

Certified True Copy
for Continental Petroleum Ltd.
[Signature]
Secretary

CONTINENTAL PETROLEUMS LIMITED

Report **17th** [reportjunction.com](http://www.reportjunction.com)

ANNUAL REPORT

2002-2003

CONTINENTAL PETROLEUMS LIMITED

**17th Annual
Report**
BOARD OF DIRECTORS

Managing Director	:	Shri M.L. Khandelwal
Director	:	Shri K. L. Kochar Shri P.D. Khandelwal Smt. Bhagwati Khandelwal
Company Secretary & Dy. General Manager	:	Shri J.C. Kedawat
Banker	:	Union Bank of India
Auditors	:	M/s R.P. Khandelwal & Associates Chartered Accountants
Registered Office	:	A-2, Opposite Udyog Bhawan Tilak Marg, C-Scheme, JAIPUR - 302 005 Phone : 0141-2381632 Fax : 0141-2381561 E-mail : conpetco_jp1@sancharnet.in
Factory Premises	:	Plot No. A-166 & F-162-165, RIICO Indl. Area Behror - 302701, Rajasthan (India)

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NOTICE OF THE 17TH ANNUAL GENERAL MEETING :

Notice is hereby given that 17th Annual General Meeting of Continental Petroleum Ltd. will be held on Monday the 29th September, 2003 at 1.00 P.M. at Registered Office of the Company, A-2, Opposite Udyog Bhawan, Tilak Marg, C-Scheme, Jaipur to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March 2003 and the Balance Sheet as at that date together with the Report of Directors and Auditors thereon.
2. To appoint Director in place of Shri P.D. Khandelwal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Director in place of Smt. Bhagwati Khandelwal, who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

5. **To consider and if thought fit to pass with or without modification, the following as a special Resolution**

"RESOLVED that subject to all the applicable provisions of Companies Act, 1956, Securities Contract Regulation Act, 1956, listing agreement, and guidelines prescribed by Security and Exchange Board of India and Stock Exchanges concerned consent of the company be and is hereby accorded to the Board of Directors of the Company for seeking voluntary delisting of equity shares of the company from Jaipur, Delhi and Ahmedabad Stock Exchange at such time as the Board of Directors of the company may in its absolute discretion, consider appropriate".

"FURTHER RESOLVED that the Board of Directors be and is hereby authorised to do all such acts, deeds as may be considered necessary to give effect to the above Resolution".

6. To consider and, if thought fit, to pass with or without modification the following as a special Resolution.

"RESOLVED THAT pursuant to Section 198, 269, 309, 310 and other applicable provisions of Companies Act, 1956, if any, the company hereby approve re-appointment of Shri M.L. Khandelwal as Managing Director of the company for a period of five years with effect from 1st May 2003 upon the following terms and conditions :

Remuneration :

1. **Salary :** Rs. 20, 000/- per month.
2. **Perquisites :**

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CATEGORY "A"

(a) Accommodation : The expenditures on hiring unfurnished accommodation for himself shall be subject to ceiling of 60% of his salary over and above 10% payable by him or if the company does not provide his residential accommodation, the Managing Director be entitled to house rent allowance of 60% of his salary.

or where the accommodation in Company owned house is provided, the Managing Director will pay to the Company 10% of his salary. The expenditures incurred by the Company on gas, electricity, water and furnishing to be evaluated as per the Income Tax Rules, 1962 subject to a ceiling of 10% of his salary.

(b) Medical benefit : Medical expenses incurred for self and family subject to ceiling of one month salary or five months salary in a block period of five years.

(c) Leave Travel Concession : Once in a year for self and family in accordance with the rules of the company.

(d) Club Fees : Fees of club subject to maximum of two clubs excluding life membership fees and admission fees.

(e) Personal Accident Insurance : Restricted to a premium not exceeding Rs. 4000/- per annum.

Category "B"

(a) Contribution to Provident Fund : As per rules of the company but not exceeding 12% of salary.

(b) Encashment of Leave : At the end of tenure will not be included in the computation of ceiling of perquisites.

