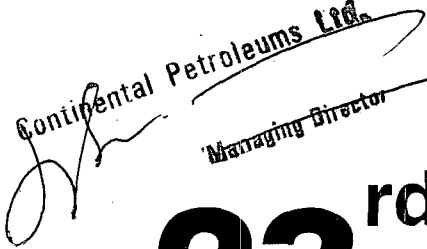




**CONTINENTAL PETROLEUMS
LIMITED**



For Continental Petroleum Ltd.


Managing Director

23rd

ANNUAL REPORT

2008-2009



BOARD OF DIRECTORS

Managing Director	: Shri M.L. Khandelwal
Director	: 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@sancharnet.in 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, Nr. Dada Harsukhdas Mandir New Delhi-110062 Ph. : 011-29961281 Fax : 011-29961284 Email : beetal@rediffmail.com

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NOTICE OF THE 23rd ANNUAL GENERAL MEETING :

Notice is hereby given that 23rd Annual General Meeting of Continental Petroleum Ltd. will be held on Wednesday, 30th September, 2009, 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, 2009 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 G.D. Sethi, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

Registered Office
A-2, Opp. Udyog Bhawan

By order of Board

Tilak Marg, C-Scheme, Jaipur

M.L. Khandelwal
Managing Director

Dated 30th June, 2009

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 proxy need not be a member.
2. Proxy form be deposited at the Registered office of the company not later than 48 hours before the time fixed for the meeting.
3. Members are requested to intimate about any changes in their mailing address, dematerialisation of share & physical transfer requests to registrar and Share Transfer agent of the Company, 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.
4. The register of members and share transfer books of the company shall remain closed from 26th September, 2009 to 30th September, 2009 (both days inclusive).

Regd. Office :
A-2, Opp. Udyog Bhawan
Tilak Marg, C-Scheme
JAIPUR-302 005
Dated : 30.06.2009

By Order of Board of Directors

M. L. Khandelwal
Managing Director

DIRECTORS' REPORT

Your Directors are pleased to present 23rd Annual Report together with Audited Statement of Accounts for the year ended 31st March' 2009.

FINANCIAL RESULTS

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

	(Rs. in lacs)	
	2008-2009	2007-2008
Sales	757.92	504.57
Other Income	233.32	82.51
Gross Profit Before Interest, Depreciation & Adjustments	78.27	60.40
Interest	6.82	6.19
Depreciation	22.07	21.09
Net Profit/ (Loss) before tax	49.38	33.12
Net Profit/ (Loss) after tax	35.06	36.77
Add : Balance of Profit / (Loss) Brought- forward from last year	(93.05)	(129.82)
	(57.99)	(93.05)

Balance carried forward to Balance Sheet

DIVIDEND

Your Directors have decided not to pay dividend for the year 2008-2009 due to heavy losses incurred in past years.

OPERATIONS

It is heartening to note that the company has achieved a higher turnover of Rs.757.92 lacs as against Rs. 504.57 lacs in the previous year, recording 50% increase. The income from hazardous waste disposal management activities etc. has increased from Rs. 82.51 lacs to Rs. 233.32 lacs as compared to previous year. The net profit was Rs. 35.06 lacs as compared to net profit of Rs. 36.77 lacs in the previous year. Your Directors are confident that amount of accumulated losses will be wiped out in the current financial year.

PROSPECTS

In view of the increased awareness and stringent pollution regulation towards environment protection our industries in India are 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 laws. The company expects attractive growth by the above business. The growth in sales of lubricating oils is also expected to continue.

DIRECTORS

Shri G. D. Sethi retire by rotation and being eligible offers himself for re-appointment at ensuing Annual General Meeting.

DIRECTOR'S RESPONSIBILITY STATEMENT

Your Directors confirm :

1. That in the preparation of Annual Accounts applicable accounting standards have been followed.
2. That the Directors have selected such accounting policies and applied them consistently & made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the State of affairs of the Company at the end of the financial year 31st March'2009.

