

25th

Annual Report

2009-2010



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

Managing Director
Director
Director

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 25th Annual General Meeting of the Company will be held on Monday, the 28th February 2011 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 August 2010, and profit & Loss Account for the Year ended on the date the Report of Directors' and Auditors' there on.
2. To appoint Auditors M/s Hari Bhushan & Associates, Chartered Accountant, New Delhi as auditors of the company for the year 2010-2011 to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

SPECIAL BUSINESS

3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:-

"Resolved that Mr. Pradeep Chopra be and is hereby appointed as Additional Director of the Company

By Order of the Board of Directors

Sd/-
NARESH K CHIBBA
Managing Director

PLACE : NOIDA
DATE : 15TH January 2011

NOTES:

1. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto.
2. 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.
3. Members are requested to bring their copies of the Annual Report with them at the meeting.
4. 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.
5. 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.
6. 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.
7. The Share Transfer Books, Members Register of the company shall remain closed from 26.02.2011 to 28.02.2011 (Both days inclusive).

EXPLANATORY STATEMENT**ITEM NO. 3**

Mr. Pradeep Chopra was appointed as additional Director of the company on 25th November 2010 and pursuant to section 260 of the companies Act 1956 holds office up to the date of forthcoming Annual General Meeting only.

The Company has received a notice in writing under section 257 (1) of the companies Act 1956 proposing the name of Mr. Pradeep Chopra to the office of Additional Director of the Company. The Board considers that his appointment as additional director will contribute materially to the company to maintain its growth.

Your directors recommends passing of the resolution. None of the director of the company except the appointee himself is interested in the resolution.

By Order of the Board of Directors
SD/-
NARESH K CHIBBA
Managing Director

PLACE : NOIDA
DATE : 15th January 2011

DIRECTORS REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 25th Annual Report along with Audited Accounts of the Company for the year ended August 31, 2010.

1. FINANCIAL RESULTS

Particulars	31.8.2010	31.8.2009
i. Income from Operations	2361630	8431045
ii. Gross Profit/ (Loss)	(6442761)	873687
iii. Financial Charges	115468	72687
iv. Depreciation	(1136648)	(762987)
v. Net Profit/(Loss)	(7579409)	110700

2. OPERATIONS

During the period under review the total income was Rs 2361630 /- After providing for expenditure Rs.8804391/- & depreciation Rs 1136648/- the Company has incurred net loss of Rs.7579409/-.

3. FUTURE PROSPECTS

During the year the company has further developed its market and has acquired more business from clients based in Australia, Singapore, Dubai and has also added more clients in UK also. The company hopes to do reasonably well 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) During the year Mr. Pradeep Chopra was appointed as Additional Director of the company.
- (b) During the year Mr. Aditya Vikram Chibba and Sunaina Chibba had resigned from directorship of the company vide their letter dated 21.12.2010. The board also placed on record their appreciation of useful guidance received from them for the service rendered to the company.
- (c) Mr. Naresh K. Chibba , Dr. Vishwanath and Mr. Pradeep Chopra directors of the company are member 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. The Company has paid Listing fee to the stock exchanges till 2009-2010. However as per resolution passed at 19th AGM held on 25th February 2005 , delisting from UP stock exchange and Delhi Stock exchange is in under process and Share from Bombay Stock Exchange is suspended due to Demat process 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 : 15th January 2011

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.

