

# **CONTINENTAL PETROLEUMS LIMITED**

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# **21<sup>st</sup>**

## **ANNUAL REPORT**

**2006-2007**

**CONTINENTAL PETROLEUMS LIMITED** ————— **21st Annual Report****BOARD OF DIRECTORS**

<i>Managing Director</i>	: Shri M.L. Khandelwal
<i>Director</i>	: Shri G.D. Sethi Shri Ram Nath Karol Smt. Bhagwati Khandelwal
<i>Company Secretary &amp; Dy. General Manager</i>	: Shri J.C. Kedawat
<i>Banker</i>	: The Bank Of Rajasthan Ltd.
<i>Auditors</i>	: M/s R.P. Khandelwal & Associates Chartered Accountants
<i>Registered Office</i>	: A-2, Opposite Udyog Bhawan Tilak Marg, C-Scheme, JAIPUR - 302 005 Phone : 0141-2222232 Fax : 0141-2221961 E-mail : conpetco@sancharnet.in
<i>Factory Premises</i>	: Plot No. A-166 & F-162-165, RIICO Indl. Area Behror - 302701, Rajasthan (India)
<i>Registrar &amp; Share Transfer Agent</i>	: M/s Beetal Financial & Computer Services (P) Ltd. Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Complex, Nr. Dada Harsukhdas Mandir New Delhi-110062 Ph. : 011-29961281 Fax : 011-29961284
<i>Email</i>	: beetal@rediffmail.com

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**CONTINENTAL PETROLEUMS LIMITED** ————— **21st Annual Report****NOTICE OF THE 21ST ANNUAL GENERAL MEETING :**

Notice is hereby given that 21st Annual General Meeting of Continental Petroleums Ltd. will be held on Saturday the, 29th September, 2007 at 1.00 P.M. at Registered Office of the Company, at 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 2007 and the Balance Sheet as at that date together with the Report of Directors and Auditors thereon.
2. To appoint Director in place of Smt Bhagwati khandelwal ,who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS :**

4. To Consider and, if Thought fit, to pass with or without modification, the following as an Ordinary Resolution:  
"RESOLVED THAT Shri Goverdhan Dass Sethi Additional Director of the Company who in terms of Section-260 of the Companies Act, 1956 hold office upto this Annual General Meeting be and is hereby appointed Director of the Company. "
5. To consider and, if thought fit, to pass with or without modification, the following as on special Resolution:  
"Resolved that pursuant to the provisions of Section 314 & other applicable provisions, if any of the Companies Act. 1956 read with Director's relative (office of Place of profit) Rules, 2003 consent of Company is hereby accorded for payment of monthly salary not exceeding Rs.35000/- per month only to Shri Navneet Khandelwal. Chief executive officer of the Company."

**NOTES :**

1. A member entitled to attend and vote at the meeting is also entiteled to appoint a proxy to attend and vote at the meeting and proxy need not be a member.
2. Proxy form be deposited at the Registered office of the company not later than 48 hours before the time fixed for the meeting.
3. Members are requested to intimate the Company about any changes in their mailing address to Registrar and Share Transfer agent M/s Beetal Finance & Computer Services (P) Ltd. Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Complex, Nr. Dada Harsukhdas Mandir, New Delhi-110 062.
4. The register of members and share transfer books of the company shall remain closed from 22nd September, 2007 to 29th September, 2007 (both days) inclusive.
5. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business setout in the notice as above are annexed here to.

**EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT,1956**

ITEM NO.4. Shri Goverdhan Dass Sethi was appointed additional Director of the Company to hold office upto the ensuing Annual General Meeting. Notice under section 257 of the Companies Act, 1956 specifying the Intention to propose the name of Shri Goverdhan Dass Sethi as Director of the company has been received from a member with a deposit of Rs.500/-. Shri Goverdhan Dass Sethi is a qualified engineer and has wide technical experience. None of the Director of the Company is interested in the Resolution.

ITEM NO. 5. Section 314 of the Companies Act, 1956 read with Director's Relative (office of place of profit) Rules, 2003 requires prior approval of the members in General Meeting by way of a Special Resolution for holding office of place of profit, by relatives of the Director of the company.

