

27th

Annual Report

2011-2012



Continental Chemicals Ltd

DIRECTORS

Mr. Naresh K Chibba
Dr. Vishwanath
Mr. Pradeep Chopra

Managing Director
Director
Director

Audit Committee

Mr. Naresh K Chibba
Dr. Vishwanath
Mr. Pradeep Chopra
Mr. Gaurav Tyagi

Managing Director
Director
Director
General Manager

AUDITORS

M/s. Hari Bhushan & Associates
Chartered Accountants
New Delhi

REGISTERED OFFICE

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

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 27th Annual General Meeting of the Company will be held on Thursday, the 27th September 2012 at 9.30 A.M at the Registered Office of the company at A-7, Sector-VII, NOIDA, Gautam Buddh Nagar, Pin. 201 301 (U.P) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2012, and profit & Loss Account for the Year ended on the date the Report of Directors' and Auditors' there on.
2. To appoint a Director in place of Pradeep Chopra who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors M/s Hari Bhushan & Associates, Chartered Accountant, New Delhi as auditors of the company for the year 2012-2013 to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

By Order of the Board of Directors

Sd/-
NARESH K CHIBBA
Managing Director

PLACE : NOIDA
DATE : 29th June 2012

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member. Proxy in order to be effective must be received by the Company at its registered office not less than 48 hours before the meeting. A blank form is enclosed.
2. Members are requested to bring their copies of the Annual Report with them at the meeting.
3. Members/Proxies are further requested to fill in the enclosed attendance slip and deposit the same at the registration table at the time of attending the meeting.
4. Members having any queries relating to the Annual Report are requested to send their questions to the Directors at the registered office of the Company at least 7 days before the date of Annual General Meeting.
5. Members holding shares under more than one folio are requested to send their Shares Certificate to the Registered Office of the Company for consolidation under one folio.
6. The Share Transfer Books, Members Register of the company shall remain closed from 25.09.2012 to 27.09.2012 (Both days inclusive).

By Order of the Board of Directors

SD/-
NARESH K CHIBBA
Managing Director

PLACE : NOIDA
DATE : 29th June 2012

DIRECTORS REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 27th Annual Report along with Audited Accounts of the Company for the year ended March 31, 2012.

1. FINANCIAL RESULTS

Particulars	31.3.2012	31.8.2011
i. Income from Operations	3910000	9475700
ii. Gross Profit/ (Loss)	445606	399034
iii. Expenditure	2888661	7949560
iv. Depreciation	(575732)	(1127106)
v. Net Profit/(Loss)	(171570)	339552

2. OPERATIONS

During the period under review the total income was Rs 3910000/- After providing for expenditure Rs. 2888661/- & depreciation Rs (575732/-) the Company has incurred net loss of Rs. (171570)/-

3. FINANCIAL YEAR

The board of directors in their meeting held on 18th May 2012 has approved the change of the company's financial accounting year to April to March instead of current which is September to August.

The company has closed the financial year on 31st March 2012 . i.e. for 7 Months instead of 12 Months ended on 31st August 2012.

The Financial result for year ended 31st March 2012 have been reviewed by the Audit Committee and approved by board of Directors in their meeting held on 29th June 2012. The statutory Auditors of the company have also audited the financial results for the year ended 31st March 2012

The result for the year ended 31st March 2012 have been prepared and accordingly the previous period / years figures have also been reclassified to confirm to the current period's classification.

3. FUTURE PROSPECTS

The company has received very encouraging response from various clients overseas for the new projects that have been launched.

It is hoped that the company will generate greater revenues in the coming year

4. FIXED DEPOSITS

The Company has not accepted any deposit under section 58 A of the Companies Act. 1956.

5. INDUSTRIAL RELATIONS

The employee-employer relations remained cordial throughout the year.

6. DIRECTORS

(a) In accordance with the article of association of the Company at the forthcoming Annual General Meeting of the company Sh. Pradeep Chopra retires by rotation and being eligible offers himself for reappointment.