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 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	2008-2009	2007-2008	
i)	Electricity own generation by D.G. Set Unit	KWH	146700	112922
	Unit per Ltr. of Diesel Oil	0.250	0.237	
	Cost/Unit	Rs. 8.05	7.89	
ii)	Fuel Oil(Diesel/LDO)	Ltr	285300	26819
	Quantity	Rs. 8257737	891751	
	Total Amount	Rs. 28.94	33.25	
	Average Rate/Unit			
iii)	Consumption per Unit of production (Lubricating Oils)	Ltr.	0.028	0.026
	Fuel Oil			

TECHNOLOGY ABSORPTION

The R & D Department of the Company is dedicated to develop enviro-friendly processes and introducing new formulations for lubricants from time to time.

FOREIGN EXCHANGE

During the year under review the income in foreign exchange as well as the expenditure was Rs.Nil

AUDITORS

M/S R.P. Khandelwal & Associates, Jaipur, Auditors of the Company retires at the ensuing Annual General Meeting, being eligible, offer themselves for re-appointment. The Directors have recommended their re-appointment.

EMPLOYEES

Information under Section 217(2A) of Companies Act, 1956 read with Companies (particulars of employees) Rule, 1975 as amended :—

None of the employees was in receipt of remuneration beyond the limits prescribed as per aforesaid rules.

ACKNOWLEDGMENT

Your Directors take this opportunity to place on record their grateful thanks for the support and assistance received by the Company from Central and State Government Authorities and Banks. The Directors also place on record their appreciation to all employees of the Company for their good work.

Place : Jaipur.
Dated : 30.06.2009

For and on behalf of the Board of
Directors

(Mrs. BHAGWATI KHANDELWAL)
Director

(M.L. KHANDELWAL)
Managing Director

Auditor's Report

To The Share Holders :

We have audited the attached Balance-Sheet of M/s. Continental Petroleums Limited, Jaipur as at 31st March, 2009 and the Profit & Loss Account for the year ended on that date annexed and report that :-

"We conducted our Audit in accordance with Auditing Standards generally accepted in India. Those standard required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis, evidence supporting the amount and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion."

1. As required by the companies (Auditor's Report) order, 2003, dated 12th June, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956. We enclosed in the annexure a statement on the matter specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in a paragraph 1 above :
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. Proper books of account as required by law have been kept by the company so far as it appears from our examination of the books.
 - c. The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
 - d. During the course of audit we have not observed any adverse effect on the working of the company.
 - e. None of the Directors of the Company are disqualified for the appointment as Director under clause (g) of sub-section 1 of section 274(1) of the Companies Act., 1956.
 - f. In our opinion and to the best of our information and according to the explanation given to us the said account read with the notes thereon given the information required by the Companies Act., 1956 in the manner, so required and give a true and fair view :
 - (i) In the case of the Profit & Loss Account of the Profit for the year ended on that date.
 - (ii) In the case of the Balance Sheet of the state of affairs of the company as at 31st March, 2009.

For R.P. Khandelwal & Associates
Chartered Accountants

Place : Jaipur
Date : 30.06.2009

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 dispose off substantial part of the fixed assets which affects the going concern of the company.
3.
 - a) The inventory have 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 discrepancy were noticed on the physical verification of inventory as compared to book records except minor discrepancies and the same has 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 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 explanation 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 and 58AA of the Act, except unsecured loan of Rs 2404843/- taken from body corporate, promoters & Directors of the company.
10. In our opinion the Company's internal audit system commensurate with its size and nature its activities, however it require further strengthen.
11. We are informed that the Central Govt. has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act. 1956.
12. As verified by us, the Company has once & twice irregular in depositing Employees's State insurance and Provident fund dues with appropriate authorities, but at the end of the year it became regular in payments of PF & ESI before the 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 become payable.
 - (b) In respect of following disputed demands, the Company has filed appeals to various appropriate Courts/Appellate Authorities to seek justice and the same are under process for finalisation.
 - (i) UP sales tax demand of Rs. 61,000/- (assessment year 1994-95)

