

# **34<sup>TH</sup>**

# **Annual Report**

**2018-2019**

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
Mr., Amit Kumar	Chief Finance Officer

**INDEPENDENT AUDITORS**

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

**BANKERS**

INDIAN OVERSEAS BANK  
ICICI BANK  
CANARA BANK  
INDUSIND BANK

**REGISTRAR AND SHARE TRANSFER AGENT**

BEETAL FINANCIAL & COMPUTER SERVICES PVT. LTD.  
BEETAL HOUSE, 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

# 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](http://www.continentalchemicalsltd.com)

## NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 34<sup>th</sup> Annual General Meeting of Continental Chemicals Limited will be held on Saturday, the 28<sup>th</sup> September 2019 at 3.00 P.M. at the Registered Office of the company at A-7, Sector-VII, Noida, Gautam Budh Nagar, Pin. 201301 (U.P) to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report for the year ended 31st March 2019, 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.

3. To appoint Auditor and fix their remuneration and in this regard, pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 139,142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), B. K. Kapur & Company (Registration No. 000852C), be and are hereby appointed as Auditors of the Company for second term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the sixth Annual General Meeting from this Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company."

### SPECIAL BUSINESS

4. To consider and approve reappointment of Mr. Naresh Kumar Chibba as Managing Director of the Company and if thought fit, pass the following resolution as **Special Resolution**, with or without modification(s):

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications, amendments or re-enactments thereto for the time being in force) (hereinafter referred to as "the Act"), the relevant provision of the Articles of Association of the Company, and subject to such approvals as may be required, consent and approval of the Company be and is hereby accorded to the re-appointment of Mr. Naresh Kumar Chibba (DIN 00376963) as Managing Director of the Company for a period of three years with effect from 1 August 2020 on the remuneration and terms and conditions as set out in the Explanatory Statement annexed to this Notice and whose period of office shall not be liable to determination by retirement of directors by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (on the recommendations of the Nomination & Remuneration Committee) be and are hereby authorized to revise, amend, alter and vary the remuneration and other terms and conditions of Mr. Naresh Kumar Chibba, Managing Director in such a manner as may be permissible in accordance with the provisions of the Act and Schedule V or any modification or enactment thereto and subject to the approval of the Central Government, if required, and as may be agreed to by and between the Board of Directors and Mr. Naresh Kumar Chibba, without any further reference to the shareholders in general meeting.

**RESOLVED FURTHER THAT** in the absence or inadequacy of profits in any financial year during the term of office of Mr. Naresh Kumar Chibba as Managing Director, he shall be paid the remuneration, allowances and perquisites except the commission/performance bonus as set out in the explanatory statement forming part of this Notice or the revised remuneration as approved by the Board of Directors from time to time, as the Minimum Remuneration in accordance with Schedule V and other applicable provisions of the Act.

**RESOLVED FURTHER THAT** as Managing Director of the Company, Mr. Naresh Kumar Chibba, shall, subject to the supervision, control and directions of the Board of Directors of the Company, continue to exercise substantial powers of management and shall manage the business and affairs of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to take all actions and steps expedient or desirable to give effect to this resolution in conformity with the provisions of the Act and also to settle any question, difficulty or doubt that may arise in this regard without requiring to secure any further consent or approval of the shareholders of the Company."

5. To consider and approve the reappointment of Mr. Pradeep Kumar Chopra as Independent Director and if thought fit, pass the following resolution as **Special Resolution**, with or without modification(s):

**"RESOLVED** that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV of the Act and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Mr. Pradeep Kumar Chopra (DIN: 02306030), who was appointed as an Independent Director at the 29<sup>th</sup> Annual General Meeting of the Company and who holds office up to the conclusion of 34<sup>th</sup> AGM and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years effective from 28.09.2019."