(b) Mr. Naresh K. Chibba , Dr. Vishwanath and Mr. Pradeep Chopra directors of the company are members of the Audit committee of the Board of the company

7. RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the companies Act 1956, your Directors confirm that in the preparation of the Annual accounts:-

- i) the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) such accounting policies have been selected and applied consistently and reasonable and prudent judgements and estimates made , so as to give a true and fair view of the state of affairs of the company at the end of Financial Year and the Profit/Loss of the Company for that period.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
- iv) The annual accounts have been prepared as a going concern basis.

8. LISTING

The shares of the company are listed at Kanpur, New Delhi and Mumbai Stock Exchange. However as per resolution passed earlier, delisting from UP stock exchange and Delhi Stock exchange is in under process and Share from Bombay Stock Exchange is suspended and the revocation of suspension is in due process.

9. AUDITORS

M/s Hari Bhushan & Associates, Chartered Accountants, Auditors of the Company hold office until conclusion of the forthcoming annual General Meeting and are willing to be reappointed.

10. AUDITORS REPORT

The observation made by the auditors in their report are explained in the respective notes to be accounts which are self-explanatory and do not call for further explanation.

11. PERSONNEL

Your Directors also place on record their appreciation of the all round co-operation & contributions made by the employees at all levels. The statement of Employees u/s 217 (2A) of the Companies Act, 1956 is not annexed since none of the employees falls in this category.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as per section 217(1)(e) read with companies (disclosure of particular in the Report of Board of Directors) Rules ,1988 in not being given since the company has suspended its manufacturing activities.

Particulars relating to Technology absorption are nil. Information relating to foreign exchange earnings or outgo during the year under review is provided in additional information.

13. SECRETRIAL COMPLIANCE CERTIFICATE

A copy of the compliance certificate obtained from a company secretary in practice, as required under section 383 A of the Companies Act 1956, is attached with this report.

14. ACKNOWLEDGEMENTS

Your directors also thank & acknowledge the co-operation, assistance and support extended by the Central Government, the State Government, the financial institutions, the Company's Bankers, the Shareholders and Staff of the Company.

For and on behalf of Board of Director

**Sd/
Dr. Vishwanath
Director**

**Sd/
Naresh K Chibba
Managing Director**

**Place: Noida
Date : 29th June 2012**

ANNEXURE TO THE DIRECTOR'S REPORT
COMPLIANCE CERTIFICATE

To,
 The Members,
 Continental Chemicals Ltd.
 A-7 ,Sector VII
 Noida, 201301
Gautam Buddh Nagar U.P.

We have examined the registers, records, books and papers of Continental Chemicals Limited (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March , 2012. In our 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, We certify that in respect of the aforesaid financial year:-

1. The company has kept and maintained all registers as stated under, as per the provisions and the rules made there under and all entries therein have been duly recorded –
 - i) Investment Register u/s 49/372/372A;
 - ii) Register of Members u/s 150 & 151;
 - iii) Register of Share Transfer u/s 108(1-A);
 - iv) Books of Accounts u/s 209;
 - v) Register of Contracts in which Directors are interested u/s 301;
 - vi) Register of Directors, Managers, Secretaries & Treasures u/s 303;
 - vii) Register of Directors Attendance under Regulation 71.
 - viii) Register of Directors Share Holding U/s 307
2. The company has duly filed the forms and returns as stated under, with the Registrar of Companies within the time prescribed under the Act and the rules made there under –
 - i) Annual Return u/s 159;
 - ii) Annual Accounts U/s 220;
 - iii) Secretarial Compliance Certificate
3. The Board of Directors of the Company duly met on following dates
 30.9.2011,31.12.2011,15.01.2011 and 31.03.2012
4. The Company has closed its Register of Members from 26.02.2012 to 28.02.2012 (both days inclusive) in accordance with Section 154 of the Act .
5. The Annual General Meeting for the financial year ended on 31.8.2011 was held in time on 28.2.2012 and due notice was given and resolutions passed thereat duly recorded in the Minutes Book.
6. No extraordinary meeting was held during the financial year.
7. The Company has not advanced any loan to its directors and/or persons or firms or companies referred in Section 295 of the Act.
8. The Company has entered into contracts covered under the provisions of Section 297 of the Act for which due action have been taken.
9. The Company has complied with the requirements of Section 301 of the Act.
10. The Company has timely transferred / transmitted it shares received during the year.
11. No change has taken place in the composition of Board of Directors during the year.
12. There is no appointment of any Managing Director / Whole-time Director/Manager during the year.
13. The Company has not issued shares/debentures/other securities during the financial year.
14. The Company has not taken deposits under the provisions of Section 58A and 58AA of Companies Act.

