

CONTINENTAL PETROLEUMS LIMITED

25th Annual Report 2010-2011

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CONTINENTAL PETROLEUMS LIMITED

BOARD OF DIRECTORS

Chairman and Managing Director	:	Shri M.L. Khandelwal
Directors	:	Shri G.D. Sethi Shri Ram Nath Karol Smt. Radhika Khandelwal
Banker	:	HDFC Bank 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@financial.com

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NOTICE OF THE 25th ANNUAL GENERAL MEETING:

Notice is hereby given that 25th Annual General Meeting of Continental Petroleum Ltd. will be held on Tuesday, the 30th August, 2011 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 2011 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 Ram Nath Karol 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 thought fit, to pass the following Resolution with or without modification as an ordinary Resolution:-

"RESOLVED THAT Smt. Radhika Khandelwal who was appointed as Additional. Director of the company and holds office upto the date of ensuing Annual General meeting and in respect of whom a notice was received from a member under Section 257 of the Companies Act, 1956 be and is hereby appointed Director of the Company liable to retire by rotation ."

5. 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 198, 269, 369 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 approval of the company be and is hereby accorded to the re-appointment of Shri. M.L Khandelwal, Chairman and Managing Director of the company w.e.f. 1st May 2011 for a period of three years at a remuneration of Rs.75,000.00 per month inclusive of all benefits, perks, amenities and perquisites."

"RESEOVED FURTHER THAT pursuant to the provisions of Section 198 and all other applicable provisions of the Companies Act, 1956, if any, the above remuneration be paid to Shri M. L. Khandelwal as minimum remuneration weather in any financial year during his tenure the company has no profits or the profits are inadequate."

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 of the Company .Proxy form be deposited at Regd. 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 code on Bombay stock Exchange: - 523232 ISIN: - INE 369D01015
4. The Company has appointed M/S Beetal Financial & Computer Services Pvt. 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.
5. The Company's shares are compulsorily trades in dematerialized 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 .
6. The register of members and share transfer books of the Company shall remain closed from 24th August, 2011 to 30th August, 2011 (both days inclusive).
7. Explanatory statement pursuant to section 173(2) of the Company 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. Smt. Radhika Khandelwal was appointed Additional Director of the Company on 13th November, 2010 Under Section 260 of the Companies Act, 1956 to hold office upto the ensuing Annual General Meeting. A notice has been received from a member of the Company under Section 257 of the companies Act, 1956 proposing her name to appoint Director of the Company liable to retire by rotation. Smt. Radhika Khandelwal has rich experience in business.

None of the Directors except Shri M.L.Khandelwal Chairman and Managing Director of the Company is interested in the proposed resolution. Shri M.L.Khandelwal is a relative of Smt. Radhika khandelwal.

The above appointment of Smt. Radhika Khandelwal as Director requires approval of share holders by way of passing an ordinary resolution. Accordingly, your Director Commend the resolution for your approval as an ordinary resolution.

ITEM NO.5 The Terms of Shri M.L. Khandelwal as Chairman & Managing Director of the Company expired on 30th April, 2011. It is proposed to re-appoint him as Chairman and Managing Director of the company for a further period of three years w.e.f. 1st May, 2011. The present remuneration of Shri M.L.Khandelwal is Rs.75,000.00 per month inclusive of all benefits, perks, amenities & perquisites which was approved by shareholders at extraordinary general meeting held on 30th March, 2010. The re-appointment of Shri M.L. Khandelwal as Chairman and Managing Director is being considered on the same remuneration, i.e. Rs.75,000.00 per month inclusive of all benefits, perks, amenities & perquisites. The above remuneration of Shri M. L. Khandelwal is duly approved by remuneration committee meeting held on 20th April, 2011 and subsequent confirmation of Board of Directors. The above remuneration will be paid to Shri. M.L Khandelwal as minimum remuneration weather in any financial year during his tenure Company has no Profits or inadequate profits.

None of the Directors except Smt. Radhika Khandelwal is interested in the proposed resolution. Smt. Radhika Khandelwal is relative of Shri M.L. Khandelwal.

Your Directors commend the resolution for your approval as a special resolution.

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

Dated 30th May 2011

By order of Board of Directors

M.L.Khandelwal
Chairman and Managing Director

DIRECTORS' REPORT

Your Directors are pleased to present 25th Annual Report together with Audited Statement of Accounts for the year ended 31st March 2011.

