



**CONTINENTAL CONTROLS LIMITED**  
THERMAL OVER LOAD PROTECTOR SWITCHES

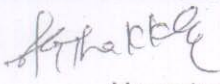

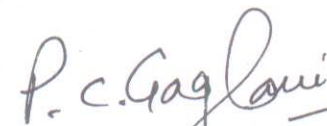
"Krishna House"  
Shailesh Udyog Nagar, Opp. Nicholas Garage,  
Sativali Road, Vasai (East). 401 208. Dist. Thane,  
Maharashtra, India.  
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Email: info@newkrishna.com  
Website: www.continentalcontrols.net

CIN L31909MH1995PLC086040

**Krishna**

FORM A

Format of Covering Letter of the Annual Audit Report to be filed with Stock Exchange

1	Name of Company	CONTINENTAL CONTROLS LIMITED
2	Annual Financial Statement for the year ended	31 <sup>st</sup> March 2014
3	Type of Audit observation	Un-Qualified Since last Few Years
4	Frequency of observation	Repetitive Since last 2 Years
For CONTINENTAL CONTROLS LIMITED		
	 Managing Director	
	Signature	Signature
	Mr. Navin G. Thakkar (Managing Director)	Mr. Vipul W. Chauhan (Auditor)
		 Signature
		Mr. Pradeep C. Gaglani (Audit Committee Chairman)



**19th Annual Report of the Board of Directors with the Audited Statement of Accounts  
for the year ended 31<sup>st</sup> March, 2014****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 Harishkumar 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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**NOTICE**

NOTICE IS HEREBY GIVEN THAT 19<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF CONTINENTAL CONTROLS LIMITED WILL BE HELD ON MONDAY, 30<sup>TH</sup> SEPTEMBER, 2014, AT 2.00 P.M. AT POUISH 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 31<sup>st</sup> March, 2014, 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. Amit N. Thakkar who retires by rotation and, being eligible offers himself for re-appointment.
3. To appoint the auditors of the company and to fix their remuneration.

**SPECIAL BUSINESS:**

1. To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (“Act”) read with Schedule IV to the Act, Mr. Kanaiyalal Shantilal Thakker (holding DIN 02410950), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for (5) five consecutive years commencing from 01.04.2014 to 31.03.2019.”

2. To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (“Act”) read with Schedule IV to the Act, Mr. Hareshkumar Shantilal Thakker (holding DIN 02446743), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who retires by rotation and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for (5) five consecutive years commencing from 01.04.2014 to 31.03.2019.”

3. To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (“Act”) read with Schedule IV to the Act, Mr. Pradeep C. Ganglani (holding DIN 00839845), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for

independence as provided in section 149(6) of the Act and who retires by rotation and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for (5) five consecutive years commencing from 01.04.2014 to 31.03.2019.”

1. To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT Mrs. Keta Poojara, who was appointed as an Additional Director of the Company with effect from 13th August, 2014 and who in terms of Section 161 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation”.

2. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions contained in Section 14 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting, be and are hereby approved and adopted as the new set of articles of association of the Company, in substitution for, and to the exclusion of, the existing articles of association of the Company.

“RESOLVED FURTHER THAT each of the directors of the Company and Company Secretary of the Company be and are hereby severally authorised to take all actions and do all such acts, deeds, matters and things as may be necessary or desirable in connection with or incidental to giving effect to the above resolution.”

For and on behalf of the Board of Directors

Sd/-  
Navin G. Thakkar  
Chairman & Managing Director

Registered Office:

Gala No. 202, Krishna House, Shailesh Udhyog Nagar,  
Opp. Nicholas Garage, Sativali Road, Waliv, Vasai (East)  
Dist. Thane - 401208

Place: Mumbai.

Date: 13<sup>th</sup> August, 2014

## CONTINENTAL CONTROLS LIMITED

### NOTES:

1. The Register of Members and Share Transfer Book of the Company shall remain closed from 23<sup>rd</sup> September 2014 to 30<sup>th</sup> September, 2014 (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
6. As per clause 49 of the listing agreement, information regarding appointment / re appointment of Directors (Item nos. 1 to 4) is annexed hereto.
7. Shareholders are requested to:
  - a) Intimate the Company of changes, if any, in their registered address at an early date for shares held in physical form. For shares held in electronic form, changes, if any may kindly be communicated to respective Dps.
  - b) Quote ledger folio numbers/DP ID and Client ID numbers in all their correspondence.
  - c) Approach the Company for consolidation of various ledger folios into one.
  - d) Get the shares transferred in joint names, if they are held in a single name and / or appoint a nominee.
  - e) Bring with them to the meeting, their copy of the Annual Report and Attendance Slip.
8. Green Initiative in Corporate Governance

As a measure towards Green Initiative, it is proposed that documents like Notices of Meetings/ Postal Ballot, Annual Reports, Directors Report and Auditors' Report and other shareholder communications will be sent electronically to the email address provided by the shareholders and/or made available to the Company by the Depositories viz., NSDL / CDSL. Shareholders holding the shares in dematerialized form are requested to keep their Depository Participant (DP) informed and updated of any change in their email address.

For Shares held in physical form, shareholders can register their email address by sending a duly signed letter mentioning their name(s), folio no(s). and email address to the Company's Registrar



& Transfer Agent, M/s Purva Sharegistry (India) Pvt. Ltd., Unit No 9 Shiv Shakti Industrial Estate J. R. Boricha Marg, Opp Kasturba Hospital Lane Lower Parel ( East ) Mumbai - 400 011 or by sending an email to [busicomp@vsnl.com](mailto:busicomp@vsnl.com) or alternatively can register their email address on the website of the Company at <http://www.newkrishna.com>

10. Please note that in terms of SEBI Circulars No.MRD/DoP/Cir-05/2009 dated 20th May, 2009 and No. SEBI/MRD/DoP/SE/RTA/Cir-03/2010 dated 7th January, 2010, it is mandatory for the shareholders holding shares in physical form to submit self-attested copy of PAN card in the following cases:

- a) Transferees' PAN Cards for transfer of shares,
- b) Surviving joint holders' PAN Cards for deletion of name of deceased shareholder,
- c) Legal heirs' PAN Cards for transmission of shares,
- d) Joint holders' PAN Cards for transposition of shares.

