

# **CONTINENTAL PETROLEUMS LIMITED**

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# **18<sup>th</sup>**

## **ANNUAL REPORT**

### **2003-2004**

**CONTINENTAL PETROLEUMS LIMITED ——— 18th Annual Report****BOARD OF DIRECTORS**

Managing Director	:	Shri M.L. Khandelwal
Director	:	Shri K.L. Kochar Shri Ram Nath Karol Smt. Bhagwati Khandelwal
Company Secretary & Dy. General Manager	:	Shri J.C. Kedawat
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 : <a href="mailto:conpetco@sancharnet.in">conpetco@sancharnet.in</a>
Factory Premises	:	Plot No. A-166 & F-162-165, RIICO Indl. Area Behror - 302 701, Rajasthan (India)
Registrar & Share Transfer Agent	:	M/s Beetal Financial & Computer Services (P) Ltd. 321-S, Chirag Delhi, Near Bhagat Singh College, New Delhi-110017 Fax : 011-29252146

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**CONTINENTAL PETROLEUMS LIMITED ——— 18th Annual Report****NOTICE OF THE 18TH ANNUAL GENERAL MEETING :**

Notice is hereby given that 18th Annual General Meeting of Continental Petroleum Ltd. will be held on Monday, the 27th September, 2004 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 2004 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 K.L. Kochar, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS :**

4. **To consider and if though fit to pass with or without modification, the following as an ordinary Resolution**

**"RESOLVED THAT** Shri R.N. Karol Additional Director of the Company who in terms of Section 260 of the Companies Act, 1956 holds office up to this Annual General Meeting be and is hereby appointed Director of the Company".

Regd. Office :

By Order of Board of Directors

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

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

Dated : 29.06.2004

**CONTINENTAL PETROLEUMS LIMITED ——— 18th 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 from 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 the company about any changes in their mailing address to Registrar and 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 20th September, 2004 to 27th September, 2004 (both days) inclusive.

**Annexure to the notice :**

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

**Item No. 4 :** Shri R.N. Karol was appointed as an Additional Director of the Company to hold office up to the ensuing Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 signifying the intention to propose the name of Shri R.N. Karol for his appointment as a director of the company has been received from a member with a deposit of Rs. 500/-. Shri R.N. Karol is a qualified engineer and have a rich experience with him. None of the Director of the Company is interested in the Resolution.

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Regd. Office :

By Order of Board of Directors

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

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

Dated : 29.06.2004

**CONTINENTAL PETROLEUMS LIMITED ——— 18th Annual Report ———****DIRECTOR'S REPORT**

Your Directors are pleased to present 18th Annual Report together with Audited Statement of accounts for the year ended 31st March 2004.

**FINANCIAL RESULTS**

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

	(Rs. in lacs)	
	2003-2004	2002-2003
Sales	199.38	161.28
Other Income	35.76	6.67
Gross Profit before Interest, Depreciation & Adjustments	16.57	6.30
Interest	3.46	17.31
Depreciation	21.03	21.02
Loss on sale of LPG Plant	--	53.48
Prior Period Income	21.98	67.48
Net Profit/(Loss) before tax	14.06	(18.04)
Net Profit/(Loss) after tax	7.70	(18.04)
Add: Balance of Profit/Loss Brought forward from last year	(178.39)	(160.35)
Balance carried forward to Balance Sheet	<b>(170.70)</b>	<b>(178.39)</b>

**DIVIDEND**

Your Directors have decided not to pay dividend for the year 2003-2004 due to heavy losses incurred in the last year.

**OPERATIONS**

During the year under review the sales turnover of the Company was Rs. 199.38 lacs as compared to Rs. 161.28 lacs in the previous year 2002-2003. The Net Profit after making provision for taxes was Rs. 7.70 lacs as compared to net loss of Rs. 18.04 in the year 2002-2003. The Company has made full payment towards all dues of Union Bank of India.

**PROSPECTS**

Your Company is upgrading the Technology in order to economise the cost of production of re-refined lubricating oil. As a result, the production and sale of re-fined oil may increase during the current year.

**DIRECTORS**

Shri P.D. Khandelwal Director of the Company has resigned at his own accord and Shri K.L. Kochar retires by rotation and being eligible offer himself for re-appointment at forthcoming Annual General Meeting. Shri Ram Nath Karol was appointed as Additional Director during the year and offers himself for appointment as Director at the 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.
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 2004.

**CONTINENTAL PETROLEUMS LIMITED ————— 18th Annual Report**

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	2003-2004	2002-2003
Electricity own generation by D.G. Set			
Unit	KWH	6,709	28,493
Unit per Ltr. of Diesel Oil		0.252	0.256
Cost/Unit	Rs.	6.26	6.15
iii) Fuel Oil (Diesel/LDO) Quantity	Ltr	11,228	9,129
Total Amount	Rs.	2,21,200	1,78,008
Average Rate/Unit	Rs.	19.70	19.50
iv) Consumption per Unit of production (Lubricating Oils)			
Fuel Oil	Ltr.	0.0269	0.078

**TECHNOLOGY ABSORPTION**

The R & D Department of the Company is dedicated to develop enviro-friendly processes and introduce 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.93000/- and 605720/- on account of travelling and purchase of raw material respectively.

**AUDITORS**

M/s R.P. Khandelwas & Associates, Jaipur, Auditors of the Company retire at the ensuing Annual General Meeting, being eligible, offer themselves for re-appointment. The Directors have 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 India. The Directors also place on record their appreciation to all employees of the Company for their good work.

Place : Jaipur  
Dated : 29.06.2004

For and on behalf of the Board of  
Directors

**(BHAGWATI KHANDELWAL)**  
Director

**(M.L. KHANDELWAL)**  
Managing Director

**CONTINENTAL PETROLEUMS LIMITED ——— 18th Annual Report****AUDITOR'S REPORT****To The Share Holders :**

We have audited the attached Balance-Sheet of M/s. Continental Petroleum Limited, Jaipur as at 31st March, 2004 and the Profit & Loss Account for the year ended on that date annexed and report that :-

"We conducted our Audit in accordance with Auditing Standards generally accepted in India. Those standard required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on text basis, evidence supporting the amount and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion."

1. As required by companies and other companies (Auditor's Report) order 2003 dated 12th June 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956. We enclosed in the annexure a statement on the matter specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in a paragraph 1 above :
  - 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. Proper books of account as required by law have been kept by the company so far as it appears from our examination of the books.
  - c. The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
  - d. In our opinion and to best of our information & according to the explanations given to us the said account read with the notes thereon given the information required by the companies act, 1956, in the manner.
  - e. During the course of our audit we have not observed any adverse effect of the working of the company.
  - f. None of the Director of the Company are disqualified from the appointment as Director under clause (g) of sub-section 1 of section 274 of the Companies Act., 1956.
  - g. In our opinion and to the best of our information and according to the explanation given to us the said account read with the notes thereon given the information required by the Companies Act., 1956, subject to above that in the manner, so required and give a true and fair view :-
    - (i) In the case of the Profit & Loss Account of the Profit for the year ended on that date.
    - (ii) In the case of the Balance Sheet of the state of affairs of the company as at 31st March 2004.

**For R.P. Khandelwal & Associates**

Chartered Accountants

Jaipur

Dated : 29.06.2004

**(R.P. Khandelwal),**

Partner