

Continental Chemicals Ltd

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

Tel. : 91-120-2423316
Fax : 91-120-2423316

E-mail : info@continentalsoft.com
: nkc@continentalsoft.com

Web : www.continentalchemicalsltd.com

CIN : L24123UP1984PLC014111

Date: 26.11.2020

To
The General Manager
Bombay Stock Exchange & Listing
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building PJ Tower,
Dalal Street, Fort
Mumbai-400001
Scrip code – 506935,

Subject: Annual Report of the financial year 2019-20

Dear Sir/Madam,

In pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached 35th Annual Report of the Company.

Please take the same in your records.

Thanking you,
Your Faithfully,
For CONTINENTAL CHEMICALS LIMITED


Naresh Kumar Chibba
(Managing Director)
DIN: 00376963
R/o: S-522, Greater Kailash-1
New Delhi -110048



Encl: 35th Annual Report

35TH

Annual Report

2019-20

Corporate Identity Number (CIN) of Company

L24123UP1984PLC014111



Continental Chemicals Limited

BOARD OF DIRECTORS

Mr. Pradeep Kumar Chopra	Chairman & Independent Director
Mr. Naresh Kumar 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 (till Dec 2019)
Ms. Himanshi Mittal	Company Secretary (from Feb 2020 till May 2020)
Mr. Amit Kumar	Chief Finance Officer (till August, 2020)

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 35th Annual General Meeting of Continental Chemicals Limited will be held on Monday, the 21st December 2020 at 4.30 P.M. through Video Conferencing (VC) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Board's Report for the year ended 31st March 2020, 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 Ms. Sunaina Chibba (DIN: 00370454), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

3. Regularization of Mr. Aditya Vikram Chibba (DIN: 02838045) As Director of the Company, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Aditya Vikram Chibba (DIN: 02838045), who was appointed as Additional Director on November 12, 2020 be and is hereby appointed as Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT Directors/Company Secretary of the Company, be and is hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

By Order of the Board of Directors

Sd/-
Bhawna Gupta
Company Secretary

PLACE: NOIDA
DATE: 25.11.2020

NOTES:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the Ministry of Corporate Affairs ("MCA") vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") has permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
3. Since, the AGM is being conducted through VC/OAVM; there is no provision for appointment of proxies. Accordingly, appointment of proxies by the members will not be available.
4. Corporate members intending to attend the AGM through authorised representatives are requested to send a scanned copy of duly certified copy of the board or governing body resolution authorising the representatives to attend and vote at the Annual General Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to bsgoyal.associates@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Additional information, pursuant to Regulation 36 (3), of the Listing Regulations, in respect of re-appointment of Director retiring by rotation as mentioned in item number 02 and regularization of director's appointment at the Annual General Meeting and Explanatory Statement as required under Section 102 of the Companies Act, 2013, in respect of special business under item number 03 of the Notice is appended hereto and forms part of this Notice.
7. (a) The Register of Members and Share Transfer Books of the Company will remain closed from 15th December 2020 to 21st December, 2020 (both days inclusive).
(b) The remote e-voting period commences on Friday, December 18 2020 (09:00 am) and ends on Sunday 20th December, 2020 (05:00 pm). No e-voting shall be allowed beyond the said date and time. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of December 14, 2020, may cast their vote by remote e-voting.
8. Members holding shares in physical form are requested to intimate immediately to the Registrar & Share Transfer Agent of the Company, BEETAL FINANCIAL & COMPUTER SERVICES PVT LTD., Beetal House, 3rd Floor, 99, Madangir, Behind LSC, New Delhi – 110062; TEL:011-29961281-283, 26051061, 26051064, Email: beetalrta@gmail.com Website: www.beetalfinancial.com quoting registered Folio No. (a) details of their bank account/change in bank account, if any, and (b) change in their address, if any, with pin code number.
In case share are in demat form members are requested to update their bank detail with their depository participant.
The shareholders having shares in physical form are requested to dematerialize the shares at the earliest.
9. In terms of Section 72 of the Companies Act, 2013 and the applicable provisions, the shareholders of the Company may nominate a person in whose name the shares held by him/them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit the requisite nomination form.
10. Any member requiring further information on the Accounts at the meeting is requested to send the queries in writing to Company Secretary and Compliance Officer on compliance@continentalsoft.com, at least one week before the meeting.
11. In respect of the matters pertaining to Bank details, ECS mandates, nomination, power of attorney, change in name/address etc., the members are requested to approach the Company's Registrars and Share Transfer Agent, in respect of shares held in physical form and the respective Depository Participants, in case of shares held in electronic form. In all correspondence with the Company/Registrar and Share Transfer Agent, members are requested to quote their folio numbers or DP ID and Client ID for physical or electronic holdings respectively.
12. The documents referred to in the proposed resolutions are available for inspection at its Registered Office of the Company during normal business hours on any working day except Saturdays, up to the date of meeting.
13. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN to the Company/Registrar.

14. Members who hold shares in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar, for consolidation into a single folio.

15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, the Annual Report including audited financial statements for the financial year 2020 including notice of 35th AGM is being sent only through electronic mode to those Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

In case you have not registered your email id with depository you may registered your email id in following manner.

Physical Holding	Send a signed request the Company, at info@continentalsoft.com , compliance@continentalsoft.com or beetalrta@gmail.com providing Folio number, Name of the shareholder, scanned copy of the share certificate (Front and Back), PAN(Self attested scanned copy of PAN Card), AADHAR (Self attested scanned copy of Aadhar Card) for registering email address.
Demat Holding	Please contact your Depository Participant (DP) and register your email address as per the process advised by DP.

16. Additional information, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment is annexed to the notice.

17. Voting through electronic means: In compliance with the provisions of Regulation 44 of the Listing Regulations and Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 Company is offering e-voting facility to its members. Detailed procedure is given as below.

INSTRUCTION FOR REMOTE EVOTING, EVOTING AND JOINING OF AGM THROUGH VIDEO CONFERENCING

- (i) The voting period begins on 18-12-2020 from 09:00 AM and ends on 20-12-2020 at 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 14-12-2020; may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders need to visit the e-voting website <http://www.evotingindia.com>.
- (iv) Click on "Shareholders" module.
- (v) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on e-Voting option and proceed directly to cast your vote electronically.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Shareholders 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) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence/PAN number which is mentioned in email.
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 (iii).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 also to be used by the demat holders for voting on resolutions of any other company for which they are eligible to vote, provided that the company opts for e-voting through CDSL/NSDL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for Continental Chemicals Limited.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution on which you have decided to vote, 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The **m-Voting** app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHO WISH TO OBTAIN LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE BUT WHOSE EMAIL ADDRESSES IS NOT REGISTERED WITH THE DEPOSITORIES:

1. For Physical shareholders- Kindly send an email with a scanned request letter duly signed by 1st shareholder, scan copy of front and back of one share certificate, copy of PAN card and Aadhar card to info@continentalsoft.com; or compliance@continentalsoft.com or beetalrta@gmail.com
2. For Demat shareholders - Kindly update your email id with your depository participant and send copy of client master to info@continentalsoft.com; or compliance@continentalsoft.com or beetalrta@gmail.com

INSTRUCTIONS FOR JOINING MEETING THROUGH VC:

- (i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- (ii) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (iii) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- (iv) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- 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 favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; bsgoyal.associates@gmail.com; or info@continentalsoft.com or compliance@continentalsoft.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM; e-Voting from the e-Voting System, 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 or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to
Mr. Rakesh Dalvi, Manager, (CDSL)
Central Depository Services (India) Limited,
A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds,
N M Joshi Marg, Lower Parel (East),
Mumbai - 400013
or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

PRE-REQUISITE FOR JOINING OF MEETING THROUGH DESKTOP OR LAPTOP:

System requirement:

- Windows 7, 8 or 10
- I3
- Microphone, speaker
- Internet speed minimum 700 kbps
- Date and time of computer should be current date and time

PRE-REQUISITE FOR JOINING OF MEETING THROUGH MOBILE:

- Please download WebEx application from play store.

