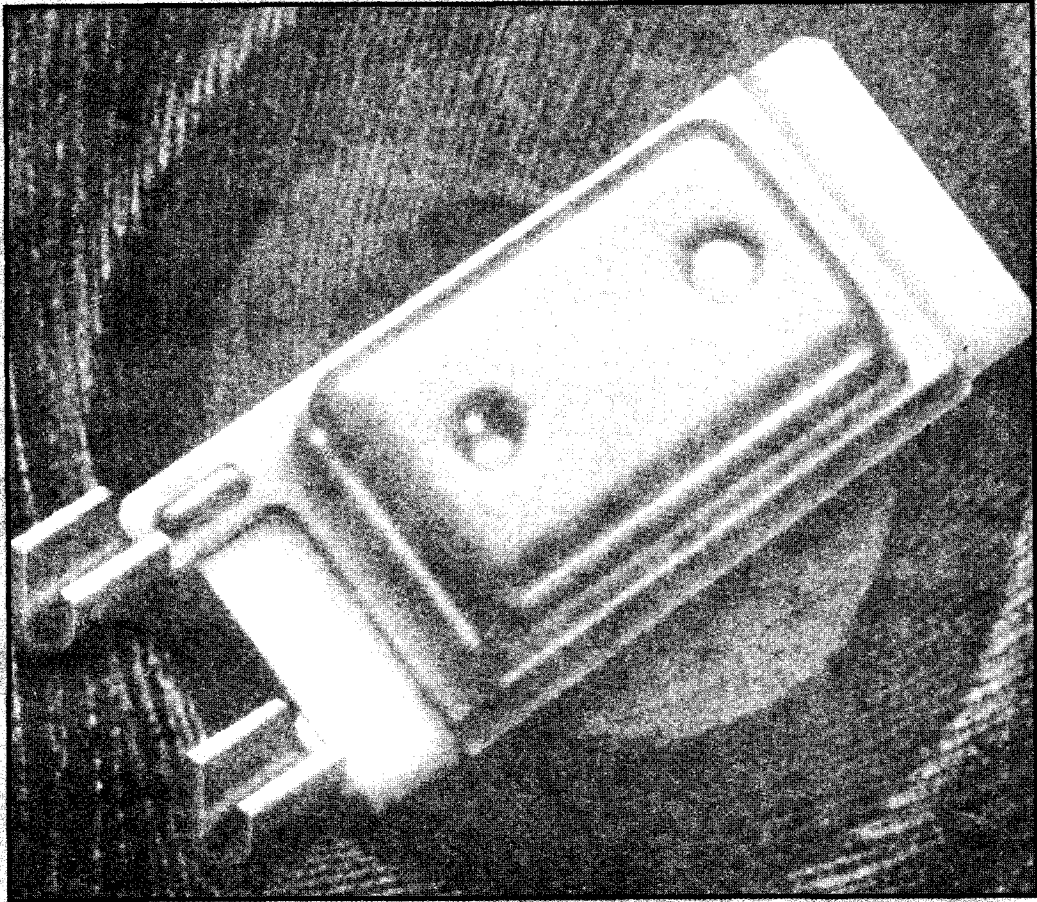


# **KRISHNA**

## **The Eternal Guardian For Motor Protection**



**Accurate • Miniature • Snap Acting • Reliable**



# **CONTINENTAL CONTROLS LIMITED**

**17<sup>th</sup>**

## **ANNUAL REPORT**

**2011-2012**

**Seventeenth Annual Report of the Board of Directors with the  
Audited Statement of Accounts for the year ended 31st March 2012**

**BOARD OF DIRECTORS**

Shri Navin G. Thakkar	- Chairman & Managing Director
Shri Samir N. Thakkar	- Director
Shri Amit N. Thakkar	- Director
Shri Pradeep C. Gaglani	- Director
Shri Harish S. Thakkar	- Director
Shri Kanaiyalal S. Thakkar	- Director

**AUDITORS**

M/s. D. Kothary & Co.  
Chartered Accountants  
Mumbai.

**ADVOCATE**

A. B. Shah & Co.  
Mumbai.

**BANKERS**

Bank of India  
HDFC Bank Ltd.

**REGISTERED OFFICE**

Gala No. 202, Krishna House,  
Shailesh Udhyog Nagar,  
Opp. Nicholas Garage, Sativali Road, Waliv,  
Vasai (East), Dist. Thane - 401 208.

**PLANT SITE**

Gala No. 202, Krishna House,  
Shailesh Udhyog Nagar,  
Opp. Nicholas Garage, Sativali Road, Waliv,  
Vasai (East), Dist. Thane - 401 208.

**Registrars and Transfer Agents**

Purva Sharegistry (I) Pvt. Ltd.  
28-D, Police Court Lane,  
33, Printing House,  
Behind Old Handloom House, Fort,  
Mumbai - 400 001.

<b>CONTENTS</b>	<b>PAGE NO.</b>
Notice .....	2
Directors' Report .....	3-4
Corporate Governance Report .....	5-11
Auditors Report .....	12-15
Balance Sheet .....	16
Profit & Loss A/c .....	17
Cash Flow Statement .....	18
Notes .....	19-29

**NOTICE**

NOTICE IS HEREBY GIVEN THAT 17<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF CONTINENTAL CONTROLS LIMITED WILL BE HELD ON SATURDAY, 29<sup>TH</sup> SEPTEMBER, 2012, AT 2.00 P.M. AT KRISHNA GARDENS, MALJIPADA, OPP. CROWN PETROL PUMP, AHMEDABAD HIGHWAY, TALUKA VASAI (EAST) DIST. THANE – 401 210 TO TRANSACT THE FOLLOWING BUSINESS :-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors, Auditors.
2. To appoint a Director in place of Mr. Kanaiyalal S. Thakkar who retires by rotation and, being eligible offers himself for re-appointment.
3. To appoint the auditors of the company and to fix their remuneration.

**Registered Office**

Gala No. 202, Krishna House,  
Shailesh Udhyog Nagar,  
Opp. Nicholas Garage, Sativali Road, Waliv,  
Vasai (East), Dist. Thane - 401 208.

For and on behalf of the Board of Directors

Sd/-

**Navin G. Thakkar**  
**Chairman & Managing Director**

**Place : Mumbai**

**Date : 28<sup>th</sup> August 2012**

**NOTES :**

1. The Register of Members and Share Transfer Book of the Company shall remain closed from **23<sup>rd</sup> September 2012 to 29<sup>th</sup> September, 2012** (both days inclusive)
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the Company at least 7 days before the Annual General Meeting so that the same can be suitably replied.
4. Members are requested to notify change in address, if any, immediately to the Company at its Registered Office, quoting their Folio Numbers.
5. As per General Circular No: 17/2011 dated 21.04.2011 of Ministry of Corporate Affairs, the Company's can send their respective Annual Report's to the members via email to their respective email addresses. The members who want to get the soft copy of the Annual report via Email are requested to submit their respective Email ID to the Company, 15 days before the annual general meeting

For and on behalf of the Board of Directors

Sd/-

**Navin G. Thakkar**  
**Chairman & Managing Director**

**Place : Mumbai**

**Date : 28<sup>th</sup> August 2012**

**DIRECTORS' REPORT**

The Members,  
Your Directors have pleasure in placing before you the 17<sup>th</sup> Annual Report of the Company along with the Audited Accounts for the year ended 31<sup>st</sup> March, 2012:

**FINANCIAL HIGHLIGHTS**

	Rs. (In Lakhs)	Rs. (In Lakhs)
ACCOUNTING YEAR	2011-2012	2010-2011
Sales	320.00	330.31
Other Income	8.03	17.25
Profit before Finance cost, depreciation and tax expenses	59.56	55.55
Finance Cost	17.36	12.32
Depreciation	26.98	27.69
Tax expenses	(6.39)	(3.41)
Profit after tax	21.60	18.96
Profit & Loss Account Balance B/f	(24.78)	(43.74)
Balance carried to the Balance Sheet	(3.17)	(24.78)

**DIVIDEND**

In view of the requirement of working capital for the companies activities, the directors have not recommended any distribution of dividend.