6. To consider and approve the reappointment of Mr. Akshat Bhaskar as Independent Director and if thought fit, pass the following resolution as **Special Resolution**, with or without modification(s):

**"RESOLVED** that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV of the Act and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Sri Akshat Bhaskar (DIN 06826121) who was appointed as an Independent Director at the 29<sup>th</sup> Annual General Meeting of the Company and who holds office up to the conclusion of 34<sup>th</sup> AGM and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years effective from 28.09.2019."

7. To consider and approve issue of equity shares on Preferential Basis and, if thought fit, to pass, the following resolution as a Special Resolution, with or without modification(s):

**"RESOLVED THAT** pursuant to Section 62, read with Section 42, and other applicable provisions of the Companies Act, 2013, if any, and the Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) (the "Act") and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, and subject to necessary approvals, permissions,

consents and sanctions of any regulatory authority, if applicable, Securities and Exchange Board of India ("SEBI"), Stock Exchanges, Ministry of Corporate Affairs, and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued by the Government of India, SEBI, including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations"), Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, as amended (the "Takeover Regulations"), SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "SEBI (ICDR) Regulations") and Listing Agreements entered into by the Company with the Stock Exchanges where the equity shares of the Company are listed (the "Stock Exchanges"), to the extent applicable and subject to necessary approvals, permissions, sanctions and consents, as may be required, from any other relevant governmental authorities, approvals including from the stock exchange(s), where the share of the company are presently listed and all other statutes, rules, regulations, guidelines, notifications, circulars and clarifications as may be applicable and subject to such approvals, permissions, sanctions and consents as may be necessary and on such terms and conditions (including any alterations, modifications, corrections, changes and variations, if any, that may be stipulated while granting such approvals, permissions, sanctions and consents as the case may be) by any other regulatory authorities which may be accepted by the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any duly constituted / to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot up to maximum of 12,50,000 (Twelve Lakhs Fifty Thousand Only) equity shares of face value of Rs. 10 (Ten Rupees only) each to Mr. Aditya Vikram Chibba (Non-resident Indian), belongs to promoter group of the company by way of preferential allotment (on non repatriation basis), at a price Rs. 13 (Rupees Thirteen only) per share of face value of Rs. 10/- each as determined in accordance with Regulation 164 read with Regulation 165 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as the Board may, in its absolute discretion think fit and without requiring any further approval or consent from the members in the manner provided hereunder."

**RESOLVED FURTHER THAT** the equity shares being offered, issued and allotted to Mr. Aditya Vikram Chibba by way of a Preferential Issue or allotment shall inter alia be subject to the following:

- (i) The equity shares shall be issued and allotted by the Company to Mr. Aditya Vikram Chibba in dematerialized form within period of 15 (fifteen) days from the date of passing of this Special Resolution provided that where the issue and allotment of the said equity shares is pending on account of pendency of any approval for such issue and allotment by any regulatory authority, the issue and allotment shall be completed within a period of 15 (fifteen) days from the date of such approval;
- (ii) The equity shares to be offered, issued and allotted shall rank pari-passu with the existing equity shares of the Company in all respects including the payment of dividend, if any;
- (iii) The "Relevant Date" in relation to issue of Equity Shares pursuant to this resolution in accordance with the SEBI (ICDR) Regulations be 29<sup>th</sup> August, 2019, being the date 30 days prior to the Annual General Meeting i.e. on 28<sup>th</sup> September, 2019 or such other date as may be prescribed in accordance with the SEBI (ICDR) Regulations.
- (iv) The equity shares to be offered, issued and allotted shall be subject to lock-in as provided under the applicable provisions of SEBI (ICDR) Regulations;
- (v) The equity shares so offered, issued and allotted will be listed on Stock Exchanges where the equity shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals as the case may be;
- (vi) The equity shares so offered, issued and allotted to Aditya Vikram Chibba are being issued for cash consideration; and

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation to vary, modify or alter any of the relevant terms and conditions, including size of the Preferential Issue and consequent proportionate reduction (subject to rounding off adjustments) of the number of equity shares to be allotted to Aditya Vikram Chibba, provide any clarifications related to issue and allotment of equity shares, listing of equity shares on Stock Exchanges and authorise to preparation, execution and entering into arrangement / agreements, offer letter, letter of allotment, all writings, instruments and such other documents (including documents in connection with appointment of agencies, intermediaries and advisors) and further to authorise all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and the decision of the Board shall be final and conclusive.

