

CONTINENTAL PETROLEUMS LIMITED

27th Annual Report 2012-2013

Mobolene[®]
high performance lubricants

Automotive Oils | Industrial Oils | Greases | Speciality Oils

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. - Jaipur
Auditors	:	M/s R.P. Khandelwal & Associates Chartered Accountants, Jaipur
Registered Office	:	A-2, Opposite Udyog Bhawan Tilak Marg, C-Scheme, JAIPUR - 302 005 (Rajasthan) INDIA Phone : 0141 - 222 22 32 Fax : 0141 - 222 19 61 E-mail : conpetco@gmail.com Web : www.conpetco.com
Factory Premises	:	Plot No. A-166 & F-162-165, RIICO Indl. Area Behror - 301 701, Rajasthan (India) Phone : 01494-220 018
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-110 062 (India) Ph.: 011 - 299 61 281 Fax : 011 - 299 61 284 Mr. Punit Mittal, Gen. Manager (M :+98102-76579) Email: beetalrta@gmail.com, beetal@rediffmail.com

CONTENTS

Sl. No.	Topics	Page No.
1.	Notice	1
2.	Director's Report	5
3.	Auditor's Report	8
4.	Balance Sheet	11
5.	Profit & Loss Account	12
6.	Cash Flow Statement	13
7.	Notes	15
8.	General Business Profile	24

NOTICE OF THE 27th ANNUAL GENERAL MEETING:

Notice is hereby given that 27th Annual General Meeting of Continental Petroleums Ltd. will be held on Saturday, the 28th September, 2013 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, 2013 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. Radhika Khandelwal who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration.

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 23rd September, 2013 to 28th September, 2013 (both days inclusive).

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

Dated 30th May, 2013

By order of Board of Directors

M.L.Khandelwal
Chairman and Managing Director

COMPLIANCE CERTIFICATE

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 Ltd. as required to be maintained under the Companies Act 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on 31st March, 2013 (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 years:

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 there in have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure-B to this certificate, with the Registrar of the 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 four times respectively on 30.05.2012, 14.08.2012, 12.11.2012, and 14.02.2013, in respect of which meetings proper notices were given and the proceedings 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 24.09.2012 to 29.09.2012 during the financial year and compliance made..
6. The annual general meeting for the financial year ended on 31st March, 2012, was held on 29.09.2012, after giving due notice to the members of the company and the resolutions passed there at were duly recorded in minutes book maintained for the purpose.
7. No extra-ordinary general meeting was held during the financial year.
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
10. As explained to us, provisions of section 301 of the Act were complied with where required during the year.
11. As explained to us, provisions of section 314 of the act where required were complied with during the financial year .
12. The company has not issued any duplicate share certificates during the financial year.
13. The company has:
 - (i) Delivered all the certificates on allotment of securities and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - (ii) The company has not deposited any amount in a separate bank account towards dividend as no dividend was declared during the financial year;
 - (iii) The company was not required to post warrants to any member as no dividend was declared during the financial year;

- (iv) The company has no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and interest thereon, as unclaimed or unpaid for seven years which were transferable to investor education and protection fund;
- (v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.
15. The compliance if any with provisions of section 269 of the act was made.
16. The company has not appointed any sole-selling agents during the financial year.
17. The company was not required to obtain any approvals of the central government, company law board, regional director, registrar under various provisions of the act during the financial year. However, company made an application to Bombay Stock Exchange for In-Principle approval of 3,15,000 convertible warrants pursuant to the provisions of listing agreement which is yet under their consideration, as explained by officers of company
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the act.
19. The company has issued 122000 equity shares of Rs.10 each (by conversion of warrants) during the financial year.
20. The company has not bought back any shares during the financial year.
21. The company has not redeemed any preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A of the act during the financial year.
24. The amount borrowed by the company from directors, financial institutions, banks and other during the financial year are within the borrowing limits of the company under provisions of section 293(1) (d) of the Act.
25. The investments made if any in securities are in compliance with provisions of section 372A of the Act.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year.
29. The company has not altered provisions of memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its Articles of Association during the year under the scrutiny.
31. As explained to us, there was no prosecution initiated against or show cause notice received by the company and no fines, penalties or other punishment imposed on the company during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. As explained to us, the company has deposited both employees and employer's contributions to provident fund with prescribed authority under section 418 of the Act during the financial year.

Place : Jaipur
Date: 30th May, 2013

Signature : for C.M. Bindal & Co.,
Name of C.S. (C.M. Bindal PROPRIETOR)

Annexure-A

Registers as maintained by the company:

1. Register of Members u/s 151.
2. Minutes Books of Board & Members Meetings u/s 193.
3. Books of Accounts u/s 209.
4. Register of Directors u/s 303.
5. Register of Directors' shareholdings u/s 307.
6. Copies of Annual Returns u/s 159/160/161.
7. Register of contract u/s 301.
8. Register of Charges u/s 143.