Shri Navneet Khandelwal is Chief executive officer of the Company and it is proposed to pay him a monthly salary upto Rs 35000/- Per Month. Shri Navneet Khandelwal is a Chemical Engineer beside having a rich experience in administration of Company affairs.

Shri M.L.Khandelwal, Managing Director & Smt. Bhagwati Khandelwal, Director of Company are relatives of Shri Navneet Khandelwal and Interested in the proposed Resolution.

Regd. Office :

By Order of Board of Directors

A-2, Opp. Udyog Bhawan

J.C. KEDAWAT

Tilak Marg, C-Scheme  
JAIPUR-302 005

SECRETARY & DY. GENERAL MANAGER  
(CORPORATE OFFICE)

Dated : 30.06.2007

**CONTINENTAL PETROLEUMS LIMITED****21st Annual Report****DIRECTORS' REPORT**

Your Directors are pleased to present 21st Annual Report together with Audited Statement of Accounts for the year ended 31st March'2007.

**FINANCIAL RESULTS**

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

	(Rs. in lacs)	
	2006-2007	2005-2006
Sales	406.04	264.86
Other Income	74.19	32.83
Gross Profit Before Interest, Depreciation & Adjustments	47.80	30.17
Interest	4.37	0.26
Depreciation	20.50	20.37
Net Profit/ (Loss) before tax	22.93	9.54
Net Profit/ (Loss) after tax	26.93	7.19
Add : Balance of Profit / (Loss) Brought- forward from last year	(156.75)	(163.94)
	<b>(129.82)</b>	<b>(156.75)</b>

Balance carried forward to Balance Sheet

**DIVIDEND**

Your Directors have decided not to pay dividend for the year 2006-2007 due to heavy losses incurred in last years.

**OPERATIONS**

During the year under review the Sales turnover of the Company was Rs.406.04 lacs as compared to Rs.264.86 lacs in the previous year 2005-2006. The Net Profit after making provision for taxes was Rs.26.93 lacs as compared to net profit of Rs. 7.19 lacs in the year 2005-2006.

**PROSPECTS**

In the current year the company has obtained consent from Central Ministry of environment & Forest for manufacturing fuel oil by re-cycling of waste oil. The Company has accordingly installed the equipments to re-cycle the Waste oils. It is expected that the Company will be able to increase its Profit in the current year.

**DIRECTORS**

Smt Bhagwati Khandelwal retire by rotation and being eligible offers herself for re-appointment at forth coming Annual General Meeting.

Shri Goverdhan Dass sethi was appointed Additional Director during the year. He retires on the forth coming Annual General Meeting and being eligible offers himself for re-appointment as Director liable to retire by rotation.

**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'2007.
3. That the Directors have 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.

**CONTINENTAL PETROLEUMS LIMITED****21st Annual Report**

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**

- i) Electricity own generation  
by D.G. Set  
Unit  
Unit per Ltr. of Diesel  
Oil  
Cost/Unit
- ii) Fuel Oil(Diesel/LDO)  
Quantity  
Total Amount  
Average Rate/Unit
- iii) Consumption per Unit of  
production (Lubricating  
Oils )  
Fuel Oil

Unit	2006-2007	2005-2006
KWH	110065	86624
	0.202	0.193
Rs.	6.81	5.86
Ltr	25188	15,683
Rs.	768232	4,79,900
Rs.	30.50	29.60
Ltr.	0.238	0.235

**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 as well as the expenditure was Rs.Nil

**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 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 Banks. The Directors also place on record their appreciation to all employees of the Company for their good work.

Place : Jaipur  
Dated : 30.06.2007

For and on behalf of the Board of  
Directors

(Mrs. BHAGWATI KHANDELWAL)  
Director

(M.L. KHANDELWAL)  
Managing Director

## Auditor's Report

## To The Share Holders :

We have audited the attached Balance-Sheet of M/s. Continental Petroleums Limited, Jaipur as at 31st March, 2007 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 test 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 the 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. During the course of audit we have not observed any adverse effect on the working of the company.
  - e. None of the Director of the Company are disqualified from the appointment as Director under clause (g) of sub-section 1 of section 274(1) of the Companies Act., 1956.
  - f. 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 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, 2007.

For R.P. Khandelwal & Associates  
Chartered Accountants

Place : Jaipur  
Date : 30.06.2007

R. P. Khandelwal  
Partner