**RESOLVED FURTHER THAT** subject to the SEBI (ICDR) Regulations and other applicable laws, the Board be and is hereby authorised to decide and approve terms and conditions of the issue of the above-mentioned equity shares and to vary, modify or alter the terms and conditions, including size of the issue as it may deem expedient.

**RESOLVED FURTHER THAT** the equity shares to be created, offered, issued and to be allotted to Aditya Vikram Chibba shall rank pari-passu in all respects with the existing equity shares of the Company (including with respect to dividend and voting rights) from the date of allotment thereof, and be subject to the requirements of all applicable laws and shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take necessary steps for listing of the above mentioned Equity Shares on the Stock Exchanges where the Equity Shares of the Company are listed, as per the terms and conditions of the Listing Agreement and other applicable Guidelines, Rules and Regulations.

**RESOLVED FURTHER THAT** the Board be and is hereby also authorised to delegate all or any of its powers to any officer(s) or authorized signatory(ies) to give effect to this resolution including execution of any documents on behalf of the Company and to represent the Company before any governmental or regulatory authorities and to appoint any professional advisors, bankers, consultants, advocates and advisors to give effect to this resolution and further to take all others steps which may be incidental, consequential, relevant or ancillary in this connection."

By Order of the Board of Directors  
Sd/-

Naresh Kumar Chibba  
Managing Director  
Din: 00376963  
Add: A-7 Sec. 7 Noida -201301

PLACE : NOIDA  
DATE : 31.08.2019

**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 Monday, the **23.09.2019 to Saturday 28.09.2019 (Both days inclusive).**

6. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturday & Sundays, during business hours up to the date of the Meeting.

7. In terms of Section 72 of the Companies Act, 2013, the shareholders of the Company may nominate a person on whom the shares held by him/them shall vest in the event of his/her death. Shareholders desirous of availing this facility may submit nomination in Form SH-13.

8. The Company has entered into agreements with CDSL and NSDL (Both depositories) to offer depository services to the Shareholders. Shareholders can open account with any of the depository participants registered with CDSL and NSDL.

9. Members are requested to bring their copies of Annual Report at the meeting, as extra copies will not be supplied.

10. Pursuant to the requirement of the listing agreement, the Company declares that its equity shares are listed on the stock exchange as Bombay Stock Exchange.

11. Only registered members carrying the attendance slips and the holders of valid proxies registered with the Company will be permitted to attend the meeting.

12. Members may also note that the Notice of the 34<sup>th</sup> Annual General Meeting and the Annual Report for 2018-2019 will also be available on the Company's website [www.continentalchemicals.com](http://www.continentalchemicals.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 CDSL, NSDL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company. Members are requested to keep the same updated.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or RTA of Company.

15. In terms of section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members, who have registered their email ids with their respective depository participants or with the RTA of the Company.

16. Members, who still hold share certificates in physical form, are advised to dematerialize their shareholding to avail of the numerous benefits of dematerialization, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries. As per the recent amendment in the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the transfer of the shares in the physical form had been restricted. The Shareholders holding shares in Physical mode are advised to convert their shares in Demat mode for further liquidation.

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

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

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

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

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

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

#### **21. Voting through electronic means**

A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 34<sup>th</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 25<sup>th</sup> September, 2019 (10:00 am) and ends on 27<sup>th</sup> September, 2019 (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 21<sup>st</sup> September, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

#### **The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 25<sup>th</sup> September, 2019 (10:00 am) and ends on 27<sup>th</sup> September, 2019 (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 21<sup>st</sup> September, 2019 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
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - 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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
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. <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 (iv).</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 changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](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.

