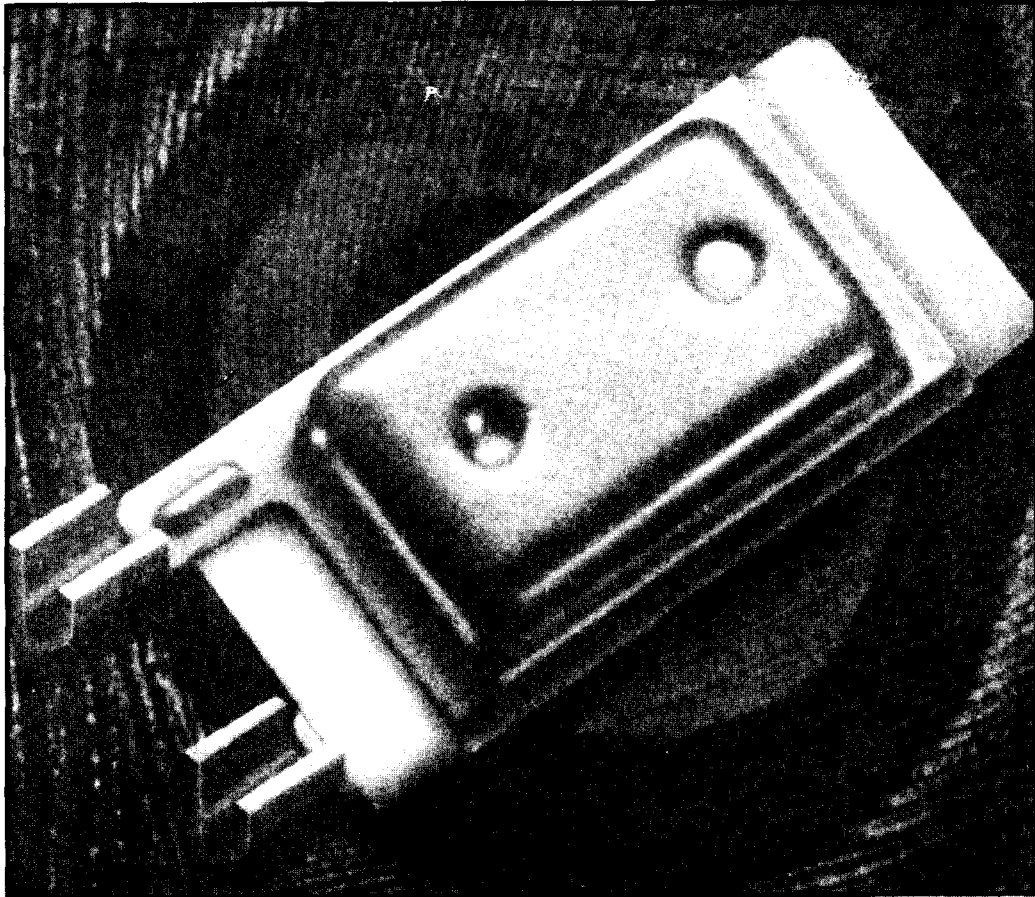


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CONTINENTAL **C**ONTROLS **L**IMITED

18th

ANNUAL REPORT

2012-2013

**18th Annual Report of the Board of Directors with the Audited Statement of Accounts
for the year ended 31st March, 2013****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.

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CONTINENTAL CONTROLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT 18TH ANNUAL GENERAL MEETING OF THE MEMBERS OF CONTINENTAL CONTROLS LIMITED WILL BE HELD ON MONDAY, 30TH SEPTEMBER, 2013, AT 2.00 P.M. AT POUH 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, 2013, 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. Hareshkumar Shantilal Thakker 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.

