

# 31<sup>ST</sup> Annual Report 2015-2016

Corporate Identity Number (CIN) of Company

**L24123UP1984PLC014111**



**Continental Chemicals Limited**

**BOARD OF DIRECTORS**

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

**AUDIT COMMITTEE**

Mr. Akshat Bhaskar	Chairman
Mr. Naresh K Chibba	Member
Mr. Pradeep K Chopra	Member

**STAKEHOLDER RELATIONSHIP COMMITTEE**

Mr. Akshat Bhaskar	Chairman
Mr. Dhiraj Kumar Choudhary	Member
Mr. Naresh Kumar Chibba	Member

**NOMINATION AND REMUNARATION COMMITTEE**

Ms. Sunaina Chibba	Chairman
Mr. Akshat Bhaskar	Member
Mr. Pradeep K Chopra	Member

**KEY MANAGERIAL PERSONNEL**

Mr. Naresh K Chibba	Managing Director
Ms. Pratima Agarwal	Company Secretary & Compliance Officer
Mr. Ram Kumar	Chief Financial Officer

**INDEPENDENT AUDITORS**

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

**BANKERS**

INDIAN OVERSEAS BANK  
ICICI BANK  
CANARA BANK  
INDUSIND BANK

**REGISTRAR AND SHARE TRANSFER AGENT**

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

**REGISTERED OFFICE**

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

**NOTICE TO THE SHAREHOLDERS**

Notice is hereby given that the 31<sup>st</sup> Annual General Meeting of Continental Chemicals Limited will be held on Thursday, the 29<sup>th</sup> September 2016 at 4.00 P.M. at the Registered Office of the company at A-7, Sector-VII, Noida, Gautam Buddh Nagar, Pin. 201301 (U.P) to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Directors' Report for the year ended 31st March 2016, audited Statement of Profit and Loss for the year, Balance Sheet as on that date, and the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Dhiraj Kumar Choudhary (DIN : 06470386), who retires by rotation and being eligible, offers himself for re-appointment.

**3. Ratification of Appointment of Statutory Auditor:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 139 and 142 and other applicable provisions of the Companies Act, 2013 ('Act') and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the appointment of M/s B K Kapur & Company Chartered Accountants, as Statutory Auditors up to the conclusion of Thirty fourth (34<sup>th</sup>) annual general meeting be and is hereby ratified and confirmed and that the Board of Directors be and is hereby authorized to fix remuneration, as may be determined by the board of directors in consultation with the Statutory Auditors."

By Order of the Board of Directors

Sd/-  
Pratima Agarwal  
Company Secretary

PLACE : NOIDA  
DATE : 25.08.2016

**NOTES:**

1. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. **A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself. The proxy need not be a member of the company. A blank form of proxy is enclosed and if intended to be used, it should be deposited duly completed at the registered office of the company not less than forty eight hours before the scheduled time of the meeting.**  
**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
3. Corporate members intending to send their authorized representative to attend the meeting are requested to send the Company a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
4. In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Registers of Members and Share Transfer Books of the Company will remain closed from **Friday, the 23.09.2016 to 29.09.2016 (Both days inclusive).**
6. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Sundays, during business hours up to the date of the Meeting.
7. In terms of Section 72 of the Companies Act, 2013, the shareholders of the Company may nominate a person on whom the shares held by him/them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit nomination in Form SH-13.
8. The Company has entered into agreements with CDSL to offer depository services to the Shareholders. Shareholders can open account with any of the depository participants registered with CDSL.
9. Members are requested to bring their copies of Annual Report at the meeting, as extra copies will not be supplied.
10. Pursuant to the requirement of the listing agreement, the Company declares that its equity shares are listed on the stock exchanges as Bombay Stock Exchange, Uttar Pradesh Stock Exchange and Delhi Stock Exchange.
11. Only registered members carrying the attendance slips and the holders of valid proxies registered with the Company will be permitted to attend the meeting.
12. Members may also note that the Notice of the 31<sup>st</sup> Annual General Meeting and the Annual Report for 2016 will also be available on the Company's website [www.continentalchemicalsltd.com](http://www.continentalchemicalsltd.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Noida for inspection during normal business hours on working days. Even after registering for communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [info@continentalsoft.com](mailto:info@continentalsoft.com), [compliance@continentalsoft.com](mailto:compliance@continentalsoft.com).
13. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company. Members are requested to keep the same updated.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or RTA of Company.
15. In terms of section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members, who have registered their email ids with their respective depository participants or with the RTA of the Company.
16. Members, who still hold share certificates in physical form, are advised to dematerialize their shareholding to avail of the numerous benefits of dematerialization, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.