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)

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item 3

#### Appointment of Auditor

In compliance with section 139(2) the auditor firm is eligible to appoint for the second term of 5 years. M/s. B. K. Kapur & Company (Registration No. 000852C) (auditor firm) has given his consent for appointment for the second term of 5 year in forthcoming 34<sup>th</sup> AGM of company and also confirmed that they hold a valid certificate issued by Peer Review Board of the Institute of Chartered Accountants of India as required under Regulation 33 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015. The firm also a reputed firm and auditing the accounts

of many others listed companies. The management agreed to pay Rs. 42,500 as auditing fee per year. There is no change in the fees of Auditor. The Board recommends passing the item no. 3 as ordinary resolution.

#### **Item no. 4**

##### **Re-appointment of Mr. Naresh Kumar Chibba as the Managing Director**

The members of the Company had, at their 29<sup>th</sup> Annual General Meeting (AGM) held on September 29, 2014, re-appointed Mr. Naresh Kumar Chibba as Managing Director of the Company for a period of five years with effect from 1<sup>st</sup> August 2015 and approved his remuneration under the relevant provisions of the Companies Act, 2013. Subsequently, approval of the members was also sought by way of special resolutions passed in 33<sup>rd</sup> Annual General meeting held on September 29, 2018 to the payment of remuneration to him in accordance with the provisions of the Companies Act, 2013 ('Act') and the amended Schedule V thereto.

The present tenure of Mr. Naresh Kumar Chibba is due to expire on 31<sup>st</sup> July 2020. Keeping in view his vast experience, role and responsibilities, leadership capabilities, entrepreneurship skills, and contribution in the performance of the Company, the Board of Directors of the Company at their meeting held on August 31, 2019 have, on the recommendation of the Nomination and Remuneration Committee, and subject to the approval of the shareholders by way of a special resolution and such other approvals as may be required, re-appointed Mr. Naresh Kumar Chibba as Managing Director of the Company for a further period of three years with effect from August 1, 2020 on the remuneration and terms and conditions set out below:-

#### **I. Remuneration**

##### **1. Salary:**

Salary of Rs. 100,000/- per month from August 1<sup>st</sup>, 2020 with an increase of 10% annually or inflation rate of the previous year whichever is higher.

##### **2. Allowances and Perquisites:**

In addition to the above, Mr. Naresh K. Chibba as Managing Director shall be entitled to the following perquisites restricted to an amount equal to fifty percent of the salary.

##### **Category 'A'**

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

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

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

##### **Category 'B'**

##### **(i) Company's Contribution**

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

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

**(ii) Gratuity :** As per rules of the Company, Payable in accordance with the approved fund at the rate of 15 days salary for each completed year of service. Part service in excess of six months shall be reckoned as completed year of service.

##### **Category 'C':**

- (i) Conveyance: Use of Company's car with driver. Use of car with driver for official purpose shall not be considered as perquisites.
- (ii) Telephone: Use of telephone at residence. Use of telephone for official purposes shall not be considered as perquisites.
- (iii) Employees Stock Ownership Plan: The Managing Director shall be entitled to the Employees stock Ownership plan (ESOP) as decided by the Board of the company from time to time. Besides this the Managing Director shall also be entitled to an incentive plan which will be separately executed and which will be co-terminus with the Supplemental Agreement. This will not be included in calculation of perquisites and will be outside the purview of perquisites under Category A and the overall ceiling will not apply.
- iv) Commission/Performance Bonus: As may be decided by the Board of Directors, on the recommendations of the Nomination and Remuneration Committee, from year to year.

#### **3. Overall Remuneration**

The aggregate of salary allowances and perquisites in any financial year shall not exceed the limits prescribed under Section 197 and other applicable provisions of the Act read with Schedule V to the said Act, as may, for the time being, be in force.

**4. Minimum Remuneration:** Notwithstanding anything to the contrary contained herein, in the event of absence or inadequacy of profits in any financial year during the term of office of Mr. Naresh Kumar Chibba as Managing Director, the Company will, subject to applicable laws, pay him the remuneration, allowances and perquisites as detailed above with such increments/revision as may be approved from time to time except commission/performance bonus as the Minimum Remuneration in accordance with Schedule V and other applicable provision of the Act.