- (ii) Rajasthan sales tax demand of Rs. 7,89,699/- (assessment year 1994-95)
(iii) Rajasthan sales tax demand of Rs. 21,21,408/- (assessment year 2001-2002)
(iv) Rajasthan sales tax demand of Rs. 6,94,412/- (assessment year 2002-2003)
14. The company have accumulated losses at the end of the financial year Rs 5799224/- which is less than 50% of its net worth, and also the company has not incurred any cash losses in the current year as well as in the immediately preceding the financial year.
 15. In our opinion and to the best of the information and explanation given to us the company has not secured any loan from any of the financial institutions except working capital loan from bank.
 16. The company has not granted any loans 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 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. Further funds generation from regular Hazardous Waste Managements operation Rs. 22852475. The company has repaid the Unsecured loan of Rs. 2299886/-.
 22. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the company Act, 1956. Accordingly, clause 4 (xviii) of the order is not applicable.
 23. The company has not issued any debenture. Accordingly, clause 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 : 30.06.2009

R.P. Khandelwal
Partner

BALANCE SHEET AS ON 31ST MARCH' 2009

Particulars	Schedule	Current Year Amount in Rs.	Previous Year Amount in Rs.
SOURCES OF FUNDS :			
Shareholders Fund :			
Share Capital	1	24653120	24653120
Reserves & Surplus	2	7497271	7497271
Loan Fund :			
Unsecured Loan	3	2404843	4704729
Secured Loan		3758229	3938620
Deferred Tax Liability		(627152)	(506209)
Total		37686311	40287531
APPLICATION OF FUNDS:			
Fixed Assets			
Gross Block	4	46575155	43781565
Less : Depreciation		37850856	35643765
Net Block		8724299	8137800
Current Assets, Loans & Advances			
Inventory	5	17427555	21627350
Cash & Bank Balance		416384	607768
Sundry Debtors		15667856	13413332
Loans & Advances		2611996	4518282
		36123791	40166732
Less: Current Liabilities & Provisions	6	12961003	17322333
Net Current Assets		23162788	22844399
Profit & Loss A/c		5799224	9305332
Notes on Accounts & Accounting Policy	10		
Total		37686311	40287531

As per our Audit Report of even
date Annexed

for R.P. KHANDELWAL & ASSOCIATES,
Chartered Accountants

R.P. Khandelwal
Partner

Place : Jaipur
Dated : 30.06.2009

For and on behalf of Board

G.D. Sethi (Director)
R.N. Karol (Director)

Mrs. Bhagwati Khandelwal (Director)
M.L. Khandelwal (Managing Director)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Schedule	Current Year Amount in Rs.	Previous Year Amount in Rs.
INCOME			
Sales		75792109	50456856
Other Income		23331898	8250729
Increase/ (Decrease) in Closing Stock		(536312)	(902235)
	(A)	98587695	57805350
EXPENDITURE:			
Material Consumed	7	69238340	45071357
Excise Duty		1773640	1255192
Payment to and Provision for Employees	8	3437707	1572475
Operational & Other Expenses	9	16310861	3866690
Interest		682553	618748
	(B)	91443101	52384462
Profit/(Loss) before depreciation	(A-B)	7144594	5420888
Less : Depreciation		2207091	2108947
Profit/(Loss) after depreciation/ adjustment but before Tax		4937503	3311941
Provision for Tax		1552338	393082
Provision for Deferred Tax (Excess)/Short		(120943)	(757905)
Profit after Tax		3506108	3676766
Balance Brought Forward Losses from last year		(9305332)	(12982098)
Balance Carried Forward To Balance Sheet		(5799224)	(9305332)
Number of Shares Issued		2465312	2465312
Basic EPS (Rupees)		1.42	1.49

Notes on Accounts and accounting policy

10

As per our Audit Report of even
date Annexed

For and on behalf of Board

for R.P. KHANDELWAL & ASSOCIATES,
Chartered AccountantsR.P. Khandelwal
Partner

G.D.Sethi (Director)