I have examined the registers, records, books and papers of Continental Chemicals Ltd. (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 August , 2010. 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 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

Date of Meetings of Board

30.01.2010	31.03.2010	30.04.2010
30.06.2010	30.09.2010	31.12.2010

4. The Company has closed its Register of Members from 25.02.2010 to 27.02.2010 (both days inclusive) in accordance with Section 154 of the Act .
5. The Annual General Meeting for the financial year ended on 31.8.2009 was held in time on 27.2.2010 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: 15th January 2011

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 CONTINENTAL CHEMICALS LIMITED ("the Company") as at August 31st, 2010 and the relative profit & loss account of the Company 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ("the Act") we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred 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 account as required by law have been kept by the Company so far as appears from our examination of the books;
- (c) The balance sheet and profit and loss account dealt with by this report are in agreement with the books of account;
- (d) In our opinion, for preparation of accounts of the Company for the year ended August 31st 2010 the Accounting Standards referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956 have been complied with;
- (e) On the basis of the written declarations received from the directors and taken on record by the board of directors, we report that none of the directors was disqualified as at August 31st 2010 from being appointed as a director in terms of clause(g) of sub - section (1) of section 274 of the Act;
- (f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Act, in the manner so required and give a true and fair view;
 - (i) In the case of Balance sheet, of the Company' state of affairs as at August 31st 2010;
and
 - (ii) In the case of the profit & loss account, of the loss for the year ended on that date.
 - (iii) In the case of cash flow statement for the year ended on that date.

for Hari Bhushan & Associates
Chartered Accountants

(Hari Bhushan)
Proprietor
M. No. 076688
Place: Delhi
Date: 15th January 2011

ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in paragraph 3 of our report of even date to the members of Continental Chemicals Limited on the accounts for the year ended August 31, 2010. We Report that:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situations of the fixed assets.
- (b) The Company has a phased programme of physical verification of its fixed assets which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. In accordance with such programme, the management during the year has physically verified all the fixed assets and no material discrepancies were noticed on such verification.
- (c) In our Opinion, a substantial part of Fixed assets has not been disposed off by the company during the year.
- (ii) (a) As the company has not purchased/sold goods during the year nor are there any opening stocks, requirement of reporting on physical verification of stocks or maintenance of inventory records, in our opinion, does not arise.
- iii) The Company has not granted or taken loan from Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of fixed assets, inventory and with regard to the sale of goods. During the course of our Audit, we have not observed any continuing failure to correct major weakness in internal controls.
- v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in to 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 explanation given to us, the transactions made in pursuance of contracts or arrangements entered in to the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. Five lacs have been made at the prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) Based on our scrutiny of the company's records and according to the information and explanations provided by the management, in our opinion, the company has not accepted any loans or deposits which are 'deposits' within the meaning of Rule 2(b) of the Companies (Acceptance of Deposit's) Rules, 1975.
- vii) The company has Internal Audit System commensurate with its size and nature of its business.
- viii) In terms of clause (d) of subsection (1) of the section 209 of the Companies Act, 1956 the Central Government has not prescribed maintenance of cost records by the company.
- ix) (a) According to the information and explanations given to us, and to the best of our knowledge the Company has been regular in depositing with appropriate authorities undisputed statutory dues including Income-tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty and any other statutory dues applicable to it.
- (b) According to the information and explanations given to us, and to the best of our knowledge the Company has no undisputed amounts payable in respect of Income-tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty which have remained outstanding as at 31st August, 2010, for a period exceeding six months from the date they become payable.
- (c) According to the information and explanations given to us, there are no dues of sales tax, income tax, Custom Duty, wealth tax, cess and Excise Duty, which have not been deposited on account of any dispute.

- x) The accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred any cash losses during the financial year covered by our audit and the company has not incurred cash losses during the immediately preceding financial year.
- xi) In our opinion and according to the information and explanation given to us, The Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The special statutes applicable to Chit Fund, Nidhi or Mutual Benefit Society are not applicable to the Company.
- xiv) The Company has not dealt in or traded in shares, securities, debentures or other investments. The Company in its own name holds the Shares and debentures acquired by the Company by way of investment.
- xv) According to the records of the company and the information and explanations provided by the management, the company has not given any guarantee for loans taken by others from Bank or Financial Institutions.
- xvi) According to the records of the company, the company has not obtained any term loans. Hence, comments under the clause are not called for.
- xvii) According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we report that the no funds raised on short – term basis have been used for long term investment. No long-term funds have been used to finance short term assets except permanent working capital.
- xviii) The Company has not made any preferential allotment of shares to the parties and the Companies covered under section 301 of the Companies Act.
- xix) The Company has not issued debentures during the year.
- xx) The company has not raised any money by public issues during the year.
- xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Hari Bhushan & Associates
Chartered Accountants

(Hari Bhushan)
Proprietor
M. No. 076688

Place: Delhi
Date: 15th January 2011

BALANCE SHEET AS ON 31ST AUGUST 2010

(Amount in Rs.)