Annexure-B

Forms and Returns as filed by the company with the register of companies, Regional director, central government or other authorities during the financial year ending on 31st march, 2012;

1. Form no. 23AC & 23ACA dated 31.03.2012 filed vide SRN no. Q05783600 dated 12.01.2013 u/s 220.
2. Form No 20B made up to 29.09.2012 filed vide SRN NO. Q02858413 dated 27.11.2012 u/s 159/161.
3. Form No. 66 dated 31.03.2012 filed vide SRN no. P91835660 dated 25.10.2012 u/s 383A (1) proviso.
4. Form No. 23 dated 29.09.2012 filed vide SRN No. B59474379 dated 12.10.2012 u/s 192.
5. Form No. 2 dated 30.06.2012 filed vide SRN No. S14262091 dated 29.09.2012 u/s 75.

DIRECTORS' REPORT

Your Directors are pleased to present 27th Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

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

(Rs. in Lacs)

	2012-2013	2011-2012
Sales	1988.36	1487.49
Other Income	330.07	434.94
Gross Profit before Interest, Depreciation & Adjustments	132.51	132.94
Interest	18.64	8.48
Depreciation	14.87	12.12
Net Profit/ (Loss) before tax	99.00	112.34
Net Profit/(Loss) after tax	69.76	78.64
Balance of Profit/(Loss) Brought - forward from last year	132.43	53.79
Balance carried forward to Balance Sheet	202.19	132.43

DIVIDEND

Your Directors have decided not to pay dividend for the year 2012-2013 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. 1988.36 Lacs as against Rs. 1487.49 Lacs in the previous year, recording 33.67% increase. The income from Hazardous Waste Management activities etc. has decreased from Rs. 434.94 Lacs to Rs. 330.07 Lacs as compared to previous year. The Net Profit was Rs. 69.76 Lacs as compared to net profit of Rs. 78.64 Lacs in the previous year.

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 have been received. 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

Smt. Radhika Khandelwal retires by rotation and being eligible offers herself for re-appointment at forthcoming Annual General Meeting.

CONTINENTAL PETROLEUMS LIMITED

SHARE CAPITAL

The Company had issued 315000 convertible warrants in the year 2010-11 out of which all the 315000 warrants are converted in 315000 equity shares. However, the listing permission of aforesaid shares is still pending with the Mumbai Stock Exchange.

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, 2013.
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, 2013 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	2012-2013	2011-2012
i) Electricity own generation by D.G. Set Units	KWH	10617	90000
Unit per Ltr. of Diesel Oil	KWH	0.280	0.299
Cost/Unit	Rs.	12.05	11.55
ii) Fuel Oil (Diesel/LDO/FO/GO) Quantity	Ltr.	304777	554958
Total Amount	Rs.	14629301	21466775
Average Rate/Unit	Rs.	48.01	38.68
iii) Consumption per Unit of production (Lubricating Oils) Fuel Oil	Ltr.	0.035	0.033

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. and out go on purchase of lubricants was Rs 5401118/-

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

Dated 30th May, 2013

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, 2013 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 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, 2013.

For R.P. Khandelwal & Associates
Chartered Accountants

Place: Jaipur
Date: 30th May, 2013

R.P. Khandelwal
Partner

Annexure to the Auditor's Report

Referred to in paragraph 1 above of even date:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. The fixed assets have been physically verified by the management during the year and we are informed that no material discrepancies were noticed on such verification.
2. The company has not disposed off substantial part of the fixed assets which affects the going concern of the company.
3.
 - a) The inventory has been physically verified by the management at reasonable intervals during the year.
 - b) In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relations to the size of the company and nature of its business.
 - c) The Company has maintained proper record of inventory and no material discrepancies were noticed on the physical verification of inventory as compared to book records except minor discrepancies and the same have been dealt with in the books of accounts.
4. On the basis of our examination of stocks we are satisfied that the valuation of stocks of finished goods, spare parts and raw material is fair and proper in accordance with the normally accepted accounting principles and is generally on the same basis as in the previous year.
5. The Company has not taken unsecured loans, (interest free) from companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956. As explained, there is no company under the same management as the company within the meaning of Section 370 (1-B) of the companies Act, 1956 which is not prejudicial to the interest of the company.
6. The Company has not given any loans and advance in the nature of loans to the employees except the temporary loans given to staff as per contractual obligation and the same are being recovered as per stipulation except minor delays.
7. In our opinion and explanations given to us, internal control procedures for the purchase of stores, raw materials including components, plant & machinery, equipments and other assets, and for the sale of goods are commensurate with the size of the company and nature of its business.
8. There are no transaction of purchase of goods and material and sale of goods, materials and services aggregation to Rs. 5.00 Lacs or more in respect of each party in pursuance of contracts for arrangements that need entered in the register maintained under section 301 of the Companies Act, 1956.
9. The Company has not accepted any deposit from public under section 58A & 58AA of the Act.
10. In our opinion the Company's internal audit system commensurate with its size and nature its activities. However it require further strengthen. The Company has appointed chartered accountant to perform internal audit.
11. We are informed that the Central Govt. has prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and the company has complied with provision of sec. 209 (1) (d) of the said Act.
12. As verified by us, the company is regularly depositing Employees' State Insurance and Provident fund dues with appropriate authorities.
13. (a) As verified by us, there are no un-disputed amount payable in respect of income tax, wealth-tax, custom duty, sales-tax and excise duty, outstanding for a period of more than 6 months from the date they became payable.