R.N.Karol (Director)

Mrs. Bhagwati Khandelwal (Director)

M.L. Khandelwal (Managing Director)

Place : Jaipur

Dated : 30.06.2009

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**I. Registration Details**

Registration No. : 3704 State Code 17
 Balance Sheet Date: 31-03-2009

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

Public Issue : Nil
 Rights Issue : Nil
 Bonus Issue : Nil
 Private Placement : Nil

III. Position of Mobilisation and Development of Funds

(Amount in Rs.)

Total Liabilities	: 50647314	Total Assets	: 50647314
Source of Funds Paid Up Capital	: 24653120		
Reserves & Surplus	: 7497271		
Secured Loans	: 3758229	Unsecured Loans	: 2404843
Application of Funds			
Net Fixed Assets	: 8724299	Investments	: Nil
Net Current Assets	: 23162788	Misc. Expenditure	: Nil
Accumulated Losses	: 5799224		

IV. Performance of Company (Amount in Rs.)

Turnover	: 75792109	Misc.Income	: 23331898	Deferred Tax	: (120943)
Income Tax Provision	: 1552338	Total Expenditure	: 93650192		
Profit Before Tax	: 4937503	Profit After Tax	: 3506108		
Earning Per Share in Rs.	: 1.42	Dividend	: Nil		

V. Generic Names of Four Principal Products/Services of Company (As per monetary terms)

1. Item Code No. (ITC Code)	: 304012009
Product Description	: LUBRICATING OILS
2. Item Code No. (ITC Code)	: 304010006
Product Description	: GREASES
3. Item Code No. (ITC Code)	: 304001007
Product Description	: Transformer Oils
4. Item Code No. (ITC Code)	: 304007005
Product Description	: Furnance Oils

For and on behalf of Board

G.D.Sethi (Director)

R.N.Karol (Director)

Mrs. Bhagwati Khandelwal (Director)

M.L. Khandelwal (Managing Director)

Place : Jaipur
 Dated : 30.06.2009

SCHEDULES

(Schedules forming part of the Balance Sheet as at 31st March' 2009)

SCHEDULE-1 : SHARE CAPITAL :

Authorised :

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

Equity Shares of Rs. 10/- each.

Issued, Subscribed and paid-up:

24,65,312 (Previous Year 24,65,312)

Equity Shares of Rs. 10/- each

fully paid-up in cash

	Current Year Rs.	Previous Year Rs.
	3,00,00,000	3,00,00,000
	2,46,53,120	2,46,53,120
	2,46,53,120	2,46,53,120
	35,200	35,200
	74,62,071	74,62,071
	74,97,271	74,97,271
	24,04,843	47,04,729
	24,04,843	47,04,729
	37,58,229	39,38,620
	37,58,229	39,38,620

SCHEDULE-2 : RESERVES & SURPLUS :

Capital Reserve

General Reserve

SCHEDULE - 3 : LOAN FUND :1. Unsecured Loan : From Body Corporate
and Promoters

2. Secured Loan : The Bank Of Rajasthan Ltd.

Note : Loan from The Bank of Rajasthan Ltd is secured by First charge on Immovable property & movable properties & Book Debts of the Company.

SCHEDULE - 4 : FIXED ASSETS

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Particulars	Gross Block			Depreication			Net Block	
	Balance as on 1.4.08	Addition during the year	Total as on 31.3.2009	Upto 31.3.08	Provided during the year	Total as at 31.3.2009	As at 31.3.2009	As at 31.3.2008
Land	844528	-	844528	-	-	-	844528	844528
Building under Construction	-	522310	522310	-	-	-	522310	-
Building	7501096	-	7501096	3833714	250536	4084250	3416845	3667382
Computer	165410	5600	171010	64526	26813	91339	79671	100884
Plant & Machinery	34062923	671089	34734012	30610444	1793312	32403756	2330256	3452479
Furniture & Fixtures	506009	1825	507834	457408	32093	489501	18333	48601
Office Equipments	177541	-	177541	153616	12473	166089	11452	23925
Vehicles	524058	1592766	2116824	524057	91864	615921	1500904	1
Total	43781565	2793590	46575155	35643765	2207091	37850856	8724299	8137800
Previous year figures	43463422	318143	43781565	33534818	2108947	35643765	8137800	9928604