**OPERATIONS**

During the year under review the Company's turnover has decreased from Rs. 330.31 Lacs to Rs. 320.00 Lacs. The Net Profit Before tax is Rs. 15.22 Lacs against the last year profit of Rs. 15.54 lacs.

**CURRENT OUTLOOK & BUSINESS ACTIVITIES**

Since the new plant is already commissioned, the Directors expect better capacity utilization and consequently good growth in export as well as local sales turnover. The demand for company's products continues to be good.

**DIRECTORS**

Mr. Kanaiyalal S. Thakkar retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

**LISTING ON THE STOCK EXCHANGES**

The Company's shares are listed with Bombay Stock Exchange Ltd. and the Company has paid the necessary listing fees for the Financial Year 2012-13.

**MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with Stock Exchange, Mumbai, is included in this Annual Report.

**CORPORATE GOVERNANCE**

A separate report on Corporate Governance together with Certificate from Practicing Chartered Accountant on its compliance is included elsewhere in this Annual Report.

**FIXED DEPOSITS**

The Company has not accepted or renewed any Fixed Deposits within the meaning of Section 58-A of the Companies Act, 1956.

**PARTICULARS OF EMPLOYEES**

Particulars of employees as required u/s 217 (2A) of the Companies Act, 1956 are not annexed since there are no employees drawing remuneration of more than Rs.60,00,000/- per annum during the year under review, if employed for full year or more than Rs. 5,00,000/- per month, if employed for part of the year.

**DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i) in the preparation of the annual accounts for the year ended March 31, 2012, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit of the Company for the year ended on that date;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) That the directors have prepared the annual accounts on a 'going concern' basis.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO {Section 217 (1)(e)}****A. Conservation of Energy:**

Your Company operation does not involve intensive energy consumption. Despite not a heavy energy user, the Company acknowledges its importance and hence adequate measures have been taken to reduce energy consumptions wherever possible.

**B. Research & Development Technology Absorption:**

a) Particulars of Research and Developments:  
As business and technologies are changing constantly, continuous investments in research and development are of paramount importance. As a result of research efforts, your company has been able to develop processes and methodologies that have resulted in constant improvement in quality and productivity.

b) Particulars of Technology Absorption, Adoption and Innovation:

(i) The Company gets information on latest technology on equipment/process, marketing etc. and this has been company's operations, continuously absorbed and adopted to suit to Company's operations.

(ii) Benefits derived as a result of the above efforts e.g, product improvement, cost reduction, product development, import substitution etc.

c) Details of Technology - Not Applicable.

**C. Foreign Exchange Earning and Outflow:**

During the year under review; your Company earned a foreign exchange of Rs. 103.22 Lacs and utilized foreign exchange worth Rs. 64.78 Lacs.

**SECRETARIAL COMPLIANCE REPORT**

According to the provisions of section 383A of the Companies Act, 1956, our Company has obtained the Secretarial Compliance Report from a Company Secretary in whole time practice

**RESUBMISSION OF DIRECTORS ON AUDITOR'S QULIFICATION:**

The observations made in the Auditors' Report are self explanatory and the management is taking effective steps for the rectification.

**AUDITORS**

M/s. D. Kothary & Co., Chartered Accountants, the Statutory Auditors of the Company retire at this Annual General Meeting and are eligible for the reappointment as Auditors of the Company to hold the office from the date of this Annual General Meeting until the conclusion of the next Annual General Meeting. The Directors recommend reappointing M/s. D. Kothary & Co., as auditors of the Company. A certificate has been received from the Auditors to the effect that their reappointment, if made, would be within the prescribed limits u/s. 224 (1B) of the Companies Act, 1956.

**ACKNOWLEDGEMENT**

Your directors would like to express their sincere appreciation for the assistance and cooperation received from bankers, employees, auditors and consultants during the period under review. The Directors sincerely appreciate the high degree of professionalism, commitment and dedication displayed by employees at all levels. The Directors also place on record their gratitude to the Members for their continued support and confidence.

**By Order of the Board**

Sd/-

**Navin G.Thakkar**

**Chairman & Managing Director**

Place : Mumbai.

Date : 28<sup>th</sup> August; 2012

**Registered Office:**

Gala No. 202, Krishna House, Shailesh Udhyog Nagar,

Opp. Nicholas Garage, Sativali Road,

Waliv, Vasai (East), Dist. Thane-401208

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Continental Controls Limited is one amongst the few companies into the manufacturing of Thermal Overload Protectors have carried out a niche for themselves in this particular of the engineering industry. The management of the company vests in the Board comprising of personnel with more than over a decade of hands-on industry experience. The day to day affairs are being managed by a team of experienced and qualified professionals.

The company always strives to achieve optimum performance at all levels by adhering to corporate governance practices which rests upon the four pillars of: transparency, disclosure, independent monitoring and fairness to all.

Continental Controls Limited always strived to promote good governance practices, which ensures that:

- A Competent management team is at the helm of affairs.
- The Board is strong with an optimum combination of Executive and Non-Executive Directors, who represent the interest of all stakeholders.
- The Board effectively takes all key corporate decisions and is effectively in control of the company affairs.
- The management and employees have a stable environment.

The total revenue of the Company has been Rs.32.80 million as against the corresponding figure of Rs. 34.76 million for the last year.

The Company also maintained its export sales to Rs.10.32 million as compared to the last year figures of Rs.10.23 Million and the Profit/ loss after tax has increases from Rs.1.90 million to Rs.2.16 million.

With the positive economic environment, the company is positioning itself to reach greater heights with increase in production of all its product groups. Continuous R & D initiatives have shown improvement in quality and in the introduction of new products. However, with the un-organized players in the Indian Market, more particularly in the small-scale sector, prices have been under constant pressure resulting in lower realization. This threat is being effectively met by constant product up gradation, cost reduction, avoidance of waste and going for high value component.

**CORPORATE GOVERNANCE REPORT**

Pursuant to Clause 49 of the Listing Agreement, following is the report on Corporate Governance for the financial year 2011-2012.

**I. Company's Philosophy on Code of Corporate Governance:**

The Company believes that Corporate Governance envisages attainment of high level of transparency, accountability, fair and equal treatment of all shareholders, compliance with regulations, and sustainable value creation for all shareholders, ethical practices and uprightness thereby assisting the top management of the Company in efficient conduct of its business by developing Trust and Integrity which plays an essential role in building over all value of business and future success.

The Company believes that its systems and actions must be integrated for enhancement of corporate performance resulting in maximization of shareholders' value in the long run, protection of the interest of its shareholders and employees and maintenance of cordial relationship with its customers and bankers. The Company places due emphasis on regulatory compliances.

**II. Board of Directors**

**(A) Composition of Board and changes since the date of last Annual General Meeting**

The present Board of Directors of the Company comprises of 6 Directors, of which 3 are Executive Directors and remaining 3 are Non Executive Independent Directors and are professionally competent and vastly experienced in their respective fields.

The Company has an optimum combination of Executive and Non-executive Directors of the Company with not less than fifty percent of the Directors comprising of non-executive directors.

Since, the Chairman of the Company is an Executive Director, the Board comprises of the requisite number of Independent Directors to maintain the independence of the Board and to segregate the functions of governance and management.

At the end of the year, none of the Directors is a member of more than ten Board-level Committees or a Chairman of more than five such Committees, as required under Clause 49 of the Listing Agreement.

**(B) No. of Board Meetings**

The Board of Directors met 6 Times during the year under review. The meetings of the Board of Directors were held on various dates as follows:

**14<sup>th</sup> May, 2011; 13<sup>th</sup> August, 2011; 27<sup>th</sup> August, 2011; 14<sup>th</sup> November, 2011; 15<sup>th</sup> November 2011; and 13<sup>th</sup> February, 2012.** Detailed agenda notes and the information required to be given in terms of Business on the agenda were circulated in advance to all the Directors of the Company. The Directors including Non-Executive Directors actively participated in the Board Meetings.

