

CONTINENTAL PETROLEUMS LIMITED

**24th
Annual Report
2009-2010**

BOARD OF DIRECTORS

Chairman and Managing Director	:	Shri M.L. Khandelwal
Directors	:	Shri G.D. Sethi Shri Ram Nath Karol Smt. Bhagwati Khandelwal
Banker	:	The Bank of Rajasthan Ltd.
Auditors	:	M/s R.P. Khandelwal & Associates Chartered Accountants, Jaipur
Registered Office	:	A-2, Opposite Udyog Bhawan Tilak Marg, C-Scheme, JAIPUR - 302 005 Phone : 0141-2222232 Fax : 0141-2221961 E-mail : conpetco@gmail.com
Factory Premises	:	Plot No. A-166 & F-162-165, RIICO Indl. Area Behror - 302701, Rajasthan (India) Phone : 01494-220018
Registrar & Share Transfer Agent	:	M/s Beetal Financial & Computer Services (P) Ltd. Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Complex, Near Dada Harsukhdas Mandir, New Delhi-110062 Ph. : 011-29961281 Fax : 011-29961284 Mr. Punit Mittal, Gen. Manager (M : +98102 76579) Email : beetal@rediffmail.com

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NOTICE:

Notice is hereby given that 24th Annual General Meeting of Continental Petroleum Ltd. will be held on Tuesday, the 28th September 2010 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 2010 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 offer herself for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:-

4. To consider and, if thought fit, to pass the following Resolution with or without modification as a Special Resolution:-

"Resolved that pursuant to the provisions of Section 314 of the Companies Act, 1956 read with Directors relative (office or Place of profit) Rules, 2003 the salary payable to Mr. Navneet Khandelwal - Chief Executive Officer of the Company be and is hereby increased from Rs.35,000/- to Rs.50,000/- Per month inclusive of all perks, facilities and benefits w.e.f. from 1st August 2010."

5. To consider and, if thought fit to pass the following Resolution with or without modification as Special resolution:-

"Resolved that pursuant to the provision of section 314 of the Companies Act, 1956 read with Directors relative (office or Place of profit) Rules, 2003, the salary payable to Mr. Vikrant Khandelwal - Dy. Chief Executive Officer (Administration & Purchase) of the Company be and is hereby increased from Rs.30,000/- to Rs.40,000/- Per Month inclusive of all perks, facilities and benefits, w.e.f. from 1st August 2010."

NOTES:

1. 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. Proxy form be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
2. Corporate members are requested to send duly certified copy of Board resolution authorising their representative to attend and vote at the meeting.
3. Stock Codes on Bombay Stock Exchange :

BSE : 523232

ISIN : INE 369D01015

The Company has appointed M/S Beetal Financial & Computer Service Private Ltd. as registrar & share transfer Agent to handle the physical share Transfer related work and for electronic connectivity, as detailed below:-

M/S Beetal Financial & Computer Services Pvt. Ltd., "Beetal House", 3rd Floor, 99, Madangir, Behind Local Shopping Complex, Near Dada Harsukhdas Mandir, New Delhi – 110 062.

4. The Company's shares are compulsorily traded in dematerialised form and available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Securities (India) Limited (CDSL). The company's shares are regularly traded on Bombay Stock Exchange Limited in electronic form.
5. The register of members and share transfer books of the company shall remain closed from 21st September 2010 to 28th September 2010 (both days inclusive).
6. Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of special business set out in the notice is annexed here to.

EXPLANTATORY STATEMENT PURSUENT TO PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO.4. Section 314 of the Companies Act, 1956 read with Director's Relative (office or place of profit) Rules, 2003 which requires prior approval of members in General meeting by way of special Resolution for holding office or place of profit by relatives of the Directors of the Company.

Shri Navneet Khandelwal is Chief Executive Officer of the Company, and it is proposed to increase salary of Shri Navneet Khandelwal from Rs.35,000/- to Rs.50,000/- per month w.e.f. 1st August 2010. This salary is inclusive of all benefits, perks & allowances. He is son of Shri Madan Lal Khandelwal, Chairman and Managing Director of the Company. Shri Navneet Khandelwal is Chemical Engineer besides having rich experience in administration of Company Affairs.

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

ITEM NO.5 Section 314 of the Companies Act 1956 read with Directors Relative (office or place of profit) Rules, 2003 requires Prior approval of members in General meeting by way of special resolution for holding office or place of profit by relative of the Director of the Company.