(c) Gratuity : Gratuity payable shall not exceed half month's salary for each completed year of service, subject to ceiling prescribed under payment of Gratuity Act, 1972.

Category "C"

(a) Car and Telephone : The company shall provide Car for use on Company business and Telephone at his residence. The Managing Director shall be billed by the company for personal long distance calls on telephone and use of Car for private purpose.

(b) Earned Privilege Leave : Earned or privilege leave with full pay including allowances as per Company's Rules but not more than one month leave for 11 months of service.

RESOLVED FURTHER THAT agreement dated 1st May 2003 entered into by company with Shri M.L. Khandelwal with respect to above terms and conditions be and is hereby approved.

Regd. Office :

A-2, Opp. Udyog Bhawan

Tilak Marg, C-Scheme

JAIPUR-302 005

Dated : 27.06.2003

By Order of Board of Directors

J.C. KEDAWAT

SECRETARY & DY. GENERAL MANAGER
(CORPORATE OFFICE)

CONTINENTAL PETROLEUMS LIMITED17th Annual
Report**NOTES :**

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business set out above is annexed hereto.
2. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote at the meeting and a proxy need not be a member.
3. Proxy form be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
4. Members are requested to intimate about any changes in their mailing address to Registrar and Share Transfer agent M/s Beetal Finance & Computer Services (P) Ltd., 321-S, Chirag Delhi, Near Bhagat Singh College, New Delhi-110 017.
5. The register of Members and share transfer books of the Company shall remain closed from 22nd September, 2003 to 29th September, 2003 (both days inclusive).

Annexure to the notice :

Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956.

Item No. 5 : The Securities and Exchange Board of India has come out with new delisting guidelines which permits voluntary delisting of securities from Stock Exchanges subject to certain terms and conditions. Presently the equity shares of the Company are listed with Mumbai, Delhi, Jaipur and Ahmedabad Stock Exchanges. The shares of the Company are not traded at Jaipur, Delhi and Ahmedabad Stock Exchanges since long time. The unnecessary cost of listing can be avoided by delisting of shares of company with these stock Exchanges. The Company is therefore contemplating voluntary delisting of its shares from Jaipur, Ahmedabad and Delhi Stock Exchanges at an appropriate time in future. In line with the SEBI guidelines the required approval of members is sought by a Special Resolution. None of the Directors of the Company is interested in Resolution.

Item No. 6 : The term of appointment of Shri M.L. Khandelwal, Managing Director of the company expires on 30-04-2003. The Board of Directors of the Company at its meeting held on 29th March 2003 had decided to reappoint Shri M.L. Khandelwal as Managing Director of the Company for further period of 5 years w.e.f. 1st May 2003 subject to the approval of share holders on the terms and conditions set out in the aforesaid Resolution mentioned at Item no. 6. None of the Directors of the Company except Mrs. Bhagwati Khandelwal (wife of Shri M.L. Khandelwal) is interested in the Resolution.

The terms of the agreement between the company and Shri M.L. Khandelwal are laid down in the aforesaid Resolution mentioned at item no. 6 may also be treated as an abstract under Section 302 of the companies Act, 1956.

Regd. Office :

A-2, Opp. Udyog Bhawan
Tilak Marg, C-Scheme
JAIPUR-302 005

By Order of Board of Directors

J.C. KEDAWAT
SECRETARY & DY. GENERAL MANAGER
(CORPORATE OFFICE)

Dated : 27.06.2003

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DIRECTORS' REPORT

Your Directors are pleased to present 17th Annual Report together with Audited Statement of Accounts for the year ended 31st March 2003.

FINANCIAL RESULTS

The Financial Results for the year under review are as follows :-

(Rs. in lacs)

	2002-2003	2001-2002
Sales	161.28	212.35
Other Income	6.67	52.65
Gross Profit Before Interest, Depreciation & Adjustments	6.30	28.96
Interest	17.31	34.88
Depreciation	21.02	28.81
Loss on sale of LPG Plant	53.48	-
Prior Period Income	67.48	-
Net Profit/ (Loss)	(18.04)	(34.73)
Add: Balance of Profit/ Loss Brought- forward from last year	(160.35)	(125.62)
Balance carried forward to Balance Sheet	(178.39)	(160.35)

DIVIDEND

Your Directors have decided not to pay dividend for the year 2002-2003 due to poor performance of the Company.