In compliance with the aforesaid circulars, requests without attaching copies of PAN card, for transfer/deletion/transmission and transposition of shares of the Company in physical form will be returned under objection.

1. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 19th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the
- (i) Company/Depository Participants(s)]: Open email and open PDF file viz; "Continental Control e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - (iii) Click on Shareholder - Login
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
  - (vii) Select "EVEN" of The Phoenix Mills Limited.
  - (viii) Now you are ready for e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send

## CONTINENTAL CONTROLS LIMITED

scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [cs.shravangupta@gmail.com](mailto:cs.shravangupta@gmail.com) or [info@continentalcontrols.net](mailto:info@continentalcontrols.net) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy]:
- (i) Initial password is provided as below/ at the bottom of the Attendance Slip for the AGM:  
EVEN (E Voting Event Number) USER ID PASSWORD/ PIN
  - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/ PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on September 24, 2014 (9:30 A.M.) and ends on September 26, 2014 (6:00 P.M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 23, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of September 23, 2014.
- VII. Mr. Shravan A. Gupta, Company Secretary (Membership No. A27484) - Proprietor M/s. Shravan A. Gupta and Associates., Company Secretaries in practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IX. In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Ballot Form is annexed. A member desiring to exercise vote by Ballot shall complete the enclosed Ballot Form with assent (for) or dissent (against) and send it to Mr. Shravan A. Gupta, Scrutinizer, Room No 3/ 4 Ram Sumer Gupta House Goreswadi S.V. Road Malad West Mumbai 400064, Tel. No: 022-28821298, Fax No : 022- 28887557, E-mail : [cs.shravangupta@gmail.com](mailto:cs.shravangupta@gmail.com) so as to reach him on or before September 26, 2014 by 6.00 p.m. Any Ballot Form received after the said date shall be treated as if the reply from the Members has not been received.

- X. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [info@continentalcontrols.net](mailto:info@continentalcontrols.net) and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
- XI. Any grievance in relation to e-voting should be addressed to:  
Mr. Amit Thakkar  
Investor Relations Officer  
Continental Controls Limited  
Gala No.202, Krishna House,  
Shailesh Udyog Nagar, Opp. Nicholas Garage,  
Sativali Road, Waliv, Vasai(E), Thane 401208  
Tel No. 0250-2454952  
Fax No. 0250- 2454956  
Email: [info@continentalcontrols.net](mailto:info@continentalcontrols.net)
12. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 A.M. to 6.00 P.M.) on all working days up to and including the date of the Annual General Meeting of the Company.

## Annexure to the Notice

### BRIEF RESUME OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

Item no 2 of the Notice

Mr. Amit N. Thakkar

Mr. Amit N. Thakkar, in the past, was a non-retiring director. However, in terms of the provisions of the Companies Act, 2013, the Board in its meeting held on 13<sup>th</sup> August 2014 categorised him as a director liable to retire by rotation and he is now due for re-appointment at this annual general meeting. Being eligible, he offers himself for re-appointment.

For and on behalf of the Board of Directors

Place: Mumbai.

Date: 13<sup>th</sup> August, 2014

Sd/-

Navin G. Thakkar  
Chairman & Managing Director



**CONTINENTAL CONTROLS LIMITED****DIRECTORS' REPORT**

To,  
The Members,

Your Directors have pleasure in placing before you the 19<sup>th</sup> Annual Report of the Company along with the Audited Accounts for the year ended 31<sup>st</sup> March, 2014:

**FINANCIAL HIGHLIGHTS**

<b>PARTICULARS</b>	<b>Rs. In Lacs</b>	
	2013-14	2012-13
Sales	361.13	326.09
Other Income	10.88	3.84
Profit before Finance cost, depreciation and tax expenses	60.20	60.83
Finance Cost	15.59	18.61
Depreciation	27.22	27.33
Tax expenses (including deferred tax)	8.83	(3.26)
Profit after tax	8.56	18.73
Profit & Loss Account Balance B/f	15.56	(3.17)
Balance carried to the Balance Sheet	24.12	15.56

**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 increased from Rs. 326.09 Lacs to Rs. 361.13 Lacs. The Net Profit Before tax is Rs. 17.39 Lacs against the last year profit of Rs. 15.47 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. Amit N. Thakkar retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

**CONTINENTAL CONTROLS LIMITED****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 2014-15.

**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, 2014, 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, 2014 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.

**CONTINENTAL CONTROLS LIMITED**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO {Section 217 (1) (e)}**

**A. Conservation of Energy:**

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

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

a) Particulars of Research and Developments:

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

b) Particulars of Technology Absorption, Adoption and Innovation:

- (i) The Company gets information on latest technology on equipment/process, marketing etc. and this has been 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. 1.62 Lac (PY 102.33 Lacs) and utilized foreign exchange worth Rs. 158.26 Lacs (PY Rs. 113.35 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.

**CONTINENTAL CONTROLS LIMITED****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**

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

Place : Mumbai  
Date : 28<sup>th</sup> May; 2014

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

## **CONTINENTAL CONTROLS LIMITED**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Continental Controls Limited is one amongst the few companies into the manufacturing of Thermal Overload Protectors and has carried out a niche for itself 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. 37.20 million as against the corresponding figure of Rs. 32.99 million for the last year.

The Company also maintained its export sales to Rs. 0.16 million as compared to the last year figures of Rs.3.84 Million and the Profit/ loss after tax has decreased from Rs. 1.87 million to Rs. 0.86 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 2013-2014.

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

15<sup>th</sup> May, 2013; 30<sup>th</sup> May, 2013; 14<sup>th</sup> August 2013; 04<sup>th</sup> September 2013, 15<sup>th</sup> October 2013, 13<sup>th</sup> November, 2013 and 13<sup>th</sup> February, 2014. 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.

