

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

Dear Shareholders,

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

Financial Results

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

Performance Review

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

Financial Year

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

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

Dividend

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

Future prospects

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

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

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

Fixed Deposits

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

Industrial Relations

The employee-employer relations remained cordial throughout the year.

Directors

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

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

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

Directors' Responsibility Statement

The directors report that

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss account of the company for that period.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the annual accounts on a going concern basis.
- v) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Listing on Stock Exchanges

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

Secretarial Compliance

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

Personnel

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

Auditors

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

Auditors Report

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

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

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

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

Acknowledgement

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

For and on behalf of Board of Directors

Place: Noida

Date: 22.08.2014

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

**Sd/-
Pradeep Chopra
Director**

**Sd/-
Akshat Bhaskar
Director**

**Sd/-
Sourav Malhotra
Company Secretary**