**Attendance of each Director at Board Meeting for the year 2011-12 and last Annual General Meeting:**

Name of the Director	Designation	Category	No. of Board Meetings held during the year	No. of Board Meetings attended during the year	Attendance at last AGM held on September 30, 2011
Navin G. Thakkar	Managing Director	Promoter Executive Director	6	6	Yes
Samir N. Thakkar	Director	Promoter Executive Director	6	6	Yes
Amit N. Thakkar	Whole Time Director	Promoter Executive Director	6	6	Yes
Pradeep C. Gaglani	Director	Independent Non-Executive Director	6	6	No
Harish S. Thakkar	Director	Independent Non-Executive Director	6	6	No
Kanaiyalal S. Thakkar	Director	Independent Non-Executive Director	6	6	No

**(C) Information to be made available to the Board:**

Among others includes:

- Review of Annual operating plans of business, capital budgets, updates.
- Quarterly results of the Company and its operating divisions or business segments.
- Minutes of meeting of Audit Committee and other Committees.
- Information on recruitment and remuneration of senior Officers just below the Board level including appointment or removal of Chief Financial officer and the Company Secretary.
- Fatal or Serious accidents or dangerous occurrences.
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
- Details of any joint venture or Collaboration Agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions.

**(D) Secretarial Standards Relating to the Meetings :**

The Institute of Company Secretaries of India (ICSI) has established Secretarial Standards relating to the Meetings of the Board and Committees thereof and Annual General Meetings. At this stage, these are only recommendatory and are likely to become mandatory in due course. It is the intention of the Company to generally comply with these Standards.

**(E) DIRECTORS PROFILE**

Brief resume of the Director, who retire by rotation, nature of their expertise in specific functional area and name of companies in which they hold directorship and membership/chairmanship of Board Committees are provided below:

**Shri Kanaiyalal S. Thakkar**

Shri Kannaiyalal S. Thakkar, age 63 expertise in specific functional areas. He has wide experience in control of production and administration. His qualification is SSC.

**(F) REMUNERATION TO DIRECTORS**

Name of Director	Sitting Fees (Rs.)	Salary & Perquisites (Rs.)
Shri Navin G. Thakkar	-	1,20,000/-
Shri Samir N. Thakkar	-	-
Shri Amit N. Thakkar	-	1,80,000/-
Shri Pradeep C. Gaglani	-	-
Shri Harish S. Thakkar	-	-
Shri Kanaiyalal S. Thakkar	-	-

**III. BOARD COMMITTEES**

**(A) AUDIT COMMITTEE**

The Audit Committee comprises of 3 directors viz.

- Chairman : Shri Pradeep C. Gaglani  
Independent Non-Executive Director
- Members : Shri Harish S. Thakkar  
Independent Non-Executive Director  
Shri Kanaiyalal S. Thakkar  
Independent Non-Executive Director

The Audit Committee met 5 times during the year under review. The meetings of the Committee were held on various dates as follows:

**14<sup>th</sup> May, 2011; 13<sup>th</sup> August, 2011; 27<sup>th</sup> August, 2011; 14<sup>th</sup> November, 2011; and 13<sup>th</sup> February, 2012.** Detailed agenda notes and the information required to be given in terms of Business on the agenda were circulated in advance to all the members of the Audit Committee.

The role of the Audit Committee shall include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of statutory auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the board, focusing primarily on:
  - Any changes in accounting policies and practices.
  - Major accounting-entries based on exercise of judgment by management.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with stock exchange and legal requirements concerning financial statements.
  - Any related party transactions i.e. transactions of the company of material nature with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.

- Reviewing with the management, external and internal auditors and the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with external auditors' before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

**(B) SHARE TRANSFER CUM INVESTORS GRIEVANCE COMMITTEE**

The Share transfer cum Investors Grievance Committee consists of 3 Directors.

- Chairman : Shri Harish S. Thakkar  
Independent Non-Executive Director
- Members : Shri Navin G. Thakkar  
Executive Director  
Shri Kanaiyalal S. Thakkar  
Independent Non-Executive Director

No transfers were pending as on March 31, 2012.

**IV. THE DETAILS OF THE LAST THREE ANNUAL GENERAL MEETINGS HELD ARE AS FOLLOWS:**

Year	Venue	Date	Time
2008-2009	Poush Krishna Gardens Maljipada, Opp. Crown Petrol Pump, Ahemdabad Highway, Taluka Vasai (East) Dist. Thane	30.09.2009	1.00 p.m.
2009-2010	Poush Krishna Gardens Maljipada, Opp. Crown Petrol Pump, Ahemdabad Highway, Taluka Vasai (East) Dist. Thane	30.09.2010	1.00 p.m.
2010-2011	Poush Krishna Gardens Maljipada, Opp. Crown Petrol Pump, Ahemdabad Highway, Taluka Vasai (East) Dist. Thane	30.09.2011	3.00 p.m.

**V. DISCLOSURES**

- Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. Details are given elsewhere in the Annual Report at Note 27 of the Notes to Accounts.
- Details of non-compliance by the company, penalties, and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years - NIL.
- Company has complied with all mandatory requirements of clause 49 of the listing Agreement in respect of Corporate Governance. The Company has not adopted a whistle blower policy, which is not a mandatory requirement as per the Listing Agreement.

**VI. MEANS OF COMMUNICATION**

The quarterly / half-yearly/annual financial results are normally published in English and Marathi Newspapers viz. in Free Press Journal and Navshakti respectively. A Report on Management Discussion and Analysis forms part of the Annual Report.

**VII. GENERAL SHAREHOLDER INFORMATION**

**A. Annual General Meeting**

Day : Saturday  
 Date : 29<sup>th</sup> September, 2012  
 Time : 2.00 p.m.  
 Venue : Poush Krishna Gardens, Maljipada, Opp. Crown Petrol Pump, Ahmedabad Highway, Taluka Vasai (East) Dist. Thane - 401210

**B. Financial Calendar**

Quarter	Period	Publications of Results
First	Apr-Jun	13 <sup>th</sup> August, 2011
Second	Jul-Sep.	14 <sup>th</sup> November, 2011
Third	Oct-Dec	13 <sup>th</sup> February, 2012
Fourth	Jan-Mar	15 <sup>th</sup> May, 2012

**C. Dates of Book Closure** : 23th Sept. 2012 to 29th Sept.2012 (Both days Incl.)

**D. Dividend Payment Date** : Not Applicable

**E. Listing on Stock Exchanges** : The Company's Equity Shares are listed on Bombay Stock Exchange, Mumbai.

**F. Stock Code** : 531460 on the Stock Exchange, Mumbai.

**G.ISIN Number for**

**NSDL & CDSL** : INE545B01022

**H. Market Price Data** : High & Low during each month in the last financial year (given below).

Month	High (Rs.)	Low (Rs.)	Volume(inlacs)
April' 2011	6.10	3.88	0.35
May' 2011	6.20	4.82	0.10
June' 2011	6.19	4.57	3.48
July' 2011	6.28	4.99	2.33
August' 2011	5.85	4.43	1.17
September' 2011	7.24	5.31	0.18
October' 2011	7.60	6.64	0.23
November' 2011	7.18	4.82	0.81
December' 2011	4.60	2.95	0.52
January' 2012	4.75	3.00	0.31
February' 2012	6.08	4.29	0.65
March' 2012	5.59	4.19	0.76

**I. Registrars & Transfer Agent :**

Purva Share Registry (I) Private Limited  
 28-D, Police Court Lane, 33, Printing House,  
 Behind Old Handloom House, Fort, Mumbai-400001  
 Phone No: 23016761/ 23018261/ 22626407/ 6634 8073

**J. Share Transfer :**

All transfers received are processed by the Share Transfer Agents and Share Transfer Register is sent to the Company for approval. The Share Transfer cum Investors/ Shareholders' Grievance Committee comprising Directors considers and approves the same. Thereafter, the Share Transfer Agents carry out necessary endorsements on the share certificates and dispatch the same to the transferees.

