

21st

Annual Report

2005-2006

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Continental Chemicals Ltd

DIRECTORS

Mr. Naresh K Chibba
Dr. Vishwanath
Ms. Sunaina Chibba

Managing Director
Director
Director

Audit Committee

Mr. Naresh K Chibba
Dr. Vishwanath
Ms. Sunaina Chibba

Managing Director
Director
Director

AUDITORS

M/s. Kansal & Associates
Chartered Accountant
New Delhi

BANKERS

INDIAN OVERSEAS BANK
ICICI BANK
CANARA BANK

REGISTERED OFFICE

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

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 21st Annual General Meeting of the Company will be held on Wednesday, the 28th February 2007 at 9.30 A.M at the Registered Office of the company at A-7, Sector-VII, NOIDA, Gautam Buddh Nagar, Pin. 201 301 (U.P) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st August 2006, and profit & Loss Account for the Year ended on the date the Report of Directors' and Auditors' there on.
2. To appoint a Director in place of Ms. Sunaina Chibba who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the applicable of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (hereinafter referred to as the "Delisting Guidelines" and subject to the provisions of the Companies Act, 1956 [including any statutory modification(s) or re-enactments thereof for the time being in force] , the securities Contracts (Regulation) Act, 1956 and the Rules framed there under, Listing Agreements and all other applicable rules, regulations and guidelines and subject to the approval(s), consent(s), permission(s) or sanction(s) of the Securities and Exchange Board of India, Stock Exchanges where the shares of the Company are listed and other appropriate authorities, institutions or regulators as may be necessary and subject to such conditions and modifications, as may be prescribed or imposed by any authority while granting such approval(s), permission(s) and sanction(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board, which term shall be deemed to include any committee thereof constituted by the Board) the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from the Stock exchange at New Delhi and Kanpur

By Order of the Board of Directors

SD/-
Dr. Vishwanath
Director

SD/-
NARESH K CHIBBA
Managing Director

PLACE : NOIDA
DATE : 8th January 2007

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member. Proxy in order to be effective must be received by the Company at its registered office not less than 48 hours before the meeting. A blank form is enclosed.
2. Members are requested to bring their copies of the Annual Report with them at the meeting.
3. Members/Proxies are further requested to fill in the enclosed attendance slip and deposit the same at the registration table at the time of attending the meeting.
4. Members having any queries relating to the Annual Report are requested to send their questions to the Directors at the registered office of the Company at least 7 days before the date of Annual General Meeting.

5. Members holding shares under more than one folio are requested to send their Shares Certificate to the Registered Office of the Company for consolidation under one folio.
6. The Share Transfer Books, Members Register of the company shall remain closed from 26.02.2007 to 28.02.2007 (Both days inclusive).

EXPLANATORY STATEMENT

ITEM NO.4

The SEBI has issued the SEBI (Delisting of Securities) Guidelines,2003 (hereinafter to as Delisting Guidelines) incorporating, among others, provisions for delisting of Securities of a Body Corporate voluntary by promoter or an acquirer or any person from the Stock Exchanges.

Presently, the Company's equity shares are listed on the following three Stock Exchanges:

1. The stock Exchange, Mumbai
2. The U.P. Stock Exchange Association Ltd.
3. The Delhi Stock Exchange Association Limited

With the extensive net working of the Stock Exchange, Mumbai (BSE) and the extension of BSE terminals to other cities as well, investors have access to online dealings in the Company's equity shares across the country. The bulk of trading in the Company's equity shares in any case takes place on the BSE and the depth & liquidity of the trading in the Company's equity shares on all other Stock Exchanges are lower.

The Company's equity shares are one of the scrips which the SEBI has specified for settlement only in dematerialized form by all investors. It is also observed that listing fee paid to Stock Exchanges other than BSE is disproportionately high compared to the almost nil trading volumes of the Company's securities on those Stock Exchanges. The Company has proposed this resolution which will enable it to delist its equity shares at any time in future from all or any of the following Stock Exchanges:

1. The U.P. Stock Exchange Association Limited
2. The Delhi Stock Exchange Association Limited

The Company's Equity Shares will continue to be listed on the Stock Exchange, Mumbai after the proposed delisting.

Your Directors recommend the Special Resolution for members approval.