**CONTINENTAL CONTROLS LIMITED**

Attendance of each Director at Board Meeting for the year 2013-14 and last Annual General Meeting:

Name of the Director	Designation	Category	No. of Board Meetings held during The year	No. of - Board Meetings attended during the Year	Attendance at last AGM Held on September 30, 2013
Navin G. Thakkar	Managing Director	Promoter Executive Director	7	7	Yes
Samir N. Thakkar	Director	Promoter Executive Director	7	7	Yes
Amit N. Thakkar	Whole Time Director	Promoter Executive Director	7	7	Yes
Pradeep C. Gaglani	Director	Independent Non-Executive Director	7	7	No
Harish S. Thakkar	Director	Independent Non-Executive Director	7	7	No
Kanaiyalal S. Thakkar	Director	Independent Non-Executive Director	7	7	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:

Mr. Amit N. Thakkar

Mr. Amit N. Thakkar, age 33 expertise in specific functional areas. He has wide experience in control of Marketing. His qualification is HSC.

**(F) REMUNERATION TO DIRECTORS**

Name of Director	Sitting Fees (Rs.)	Salary & Perquisites (Rs.)
Shri Navin G. Thakkar		2,40,000 /-
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

## CONTINENTAL CONTROLS LIMITED

The Audit Committee met 4 times during the year under review. The meetings of the Committee were held on various dates as follows:

30<sup>th</sup> May, 2013; 04<sup>th</sup> September 2013, 13<sup>th</sup> November, 2013 and 13<sup>th</sup> February, 2014. 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:

- a. 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.
- b. Recommending the appointment and removal of statutory auditor, fixation of audit fee and also approval for payment for any other services.
- c. 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.
- d. Reviewing with the management, external and internal auditors and the adequacy of internal control systems.
- e. 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.
- f. Discussion with internal auditors any significant findings and follow up thereon.
- g. 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.
- h. 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.
- i. Reviewing the company's financial and risk management policies.
- j. 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, 2014.

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

Year	Venue	Date	Time
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 Gardens Maljipada, Opp. Crown Petrol Pump, Ahemdabad Highway, Taluka Vasai (East) Dist. Thane	29.09.2012	2.00 p.m.
2012-2013	Poush Krishna Garden, Maljipada Opp. Crown Petrol Pump, Ahemdabad Highway, Taluka Vasai (East) Dist. Thane	30.09.2013	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 29 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



## CONTINENTAL CONTROLS LIMITED

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 : Tuesday  
Date : 30<sup>th</sup> September, 2014  
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 (tentative)

Quarter	Period	Publications of Results
First	Apr-Jun	Third week of August, 2013
Second	Jul-Sep.	Third week of November, 2013
Third	Oct-Dec	Third week of February, 2014
Fourth	Jan-Mar	Last week of June, 2014

C. Dates of Book Closure : 23<sup>rd</sup> September, 2014 to 30<sup>th</sup> September, 2014 (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 (Actual)
April' 2013	1.47	1.29	503
May' 2013	1.24	1.08	2329
June' 2013	1.18	1.04	1626
July' 2013	1.14	1.08	2197
August' 2013	1.13	1.01	1838
September' 2013	1.09	1.03	450
October' 2013	1.08	1.02	2553

November' 2013	1.09	1.01	2101
December' 2013	1.05	1.00	1404
January' 2014	1.00	0.89	1205
February' 2014	0.95	0.91	1474
March' 2014	0.95	0.83	2256

**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 31<sup>st</sup> March, 2014 was as under:

Category	No. of Shareholders	% of total Shareholders	Shares hold in Rs.	% of Shareholding
Upto 5000	4515	86.05	8263510	18.69
5001 - 10000	359	6.84	2983870	6.75
10001 - 20000	168	3.20	2530830	5.72
20001 - 30000	73	1.39	1877630	4.25
30001 - 40000	27	0.52	945750	2.14
40001 - 50000	33	0.63	1544210	3.49
50001 - 100000	41	0.78	2783730	6.30
100001 and above	31	0.59	23283030	52.66
<b>Total</b>	<b>5247</b>	<b>100.00</b>	<b>44212560</b>	<b>100.00</b>

**CONTINENTAL CONTROLS LIMITED**Shareholding Pattern as on 31<sup>st</sup> March, 2014

Category code	Category of Share holder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group <sup>2</sup>				
1	Indian	5	659607	310119	14.92
2	Foreign	0	0	0	0
	Total Shareholding of Promoter and Promoter Group	5	659607	310119	14.92
(B)	Public shareholding				
1	Institutions	1	13926	13926	0.31
2	Non-institutions	5241	3747723	3272181	84.77
	Total Public Shareholding	5247	3761649	3286107	85.08
(C)	Shares hold by Custodians and against which Depository Receipts have been issued	0	0	0	0
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>5247</b>	<b>4421256</b>	<b>3596226</b>	<b>100.00</b>

Dematerialization of Shares: **35,96,226** Equity Shares equivalent to 81.34% of the total paid-up Equity Capital have been in dematerialized form as on 31<sup>st</sup> March, 2014.

**Compliance Officer** : **Amit Thakkar**  
**Tel No: 95250-6481019 to 34**  
**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**

**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 31<sup>st</sup> March, 2014 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  
(Firm Registration No. 105335W)