	Schedule	31.08.2010	31.08.2009
Share Holders Funds			
Share Capital	I	9,945,500	9,945,500
Reserve & Surplus	II	1,268,050	8,259,999
Secured Loans	III	0	280,544
Unsecured Loans	IV	2,928,721	
		<u>14,142,271</u>	<u>18,486,043</u>
TOTAL FUNDS EMPLOYED		<u>14,142,271</u>	<u>18,486,043</u>
Application of Funds			
Fixed Assets	V	27,555,575	24,862,954
Less: Accumulated Depreciation		6,361,059	5,332,878
NET BLOCK		<u>21,194,516</u>	<u>19,530,076</u>
Current Assets Loans & Advances VI			
Sundry Debtors		3,225,000	7,378,069
Cash & Bank Balances		176,382	38,197
Loans & Advances		120,000	132,945
Other Current Assets		306,319	1,366,986
		<u>3,827,701</u>	<u>8,916,197</u>
		<u>25,022,217</u>	<u>28,446,273</u>
Less : Current Liabilities & Provisions	VII	11001194	9,494,018
NET CURRENT ASSETS		<u>14,021,023</u>	<u>18,952,255</u>
Deffered Tax Assets	VIII	121248	(466,212)
TOTAL		<u>14,142,271</u>	<u>18,486,043</u>

AS PER REPORT OF EVEN DATE ATTACHED

For and on behalf of the Board

FOR HARI BHUSHAN & ASSOCIATES
CHARTERED ACCOUNTANTSSd/-
NARESH K. CHIBBA
DIRECTORSd/-
GAURAV TYAGI
GENERAL MANAGERSd/-
CA. HARI BHUSHAN
PROPRIETORSd/-
DR. VISHWANATH
DIRECTOR

PLACE : NOIDA

DATE : 15th January 2011

Profit & Loss Account for the year ending 31.08.2010

		(Amount in Rs.)	
	Schedule	31.08.2010	31.08.2009
Income			
Sale		644,500	1,336,000
Other Income	IX	1717130	7,095,045
Total		<u>2,361,630</u>	<u>8,431,045</u>
Expenditure			
Software Development Expenses	X	319,391	901,353
Employee Cost	XI	4,051,448	3,518,930
Administrative Expenses	XII	4,292,939	2,848,190
Selling & Distribution Expenses	XIII	25,145	216,198
Finance & Interest Charges	XIV	115,468	72,687
Total		<u>8,804,391</u>	<u>7,557,358</u>
Profit & Loss Before Depreciation		(6,442,761)	873,687
Depreciation		(1136648)	<u>(762,987)</u>
Profit & Loss after Depreciation		(7,579,409)	110,700
Profit & Loss before tax		(7,579,409)	110,700
Provision For Income tax		0	0
Provision for Fringe Benefit Tax		0	(46,022)
Provision for Deferred Tax		587,460	<u>(607,595)</u>
		(6,991,949)	<u>(542,917)</u>
Prior Period item		0	212,204
Profit & Loss C/f to Balance Sheet		<u>(6,991,949)</u>	<u>(330,713)</u>
Additional Information	XV		
Notes to Accounts	XVI		