FINANCIAL RESULTS

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

(Rs. in Lacs)

	2010-2011	2009-2010
Sales	1208.22	841.13
Other Income	346.43	256.03
Gross Profit before Interest, Depreciation & Adjustments	109.25	92.49
Interest	6.40	7.40
Depreciation	6.92	6.54
Net Profit/ (Loss) before tax	95.93	78.55
Net Profit/(Loss) after tax	60.93	50.84
Balance of Profit/(Loss) Brought - forward from last year	(7.15)	(57.99)
Balance carried forward to Balance Sheet	53.79	(7.15)

DIVIDEND

Your Directors have decided not to pay dividend for the year 2010 - 2011 due to requirement of working capital for expansion programme.

OPERATIONS

It is appreciable to note that the company has achieved a higher turnover of Rs.1208.22 Lacs as against Rs.841.13 Lacs in the previous year, recording 43.64% increase. The income from Hazardous Waste Management activities etc. has increased from Rs.256.03 Lacs to Rs.346.43 Lacs as compared to previous year. The Net Profit was Rs.60.93 Lacs as compared to net profit of Rs.50.84 Lacs in the previous year. The accumulated losses of the company are completely wiped out now.

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 parameters of prevailing Indian laws. The company expects reasonable 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, It is expected that production of industrial solvents, lacquers etc will start during the current year which will lead to enhancement of profit of the Company.

FIXED DEPOSITS

The Company has not accepted any deposits from public which are covered under Section 58A of the Companies Act, 1956

DIRECTORS

Shri Ram Nath Karol retires by rotation and being eligible offers himself for re-appointment at forthcoming Annual General Meeting. The Board take on record the sad demise of the main promoter and Director of the company Smt. Bhagwati Khandelwal who has significantly contributed with all her able leadership, endless and unforgettable efforts during all the times towards achievement of the remarkable development and prosperity of the company to the present stage since its inception. Smt. Radhika Khandelwal was appointed as additional Director of Company

CONTINENTAL PETROLEUMS LIMITED

and being eligible offer herself for appointment as Director liable to retire by rotation. A notice has been received from a member under Section 257 of the Companies Act, 1956 for her appointment as Director.

COMPLIANCE CERTIFICATE

Secretarial compliance certificate received from M/S C.M.Bindal & company ,Company Secretaries. Jaipur under Section 383 A of the companies Act,1956 is annexed herewith and bears the part of Directors report.

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 2011.
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 2011 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	2010-2011	2009-2010
KWH	73000	42000
KWH	0.375	0.388
Rs.	10.75	9.75
Ltr.	515323	275195
Rs.	16634389	8393450
Rs.	32.27	30.50
Ltr.	0.031	0.030

TECHNOLOGY ABSORPTION

The R&D Department of the Company is dedicated to develop environment-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.46,060/-.

AUDITORS

M/s R.P. Khandelwal & Associates, Jaipur, Auditors of the Company retires at the ensuing Annual General Meeting and 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 under 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

By Order of Board of Directors

M.L.Khandelwal
Chairman and Managing Director

Dated 30th May 2011

To,
The Members,
Continental Petroleums Ltd.
A-2, Opp. Udyog Bhawan, Tilak Marg,
Jaipur (Rajasthan)

I have examined the registers, records, books and papers of Continental Petroleums Limited as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on 31st March, 2011 (financial year). 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 in Annexure-A to this certificate, as per the provisions of the Act and the Rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure-B to this certificate, with the Register of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed (except with additional fee where required) under the Act and the Rules made there under.
3. The company being a public limited company, comments on number of members, etc. are not required.
4. The board of Directors duly met seven times respectively on 02.03.2010, 29.05.2010, 14.08.2010, 13.11.2010, 3.01.2011, 26.02.2011, and 31.03.2011 in respect of which meetings proper notices were given and the proceeding were properly recorded and signed including the circular resolutions passed in the minutes book maintained for the purpose.
5. The company closed its register of members from 21.9.2010 to 28.9.2010 during the financial year.
6. The annual general meeting for the financial year ended on 31st March, 2010, was held on 28.09.2010, after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. Extra-ordinary general meetings were held during the financial year and compliances made.
8. As explained to us, the company has not advanced any loan to directors or companies and firms referred to Under Section 295 of the Act.
9. As explained to us, there were no cases falling within the provisions of section 297 of the Act during the financial year.