**Vipul N. Chauhan**  
Partner  
Membership No.: 047846

Place: Mumbai  
Date: 28<sup>th</sup> May 2014

# CONTINENTAL CONTROLS LIMITED

## CONTINENTAL CONTROLS LIMITED

### BALANCE SHEET AS AT MARCH 31, 2014

Sr No	Particulars	Notes	March 31, 2014	March 31, 2013
			Rs	Rs
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
(a)	Share capital	3	44,212,560	44,212,560
(b)	Reserves and surplus	4	13,467,480	12,611,369
			<b>57,680,040</b>	<b>56,823,929</b>
<b>2</b>	<b>Non current liabilities</b>			
(a)	Long Term Borrowings	5	234,089	466,936
(b)	Deferred tax liabilities (net)	6	2,314,285	1,763,553
(c)	Other long-term liabilities	7	1,875,000	1,875,000
			<b>4,423,374</b>	<b>4,105,489</b>
<b>3</b>	<b>Current liabilities</b>			
(a)	Short-term borrowings	8	4,327,809	6,954,072
(b)	Trade payables		2,828,995	3,574,013
(c)	Other current liabilities	9	877,352	1,956,375
(d)	Short Term Provision	10	390,000	58,000
			<b>8,424,156</b>	<b>12,542,461</b>
	<b>TOTAL</b>		<b>70,527,569</b>	<b>73,471,878</b>
<b>II.</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non current assets</b>			
(a)	Fixed assets	11		
(i)	Tangible assets		26,770,226	26,960,309
(b)	Non current investments	12	17,100	1,592,100
(c)	Long term loans and advances	13	5,922,399	15,340,344
(d)	Other non-current assets	14	892,689	1,037,481
			<b>33,602,414</b>	<b>44,930,234</b>
<b>2</b>	<b>Current assets</b>			
(a)	Inventories	15	15,979,650	14,567,620
(b)	Trade receivables	16	12,254,582	10,976,494
(c)	Cash and cash equivalents	17	2,389,766	2,187,619
(d)	Short term loans and advances	18	6,301,157	809,911
			<b>36,925,155</b>	<b>28,541,644</b>
	<b>TOTAL</b>		<b>70,527,569</b>	<b>73,471,878</b>
	Significant accounting policies & Notes to financial statements	1 to 38		

As per our report of even date

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

For and on behalf of the Board of

**Vipul N. Chauhan**  
Partner  
Membership No.: 047846

Place : Mumbai  
Date : 28th May 2014

Director                      Director                      Director



**CONTINENTAL CONTROLS LIMITED**
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014**

Sr No	Particulars	Notes	2013 - 2014	2012 - 2013
			Rs	Rs
I.	Revenue from operations	19	36,113,180	32,609,487
II.	Other income	20	1,087,960	383,622
III	<b>Total Revenue (A)</b>		<b>37,201,140</b>	<b>32,993,109</b>
IV	Expenses:			
	Cost of materials consumed	21	19,041,422	13,424,960
	Changes in inventories of finished goods and work-in-progress	21	(86,361)	171,254
	Manufacturing / Operating expenses	22	1,469,611	2,238,645
	Employee benefits expense	23	6,523,468	5,546,051
	Finance cost	24	1,559,259	1,861,166
	Depreciation and amortization expense	11	2,722,233	2,732,653
	Other Expenses	25	4,232,665	5,471,225
	<b>Total Expenses (B)</b>		<b>35,462,297</b>	<b>31,445,954</b>
V	<b>Profit before tax (A) - (B)</b>		<b>1,738,843</b>	<b>1,547,155</b>
VI	Tax expense:			
	Income tax		332,000	58,000
	Deferred tax		550,732	(384,328)
VII	<b>Profit for the year</b>		<b>856,111</b>	<b>1,873,483</b>
	Earning per share on Equity Shares of Rs. 10 each (Refer note 30) - Basic		0.19	0.42
	Significant accounting policies & Notes to financial statements	1 to 38		

As per our report of even date

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

For and on behalf of the Board of

**Vipul N. Chauhan**  
Partner  
Membership No.: 047846

Place : Mumbai  
Date : 28th May 2014

Director                      Director                      Director

# CONTINENTAL CONTROLS LIMITED

CONTINENTAL CONTROLS LIMITED		
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014		
Particulars	March 31, 2014	March 31, 2013
	Rs	Rs
<b>A. Cash Flow From Operating Activities :</b>		
Net profit before tax as per statement of profit and loss account	1,738,843	1,547,155
<u>Adjustments For :</u>		
Depreciation	2,722,233	2,732,653
Preliminary expenses written off	144,792	144,792
Interest Paid	1,559,259	1,861,166
Loss on Sale of Fixed Assets	109,225	-
Interest Income	-	(11,940)
Rental Income	(240,000)	(200,000)
Sundry balance written off (Non-Cash Income)	(605,022)	(72,979)
<b>Operating Cash Flow Before Working Capital Changes</b>	<b>5,429,329</b>	<b>6,000,848</b>
<b>Changes in current assets and liabilities</b>		
(Increase)/Decrease in Trade Receivables	(1,278,088)	1,592,046
(Increase)/Decrease in Inventories	(1,412,030)	(3,525,017)
(Increase)/Decrease in Long Term and Short Term Loans and Advances	3,926,699	472,331
(Increase)/Decrease in Trade Payables, Other Current and Non Current Liabilities and Provisions	(340,918)	1,597,426
<b>Cash Generated From Operations</b>	<b>6,324,993</b>	<b>6,137,633</b>
Payment of Taxes (Net of Refunds)	(878,102)	(1,070)
<b>Net Cash Flow From/ (used in) Operating Activities (A)</b>	<b>5,446,891</b>	<b>6,136,563</b>
<b>B. Cash Flow From Investing Activities :</b>		
Purchase of Fixed Assets/CWIP	(2,821,375)	(1,338,790)
Sale of Fixed Assets	180,000	-
Sale of Investments	1,575,000	-
Rental Income	240,000	200,000
Interest income	-	11,940
<b>Net Cash Flow From Investment Activities (B)</b>	<b>(826,375)</b>	<b>(1,126,850)</b>
<b>C. Cash Flow From Financing Activities :</b>		
Proceeds from Short Term and Long term Borrowing	(2,859,110)	(2,367,753)
Interest and finance charges	(1,559,259)	(1,861,166)
<b>Net Cash From/ (Used In) Financing Activities (C)</b>	<b>(4,418,369)</b>	<b>(4,228,919)</b>
<b>Net Increase In Cash Or Cash Equivalents (A+B+C)</b>	<b>202,147</b>	<b>780,794</b>
<b>Cash And Cash Equivalents At The Beginning Of The Year</b>	<b>2,187,619</b>	<b>1,406,825</b>
<b>Cash And Cash Equivalents As At The End Of The Year</b>	<b>2,389,766</b>	<b>2,187,619</b>

Component of cash and cash equivalents (Refer note 17)

As per our report of even date

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

**For and on behalf of the Board of Directors**

**Vipul N. Chauhan**  
Partner  
Membership No.: 047846

Director                      Director                      Director

Place : Mumbai  
Date : 28th May 2014

## Notes to the financial statements for the year ended March 31, 2014

### Note 1 Corporate Information

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

### Note 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

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.