15. The loans taken by the company is within limits prescribed under Section 293(1) (d) of the companies Act , 1956 during the Financial Year
16. No alteration has been made in the Memorandum and Articles of Association during the year.
17. No show cause notice has been received from the Registrar of Companies during the year.
18. No amount has been received as security from its employees during the year,
19. Provident Fund is applicable to the company and the deduction and deposits have generally been made in time.

Place: Noida
Date: 29th June 2012

Sd/-

B.S. Goyal
C.P. No.2915

AUDITORS' REPORT

To the Members of Continental Chemicals Limited

We have audited the attached Balance Sheet of Messrs CONTINENTAL CHEMICALS LIMITED, as at 31st March, 2012 and also the Profit & Loss Account for the year ended on that date annexed thereto. 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.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and is closures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation.

We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Department of Companies Affairs, in terms of section 227(4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to 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 purpose of our audit ;
- (b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books ;
- (c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts ;
- (d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards refer 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 31st March, 2012 and taken on record by the board of directors, we report that none of directors is disqualified as on 31st March, 2012 from being appointed as 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 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 31st March, 2012 ;
and
 - (ii) in the case of the Profit & Loss Account, PROFIT for the year ended on that date.

for Hari Bhushan & Associates
Chartered Accountants

(Hari Bhushan)

Proprietor

M. No. 076688

Place: Delhi

Date: 29th June 2012

ANNEXURE TO THE AUDITORS' REPORT

As required by the Companies (Auditors Report) order, 2003 issued by the Central Government and on the basis of such checks as we considered appropriate we further state that :

- 1) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The management during the year has physically verified the fixed assets of the company and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, frequency of verification is reasonable.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off by the Company during the year.
- 2) (a) The inventory has been physically verified by the management with reasonable frequency of verification during the year.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of inventory as compared to book records.
- 3) The Company has not granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956. In the cases of unsecured loans taken from the Directors & their relatives covered in the register maintained under Section 301 of the Act, the rate of interest and other terms & conditions are not prima facie prejudicial to the interest of the Company.
- 4) In our opinion and according to the information and explanations give to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for Purchase of Inventory and fixed assets and for the sale of goods. In our opinion an according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal controls.
- 5) Based on the audit procedures performed by us and according to the information and explanations given by the management, we are of the opinion that there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act.
- 6) The Company has not accepted deposits from the public and consequently, the directives issued by the Company Law board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal and the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under wherever applicable, have been complied with.
- 7) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- 8) In terms of clause (d) of sub-section (1) of section 209 of the Act, the Central Government has not prescribed maintenance of cost records by the Company.
- 9) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income-tax, sales tax, wealth tax, service tax, customs duty and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales tax, service tax, excise duty / cess, customs duty and wealth tax as at 31st March, 2012 which have not been deposited on account of any dispute.
- 10) In our opinion, the accumulated losses of the Company are not more that 50% of its net worth. The Company has not incurred cash losses in the financial year immediately preceding such financial year.
- 11) According to the records of the company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at balance sheet date.

- 12) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) No provisions of any special statute in respect of chit fund etc. are applicable to the Company.
- 14) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- 15) In our opinion and 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 during the year.
- 16) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- 17) On the basis of our examination of the books of accounts and the information and explanations given to us, in our opinion, the funds raised on the short-term basis have not been used for long-term investments.
- 18) The Company has not made any preferential allotment of shares to the Directors & their relatives.
- 19) The Company has not issued any debentures during the year.
- 20) The company has not raised any money by public issue during the year.
- 21) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Hari Bhushan & Associates
Chartered Accountants

