

CONTINENTAL PETROLEUMS LIMITED

32nd

Annual Report
2017-2018



CONTOL

Lubricants-accelerating performance

Automotive oils | Industrial oils | Greases | Specialty oils

CORPORATE INFORMATION

CONTINENTAL PETROLEUMS LIMITED

CIN: L23201RJ1986PLC003704

BOARD OF DIRECTORS

**MADAN LAL KHANDELWAL
RADHIKA KHANDELWAL
RAM NATH KAROL
GOVERDHAN DASS SETHI**

**CHAIRMAN AND MANAGING DIRECTOR
NON- EXECUTIVE DIRECTOR
INDEPENDENT DIRECTOR
INDEPENDENT DIRECTOR**

COMPANY SECRETARY & COMPLIANCE OFFICER

SONALI JAIN (w.e.f. June 30, 2018)

**BANKER
HDFC Bank**

**STATUTORY AUDITORS
GOPAL SHARMA & Co., Chartered
Accountants
G-2, Golden Palace, Plot NP. L-2-A, Krishna
Marg, C-Scheme, Jaipur, Rajasthan- 302001
Tel.: 0141-2360700
Email: gopalsharmaco@gmail.com**

REGISTRARS & SHARE TRANSFER AGENTS

BEETAL FINANCIAL & COMPUTER SERVICES PVT. LTD.

Beetal House, 3rd Floor, 99, Madangir, Near Dada Harsukhdas Mandir, New Delhi,
Delhi-110062

Tel. : 011 - 29961281 / 29961282 Fax. : 011 - 29961284

Email : beetal@beetalfinancial.com

Website : www.beetalfinancial.com

REGISTERED OFFICE ADDRESS:

A-2, Tilak Marg, Opp Udyog Bhawan,
C-Scheme, Jaipur, Rajasthan -302005

Tel. : 0141-2222232

Fax. : 0141-2221961

Email : conpetco@gmail.com

Website : www.conpetco.com

FACTORY PREMISES:

Plot No. A-166 & F-162-165,
RIICO Indl. Area, Behror-301707
(Rajasthan)

Tel. : 01494-220018

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CHAIRMAN'S SPEECH

Dear Shareholders,

I Madan Lal Khandelwal, welcome all of you to the 32nd Annual General Meeting of “**Continental Petroleums Limited**”. As you know we have always strived to provide value added products & services to the market, with focus to satisfy the customer needs. Our strength lies in our ability, flexibility & passion to customize Petroleum Lubricants, Greases, Specialty products, Fuels & Solvents to suit & exceed our customers' requirements.

In Last financial Year our Company has seen a growth in all aspect let it be revenue or profit. We have grown as a Company. With our continues efforts, the turnover of our Company has increased from Rs. 229,143,900/- to Rs. 551,850,783/- as compared to the previous financial year 2016-17 and current financial year 2017-18.

Here, I would like to mention that the Company is in the process of increasing its revenue and returns by increasing the production through installation of additional Machinery and marketing of products at large level.

I also thank my entire Board for their contribution towards Company's growth and success by providing their intellectual skills.

I personally believe that employees are assets as well as pillars of the Company and without them Company would not have attained such position in the market. I salute their spirit that motivates them to constantly deliver their best and surpass themselves.

I would also like to take this opportunity to thank all our stakeholders who have contributed to the Company completing its remarkable 31 years in 2017. While we continue to draw inspiration from our past, we remain determined to meet the challenges of the future.

Last but not the least I thank all of you for continuing to work with the Company and there by supporting it in all its endeavors. We will try to serve to better than the Best.

With Best Wishes,

Madan Lal Khandelwal

Chairman cum Managing Director


DIN: - 00414717

DIRECTORS REPORT

To
The Members,
CONTINENTAL PETROLEUMS LIMITED

Your Directors have pleasure in presenting the 32nd Annual Report of your Company along with the Audited Statements of Accounts for the year ended 31st March, 2018.

