

# CONTINENTAL SECURITIES LIMITED



Regd. Office: 301, Metro Plaza, GopalBari, Jaipur-302001

CIN NO: - L67120RJ1990PLC005371

Date : 19.06.2020

To  
The Manager (Department of Corporate Affairs)  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort Mumbai- 400001

Ref: Security Code: 538868 Security ID: CSL

Sub: Submission of Audited Financial Results for the Fourth quarter and year ended 31<sup>st</sup> March 2020.

Dear Sir/Madam

Pursuant to the Regulation 33 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, The Board of Directors at their meeting held on 19<sup>th</sup> June 2020 have consider and approved, The Audited Financial Results of the company for the quarter and year ended 31<sup>st</sup> March 2020 along with the report of the Auditors thereon.

A copy of the results along with Auditor's Report is enclosed herewith.

Thanking You

Yours faithfully,

For CONTINENTAL SECURITIES LIMITED

RAJESH KHUTETA  
MANAGING DIRECTOR  
DIN:- 00167672

# CONTINENTAL SECURITIES LIMITED



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To,  
The Manager (Department of Corporate Affairs)  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort Mumbai 400001

Ref: Scrip Code: 538868 Security ID: CSL  
Subject: Declaration regarding Audit Report with Un-Modified Opinion

Dear Sir/ Ma'am,  
Pursuant to Regulation 33(3) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended by the SEBI Circular No. CIR/CFD/CMD/56/ 2016 dated May 27, 2016, it is here by declared and confirmed that Auditors' Report obtained from M/s Gopal Sharma & Company, Chartered Accountants, (FRN : 002803C) on Annual Audited Financial Results for the financial year ended on 31<sup>st</sup> March, 2020 has an unmodified opinion.

You are requested to take the above information on record.

Yours Faithfully

Thanking You

FOR CONTINENTAL SECURITIES LIMITED

  
RAJESH KHUTETA  
MANAGING DIRECTOR  
DIN:- 00167672



# CONTINENTAL SECURITIES LIMITED



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## CONTINENTAL SECURITIES LIMITED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED ON 31st MARCH 2020

(Rs. In Lacs)

	Particulars	QUARTER ENDED	QUARTER ENDED	QUARTER ENDED	YEAR TO DATE FIGURE FOR CURRENT PERIOD	YEAR TO DATE FIGURES FOR PREVIOUS YEAR ENDED
		31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
		Audited	Unaudited	Audited	Audited	Audited
1	Income from Operations (Net)	17.57	12.59	10.67	58.36	41.12
2	Other Operating Income		0.17	0.00	0.17	0.14
3	Total Income (1 + 2)	17.57	12.76	10.67	58.53	41.26
4	Expenses					
	a) Cost of material consumed	0.00	0.00	0.00	0.00	0.00
	b) Excise duty	0.00	0.00	0.00	0.00	0.00
	(c) Purchase of stock-in-trade	0.00	0.00	0.00	0.00	0.00
	(d) Changes in inventories of finished goods, work-in- progress and stock-in-trade	0.00	0.00	0.00	0.00	0.00
	(e) Employee benefits expense	3.97	3.65	4.25	15.05	18.27
	(f) Finance cost	0.00	0.00	0.00	0.00	0.00
	(g) Depreciation and amortization expense	0.30	0.32	0.37	1.26	1.40
	(h) Other expenses	2.48	1.77	2.51	11.56	12.75
	Total Expenses	6.75	5.74	7.13	27.87	32.42
5	Profit before Tax (3-4)	10.82	7.02	3.54	30.66	8.84
6	TAX EXPENSES					
	(a) Current Tax	2.70	1.40	0.16	7.86	2.61
	(b) Deferred Tax	0.00	0.00	0.00	-0.45	-0.22
	Total Tax Expenses	2.70	1.40	0.16	7.41	2.39
7	NET PROFIT FOR THE PERIOD (5-6)	8.12	5.62	3.38	23.25	6.45
8	OTHER COMPREHENSIVE INCOME/(LOSSES)					
	A) (i) Items that will not be reclassified to Profit & Loss	0.00	0.00	0.00	0.00	0.00
	(ii) Income tax relating to items that will not be reclassified to profit & loss	0.00	0.00	0.00	0.00	0.00
	B) (i) Items that will be reclassified to Profit & Loss	0.00	0.00	0.00	0.00	0.00
	(ii) Income tax relating to items that will be reclassified to profit & loss	0.00	0.00	0.00	0.00	0.00
9	TOTAL COMPREHENSIVE INCOME (7+8)	8.12	5.62	3.38	23.25	6.45
10	Paid up equity share capital (Face Value : Rs. 10 per share)	325.06	325.06	325.06	325.06	325.06
11	Total Reserves	0.00	0.00	0.00	0.00	45.91
12	Basic and diluted earnings per share (in Rs.)	0.25	0.17	0.10	0.72	0.20