AS PER REPORT OF EVEN DATE ATTACHED

FOR **HARI BHUSHAN & ASSOCIATES**
CHARTERED ACCOUNTANTSSd/-
HARI BHUSHAN
PROPRIETORPLACE : NOIDA
DATE : 15th January 2011Sd/-
NARESH K. CHIBBA
DIRECTORSd/-
DR. VISHWANATH
DIRECTORFor and on behalf of the Board
Sd/-
GAURAV TYAGI
GENERAL MANAGER

(SCHEDULE TO ANNUAL ACCOUNTS FOR 2009-2010)

SCHEDULE TO BALANCE SHEET			31.08.2010	31.8.2009
I. SHARE CAPITAL				
AUTHORISED	30,00,000	Equity Shares of Rs. 10/- each.	<u>30,000,000</u>	<u>30,000,000</u>
ISSUED	9,99,000	Equity Shares of Rs. 10/- each.	<u>9,990,000</u>	<u>9,990,000</u>
SUBSCRIBED	9,99,000	Equity Shares of Rs. 10/- each.	<u>9,990,000</u>	<u>9,990,000</u>
Less : Calls in Arrears	4,450	Equity Shares of Rs. 10/- each.	<u>44,500</u>	<u>44,500</u>
TOTAL			<u>9,945,500</u>	<u>9,945,500</u>
II. RESERVE & SURPLUS				
Reserve & Surplus			8,259,999	8,590,712
Profit/Loss for the year			(6991949)	(330,713)
TOTAL			<u>1,268,050</u>	<u>8,259,999</u>
III. SECURED LOANS				
ICICI BANK LOAN (Car Loan)			0	280,544
			<u>0</u>	<u>280,544</u>
IV. UNSECURED LOANS				
Unsecured Loans			2,928,721	0
			<u>2,928,721</u>	<u>0</u>

V. SCHEDULE OF FIXED ASSETS

S. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		COST AS ON 1.09.2009	ADDITIONS DURING THE YEAR	ADJUSTED DURING THE YEAR	TOTAL COST AS 31.08.2010	AS ON 1.09.2009	FOR THE YEAR	ADJUSTED DURING THE YEAR	AS ON 31.08.2010	AS ON 31.08.2010	AS ON 31.08.2009
1	LEASE HOLD LAND	1,356,267	---	---	1,356,267	--	--	--	--	1,356,267	1,356,267
2	BUILDING	17,208,915	2,801,088	---	20,010,003	1,704,247	472,683	--	2,176,930	17,833,073	15,504,668
3	FURNITURE & FITXURE	364,245	---	--	364,245	265,204	23,057	--	288,261	75,984	99,041
4	VEHICLES	2,331,000	---	---	2,331,000	522,142	221,445	--	743,587	1,587,413	1,808,858
5	OFFICE EQUIPMENTS	1,015,206	---	--	1,015,206	744,147	71,775	--	815,922	199,284	271,059
6	ELECTRICAL FITTING & EQUIPMENTS	521,136	---	--	521,136	490,794	30,342	--	521,136	-	30,342
7	LABORATORY EQUIPMENTS	108,467	--	108,467	0	108,467	0	108,467	0	0	0
8	COMPUTER	1,957,718	--	--	1,957,718	1,497,877	317,346	--	1,815,223	142,495	459,841
TOTAL		24,862,954	2,801,088	108,467	27,555,575	5,332,878	1,136,648	108,467	6,361,059	21,194,516	19,530,076
Previous Year		24311698	840889	289633	24862954	5071728	762987	501837	5332878	19530076	19239970

NOTE : Depreciation during the year has been calculated at the rates prescribed under schedule XIV of Companies Act, 1956 on S.L.M.