Place : Mumbai

Date : 30th May 2013

For and on behalf of the Board of Directors

Sd/-
Navin G. Thakkar
Chairman & Managing Director

NOTES :

1. The Register of Members and Share Transfer Book of the Company shall remain closed from **23rd September 2013 to 30th September, 2013** (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

Place: Mumbai.
Date: 30th May, 2013

Sd/-
Navin G. Thakkar
Chairman & Managing Director

DIRECTORS' REPORT

The Members,
Your Directors have pleasure in placing before you the 18th Annual Report of the Company along with the Audited Accounts for the year ended 31st March, 2013:

FINANCIAL HIGHLIGHTS

	Rs. (In Lakhs)	Rs. (In Lakhs)
ACCOUNTING YEAR	2012-2013	2011-2012
Sales	326.09	320.00
Other Income	3.84	8.03
Profit before Finance cost, depreciation and tax expenses	60.83	59.56
Finance Cost	18.61	17.36
Depreciation	27.33	26.98
Tax expenses	(3.84)	(6.39)
Profit after tax	18.73	21.60
Profit & Loss Account Balance B/f	(3.17)	(24.78)
Balance carried to the Balance Sheet	15.56	(3.17)

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 increase from Rs. 320.00 Lacs to Rs. 326.09 Lacs. The Net Profit Before tax is Rs. 15.47 Lacs against the last year profit of Rs. 15.22 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 2013-14.

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, 2013 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:

CONTINENTAL CONTROLS LIMITED

(i) The Company gets information on latest technology on equipment/process, marketing etc. and this has been 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. 38.39 Lacs and utilized foreign exchange worth Rs. 113.36 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 QUALIFICATION:

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 : 30th May, 2013

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 and have carried out a niche for themselves in this particular 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. 32.99 million as against the corresponding figure of Rs. 32.80 million for the last year.

The Company also maintained its export sales to Rs. 3.84 million as compared to the last year figures of Rs.10.32 Million and the Profit/ loss after tax has decreased from Rs.2.16 million to Rs. 1.87 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 2012-2013.

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

15th May, 2012; 14th August, 2012; 30th August 2012; 10th November 2012 and 15th February, 2013. 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 2012-13 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 29, 2012
Navin G. Thakkar	Managing Director	Promoter Executive Director	5	5	Yes
Samir N. Thakkar	Director	Promoter Executive Director	5	5	Yes
Amit N. Thakkar	Whole Time Director	Promoter Executive Director	5	5	Yes
Pradeep C. Gaglani	Director	Independent Non-Executive Director	5	5	No
Harish S. Thakkar	Director	Independent Non-Executive Director	5	5	No
Kanaiyalal S. Thakkar	Director	Independent Non-Executive Director	5	5	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:

CONTINENTAL CONTROLS LIMITED

Mr. Hareshkumar Shantilal Thakker

Mr. Hareshkumar Shantilal Thakker, age 56 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	-	3,00,000/-
Shri Samir N. Thakkar	-	-
Shri Amit N. Thakkar	-	6,00,000/-
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 4 times during the year under review. The meetings of the Committee were held on various dates as follows:

15th May, 2012; 14th August, 2012; 10th November 2012; and 15th February, 2013. 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, 2013.

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

Year	Venue	Date	Time
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.
2011-2012	Poush Krishna Garden, Maljipada Opp. Crown Petrol Pump, Ahemdabad Highway, Taluka Vasai (East) Dist. Thane	29.09.2012	2.00 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 : Monday
 Date : 30th September, 2013
 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	14 th August, 2012
Second	Jul-Sep.	10 th November, 2012
Third	Oct-Dec	15 th February, 2013
Fourth	Jan-Mar	30 th May, 2013

C. Dates of Book Closure : 23rd September, 2013 to 30th September, 2013 (both days inclusive)

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' 2012	5.03	2.90	0.82
May' 2012	3.04	2.13	0.28
June' 2012	2.18	1.90	0.26
July' 2012	2.42	1.95	0.20
August' 2012	2.26	1.85	0.12
September' 2012	2.22	1.88	0.16
October' 2012	3.15	2.15	0.20
November' 2012	3.75	2.92	0.32
December' 2012	3.37	2.19	0.40
January' 2013	2.29	1.97	0.11
February' 2013	2.33	1.91	0.22
March' 2013	2.19	1.40	0.14

I. Registrars & Transfer Agent :

Purva Sharegistry (I) Private Limited
 No 9 Shiv Shakti Industrial Estate, Ground Floor
 J.R. Boricha Marg, Opp Kasturba Hospital
 Lower Parel, Mumbai- 400011
 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 31st March 2013 was as under:

Category	No.of Shareholders	% of total Shareholders	No. of Sharesheld	% of Shareholders
Upto - 5000	4564	86.11	8384020	18.96
5001 - 10000	365	6.89	3037550	6.87
10001 - 20000	165	3.11	2481550	5.61
20001 - 30000	74	1.40	1914370	4.33
30001 - 40000	29	0.55	1013800	2.29
40001 - 50000	32	0.60	1499680	3.39
50001 - 100000	41	0.77	2749330	6.22
100001 and above	30	0.57	23132260	52.33
Total	5300	100.00	44212560	100.00

CONTINENTAL CONTROLS LIMITED**Shareholding Pattern as on 31st March, 2013**

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 ²				
1	Indian	5	759607	360119	17.18
2	Foreign	0	0	0	0
	Total Shareholding of Promoter and Promoter Group	5	759507	360119	17.18
(B)	Public Shareholding				
1	Institutions	1	13926	13926	0.32
2	Non-Institutions	5294	3647723	3219281	82.50
	Total Public Shareholding	5295	33661649	3233207	82.82
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	5300	4421256	3593326	100.00

Dematerialization of Shares: 35,93,326 Equity Shares equivalent to 81.27% of the total paid-up Equity Capital have been in dematerialized form as on 31st March, 2013.

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. Nicolas 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 31st March, 2013. 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 1956 applicable to private limited are not required.
4. The Board of Directors of the Company duly met 5 (Five) times respectively on **15th May, 2012; 14th August, 2012; 30th August 2012; 10th November 2012 and 15th February, 2013** 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 23rd September 2012 To 29th September 2012 (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 31st March, 2012 was held on 29.09.2012 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.

CONTINENTAL CONTROLS LIMITED

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 31.03.2013 & 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.
12. The Company has not issued any shares, debentures or other securities during the financial year ending on 31st March 2013.
19. The Company has not issued any shares, debentures or other securities during the financial year ending on 31st March 2013.
20. The company has not bought back any shares during the financial year ending on 31st March 2013.

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 31st March, 2013.
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: 30th May 2013.
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 for the year ended 31st March, 2013 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 has been limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the condition of Corporate Governance as stipulated in the said clause. 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: 30th May 2013**

Annexure to Auditors' Report

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" 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 outstanding during the year was Rs. 3,15,518 and at the end of the year balance was Rs. Nil.
 - 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.

CONTINENTAL CONTROLS LIMITED

9. According to the information and explanations given to us in respect of statutory dues:
- 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.
 - 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 31st March 2013, for a period of more than six months from the date they became payable.
 - Details of dues of Income Tax which have not been deposited as on 31st March 2013, on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount Involved
Income tax Act, 1961	Income tax	ITAT	2000-01	10,92,911

- The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and also in the immediately preceding financial year.
- 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.
- 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.
- 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.
- The Company is not in dealing or trading in shares, securities, debentures and other investments, paragraph 4(xiv) is not applicable.
- 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.
- In our opinion and according to the information and explanations given to us, the Company has not taken any Term loans.
- 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.
- 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.
- The Company has not issue any Debenture during the year.
- The Company has not raised any monies by way of public issues during the year.
- 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 : 30th May, 2013

Independent Auditors' Report

To the Members of
Continental Controls Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Continental Controls Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 purpose 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

CONTINENTAL CONTROLS LIMITED

- (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;
- (e) On the basis of the written representations received from the directors as on 31st March, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Vipul N. Chauhan
Partner
Membership No. 47846