(Hari Bhushan)
Proprietor
M. No. 076688

Place: Noida
Date: 29th June 2012

BALANCE SHEET AS AT 31st MARCH, 2012

Particulars	Note No.	31.03.2012	31.08.2011
<u>EQUITY AND LIABILITIES</u>			
Shareholder's Funds			
(a) Share Capital	2	9,945,500.00	9,945,500.00
(b) Reserves & Surplus	3	1,436,031.14	1,607,602.00
Non- Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred Tax Liabilities	4	555,411.00	(61,766.00)
Current Liabilities			
(a) Short-term borrowings	5	3,318,325.00	5,958,224.00
(b) Trade Payables	6	10,560,560.00	7,996,894.00
Total		25,815,827.14	25,446,454.00
<u>ASSETS</u>			
Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	7	20,210,444.00	20,067,410.00
(b) Long Term Loan & Advances	8	274,043.00	274,043.00
Current assets			
(a) Trade Receivables	9	5,088,940.00	4,883,040.00
(b) Cash and cash equivalents	10	90,124.14	69,685.00
(c) Other current assets	11	152,276.00	152,276.00
Total		25,815,827.14	25,446,454.00
		-	-
Significant Accounting Policies	1		
and Notes on Accounts forming part of the Financial Statements			

AS PER REPORT OF EVEN DATE ATTACHED

FOR **HARI BHUSHAN & ASSOCIATES**
CHARTERED ACCOUNTANTS

Sd/-

NARESH K. CHIBBA
DIRECTOR

For and on behalf of the Board

Sd/-

GAURAV TYAGI
GENERAL MANAGER

Sd/-

CA. HARI BHUSHAN
PROPRIETOR

Sd/-

DR. VISHWANATH
DIRECTOR

PLACE : NOIDA

DATE : 29th June 2012

PROFIT & LOSS STATEMENT

Particulars	Note No.	01.09.2011 TO 31.03.2012	01.09.2010 TO 31.08.2011
Revenue:			
Revenue from operations	12	3,910,000.00	9,460,640.00
Other income	13	-	15,060.00
Total Revenue		3,910,000.00	9,475,700.00
Expenses:			
Employees benefit Expenses	14	1,991,066.00	4,266,963.00
Other Expenses	15	897,595.86	3,682,597.00
Depreciation and Amortization of Expenses	16	575,732.00	1,127,106.00
Total Expenses		3,464,393.86	9,076,666.00
Profit (Loss) before exceptional and extraordinary items & tax		445,606.14	399,034.00
Exceptional & extraordinary items		-	-
Profit (Loss) before tax		445,606.14	399,034.00
Tax Expense:			
(a) Current tax		-	-
(b) Deffered tax		617,177.00	59,482.00
Profit (Loss) for the period		(171,570.86)	339,552.00
Earnings per Equity Share of Rs. 10			
(a) Basic after tax		(0.17)	0.34

Significant Accounting Policies 1
and Notes on Accounts forming part of the Financial Statements

AS PER REPORT OF EVEN DATE ATTACHED

FOR **HARI BHUSHAN & ASSOCIATES**
 CHARTERED ACCOUNTANTS

Sd/-
NARESH K. CHIBBA
 DIRECTOR

For and on behalf of the Board
 Sd/-
GAURAV TYAGI
 GENERAL MANAGER

Sd/-
HARI BHUSHAN
 PROPRIETOR

Sd/-
DR. VISHWANATH
 DIRECTOR

PLACE : NOIDA
 DATE : 29th June 2012

NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012**SHARE CAPITAL** **NOTE NO. : 2**

PARTICULARS	31.03.2012	31.08.2011
Authorised		
30,00,000 Equity Shares of Rs. 10 each	30,000,000.00	30,000,000.00
Issued, Subscribed & Paid up		
9,94,550 (9,94,550) Equity Shares of Rs.10 each fully paid up	9,945,500.00	9,945,500.00
	9,945,500.00	9,945,500.00

The Company has only one class of Shares referred to as Equity Shares having a par value of Rs. 10.