CONTINENTAL PETROLEUMS LIMITED

- (b) In respect of following disputed demand, the Company has filed appeals to various appropriate courts / Appellate Authorities to seek justice and the same are pending for decision by appropriate authorities/ courts.
- (i) Rajasthan Sales Tax demand of Rs 21,21,408/- (Assessment Year 2001-2002)
- (ii) Rajasthan Sales Tax demand of Rs. 6,94,412/- (Assessment Year 2002-2003)
- (C) The sales Tax Deptt. has challenged the decision (already decided in favor of the company) in the Rajasthan Tax Board for demand of Rs. 7,89,699/- for assessment year 1994-95
14. The Company is not sick unit under SICA.
15. In our opinion and to the best of the information and explanation given to us the company has taken secured loan car loan of Rs.485941 from the financial institutions and working capital loan from Bank of Rs 3838708.
16. The Company has not granted any loan and advances on the basis of pledge of shares, debentures and other securities. Accordingly clause 4 (xiii) of the order is not applicable.
17. In our opinion and to the knowledge and explanation given to us the Company is not a chit fund/ nidhi/ mutual benefit fund/ society. Accordingly clause 4 (xiii) is not applicable.
18. According to the information and explanation given to us, the Company is not dealing or trading in shares securities, debenture and other investment. Accordingly, clause 4(xiii) of the order is not applicable.
19. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from bank or financial institutions.
20. According to the information and explanation given to us and on the basis of our examination of the books of account, the term loans obtained by the company in the past were applied for the purpose for which such loans were obtained.
21. According to the information and explanation given to us and on an the basis of our examination of the Balance Sheet of the Company, we are of the opinion that no fund raised on short - term basis have been used for long term investment. The Company has taken the car loan of Rs. 4,85,904/-
22. The Company has issued 3,15,000 fully convertible warrants of Rs.10/- each to promoter on preferential basis at a premium of Rs. 13/- per share i.e. Rs.23/- per warrant in 2011 out of which during the year 1,22,000 fully convertible warrants were converted into equity share capital in equal number of equity shares during the year. This issue is subject to approval of Bombay Stock Exchange which is still awaited.
23. The Company has not issued any debenture. Accordingly, cause 4(xix) of the order is not applicable.
24. The Company has not made any public issue, therefore, the clause of disclosure the end use of money raised by public issues is not applicable this year.
25. We have been informed that no employee of the company has misappropriated fund of the Company.

For R.P. Khandelwal & Associates
Chartered Accountants

Place: Jaipur
Date: 30th May, 2013

R.P. Khandelwal
Partner

CONTINENTAL PETROLEUMS LIMITED

BALANCE SHEET AS ON 31ST MARCH 2013

Particulars	Note No.	Year ended 31st March, 2013 Amount in Rs.	Previous Year 31st March, 2012 Amount in Rs.
Equities & Liabilities :			
Shareholders Fund:			
a) Share Capital	1	2,78,03,120	2,65,83,120
b) Reserves & Surplus	2	3,19,44,297	2,32,49,243
c) Money received against warrants		00	28,06,000
Non-current liabilities			
a) Long term borrowings	3	00	00
Deferred Tax liabilities (net)	4	11,68,136	9,83,964
Other long term liabilities	5	4,85,904	9,81,880
Current Liabilities			
Short term borrowings	6	38,38,708	68,72,289
Trades payable	7	3,87,45,926	2,87,48,284
Other current liabilities	8	67,92,780	83,64,781
Short term provision	9	10,66,627	14,76,570
Total		11,18,45,498	10,00,66,131
Assets			
Non-current assets			
Fixed assets			
Tangible asset	10	2,05,19,941	2,03,81,590
Current asset			
Inventories	11	4,65,08,290	3,45,89,993
Trade receivables	12	3,79,89,771	3,98,26,571
Cash & cash equivalent	13	5,26,423	13,26,237
Short terms loan and provision	14	61,74,557	38,40,505
Other current assets		1,26,516	1,01,235
Total		11,18,45,498	10,00,66,131