Shri Vikrant Khandelwal is Dy. Chief Executive Officer (Administration & Purchase) of the Company and it is proposed to increase is salary from Rs 30,000/- to Rs.40,000/- Per Month w.e.f. 1st August 2010. This salary is inclusive of all benefits, perks & allowances. He is son of Shri Madan Lal Khandelwal, Chairman and Managing Director of the Company, Shri Vikrant Khandelwal is Graduate with Post Graduate Diploma in Computer Science besides having rich experience in administration of Company affairs.

Shri M.L.Khandelwal, Chairman and Managing Director & Smt. Bhagwati Khandelwal, Director of Company are relatives of Shri Vikrant Khandelwal and interested in this proposed Resolution.

Registered office
A-2 Opposite Udyog Bhawan,
Tilak Marg, C-Scheme, Jaipur

Dated 29th May 2010

By order of Board of Directors

M.L.Khandelwal
Chairman and Managing Director

DIRECTORS' REPORT

Your Directors are pleased to present 24th Annual Report together with Audited Statement of Accounts for the year ended 31st March 2010.

FINANCIAL RESULTS

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

(Rs. in Lacs)

	2009-2010	2008-2009
Sales	841.13	757.92
Other Income	256.03	233.32
Gross Profit before Interest, Depreciation & Adjustments	92.49	78.27
Interest	7.40	6.82
Depreciation	6.54	22.07
Net Profit/ (Loss) before tax	78.55	49.38
Net Profit/(Loss) after tax	50.84	35.06
Add: Balance of Profit/(Loss) Brought - forward from last year	(57.99)	(93.05)
Balance carried forward to Balance Sheet	(7.15)	(57.99)

DIVIDEND

Your Directors have decided not to pay dividend for the year 2009 - 2010 due to heavy losses incurred in past years.

OPERATIONS

It is heartening to note that the company has achieved a higher turnover of Rs.841.13 Lacs as against Rs.757.92 Lacs in the previous year, recording 10.98% increase. The income from Hazardous Waste Management activities etc. has increased from Rs.233.32 Lacs to Rs.256.03 Lacs as compared to previous year. The Net Profit was Rs.50.84 Lacs as compared to net profit of Rs.35.06 Lacs in the previous year. The accumulated losses of the company are almost wiped out.

PROSPECTS

In view of the increased awareness and stringent pollution regulation towards environment protection our industries in India is adopting improved technologies and measures to reduce pollution. Therefore, your Directors have decided to concentrate more efforts towards growing business on hazardous waste management within the provisions of HW (MH&TM) Rules as amended. The company expects attractive growth by the above business. The growth in sales of lubricating oils is also expected to continue. The Company has already completed the installation of underground tanks & blending tanks for production of Petroleum products of A, B & C class for which statutory permissions are shortly expected. With commissioning of this plant, the Company expects good business and related performance growth in marketing of Industrial solvents, Lacquers, Rubber chemicals, thinners etc.

DIRECTORS

Smt. Bhagwati Khandelwal retires by rotation and being eligible offers herself for re-appointment at forthcoming Annual General Meeting. Shri Madan Lal Khandelwal, Managing Director of the Company has also been appointed Chairman of the Company.

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 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 at the end of the financial year 31st March 2010.

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.
4. That the Directors have prepared the Annual Accounts for the financial year ended 31st March 2010 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 Units
Unit per Ltr. of Diesel Oil
Cost/Unit

- ii) Fuel Oil(Diesel/LDO/FO/GO)
Quantity
Total Amount
Average Rate/Unit

- iii) Consumption per Unit of
production (Lubricating
Oils)
Fuel Oil

Unit	2009-2010	2008-2009
KWH	42000	146700
KWH	0.388	0.250
Rs.	9.75	8.05
Ltr.	275195	285300
Rs.	8393450	5257737
Rs.	30.50	28.94
Ltr.	0.030	0.028

TECHNOLOGY ABSORPTION

The R&D Department of the Company is dedicated to develop environ-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 & The expenditure in foreign exchange was Rs.7,79,544/-.

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) Rules, 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 & Banks. The Directors also place on record their appreciation to all employees of the Company for their good work.

Registered office
A-2 Opposite Udyog Bhawan,
Tilak Marg, C-Scheme, Jaipur

Dated 29th May 2010

By order of Board of Directors

M.L.Khandelwal
Chairman and 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 2010 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 standards 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 Accounts 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 our 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 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 accounts 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 Balance Sheet of the state of affairs of the Company as at 31st March, 2010.

For R.P. Khandelwal & Associates
Chartered Accountants

Place: Jaipur
Date: 29th May 2010

R.P. Khandelwal
Partner