Phone: +91-141-2377301, Mob. +91-94140-77226 WEBSITE : -CONTINENTALSECURITIESLTD.COM

E-Mail: rk14569@rediffmail.com, continentalsecuritieslimited@gmail.com

# CONTINENTAL SECURITIES LIMITED




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## NOTES:

- 1 The above Audited Financial Results of the company for the quarter and year ended March 31st, 2020 have been reviewed by the Audit Committee and on its recommendation, have been approved by the Board of Directors at its meeting held on 19-06-2020
- 2 The above financial result of the company have been prepared in accordance with Indian Accounting Standards (IND AS) prescribed under section of the companies act, 2013 read with companies (Indian Accounting Standards) Rules, 2015 as amended
- 3 The Company is engaged primarily in the business of financing and accordingly that this is single reportable business segment in accordance with IND AS 108.
- 4 These financial results have been prepared in accordance with Indian Accounting Standards ('IND AS') prescribed under Section 133 of the Companies Act 2013 read with relevant rules there under and in terms of Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015 and SEBI Circular dated 5 July, 2016 Beginning 1 April, 2017, The Company has for the first time adopted IND AS with a transition date of 1 April, 2016.

## FOR CONTINENTAL SECURITIES LIMITED

  
RAJESH KHUTETA  
MANAGING DIRECTOR

DIN: 00167672

PLACE : JAIPUR

DATE: 19-06-2020







## CONTINENTAL SECURITIES LIMITED STATEMENT OF ASSETS AND LIABILITIES AS AT 31.03.2020

		(Rs. In Lacs)	(Rs. In Lacs)
	PARTICULARS	As at 31-03-2020	As at 31-03-2019
		(AUDITED)	(AUDITED)
1	<b>ASSETS</b>		
	<b>Non - current assets</b>		
(a)	Plant and machinery and other assets	3.77	4.73
(b)	Capital work in progress	0.00	0.00
(c)	Intangible assets	0.00	0.00
(d)	Financial assets		
	(i) Investments	54.90	54.90
	(ii) Loans	0.00	0.00
	(iii) Other financial assets	0.00	0.00
(e)	Deferred tax Assets(Net)	1.52	1.97
	<b>Total non-current assets</b>	<b>60.19</b>	<b>61.60</b>
	<b>Current assets</b>		
(a)	Inventories	0.00	0.00
(b)	Financial assets		
	(i) Investments	0.00	0.00
	(ii) Trade receivables	0.00	0.00
	(iii) Cash and cash equivalents	0.26	0.37
	(iv) Other balances with banks	5.24	15.70
	(v) Loans	338.69	298.64
	(vi) Other financial assets	0.84	2.88
	<b>Total Current Assets</b>	<b>345.03</b>	<b>317.59</b>
	<b>TOTAL ASSETS</b>	<b>405.22</b>	<b>379.19</b>