#### 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 which ever 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.

iv. Expenses incurred on Project and other charges during construction period are included under pre-operative 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.

**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

**CONTINENTAL CONTROLS LIMITED****CONTINENTAL CONTROLS LIMITED**

Notes to the financial statements for the year ended March 31, 2014

Particulars	March 31, 2014	March 31, 2013
	Rs	Rs
<b>Note 3: Share Capital</b>		
<b>Authorised Capital</b> 91,50,000 (Previous Year 91,50,000) Equity Shares of Rs.10 each	91,500,000	91,500,000
<b>Total</b>	91,500,000	91,500,000
<b>Issued, Subscribed and Paid up</b>		
44,21,256 (Previous Year 44,21,256) Equity Shares of Rs.10 each fully paid up	44,212,560	44,212,560
<b>Total</b>	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, 2014		As at 31 March, 2013	
	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 C Thakkar	310,119	7.01%	360,119	8.15%
Sarojben N Thakkar	-	-	240,253	5.43%
Narayani Finance Limited	397,125	8.98%	397,125	8.98%



<b>CONTINENTAL CONTROLS LIMITED</b>		
Notes to the financial statements for the year ended March 31, 2014		
Particulars	March 31, 2014	March 31, 2013
	Rs	Rs
<b>Note 4: Reserves and Surplus</b>		
Capital reserves	11,055,236	11,055,236
<b>Surplus / (deficit) in statement of profit and loss</b>		
Opening balance	1,556,133	(317,350)
Add: Profit / (loss) for the year	856,111	1,873,483
Closing balance	2,412,244	1,556,133
<b>Total</b>	<b>13,467,480</b>	<b>12,611,369</b>
<b>Note 5: Long Term Borrowings</b>		
Vehicle loan from banks (Secured against vehicle and payable in 35 installments, carrying interest rate 9.68%)	234,089	466,936
<b>Total</b>	<b>234,089</b>	<b>466,936.00</b>
<b>Note 6: Deferred Tax (Liability) / Asset</b>		
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets	4,635,940	4,966,651
<u>Tax effect of items constituting deferred tax assets</u>		
Unabsorbed depreciation carried forward and brought forward business losses	2,321,655	3,203,098
<b>Net deferred tax (liability) / asset</b>	<b>2,314,285</b>	<b>1,763,553</b>
<b>Note:</b> The Company has recognised deferred tax asset on unabsorbed depreciation and brought forward business losses based on the Management's estimates of future profits considering the non-cancellable customer orders received by the Company.		
<b>Note 7: Other Long-Term Liabilities</b>		
Advance received for sale of fixed assets	1,500,000	1,500,000
Security deposits received	375,000	375,000
<b>Total</b>	<b>1,875,000</b>	<b>1,875,000</b>
<b>Note 8: Short-Term Borrowings</b>		
<b>Secured</b>		
Cash credit from bank (Secured against stock and debtors, and carry interest at 14.25%)	4,327,809	6,954,072
<b>Total</b>	<b>4,327,809</b>	<b>6,954,072</b>
<b>Note 9: Other Current Liabilities</b>		
Current year maturity of long term borrowings	232,847	210,739
Statutory liabilities	47,553	319,500
Advances from customers	-	921,293
Other liabilities	376,447	441,110
Other payables to related parties (Refer to Note 29)	220,505	63,733
<b>Total</b>	<b>877,352</b>	<b>1,956,375</b>
<b>Note 10: Short Term Provision</b>		
Income tax provision	390,000	58,000
<b>Total</b>	<b>390,000</b>	<b>58,000</b>

**CONTINENTAL CONTROLS LIMITED**

Notes to the financial statements for the year ended March 31, 2014

**Note 11 : Fixed Assets**

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance as at 1 April, 2013	Additions	Disposals/Adjustments	Balance as at 31 March, 2014	Balance as at 1 April, 2013	Depreciation/amortisation expense for the year	Eliminated on disposal of assets/ Adjustment	Balance as at 31 March, 2014	Balance as at 31 March, 2014	Balance as at 31 March, 2013
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
<b>(i) Tangible assets</b>										
Land and Quarters	52,901	-	-	52,901	-	-	-	-	52,901	52,901
Factory Premises	4,976,530	-	-	4,976,530	1,685,578	166,216	-	1,851,794	3,124,736	3,290,952
Plant and Equipment	46,505,276	2,775,775	-	49,281,051	24,551,598	2,221,546	-	26,773,144	22,507,907	21,953,678
Furniture and Fixtures	2,231,667	-	-	2,231,667	1,861,224	141,265	-	2,002,489	229,178	370,443
Vehicles	3,144,437	-	1,621,857	1,522,580	1,962,598	229,647	1,332,632	859,613	662,967	1,181,839
Computer Systems	1,471,420	45,600	-	1,517,020	1,360,924	72,139	108,580	1,324,483	192,537	110,497
<b>Total</b>	<b>58,382,231</b>	<b>2,821,375</b>	<b>1,621,857</b>	<b>59,581,749</b>	<b>31,421,922</b>	<b>2,830,813</b>	<b>1,441,212</b>	<b>32,811,523</b>	<b>26,770,226</b>	<b>26,960,309</b>
<b>Previous year</b>	<b>57,043,441</b>	<b>1,338,790</b>	<b>-</b>	<b>58,382,231</b>	<b>28,689,270</b>	<b>2,732,653</b>	<b>-</b>	<b>31,421,922</b>	<b>26,960,309</b>	<b>26,960,309</b>