Significant accounting policies

Notes on accounts 1-36

As per our Audit Report of even date Annexed

For and on behalf of Board

For R.P. KHANDELWAL & ASSOCIATES,
Chartered Accountants
R.P. Khandelwal
Partner

R.N.Karol (Director)
Radhika Khandelwal (Director)
M.L.Khandelwal
(Chairman & Managing Director)

Place: Jaipur
Date: 30th May, 2013

CONTINENTAL PETROLEUMS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Note No.	Year ended 31st March, 2013 Amount in Rs.	Previous Year 31st March, 2012 Amount in Rs.
Revenue			
Revenue from operation (Net)	15	19,88,36,326	14,87,49,120
Other income (operative)	16	3,30,06,787	4,34,94,231
Total revenue (A)		23,18,43,113	19,22,43,351
Expenses			
Cost of raw material consumed	17	18,95,40,668	14,22,55,801
Purchases of stock in trade		-	-
Change in finished goods and stock in process	18	(11,37,015)	(16,38,455)
Employees benefit expenses	19	52,59,732	46,40,493
Power & Fuel		1,53,52,856	2,23,77,066
Finance cost	20	18,63,973	8,48,340
Depreciation Exp		14,86,556	12,11,606
Other expenses	21	95,75,377	1,13,14,518
Total expenses (B)		22,19,42,147	18,10,09,369
Profit After Depreciation (A-B)		99,00,966	1,12,33,982
Tax Expenses :-			
Current Tax Expenses		27,40,038	31,03,756
Deferred Tax credit		1,84,172	2,65,947
		29,24,210	33,69,703
Net profit after Tax		69,76,756	78,64,279
Brought Forward from previous year		1,32,42,972	53,78,693
Balance Carried Forward To Balance Sheet		2,02,19,728	1,32,42,972
Basic & Diluted earning per Share (Nominal Value of Rs. 10/- per Share)		2.83	3.18

Significant accounting policies

Notes on accounts 1-36

As per our Audit Report of even date Annexed

For and on behalf of Board

For R.P. KHANDELWAL & ASSOCIATES,
Chartered Accountants
R.P. Khandelwal
Partner

R.N.Karol (Director)
Radhika Khandelwal (Director)
M.L.Khandelwal
(Chairman & Managing Director)

Place: Jaipur
Date: 30th May, 2013

CONTINENTAL PETROLEUMS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013 (Rs. In Lacs)

	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
A. Cash Flow from Operating Activities		
Net profit/(Loss) after tax and before extraordinary items	69.77	78.64
Adjustments for:		
Depreciation	14.86	12.12
Interest/Dividend Income	-	-
Interest Charged	18.64	8.48
Deferred tax	1.84	-
Income tax	27.40	31.04
Operating Profit before Working Capital Changes	132.51	130.28
Adjustments for :		
Trade & Other Receivables	18.38	(41.56)
Inventories	(119.18)	(174.72)
Trade Payables & Other Liabilities	80.15	139.68
Advances	(23.60)	13.58
Cash Generated from Operations	88.26	67.26
Income Tax Paid	(27.40)	(31.04)
Increase in deferred tax provision	1.84	2.66
Interest Paid-Gross	(18.64)	(8.48)
Net Cash from Operating Activities (A)	44.06	30.40
B. Cash Flow from Investing Activities		
Purchased of Fixed Assets - net of Interest capitalized	(1.38)	(43.83)
Interest Received	0.61	
Net Cash used in Investing Activities (B)	(0.77)	(43.83)
C. Cash Flow from Financing Activity		
decrease in Borrowings	(35.29)	22.41
Increase in share holders funds/ share premium	-	-
Net Cash generated in Financing Activities (C)	(35.29)	22.41
Net (Decrease)/Increase in Cash & Cash equivalents (A+B+C)	8.00	8.98
Cash & Cash equivalents at start of the year	13.26	4.28
Cash & Cash equivalents at close of the year	5.26	13.26

For and on behalf of Board

R.N.Karol (Director)
Radhika Khandelwal (Director)
M.L.Khandelwal
(Chairman & Managing Director)

Place : Jaipur
Date : 30th May, 2013

AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of Continental Petroleums Limited for the year ended 31st March, 2013. The Statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause - 32 with Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company however the figures have been regroup or rearranged covered by our report of 30th May, 2013 to the Members of the Company.

As per our Audit Report of even date Annexed

For R.P. KHANDELWAL & ASSOCIATES
Chartered Accountants

R.P. KHANDELWAL
Partner

Place : Jaipur
Date : 30th May, 2013

NOTES**1) SHARE CAPITAL:**

Authorized:

30,00,000 (Previous Year 30,00,000)

Equity Shares of Rs.10/- each.