SCHEDULE - 5 : CURRENT ASSETS, LOANS & ADVANCES :

	Current Year Rs.	Previous Year Rs.
INVENTORY (At Cost)		
Rawmaterial, Chemical & Stores	1,23,15,314	1,52,84,042
Finished Goods	34,20,131	27,79,018
Goods in Process	4,99,500	15,84,750
Empties Drums	-	19,250
Packing Material	11,92,610	18,87,365
Fuel	-	72,925
	1,74,27,555	2,16,27,350
CASH & BANK BALANCE		
Cash in hand	78,667	1,05,875
Balance with Scheduled Bank- In Current Account	1,14,926	3,01,341
In Fixed Deposit Account	2,22,791	2,00,552
	4,16,384	6,07,768
SUNDRY DEBTORS (Unsecured Considered Good)		
Debts Outstanding Exceeding 6 months	23,02,072	
Less: Provision for Doubtful Debts	<u>8,02,353</u>	
	14,99,719	12,66,389
Other Debts	1,41,68,137	1,21,46,943
	1,56,67,856	1,34,13,332
LOANS & ADVANCES : (Unsecured Considered Good)		
Advances recoverable in cash or in kind or for value to be received in cash)	26,11,996	45,18,282
	26,11,996	45,18,282

SCHEDULE-6 : CURRENT LIABILITIES & PROVISIONS :

For Goods	95,10,733	1,03,97,648
For Other Liabilities	34,50,270	69,24,685
	1,29,61,003	1,73,22,333

SCHEDULE-7 : MATERIAL CONSUMED :

	Current Year Rs.	Previous Year Rs.
Opening Stock	1,71,71,407	1,16,96,697
Add: Purchases	6,55,74,857	5,05,46,067
	8,27,46,264	6,22,42,764
Less: Closing Stock	1,35,07,924	1,71,71,407
	6,92,38,340	4,50,71,357

SCHEDULE-8 : PAYMENT TO AND PROVISION FOR EMPLOYEES

Wages, Salaries & Benefits	33,91,595	15,69,920
Staff Welfare Expenses	46,112	2,555
	34,37,707	15,72,475

SCHEDULE-9 : OPERATIONAL AND OTHER EXPENSES

Power and Fuel Consumed	86,62,833	8,91,751
Travelling & Conveyance Expenses	5,59,644	2,19,099
Repair, Running & Maintenance Expenses.	7,28,834	2,07,038
Postage, Telephone & Telegram Expenses.	1,34,751	1,55,840
Insurance Charges	47,557	32,783
Electricity & Water Expenses	39,390	2,73,712
Legal & Professional Charges	1,18,496	34,826
Managing Directors' Remuneration	4,20,000	3,60,000
Rent, Rates & Taxes	5,53,089	3,55,913
Printing & Stationary	46,265	37,934
Selling & Distribution Expenses	15,42,223	9,65,590
Payment to Auditors :		
Audit Fee 15,000		
Tax Audit Fee <u>3,000</u>	18,000	18,000
Other Expenses	34,39,779	3,14,204
	1,63,10,861	38,66,690

SCHEDULE-10 : NOTES ON ACCOUNTS :