# CONTINENTAL CONTROLS LIMITED

<b>CONTINENTAL CONTROLS LIMITED</b>		
Notes to the financial statements for the year ended March 31, 2014		
Particulars	March 31, 2014	March 31, 2013
	Rs	Rs
<b>Note 12: Non Current Investments</b>		
<b>Unquoted Investments:</b>		
1,710 (P.Y. 1,710) Equity shares of Ahmedabad Co-operative Bank Limited of Rs 10 each fully paid up	17,100	17,100
<u>Share application money pending allotment in following:</u>		
PAN Drugs Limited	-	350,000
Niyati Limited	-	325,000
Rushabh Techno Tubes Limited	-	900,000
<b>Total</b>	<b>17,100</b>	<b>1,592,100</b>
<b>Note 13: Long-Term Loans and Advances</b>		
Capital advances	4,980,388	10,380,074
Security deposits	437,011	437,011
Loans and advances to other parties	505,000	4,523,259
<b>Total</b>	<b>5,922,399</b>	<b>15,340,344</b>
<b>Note 14: Other Non-Current Assets</b>		
Preliminary expenses (to the extent not written off)	892,689	1,037,481
<b>Total</b>	<b>892,689</b>	<b>1,037,481</b>
<b>Note 15: Inventories</b> (As certified by the Management)		
(a) Raw materials	15,476,062	14,150,393
(b) Work-in-progress	503,588	411,044
(c) Finished goods	-	6,182
(At lower of cost and net realisable value)		
<b>Total</b>	<b>15,979,650</b>	<b>14,567,620</b>
<b>Note 16: Trade Receivables</b>		
Outstanding for a period exceeding six months	4,431,558	1,495,072
Others	7,823,024	9,481,422
<b>Total</b>	<b>12,254,582</b>	<b>10,976,494</b>
<b>Note 17: Cash and Cash Equivalents</b>		
Cash on hand	1,029,823	1,209,425
<u>Balances with banks:</u>		
In Current	1,359,943	978,193
<b>Total</b>	<b>2,389,766</b>	<b>2,187,619</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 <i>Cash Flow Statements</i> is	2,389,766	2,187,619
<b>Note 18: Short Term Loans and Advances</b> (Unsecured considered good)		
Advance to suppliers	4,781,660	198,751
Prepaid expenses	85,960	57,893
Advance tax & tax deducted at source	1,049,872	171,770
Balances with government authorities	383,665	381,497
<b>Total</b>	<b>6,301,157</b>	<b>809,911</b>

<b>CONTINENTAL CONTROLS LIMITED</b>		
Notes to the financial statements for the year ended March 31, 2014		
Particulars	2013 - 2014	2012 - 2013
	Rs	Rs
<b>Note 19: Revenue From Operations</b>		
<b>Sale of products</b>	40,376,681	36,243,374
Less : Excise duty	4,300,783	3,633,887
<b>Net Sale of product</b>	36,075,898	32,609,487
DEPB Claim received	37,283	-
<b>Grand Total</b>	<b>36,113,180</b>	<b>32,609,487</b>
<b>Note 20: Other Incomes</b>		
Interest on fixed deposit with bank	-	11,940
Net gain on foreign currency transactions and translation	226,667	-
Rent income	240,000	200,000
Sundry balances written back	605,022	72,979
Other miscellaneous income	16,270	98,704
<b>Total</b>	<b>1,087,960</b>	<b>383,622</b>
<b>Note 21: Cost of Material Consumed</b>		
Opening stock of raw materials	14,150,393	10,454,121
Add : Purchases of raw materials and packing materials	20,367,091	17,121,231
Less : Closing of raw materials	15,476,062	14,150,393
<b>Total</b>	<b>19,041,422</b>	<b>13,424,960</b>
<b>Changes in inventories of finished goods and work in progress</b>		
Opening stock of Finished goods and work in progress	417,227	588,481
Less: Closing stock of Finished goods and work in progress	503,588	417,227
<b>Net change</b>	<b>(86,361)</b>	<b>171,254</b>
<b>Grand Total</b>	<b>18,955,061</b>	<b>13,596,214</b>
<b>Note 22: Manufacturing / Operating Expenses</b>		
Electricity expenses	899,530	823,550
Labour charges	221,593	1,095,289
Agency charges	196,290	117,663
Security charges	50,565	121,811
Transport charges	93,333	61,725
Octroi charges	8,300	18,607
<b>Total</b>	<b>1,469,611</b>	<b>2,238,645</b>
<b>Note 23: Employee Benefit Expenses</b>		
Salary, bonus and allowances	6,000,989	5,238,668
Contribution to provident fund and other funds	332,530	174,853
Employee welfare and other amenities	189,949	132,530
<b>Total</b>	<b>6,523,468</b>	<b>5,546,051</b>

**CONTINENTAL CONTROLS LIMITED****CONTINENTAL CONTROLS LIMITED**

Notes to the financial statements for the year ended March 31, 2014

Particulars	2013 - 2014	2012 - 2013
	Rs	Rs
<b>Note 24: Finance Cost</b>		
Interest expense on:		
(i) Statutory dues	21,302	85,303
(ii) Bank loan	1,444,937	1,492,256
Credit card finance charges	27,685	172,064
Bank charges	65,335	111,543
<b>Total</b>	<b>1,559,259</b>	<b>1,861,166</b>
<b>Note 25: Other Expenses</b>		
Rent, rates and taxes	241,275	219,232
Insurance	99,176	81,085
Advertisement & business promotion expense	853,054	949,874
Postage and courier charges	381,111	303,217
Telephone and internet charges	183,712	276,394
Travelling, conveyance and motor car expenses	710,365	1,222,876
Foreign exchange loss on transaction	-	4,442
Printing and stationery	154,496	166,181
<u>Auditor's remuneration</u>		
For statutory audit	45,000	45,000
For tax audit	15,000	10,000
For income tax matter	12,540	10,225
Loss on sale of fixed assets	109,225	-
Legal and professional charges	471,141	415,414
Repairs and maintenance - others	654,400	980,032
Preliminary expense written off	144,792	144,792
Other administration expenses	157,379	642,462
<b>Total</b>	<b>4,232,665</b>	<b>5,471,225</b>

**Notes to the financial statements for the year ended March 31, 2014**
**Note 26: Contingent Liabilities and Commitments**

Particulars	March 31, 2014	March 31, 2013
<b>Contingent Liabilities</b>		
Income tax matters not acknowledged as debt	671,809	1,192,911
<b>Total</b>	<b>671,809</b>	<b>1,192,911</b>

**Note 27: Foreign Currency Transaction:**
**Expenditure in foreign currency:**

Particulars	March 31, 2014	March 31, 2013
Import of goods	15,825,732	11,335,533
<b>Total</b>	<b>15,825,732</b>	<b>11,335,533</b>