1. FINANCIAL RESULTS:

Financial Results		 in Rupees
PARTICULARS	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Business Income	551850783.00	229143900.00
Other Income	3584372.00	105279.00
Total Income	555435155.00	229249179.00
Profit/(Loss) before Interest, Depreciation and Tax	24759507.00	13880426.00
Less:		
Interest (finance cost)	7521408.00	4916092.00
Depreciation	3096712.00	2320979.00
Profit/(Loss) before tax	14141387.00	6643355.00
Exceptional Item	87804.00	190321.00
Less:		
Current Tax	4501911.00	1803213.00
Deferred Tax	108043.00	(70781.00)
Profit/(Loss) for the period	9443629.00	4720601.00
Balance brought forward from the previous year	41582275.00	3,68,61,674.00
Capital Reserve	35200.00	35200.00
Total balance carried to Balance Sheet	51025904.00	41582275.00

2. OPERATIONS:

During the year under review the Company has generated Rs. 55,18,50,783/- as revenue from operations against Rs 22,91,43,900/- in the previous year. The net profit of the Company is Rs. 94,43,629/- as against net profit of Rs. 47,20,601/- in the previous year. There was 50% increase in net profit.

3. STATE OF COMPANY'S AFFAIRS:

Information on Companies operations is given in the Management Discussion & Analysis Report forming part of this Report.

4. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There were no material changes occurred subsequent to the close of financial year of the Company to which the balance sheet relates and the date of the report which can affect the financial position of the Company.

5. CHANGE IN NATURE OF BUSINESS:

There is no change in the nature of business during the financial year 2017-18.

6. SUBSIDIARY/ASSOCIATE/ JOINT VENTURE COMPANY:

The Company has no subsidiary, Associate, Joint Venture Company.

7. CONSOLIDATED FINANCIAL STATEMENTS:

As the Company does not have any subsidiary, Associate, and Joint Venture Company. This is no need to consolidated the Financial Statements.

8. DIVIDEND:

With the view to conserve the resources of Company the Directors does not recommend any dividend for the financial year 2017-18.

9. RESERVES:

No amount is carried to any reserves during the period under review.

10. DEPOSITS:

The Company has not accepted any deposits during the year under review or in earlier years.

11. SHARE CAPITAL:

The Company has 2780312 Equity Shares of Rs. 10/- each amounting to Rs. 2,78,03,120 during the year under review; the Company has not issued any shares or any convertible instruments.

The Company has only one class of Equity Share having a par value of Rs. 10/-. Each holder of share is entitled to one vote per share with same rights.

During the Year 2017-18, the Company has not made any issue of equity shares with differential voting rights, Sweat Equity Shares and Employee Stock Option.

12. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013 with respect to Directors' Responsibility Statement it is confirmed that-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) Such accounting policies have been selected and applied consistently and judgments and estimates have been made 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 and of the loss of the Company for that period;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis.
- (e) That internal financial controls were laid down to be followed and that such internal financial controls were adequate and were operating effectively.
- (f) That proper system was devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has proper place and adequate internal control system commensurate with the nature of its business, size and complexity of its operations. internal control system comprising of policies and procedures and designed to ensure reliability of financial reporting, timely feedback on achievements of operational and strategic goals, compliance with policies, procedures applicable laws and regulations, and all assets and resources are acquired economically, used efficiently and adequately protected.

14. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The provisions of Section 135 of the Companies Act, 2013, relating to Corporate Social Responsibility does not apply to the Company.

15. SIGNIFICANT AND MATERIAL ORDERS:

No significant or material order has been passed by the Regulators/Courts or Tribunals which can impact the going concern status and Company's operation in future.

16. CORPORATE GOVERNANCE:

The Corporate Governance Report, which forms an integral part of this Report, are set out separately together with the Certificate from the Auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015.

17. MANAGEMENT DISCUSSION & ANALYSIS REPORTS:

The Management Discussion & Analysis Report as required under the SEBI (LODR) Regulations, 2015 forms an integral part of this Report.

18. INTERNAL AUDITOR:

M/s Ajay Khandelwal & Associates were appointed as an Internal Auditor of the Company for the financial year 2018-19 under the provisions of Companies Act, 2013 and he has completed the Internal Audit as per the scope defined by the Audit Committee.

19. VIGIL MECHANISM:

In Accordance of Section 177 of the Companies Act, 2013 the Company has constituted a Whistle Blower policy/ Vigil Mechanism to establish a vigil mechanism for the Directors and employees to report genuine concerns in such manner as may be prescribed and to report to the management instances of unethical behavior, actual or suspected fraud or violation of Company's code of conduct.

20. RISK MANAGEMENT:

The Company has implemented an integrated risk management approach through which it reviews and assesses significant risk on a regular basis to ensure that there is a robust system of risk controls and mitigation in place.

Senior management periodically reviews the risk management. The management is however, of the view that no risk element is identified which in opinion of the Board may threaten the existence of the Company.