None of the Directors of the company is in any way concerned or interested in this resolution

SD/-
Dr. Vishwanath
Director

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

PLACE : NOIDA
DATE : 8th January 2007

DIRECTORS REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 21st Annual Report along with Audited Accounts of the Company for the year ended August 31, 2006.

1. FINANCIAL RESULTS

Particulars	31.8.2006	31.8.2005
i. Income from Operations	34936714	738926
ii. Gross Profit/ (Loss)	33544599	(1419875)
iii. Financial Charges	18113	4434
iv. Depreciation	425593	536300
v. Net Profit/(Loss)	33119006	(1956175)

2. OPERATIONS

During the period under review the total income was Rs 34856714/- generated from other sources.

After providing for expenditure Rs.1392115/- & depreciation Rs. 425593/- the Company has incurred net Profit of Rs.8161094/-.

3. FUTURE PROSPECTS

The company has during the year continued its further development and marketing on its various products and the company hopes to do reasonably well in the year .

4. FIXED DEPOSITS

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

5. INDUSTRIAL RELATIONS

The employee-employer relations remained cordial throughout the year.

6. DIRECTORS

(a) In accordance with the article of association of the Company at the forthcoming Annual General Meeting of the company Ms. Sunaina Chibba retires by rotation and being eligible offers herself for reappointment.

(b) All the Director of the company are member of the Audit committee of the Board of the company

7. RESPONSIBILITY STATEMENT

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

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

8. LISTING

The shares of the company are listed at Kanpur, New Delhi and Mumbai Stock Exchange . The Company has paid Listing fee to the stock exchanges till 2005-06. However as per resolution

passed at 19th AGM held on 28th February 2005 , delisting from UP stock exchange and Delhi Stock exchange is in under process and Share from Bombay Stock Exchange is suspended due to Demat process and the revocation of suspension is in due process.

9. AUDITORS

M/s. Kansal & Associates, Chartered Accountants, Auditors of the Company hold office until conclusion of the forthcoming annual General Meeting and are recommended for re-appointment.

10. AUDITORS REPORT

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

11. PERSONNEL

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

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

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

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

13. SECRETETRIAL COMPLIANCE CERTIFICATE

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

14. ACKNOWLEDGEMENTS

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

For and on behalf of Board of Director

**Sd/
Dr. Vishwanath
Director**

**Sd/
Naresh K Chibba
Managing Director**

Place: Noida

Date : 8th January 2007

ANNEXURE TO THE DIRECTOR'S REPORT
COMPLIANCE CERTIFICATE

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

I have examined the registers, records, books and papers of Continental Chemicals Ltd. (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st August, 2006. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:-

1. The company has kept and maintained all registers as stated under, as per the provisions and the rules made there under and all entries therein have been duly recorded –

- i) Investment Register u/s 49/372/372A;
- ii) Register of Members u/s 150 & 151;
- iii) Register of Share Transfer u/s 108(1-A);
- iv) Books of Accounts u/s 209;
- v) Register of Contracts in which Directors are interested u/s 301;
- vi) Register of Directors, Managers, Secretaries & Treasures u/s 303;
- vii) Register of Directors Attendance under Regulation 71.
- viii) Register of Directors Share Holding U/s 307

2. The company has duly filed the forms and returns as stated under, with the Registrar of Companies within the time prescribed under the Act and the rules made thereunder –

- i) Annual Return u/s 159;
- ii) Annual Accounts U/s 220;
- iii) Secretarial Compliance Certificate
- iv) Form No. 32
- v) Form No. 29

3. The Board of Directors of the Company duly met on following dates

Date of Meetings of Board

31.08.2005	30.12.2005	31.01.06
30.04.06	31.08.06	30.11.06
30.12.06		

4. The Company has closed its Register of Members from 26.02.2006 to 28.02.2006 (both days inclusive) in accordance with Section 154 of the Act.
5. The Annual General Meeting for the financial year ended on 31.8.2005 was held in time on 28.2.2006 and due notice was given and resolutions passed thereat duly recorded in the Minutes Book.
6. No extraordinary meeting was held during the financial year.
7. The Company has not advanced any loan to its directors and/or persons or firms or companies referred in Section 295 of the Act.
8. The Company has entered into contracts covered under the provisions of Section 297 of the Act for which due action have been taken.
9. The Company has complied with the requirements of Section 301 of the Act.
10. The Company has timely transferred / transmitted it shares received during the year.