NOTE:IT IS ADVISABLE TO LOGIN BEFOREHAND AT E-VOTING SYSTEM AS EXPLAINED IN E-VOTING INSTRUCTIONS ABOVE,TO BE FAMILIAR WITH THE PROCEDURE, SO THAT YOU DO NOT FACE ANY TROUBLE WHILE LOGGING-INDURING THE AGM.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item no. 3**

Mr. Aditya Vikram Chibba (DIN: 02838045) was appointed as a Non-Executive Additional Director on the Board of the Company pursuant to the provisions of Section 161 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014. He holds office as Non-Executive Additional Director of the Company up to the conclusion/ date of the ensuing Annual General Meeting of the Company.

Mr. Aditya Vikram Chibba one of the individual promoter of the Company holds **12,51,700 equity shares** out of which 12,50,000 equity shares were allotted to him on 14-10-2019 by way of preferential allotment. He is non-resident Indian (NRI) who belongs to promoter group. He has been graduated from Kingston University London, UK. He has more than ten years overall experience in I.T. companies including marketing and sales.

Mr. Aditya Vikram Chibba is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

Details of Director whose appointment as Non-Executive Director is proposed at Item No 3, is provided in the “**Annexure – A**” to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

Mr. Aditya Vikram Chibba is interested in the resolution set out at Item No. 3 of the Notice with regard of his appointment.

The relatives of, Mr. Aditya Vikram Chibba may be deemed to be interested in the respective resolution to the extent of their shareholding interest, if any, in the Company.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the member.

‘Annexure – A’

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

Name of the Director	Aditya Vikram Chibba	Sunaina Chibba
Date of Birth	06/10/1988	27/08/1984
Nationality	Indian	Indian
Date of appointment	12/11/2020	29/09/2014
Qualifications	Graduated from Kingston University London, UK	M.B.A. from University of Westminster, U.K.
Experience	More than 10 years overall experience in I.T. companies including marketing and sales	worked as director in different companies in last 15 years
Directorship in other companies	N.A.	N.A.
Memberships/ Chairmanships of Committees of other public Companies	N.A.	N.A.
Number of Board meeting attended in FY 2019-20	NIL	6
Shareholding	12,51,700 equity shares i.e. 55.66% Shares	NIL
Details of Remuneration	NIL	NIL
Relationship with other directors	Son of Mr. Naresh Kumar Chibba, MD of the Company	Daughter of Mr. Naresh Kumar Chibba, MD of Company

By Order of the Board of Directors

Place: Noida
Date: 25.11.2020

Sd/-
Bhawna Gupta
Company Secretary

BOARD REPORT

To,

The Members,

Your Directors have immense pleasure in presenting their 35th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2020.

Financial Results

The summary of the Company's financial performance for financial year 2019-20 compared to previous year 2018-19 is given as below

(Amt. in Rs.)

	2019-20	2018-19
Revenue from operations & other income	1,19,12,344	1,31,07,739
Profit and Loss before exceptional item and tax	15,85,254	29,71,923
Exceptional items	-	-
Profit before tax	15,85,254	29,71,923
Tax Expense:		
- Current Tax (net)	-	(5,71,798)
- Less MAT Credit entitlement	-	75,227
Deferred Tax	8,04,966	890,417
Total other comprehensive Income	(32,687)	(1,081)
Total comprehensive Income	8,12,975	33,64,689

Dividend

The Company has not declared any dividend for the year ended March 31, 2020.

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 was Rs. 31,22,922 as against Rs. 19,14,004 in previous year, but the total comprehensive income recorded for the year decreased during the year to Rs. 8,12,975 as against Rs. 33,64,689 of previous year.

Other Equity

The Company has transferred Rs. 8,12,975 to the other equity account.

Finance**1. Share Capital**

The paid up equity share capital as on 31st March, 2020 was Rs. 2,24,90,000/-. The Company has issued 12,50,000 shares by way of Preferential Issue during the year under review.

The funds raised through preferential issue during the year have not been utilized till date due to COVID Pandemic and there is no variation in the utilisation of the funds pursuant to regulation 32(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 2020 as **Annexure – I**.

Extract of Annual Return

The annual return will be available on the Company website on www.continentalchemicalsltd.com.

Significant and Material Orders Passed by the Regulators or Courts

No significant and material order has been passed by any regulators or court during the financial year 2019-20.

Change in the Nature of Business

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

Directors and Key Managerial Personnel

As on the date of this report there are total 5 directors including one-woman director, two independent directors and one company secretary and compliance officer (KMP).

1. Appointment

Mr. Aditya Vikram Chibba had been appointed as non-executive director on 12-11-2020 whose term expires in this AGM which needs to be regularized by the shareholders in the ensuing AGM.

Ms. Bhawna Gupta has been appointed as company secretary and compliance officer (KMP) on 12-11-2020.

2. Retire by Rotation

In accordance with provision of Companies Act, 2013 and Articles of Association of the Company, Ms. Sunaina Chibba, Director liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for reappointment.

3. Meetings

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. During the year 12 Board Meetings and 5 Audit Committee Meetings were convened and held. The maximum interval between board meetings did not exceed 120 days, as prescribed in the Act. 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 is 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 –II.

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 II**.

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 III**.

All Related party Transactions as required are reported in Note – 22 (e) – Notes to Accounts of the 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, 2020; 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, 2020 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 – IV**".

Auditors**1. Statutory Auditor**

The Auditors, M/s B K Kapur & Company, Chartered Accountants had been re-appointed as Statutory Auditors of the Company for a period of 5 years in the previous year AGM. The appointment of M/S B K Kapur & Company as auditor of company will conclude at the end of 39th AGM of Company.

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.

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-V**.

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

For the year under review, Ms. Sunaina Chibba has been appointed as internal auditor of the Company. During the year, the Company continued to implement her suggestions and recommendations to improve the control environment. Her 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 on-going 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 out-dated energy intensive equipment, But Company has not made any big investment for this purpose.

Technology absorption

(1) During the year 2019-20 the company took some minor efforts for new technology absorption.

(2) No absorption of imported technology has been taken place during year 2019-20.