Place : Mumbai
Date : 30th May, 2013

CONTINENTAL CONTROLS LIMITED

BALANCE SHEET AS AT MARCH 31, 2013

Sr No	Particulars	Notes	March 31, 2013	March 31, 2012
			Rs	Rs
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	44,212,560	44,212,560
	(b) Reserves and surplus	4	12,611,369	10,737,886
			56,823,929	54,950,446
2	Non current liabilities			
	(a) Long Term Borrowings	5	677,675	-
	(a) Deferred tax liabilities (net	6	1,763,553	2,147,880
	(b) Other long-term liabilities	7	1,875,000	1,525,000
			4,316,228	3,672,880
3	Current liabilities			
	(a) Short-term borrowings	8	6,954,072	9,999,500
	(b) Trade payables		3,574,013	2,871,848
	(c) Other current liabilities	9	1,745,636	1,273,355
	(d) Short Term Provision	10	58,000	-
			12,331,722	14,144,703
	TOTAL		73,471,878	72,768,029
II.	ASSETS			
1	Non current assets			
	(a) Fixed assets	11		
	(i) Tangible assets		26,960,309	28,354,172
	(b) Non current investments	12	1,592,100	1,592,100
	(c) Long-term loans and advances	13	15,340,344	15,322,144
	(d) Other non-current assets	14	1,037,481	1,182,273
			44,930,234	46,450,689
2	Current assets			
	(a) Inventories	15	14,567,620	11,042,602
	(b) Trade receivables	16	10,976,494	12,568,541
	(c) Cash and Cash equivalent	17	2,187,619	1,406,825
	(d) Short term loans and advances	18	809,911	1,299,372
			28,541,644	26,317,340
	TOTAL		73,471,878	72,768,029
	Significant accounting policies & Note on financial statements	1 to 38		

As per our report of even date

For D. Kothary & Co.

Firm registration No. 105335W

Chartered Accountants

Vipul N. Chauhan

Partner

Membership No.: 047846

Place : Mumbai

Date : 30th May 2013

For and on behalf of the Board of Directors

Director

Director

Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

Sr No	Particulars	Notes	2012 - 2013	2011 - 2012
			Rs	Rs
I.	Revenue from operations	19	32,609,487	31,999,565
II.	Other income	20	383,622	803,126
IV	Total Revenue (A)		32,993,109	32,802,691
V	Expenses:			
	Cost of materials consumed	21	13,424,960	15,534,990
	Changes in inventories of finished goods and work-in-progress	21	171,254	45,504
	Manufacturing / Operating expenses	22	2,238,645	2,743,224
	Employee benefits expense	23	5,546,051	3,995,260
	Finance cost	24	1,861,166	1,735,753
	Depreciation and amortization expense	11	2,732,653	2,698,014
	Other Expenses	25	5,471,225	4,528,057
	Total Expenses (B)		31,445,954	31,280,802
VI	Profit before tax (A) - (B)		1,547,155	1,521,889
VII	Tax expense:			
	Income tax		58,000	-
	Deferred tax		(384,328)	(638,586)
VIII	Profit for the year		1,873,483	2,160,475
	Earning per share on Equity Shares of Rs. 10 each (Refer note 28)			
	- Basic		0.42	0.49
	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 : 30th May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	March 31, 2013	March 31, 2012
	Rs	Rs
A. Cash Flow From Operating Activities :		
Net profit before tax as per statement of profit and loss account	1,547,155	1,521,889
<u>Adjustments For :</u>		
Depreciation	2,732,653	2,698,014
Preliminary expenses written off	144,792	144,792
Interest Paid	1,861,166	1,735,753
Interest Income	(11,940)	(1,867)
Rental Income	(200,000)	(30,000)
Foreign exchange gain (non-cash income)	-	(616,188)
Sundry balance written off (Non-Cash Income)	(72,979)	(155,071)
Operating Cash Flow Before Working Capital Changes	6,000,848	5,297,322
Changes in current assets and liabilities		
(Increase)/Decrease in Trade Receivables	1,592,046	(5,073,011)
(Increase)/Decrease in Inventories	(3,525,017)	(749,724)
(Increase)/Decrease in Long Term and Short Term Loans and Advances	472,331	1,935,061
(Increase)/Decrease in Trade Payables, Other Current and Non Current Liabilities and Provisions	1,597,426	(534,283)
Cash Generated From Operatio	6,137,633	875,366
Payment of Taxes (Net of Refunds)	(1,070)	-
Net Cash Flow From/ (used in) Operating Activities (A)	6,136,563	875,366
B. Cash Flow From Investing Activities :		
Purchase of Fixed Assets/CWIP	(1,338,790)	(2,951,945)
Rental Income	200,000	30,000
Interest income	11,940	1,867
Net Cash Flow From Investment Activities (B)	(1,126,850)	(2,920,078)
C. Cash Flow From Financing Activities :		
Proceeds from Short Term Borrowing	(2,367,753)	3,339,875
Interest and finance charges	(1,861,166)	(1,735,753)
Net Cash From/ (Used In) Financing Activities ©	(4,228,919)	1,604,122
Net Increase In Cash Or Cash Equivalents (A+B+C)	780,794	(440,591)
Cash And Cash Equivalents At The Beginning Of The Year	1,406,825	1,847,416
Cash And Cash Equivalents As At The End Of The Year	2,187,619	1,406,825