1. Contingent Liabilities not provided for :
 - I) Disputed demand for UP Sales Tax amounting to Rs. 61000/-
 - II) Disputed demand of Rajasthan Sales Tax for Rs.789699/- raised by Antivision Commercial Taxes Department, Jaipur, for the assessment year 1994-95.
Against above order the Company had filed appeal before Dy. Commissioner (Appeal) Jaipur and the same has been decided in favour of the Company. Thereafter the department filed an appeal before Rajasthan Tax Board, Ajmer against above Dy. Commissioner's order.
 - iii) (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 assessment year 2002-03.
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 filled appeals before Rajasthan Tax Board, Ajmer against the above Dy. Commissioner's orders and the same are under process of hearing etc.
2. Other income includes interalia Rs. 22852476/- (previous year Rs.7840323/-) received from operations carried out by the company on Hazardous Waste Management.
3. 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 additions, the same has been provided on pro-rata basis.
4. Travelling Expenses includes Director's Travelling Expenses of Rs. 110259/- (Previous year 27959/-).
5. Provision for liabilities of Gratuity payable has not been made, as the same shall be accounted for as and when it will be paid.
6. Payment of Managing Director's Remuneration of Rs.4,20,000/- is as per sanction of shareholders at the Annual General meeting of Company held on 24th September 2008.
7. Particulars of employees who were in receipt of remuneration not less than Rs.24,00,000/- per year, if employed throughout the year and Rs.2,00,000/- per month, if employed for a part of the year. (Previous year Rs.24,00,000/- per annum or Rs.2,00,000/- per month).

No. of Employees	Employed Full Year	Employed for part of the year
	Nil (Previous Year-Nil)	Nil (Previous Year-Nil)
8.	Information pursuant to Para 3,4c and 4-d of the part II of Schedule-VI of the Companies Act, 1956. Lubricating for Rs . 33.15 Lacs was imported during the year. Earning in foreign currency during the year was NIL.	
9.	Information related to licenced and installed capacity, production etc.	

CLASS OF GOODS MANUFACTURED

	Unit	Current Year	Previous Year
a. Licenced/Installed Capacity (R.M. Feed Rate Per Annum)			
- Lubricating Oil/Fuel Oil	KL	18,000	9,000
b. Actual Production/Purchases			
- Lubricating Oil/ Grease	KL	1,439.42	1034.137

	CURRENT YEAR		PREVIOUS YEAR	
	QTY.KL	Value (Rs in lacs)	QTY.KL	Value (Rs in lacs)
c. Opening Stock				
- Lube Oil/Grease	44.896	27.79	76.95	31.55
d. Sales				
- Lube Oil/Grease	1384.81	757.92	1066.191	504.57
e. Closing stock				
- Lube Oil/Grease	99.506	34.20	44.896	27.79

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

11. Consumption of Rawmaterials :

	CURRENT YEAR		PREVIOUS YEAR	
	QTY.KL	Value (Rs in lacs)	QTY.KL	Value (Rs in lacs)
a. Details of Consumption/Purchases :				
Used oil/ Base oil	2101.20	617.13	1653.89	439.60
Chemicals & Stores	-	27.20	-	25.27
Packing Materials	-	48.05	-	40.59
	-	692.38	-	505.46
b. Aggregate Consumption/ Purchases of Rawmaterials	Value (Rs in lacs)	Percentage	Value (Rs in lacs)	Percentage
Imported rawmaterial (At Factory Delivered Cost)	33.15	4.79%	19.52	3.86%
Indigenous	659.23	95.21%	485.94	96.14%
	692.38	100%	505.46	100%

12. Segment Reporting : Company is engaged in sole activity of manufacturing and marketing of Lubricants and Greases. There is nothing to disclose with respect to accounting standard dealing with "Segement Reporting" (As-17), issued by the institute of Chartered Accountants of India.

13. 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 -

Related Parties	Nature of Relationship	Transactions	Amount (Rs.) 2008-2009	Balance outstanding on 31.3.09	Amount (Rs.) 2007-2008	Balance outstanding on 31.3.08
Mr. M.L.Khandelwal	Key Management personnel	Remuneration & Rent	4,20,000 48,000	17,088	3,60,000 48,000	91,258
Mr.Navneet Khandelwal	Relative of key Management Personnel	Salary	3,03,000	10,903	2,18,500	22,317
Smt. Bhagwati Khandelwal	Relative of key Management Personnel	Rent for company Leased Office	24,000	-	24,000	-
Central Steel & General Industries	Relating Firm of key Management Personnel	Rent for company Leased Godown	1,58,550	-	89,100	-
Mr.Vikrant Khandelwal	Relative of key Management Personnel	Salary	1,47,000	(50,761)	1,39,200	38,924

- 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.