The Reconciliation of the number of shares outstanding and the amount of Share Capital as at March 31,2012 is set out below:

PARTICULARS	NUMBER	AMOUNT
Shares outstanding at the beginning of the year	44,500.00	44,500.00
Shares Issued during the year	-	-
Shares outstanding at the end of the year	44,500.00	44,500.00

RESERVES & SURPLUS **NOTE NO. : 3**

PARTICULARS	31.03.2012	31.08.2011
Securities Premium at the beginning of the year	-	-
Securities Premium received during the year	-	-
Securities Premium at the end of the year	-	-
General Reserves		
Balance in the Profit & Loss Account - Opening	1,607,602.00	1,268,050.00
Add: Profit/(Loss) during the year	(171,570.86)	339,552.00
	1,436,031.14	1,607,602.00

Deferred Tax Liabilities **NOTE NO. : 4**

PARTICULARS	31.03.2012	31.08.2011
Deferred Tax Liabilities	555,411.00	(61,766.00)
	555,411.00	(61,766.00)

SHORT-TERM BORROWINGS **NOTE NO. :5**

PARTICULARS	31.03.2012	31.08.2011
Loan from Director's and relatives	3,318,325.00	5,958,224.00
	3,318,325.00	5,958,224.00

TRADE PAYABLES **NOTE NO. : 6**

PARTICULARS	31.03.2012	31.08.2011
Trade Payables	9,663,126.00	7,779,554.00
Expenses Payables	897,434.00	217,340.00
	10,560,560.00	7,996,894.00

SCHEDULE OF FIXED ASSETS FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2012											Note No. 7										
S. No.	PARTICULARS	RATE	C	O	S	T	D	E	P	R	E	C	I	A	T	I	O	N	W.	D.	V.
		UP TO		ADDITIONS	SALES	AS ON	UP TO	FOR THE	WRITTEN	UP TO	AS ON	AS ON									
		01.04.11		DURING THE YEAR		31.03.12	01.04.2011	YEAR	BACK	31.03.12	31.03.12	31.03.11									
Tangible Assets																					
(1)	Lease Hold Land	0.00%		1,356,267.00	0.00	0.00	1,356,267.00	0.00	0.00	0.00	0.00	1,356,267.00	1,356,267.00								
(2)	Office Building	3.34%		20,010,003.00	573,966.00	0.00	20,583,969.00	2,845,264.00	389,128.00	0.00	3,234,392.00	17,349,577.00	17,164,739.00								
(3)	Furniture & Fixture	6.33%		364,245.00	0.00	0.00	364,245.00	311,318.00	13,392.00	0.00	324,710.00	39,535.00	52,927.00								
(4)	Vehicles	9.50%		2,331,000.00	0.00	0.00	2,331,000.00	965,032.00	128,620.00	0.00	1,093,652.00	1,237,348.00	1,365,968.00								
(5)	Office Equipments	7.07%		1,015,206.00	0.00	0.00	1,015,206.00	887,697.00	41,689.00	0.00	929,386.00	85,820.00	127,509.00								
(6)	Electrical Fitting & Equipments	7.07%		521,136.00	82,500.00	0.00	603,636.00	521,136.00	192.00	0.00	521,328.00	82,308.00	0.00								
(7)	Computer	16.21%		1,957,718.00	62,300.00	0.00	2,020,018.00	1,957,718.00	2,711.00	0.00	1,960,429.00	59,589.00	0.00								
Total				27,555,575.00	718,766.00	0.00	28,274,341.00	7,488,165.00	575,732.00	0.00	8,063,897.00	20,210,444.00	20,067,410.00								
Previous Year				27,555,575.00	0.00	0.00	27,555,575.00	6,361,059.00	1,127,106.00	0.00	7,488,165.00	20,067,410.00	21,194,516.00								

NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012

LONG -TERM LOANS AND ADVANCES		NOTE NO. : 8
PARTICULARS	31.03.2012	31.08.2011
Loan to staff	120,000.00	120,000.00
Security Deposited	154,043.00	154,043.00
	274,043.00	274,043.00

TRADE RECEIVABLES		NOTE NO. : 9
PARTICULARS	31.03.2012	31.08.2011
Trade Receivable	5,088,940.00	4,883,040.00
	5,088,940.00	4,883,040.00

CASH AND CASH EQUIVALENTS		NOTE NO. : 10
PARTICULARS	31.03.2012	31.08.2011
Cash Balance	18,551.53	4,580.00
Balances with Banks - In Current Accounts	71,572.61	65,105.00
	90,124.14	69,685.00

OTHER CURRENT ASSETS		NOTE NO. : 11
PARTICULARS	31.03.2012	31.08.2011
I.T. Receivable	150,744.00	150,744.00
FBT Refundable	1,532.00	1,532.00
	152,276.00	152,276.00