OPERATIONS

During the year under review the Sales turnover of the Company was Rs.161.28 lacs as compared to Rs.212.35 lacs in the previous year 2001-2002. Company incurred a net loss of Rs.18.04 lacs in the year 2002-03 as compared to net loss of Rs.34.73 lacs in the previous year 2001-2002. The Production and Sale of re-refined oil was negligible due to non availability of used oil in the market. The L.P. Gas Bottling Unit was incurring heavy losses since starting due to heavy subsidy given to consumers on L.P. Gas by Government through the public sector petroleum companies. The job work assigned to the company by Hindustan Petroleum Corporation Ltd. was also discontinued during the year under review. Since, the rates of L.P. Gas provided by company was much higher than subsidised gas supplied by public sector companies, the marketing of L.P. gas was totally unviable. The company was also bearing heavy burden of interest on term loan availed from bankers on L.P. Gas unit. In view of all these facts the Directors decided to sell the L.P. Gas unit of the company and the same was sold during the year under review. The proceeds received from sale of L.P. Gas plant was deposited with Bankers of Company against their outstanding loan.

PROSPECTS

The Company has paid a substantial part of term loan during the current year 2003-2004. Your directors are putting their best efforts to increase the sale of blended lubricants in small packing in order to wipe out the accumulated losses.

FIXED DEPOSITS

The Company has not accepted any fixed deposits during the year under review.

DIRECTORS

Shri R.M. Bhandari Chairman of the Company has resigned due to ill health. Shri P.D. Khandelwal and Smt. Bhagwati Khandelwal retire by rotation and being eligible offer themselves for re-appointment at forthcoming Annual General Meeting.

DIRECTOR'S RESPONSIBILITY STATEMENT

Your Directors confirm :

1. That in the preparation of Annual Accounts applicable accounting standards have been followed.

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2. That the Directors have selected such accounting policies and applied them consistently & made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the State of affairs of the Company at the end of the financial year 31st March'2003.
3. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act'1956 for safeguarding the assets of the Company and for preventing and detecting fraud & other irregularities.
4. That the Directors have prepared the Annual Accounts on a going concern basis.

CONSERVATION

The Company takes appropriate measures from time to time for conservation of energy in the operation of the plant.

POWER & FUEL CONSUMPTION

	Unit	2001-2002	2000-2001
i) Electricity purchased			
Unit	KWH	-	-
Total Amount	Rs.	-	-
Rate	Rs.	-	-
ii) Electricity own generation by D.G. Set			
Unit	KWH	28,493	3,06,229
Unit per Ltr. of Diesel			
Oil		0.256	0.259
Cost/Unit	Rs.	6.15	6.10
iii) Fuel Oil(Diesel/LDO)			
Quantity	Ltr	9,129	1,15,308
Total Amount	Rs.	1,78,008	18,68,000
Average Rate/Unit	Rs.	19.50	16.20
iv) Consumption per Unit of production (Lubricating Oils & LPG)			
Fuel Oil	Ltr.	0.078	0.074

TECHNOLOGY ABSORPTION

The R & D Department of the Company is dedicated to develop enviro-friendly processes and introducing new formulations for lubricants from time to time.

FOREIGN EXCHANGE

During the year under review the income in foreign exchange was nil, where as the expenditure was Rs.23630/- and 2973403/-on accounts of travelling and purchase of raw material respectively.

AUDITORS

M/S R.P. Khandelwal & Associates, Jaipur, Auditors of the Company retires at the ensuing Annual General Meeting, being eligible, offer themselves for re-appointment. The Directors recommended their re-appointment.

EMPLOYEES

Information under Section 217(2A) of Companies Act, 1956 read with Companies (particulars of employees) Rule, 1975 as amended :—

None of the employees was in receipt of remuneration beyond the limits prescribed as per aforesaid rules.

ACKNOWLEDGMENT

Your Directors take this opportunity to place on record their grateful thanks for the support and assistance received by the Company from Central and State Government Authorities and Union Bank of