(3) No expenses incurred for Research and Development during financial year 2019-20.

Foreign Exchange Earning and Out go

There is no foreign exchange outgo in the Company. The Company earned foreign exchange inflow of Rs. 31,22,922/-.

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 an 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 which may affect the financial position of the company between the end of the financial year 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: 25.11.2020

For and on behalf of Board of Directors

Sd/-
Naresh Kumar Chibba
Managing Director

Sd/-
Sunaina Chibba
Director

ANNEXURE INDEX

<u>Annexure</u>	<u>Content</u>
<u>I</u>	Management and Discussion and Analysis
<u>II</u>	Statement under section 197 and rule 5 of Companies (Appointment and remuneration) Rules, 2014
<u>III</u>	AOC 2 – Related Party Transactions disclosure
<u>IV</u>	Report on Corporate Governance
<u>V</u>	Secretarial Audit Report

Management, Discussion and Analysis

This report discusses and analysis the performance for the year ended 31st March 2020.

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

Your company is facing competition in Indian as well as overseas market 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

Due to COVID the business of our company has been highly affected in the market, resulting in adverse impact on the company's profitability. However, we believe the situation will improve from first quarter of 2021. Except above situation, 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 2 to 3 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 Boards' 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.

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)	3:1
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
Amit Kumar	CFO	Nil
Pratima Agarwal	Company Secretary	6.67%
Himanshi Mittal	Company Secretary	Nil

*There was no increase in remuneration of Shri Naresh Kumar Chibba during the financial year 2019-20.

#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: (29%)

(iv) There are Eight (8) permanent employees on the rolls of company on 31st March 2020.

(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 Co.	Relation with Directors
Managing Director	11,07,309	Permanent	B.Com	27.11.1984	62	Interads Advertising (P) Ltd.s	5.92%	Daughter and Son are also directors
Company Secretary	2,80,774	Permanent	CS/6 Years	11.05.2015	35	SHA Associates	Nil	N.A.
CFO	2,60,541	Permanent	B.Com/6 Years	01.05.2016	33	SV Infra Properties Pvt. Ltd.	Nil	N.A.
Tech Lead	18,33,471	Permanent	B.Tech/17 Years	08.01.2018	47	Mmad Private Limited	Nil	N.A.
Software Developer	3,95,250	Permanent	MCA/5 Years	01.04.2019	30	EZ-Spend P. Ltd	Nil	N.A.
Customer Support Manager	3,43,776	Permanent	MCA/4 Years	01.04.2019	36	Karvy Dijiconnect Private Limited	Nil	N.A.
Software Developer	1,82,600	Permanent	B.Tech/2 Years	16.04.2019	32	Intec Technology Private Limited	Nil	N.A.
IT Haed	4,54,278	Permanent	B.Tech/8 Years	08.10.2019	42	Atulym Hotel Line Pvt Ltd	Nil	N.A

For and on behalf of the Board

Place: Noida
Date: 25.11.2020

Sd/-
Naresh K Chibba
Managing Director

Sd/-
Sunaina Chibba
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 arm's length transaction under third proviso thereto.

1. 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	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. 31,22,922/-held during the financial year 2019-20
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 not 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	

For and on behalf of Board of Directors

Place: Noida
Date: 25.11.2020

Sd/-
Naresh K Chibba
Managing Director

Sd/-
Sunaina Chibba
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 2020. 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 2019-2020		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	12	12	Yes	NIL	NIL
Naresh Kumar Chibba	Promoter and Managing Director	12	10	Yes	2	NIL
Akshat Bhaskar*	Independent Director	12	12	Yes	2	NIL
Sunaina Chibba*	Non-Executive Director	12	6	Yes	NIL	NIL
Dhiraj Kumar Choudhary*	Non-Executive Director	12	12	Yes	NIL	NIL

* Directors without Remuneration

(B) Number of Board Meeting:

During the financial year 2019-20 Twelve (12) board meeting were held. The Board Meetings were held on 05th April, 2019, 09th May 2019, 29th May, 2019, 2nd August 2019, 06th August, 2019, 31st August, 2019, 04th October, 2019, 14th October, 2019, 30th October, 2019, 10th February, 2020, 03rd March, 2020 and 11th March, 2020. 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 entire 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 29th July, 2019 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 companies. Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the financial year 2019-20, two independent directors' meetings were held. The meetings were held on 29.07.2019 and 09.11.2019. All the Independent Directors were present at both the meetings.

(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, 2020 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 and 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.

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				
		29.05.2019	02.08.2019	06.08.2019	30.10.2019	10.02.2020
Shri Akshat Bhaskar	Chairman	Present	Present	Present	Present	Present
Shri Naresh K. Chibba	Managing Director and Member	Present	Present	Present	Present	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, 2019.

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	Attendance in Meetings during the year
Shri Akshat Bhaskar	Chairman	11
Shri Dhiraj Kumar Choudhary	Member	11
Shri Naresh Kumar Chibba	Member	5

During the year total 11 committee meeting held during the year 2019-20 at 05.04.2019, 13.04.2019, 08.05.2019, 29.05.2019, 14.06.2019, 28.06.2019, 13.11.2019, 23.12.2019, 07.01.2020, 10.01.2020 and 22.01.2020 .All valid requests for share transfers received during the year 2019-20 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
Shri Akshat Bhaskar	Member/ Independent Director
Shri Pradeep Kumar Chopra	Member / Independent Director

During the year two meetings of Nomination and Remuneration Committee were held on 29.07.2019 and 06.08.2019 and attended by Ms. Sunaina Chibba, Mr. Akshat Bhaskar and Pradeep Kumar Chopra in the financial year 2019-20.

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 up to 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 2019-20:

(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	4,42,924	6,25,505	38,880	-	-	11,07,309
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.

Annual General Meetings

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

Financial Year	Date	Time	Special Resolution passed	Place
2016-17	28.09.2017	4.00 P.M.	Yes	A-7, Sector-VII, Noida Gautam Budh Nagar, Pin. 201301 (U.P)
2017-18	29.09.2018	4.00 P.M.	Yes	
2018-19	28.09.2019	3.00 P.M	Yes	

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 CDSL and NSDL also 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, 2020, is given below:

Particulars	No. of Shares	Percentage
Physical Segment	8,21,890	36.54
Demat Segment		
NSDL	12,68,350	56.40
CDSL	1,58,760	7.06
Total	22,49,000	100.00

Distribution of Shareholding as on March 31, 2020

Range of Holding (In Rs.)	No. of Shareholders	% to Total	No. of Shares	% of Total
Up to 5000	6,773	98.98	792630	35.2437
5001-10000	56	0.82	45710	2.0325
10001-20000	9	0.13	11850	0.5269
20001-30000	-	-	-	-
30001-40000	1	0.01	4000	0.1779
40001-50000	-	-	-	-
50001-100000	1	0.01	10,000	0.4446
100001 and above	2	0.02	13,84,810	61.5745