**K. Shareholding Pattern:**

The Distribution of the shareholding pattern as on 31<sup>st</sup> March 2012 was as under:

Category	No.of Shareholders	% of total Shareholders	No. of Sharesheld	% of Shareholders
Upto - 5000	4709	86.28	8655100	19.58
5001 - 10000	365	6.69	3040440	6.88
10001 - 20000	172	3.15	2577150	5.83
20001 - 30000	77	1.41	1976620	4.47
30001 - 40000	29	0.53	1002510	2.27
40001 - 50000	35	0.64	1639250	3.71
50001 - 100000	41	0.75	2752020	6.22
100001 and above	30	0.55	22569470	51.05
<b>Total</b>	<b>5458</b>	<b>100.00</b>	<b>44212560</b>	<b>100.00</b>



**Shareholding Pattern as on 31<sup>st</sup> March, 2012**

Category code	Category of Shareholder	Number of Shareholders	Total number of Shares	Number of Shares held in dematerialized form	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group <sup>2</sup>				
1	Indian	5	759607	360119	17.18
2	Foreign	0	0	0	0
	Total Shareholding of Promoter and Promoter Group	<b>5</b>	<b>759507</b>	<b>360169</b>	<b>17.18</b>
(B)	Public Shareholding				
1	Institutions	1	13926	13926	0.32
2	Non-Institutions	5452	3647723	3217331	82.50
	Total Public Shareholding	<b>5453</b>	<b>33661649</b>	<b>3228307</b>	<b>82.82</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>5458</b>	<b>4421256</b>	<b>3591376</b>	<b>100.00</b>

Dematerialization of Shares: 35,91,376 Equity Shares equivalent to 81.23% of the total paid-up Equity Capital have been in dematerialized form as on 31<sup>st</sup> March, 2012.

Compliance Officer : Amit Thakkar  
Tel No: 95250-2454952/53  
Fax No: 95250-2454956

Address for Correspondence : Gala No. 202, Krishna House, Shailesh Udhyog Nagar  
Opp. Nicholas Garage, Sativali Road,  
Waliv, Vasai (East)  
Dist. Thane – 401208

**COMPLIANCE CERTIFICATE**

**Company No (CIN): L31909MH1995PLC086040**

**Nominal Capital: Rs. 915.00 Lacs**

**To,  
The Members,  
Continental Controls Limited  
Gala No. 202, Krishna House, Shailesh Udyog Nagar,  
Opp. Nicholas Garage, Sativali Road, Waliv,  
Vasai (East), Thane – 401208.**

I have examined the register, records, books and papers of **Continental Controls Limited** as required to be maintained under the Companies Act, 1956, ("the Act") and the Rules made there under and also the provisions contained in the Memorandum & Article of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2012. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and Agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all Registers as stated in **Annexure 'A'** to this certificate as per the provisions and Rules made there under and all entries therein have been recorded.
2. The Company has filed the Forms and Returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities as applicable to the Company, within the time prescribed under the Act and the Rules made there under, and with additional fees, in case of delay.
3. The Company being Public Company, Comments under section 3 (1) (iii) of the Companies Act, 1956 applicable to private limited are not required.
4. The Board of Directors of the Company duly met 6 (Six) times respectively on **14<sup>th</sup> May, 2011; 13<sup>th</sup> August, 2011; 27<sup>th</sup> August, 2011; 14<sup>th</sup> November, 2011; 15<sup>th</sup> November 2011; and 13<sup>th</sup> February, 2012** in respect of which meeting proper notices were given and the proceedings were recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 24<sup>th</sup> September 2011 To 30<sup>th</sup> September 2011 (Both Days Inclusive), and Necessary Compliance of Section 154 of the act has been Made.
6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2011 was held on 30.09.2011 after giving notice to the members of the Company and the Resolution passed thereat were recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its directors and/or persons or firms or companies referred in the Section 295 of the act.
9. As per information and explanation given the Company has duly comply with the provision of section 297 of the act in respect of the contract specified in that section.
10. The Company has duly Complied with Section 301 of the Act.
11. There were no instances falling within the purview of Section 314 of the Act during the year under scrutiny.
12. The Company has not issued any duplicate share certificate during the financial year under review.
13. The Company has:
  - (i) Not made any allotment During the Financial Year ended 31.03.2012 & Delivered all the certificates on lodgments thereof for transfer of securities during the financial year.
  - (ii) Not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
  - (iii) Not posted warrants for dividends to any members of the Company as no dividend was declared during the financial year

- (iv) Not entered into transaction necessitating to transfer the amounts in unpaid dividend account, applications money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
- (v) Duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancies during the year under review.
  15. The Company has not appointed any Managing director/Whole time director/ manager during the Financial Year.
  16. The Company has not appointed any Sole-Selling Agent during the year under scrutiny.
  17. The Company was not required to obtain approval from Central Government, Company law board/Regional Director/Registrar and/or such other authorities as may be prescribed under various provisions of the act during the financial year under scrutiny.
  18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
  19. The Company has not issued any shares, debentures or other securities during the financial year ending on 31<sup>st</sup> March 2012.
  20. The company has not bought back any shares during the financial year ending on 31<sup>st</sup> March 2012.
  21. The Company has not redeemed any preference shares/debentures during the financial year under scrutiny.
  22. The Company was not required to keep in abeyance rights to dividend/right shares and bonus shares pending registration of transfer of shares during the year under scrutiny.
  23. The Company has not invited or accepted any deposits falling within the purview of Section 58A during the year under scrutiny.
  24. The Company has made borrowing from director, members, public, financial institution banks and other within the borrowing limit of company during the financial Year ended 31<sup>st</sup> March, 2012.
  25. The Company has made any loans or advances or given guarantees or provided securities to the other bodies corporate and consequently entries have been made in the register kept for this purpose.
  26. The Company has not altered the provision of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
  27. The Company has not altered the provision of the Memorandum with respect to objects of the company during the year under scrutiny.
  28. The Company has not altered the provision of the Memorandum with respect to the Name of the Company during the year under scrutiny.
  29. The Company has not altered the provision of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
  30. The Company has not altered its Articles of Association during the year.
  31. There was/were no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and no fines and penalties or any other punishment were imposed on the company during the year under scrutiny.
  32. The Company has not received any money as security from its employees during the financial year under certification.
  33. The Company has deducted contribution towards Provident Fund and deposited with prescribed authority on regular Basis during the financial year under scrutiny.

**Regards,**  
**Shravan A. Gupta**  
**Practicing Company Secretary**

**Shravan A. Gupta**  
**ACS: 27484, CP: 9990**

**Dated: 16/08/2012**  
**Place: Mumbai**

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

The Members of  
CONTINENTAL CONTROLS LIMITED

We have examined the compliances of conditions of Corporate Governance by "CONTINENTAL CONTROLS LIMITED" (hereinafter referred to as the Company) for the year ended 31<sup>st</sup> March, 2012 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the condition of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the Management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the abovementioned Listing Agreements.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained and produced before us by the Share Transfer-cum-Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the effectiveness with which the management has conducted the affairs of the Company.