17. Documents referred to in the Notice and the explanatory statement shall be open for inspection by the members at the registered office of the Company on all working days (Monday to Friday) from 10.00 a.m. to 1.00 p.m. except holidays, up to the date of the meeting.

18. The Company has been maintaining, inter alia, the following statutory registers at its registered office at Noida, which are open for inspection in terms of the applicable provisions of Companies Act, 2013 by members and others as specified below:

i) Register of contracts or arrangements in which directors are interested under section 189 of the Companies Act, 2013, on all working days during business hours. The said Register shall also be produced at the commencement of the annual general meeting of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.

ii) Register of Directors and Key Managerial Personnel and their shareholding under section 170 of the Companies Act, 2013, on all working days during business hours. The said Register shall be kept open for inspection at the annual general meeting of the Company and shall be made accessible to any person attending the meeting.

19. Members/Proxies are requested to bring the copies of annual reports and attendance slips to the meeting, if the same are received in physical form.

20. For more details on shareholders' matters, please refer to the chapter on General Shareholder Information, included in the Annual Report.

## 21. Voting through electronic means

A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 31<sup>st</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e- Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services Limited (CDSL).

B. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

C. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

D. The remote e-voting period commences on 26<sup>th</sup> September, 2016 (10:00 am) and ends on 28<sup>th</sup> September, 2016 (05:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22<sup>nd</sup> September, 2016, may cast their vote by remote evoting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 26<sup>th</sup> September, 2016 (10:00 am) and ends on 28<sup>th</sup> September, 2016 (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 22<sup>nd</sup> September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

(viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Continental Chemicals Limited on which you choose to vote.

- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the 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.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

#### ANNEXURE TO NOTICE

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

#### Mr. Dhiraj Kumar Choudhary:

Mr. Dhiraj Kumar Choudhary, aged 36, is a Non- Executive Director of Continental Chemicals Limited. He holds Bachelors' degree in physics. He has over 13 years experience of work in IT companies. He also has vast experience of the management of the company as he has experience of around 4 year as director of IT Company. He is on the Board of the Company since July, 23<sup>rd</sup> 2015. He does not hold any shares in the company. He has not withdrawn any remuneration during his term as director. During the financial year ended March 31<sup>st</sup>, 2016, Mr. Dhiraj Kumar Choudhary attended 5 meetings of the board, held on 13.08.2015, 5.10.2015, 13.11.2015, 30.11.15 and 12.02.2016, out of the 5 meeting held after his appointment in the board.

He is also the Director in the following companies:  
Continental Software Solutions Limited  
Ishika Infotech Pvt. Limited.

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

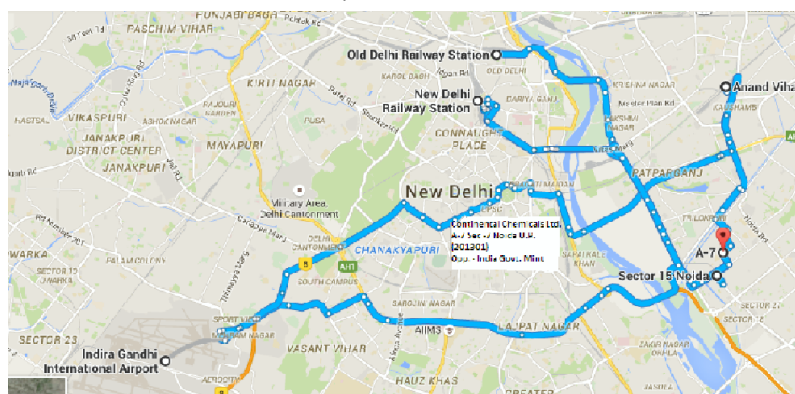
On reappointment Mr. Dhiraj Kumar Choudhary is liable to retire by rotation. He is not related to any other Director and Key Managerial Personnel of the Company.