	31.08.2010	31.08.2009
VI Current Assets Loans & Advances		
Current Assets		
Sundry Debtors	3,225,000	7,378,069
	<u>3,225,000</u>	<u>7,378,069</u>
Cash and Bank Balances		
Cash In hand	110,532	368
Balance with Scheduled banks in current Accounts	65,850	37,829
	<u>176,382</u>	<u>38,197</u>
Loans & Advances		
Loans & Advances	120,000	132,945
	<u>120,000</u>	<u>132,945</u>
Other Current Assets		
Security Deposits	154,043	154,043
Refund from Excise Authority	0	1,062,137
TDS Refund	149,274	149,274
FBT Refundable	1,532	1,532
TDS (2009-10)	1,470	0
	<u>306,319</u>	<u>1,366,986</u>
Total	<u>3,827,701</u>	<u>8,916,197</u>
VII CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	6,750	7,573,769
Advances from Customers	746,800	279,450
Other Liabilities	-	1,090,771
Advance from security	2,550,000	200,000
Provision for Expenses	-	287,889
Provision for Income Tax	14,017	16,117
Provision for FBT	0	46,022
Total	<u>3,317,567</u>	<u>9,494,018</u>
VIII DEFFERED TAX ASSETS		
Opening Balance	(466,212)	141,383
Add/ Less		
Net Deffered Tax Assets created for timing Difference during the year	-	(607,595)
Total	<u>(466,212)</u>	<u>(466,212)</u>
IX OTHER INCOME		
Sundry Balances W/off webready for You	-	6,777,545
Interest Recd.	340,000	317,500
	14,700	0
Total	<u>354,700</u>	<u>7,095,045</u>

X Manufacturing / Software Development Charges	31.08.2010	31.08.2009
Software Development Expense	152,883	776,957
Electrical Repair & Maintenance	122,393	91,880
Generator Repair & Maintenance	44,115	32,516
Total	<u>319,391</u>	<u>901,353</u>
XI EMPLOYEE EXPENSES	31.08.2010	31.08.2009
Salaries	2,114,246	1,825,287
PF & FPF Contribution	60,480	46,800
House Rent Allowance	1,005,000	786,500
Transport Allowance	599,850	358,571
Helper Allowance	120,000	80,000
Uniform Allowance	120,000	80,000
Other		
PF Link Insurance	1,050	1,950
Administrative Charges A/c 2	2,316	4,290
Administrative Charges A/c 22	<u>20</u>	<u>39</u>
	3,386	6,279
Bonus	5,566	2,200
Gas electricity & water Expenses	1,920	550
Gratuity	21,000	332,743
Total	<u>4,051,448</u>	<u>3,518,930</u>

	31.08.2010	31.08.2009
XII ADMINISTRATIVE EXPENSES		
Bank Charges	4,431	5,637
News Paper, Books And Perodicals	90	-
Traveling & Conveyance	697,249	1,020,471
Director Sitting Fees	7,500	5,000
Electrical Expenses	188,814	154,652
Insurance Charges	36,391	59,802
Security Expenses	204,262	162,922
Legal & Professional Charges	645,149	280,220
Vehicle Repair & Maintenance	234,716	263,271
Repair & Maintenance	101,179	136,853
Printing & Stationery	9,146	12,698
Postage & Telegram & Telephone	196,580	173,830
Audit Fees	16,275	28,000
Miscellaneous Expenses	249,509	131,613
Communication Charges	85,507	126,670
Office Expenses	39,067	18,911
Water Charges	20,902	14,680
AGM Expenses	35,200	34,600
Listing Fees	17,880	19,961
Refreshment Expenses	42,202	48,639
Loss on Foreign Remittances	337,144	113,850
Internet Charges	48,664	35,910
Processing Charges	12,945	-
Bad Debts (Refund from Excise Authority)	1,062,137	-
Total	<u><u>4,292,939</u></u>	<u><u>2,848,190</u></u>
XIII SELLING & DISTRIBUTION EXPENSES		
	31.08.2010	31.08.2009
Advertisement & Publicity	25,145	22,952
Exhibition Expense	0	193,246
Total	<u><u>25,145</u></u>	<u><u>216,198</u></u>
XIV INTEREST & FINANCIAL CHARGES		
	31.08.2010	31.08.2009
Financial Charges	85,008	33,559
Interest	30,460	39,128
Total	<u><u>115,468</u></u>	<u><u>72,687</u></u>