**Income in foreign currency:**

Particulars	March 31, 2014	March 31, 2013
Sale of goods	162,475	10,233,038
<b>Total</b>	<b>162,475</b>	<b>10,233,038</b>

**Note 28: Segment Information for the year ended March 31, 2014**

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, 2014 and the Profit and Loss Account for the year ended March 31, 2014 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 & Relatives
2	Samir N Thakkar	
3	Amit N Thakkar	
4	Pradeep C Gagliani	
5	Harish S Thakkar	
6	Kanaiyalal S Thakkar	
8	Shree Krishna Controls Private Limited	Enterprises over which Key Management Personnel are able to exercise significant influence
9	New Krishna Metal Arts (Partnership Firm)	



**CONTINENTAL CONTROLS LIMITED****Notes to the financial statements for the year ended March 31, 2014****Note 29.2: Related party transactions**

Transactions with related parties during the year :

Sr No	Particulars	2013-14	2012-13
1	<b>Rent Expenses</b> New Krishna Metal Arts	60,000	60,000
2	<b>Conveyance Expense</b> Pradeep C. Gaglani	72,000	72,000
3	<b>Director's Remuneration</b> Navin G Thakkar Amit N Thakkar	240,000 600,000	300,000 600,000
4	<b>Loans and Advances Payable</b> Amit N Thakkar Navin G Thakkar	217,772 2,733	- 63,732

**Note 30: Earnings Per Share**

Particulars	March 31, 2014	March 31, 2013
Net profit after tax as per statement of profit and loss	856,111	1,873,483
Weighted average number of equity shares outstanding during the year	4,421,256	4,421,256
Nominal value per equity share	10	10
<b>Basic and diluted earnings per share</b>	<b>0.19</b>	<b>0.42</b>

**Note 31: CIF Value of Imports (as certified by management)**

Particulars	March 31, 2014	March 31, 2013
Raw Material	13,819,856	11,335,533
<b>Total</b>	<b>13,819,856</b>	<b>11,335,533</b>

**Note 32: Imported and Indigenous Raw Material Consumption:**

Particulars	March 31, 2014		March 31, 2013	
	In Rs.	%	In Rs.	%
<b>Raw Materials and Components</b>				
Imported	7,669,239	40.28	11,335,533	84.44%
Indigenous	11,372,183	59.72	2,089,427	15.56%

**Notes to the financial statements for the year ended March 31, 2014**
**Note 33: Raw Material Consumption Details**

Particulars	Consumption		Closing Stock	
	2013-14	2012-13	2013-14	2013-14
Bimetal Strips	1,553,555	697,209	2,762,680	3,915,438
CRCA Coils	-	-	2,369,874	2,015,053
B Stage DMD	959,335	1,671,335	736,055	676,329
Insulated Wire	3,564,798	866,052	413,983	771,425
Contact	6,966,666	6,092,849	6,057,096	2,860,457
Copper Strip	-	-	-	878,764
S S Patti / S S Patta	715,506	2,419,890	295,204	996,819
Others	5,281,562	1,677,625	2,841,170	2,036,108
<b>Total</b>	<b>19,041,422</b>	<b>13,424,960</b>	<b>15,476,062</b>	<b>14,150,393</b>

**Note 34:** Balances of Sundry Debtors, Sundry Creditors, Deposits, Loans and Advances are subjected to reconciliation and confirmation, adjustment if required, will be made after reconciliation. The management does not expect any material difference affecting the current year's 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 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 (Revised 2005) on Employee Benefits as issued by the Institute of Chartered Accountant of India, which requires that gratuity and Leave 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 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.**  
Chartered Accountants  
(Firm Registration No. 105335W)

**For and on behalf of the Board of Directors**

**Vipul N. Chauhan**  
Partner  
Membership No.: 047846

Director                      Director                      Director

Place : Mumbai  
Date : 28th May 2014

**COMPLIANCE CERTIFICATE**

**Company No (CIN): L31909MH1995PLC086040**

**Nominal Capital: Rs. 915.00 Lacs**

**To,  
The Members,  
CONTINENTAL CONTROL LIMITED  
Gala No 202, Krishna House, Sailesh 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 31<sup>st</sup> March, 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and Agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all Registers as stated in **Annexure 'A'** to this certificate as per the provisions and Rules made there under and all entries therein have been recorded.
2. The Company has filed the Forms and Returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities as applicable to the Company, within the time prescribed under the Act and the Rules made there under, and with additional fees, in case of delay.
3. The Company being Public Company, Comments under section 3 (1) (iii) of the Companies Act 1956 applicable to Private Limited Company are not required.
4. The Board of Directors of the Company duly met 7 (Seven ) times respectively on **15<sup>th</sup> May, 2013; 30<sup>th</sup> May, 2013; 14<sup>th</sup> August, 2013; 04<sup>th</sup> September, 2013; 15<sup>th</sup> October 2013; 13<sup>th</sup> November, 2013 and 13<sup>th</sup> February, 2014** 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 had closed its Register of Members from 23<sup>rd</sup> September 2013 To 29<sup>th</sup> September 2013(Both Days Inclusive), and Necessary Compliance of section 154 of the act had been Made.
6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2013 was held on 30.09.2013 after giving notice to the members of the Company and the Resolution passed thereat were recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its directors and/or persons or firms or companies referred in the Section 295 of the act.

9. As per information and explanation given the Company has duly comply with the provision of section 297 of the act in respect of the contract specified in that section.
10. The Company has duly complied with Section 301 of the Act.
11. There were no instances falling within the purview of Section 314 of the Act during the year under scrutiny.
12. The Company has not issued any duplicate share certificate during the financial year under review.
13. The Company has:
  - (i) Not made any allotment During the Financial Year ended 31.03.2014 & delivered all the certificates on lodgments thereof for transfer of securities during the financial year.
  - (ii) Not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
  - (iii) Not posted warrants for dividends to any members of the Company as no dividend was declared during the financial year
  - (iv) Not entered into transaction necessitating to transfer the amounts in unpaid dividend account, applications money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
  - (v) Duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancies during the year under review.
15. The Company has not appointed any Managing Director/Whole Time Director/ Manager during the Financial Year.
16. The Company has not appointed any Sole-Selling Agent during the year under scrutiny.
17. The Company was not required to obtain approval from Central Government, Company law board/Regional Director/Registrar and/or such other authorities as may be prescribed under various provisions of the act during the financial year under scrutiny.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year ending on 31<sup>st</sup> March 2014
20. The company has not bought back any shares during the financial year ending on 31<sup>st</sup> March 2014.