Issued, Subscribed and paid-up:

27,80,312 (Previous Year 26,58,312)

Equity Shares of Rs.10/- each

fully paid-up in cash

a) Reconciliation of the number of share outstanding and the amount of share capital

Balance are the beginning of the year

Add. Conversion of prerential warrants
into equity shares

Balance at the end of the year

b) Detail of shares holding more than 5%**c) Rights Preference and restriction attached to equity shares.****2) RESERVES & SURPLUS:**

Capital Reserve

General Reserve

Share premium

Surplus in statement of profit & loss

3) LONG TERM BORROWINGS SECURED:**4) DEFERRED TAX LIABILITIES (NET)**

Relating to fixed assets.

Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
3,00,00,000	3,00,00,000
2,78,03,120	2,65,83,120
2,78,03,120	2,65,83,120
26,58,312	25,35,312
1,22,000	1,23,000
27,80,312	26,58,312
No person is holding more than 5% share holding in the capital of the company.	
The company has only one class of equity share having a paidup value of Rs 10/- each. All shares are ranking pari passu in all respect.	
35,200	35,200
74,62,071	74,62,071
42,27,299	25,09,000
2,02,19,728	1,32,42,972
3,19,44,298	2,32,49,243
00	00
00	00
11,68,136	9,83,964
11,68,136	9,83,964

CONTINENTAL PETROLEUMS LIMITED

	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
5) OTHER LONG TERM LIABILITIES		
HDFC BANK LTD	4,85,904	9,81,880
	4,85,904	9,81,880
6) SHORT TERM BORROWING		
	38,38,708	68,72,289
	38,38,708	68,72,289
<p>Note : (a) Short term borrowings from HDFC bank Ltd are secured by first charge on immovable properties, movable properties & Book Debits of the Company. These borrowing facilities are availed to manage working capital requirements.</p>		
7) TRADE PAYABLE		
Trade creditors relating to supply of goods.	3,87,45,926	2,87,48,284
	3,87,45,926	2,87,48,284
8) OTHER CURRENT LIABILITIES		
Creditor for expense	2,11,810	25,16,265
Duties & Taxes	28,48,009	26,19,113
Tax Deducted or source	14,719	-
Entry tax of	-	19,550
Advance received from customers	37,18,242	32,09,853
	67,92,780	83,64,781
9) SHORT TERM PROVISIONS		
Outstanding liabilities	96,149	5,00,816
Provision for Bonus	1,50,000	1,60,000
Provision for Doubtful Debts	8,02,352	8,02,352
Provision for MAT	1,257	1,257
Provision for salary	16,869	12,145
	10,66,627	14,76,570

10) FIXED ASSETS

(Amount in Rs.)

Particulars	Gross Block			Depreciation			Net Block	
	Balance as on 01.04.2012	Addition (Deletion) in year	Total as on 31.03.2013	Upto 31.03.2012	Provided during the year	Total as at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Land	844529	-	844529	-	-	-	844529	844529
Building	9754953	372358	10127311	4892824	331035	5223859	4903452	4862129
Computer	358309	-	358309	237468	58082	295550	62759	120841
Plant & Machinery	43444254	918362	44362616	33211402	579079	33790481	10572135	10232852
Furniture & Fixtures	1456936	210677	1667613	534055	68706	602761	1064851	922880
Office Equipments	495780	123510	619290	188185	28299	216484	402807	307595
Vehicles	4435318	-	4435318	1344554	421355	1765909	2669408	3090764
Total	60790079	1626907	62414986	40408488	1486556	4189544	20519941	20381590
Previous year figures	56407307	438277	60790079	39196879	1211609	40408488	20381590	17210428

CONTINENTAL PETROLEUMS LIMITED

	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
11) INVENTORY (At Cost)		
Raw material	4,04,08,390	2,96,27,108
Stock in Process	6,18,864	5,20,820
Finished Goods	54,81,036	44,42,065
	4,65,08,290	3,45,89,993
12) SUNDRY DEBTORS		
(Unsecured & Secured Good)		
Outstanding for a period of exceeding 6th months from the date they are due for payment	59,98,268	67,37,202
Others Debts	3,19,91,503	3,30,89,369
	3,79,89,771	3,98,26,571
13) CASH & CASH EQUIVALENTS		
Fixed deposit in Bank	35,000	11,33,999
Cash in hand	2,18,305	29,477
Bank Balance in current A/C	2,73,118	1,62,761
	5,26,423	13,26,237
14) SHORT TERM LOANS & PROVISIONS		
Advance payment to supplier of goods	49,98,917	13,35,538
Advance payment for other expenditure	6,89,896	14,62,570
Advance payment of taxes	00	5,80,587
Payment of Taxes under protest	4,00,774	4,00,774
Security deposits	84,970	61,036
	61,74,557	38,40,505
15) REVENUE FORM OPERATION SALES OF PRODUCTS		
Manufactured goods (lubricants)	19,88,36,326	14,87,49,120
	19,88,36,326	14,87,49,120
16) OTHER INCOME (OPERATIVE)		
Incineration of Hazardous waste	3,29,46,173	4,34,94,231
Interest recpt	60,614	00
	3,30,06,787	4,34,94,231
17) COST OF RAW MATERIAL CONSUMED		
Inventory at the beginning of the year	2,96,27,107	1,37,93,351
Add. Purchases during the year	20,03,21,951	15,80,89,557
Less : Inventory at the end of the year	4,04,08,390	2,96,27,107
Cost of Raw material consumed	18,95,40,668	14,22,55,801