Shareholding Pattern as on March 31, 2020

Particulars	No. of shareholders	No. of Shares	% of Shareholding
Promoters		Sub Total	Total
1.Naresh Kumar Chibba	1	133110	5.92
2.Aditya Vikram Chibba	1	1251700	55.66
Total Promoters Holding	2	1384810	61.58
Bank, Financial Institutions, Insurance Companies & Mutual Funds			
Bank	1	100	0.01
Financial Institutions	-	-	-
Insurance Companies	-	-	-
Mutual Funds/UTI	-	-	-
Central & State Governments	-	-	-
Foreign Institutional Investors	-	-	-
NRI/Foreign Nationals	-	-	-
Body Corporates	18	13,700	0.61
Individuals/ Hindu undivided Family	6,781	8,50,390	37.81
Public and Others	6,800	8,64,190	38.42
Total	6,802	22,49,000	100

Statement showing Shareholding of more than 1% of the Capital in category of "Public" as on March 31, 2020

Sr. No.	Name of the shareholders	No. of Shares	Percentage of Capital
1	None	0	0
	Total	0	0

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 Companies (Indian Accounting Standards) Rule 2015 (Ind-AS) prescribed under section 133 of the Companies Act 2013 and other recognised accounting practices and policies to the extent possible. 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) During the year the company has raised funds through preferential allotment, which has not been utilized. Due to COVID Pandemic, the company was unable to initiate new projects.
- (v) The Company has raised funds from the preferential issues during the financial year under review.
- (vi) The Company had been suspended from trading by BSE due to some non-compliance in past few years. However, after continuous follow up, BSE had revoked the suspension and security of the company is available for trading.
- (viii) The details of the equity shares of the Company held by the Directors as on 31st March, 2020 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.

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 Boards' Report.

Auditors' Certificate on Corporate Governance

Auditor's Certificate on corporate governance is attached with this corporate governance report as **Annexure-A**

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 : 21st December, 2020
Time : 04.30 PM (through Video Conferencing)
Venue : NA

Emailing of Annual Reports : Till 27.11.2020

Last Date for Receipt of Proxy Forms : N.A.

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 35th 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	02 nd August, 2019
2 nd Quarter	30 th October, 2019
3 rd Quarter	10 th February, 2020
4 th Quarter	31 st July, 2020

Financial Calendar 2019-20 (Tentative):**Board Meetings to take on record**

Financial results for Quarter ended 30.06.2020

14th September, 2020

Financial results for Quarter ended 30.09.2020

12th November, 2020

Financial results for Quarter ended 31.12.2020

Second week of February, 2021

Financial results for Quarter/year ended 31.03.2021

Second week of May, 2021

Book Closure Date

15th December, 2020 to 21st December, 2020 (both days inclusive)

Dividend payment date:

No Dividend has been declared for the year ended March 31, 2020.

Listing:**Name & address of stock exchange****BSE Limited**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

The Company has paid annual listing fee to BSE for the year 2019-20.

Stock Code:

BSE Limited, Mumbai

:

506935

Demat ISIN for equity shares

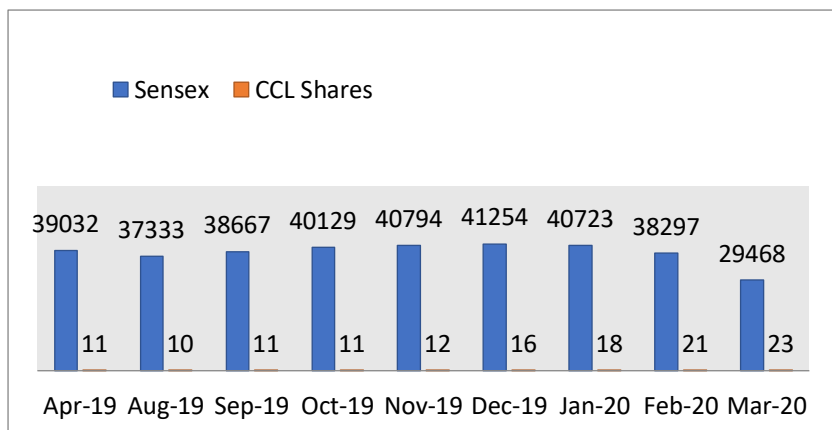
:

INE423K01015

Market Price Data:

Monthly high and low of market price of the Company's equity shares traded on stock exchange (BSE) during 2019-20 is given as follows:

Month	Open	High	Low	Close
Apr-19	10.95	10.95	10.95	10.95
Aug-19	10.41	10.41	10	10.25
Sep-19	10.76	10.76	10.76	10.76
Oct-19	11.29	11.29	10.73	10.73
Nov-19	11.26	11.82	11.26	11.82
Dec-19	12.41	16.61	12.41	15.77
Jan-20	15.05	18.25	15	18.25
Feb-20	19.15	21	19.15	21
Mar-20	22.05	23.15	21.85	22.90

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 and NSDL within 15 days. The company appointed M/s BEETAL Financial & Computer Services Pvt Ltd. to carry out the transfer related activities. Authorized personnel are approving the transfer on periodical basis. All valid transfers are affected within stipulated days. The Share certificates received at Registered Office are also sent to Registrars and Share Transfer Agents for doing the needful. In case of electronic transfers, the bye laws of Depositories are complied with.

During the Financial Year 2019-20, the Securities and Exchange Board of India ('SEBI') and Ministry of Corporate Affairs ('MCA') has mandated that existing members of the Company who hold securities in physical form and intend to transfer their securities after April 1, 2019, can do so only in dematerialized form. Therefore, Members holding shares in physical form were requested to consider converting their shareholding to dematerialized form. During the year, the Company has sent necessary intimations to its shareholders regarding the restriction on transfer of securities in the physical form.

Share transactions in electronic form can be effected in a much simpler and faster manner. After a confirmation of a sale/purchase transaction from the broker, shareholders should approach the Depository Participant ("DP") with a request to debit or credit the account for the transaction. The DP will immediately arrange to complete the transaction by updating the account. There is no need for a separate communication to the Company to register these share transfers.

Shareholders should communicate with M/s BEETAL Financial & Computer Services Pvt Ltd., the Company's Registrars and Transfer Agents ('RTA') quoting their folio number or Depository Participant ID ('DP ID') and Client ID number, for any queries to their securities.