Year ending 31st August, 2010

XIV. ADDITIONAL INFORMATION PURSUANT TO SCHEDULE VI OF COMPANIES ACT 1956

A) CAPACITY: THE PRODUCTS OF THE COMPANY BEING NON SCHEDULED ITEM NO
 LICENSED : INDUSTRIAL LICENCE IS APPLICABLE : * INCLUDES TEXTILE AUXILIARIES

B) Earning in Foreign Currency	644500	1336000
C) Expenditure in Foreign Currency	---	-
D) Managing Director's Remuneration		
Salary	324000	90000
House Rent Allowance	228000	36000
Transport Allowance	228000	0
Helper Allowance	120000	0
Uniform Allowance	120000	0
Other Benefits	0	9000
	<u>1020000</u>	<u>135000</u>
E) Payments to Statuary Auditors		
Audit Fee	14000	14000
For out of Pocket expenses	2275	2275
	<u>16275</u>	<u>16275</u>

AS PER REPORT OF EVEN DATE ATTACHED

FOR **HARI BUSHAN & 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 : 15th January 2011

SCHEDULE -XV

NOTES TO ACCOUNTS

(Forms integral part of the Balance Sheet and Profit & Loss Account for the year ended 31/08/2010)

The company is engaged in the business of development of computer software and other related services. The production and sale of such software is not capable of being expressed in any generic unit and hence it is not possible to give the quantitative details of sales and the information as required under paragraphs 3,4C and 4D of Part II of Schedule VI of the Companies Act, 1956.

A) BASIS OF PREPARATION

The Financial statements are prepared under the historical cost convention on the accruals basis of accounting and comply with the mandatory accounting standards and statements issued by the Institute of Chartered Accountants of India.

B) The Managing Director's remuneration has been provided only at the minimum remuneration as per the Companies Act. 1956.

C) 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.

D) Claims against the company not acknowledge as debt are as under:-

i) In respect of electricity charges Rs. 1210595.90 (Previous year Rs. 1210595.90)

E) EARNING PER SHARE

(i) Earning per share of the company has been calculated considering the Profit (Loss) after Taxation, Rs. (6991949/-) (Previous year Rs. (330713/-) are the numerator,

(ii) The weighted average number of equity shares used as denominator is 994550

(iii) The nominal value of shares is Rs. 9945500/- .The basic and diluted EPS for the year on the above mentioned basis comes to Rs. (7.0303). Previous year Rs. (0.3325).

F) Electricity charges paid Rs.67097/- was under protest and the matter of refund of the said amount is still pending with the court.

G) Balance confirmation from sundry debtors, Loans & Advances, Sundry Creditors, Advances and Deposits from Customers has not been obtained.

H) Provision has been made on account of Rs. 21000/- (previous year – 332743/-) in respect of gratuity for the amount due to employees who have completed service for Five years.

I) Research & Development Expenses charged to Profit & Loss Account during the year 2009-2010 is 319391/- (Previous year 901353/-.)

J) DEFERRED TAXATION

(i) Based on Accounting standard on accounting for Taxes on income (AS- 22) during the year deferred tax assets of Rs. 587460/- for the year ended 31.8.2010 has been adjusted

L) SEGMENTAL INFORMATION (GEOGRAPHICAL SEGMENTS)

Particulars	Within India	Outside India	Total Revenue
(i) Segment Revenue	1717130/-	644500/-	2361630/-
(ii) Segment Assets	25022217/-	0	25022217/-

M) Pursuant to AS-18 on Related Party Disclosure issued by I C A I , the relevant disclosure is part of the Balance Sheet as at 31/08/2010.