18) CHANGE IN INVENTORIES OF FINISHED GOODS AND

	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
Stock in process		
Opening Stock	44,42,065	28,82,515
Finished goods	5,20,820	4,41,915
WIP	00	00
	49,62,885	33,24,430
Closing Stock		
Finished goods	54,81,036	44,42,065
WIP	6,18,864	5,20,820
	60,99,900	49,62,885
(Increase) Decrease	(11,37,015)	(16,38,455)
19) EMPLOYEE BENEFIT EXPENSES		
Salary wages & bonus	51,55,496	45,33,348
Contribution to provident funds & ESI	77,694	77,152
Staff Welfare Expenses	26,542	29,993
	52,59,732	46,40,493
20) FINANCE COST		
Interest on Bank borrowing etc	18,63,973	8,48,340
	18,63,973	8,48,340
21) OTHER EXPENSES		
Travelling & Conveyance Expenses	5,94,460	6,35,166
Repair, Running & Maintenance Expenses	8,95,431	12,62,287
Postage, Telephone & Telegram Expenses	2,27,713	2,35,002
Insurance Charges	2,50,258	1,78,907
Legal & Professional Charges	1,15,290	1,73,524
Rent, Rates & Taxes	12,20,895	7,43,326
Electricity & Water Expenses	71,431	53,093
Printing & Stationary	93,100	1,68,385
Selling & Distribution Expenses	16,89,855	21,12,816
Payment to Auditors:	30,000	30,000
Other Expenses	43,86,940	57,22,012
	95,75,373	1,13,14,518
22) Earning per Shares		
Net profit after tax	69,76,756	78,64,279
No. of share used in computing EPs (Basic)	24,65,312	24,65,312
Earning per share after tax (Basic)	2.83	3.18
Face value per share	10.00	10.00

Note : The Company has issued 315000 convertible warrents to promoters on preferential basis and the warrents are converted into equity shares.
These shares are not considered for calculation of EPS due to permission for listing of these shares are pending with Mumbai stock exchange Ltd.

CONTINENTAL PETROLEUMS LIMITED

23) CONTINGENT LIABILITIES NOT PROVIDED FOR

(i) Disputed demand of Rajasthan Sales Tax for the amount of Rs.7,89,699/- raised by Commercial Taxes Department, Jaipur, for the assessment year 1994-95. Against above order the Company had filed an appeal before Dy. Commissioner (Appeals) Jaipur which has been decided in favour of the company. Thereafter the department had filed an appeal before Rajasthan Tax Board, Ajmer against above Dy. Commissioner's order.

(ii) (a) Disputed demand of Rs. 21,21,408/- raised by Asst. Commissioner, Rajasthan Sales Tax Jaipur pertaining to the assessment year 2001-02

(b) Disputed demand of Rs. 6,94,412/- raised by Asst. Commissioner, Rajasthan Sales Tax Jaipur pertaining to the year 2002-2003.

The Company had filed appeals against both the above demands (a) & (b) before Dy. Commissioner (Appeals), and the same were decided on 27.01.2009 against the Company. Thereafter, the Company had filed appeals before Rajasthan Tax Board, Ajmer against the above Dy. Commissioner's orders and the same are under pending for decision.

24) Other income includes inter alia Rs. 3,29,46,173/- (Previous year Rs. 4,34,94,231/-) received from operations carried out by the company on Hazardous Waste Management.

25) The Company has issued 315000 convertible warrants to promoter on preferential basis at Rs. 23.00 per warrant out of which all 3,15,000 warrants are converted in to equal number of equity shares. This issue is subject to listing permission by Bombay Stock Exchange which is still awaited.

26) Depreciation has been provided on SLM basis at the rates prescribed in Schedule XIV of the Companies Act 1956 as amended by Notification No. GSR 756 (E) dated 16.12.1993 and where there is an addition, the same has been provided on pro-rata basis.

27) Provision for liabilities of Gratuity payable has not been made, as the same shall be accounted for as and when it will be paid.

28) Payment of Managing Director's Remuneration of Rs. 9,00,000/- is as per sanction of Shareholders at the Extraordinary General Meeting of Company held on 30th March, 2010.

29) Particulars of employees who were in receipt of remuneration not less than Rs. 60,00,000/- per year, if employed throughout the year and Rs. 5,00,000/- per month, if employed for a part of the year. (Previous year Rs. 60,00,000/- per annum or Rs. 5,00,000/- per month).