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 Gautam Budh Nagar
U.P- 201301

Work Location:

A-7, Sector -7,
Noida Gautam Budh Nagar U.P- 201301

For and on behalf of Board of Directors

Sd/-
Naresh K Chibba
Managing Director

Sd/-
Sunaina Chibba
Director

Place: Noida
Date: 25.11.2020

B. S. GOYAL & CO.M-215, Rear Ground Floor, Greater Kailash – II, New Delhi–110048
(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, 2020 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 SecretariesSD/-
B. S. Goyal
(Proprietor)
CP. No. 2915Place: New Delhi
Date: 24-11-2020
UDIN: F004204B001316647**B. S. GOYAL & CO.**M-215, Rear Ground Floor, Greater Kailash – II, New Delhi–110048
(Mobile: 9811081491)**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)To,
The Members
CONTINENTAL CHEMICALS LIMITED
A-7 Sector-7 Noida Gautam Budh Nagar
Uttar Pradesh UP 201301

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Continental Chemicals Limited** having CIN L24123UP1984PLC014111 and having registered office at A-7 Sector-7 Noida Gautam Budh Nagar Uttar Pradesh UP 201301 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 24/11/2020
Place: Delhi
UDIN: F004204B001316988For B. S. Goyal & Co.
Company SecretariesSd/-
B. S. Goyal
(Proprietor)
CP. No. 2915

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/-

Place: Noida
Date: 31.07.2020

(Naresh Kumar Chibba)
Managing Director

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, 2020 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: 31.07.2020
Place: Noida

Sd/-

Amit Kumar
Chief Financial Officer

Sd/-

Naresh K Chibba
Managing Director

Annexure: "V" to Board Report**B. S. GOYAL & CO.**

M-215, Rear Ground Floor, Greater Kailash – II, New Delhi–110048

(Mobile: 9811081491)

SECRETARIAL AUDIT REPORTFOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

To,
The Members,s
CONTINENTAL CHEMICALS LIMITED
A-7, SECTOR-7,
Noida Gautam Budh Nagar
Uttar Pradesh-201301

We 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**, through information delivered on email. 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, 2017 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:

We 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, 2020 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) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:- **Not Applicable**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999:- **Not Applicable**
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008-**Not Applicable**
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: - **Not Applicable**
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009:- **Not Applicable**
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998:- **Not Applicable**
- (vi) Other applicable Laws to the Company

We 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.

We further report that

The Board of Directors of the Company is consisting of Execute Directors, Non- Execute Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

We 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.

We 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

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

Place: New Delhi
Date: 24.11.2020
UDIN: F004204B001314601

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 Gautam budh 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

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

Place: New Delhi
Date: 24.11.2020
UDIN: F004204B001314601

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CONTINENTAL CHEMICALS LIMITED

Opinion

We have audited the accompanying financial statements of "CONTINENTAL CHEMICALS LIMITED" ("the Company"), which comprise the Balance Sheet as at March 31, 2020 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").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit /loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. Key audit matters are selected from matters communicated with those charge with governance, but are not intended to represent all matters that were discussed with them. The auditors' procedures relating to those matters were designed in the context of the audit of the financial statements as a whole.

However, there are no Key audit matters to report.

Management's Responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, of the company in accordance with the AS 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 the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements. (Refer Appendix A)

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate
- Internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidences obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statement that, individually or in aggregate, makes it probable that the economic decision of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factor in (i) planning the scope of our audit work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charge with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in the "Annexure-A" statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by section 143(3) of the Act, we report that:

- 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.
- In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books.
- The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the relevant books of account.
- In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act, read with relevant rules issued there under.
- On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act.
- 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended: 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.
- 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, as amended in our opinion and to the best of our information and according to the explanations given to us :
 - The Company does not have any pending litigations, which would impact its financial position.
 - The company didn't have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to investor Education and Protection Fund by the Company.

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

Place: Noida
Dated: 31.07.2020
UDIN: 20074615AAAADL5726

(M.S. KAPUR) F.C.A.
(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 31st March, 2020 for a period of more than six month from the date they became payable.
- (b) According to the information and explanation given to us, there are no tax dues of income-tax, sales-tax, service tax, custom duty, excise duty Value added tax which has 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, 2020.
11. According to the information and explanations given 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 made preferential allotment of equity shares during the year and has complied with the provisions of section 42 of the Companies Act, 2013 and the amount raised has been used for the purpose for which the funds were raised.
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 & Co.,
Chartered Accountants,
Firm Registration No. 00852C**

**Place: Noida
Dated: 31.07.2020
UDIN: 20074615AAAADL5726**

**(M.S. KAPUR) F.C.A.
(Partner)
M.No.074615**

Annexure - B to Independent 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 March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company's 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 internal financial controls over financial reporting of the company 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"), issued by the Institute of chartered Accountant of India and the standards on Auditing prescribed under section 143 (10) of the companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 internal financial controls system over financial reporting of the company.

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 those 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 2019, 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& Co.,
Chartered Accountants,
Firm Registration No. 00852C**

**Place: Noida
Dated: 31.07.2020
UDIN: 20074615AAAADL5726**

**(M.S. KAPUR) F.C.A.
(Partner)
M.No.074615**

CONTINENTAL CHEMICALS LIMITED
Balance Sheet as at 31st March, 2020

	Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
	ASSETS			
(1)	Non-current assets			
	(a) Property, Plant and Equipment	4	1,94,57,127	1,80,16,797
	(b) Other non-current assets	5	77,82,397	76,43,138
	Current assets			
(2)	(b) Financial Assets			
	(i) Trade receivables	6	5,16,201	30,864
	(ii) Cash and cash equivalents	7	1,76,69,464	9,95,220
	(c) Other current assets	8	12,46,558	12,31,047
	(d) Deferred Tax Liabilities (Net)	9	2,04,823	10,19,553
	Total Assets		4,68,76,570	2,89,36,619
	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity Share Capital	10	2,24,90,000	99,90,000
	(b) Other Equity	11	1,33,26,774	87,63,799
2	Liabilities			
	Non- Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	12	21,10,944	14,45,578
	(b) Provisions	13	7,78,902	7,10,623
3	Current Liabilities			
	(a) Financial Liabilities			
	(i) Other financial liabilities	14	24,94,383	25,08,383
	(b) Other current liabilities	15	56,15,504	48,88,411
	(c) Provisions	13	60,063	58,027
	(d) Current tax Liabilities (Net)	16	-	5,71,798
	Total Equity and Liabilities		4,68,76,570	2,89,36,619

Significant Accounting Policies and Notes on Accounts forming part of the Financial Statements (Note No. 1-29)

As per Our Report of Even Date
For B.K. Kapur & Co.
Chartered Accountants
Firm Reg. No.: 000852C

Sunaina Chibba
Director
(00370454)

Naresh K Chibba
Managing Director
(00376963)

(M.S.KAPUR) FCA
Partner
M. No: 074615

Place Noida
Date: 31.07.2020

CONTINENTAL CHEMICALS LIMITED				
Statement of Profit & Loss Statement for the Period Ended 31 st March, 2020				
(Amt. in Rs.)				
Particulars		Not e No.	For the year Ended 31.03.2020	For the year Ended 31.03.2019
	Revenue:			
I.	Revenue from operations	17	31,22,922	19,14,004
II.	Other income	18	87,89,422	1,11,93,735
III.	Total Income (I+II)		1,19,12,344	1,31,07,739
	Expenses:			
	Employees benefit Expenses	19	60,70,743	56,04,294
	Finance Costs	20	4,61,828	19,089
	Depreciation and Amortization of Expenses		8,71,019	6,65,952
	Other Expenses	21	29,23,500	38,46,481
	Total Expenses (IV)		1,03,27,090	1,01,35,816
V.	Profit/(loss) before exceptional items and tax (I-IV)		15,85,254	29,71,923
VI.	Exceptional items		-	-
VII.	Profit/(loss) before tax (V-VI)		15,85,254	29,71,923
VIII.	Tax Expense:			
	(1) Current Tax		-	(5,71,798)
	(2) Deferred Tax		8,04,966	9,65,644
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		7,80,288	33,65,769
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)		7,80,288	33,65,769
XIV	Other Comprehensive Income		(42,451)	(1459)
	A (i) Items that will not be reclassified to profit or loss		9,764	379
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	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		-	-
XV	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		8,12,975	33,64,689
XVI	Earnings per equity share (for continuing operation):			
	(1) Basic		0.49	3.37
	(2) Diluted		0.49	3.37
XVII	Earnings per equity share (for discontinued operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earnings per equity share (for discontinued& continuing operation):			
	(3) Basic		0.49	3.37
	(4) Diluted		0.49	3.37