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2	EQUITY AND LIABILITIES		
	Equity		
(a)	Share capital	325.06	325.06
(b)	Reserves & Surplus	68.75	45.92
	<b>Total Equity Liabilities</b>	<b>393.81</b>	<b>370.98</b>
	Non-Current Liabilities		
(a)	Financial liabilities		
	(i) Long-term borrowings	0.00	0.00
	(ii) Deferred tax liabilities (net)	0.00	0.00
	(iii) Other financial liabilities	0.00	0.13
(b)	Provisions		
(c)	Other Non Current liabilities	0.00	0.00
	<b>Total Non-Current Liabilities</b>	<b>0.00</b>	<b>0.00</b>
	Current liabilities		
(a)	Financial liabilities		
	(i) Short-term borrowings	0.00	0.00
	(ii) Trade payables	0.00	0.00
	(iii) Other financial liabilities	0.00	0.00
(b)	Other current Liabilities	8.00	3.29
(c)	Provisions	3.41	4.79
	<b>Total Current Liabilities</b>	<b>11.41</b>	<b>8.21</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>405.22</b>	<b>379.19</b>

FOR CONTINENTAL SECURITIES LIMITED

  
**RAJESH KHUTETA**  
 MANAGING DIRECTOR  
 DIN: 00167672  
 PLACE : JAIPUR  
 DATE: 19-06-2020







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**CONTINENTAL SECURITIES LIMITED**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31.03.2020**

(Amount in Lakhs)

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	ENDED 2019-20		ENDED 2018-19	
	DETAILS	AMOUNT	DETAILS	AMOUNT
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before exceptional and tax as Statement Profit & Loss (Increase in Reserves)		23.31		6.46
Adjusted for :-				
Finance Cost		0		0.03
Interest received		0.00		0.00
Deferred tax		-0.45		-0.22
Loss/(Profit) on Sale\ written off of Fixed Assets		0.00		0.0
income tax		7.86		2.61
Depreciation		1.26		1.40
Operating Profit before Working Capital Changes		31.98	Total-A	10.28
<b>B Adjusted for:-</b>				
Increase /( Decrease) in Other current liabilities		4.58		0.00
Increase /( Decrease) in Other Non-current liabilities		0.00		0.00
Increase /( Decrease) in provisions		-1.38		1.84
Increase /( Decrease) in Current Tax Liabilities (Net)		3.20	Total-B	1.84
<b>C (Increase)/Decrease in loans and adv. assets</b>		40.05		-18.54
(Increase)/Decrease in other current assets		-2.00		1.87
(Increase) / Decrease in Long Term Assets-investment		0.00		17.95
		38.05	Total-C	1.28
<b>Cash Generated From Operations</b>		-2.87	-	10.84
<b>Net Cash used in Operating Activities Before Extraordinary Items</b>		0.00	0.00	0.00
Less:- Extraordinary Items		0.00	0.00	0.00
<b>Cash Generated From Operations</b>		-2.87	-	10.84
Less:- Taxes Paid		7.86		2.61
<b>Net Cash Flow/(used)From Operating Activites</b>		-10.73		8.23



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B)	CASH FLOW FROM INVESTING ACTIVITIES			
	(Increase) / Decrease in Long Term Loans & Advances	0.00		0.34
	Purchase of Fixed Assets	0.30		0.48
	Proceeds From Sales/written off of Fixed Assets	-0.45		0.00
	Interest received	0.00		0.00
	Net Cash Flow/(used) in Investing Activities	-10.58		8.09
C)	CASH FLOW FROM FINANCING ACTIVITIES			
	Procurement of Borrowings	0.00		0.00
	Repayment of Borrowings	0.00		0.00
	Interest paid	0.00		0.03
	Net Cash Flow/(used) From Financing Activities	-10.58		8.06
	Net Increase/(Decrease) in Cash and Cash Equivalent	(10.58)		8.06
	Opening balance of Cash and Cash Equivalent	16.07		8.00
	Closing balance of Cash and Cash Equivalent	5.50		16.06





**(Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,

Board of Directors of **CONTINENTAL SECURITIES LIMITED**

We have audited the quarterly financial results of **CONTINENTAL SECURITIES LIMITED** for the quarter ended 31<sup>st</sup> March, 2020 and the year to date results for the period 01.04.2019 to 31.03.2020, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25 / Ind AS 34), prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued there under; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

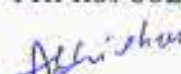
In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view of the net profit/ loss and other financial information for the quarter ended 31<sup>st</sup> March, 2020 as well as the year to date results for the period from 01.04.2019 to 31.03.2020

FOR: GOPAL SHARMA & CO.