No. of Employees	Employed Full Year	Employed for part of the year
	Nil (Previous Year - Nil)	Nil (Previous Year - Nil)

30) Information pursuant to Para 3,4c and 4-d of the part II of Schedule-VI of the Companies Act, 1956. Lubricants for Rs. 5,42,24,171/- Lacs were imported/High-Sea basis during the year and imported directly lubricant for Rs. 5,40,118 Expenditure in foreign currency during the year was nil

31) Information related to licensed and installed capacity, production etc.

CLASS OF GOODS MANUFACTURED

a. Licensed/Installed Capacity
(R.M Feed Rate Per Annum)
- Lubricating Oil/Fuel Oil

b. Actual Production/Purchases
- Lubricating Oil/ Grease/others

Unit	Current Year	Previous Year
KL	18,000.00	18,000.00
KL	2513.133	2,366.319

CONTINENTAL PETROLEUMS LIMITED

	CURRENT YEAR		PREVIOUS YEAR	
	QTY.KL	Value (Rs. In Lacs)	QTY.KL	Value (Rs in Lacs)
c. Opening Stock				
- Lube oil/Grease /others	88.539	44.42	50.578	28.83
d. Sales				
- Lube Oil/Grease/Others	2518.131	1988.36	2233.342	1487.49
e. Closing stock				
- Lube Oil/Grease/Others	83.541	54.81	88.539	44.42

32) Consumption of Raw Materials:

	CURRENT YEAR		PREVIOUS YEAR	
	QTY.KL	Value (Rs. In Lacs)	QTY.KL	Value (Rs in Lacs)
(a) Details of Consumption/ Purchase towards entire plant operation				
Used oil/ Base oil	3227.950	1666.63	3307.29	1225.17
Chemicals & Stores		91.45		51.50
Packing Materials		137.33		145.89
		1895.41		1422.56
(b) Aggregate Consumption/ Purchases of Raw Material				
	Value	Percentage	Value	Percentage
	Rs in Lacs		Rs in Lacs	
Imported raw material	484.67	25.57%	540.90	38.02%
(At Factory Delivered Cost)				
Indigenous	1410.74	74.43%	881.66	61.98%
	1895.41	100%	1422.56	100%

33) Segment Reporting: Company is engaged in sole activity of manufacturing and marketing of Lubricants, Greases and fuel oils. There is nothing to disclose with respect to Accounting Standard dealing with "Segment Reporting" (AS-17), issued by the Institute of Chartered Accountants of India.

34) Previous year figures have been regrouped or re-arranged where considered necessary.

CONTINENTAL PETROLEUMS LIMITED

35) Following disclosure has been made as per the requirements of Accounting Standard 18 on "Related Party Disclosures" (As 18), issued by the Institute of Chartered Accountants of India-

(All in Rs.)

<i>Related Parties</i>	<i>Nature of Relationship</i>	<i>Transactions</i>	<i>Amount (Rs.) 2012-2013</i>	<i>Balance outstanding on 31.03.13</i>	<i>Amount (Rs.) 2011-2012</i>	<i>Balance outstanding on 31.03.12</i>
<i>Mr. M.L. Khandelwal Management</i>	<i>Key Personnel</i>	<i>Remuneration, Rent</i>	<i>9,00,000 1,08,000</i>	<i>(-)48,726</i>	<i>9,00,000 1,08,000</i>	<i>(-)38,388</i>
<i>Mr. Navneet Khandelwal</i>	<i>Relative of Key Management Personnel</i>	<i>Salary Rent</i>	<i>8,75,000 1,80,000</i>	<i>(-)89,134</i>	<i>6,07,500</i>	<i>529</i>
<i>Unique Techno Associates Pvt. Ltd.</i>	<i>Relative of Key Management Personnel</i>	<i>Plant Maintenance</i>	<i>1,96,000</i>	<i>1,27,600</i>	<i>7,12,000</i>	<i>1,27,060</i>
<i>Mr. Vikrant Khandelwal</i>	<i>Relative of Key Management Personnel</i>	<i>Salary</i>	<i>7,55,000</i>	<i>(-)96,905.57</i>	<i>4,87,500</i>	<i>(-) 1,05,047</i>
<i>Smt. Anubha Khandelwal</i>	<i>Relative of Key Management Personnel</i>	<i>Salary</i>	<i>3,01,500</i>	<i>(-)3,780</i>	<i>2,47,500</i>	<i>(-) 263680</i>

(a) There are no other entities where the control exists as defined in AS-18.

(b) No amount has been written off against any related party.

36) SIGNIFICANT ACCOUNTING POLICIES

1. General :

- i) These accounts have been prepared on the historical cost basis and on the principles of going concern.
- ii) Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

2. Revenue Recognition:

All expenses and income to the extent considered payable and receivable respectively, unless specifically stated to be otherwise, are accounted for on mercantile basis.