**For D. Kothary & Co.  
Chartered Accountants**

**(Vipul N. Chauhan)  
Partner  
Membership No.: 47846  
Firm Registration No.105335W**

**Place: Mumbai  
Date: 28<sup>th</sup> August; 2012**

**AUDITORS' REPORT**

To the Members of  
Continental Controls Limited

1. We have audited the attached Balance Sheet of **Continental Controls Limited** ('the Company') as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto (together referred to as 'financial statements'). These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. 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 statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, ('the said Order'/'CARO') issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a) We have 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 appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - e) On the basis of written representations received from the Directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
    - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For D. Kothary & Co**  
Chartered Accountants  
(Firm Registration No. 105335W)

**Vipul N. Chauhan**  
**Partner**  
Membership No. 47846

Place : Mumbai  
Date : 28th August, 2012

**Annexure to Auditors' Report**

(Referred to in Paragraph 3 of our report of even date)

1. In respect of its fixed assets:
  - a) The Company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
  - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
  - a) The Company has not granted any unsecured loan to any Company, firm and other parties, therefore clause 4(iii)(b)(c)(d) are not applicable to the Company.
  - b) The Company has taken advances during the year from two parties. The maximum amount involved during the year was Rs. 9,53,255 and at the end of the year balance was Rs. 4,31,560.
  - c) In our opinion, the terms and conditions on which such advances have been taken are not prima facie prejudicial to the interest of the company.
  - d) In our opinion, the repayment of advances is regular as per stipulated terms.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
  - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
  - b) In our opinion and according to the information and explanations given to us, the transactions in pursuance of contracts / arrangements have been made at prices which appear reasonable as per information available with the Company.
6. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.

7. In our opinion, the Company does not have internal audit system commensurate with the size and nature of its business, but as per information and explanation given by the management there is an adequate internal control system.
8. To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act, in respect of the services rendered by the Company. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.
9. According to the information and explanations given to us in respect of statutory dues:
  - a) Undisputed statutory dues in respect of custom duty, excise duty, sales tax, service tax, withholding taxes, provident fund, and employees' state insurance, cess as applicable and any other statutory dues have been regularly deposited with the appropriate authorities. Since to the best of our knowledge, the Central Government has till date not prescribed the amount of cess payable under section 441A of the Act, no comments in this respect have been made.
  - b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Sales Tax, Excise Duty, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March 2012, for a period of more than six months from the date they became payable.
  - c) Details of dues of Income Tax which have not been deposited as on 31<sup>st</sup> March 2012, on account of disputes are given below:

<b>Statute</b>	<b>Nature of Dues</b>	<b>Forum where Dispute is Pending</b>	<b>Period to which the amount relates</b>	<b>Amount involved</b>
<b>Income tax Act, 1961</b>	<b>Income tax</b>	<b>ITAT</b>	<b>2000-01</b>	<b>11,92,911</b>

10. The Company has accumulated losses at the end of the financial year which is not more than fifty per cent of its net worth. The Company has not incurred cash losses during the financial year covered by the audit and also in the immediately preceding financial year.
11. Based on our audit procedures and as per the information and explanations given by management, the Company has not taken any Loan from Financial Institutions, Banks and Debenture holders, so default in repayment of dues does not arise.
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. The Company is not in dealing or trading in shares, securities, debentures and other investments, paragraph 4(iv) is not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the provisions of paragraph 4 (xv) of the said Order are not applicable to the Company.
16. In our opinion and according to the information and explanations given to us, the Company has not taken any Term loans.

17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issue any Debenture during the year.
20. The Company has not raised any monies by way of public issues during the year.
21. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

**For D. Kothary & Co**  
Chartered Accountants  
(Firm Registration No. 105335W)

**Vipul N. Chauhan**  
**Partner**  
Membership No. 47846

Place : Mumbai  
Date : 28th August, 2012



# CONTINENTAL CONTROLS LIMITED

## BALANCE SHEET AS AT MARCH 31, 2012

Sr No	Particulars	Notes	March 31, 2012	March 31, 2011
			Rs	Rs
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	3	44,212,560	44,212,560
	(b) Reserves and surplus	4	10,737,886	8,577,411
			54,950,446	52,789,971
<b>2</b>	<b>Non current liabilities</b>			
	(a) Deferred tax liabilities (net)	5	2,147,880	2,786,466
	(b) Other long-term liabilities	6	1,525,000	1,772,588
			3,672,880	4,559,054
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	7	10,600,784	7,260,909
	(b) Trade payables		2,871,848	4,988,511
	(c) Other current liabilities	8	672,070	143,010
			14,144,702	12,392,429
	<b>TOTAL</b>		72,768,029	69,741,455
<b>II.</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non current assets</b>			
	(a) Fixed assets	9		
	(i) Tangible assets		28,354,172	28,100,240
	(b) Non current investments	10	1,592,100	1,592,100
	(c) Long term loans and advances	11	14,322,144	16,684,642
	(d) Other non-current assets	12	1,182,273	1,327,065
			45,450,689	47,704,047
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	13	11,042,602	10,292,878
	(b) Trade receivables	14	13,568,541	8,863,226
	(c) Cash and bank balances	15	1,406,825	1,847,416
	(d) Short term loans and advances	16	1,299,372	1,033,888
			27,317,340	22,037,408
	<b>TOTAL</b>		72,768,029	69,741,455
	Significant accounting policies & Note on financial statements	1 to 36		

As per our report of even date

For D. Kothary & Co.

Firm registration No. 105335W  
Chartered Accountants

Vipul N. Chauhan

Partner

Membership No.: 047846

For and on behalf of the Board of Directors

Director

Director

Director

Place : Mumbai

Date : 28th August, 2012

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012**

Sr No	Particulars	Notes	2011 - 2012	2010 - 2011
			Rs	Rs
I.	Revenue from operations	17	31,999,565	33,503,210
II.	Other income	18	803,126	1,253,003
IV	<b>Total Revenue (A)</b>		<b>32,802,691</b>	<b>34,756,213</b>
V	Expenses:			
	Cost of materials consumed	19	15,534,990	15,953,970
	Changes in inventories of finished goods and work-in-progress	19	45,504	(194,938)
	Manufacturing / Operating expenses	20	2,743,224	2,773,373
	Employee benefits expense	21	3,995,260	4,790,006
	Finance cost	22	1,735,753	1,268,986
	Depreciation and amortization expense	9	2,698,014	2,768,543
	Other Expenses	23	4,528,057	5,841,837
	<b>Total Expenses (B)</b>		<b>31,280,802</b>	<b>33,201,777</b>
VI	<b>Profit before tax (A) - (B)</b>		<b>1,521,889</b>	<b>1,554,436</b>
	<b>P</b>	<b>VII</b>	<b>Tax expense:</b>	
	Deferred tax		(638,586)	(341,378)
VIII	<b>Profit for the year</b>		<b>2,160,475</b>	<b>1,895,814</b>
	<b>Earning per share on Equity Shares of Rs. 10 each (Refer note 28)</b>			
	- Basic		0.49	0.43
	Significant accounting policies & Note on financial statements	1 to 36		

As per our report of even date

For D. Kothary & Co.  
Firm registration No. 105335W  
Chartered Accountants

For and on behalf of the Board of Directors

Vipul N. Chauhan  
Partner  
Membership No.: 047846

Director                      Director                      Director

Place : Mumbai  
Date : 28th August, 2012

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012**

Particulars	March 31, 2012	March 31, 2011
	Rs	Rs
<b>A. Cash Flow From Operating Activities :</b>		
Net profit before tax as per statement of profit and loss account	1,521,889	1,554,436
<u>Adjustments For :</u>		
Depreciation	2,698,014	2,768,543
Preliminary expenses written off	144,792	144,792
Interest Paid	1,735,753	1,268,986
Interest Income	(1,867)	(7,410)
Rental Income	(30,000)	(80,400)
Foreign exchange gain (non-cash income)	(616,188)	(314,353)
Sundry balance written off (Non-Cash Income)	(155,071)	(842,700)
<b>Operating Cash Flow Before Working Capital Changes</b>	<b>5,297,322</b>	<b>4,491,893</b>
<b>Changes in current assets and liabilities</b>		
(Increase)/Decrease in Trade Receivables	(5,073,010)	(2,769,975)
(Increase)/Decrease in Inventories	(749,724)	(460,359)
(Increase)/Decrease in Long Term and Short Term Loans and Advances	1,935,061	(3,238,764)
(Increase)/Decrease in Trade Payables, Other Current and Non Current Liabilities and Provisions	(534,283)	2,402,295
<b>Cash Generated From Operations</b>	<b>875,366</b>	<b>425,090</b>
Payment of Taxes (Net of Refunds)	-	(1,000)
<b>Net Cash Flow From/ (used in) Operating Activities (A)</b>	<b>875,366</b>	<b>424,090</b>
<b>B. Cash Flow From Investing Activities :</b>		
Purchase of Fixed Assets/CWIP	(2,951,945)	(158,391)
Rental Income	30,000	80,400
Interest income	1,867	7,410
<b>Net Cash Flow From Investment Activities (B)</b>	<b>(2,920,078)</b>	<b>(70,581)</b>
<b>C. Cash Flow From Financing Activities :</b>		
Proceeds from Short Term Borrowing	3,339,875	2,001,781
Interest and finance charges	(1,735,753)	(1,268,986)
<b>Net Cash From / (Used In) Financing Activities (C)</b>	<b>1,604,122</b>	<b>732,795</b>
<b>Net Increase In Cash Or Cash Equivalents (A+B+C)</b>	<b>(440,591)</b>	<b>1,086,305</b>
<b>Cash And Cash Equivalents At The Beginning Of The Year</b>	<b>1,847,416</b>	<b>761,111</b>
<b>Cash And Cash Equivalents As At The End Of The Year</b>	<b>1,406,825</b>	<b>1,847,416</b>