Chartered Accountants

Frm no. 002803C

  
Abhishek Sharma, Partner

M.no 079224

Place:- Jaipur

Date: 19/06/2020

VIN :- 20079224 AAAAGA 8818



## ***Independent Auditor's Report***

To the Members of **CONTINENTAL SECURITIES LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **CONTINENTAL SECURITIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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





### Opinion

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in

#### **'Annexure B'**

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



**The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".**

We report that:

- i. **In respect of Company's Fixed Assets :**
  - a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - b. As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
  - c. The title deeds of immovable properties are held in the name of the company.
- ii. In respect of loans, secured or unsecured granted by the company to companies, firms or other parties in the register maintained under section 189 of the companies Act.
  - a. According to the information and explanations given to us, the company has not granted any loan to the parties listed in the register maintained under section 189 of the Act,
  - b. The company has also given advances in the nature of loans of its employees which are recovered regularly together with interest if applicable as per company policy.
- iii. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with and the investment in shares has been taken at cost, their valuation can vary from time to time depending on stock market
- iv. The company has not accepted any deposits from the public covered under sections 73 to 76 of the Companies Act, 2013.
- v. As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vi.
  - a. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2020 for a period of more than six months from the date they became payable.
  - b. According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.





- vii. In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holders, as applicable to the company.
- viii. Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.
- ix. According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- x. According to the information and explanations given to us, we report that managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xi. The company is not a Nidhi Company. Therefore clause xii) of the order is not applicable to the company.
- xii. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiii. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xiv. Company has not entered into non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.
- xv. The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained.

**FOR: GOPAL SHARMA & CO.**  
**Chartered Accountants**  
**Frm no. 0028036**  
  
**Abhishek Sharma, Partner**  
**M.no 079224**

**Place:- Jaipur**  
**Date:- 19-06-2020**



## ***Report on Internal Financial Controls Over Financial Reporting***

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

We have audited the internal financial controls over financial reporting of CONTINENTAL SECURITIES LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

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

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

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





### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Qualified Opinion

In our opinion, on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 financial statements of the Company, and these material weaknesses does not affect our opinion on the financial statements of the Company.

**FOR: GOPAL SHARMA & CO.**  
**Chartered Accountants**  
**Frm no. 002803C**

*Abhishek*  
**Abhishek Sharma, Partner**

**Place:- Jaipur**  
**Date :19-06-2020**

**M.no 079224**

**UDIN :- 20079224AAAAFZ 6674**



## AUDITOR'S ADDITIONAL REPORT

To,  
Board of Directors,  
Continental Securities Limited  
Jaipur

### REPORT ON COMPLIANCE WITH THE NON-BANKING FINANCIAL COMPANIES AUDITOR'S REPORT (RESERVE BANK) DIRECTIONS, 2008.

Pursuant to the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 (the "Directions"). We have examined the matters specified in the Directions in respect of Continental Securities Limited (the "Company") for the year ended March 31, 2020.

#### MANAGEMENT'S RESPONSIBILITY

The Management is responsible for the design and implementation of the internal procedures, systems, processes and controls to ensure compliance with the Directions on an ongoing basis. This responsibility also includes reporting non-compliances, if any, to the Reserve Bank of India, Board of the Company and its Audit Committee.

#### AUDITOR'S RESPONSIBILITY

Our responsibility is to report on the matters specified in the Directions based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether there are any identified non-compliances. An audit involves performing procedures to obtain audit evidence about the compliance with the Directions. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the information and records, whether due to fraud or error. In making those risk assessments, the Auditor considers internal controls relevant to the Company's compliance with the Directions in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our certificate. We conducted our examination in accordance with the Guidance Note on Special Purpose Audit Reports and Certificates issued by the Institute of Chartered Accountants of India.