21. AUDITORS:

a) Statutory Auditors

M/s Gopal Sharma & Co., Chartered Accountants, who was appointed as Statutory Auditors of the Company for financial year 2017-18. M/s Gopal Sharma & Co., provides their certificate of eligibility for their re-appointment.

The Audit Committee & Board recommends its appointment to Members in this 32nd Annual General Meeting for a term of four years i.e. FY 2018-19 to FY 2021-2022.

b) Auditors Report:

The observations made by the Auditors in their report read with relevant notes as given in the Notes on Accounts annexed to the Accounts, are self-explanatory and thereof do not call for any further comments under Section 134 (3) (f) of the Companies Act, 2013.

The Auditors of the Company have not raised any queries or made any qualification on the Accounts adopted by the Board which were then audited by them.

c) Secretarial Auditors:

The Board has appointed **M/s MKGP & Associates**, Company Secretaries in Whole-time Practice, to carry out Secretarial Audit of the Company under the provisions of Section 204 of the Companies Act 2013.

d) Secretarial Audit Report:

The Report of Secretarial Auditor is annexed with this report as **Annexure-I**.

In connection with the Auditor's observation in the report, it is clarified by the Board of Directors as under:

- 1. The Company has already made the application and reminder mails for listing of 315000 shares on BSE but does take any initiative action by it.*
- 2. The Company will update its website by the end of this month.*
- 3. The Company has delayed in submitting outcome of Board Meeting held on 4th April, 2017 to BSE, but after knowing they have submitted the same to BSE.*
- 4. Unknowingly, the outcome of Board Meeting held on 29th November, 2017 was not submitted to BSE.*

22. RELATED PARTY TRANSACTIONS:

All the related party transactions that were recorded during the financial year were on an arm's length basis and were in the ordinary course of business. There are no material/ significant related party transaction made by the Company which has a potential conflict with the interest of the Company. Hence AOC-2 is not attached, as it is not required. The Board has framed a policy on related party transaction

23. HUMAN RESOURCES:

Company values its Human Resources the most. To keep their morale high, Company extends several welfare benefits to the employees and their families by way of comprehensive medical care, education, housing and social security.

24. MANAGING GRIEVANCES:

Our Company's Grievance Redressal Mechanisms ensure that all employees can raise issues and concerns as simply as possible. The Whistle Blower Policy provide for reporting in confidence of issues like child labour, etc. During the year, there have been no complaints alleging child labour, forced labour, involuntary labour and discriminatory employment.

Further, as per the Child Labour (Prohibition & Regulation) Act 1986 Company takes due care about child labour and in the management of the Company there is no employee whose age is below 18 years of age.

25. DIRECTORS/KMP:

Radhika Khandelwal, Director of the Company, is retiring by rotation at ensuing Annual General meeting and being eligible, offers himself for reappointment.

During the Financial Year there was no change in Directors/KMP. But after the financial year, Balvinder Singh Guleri has resigned from the post of Company Secretary & Compliance Officer, and Ms. Sonali Jain was appointed in Board Meeting w.e.f. 30/06/2018 as Company Secretary & Compliance Officer.

The brief profile, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, of the Director eligible for appointment/ re-appointment forms part of the Corporate Governance Report.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has Independent Directors on the Board and also one women Director as per requirement of Companies Act, 2013.

26. MEETINGS OF BOARD OF DIRECTORS:

During the financial year 2017-2018, the Board of Directors met Nine times. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report.

27. INDEPENDENT DIRECTORS MEETING:

During the year under reference one meeting of Independent Directors was held on 24th February, 2018 in compliance with the requirement of Schedule IV of the Companies Act, 2013. At the said meeting performance of non-independent Directors, Board as a whole and Chairman of the Company was reviewed.

28. NOMINATION AND REMUNERATION COMMITTEE & AUDIT COMMITTEE:

The composition of the Nomination & Remuneration Committee & Audit Committee is stated in the Corporate Governance Report. All the recommendations of the Audit Committee were accepted by the Board during the financial year 2017-18.

29. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance for sexual harassment at work place and has a policy on prevention, prohibition and redressal of sexual harassment at work place in the line of provisions of Sexual Harassment of women at work place (Prevention, Prohibition and Redressal), Act, 2013 and the rules framed there under. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. No complaint of sexual harassment was received during the financial year 2017-18.

30. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:

Details of Loans, Guarantees and Investments, if any, covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.