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 : 30th May, 2013

Notes to the financial statements for the year ended March 31, 2013**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 as and when incurred.

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, 2013

Particulars	March 31, 2013	March 31, 2012
	Rs	Rs
Note 3: Share Capital		
Authorised Capital		
91,50,000 (Previous Year 91,50,000) Equity Shares of Rs.10 each	91,500,000	91,500,000
Total	91,500,000	91,500,000
Issued, Subscribed and Paid up		
44,21,256 (Previous Year 44,21,256) Equity Shares of Rs.10 each fully paid up	44,212,560	44,212,560
Total	44,212,560	44,212,560

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, 2013

Particulars	March 31, 2013	March 31, 2012
	Rs	Rs
Note 4: Reserves and Surplus		
Capital reserve	11,055,236	11,055,236
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(317,350)	(2,477,825)
Add: Profit / (Loss) for the year	1,873,483	2,160,475
Closing balance	1,556,133	(317,350)
Total	12,611,369	10,737,886
Note 5: Long Term Borrowing		
Vehicle loan from banks (Secured against vehicle and payable in 35 installments, carrying interest rate 9.68%)	677,675	-
Total	677,675	-
Note 6: Deferred tax (liability) / asset		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	4,966,651	6,437,062
Tax effect of items constituting deferred tax assets		
Unabsorbed depreciation carried forward and brought forward business losses	3,203,098	4,289,182
Net deferred tax (liability) / asset	1,763,553	2,147,880
Note: 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.		
Note 7: Other long-term liabilities		
Payables on purchase of fixed assets	1,500,000	1,500,000
Security deposits received	375,000	25,000
Total	1,875,000	1,525,000
Note 8: Short-term borrowings		
Secured		
Cash Credit from Bank (Secured against stock and debtors and carry interest at 14.25%)	6,954,072	9,999,500
Total	6,954,072	9,999,500
Note 9: Other current liabilities		
Statutory Liabilities	319,500	257,827
Advances from customers	921,293	128,932
Other Liabilities	441,110	285,312
Other Payables to related parties (Refer to Note 29)	63,733	601,284
Total	1,745,636	1,273,355
Note 10: Short term Provision		
Income tax Provision	58,000	-
Total	58,000	-

CONTINENTAL CONTROLS LIMITED

CONTINENTAL CONTROLS LIMITED

Notes to the financial statements for the year ended March 31, 2013

Note 11 : Fixed Assets

Particulars	Gross block			Accumulated depreciation			Net block		
	Balance as at 1 April, 2012	Additions	Disposals	Balance as at 31 March, 2013	Balance as at 1 April, 2012	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2013	Balance as at 31 March, 2012
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
(A) Tangible assets									
Land and Quarters	52,901	-	-	52,901	-	-	-	-	52,901
Factory Premises	4,976,530	-	-	4,976,530	1,519,362	166,216	-	1,685,578	3,457,168
Plant and Equipment	46,305,422	199,854	-	46,505,276	22,349,809	2,201,789	-	24,551,598	23,955,613
Furniture and Fixtures	2,231,667	-	-	2,231,667	1,719,960	141,265	-	1,861,224	511,707
Vehicles	2,034,501	1,109,936	-	3,144,437	1,759,788	202,811	-	1,962,598	274,713
Computer Systems	1,442,420	29,000	-	1,471,420	1,340,351	20,572	-	1,360,924	102,069
Total	57,043,441	1,338,790	-	58,382,231	28,689,270	2,732,653	-	31,421,922	28,354,172
Previous year	54,091,496	2,951,945	-	57,043,441	25,991,256	2,698,014	-	28,689,270	28,354,172