By Order of the Board of Directors

Sd/-  
Pratima Agarwal  
Company Secretary

PLACE : NOIDA  
DATE : 25.08.2016

Route Map of Venue of AGM



**CONTINENTAL CHEMICALS LIMITED**

CIN: L24123UP1984PLC014111

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

**ATTENDANCE SLIP**

MEMBER FOLIO NO.

CLIENT ID NO.

DP ID NO.

NAME &amp; ADDRESS OF THE SHARE HOLDERS :

( IN BLOCK LETTERS )

NO. OF SHARES HELD :

NAME OF PROXY :

(If applicable )

I hereby record my presence at the **31<sup>st</sup> ANNUAL GENERAL MEETING** of the Company held on **Thursday on the 29<sup>th</sup> day of September 2016 at 4.00 P. M.** at the registered office of the Company at above mentioned address.

Notes:

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

\_\_\_\_\_  
Signature of Member/ Proxy

Form No. MGT-11

**CONTINENTAL CHEMICALS LIMITED**

CIN: L24123UP1984PLC014111

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

**PROXY FORM**

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

Name of the member (s) : .....

Registered Address : .....

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

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

1. Name : ..... Address:.....

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

2. Name : ..... Address:.....

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

3. Name : ..... Address:.....

.....E.mailID:.....Signature:.....as my/our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the .31<sup>st</sup> Annual General Meeting of the Company, to be held on the 29<sup>th</sup> September, 2016 at 4.00 P.M at A-7, Sector VII, Noida, Gautam Buddha Nagar, U.P - 201301and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. 1:. To receive, consider and adopt the Directors' Report for the year ended 31st March 2016, audited Statement of Profit and Loss for the year, Balance Sheet as on that date, and the Report of the Auditors thereon.

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

3: Ratification of Appointment of Statutory Auditor

Signed this.....day of .....2016

Affix  
Revenue  
Stamp

Signature of shareholder

Signature of Proxy holder(s)

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

## **DIRECTOR'S REPORT**

To,

The Members,

Your Directors have immense pleasure in presenting their 31<sup>st</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016.

### **Financial Results**

The highlights of financial results are as under:

	2015-16	2014-15
Revenue from operations & other income	95,42,921	92,82,809
Operating Profit (EBIDT)	22,83,722	27,64,199
Finance Cost	92,992	1,76,740
Gross Profit (PBD)	21,90,730	25,87,459
Depreciation & amortization	6,85,112	10,53,337
Profit before tax	15,05,618	15,34,122
Tax Expense:		
- Current Tax (net) <b>286,895</b>		
- MAT Credit entitlement <b>286,895</b>		
-		
Deferred Tax	(1,70,385)	4,00,065
- Previous year Taxes	-	(4,840)
Profit After Tax	13,35,233	19,29,347

### **Dividend**

Company has not declared any dividend for the year ended March 31, 2016.

### **OPERATIONS**

The company is in the business of sale, purchase and licensing of Software within and outside India. Company has many new projects to expand its business in the coming years. During the year under review, the revenue from operations increased to Rs. 49,08,946 as against Rs. 42,68,473 in previous year. The EBIDTA recorded for the year declined during the year to Rs. 22,83,722 as against Rs. 27,64,199 of previous year. The net profit also decreased to Rs. 13,35,233 as against net profit of Rs. 19,29,347 in previous year.

### **Reserves**

Company has transferred Rs. 13,35,233 to the reserve account.

### **Finance**

#### **1. Share Capital**

The paid up equity share capital as on 31 March 2016 was Rs. 99,90,000. There was no public issue, rights issue, bonus issue or preferential issue etc. during the year under review. The Company has not issued shares with differential voting rights, sweat equity shares nor has it granted any stock options.