Component of cash and cash equivalents (Refer note 15)

As per our report of even date

For D. Kothary & Co.  
Firm registration No. 105335W  
Chartered Accountants

For and on behalf of the Board of Directors

Vipul N. Chauhan  
Partner  
Membership No.: 047846

Director

Director

Director

Place : Mumbai  
Date : 28th August, 2012

**Notes to the financial statements for the year ended March 31, 2012****1 CORPORATE INFORMATION**

CONTINENTAL CONTROLS LIMITED ("the company") is engaged in the manufacturing of Thermal Overload Protectors.

**2 SIGNIFICANT ACCOUNTING POLICIES****a) Basis of preparation of financial statements**

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India (GAAP) and provisions of the Companies Act 1956, read with the Companies (Accounting Standard) Rules, 2006 (Accounting Standard Rules) as well as applicable pronouncements of the Institute of Chartered Accountant of India.

**b) Use of estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

**c) Revenue recognition**

a) Sales are recorded net of trade discounts, sales tax/ value added tax, rebates and excise duty. Revenue from sale of products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.

b) Interest income is recognised on time proportion basis.

**d) Inventories:**

Inventories are valued at cost or net realisable value, whichever is lower. Cost is determined on FIFO basis.

**e) Investments**

Investments are classified into non current investments and current investments. Investments which are intended to be held for more than one year are classified as non current investments and investments which are intended to be held for less than one year, are classified as current investments. Non current investments are stated at cost and a provision for diminution in value of non current investments is made only if the decline is other than temporary in the opinion of the management. Current investments are valued at cost or market/fair value whichever is lower.

**f) Provisions, Contingent Liabilities and Contingent Asset**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the assets and related income are recognized in the period in which the change occurs.

**g) Fixed assets and depreciation**

i. Fixed assets are stated at cost of acquisition and installation less accumulated depreciation. Cost is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use.

ii. Depreciation on Fixed Assets is provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956

iii. Fixed assets costing less than Rs 5,000 are fully depreciated in the year of purchase.

## CONTINENTAL CONTROLS LIMITED

iv. Expenses incurred on Project and other charges during construction period are included under preoperative expenditure (grouped under Capital Work in Progress) and are allocated to the cost of Fixed Assets on the commencement of commercial operations.

### **h) Impairment of assets**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such condition exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the asset or recoverable amount of the cash generating units to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account.

If at the Balance Sheet date there is an indication that if previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at revised recoverable amount.

### **i) Foreign currency transactions**

a) Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of transaction.

b) Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account.

c) Monetary items denominated in foreign currencies at the year end are restated at the year end rates.

d) Non monetary items denominated in foreign currencies are carried at cost.

### **j) Retirement benefits**

Retirement benefits are dealt with in the following manner:

(1) Contribution to Provident Fund and Family Pension Fund are accounted on accrual basis with corresponding contribution to relevant authorities

(2) Encashment of leave lying to the credit of employees is not provided for on actuarial basis. It is accounted on accrual basis. Therefore, it is not possible to ascertain the liability at the end of the accounting year.

(3) Liabilities in respect of gratuity of employees are accounted on accrual basis.

### **k) Taxation**

a. Current Tax:

Provision for tax is based on the taxable profit for the accounting year after taking into consideration the relevant provisions of the Income Tax Act, 1961.

b. Deferred Tax:

Deferred tax resulting from timing difference between accounting and taxable income is accounted for using the tax rates and laws that are enacted or substantively enacted on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent there is a virtual certainty that the asset will be realised in future.

### **l) Borrowing Cost:**

Interest and other costs incurred in connection with the borrowing of the funds are charged to revenue on accrual basis except those borrowing costs which are directly attributable to the acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use. Such costs are capitalized with the fixed assets.

### **m) Earnings per share**

The basic earnings per share is computed by dividing the net profit / loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit / loss per share are included.

### **n) Cash and cash equivalent**

Cash and cash equivalent for the purpose of cash flow statement comprised cash at bank and cash in hand and other short term investment with maturity of three months or less

## Notes to the financial statements for the year ended March 31, 2012

Particulars	March 31, 2012	March 31, 2011
	Rs	Rs
<b>Note 3: Share Capital</b>		
<b>Authorised Capital</b>		
91,50,000 (Previous Year 91,50,000) Equity Shares of Rs.10 each	91,500,000	91,500,000
<b>Total</b>	<b>91,500,000</b>	<b>91,500,000</b>
<b>Issued, Subscribed and Paid up</b>		
44,21,256 (Previous Year 44,21,256) Equity Shares of Rs.10 each fully paid up	44,212,560	44,212,560
<b>Total</b>	<b>44,212,560</b>	<b>44,212,560</b>

Note:

1. Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<u>Equity shares with voting rights</u>				
Navin G Thakkar	360,119	8.15%	360,119	8.15%
Sarojben N Thakkar	240,253	5.43%	240,253	5.43%
Narayani Finance Limited	397,125	8.98%	397,125	8.98%

**Notes to the financial statements for the year ended March 31, 2012**

Particulars	March 31, 2012	March 31, 2011
	Rs	Rs
<b>Note 4: Reserves and Surplus</b>		
Capital reserve	11,055,236	11,055,236
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	(2,477,825)	(4,373,639)
Add: Profit / (Loss) for the year	2,160,475	1,895,814
Closing balance	(317,350)	(2,477,825)
<b>Total</b>	<b>10,737,886</b>	<b>8,577,411</b>
<b>Note 5: Deferred tax (liability) / asset</b>		
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book balance and tax balance of fixed assets	6,437,063	2,786,466
<b>Tax effect of items constituting deferred tax assets</b>		
Unabsorbed depreciation carried forward and brought forward business losses	4,289,182	-
<b>Net deferred tax (liability) / asset</b>	<b>2,147,880</b>	<b>2,786,466</b>
<b>Note:</b> The Company has recognised deferred tax asset on unabsorbed depreciation and brought forward business losses based on the Management's estimates of future profits considering the non-cancellable customer orders received by the Company.		
<b>Note 6: Other long-term liabilities</b>		
Payables on purchase of fixed assets	1,500,000	1,772,588
Security deposits received	25,000	-
<b>Total</b>	<b>1,525,000</b>	<b>1,772,588</b>
<b>Note 7: Short-term borrowings</b>		
<b>Secured</b>		
Cash Credit from Bank (Secured against stock and debtors)	9,999,500	7,088,915
<b>Unsecured</b>		
From Related Parties	431,560	-
From Directors (Refer to Note 27)	169,724	171,994
<b>Total</b>	<b>10,600,784</b>	<b>7,260,909</b>
<b>Note 8: Other current liabilities</b>		
Statutory Liabilities	257,826	143,010
Advances from customers	128,932	-
Provision for Expenses	285,312	-
<b>Total</b>	<b>672,070</b>	<b>143,010</b>