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

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

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

Presently Mr. Naresh Kumar Chibba has not been drawing any remuneration from any other Company except by way of sitting fee or commission from the companies of which he is a director.

Mr. Naresh Kumar Chibba, being eligible, offers himself for re-appointment. A brief resume of Mr. Naresh Kumar Chibba is annexed to this notice. The performance of the Company has improved in the recent past and is expected to improve further in the coming years. It may incur losses due to uncontrollable reasons, resulting in inadequate profits in some years to pay managerial remuneration. In such an event, Mr. Naresh Kumar Chibba may be entitled to minimum remuneration. Accordingly, the statement as required under Section II, Part II of the Schedule V to the Act with reference to Special Resolution at Item No. 4 is annexed hereto as **Annexure-A**.

The approval of the shareholders is sought by way of a special resolution to the re-appointment and payment of remuneration to Mr. Naresh Kumar Chibba as Managing Director of the Company in accordance with the relevant provisions of the Act read with Schedule V thereto. The Board recommends the passing of Special Resolution at Item No. 4 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Naresh Kumar Chibba, Managing Director, and Ms. Sunaina Chibba, Director, who are related to each other, are concerned or interested, financially or otherwise, in this Special Resolution except to the extent of their shareholding interest, if any, in the Company.

#### **Item no. 5 and 6**

**Mr. Pradeep Kumar Chopra (DIN: 02306030) and Mr. Akshat Bhaskar (DIN: 06826121)** were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges. They hold office as Independent Directors of the Company up to the conclusion / date of the ensuing Annual General Meeting of the Company ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended reappointment of Mr. Pradeep Kumar Chopra and Mr. Akshat Bhaskar as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Mr. Pradeep Kumar Chopra and Mr. Akshat Bhaskar would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, it is proposed to reappoint Mr. Pradeep Kumar Chopra and Mr. Akshat Bhaskar as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") *inter alia* prescribe that an independent director of a company shall meet the criteria of Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms.

Mr. Pradeep Kumar Chopra and Mr. Akshat Bhaskar are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has also received declarations from Mr. Pradeep Kumar Chopra and Mr. Akshat Bhaskar that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mr. Pradeep Kumar Chopra and Mr. Akshat Bhaskar fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations. Mr. Pradeep Kumar Chopra and Mr. Akshat Bhaskar are independent of the management.

Details of Directors whose re-appointment as Independent Directors is proposed at Item Nos 5 and 6, are provided in the "Annexure B" 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. Pradeep Kumar Chopra and Mr. Akshat Bhaskar are interested in the resolutions set out respectively at Item Nos. 5 and 6 of the Notice with regard of their respective re-appointments.

The relatives of, Mr. Pradeep Kumar Chopra and Mr. Akshat Bhaskar may be deemed to be interested in the respective resolutions to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the Special Resolutions set out at Item Nos. 5 and 6 of the Notice for approval by the members.

#### **Item No. 7**

With a view to augment funds to meet additional working capital requirements and investment of the growing business, the Board of Directors has been considering and discussing the proposal of making preferential allotment of securities to the Promoters Group in its meeting held on August 31, 2019, it has approved the decision to make preferential allotment of up to maximum of 12,50,000 (Twelve Lacs Fifty Thousand Only) Equity Share of face value of Rs. 10 (Ten Rupees only) each, at a price of Rs. 13/- per shares including premium of Rs. 3/- per share arrived at in accordance with the ICDR Regulations ("Issue Price").

In terms of Section 62(1)(c) read with Section 42 of the Companies Act, 2013 and Rules made there under (the "Act"), a company can undertake preferential allotment / private placement only after obtaining prior approval of the shareholders by way of special resolution in terms of Section 42 and 62(1)(c) of the Companies Act, 2013 read with provisions of Chapter VII "Preferential Issue" of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "ICDR Regulations"), as amended, and on the terms and conditions and formalities as stipulated in the Act and the ICDR Regulations.

