
Firm Reg.No.: 000852C

Sd/-
Naresh K Chibba
Managing Director

Sd/-
Dhiraj Kumar Choudhary
Director

Sd/-
M.S.KAPUR) F. C A Partner
Membership No: 074615
Date: 21/05/2018

Sd/-
Pratima Agarwal
Company Secretary

Sd/-
Amit Kumar
Chief Financial officer

If undelivered , please return to :

Continental Chemicals Ltd.

A-7 , Sector - VII, NOIDA

Pin -201301

Distt. : Gautam Buddha Nagar

U.P