**CONTINENTAL CONTROLS LIMITED**

Notes to the financial statements for the year ended March 31, 2012

**Note 9: Fixed Assets**

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance as at 1 April, 2011	Additions	Disposals	Balance as at 31 March, 2012	Balance as at 1 April, 2011	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Balance as at 31 March, 2011
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
(A) Tangible assets										
Land and Quarters	52,901	-	-	52,901	-	-	-	-	52,901	52,901
Factory Premises	4,976,530	-	-	4,976,530	1,353,146	166,216	-	1,519,362	3,457,168	3,623,384
Plant and Equipment	43,472,762	2,832,660	-	46,305,422	20,251,014	2,098,795	-	22,349,809	23,955,613	23,221,748
Furniture and Fixtures	2,231,667	-	-	2,231,667	1,578,695	141,265	-	1,719,960	511,707	652,972
Vehicles	2,034,501	-	-	2,034,501	1,566,510	193,278	-	1,759,788	274,713	467,991
Computer Systems	1,323,135	119,285	-	1,442,420	1,241,891	98,460	-	1,340,351	102,069	81,244
<b>Total</b>	<b>54,091,496</b>	<b>2,951,945</b>	<b>-</b>	<b>57,043,441</b>	<b>25,991,256</b>	<b>2,698,014</b>	<b>-</b>	<b>28,689,270</b>	<b>28,354,172</b>	<b>28,100,240</b>
<b>Previous year</b>	<b>53,933,105</b>	<b>158,391</b>	<b>-</b>	<b>54,091,496</b>	<b>23,222,713</b>	<b>2,768,543</b>	<b>-</b>	<b>25,991,256</b>	<b>28,100,240</b>	<b>-</b>



<b>CONTINENTAL CONTROLS LIMITED</b>		
Notes to the financial statements for the year ended March 31, 2012		
Particulars	March 31, 2012	March 31, 2011
	Rs	Rs
<b>Note 10: Non current investments</b>		
<b>Unquoted Investments:</b>		
1,710 (P.Y. 1,710) Equity shares of Ahmedabad Co-Operative Bank Limited of Rs 10 each fully paid up	17,100	17,100
<u>Share application money pending allotment in following:</u>		
PAN Drugs Limited	350,000	350,000
Niyati Limited	325,000	325,000
Rushabh Techno Tubes Limited	900,000	900,000
<b>Total</b>	<b>1,592,100</b>	<b>1,592,100</b>
<b>Note 11: Long-term loans and advances</b>		
Capital advances	10,380,074	11,109,120
Security deposits	418,811	436,306
Loans and advances to related parties (Refer Note 27)	-	2,760,650
Loans and advances to other parties	3,523,259	2,378,566
<b>Total</b>	<b>14,322,144</b>	<b>16,684,642</b>
<b>Note 12 Other non-current assets</b>		
Preliminary Expenses (to the extent not written off)	1,182,273	1,327,065
<b>Total</b>	<b>1,182,273</b>	<b>1,327,065</b>
<b>Note 13: Inventories</b> (As certified by the Management)		
(a) Raw materials	10,454,121	9,658,893
(b) Work-in-progress	524,749	311,920
(c) Finished goods	63,731	322,065
(At lower of cost and net realisable value)		
<b>Total</b>	<b>11,042,602</b>	<b>10,292,878</b>
<b>Note 14: Trade receivables</b>		
Outstanding for a period exceeding six months	1,780,072	1,318,017
Others	11,788,469	7,545,209
(The bifercation of six months has been made at		
<b>Total</b>	<b>13,568,541</b>	<b>8,863,226</b>
<b>Note 15 Cash and cash equivalents</b>		
Cash on hand	1,203,555	1,791,880
Balances with Banks:		
In Current	44,403	36,342
In Deposit	158,867	19,194
<b>Total</b>	<b>1,406,825</b>	<b>1,847,416</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 <i>Cash Flow Statements</i> is	1,406,825	1,847,416
<b>Note 16: Short Term Loans and Advances</b>		
Advance to suppliers	569,254	-
Prepaid expenses - Unsecured, considered good	56,403	-
Advance Tax & Tax Deducted at source	170,700	220,351
Balances with government authorities	503,014	813,537
<b>Total</b>	<b>1,299,372</b>	<b>1,033,888</b>

**Notes to the financial statements for the year ended March 31, 2012**

Particulars	2011 - 2012	2010 - 2011
	Rs	Rs
<b>Note 17: Revenue from operations</b>		
Sale of products	34,034,340	35,480,881
Less : Excise duty	2,259,191	2,449,785
<b>Net Sale of product</b>	<b>31,775,149</b>	<b>33,031,096</b>
DEPB Claim received	224,416	472,114
<b>Grand Total</b>	<b>31,999,565</b>	<b>33,503,210</b>
<b>Note 18: Other Incomes</b>		
Interest on Fixed Deposit with Bank	1,867	7,410
Net gain on foreign currency transactions and translation	616,188	314,353
Rent Income	30,000	80,400
Insurance claim received	-	8,139
Sundry Balances written back	155,071	842,700
<b>Total</b>	<b>803,126</b>	<b>1,253,003</b>
<b>Note 19: Cost of material consumed</b>		
Opening stock of raw materials	9,658,893	9,393,472
Add : Purchases of raw materials and packing materials	16,330,218	16,219,391
Less : Closing of raw materials	10,454,121	9,658,893
<b>Total</b>	<b>15,534,990</b>	<b>15,953,970</b>
<b>Changes in inventories of finished goods and work in progress</b>		
Opening stock of Finished goods and work in progress	633,985	439,047
Less: Closing stock of Finished goods and work in progress	588,481	633,985
<b>Net change</b>	<b>45,504</b>	<b>(194,938)</b>
<b>Grand Total</b>	<b>15,580,494</b>	<b>15,759,032</b>
<b>Note 20: Manufacturing / Operating Expenses</b>		
Electricity Expenses	1,202,580	917,670
Labour Charges	1,161,421	1,413,469
Agency Charges	91,090	302,404
Security Charges	197,224	51,500
Transport Charges	81,841	88,330
Octroi Charges	9,069	-
<b>Total</b>	<b>2,743,224</b>	<b>2,773,373</b>
<b>Note 21: Employee Benefit Expenses</b>		
Salary, bonus and allowances	3,697,203	4,410,642
Contribution to provident fund and other funds	196,697	254,587
Employee welfare and other amenities	101,360	124,777
<b>Total</b>	<b>3,995,260</b>	<b>4,790,006</b>

## Notes to the financial statements for the year ended March 31, 2012

Particulars	2011 - 2012	2010 - 2011
	Rs	Rs
<b>Note 22: Finance Cost</b>		
Interest expense on:		
(i) Statutory Dues	32,850	613
(ii) Cash Credit facility with bank	1,378,257	803,136
Credit Card finance charges	103,416	36,402
Bank Charges	221,230	428,835
<b>Total</b>	<b>1,735,753</b>	<b>1,268,986</b>
<b>Note 23: Other Expenses</b>		
Rent	60,000	60,000
Rates and taxes	227,075	30,888
Insurance	46,587	58,851
Advertisement and business promotion	1,241,071	794,232
Postage and courier charges	523,399	1,490,021
Telephone and internet charges	274,582	307,995
Travelling, conveyance and motor car expenses	780,279	1,421,679
Printing and stationery	111,302	265,836
<u>Auditor's Remuneration</u>		
For Statutory Audit	45,000	45,000
For Tax Audit	10,000	10,000
For Income Tax Matter	5,000	5,000
For Service Tax	6,180	6,180
Legal and Professional charges	472,221	567,541
Membership and subscription	33,228	40,080
Repairs and maintenance - others	378,600	317,879
Preliminary Expense written off	144,792	144,792
Other administration expenses	168,741	275,862
<b>Total</b>	<b>4,528,057</b>	<b>5,841,837</b>

**CONTINENTAL CONTROLS LIMITED****Notes to the financial statements for the year ended March 31, 2012****Note 24: Contingent Liabilities and Commitments**

Particulars	March 31, 2012	March 31, 2011
<b>Contingent Liabilities</b>		
Income tax matters not acknowledged as debt	1,192,911	-
<b>Total</b>	<b>1,192,911</b>	<b>-</b>

**Note 25: Foreign currency transaction:****Expenditure in foreign currency:**

Particulars	March 31, 2012	March 31, 2011
Import of Goods	6,477,468	9,465,426
<b>Total</b>	<b>6,477,468</b>	<b>9,465,426</b>

**Income in foreign currency:**

Particulars	March 31, 2012	March 31, 2011
Sales of Goods	10,322,160	10,233,038
<b>Total</b>	<b>10,322,160</b>	<b>10,233,038</b>

**Note 26: Segment Information for the year ended March 31, 2012**

As the Company is engaged only in one business segment i.e. Manufacturing of Electrical goods and there are no geographical segments, the Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended March 31, 2012 pertain to one business segment and related activities as per Accounting Standard (AS) 17 on "Segment Reporting".