AS PER REPORT OF EVEN DATE ATTACHED

FOR **HARI BHUSHAN & ASSOCIATES**
CHARTERED ACCOUNTANTS

Sd/-
HARI BHUSHAN
PROPRIETOR

PLACE : NOIDA
DATE : 29th June 2012

Sd/-

NARESH K. CHIBBA
DIRECTOR

Sd/-
DR. VISHWANATH
DIRECTOR

For and on behalf of the Board
Sd/-

GAURAV TYAGI
GENERAL MANAGER

NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012

REVENUE FROM OPERATIONS		NOTE NO. : 12
PARTICULARS	31.03.2012	31.08.2011
Gross Turnover / Services	3,910,000.00	9,460,640.00
	3,910,000.00	9,460,640.00

OTHER INCOME		NOTE NO. : 13
PARTICULARS	31.03.2012	31.08.2011
Other Income	-	15,060.00
	-	15,060.00

EMPLOYEE BENEFITS EXPENSES		NOTE NO. : 14
PARTICULARS	31.03.2012	31.08.2011
Salary & Allowances	1,982,718.00	4,264,995.00
Staff welfare	8,348.00	1,968.00
	1,991,066.00	4,266,963.00

OTHER EXPENSES		NOTE NO. : 15
PARTICULARS	31.03.2012	31.08.2011
Electricity Expenses	133,370.00	180,485.00
Security Expense	127,111.00	194,494.00
Vehicle Running & Maintenance	118,168.00	192,376.00
Loss on Foreign Remittances	91,630.00	472,640.00
Repair & Maintenance	169,779.00	320,655.00
Office Expenses	59,553.00	93,750.00
Legal & Professional Charges	51,565.00	168,724.00
ROC Fees	25,000.00	-
Noida Authority Charges	17,353.00	24,157.00
Travelling and Conveyance Expenses	20,446.00	515,229.00
Listing Fees	16,545.00	11,375.00
Insurance Expenses	15,491.00	54,736.00
Audit Fees	15,000.00	15,000.00
Advertisement & Publicity	14,297.00	22,745.00
Misc. Expenses	13,344.00	438,497.00
Internet Charges	6,818.00	114,511.00
Telephone & Fax Charges	5,546.00	279,625.00
AGM Expenses	5,000.00	36,480.00
Printing & Stationery	4,915.00	18,689.00
Subscription & Dues	3,870.00	-
Bank Charges	2,143.25	6,376.00
Software Development Expense	2,100.00	429,895.00
Finance Charges & Interest	1,870.00	92,158.00
Postage & Revenue Stamp	746.00	-
Short & Excess	(24,064.39)	-
	897,595.86	3,682,597.00

DEPRICIATION & AMORTIZATION OF EXPENSES		NOTE NO. : 16
PARTICULARS	31.03.2012	31.03.2011
Depriciation on Fixed Assets	575,732.00	1,127,106.00
	575,732.00	1,127,106.00

AS PER REPORT OF EVEN DATE ATTACHED

FOR **HARI BHUSHAN &
ASSOCIATES**
CHARTERED ACCOUNTANTS

Sd/-

NARESH K. CHIBBA
DIRECTOR

For and on behalf of the Board
Sd/-

GAURAV TYAGI
GENERAL MANAGER

Sd/-

HARI BHUSHAN
PROPRIETOR

Sd/-

DR. VISHWANATH
DIRECTOR

PLACE : NOIDA

DATE : 29th June 2012

CONTINENTAL CHEMICALS LIMITED,**NOTE No. 1****SIGNIFICANT ACCOUNTING POLICIES
AND NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS****(A) Company Overview:**

The Company was incorporated on 27.11.1984 presently having its Registered Office at A-7, Sector-7, Noida, U.P.-201010.

(B) Significant Accounting Policies:ACCOUNTING CONVENTION

The Accounts are prepared on Accrual Basis under the Historical Cost Convention in accordance with the applicable Accounting Standards and relevant provision of the Companies Act, 1956.

FIXED ASSETS

All Fixed Assets are stated at Historical Cost less Depreciation.

DEPRECIATION

Depreciation on Fixed Assets is provided on Written Down Value Method in accordance with & in the manner specified in amended Schedule XIV to the Companies Act, 1956, read with circular no. 14/93 dt. 20.12.1993 of the Department of Company Affairs.