14. SIGNIFICANT ACCOUNTING POLICIES

1. General :

- These accounts have been prepared on the historical cost basis and on the principles of going concern.
- 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 excludes Rebates, Discounts, Claims etc.

4. Fixed Assets :

- Fixed Assets are stated at cost.
- 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) dt. 16th Dec. 1993 and where, there is additions, 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) Semifinished goods are valued at cost and finished goods are valued at lower of cost on net realisable 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

G.D.Sethi (Director)
R.N.Karol (Director)

Place : Jaipur
Dated : 30.06.2009

Mrs. Bhagwati Khandelwal (Director)
M.L. Khandelwal (Managing Director)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH'2009

	Current Year (Rs. lacs)	Previous Year (Rs. lacs)
A. Cash Flow from Operating Activities		
Net profit/(Loss) tax and before extraordinary items	35.06	36.77
Adjustments for :		
Depreciation	22.07	21.09
Interest/Dividend Income	-	-
Interest Charged	6.83	6.19
Deffered tax	-	-
Income Tax	15.52	3.93
	<hr/>	<hr/>
Operating Profit before Working Capital Changes	79.48	67.98
Adjustments for :		
Trade & Other Receivables	(22.55)	(21.69)
Inventories	42.00	(45.73)
Trade Payables & Other Liabilities	(43.61)	63.21
Advances	19.06	(30.65)
	<hr/>	<hr/>
Cash Generated from Operations	74.38	33.12
Income Tax Paid	(15.52)	(3.93)
Increase in differed provision Exp.	(1.20)	(7.58)
Interest Paid - Gross	(6.83)	(6.19)
	<hr/>	<hr/>
Net Cash from Operating Activities (A)	50.83	15.42
B. Cash Flow from Investing Activities		
Purchased of Fixed Assets - net of interest capitalised	(27.95)	(3.18)
Interest Received	-	-
	<hr/>	<hr/>
Net Cash used in Investing Activities (B)	(27.95)	(3.18)
C. Cash Flow from Financing Activities		
Repayment of Borrowings	(1.81)	1.56
	(22.99)	(11.09)

Net Cash used in Financing Activities (C)
 Net (Decrease)/Increase in Cash & Cash
 Equivalents (A+B+C)
 Cash & Cash equivalents at start of the year
 Cash & Cash equivalents at close of the year

(24.80)	(9.53)
(1.92)	2.71
6.08	3.37
4.16	6.08

As per our Audit report of even date Annexed

For and on behalf of Board

G.D. Sethi (Director)

R.N. KAROL (Director)

Mrs. BHAGWATI KHANDELWAL
 (Director)

M.L. KHANDELWAL
 (Managing Director)

Place : Jaipur
 Dated : 30.06.2009

AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of Continental Petroleums Limited for the year ended 31st March, 2009. 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 June, 2009 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
 Dated : 30.06.2009

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 23rd Annual General Meeting of
the Company to be held on Wednesday, the 30th September, 2009 at 1.00 P.M. and at any adjournment thereof.

Signed this day of 2009.

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

23rd ANNUAL GENERAL MEETING

Date : 30th September, 2009 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 :

- Members/Proxy-holders are requested to produce the attendance slip duly signed for admission to the meeting hall .
- Member are requested to bring their copy of Annual Report.
- No. Gifts/Coupons will be distributed at the meeting.

Book Post

If undelivered please return to :

CONTINENTAL PETROLEUMS LIMITED

A-2, Opp. Udyog Bhawan,

Tilak Marg, C-Scheme,

Jaipur - 302 005