Significant Accounting Policies and Notes on Accounts forming part of the Financial Statements (Note No. 1-29)

As per Our Report of Even Date
For B.K. Kapur & Co.
Chartered Accountants
Firm Reg. No.: 000852C

Sunaina Chibba
Director
(00370454)

Naresh K Chibba
Managing Director
(00376963)

(M.S.KAPUR) FCA
Partner
M. No: 074615

Place Noida
Date: 31.07.2020

CONTINENTAL CHEMICALS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	Note No.	For the year ended 31.03.2020	For the year ended 31.03.2019
A. Cash Flow from operating activities			
Net Profit / Loss before extraordinary items and tax		15,85,253.85	29,71,923.02
Other comprehensive income			
Adjustments for:-			
Add : Depreciation and Amortization		8,71,018.56	6,65,952.00
Finance Cost		4,61,827.93	19,088.96
Less: Depreciation written back		(22,475.00)	-
Interest earned		(4,64,799.66)	-
Operating profit / (Loss) before working capital changes		24,30,825.68	36,56,963.98
Adjustment for (increase) / decrease in operating assets :			
Provision		1,12,766.00	45,729.00
Non- Current Assets		(1,39,259.00)	(8,60,759.00)
Trade Receivables		(4,85,337.00)	5,42,818.00
Other Financial liabilities		(14,000.00)	-
Other Current liabilities		7,27,093.39	(27,87,387.00)
Other Current assets		26,961.38	(39,593.00)
Cash generated from operation		26,59,050.45	5,57,771.98
Net income Tax (Paid) / refunds		(6,14,269.00)	(6,68,631.00)
Net Cash flow/(used in) operating activities (A)		20,44,781.45	(1,10,859.02)
B. Cash Flow from investing activities			
Interest earned		4,64,799.66	-
Purchase of fixed assets		(22,88,875.19)	(1,26,041.00)
Net cash flow / (used in) investing activities (B)		(18,24,075.53)	(1,26,041.00)
C. Cash Flow from Financing activities			
Share Capital Received		1,25,00,000.00	-
Share Premium Received		37,50,000.00	-
Loan received-		6,65,366.00	-
Finance Cost		(4,61,827.93)	(19,088.96)
Net cash flow / (used in) financing activities (C)		1,64,53,538.07	(19,088.96)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		1,66,74,243.99	(2,55,988.98)
Cash and Cash equivalent at the beginning of the year		9,95,220.02	12,51,209.00
Cash and cash equivalent at the end of the year		1,76,69,464.01	9,95,220.02

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

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

S
Sunaina Chibba
Director
(00370454)

Naresh K Chibba
Managing Director
(00376963)

(M.S.KAPUR) FCA
Partner
M. No: 074615

Place Noida
Date: 31.07.2020

CONTINENTAL CHEMICALS LIMITED					
Other Equity					
Particulars	Securities Premium Reserve	Revaluation Reserve	Retained Earnings	Other Comprehensive Income	Total Other Equity
Balance as at 01.04.2019	-	-	87,63,799		87,63,799
Changes in equity during the year ended 31 st March, 2020	37,50,000				
Profit for the year			7,80,288		7,80,288
Other Comprehensive income/(loss) for the year				32,687	32,687
Transfer from/to other comprehensive income/retained earnings			32,687	(32,687)	
Balance as at 31 st March, 2020	37,50,000		95,76,774	-	1,33,26,774
Significant Accounting Policies and Notes on Accounts forming part of the Financial Statements					
			As per Our Report of Even Date For B.K. Kapur & Co. Chartered Accountants Firm Reg. No.: 000852C		
Sunaina Chibba Director (00370454)	Naresh K Chibba Managing Director (00376963)	(M.S.KAPUR) FCA Partner M. No: 074615			
Place Noida Date: 31.07.2020					

CONTINENTAL CHEMICALS LIMITED**Notes to financial statements for the year ended March 31, 2020****1. Corporate information**

Continental Chemicals Limited (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 BSE.

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.

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 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 based on current/non-current classification.

An asset is current when it is:

- i) Expected to be realized 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.

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.

CONTINENTAL CHEMICALS LIMITED**Notes to financial statements for the year ended March 31, 2020****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:-

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 derecognition 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 de-recognition 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 Employee 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. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss."

CONTINENTAL CHEMICALS LIMITED**Notes to financial statements for the year ended March 31, 2020**

- 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.

Re-measurement 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.

CONTINENTAL CHEMICALS LIMITED**Notes to financial statements for the year ended March 31, 2020**

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

CONTINENTAL CHEMICALS LIMITED**Notes to financial statements for the year ended March 31, 2020****2.12 Provisions, contingent liabilities, contingent assets and commitments**

A provision is 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 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:

- > 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 include 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.

CONTINENTAL CHEMICALS LIMITED**Notes to financial statements for the year ended March 31, 2020****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 amortized 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.

CONTINENTAL CHEMICALS LIMITED**Notes to financial statements for the year ended March 31, 2020**

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 said 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 respectively 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.

CONTINENTAL CHEMICALS LIMITED**Notes to financial statements for the year ended March 31, 2020****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.

3.1 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

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

FIXED ASSETS FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2020

Note 4

Particulars	Gross Block As on	Additions During	Written Back During	Gross Block As on	UPTO	Depreciation	Written Back During	Accumulated Depreciation	Net Block	
	01.04.2019	The Year	The Year	31.03.2020	01.04.2019	For the Year	The Year	UP TO 31.03.2020	As On 31.03.2020	As On 31.03.2019
Tangible Assets										
(1) Lease Hold Land	13,56,267	-	-	13,56,267		-	-	-	1,356,267	13,56,267
(2) Office Building	1,62,18,104	-	-	1,62,18,104	8,46,701	282,234	-	11,28,935	1,50,89,169	1,53,71,403
(3) Furniture & Fixture	-	-	-	-	-	-	-	-	-	-
(4) Vehicles	37,200	-	-	37,200	-	-	-	-	37,200	37,200
Vehicles II	19,13,443	22,88,875	-	42,02,318	8,97,525	5,41,937	-	14,39,462	27,62,856	10,15,918
(5) Office Equipments I	-	-	-	-	-	-	-	-	-	-
BLOCK-II	2,50,008	-	-	2,50,008	1,44,642	27,186	-	1,71,828	78,180	1,05,366
(6) Electrical Fitting & Equipments	-	-	-	-	-	-	-	-	-	-
BLOCK-II	1,69,859	-	-	1,69,859	48,338	19,662	22,475	45,525	1,24,334	1,21,521
(7) Computer										
Block I	-	-	-	-	-	-	-	-	-	-
Block II	2,064	-	-	2,064	-	-	-	-	2,064	2,064
Block III	85,266	-	-	85,266	78,208	-	-	78,208	7,058	5,907
Total	2,00,32,210	22,88,875		2,23,21,085	20,15,414	8,71,019	22,475	28,63,958	1,94,57,127	1,80,16,796
Previous year	1,99,06,619	1,26,041		2,00,32,209	13,50,612	6,65,952	1,151	20,15,413	1,80,16,797	1,85,55,557