TAX EXPENSES

Current Tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961. Deferred Tax Assets and Liabilities is recognized in respect of current year and prospective years. Deferred Tax Assets is recognized on the basis of reasonable/virtual certainty that future taxable income will be available against which the same can be realized.

(C) Notes on Accounts:

1. There are contingent liabilities of Rs. NIL of the Company as on 31.03.2012.
2. None of the employees of the company were drawing emoluments more than what has been specified under the newly amended Companies (Particulars of Employees) Rules, 1975.
3. In the opinion of the Board of Directors the Current Assets, Loans & Advances are having the value at which they are stated in the Balance Sheet, if realised in the ordinary course of Business.
4. Previous year figures have been regrouped & rearranged wherever necessary.
5. The Company has been advised that the Computation of Net Profit for the purpose of Director's remuneration under Section 349 of the Companies Act, 1956 need not be enumerated since no commission has been paid to the Directors.
6. No dividend has been recommended for the year ended 31st March, 2012.
7. The Managing Director's remuneration has been provided only at the minimum remuneration as per the Companies Act. 1956.
- 8.. The Company's refund claims for refund due under The Excise Act amounting to Rs. 1062137/- (Previous years Rs. 1062137/-) are pending with excise authorities at various levels. This has not been taken in accounts.

9. Claims against the company not acknowledge as debt are as under:-
In respect of electricity charges Rs. 1210595.90 (Previous year Rs. 1210595.90). This has not been taken in account
10. Electricity charges paid Rs. 67097/- was under protest and the matter of refund of the said amount is still pending with the court. This amount has not been taken in accounts.
11. Balance confirmation from sundry debtors, Loans & Advances, Sundry Creditors, Advances and Deposits from Customers has been obtained.

12	Auditors Remuneration		
		2011-2012	2010-2011
		(Rs.)	(RS.)
	Audit Fee	15,000.00	15,000.00
		15,000.00	15,000.00

Auditor's Report

In terms of our separate report of even date, annexed.

AS PER REPORT OF EVEN DATE ATTACHED

For and on behalf of the Board

**FOR HARI BHUSHAN & ASSOCIATES
CHARTERED ACCOUNTANTS**

**Sd/
NARESH K CHIBBA
DIRECTOR**

**Sd/
HARI BHUSHAN
PROPRIETOR**

**Sd/
DR. VISHWANATH
DIRECTOR**

**Sd/
GAURAV TYAGI
GENERAL MANAGER**

PLACE : NOIDA

DATE : 29th June 2012

CASH FLOW STATEMENT FOR THE PERIOD ENDING 31.03.2012

Particulars	31.03.2012	31.08.2011
A. Cash Flow from Operating Activities		
Net Profit/(Loss) Before Tax	445,606	399,034
Adjustment for :-		
Depreciation	575,732	1,127,106
Interest Paid	1,870	92,158
FBT Paid	-	-
Operating Profit before working capital Charges	1,023,208	1,618,298
Adjustment for :-		
Changes in Trade Receivables	(205,900)	(1,658,040)
Changes in Trade Payables	1,883,572	(3,383,422)
Changes in Other Current Liabilities	680,094	379,122
	3,380,974	(3,044,042)
Cash Flow from extraordinary items	-	-
Cash generated from operations	3,380,974	(3,044,042)
Net Income Tax (Paid)/Refunds	-	-
Net Cash Flow from Operating Activities	3,380,974	(3,044,042)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(718,766)	-
	(718,766)	-
Cash Flow from extraordinary items	-	-
	(718,766.00)	-
Net Income Tax (Paid)/Refunds	-	-
Net Cash Flow from Investing Activities	(718,766)	-
C. Cash Flow from Financing Activities		
Interest Paid	(1,870)	(92,158)
Repayment of Short Term Borrowings	(2,639,899)	3,029,503
	(2,641,769.00)	2,937,345.00
Cash Flow from extraordinary items	-	-
Net Cash Flow from Financing Activities	(2,641,769)	2,937,345
Net Increase/(Decrease) in Cash and Cash Equivalents	20,439	(106,697)
Opening cash and Cash Equivalent	69,685	176,382
Closing Cash & Cash Equivalent	90,124	69,685

AUDITORS CERTIFICATE

We have examined the above Cash Flow Statement of CONTINENTAL CHEMICALS LTD. for the year ended 31st March 2012.