**Note 27: Related party transactions**

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below

**Note 27.1: Relationships during the year**

Sr No	Name of the Related Party	Relationship
1	Navin G Thakkar (Managing Director)	Key Management Personnel
2	Samir N Thakkar	
3	Amit N Thakkar	
4	Pradeep C Gaglani	
5	Harish S Thakkar	
6	Kanaiyalal S Thakkar	
7	DMS Graphic & Component	Enterprises over which Key Management Personnel are able to exercise significant influence
8	Shree Krishna Controls Private Limited	
9	New Krishna Metal Arts (Partnership Firm)	

# CONTINENTAL CONTROLS LIMITED

## Notes to the financial statements for the year ended March 31, 2012

### Note 27.2: Related party transactions

Transactions with related parties during the year :

Previous Year's Figures are given in brackets

Sr No	Particulars	2011 - 2012	
		Key Manaerial Personnel	Significant Influence is exercised by KMP
1	Purchase of fixed assets DMS Graphic & Component		2,760,000 (-)
2	Rent Expenses New Krishna Metal Arts		60,000 (60,000)
3	Conveyance Expense Pradeep C. Gaglani	72,000 (6,000)	
4	Director's Remmuneration Navin G Thakkar	120,000 (120,000)	
	Amit N Thakkar	180,000 (180,000)	
5	Loans and advances payable Amit N Thakkar	69,724 (115,863)	
	Navin G Thakkar	100,000 (56,131)	
	New Krishna Metal Arts		90,000 (-)
	Shree Krishna Controls Private Limited		341,560 (-)
6	Loans and advances receivable DMS Graphic & Component		(-) (2,760,650)

### Note 28: Earnings per share

Particulars	March 31, 2012	March 31, 2011
Net profit after tax as per statement of profit and loss	2,160,475	1,895,814
Weighted average number of equity shares outstanding during the year	4,421,256	4,421,256
Nominal value per equity share	10	10
Basic and diluted earnings per share	0.49	0.43

### Note 29: CIF value of imports (as certified by management)

Particulars	March 31, 2012	March 31, 2011
Raw Material	6,799,058	10,120,335
Total	6,799,058	10,120,335

### Note 30: Imported and Indigenous Raw Material Consumption:

Particulars	March 31, 2012		March 31, 2011	
	In Rs.	%	In Rs.	%
Raw Materials and Components				
Imported	6,799,058	43.77	9,465,426	65.37
Indeginious	8,735,931	56.23	5,014,783	34.63

# CONTINENTAL CONTROLS LIMITED

## Notes to the financial statements for the year ended March 31, 2012

### Note 31: Raw material consumption details

Particulars	Consumption	
	2011-12	2010-11
Bimetal Strips	853,028	1,875,505
CRCA Coils	458,231	546,121
B Stage DMD	492,828	595,979
Insulated Wire	1,439,649	2,737,829
Moving Contact	3,454,481	1,720,039
Copper Strip	2,113,496	1,375,374
S S Patti / S S Patta	2,180,090	404,201
Others	4,543,187	6,698,922
<b>Total</b>	<b>15,534,990</b>	<b>15,953,970</b>

**Note 32:** Balances of Sundry Debtors, Sundry Creditors, Deposits, Loans and Advances are subjected to reconciliation and confirmation, necessary adjustment if required, will be made after reconciliation. The management does not expect any material difference affecting the current year's financial statements.

**Note 33:** In the opinion of the Board and to the best of their knowledge and belief all the Current Assets, Loans and Advances have value on realisation at least of an amount at which they are stated in Balance Sheet.

**Note 34:** Liability in respect of gratuity and leave encashment are accounted on cash basis which is not in conformity with Accounting Standard (AS)15 (Revised 2005) on Employee Benefits as issued by the Institute of Chartered Accountant of India, which requires that gratuity and Leave Encashment Liabilities be accounted for on actuarial basis.

**Note 35:** The Company has not received intimation from most of the suppliers regarding the status under the Micro, Small and Medium Enterprise Development Act, 2006, and hence disclosure requirements in this regard as per schedule VI of the Companies Act, 1956 is not being provided.

### Note 36: Previous Year figures

Figures of previous year are regrouped, rearranged and reclassified wherever necessary to correspond to figures of the current year

### As per our report of even date

For D. Kothary & Co.  
Firm registration No. 105335W  
Chartered Accountants

For and on behalf of the Board of Directors

Vipul N. Chauhan  
Partner  
Membership No.: 047846

Director                      Director                      Director

Place : Mumbai  
Date : 28th August, 2012

# CONTINENTAL CONTROLS LIMITED

**Registered Office :-** Gala No. 202, Krishna House, Shailesh Udyog Nagar, Opp. Nicholas Garage, Sativali Road, Waliv, Vasai (East), Thane – 401208.

## PROXY FORM

Folio No. ....

I/We .....  
being a member/members of the above company, hereby appoint .....  
..... of .....  
..... or failing him .....  
..... of .....  
..... as my/our proxy to vote for me/us on my/our behalf at the  
**17<sup>th</sup> ANNUAL GENERAL MEETING** of the Company to be held on **29<sup>th</sup> September , 2012** at **2.00 p.m. KRISHNA GARDENS, MALJIPADA, OPP. CROWN PETROL PUMP, AHEMDABAD HIGHWAY, TALUKA VASAI (EAST) DIST. THANE - 401210** and at adjournment thereof.

Signed this ..... day of ..... 2012.

Signature

Affix  
Re. 1/-  
Revenue  
Stamp

**NOTE: Proxy Forms must reach the Company's Registered Office not less than 48 hours before the Meeting.**

# CONTINENTAL CONTROLS LIMITED

**Registered Office :-** Gala No. 202, Krishna House, Shailesh Udyog Nagar, Opp. Nicholas Garage, Sativali Road, Waliv, Vasai (East), Thane – 401208.

To be handed over at the entrance of the meeting hall

## ATTENDANCE SLIP

Name of the attending Member (In Block Letters) .....

Folio No....

Name of Proxy (In Block Letters): .....

(To be filled in if the Proxy attends instead of the Members)

No. of Shares held .....

I hereby record my presence at the **17<sup>th</sup> ANNUAL GENERAL MEETING** of the Company to be held on **29<sup>th</sup> September, 2012** at **2.00 p.m.** at **KRISHNA GARDENS, MALJIPADA, OPP. CROWN PETROL PUMP, AHEMDABAD HIGHWAY, TALUKA VASAI (EAST) DIST. THANE - 401210** and at adjournment thereof.

Member's / Proxy's Signature

(To be signed at the time of handing over this slip)

**NOTE: PLEASE BRING YOUR COPY OF THE NOTICE TO THE MEETING HALL**

IF UNDELIVERED, PLEASE RETURN TO :

**CONTINENTAL CONTROLS LIMITED**

**Registered Office :**

**Gala No.202, Krishna House, Shailesh Udhyog Nagar, Opp. Nicholas Garage,  
Satali Road, Waliv, Vasai (East), Dist. Thane - 401 208.**