CONTINENTAL CHEMICALS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

As at 31.03.2020

As at 31.03.2019

NOTE – 5: OTHER NON CURRENT ASSET

Capital Advances	74,97,141	73,57,882
Security Deposits	2,85,256	2,85,256
	77,82,397	76,43,138

NOTE – 6: FINANCIAL ASSETS (CURRENT ASSETS)**TRADE RECEIVABLES**

Secured considered good;	-	-
Security Deposits	5,16,201	30,864
Significant credit risk	-	-
Credit impaired	-	-
	5,16,201	30,864

NOTE – 7: CASH & CASH EQUIVALENT

Balances with Banks	58,75,360	7,01,134
Cash on hand	3,48,229	2,94,086
FDR having maturity less than 3 months	1,14,45,875	-
	1,76,69,464	9,95,220

NOTE – 8: OTHER CURRENT ASSETS

Prepaid Expenses	21,505	48,466
TDS Receivable	12,25,053	11,82,581
	12,46,558	12,31,047

NOTE – 9: DEFERRED TAX

	As at 01.04.2019	During the year	As at 31.03.2020
Deferred Tax Liability			
Difference between Book & Tax Depreciation	(60,725)	48,864	11,861
Deferred Tax Assets			
Expenses allowed on payment basis u/s 43B of the income tax Act, 1961	1,99,849	(6,887)	1,92,962
MAT	7,58,979	(7,58,979)	-
Deferred Tax Assets (Net)	10,19,553	8,14,730	2,04,823

NOTE – 10: SHARE CAPITAL**Authorised**

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

Issued

999,000 Equity Shares of Rs.10 each.	9,990,000	9,990,000
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Subscribed & Fully Paid up

22,49,000 Equity Shares of Rs. 10 each fully paid up	1,25,00,000	-
Previous year 999,000 Equity Shares of Rs.10 each fully paid up.	9,990,000	9,990,000

2,24,90,000	99,90,000
--------------------	------------------

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

Name of Equity Shareholders	As at 31.03.2020 No. of Shares held		As at 31.03.2019 No. of Shares held	
Naresh Kumar Chibba	1,33,110	5.92%	133,110	13.32%
Aditya Vikram Chibba	12,51,700	55.66%	-	-

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**No. of Shares**

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

Nil
Nil
Nil

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

Reconciliation of No. Of shares Outstanding :

	Number	Number
Shares outstanding at the beginning of the year	9,99,000	9,99,000
Shares issued during the year	12,50,000	-
Shares outstanding at the end of the year	22,49,000	9,99,000

Terms & Conditions of Equity shares

- The Company has one class of Equity shares having a per 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 TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

(Amount in Rs).

AS AT 31.03.2020 AS AT 31.03.2019**Note-11: RESERVES AND SURPLUS****Other Equity**

a) Surplus

Profit & Loss Statement

As per last balance sheet

87,63,799 53,99,110

Add: Profit during the year

8,12,975 33,64,689

Add: Share Premium Account

- -

95,76,774 87,63,799

b) Share Premium Account

Addition during the year

37,50,000 -

37,50,000 -

Total

1,33,26,774 87,63,799**Note-12: FINANCIAL LIABILITIES (NON CURRENT ASSETS)**(i) **Borrowings**

Term loans

14,45,578 14,45,578

From banks

6,65,366 -

21,10,944 14,45,578**Terms & Conditions of Secured Loans****Security Clauses:**

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

Home Loan from ICICI Bank

Rate of Interest

10.25%

10.25%

Instalment will start from the year in which possession of flat is obtained in 120 monthly instalments.

Vehicle loan from Kotak is secured by way of hypothecation of vehicle purchased

Maturity profile

2021-22**2022-23**

Vehicle loan from Kotak bank

6,11,562

53,804

NOTE-13 : PROVISION

Gratuity Payable

Non-Current

60,063

7,10,623

Current

7,78,902

58,027

8,38,965 7,68,650**NOTE-14 : OTHER FINANCIAL LIABILITIES**

Current Maturity of borrowing

5,52,852

-

Interest accrued but not on Borrowings

1,83,831

1,75,283

Security Deposits

17,57,700

23,33,100

24,94,383 25,08,383**NOTE-15 : OTHER CURRENT LIABILITIES**

Statutory Liabilities

1,42,824

1,63,144

Liability for Expenses

12,31,548

7,24,199

Other Expenses

42,41,132

40,01,068

56,15,504 48,88,411

NOTE-16 : CURRENT TAX

Income Tax	-	5,71,798
	-	5,71,798

NOTE - 17 : REVENUE FROM OPERATIONS

Sale of Services	31,22,922	19,14,004
	31,22,922	19,14,004

NOTE - 18 : OTHER INCOME

Rental Income	83,47,097	81,26,875
Other Income	4,42,325	30,66,860
	87,89,422	1,11,93,735

NOTE - 19 : EMPLOYEE BENEFIT EXPENSES

Salary & Allowances	59,48,280	54,20,077
Staff welfare	79,245	1,50,249
Gratuity	43,218	33,968
	60,70,743	56,04,294

NOTE - 20 : FINANCE COSTS

Interest Expenses	4,61,828	19,089
	4,61,828	19,089

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

Electricity Expenses	4,12,465	3,70,494
Security Service Charges	2,16,000	2,16,000
Vehicle Running & Maintenance	76,122	1,06,589
Repair & Maintenance	2,85,585	4,18,232
Office Expenses	1,89,665	2,79,211
Computer Repair & Maintenance	1,00,127	1,83,405
Legal & Professional Charges	7,27,664	8,45,058
ROC Fees	9,600	4,100
Travelling and Conveyance Expenses	84,503	1,07,294
Accounting charges	29,290	20,000
Insurance Expenses	54,077	50,647
Advertisement & Publicity	36,640	41,380
Misc. Expenses	52,359	31,241
Telephone & Fax Charges	1,14,445	1,24,536
AGM Expenses	21,000	20,000
Printing & Stationery	1,41,329	71,698
Courier, Postage & Registries	7,544	2,62,521
Commission Charges	-	1,00,000
Software expenses	1,990	55,169
Exchange Fluctuation	20,594	29,267
Audit Fees	42,500	42,500
Interest paid on Legal (DGS&D)	-	2,17,140
Listing Fees	3,00,000	2,50,000
	29,23,500	38,46,481