AS PER REPORT OF EVEN DATE ATTACHED

For and on behalf of the Board

**FOR HARI BHUSHAN & ASSOCIATES
CHARTERED ACCOUNTANTS**

**Sd/
NARESH K CHIBBA
DIRECTOR**

**Sd/
HARI BHUSHAN
PROPRIETOR**

**Sd/
DR. VISHWANATH
DIRECTOR**

**Sd/
GAURAV TYAGI
GENERAL MANAGER**

PLACE : NOIDA

DATE : 29th June 2012

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(Part IV of Schedule VI of the Companies Act, 1956)

I. REGISTRATION DETAILS		
REGISTRATION NO. 20-14111/330 STATE CODE (1)		
BALANCE SHEET DATE	DATE (31)	MONTH 3 YEAR 2012
II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)		
	Public Issue	Right Issue
	NIL	NIL
	Bonus issue	Private Placement
	NIL	NIL
III. Position of Mobilisation & Development of Funds (Amt. In Rs. Thousand)		
	Total Liabilities	Total Assets
	14434.296	25815.827
Source of Funds		
	Paid up capital	Reserve & Surplus
	9945.50	1436.031
	Secured Loans	Unsecured Loans
	---	3318.325
Application of Funds		
	Net Assets	Misc. Expenditure
	5331.340	---
IV. Performance of Company (Amount in Rs. Thousand)		
	Turnover	Total Expenditure
	3910.000	3464.393
	+ - Profit / Loss Before Tax	+ - Profit / Loss After Tax
(-)	445.060	(-)(171.570)
	Profit per Share In Rs.	Divined Rate %
	(0.17)	NIL
V. Generic Names of Three Principal Product /Services of Company		
Item Code No. (ITC Code) 3401.20, 3401.10, 3402.90, 3405.20,85.24		
Product description SOAP, DETERGENTS & ALLIED PRODUCT & SOFTWARE		

FOR AND ON BEHALF OF THE BOARD

FOR **HARI BHUSHAN & ASSOCIATES**
CHARTERED ACCOUNTANTS

Sd/-
NARESH K. CHIBBA
DIRECTOR

Sd/-
GAURAV TYAGI
GENERAL MANAGER

Sd/-
HARI BHUSHAN
PROPRIETOR

Sd/-
DR. VISHWANATH
DIRECTOR

PLACE : NOIDA
DATE : 29th June 2012

Continental Chemicals Ltd.
A-7 , Sector - VII, NOIDA
Pin -201301
Distt. : Gautam Buddha Nagar
U.P

REGD. FOLIO NO. :

ATTENDANCE SLIP

NAME & ADDRESS OF THE SHARE HOLDERS :
 (IN BLOCK LETTERS)

NO. OF SHARE HELD :

NAME OF PROXY :
 (If applicable)

I hereby record my presence at the TWENTY SEVENTH ANNUAL GENERAL MEETING of the company held on THURSDAY on the 27TH September 2012 at 9.30 A M at the registered office of the Company at above mentioned address.

Signature of Shareholder/ Proxy

Continental Chemicals Ltd.
A-7 , Sector - VII, NOIDA
Pin -201301
Distt. : Gautam Buddha Nagar
U.P.

PROXY FORM

Date..... 2012

I/ We _____ of _____
 appoint _____ of _____ to
 vote for me/us, and on my/ our behalf at the Twenty Seventh Annual General Meeting of the company to be held on Thursday the 27th September, 2012 and any adjournment thereof.

As WITNESS my/our hand this _____ day _____ 2012
 Signed by the Said

Folio No.

100 Paisa
 Revenue
 Stamp

Note:- This proxy must be deposited at the Registered Office of the Company at A-7 , Sector -VII, NOIDA, U.P not less than 48 hours before the time of holding the meeting.

BOOK - POST

If undelivered , please return to :

Continental Chemicals Ltd.

A-7 , Sector - VII, NOIDA

Pin -201301

Distt. : Gautam Buddha Nagar

U.P