3. Sales:

Sales exclude Rebates, Discounts, Claims etc.

4. Fixed Assets :

- i) Fixed Assets are stated at cost.
- ii) Depreciation

Depreciation is provided on straight line method at single shift basis as per Schedule XIV of the Companies Act, 1956 as amended by Notification No. GSR 756 (E) dated 16th Dec. 1993 and where, there is an addition, the same is provided on pro-rata basis.

5. Deferred Tax :

Deferred Tax Provision made as per Accounting Standard.

6. Exchange Fluctuations :

All exchange fluctuation in foreign currency liabilities and assets not covered by forward contracts are reinstated at the rate prevailing at the end of the year. Any material exchange loss arising on such transactions (except those relating to acquisition of fixed assets which are adjusted to the cost of the asset) are charged to Profit and Loss Account under the respective heads of account.

7. Inventories:

- i) Raw Material, Stores & Spares and Empties are valued at cost which includes expenses incidental to procurement of the same.
- ii) Semi-finished goods are valued at cost and finished goods are valued at lower of cost or net realizable value. Cost in this case represents direct cost and includes appropriate portion of Factory Overheads.

8. Contingent Liabilities :

Contingent Liabilities are disclosed by way of notes to the accounts and no provision for the same is made in accounts.

As per our Audit Report of even date Annexed

For and on behalf of Board

For R.P. KHANDELWAL & ASSOCIATES,
Chartered Accountants
R.P. Khandelwal
Partner

R.N.Karol (Director)
Radhika Khandelwal (Director)
M.L.Khandelwal
(Chairman & Managing Director)

Place: Jaipur
Date: 30th May, 2013

CONTINENTAL PETROLEUMS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. : 3704 State Code : 17
Balance Sheet Date : 31-03-2013

II. Capital Raised during the year (Amount in Rs.)

Public Issue	Rights Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	12,20,000/-

III. Position of Mobilization and Development of Funds

(Amount in Rs.)

Total Liabilities :	11,18,45,498	Total Assets :	11,18,45,498
Source of funds Paid up capital :	2,78,03,120/-		
Reserves & surplus :	3,19,44,297/-		
Secured Loans :	43,24,611	Unsecured Loans :	Nil
Application of Funds			
Net Fixed Assets :	2,05,19,941	Investments :	Nil
Net Current Assets :	4,08,81,516	Misc. Expenditure :	Nil
Accumulated Losses :	Nil		

IV. Performance of Company (Amount in Rs.)

Turnover	Misc. Income	Deferred Tax	Income Tax
19,88,36,326	3,30,06,787	(1,84,172)	27,40,038
Total Expenditure	Profit Before Tax	Profit After Tax	
22,19,42,147	99,00,966	69,76,756	
Earning Per Share in Rs. :	2.83	Dividend :	Nil

V. Generic Names of Three Principal Products/Services of Company

(As per monetary terms)

- | | |
|------------------------|------------------|
| 1) Item Code (ITC) No. | 304012009 |
| Product description | LUBRICATING OILS |
| 2) Item Code(ITC) No. | 304010006 |
| Product description | GREASES |
| 3) Item Code (ITC) | 304001007 |
| Product description | TRANSFORMER OILS |
| 4) Item Code (ITC) NO | 304007005 |
| Product description | FURNACE OILS |

For and on behalf of Board

R.N.Karol (Director)
Radhika Khandelwal (Director)
M.L.Khandelwal
(Chairman & Managing Director)

Place : Jaipur
Date : 30th May, 2013

CONTINENTAL PETROLEUMS LIMITED

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

PROXY FORM

Folio No.

I/We
of in the district of
being a member/members of M/s Continental Petroleums Limited appoint hereby him/her of
..... or failing him/her at the 27th
Annual General Meeting of the Company to be held on Saturday, the 28th September, 2013 at 1.00 P.M. and at any adjournment thereof.

Signed this day of 2013.

Revenue
Stamp

If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered/Corporate Office of the Company at least 48 hours before the meeting.

CONTINENTAL PETROLEUMS LIMITED

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

27th ANNUAL GENERAL MEETING

Date : 28th September, 2013 Time : 1.00 P.M.

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

ATTENDANCE SLIP

Member's Folio No. :
Name of Member/Proxy holder :
No. of Shares held by the Member :
Member's / Proxy's Signature :

1. Members/Proxy-holders are requested to produce the attendance slip duly signed for admission to the meeting hall .
2. Shareholders are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
3. No. Gifts or Coupons would be given to the shareholders for attending the Annual General Meeting.

Book Post

Mobolene[®]

high performance lubricants

(An QMS ISO 9001:2008 & EMS 14001:2004 Certified Company)

To,

If undelivered please return to :

CONTINENTAL PETROLEUMS LIMITED

A-2, Opp. Udyog Bhawan,
Tilak Marg, C-Scheme,
Jaipur - 302 005 (Rajasthan)