S.No	Particulars	Description of Relationship	Nature of Transactions				
			Intt. Exp	Intt. Income	Value of Services Rendered	Value of Services Received	Net outstanding payable
1.	Interads Adv. P. Ltd	Share Holder	Nil	Nil	Nil	22745	49701 Cr.
2.	CSSL	Share Holder	Nil	Nil	Nil	Nil	1927746 Cr.
3.	NARESH K. CHIBBA	Managing Director, Salary	Nil	Nil	Nil	1020000	780975 Cr.
4.	SUNAINA CHIBBA	Share Holder	Nil	Nil	Nil	Nil	220000 Cr.

N) Previous year figures have been regrouped and rearranged wherever necessary.

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 : 15th January 2011**

CASH FLOW STATEMENT FOR THE PERIOD ENDING 31.08.2010

	31.08.2010	31.08.2009
A Cash Flow from Operating Activities		
Net Profit/(Loss) Before Tax	(7,579,409)	110,700
Adjustment for :-		
Depreciation	1,136,648	762,987
Interest Paid	30,460	39,128
FBT Paid	0	(46,022)
Operating Profit before working capital Charges	(6,412,301)	866,793
Adjustment for :-		
Changes in Sundry Debtors	4,153,069	4,729,899
Changes in Loans & Advances	12,945	0
Changes in Other Current Assets	1,060,667	0
Changes in Other Current Liabilities	1,507,176	(6,023,286)
Net Cash Flow from Operating Activities	321,556	(426,594)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(2,801,088)	(840,889)
Proceeds from sale of fixed assets	0	0
Interest on FDR	0	0
Income Tax Miscellaneous Expenditure	0	0
Net Cash Flow from Investing Activities	(2,801,088)	(840,889)
C. Cash Flow from Financing Activities		
Interest Paid	(30,460)	(39,128)
Payment of Unsecured Loan	(280,544)	(268,013)
Unsecured Loan Taken	2928721	0
Net Cash Flow from Financing Activities	2,617,717	(307,141)
Net Increase/(Decrease) in Cash and Cash Equivalents	138,185	(1,574,624)
Opening cash and Cash Equivalent	38,197	1,612,821
Closing Cash & Cash Equivalent	176,382	38,197

AUDITORS CERTIFICATE

We have examined the above Cash Flow Statement of CONTINENTAL CHEMICALS LTD. for the year ended 31st August 2010.

AS PER REPORT OF EVEN DATE ATTACHED

**FOR HARI BHUSHAN & ASSOCIATES
CHARTERED ACCOUNTANTS**

Sd/
**HARI BHUSHAN
PROPRIETOR**

Sd/
**DR. VISHWANATH
DIRECTOR**

For and on behalf of the Board
Sd/
**NARESH K CHIBBA
DIRECTOR**

Sd/
**GAURAV TYAGI
GENERAL MANAGER**

PLACE : NOIDA
DATE : 15th January 2011

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 8 YEAR 2010
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
	11001.194	25022.217
Source of Funds		
	Paid up capital	Reserve & Surplus
	9945.50	1268.050
	Secured Loans	Unsecured Loans
	---	2928.721
Application of Funds		
	Net Assets	Misc. Expenditure
	14021.023	---
IV. Performance of Company (Amount in Rs. Thousand)		
	Turnover	Total Expenditure
	644.500	8404.391
	+ - Profit / Loss Before Tax	+ - Profit / Loss After Tax
(-)	(7579.409)	(-)(6991.949)
	Profit per Share In Rs.	Divined Rate %
	(-7.030264)	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 : 15th January 2011

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 FIFTH ANNUAL GENERAL MEETING of the company held on MONDAY on the 28TH February 2011 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..... 2011

I/ We _____ of _____
 appoint _____ of _____ to
 vote for me/us, and on my/ our behalf at the Twenty Fifth Annual General Meeting of the company to be held on Monday the 28th February, 2011 and any adjournment thereof.

As WITNESS my/our hand this _____ day _____ 2011

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