The following details of the proposed preferential issue of the equity shares are disclosed in accordance with the provisions of the Act and the ICDR Regulations, as amended from time to time:

#### **1. The objects of the Preferential Issue:**

As you are aware that Continental Chemicals Limited incurred huge losses in chemical business in past due to unfavourable market conditions and in view of that the company has diversified its business and entered in to software development business. In view of the growing demand of its software business overseas, the company needs funds for expansion of its software business as well as to meet its additional working capital requirements, the Company has proposed preferential issue of Equity Shares to the persons belonging to the Promoter Group.

#### **2. Maximum Number of Specified Securities to be Issued::**

It is proposed to issue and allot up to maximum of 12,50,000 (Twelve Lakhs Fifty Thousand Only) Equity Shares of face value of Rs. 10 (Ten Rupees only) each to the Promoter Group.

#### **3. Pricing of the Issue and Relevant Date:**

The Equity Shares of the Company are listed on BSE Limited (BSE). However, in terms of Regulation 165 of the SEBI ICDR Regulations, 2018, the shares of the Company are infrequently traded on BSE Limited therefore, the aforesaid Equity Shares shall be allotted in accordance with the price determined in terms of Regulation 165 of the SEBI (ICDR) Regulations, 2018. As per the said Regulation, if the shares are



infrequently traded, the price is needed to be determined by taking into account valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies.

"Relevant Date" in relation to the issue of equity shares in accordance with the SEBI (ICDR) Regulations, would be 29<sup>th</sup> August, 2019 being the date 30 days prior to Annual General Meeting i.e. on 28<sup>th</sup> September, 2019 where the proposed preferential issue is being considered for approval of the members.

A Certificate has been obtained from the registered valuer confirming the minimum price for the preferential issue as per Preferential Issue Guidelines in Chapter V of SEBI (ICDR) Regulations, 2018 along with the calculation thereof and the same will be made available for inspection at the Registered Office of the Company.

"Stock Exchange" for this purpose shall mean any of the recognized stock exchanges in which the equity shares are listed and in which the highest trading volume in respect of the equity shares of the Company has been recorded during the preceding twenty six weeks prior to the relevant date.

On Relevant Date, if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the allottee.

The allotment of shares are subject to the Investor not having sold any Equity Shares during the six months preceding the Relevant Date (defined below) and the Investor not acquiring or selling any equity shares Equity Shares until completion of the allotment under the proposed preferential issue.

4. The Company, Its Promoters and Directors is not declared as willful defaulter by Reserve Bank of India.
5. **The proposal of the promoters, or their associates and relatives, directors/key managerial persons of the issuer to subscribe to the offer :**  
None of the Directors, Key Managerial Personnel or Promoters of the Company except Aditya Vikram Chibba, one of the promoters and promoter group of the Company intend to subscribe to the Allotment of Shares as per Item No. 7 of the Notice.
6. **The Identity of Proposed Allottees (including natural persons who are the ultimate beneficial owners of equity shares proposed to be allotted and/or who ultimately control), the percentage (%) of Post Preferential Issue Capital that may be held by them and Change in Control, if any, consequent to the Preferential Issue:**

S.No.	Name and address of the Proposed Allottee	Category	Pre issue holding		Equity shares proposed to be allotted	Post issue holding		Name of the natural persons, who are the ultimate beneficial owners
			Shares	% of Shares		Shares	% of shares	
1	Aditya Vikram Chibba  Address: S-522, Greater Kailash-1 New Delhi -110048	Individual/ Promoter	0	0	12,50,000	12,50,000	55.58%	Aditya Vikram Chibba
	<b>Total</b>		0	0	12,50,000	12,50,000	55.58%	

**NOTE:**

The pre preferential percentage of shareholding has been calculated on the basis of present equity share capital of company.

The post preferential percentage of shareholding has been calculated on the basis of post emerging equity share capital of company.