#### CONCLUSION

Based on our examination of the books and records of the Company as produced for our examination and the information and explanations given to us we further report that:

1. The Company is engaged in the Business of non-banking financial institution and has obtained a Certificate Of Registration (COR) No. 10.00022 dated march, 3 , 1998 from the Reserve Bank Of India ("the Bank") Department of Non-Banking Supervision, Jaipur Regional Office.
2. The Company is entitled to continue to hold such COR in terms of its asset/income pattern as on 31st March, 2020.
3. The Company during the year is not an Asset Finance Company (AFC) as defined in Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 1998.
4. The Company during the year is not a Non-Banking Financial Company - Micro Finance Institutions (NBFC-MFI) as defined in Non-Banking Financial Company Micro Finance Institutions (Reserve Bank) Direction, 2011 dated December 02, 2011 (MFI Directions).
5. The Board of Directors has passed a resolution for non-acceptance of public deposits.





6. The Company has not accepted any public deposits during the year ended 31st March, 2020.

7. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Systematically Important Non-Banking Financial(Non-Deposit Accepting or Holding) Companies Prudential Norms(Reserve Bank)Directions,2015.

8. The annual statement of Capital funds, risk assets/exposures and risk asset ratio (NBS-7) has been furnished to the Bank within the stipulated period based on the un-audited books of account. The Company had correctly arrived at and disclosed the capital adequacy ratio, based on the un-audited books of account, in the return submitted to the Bank in Form NBS-7 and such ratio is in compliance with the minimum CRAR prescribed by the Bank.

#### RESTRICTION ON USE

This report is issued pursuant to our obligations under Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 to Reserve Bank of India and should not be used by any other person or for any other purpose. **GOPAL SHARMA & CO.** neither accepts nor assumes any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in written.

For **GOPAL SHARMA & CO.**  
Chartered Accountants  
FRN: 002803C

*Abhishek Sharma*  
(**ABHISHEK SHARMA**)  
Partner  
Membership No.079224



Place:- Jaipur

Date: 19-06-2020

UDIN :- 20079224 AAAAFZ 6674

## ANNEXURE TO THE AUDITOR'S REPORT

[Referred to in our report of even date to the Member of Continental Securities Ltd]:

(i)

a. The Company is in the process of compiling fixed assets records to show full particulars, including quantitative details and situation of fixed assets.

b. We were informed that all major items of fixed assets were physically verified by the management at the end of the year and that no discrepancy was notified on such verification, which on account of proper records being still under compilation, could not be verified.

ii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the clause 3(iii)(a) and 3 (iii)(b) of the Order are not applicable to the Company.

iii. a. In our opinion and according to information and explanation given to us; there is adequate internal control system commensurate with the size of the Company and the nature of its business, fixed assets and with regard to loans given. Further on the basis of our examination of books and records of the Company, and according to the information and explanations given to us, we have not observed any continuing failure to correct major weaknesses in the aforesaid internal control system.

iv. According to information and explanation given to us, the central government has not prescribed maintenance of cast records under section (1) one of section 148 of the company's act, 2013.

a. According to the information and explanation given to us, the company has no disputed outstanding statutory dues as at 31st march, 2020.

b. According to the information and explanation given to us, the amounts which were reacquired to be transferred to the investor Education and Protection fund and accordance with the relevant provision of the company's Act, 2013 and rules there under has been transferred to such funds within time

vi. The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year end in the immediately preceding financial year.

vii. According to the information and explanation given to us, the Company has not defaulted in the repayments of dues to financial institution, bank or debenture holder during the year

viii. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial intuitions during the year.

ix. According to the information and explanation given to us, the Company has applied term loans for the purpose for which the loans were obtained.

x. According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year review.

For GOPAL SHARMA & CO.

Chartered Accountants

FRN: 002803C

(ABHISHEK SHARMA)  
Partner  
Membership No.079224

Place:- Jaipur

Date: 19/06/2020