## **CONTINENTAL CONTROLS LIMITED**

21. The Company has not redeemed any preference shares/debentures during the financial year under scrutiny.
22. The Company was not required to keep in abeyance rights to dividend/right shares and bonus shares pending registration of transfer of shares during the year under scrutiny.
23. The Company has not invited or accepted any deposits falling within the purview of Section 58A during the year under scrutiny.
24. The Company has made borrowing from director, members, public, financial institution banks and other within the borrowing limit of company during the financial Year ended 31<sup>st</sup> March, 2014
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 Article of Association after obtaining approval of members in the Extra Ordinary General Meeting held on and amendments to the articles of association have been duly registered with registrar of the companies.
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: 28<sup>th</sup> May, 2014.  
Place: Mumbai**

**Annexure 'A'**

Register as maintained by the Company:

1. Register of Member u/s 150 (1)
2. Register of Transfers
3. Minutes of proceedings of meetings of Board of Directors and of General Meeting u/s 193
4. Books of Accounts u/s 209
5. Register of Contracts, Companies and Firms in which Directors are interested u/s 301
6. Register of Directors, managers and Secretary u/s 303
7. Register of Directors Shareholding u/s 307

**Annexure 'B'**

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31.03.2014.

<b>Sr. No.</b>	<b>Form No/ Return</b>	<b>Filed Under Section</b>	<b>Date of Filing</b>	<b>Whether filed within prescribed time limit. (Yes/No)</b>	<b>If delay in filing, whether additional fees paid (Yes/No)</b>
<b>1</b>	<b>Form No. 23AC &amp; 23ACA XBRL</b>	<b>220</b>	<b>30/10/2013</b>	<b>Yes</b>	<b>No</b>
<b>2</b>	<b>Form 20B</b>	<b>159</b>	<b>28/11/2013</b>	<b>Yes</b>	<b>No</b>
<b>3</b>	<b>Form 66</b>	<b>383A</b>	<b>26/10/2013</b>	<b>Yes</b>	<b>No</b>
<b>4</b>	<b>Form 23B</b>	<b>224 (1A)</b>	<b>23/10/2013</b>	<b>Yes</b>	<b>No</b>

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

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

**Dated: 28<sup>th</sup> May, 2014.  
Place: Mumbai**



## 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 31<sup>st</sup> March, 2014, 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 Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 31<sup>st</sup> March, 2014;

## **CONTINENTAL CONTROLS LIMITED**

- (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.
  - (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014, 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. 047846

Place : Mumbai  
Date : 28<sup>th</sup> May, 2014

**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 was 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 granted advances during the year to two parties. The maximum amount outstanding during the year was Rs. 50,02,514 and at the end of the year balance was Rs. Nil.
  - b) In our opinion, the terms and conditions on which such advances have been given are not prima facie prejudicial to the interest of the company.
  - c) In respect of advance given by the Company, these are repayable on demand and therefore the question of overdue amount doesn't arise.
  - d) The Company has not taken advances during the year from two parties, therefore clause (iii) (e)(f)(g) of paragraph 4 of the order are not applicable.
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.

## CONTINENTAL CONTROLS LIMITED

5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
- 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.
  - 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.
8. To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act, in respect of the services rendered by the Company. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.
9. According to the information and explanations given to us in respect of statutory dues:
- 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 31<sup>st</sup> March 2014, 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 31<sup>st</sup> March 2014, 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	11,92,911

During the year the Company has paid Rs. 5,21,102 on the said demand.

10. 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.

11. Based on our audit procedures and as per the information and explanations given by management, *the* Company has not taken any Loan from Financial Institutions, Banks and Debenture holders, so default in repayment of dues does not arise.
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. The Company is not in dealing or trading in shares, securities, debentures and other investments, paragraph 4(xiv) is not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the provisions of paragraph 4 (xv) of the said Order are not applicable to the Company.
16. In our opinion and according to the information and explanations given to us, the Company has not taken any Term loans.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issue any Debenture during the year.
20. The Company has not raised any monies by way of public issues during the year.
21. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

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

**Vipul N. Chauhan**  
**Partner**  
Membership No. 047846

Place : Mumbai  
Date : 28<sup>th</sup> May, 2014





## CONTINENTAL CONTROLS LIMITED

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

### PROXY FORM

Folio No.

I/We .....

being a member/members of the above company, hereby appoint .....

..... of .....

..... or failing him .....

..... of .....

..... as my/our proxy to vote for me/us on my/our behalf at the  
**19<sup>th</sup> ANNUAL GENERAL MEETING** of the Company to be held on **30<sup>th</sup> September , 2014** at **2.00 p.m. KRISHNA GARDENS, MALJIPADA, OPP. CROWN PETROL PUMP, AHEMDABAD HIGHWAY, TALUKA VASAI (EAST) DIST. THANE - 401210** and at adjournment thereof.

Signed this.....day of ..... 2014.

Signature

Affix  
Re. 1/-  
Revenue  
Stamp

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

## CONTINENTAL CONTROLS LIMITED

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

To be handed over at the entrance of the meeting hall

### ATTENDANCE SLIP

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

Folio No....

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

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

No. of Shares held .....

I hereby record my presence at the **19<sup>th</sup> ANNUAL GENERAL MEETING** of the Company to be held on **30<sup>th</sup> September, 2014** at **2.00 p.m. at KRISHNA GARDENS, MALJIPADA, OPP. CROWN PETROL PUMP, AHEMDABAD HIGHWAY, TALUKA VASAI (EAST) DIST. THANE - 401210** and at adjournment thereof.

Member's / Proxy's Signature

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

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