**7. The shareholding pattern of the Company before and after the proposed issue of shares:**

Sr. No	Category	Pre-issue Shareholding		Shareholding Pattern on the date of listing of Equity Shares issued pursuant to proposed preferential allotment	
		No. of shares held	% holding	No. of shares held	% holding
A.	Promoters and Promoter Group Holding				
1	Indian Promoters / Promoter Group:				
	Individuals / HUF	133110	13.3243	133110	5.9186
	Trust				
	Bodies Corporate				
	Sub Total				
2	Foreign Promoters / Promoter Group:				

	Individuals (NRI non repatriation basis)	0	0	1250000	55.5803
	Bodies Corporate				
	Sub Total				
	Sub Total (A)	133110	13.3243	1383110	61.4989
B1	Non – Promoters' holding:				
	Institutions:				
	Mutual Funds				
	Alternative Investment Funds				
	Foreign Portfolio Investor (Corporate)				
	Financial Institutions / Banks	100	0.0100	100	0.0044
	Insurance Companies				
	Sub Total (B1)	100	0.0100	100	0.0044
B2	Others				
	Individuals	851440	85.2593	851440	37.8719
	Bodies Corporate	13800	1.3614	13800	0.6047
	Non-Resident Indians (Repatriable)				
	Non-Resident Indians (Non-Repatriable)				
	Trust				
	Hindu Undivided Family	550	0.0450	550	0.0200
	Foreign Portfolio Investor (Individual)				
	Others (IEPF and NBFCs)				
	Sub Total (B2)	865790	86.6657	865790	38.4967
	Grand Total (A + B1 + B2)	999000	100.0000	2249000	100.0000

- The pre issue shareholding is prepared on the basis of data present as on 16<sup>th</sup> August 2019. The table shows the expected shareholding pattern of the Company upon assumption of the allotment and assumes that holding of all other shareholders shall remain the same post issue as they were on the date on which the pre issue shareholding pattern was prepared.

- The Company will ensure compliance with all applicable laws and regulations including the SEBI (ICDR) Regulations at the time of allotment of Equity Shares on Preferential Basis to the proposed allottees.
- The proposed time frame within which the Preferential Issue shall be completed:**  
As required under the SEBI (ICDR) Regulations, the Company shall complete the allotment of the Allotment Shares on or before the expiry of 15 (fifteen) days from the date of passing of special resolution by the Members granting consent for issue and allotment of the Shares, and in the event the allotment of the Shares requires any approval(s) from any regulatory authority, within 15 (fifteen) days from the date of such approval(s) or permission or within such further period as may be prescribed or allowed by the SEBI, Stock Exchanges or other concerned authorities, as the case may be.
- Change in control, if any, in the Company that would occur consequent to the preferential offer:** There shall be no change in the management or control of the Company pursuant to the aforesaid issue and allotment of the Shares as proposed. However the shareholding of Promoter Group shall increased beyond the threshold limit as prescribed under Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, as amended and accordingly the acquirer shall give open offer to the shareholders in compliance with provisions of Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, as amended.
- Undertaking from the Company:**
  - It would re-compute the price of the Securities specified above in terms of the provisions of the SEBI (ICDR) Regulations, 2018 if it is required to do so.
  - If the amount payable on account of re-computation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations, 2009, the above specified securities shall continue to be locked in till the time such amount is paid by allottees.
- Auditors' Certificate:**  
The Certificate being issued by B.K. Kapur & Company, Chartered Accountants, Statutory Auditors of the Company certifying that the Preferential Issue is being made in accordance with the requirements of the SEBI (ICDR) Regulations, is available for inspection and will be kept open for inspection at the Registered Office of the Company between 10:00 a.m. and 1:00 p.m. on all working days between Monday to Friday of every week, up to the date of this Annual General Meeting.
- Valuation for consideration other than cash, if any:**  
Not applicable as the proposed allotment of Shares is for consideration in cash.
- The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:**  
Not Applicable since the allotment proposed for consideration in cash.
- Number of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price:**