#### **2. Deposit**

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

#### **3. Particulars of loan, guarantees and investments**

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

### **Vigil Mechanism/ Whistle Blower Policy**

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

### **Management Discussion And Analysis**

The Management Discussion and Analysis forms part of this Annual Report for the year ended 31<sup>st</sup> March 2016 as Annexure I.

### **Extract of Annual Return**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure - II".

### **Significant and Material Orders Passed by the Regulators or Courts**

Your Company has received an order of Central Excise & Service Tax Appellate Tribunal in favour of the Company for approving the refund in a long pending case.

### **Change in The Nature of Business**

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

### **Directors and Key Managarial Personnel**



**1. Appointment**

During the year, Mr. Dhiraj Kumar Choudhary has been appointed as additional director w.e.f. 23.07.2015 and his appointment has been also confirmed as director in the adjourned AGM held on 29<sup>th</sup> September, 2015. Ms. Sunaina Chibba has been reappointed as director who was eligible to retire by rotation in last AGM.

During the year, Ms. Pratima Agarwal has been appointed as company Secretary in place of Mr. Pardeep Kumar, who resigned with effect from 18.05.2015.

Further, Mr. Urminder Singh (Chief Financial Officer) has been resigned w.e.f. 5/10/15 and Mr. Ram kumar has been appointed as Chief Financial Officer with effect from 12.02.2016.

**2. Retire by Rotation**

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

**3. Meetings**

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. During the year 11 Board Meetings and 7 Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report.

**4. Board Evaluation**

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

**5. Declaration by an Independent Director(s)**

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

**6. Managerial Remuneration**

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

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

**7. Nomination and Remuneration Policy**

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

**Details of Subsidiary/Joint ventures/ Associate Companies**

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

**Particulars of Employees**

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

**Related Party Transaction**

The Company has an agreement with a related party for securing business from abroad and the shareholders of the company approved it. All related party transaction held during the year was approved and reviewed by the audit committee as per the provisions of listing agreement and Companies Act, 2013 and in compliance of the approval provided by the shareholders. The details of the related party transactions are provided in Annexure IV.

**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, 2016, 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, 2016 and of the profit of the Company for the year ended on that date;
- (iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the annual financial statements have been prepared on a going concern basis;
- (v) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- (vi) That proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**Corporate Governance**

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

**Auditors****1. Statutory Auditor**

The Auditors, M/s B K Kapur & Company, Chartered Accountants, have been appointed as Statutory Auditors of the Company for a period of 5 years at the 29<sup>th</sup> annual general meeting held on 29<sup>th</sup> September 2014 and Shareholders also ratified his appointment in last Adjourned AGM held on 29<sup>th</sup> September 2015. The shareholders at the ensuing annual general meeting will consider ratification of the appointment of Statutory Auditors. As required under Regulation 33 of SEBI(Listing Obligations and Disclosure Requirements)



Regulations, 2015, the Auditors have confirmed that they hold a valid certificate issued by Peer Review Board of the Institute of Chartered Accountants of India.

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

## **2. Cost Audit**

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

## **3. Secretarial Audit**

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

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

## **4. Internal Audit & Controls**

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

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

### **Conservation of Energy**

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

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

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

### **Technology absorption**

(1) During the year 2015-16, no effort has been taken for technology absorption.

(2) No absorption of imported technology has been taken place during year 2015-16.

(3) No expenses incurred for Research and Development during financial year 2015-16.

### **Foreign Exchange Earning and Out go**

Particulars with regard to foreign exchange earnings & outgo is mentioned in notes to account attached as part of Annual Report.

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

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

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

The Company has received a cheque of Rs 10,62,136 from Excise department in honour of the order of CESTAT, which has encashed in your company bank account.

## **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.

## **Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future**

The Company has received an order in its favour from CESTAT in a long pending excise case. In pursuant to such order the excise department released refund of Rs. 10,62,136 in favour of your Company.

## **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 : 25.08.2016

For and on behalf of Board of Directors

Sd/-

Naresh K Chibba  
Managing Director

Sd/-

Dhiraj Kumar Choudhary  
Director

**ANNEXURE INDEX**

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