Note no.: 22

- 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.
- 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 is as follows:

Employee benefits in respect of Gratuity and Leave Encashment are based on actuarial valuation as on 31st March 2020. The details are given below:

Particulars	31.03.2020	31.03.2019
A) Change in the Present Value of obligation		
a) Present Value of obligation as at 1 st April 2019	7,67,883	7,47,907
b) Interest Cost	48,780	13,219
c) Past Service Cost	-	-
d) Current Service Cost	43,218	6,065
e) Benefits Paid	(0)	(0)
f) Actuarial Loss/(Gain)	(42,451)	1,459
g) Present Value of Obligation as at 31 st March 2020		
Current Liability	60,063	58,027
Non - Current Liability	7,78,902	7,10,623
B) Change in Fair Value of Plan Assets		
C) Amount recognized in Balance Sheet (A-B)	8,16,663	767883
D) Expenses recognized in the Profit & Loss Account		
a) Current Service Cost	43,218	6,065
b) Past Service Cost		
c) Interest Cost	48,780	13,219
E) Expenses recognized in Other Comprehensive Income		
a) Actuarial Loss/(Gain)	(42451)	1,456
Net Cost		
b) Details of Plan Assets		
c) Actuarial Assumptions		
a) Discount Rate	7.07%	7.07%
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 Ind AS 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 up to July 2020
Pratima Agarwal	: Company Secretary up to December 2019
Himanshi Mittal	: Company Secretary up to May 2020
Amit Kumar	: CFO

b. Enterprises where Significant Influence exists :

Interads E Communications Limited
 Continental Software Solution Private Limited.
 World Pro Solutions 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 31.03.2020	Year Ended 31.03.2019	As at 31.03.2020	As at 31.03.2019	
Interads E Communications Ltd.	Export Sales	31,22,922	19,14,004	406729	NIL	
Key Management Personnel (KMP)						
Naresh Kumar Chibba	Remuneration & Perquisites	11,07,309	12,40,548	Remunerati on Payable	3,42,180	83,953
Pratima Agarwal	Remuneration & Perquisites	2,80,774	3,55,000	Remunerati on Payable	-	30000
Amit Kumar	Remuneration & Perquisites	2,60,541	2,92,312	Remunerati on Payable	24832	6643
Himanshi Mittal	Remuneration & Perquisites	73,548	-		31871	-

d. Auditors' Remuneration:

Particulars	Current Year	Previous Year
(a) As Statutory Auditors	42,500	42,500
(b) For Tax Audit	-	-
(c) For Taxation Matters	-	-
(d) For other Matters	-	-
Total	42,500	42,500

g. Earnings per share (EPS)

Particulars	Current Year	Previous Year
(a) Profit / (Loss) attributable to the Equity Shareholders (Rs. in lakhs)	780288	3364689
(b) Weighted average number of equity shares outstanding	1588041	999000
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)	1588041	999000
d) Paid up value per share	10	10
e) Basic Earnings per share (Rs) (a/bi)	0.49	3.37
f) Diluted Earnings per share (Rs.) (a/bii)	0.49	3.37

Note no. 23.

The previous year figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

Note No 24.

The Company has considered the possible effects that may arise out of the still unfolding COVID-19 pandemic on the carrying amounts of property, plant & equipment, investments, inventories, trade receivables, etc. For this purpose, the Company has considered internal and external sources of information up to the date of approval of the Financial Results including credit reports

and related information, economic forecasts, market value of certain investments etc. Based on the current estimates, the Company does not expect any significant impact on such carrying values. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of Financial Results.

Note No 25

The Company has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 during the current year. Accordingly, the Deferred Tax Assets (net) as at 31st March 2019 has been re-measured and the MAT Credit of Rs 7.58 Lakhs has been fully written off. The resultant impact has been recognized in financial statements.

26. Capital management

- (a) 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 2020	As at 31 March 2019
Equity share capital	2,24,90,000	99,90,000
Other equity	1,33,26,774	87,63,800
Total equity	3,58,16,774	1,87,53,800
Non-current borrowings	21,10,944	14,45,578
Short term borrowings	-	-
Current maturities of long term borrowings	-	-
Gross Debt	21,10,944	14,45,578
Gross debt as above	21,10,944	14,45,578
Less: Cash and cash equivalents	9,95,220	9,95,220
Less: Margin money with banks against working capital facilities	-	-
Net Debt	11,15,724	4,50,358
Net debt to equity	0.03	0.02

27. Fair value measurement

- (a) The carrying value and fair value of financial instruments by categories as of 31 March 2019 is as follows:

"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"

Particulars	Fair value through other comprehensive income	Fair value through other profit & loss	Amortized Cost
Financial assets			
Trade receivables	-	-	30,864
Cash and cash equivalents	-	-	9,95,220
	-	-	10,26,084

Financial liabilities

Borrowings	-	14,45,578
Trade payables	-	-
Other financial liabilities	-	25,08,383
	-	39,53,961

(b) The carrying value and fair value of financial instruments by categories as of 31 March 2020 is as follows:

Particulars	Fair value through other comprehensive income	Fair value through other profit & loss	Amortized Cost
Financial assets			
Trade receivables	-	-	5,16,201
Cash and cash equivalents	-	-	1,76,69,464
Other bank balances	-	-	-
	-	-	1,81,85,665
Financial liabilities			
Borrowings	-	-	21,10,944
Other financial liabilities	-	-	24,94,383
	-	-	46,05,327

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.

28. Fair value hierarchy

(a) Financial assets and liabilities measured at fair value

Particulars	As at 31 March 2020			
	Level 1	Level 2	Level 3	Total
Assets				
Investments equity instruments (other than investments in subsidiaries)	-	-	-	-
Derivative instrument	-	-	-	-
Total	-	-	-	-
Particulars	As at 31 March 2019			
	Level 1	Level 2	Level 3	Total
Assets				
Investments equity instruments (other than investments in subsidiaries)	-	-	-	-
Derivative instrument	-	-	-	-
Total	-	-	-	-

29. 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 comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities 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 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 2020, as summarised below:

	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents	1,76,69,464	9,95,220
Trade receivables	5,16,201	30,864
	1,81,85,665	10,26,084

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 2019	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	-	-	-	14,45,578	14,45,578
Security deposits	23,33,100	-	-	-	23,33,100
31 March 2020	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	5,52,852	6,65,366	-	14,45,578	26,63,796
Security deposits	17,57,700	-	-	-	17,57,700

(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 2019, 31 March 2020.

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 2019 and 31 March 2020 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 2020	31 March 2019
Variable rate borrowing		
Fixed rate borrowing	21,10,944	1,445,578
Total borrowings	21,10,944	1,445,578
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.

As per Our Report of Even Date
For B.K. Kapur & Co.
Chartered Accountants
Firm Reg. No.: 000852C

Sunaina Chibba
Director
(00370454)

Naresh K Chibba
Managing Director
(00376963)

(M.S.KAPUR) FCA
Partner
M. No: 074615

Place Noida
Date: 31.07.2020

If undelivered, please return to:
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