CONTINENTAL CONTROLS LIMITED		
Notes to the financial statements for the year ended March 31, 2013		
Particulars	March 31, 2013	March 31, 2012
	Rs	Rs
Note 12: Non current investments		
Unquoted Investments:		
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
Total	1,592,100	1,592,100
Note 13: Long-term loans and advances		
Capital advances	10,380,074	10,380,074
Security deposits	437,011	418,811
Loans and advances to other parties	4,523,259	4,523,259
Total	15,340,344	15,322,144
Note 14: Other non-current assets		
Preliminary Expenses (to the extent not written off)	1,037,481	1,182,273
Total	1,037,481	1,182,273
Note 15: Inventories (As certified by the Management)		
(a) Raw materials	14,150,393	10,454,121
(b) Work-in-progress	411,044	524,749
(c) Finished goods	6,182	63,731
(At lower of cost and net realisable value)		
Total	14,567,620	11,042,602
Note 16: Trade receivables		
Outstanding for a period exceeding six months	1,495,072	780,072
Others	9,481,422	11,788,469
(The bifercation of six months has been made at		
Total	10,976,494	12,568,541
Note 17: Cash and cash equivalents		
Cash on hand	1,209,425	1,203,555
<u>Balances with Banks:</u>		
In Current	978,193	44,403
In Deposit	-	158,867
Total	2,187,619	1,406,825
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	2,187,619	1,406,825
Note 18: Short Term Loans and Advances		
Advance to suppliers	198,751	569,254
Prepaid expenses	57,893	56,403
Advance Tax & Tax Deducted at source	171,770	170,700
Balances with government authorities	381,497	503,014
Total	809,911	1,299,372

CONTINENTAL CONTROLS LIMITED
Notes to the financial statements for the year ended March 31, 2013

Particulars	2012 - 2013	2011 - 2012
	Rs	Rs
Note 19: Revenue from operations		
Sale of products	36,243,374	34,034,340
Less : Excise duty	3,633,887	2,259,191
Net Sale of product	32,609,487	31,775,149
DEPB Claim received	-	224,416
Grand Total	32,609,487	31,999,565
Note 20: Other Incomes		
Interest on Fixed Deposit with Bank	11,940	1,867
Net gain on foreign currency transactions and translation	-	616,188
Rent Income	200,000	30,000
Sundry Balances written back	72,979	155,071
Other Misc Income	98,704	-
Total	383,622	803,126
Note 21: Cost of material consumed		
Opening stock of raw materials	10,454,121	9,658,893
Add : Purchases of raw materials and packing materials	17,121,231	16,330,218
Less : Closing of raw materials	14,150,393	10,454,121
Total	13,424,960	15,534,990
Changes in inventories of finished goods and work in progress		
Opening stock of Finished goods and work in progress	588,481	633,985
Less: Closing stock of Finished goods and work in progress	417,227	588,481
Net change	171,254	45,504
Grand Total	13,596,214	15,580,494
Note 22: Manufacturing / Operating Expenses		
Electricity Expenses	823,550	1,202,580
Labour Charges	1,095,289	1,161,421
Agency Charges	117,663	91,090
Security Charges	121,811	197,224
Transport Charges	61,725	81,841
Octroi Charges	18,607	9,069
Total	2,238,645	2,743,224
Note 23: Employee Benefit Expenses		
Salary, bonus and allowances	5,238,668	3,697,203
Contribution to provident fund and other funds	174,853	196,697
Employee welfare and other amenities	132,530	101,360
Total	5,546,051	3,995,260

Notes to the financial statements for the year ended March 31, 2013

Particulars	2012 - 2013	2011 - 2012
	Rs	Rs
Note 24: Finance Cost		
Interest expense on:		
(i) Statutory Dues	85,303	32,850
(ii) Cash Credit facility with bank	1,492,256	1,378,257
Credit Card finance charges	172,064	103,416
Bank Charges	111,543	221,230
Total	1,861,166	1,735,753
Note 25: Other Expenses		
Rent, Rates and Taxes	219,232	287,075
Insurance	81,085	46,587
Advertisement and business promotion	949,874	1,241,071
Postage and courier charges	303,217	523,399
Telephone and internet charges	276,394	274,582
Travelling, conveyance and motor car expenses	1,222,876	780,279
Foreign exchange loss on transaction	4,442	-
Printing and stationery	116,181	111,302
<u>Auditor's Remuneration</u>		
For Statutory Audit	45,000	45,000
For Tax Audit	10,000	10,000
For Income Tax Matter	10,225	5,000
For Service Tax	-	6,180
Legal and Professional charges	415,414	472,221
Repairs and maintenance - others	980,032	378,600
Preliminary Expense written off	144,792	144,792
Other administration expenses	642,462	201,969
Total	5,471,225	4,528,057

CONTINENTAL CONTROLS LIMITED

Notes to the financial statements for the year ended March 31, 2013

Note 26: Contingent Liabilities and Commitments

Particulars	March 31, 2013	March 31, 2012
Contingent Liabilities		
Income tax matters not acknowledged as debt	1,192,911	1,192,911
Total	1,192,911	1,192,911

Note 27: Foreign currency transaction:

Expenditure in foreign currency:

Particulars	March 31, 2013	March 31, 2012
Import of Goods	11,335,533	6,477,468
Total	11,335,533	6,477,468

Income in foreign currency:

Particulars	March 31, 2013	March 31, 2012
Sales of Goods	3,839,150	10,233,038
Total	3,839,150	10,233,038

Note 28: Segment Information for the year ended March 31, 2013

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, 2013 and the Profit and Loss Account for the year ended March 31, 2013 pertain to one business segment and related activities as per Accounting Standard (AS) 17 on "Segment Reporting".

Note 29: Related party transactions

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

Note 29.1: 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)	

Notes to the financial statements for the year ended March 31, 2012
Note 29.2: Related party transactions

Transactions with related parties during the year :

Sr No	Particulars	2012 - 2013	2011 - 2012
		Key Manaerial Personnel	Significant Influence is excercised 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	72,000
4	Director's Remmuneration Navin G Thakkar	300,000	120,000
	Amit N Thakkar	600,000	180,000
5	Loans and advances payable Amit N Thakkar	-	69,724
	Navin G Thakkar	63,732	100,000
	New Krishna Metal Arts	-	90,000
	Shree Krishna Controls Private Limited	-	341,560

Note 30: Earnings per share

Particulars	March 31, 2013	March 31, 2012
Net profit after tax as per statement of profit and loss	1,873,483	2,160,475
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	0.42	0.49

Note 31: CIF value of imports (as certified by management)

Particulars	March 31, 2013	March 31, 2012
Raw Material	11,335,533	6,799,058
Total	11,335,533	6,799,058

Note 32: Imported and Indigenous Raw Material Consumption:

Particulars	March 31, 2013		March 31, 2012	
	In Rs.	%	In Rs.	%
Raw Materials and Components				
Imported	11,335,533	84.44	6,799,058	43.77
Indeginious	2,089,427	15.56	8,735,931	56.23

CONTINENTAL CONTROLS LIMITED

Notes to the financial statements for the year ended March 31, 2013

Note 33: Raw material consumption details

Particulars	Consumption		Closing Stock	
	2012-13	2011-12	2012-13	2011-12
Bimetal Strips	697,209	853,028	3,915,438	4,612,649
CRCA Coils	-	458,231	2,015,053	1,321,085
B Stage DMD	1,671,335	492,828	676,329	922,669
Insulated Wire	866,052	1,439,649	771,425	409,396
Contact	6,092,849	3,454,481	2,860,457	874,322
Copper Strip	-	2,113,496	878,764	412,355
S S Patti / S S Patta	2,419,890	2,180,090	996,819	1,522,584
Others	1,677,625	4,543,187	2,036,108	379,061
Total	13,424,960	15,534,990	14,150,393	10,454,121

Note 34: 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 35: 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 36: 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 37: 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 38: 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

Vipul N. Chauhan

Partner
Membership No.: 047846

Place : Mumbai
Date : 30th May 2013

For and on behalf of the Board of Directors

Director Director Director

IF UNDELIVERED, PLEASE RETURN TO :

CONTINENTAL CONTROLS LIMITED

Registered Office :

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