



Press Release

Continental Petroleums Limited

June 20th, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	7.45	IVR BB; Stable (IVR Double B with stable outlook)	-	Assigned	Simple
Short Term Bank Facilities	43.00	IVR A4 (IVR A four)	-	Assigned	Simple
Total	50.45	(Rupees Fifty crore and Forty-Five lakhs only)			

Details of Facilities are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has assigned the long-term rating of IVR BB with a Stable outlook and short-term rating of IVR A4 to the bank loan facilities of Continental Petroleums Limited (CPL).

The rating assigned to the company factors in experienced promoters, an established track and a diversified business model. The ratings also factor in the improvement in total operating income and comfortable financial risk profile. However, these rating strengths are partially offset by a decline in profitability margins and an elongated operating cycle.

The Stable outlook indicates a low likelihood of rating change over the medium term. Infomerics Ratings believes that CPL will continue to benefit on account of improved financial risk profile in FY25 and expected stable performance going forward.

IVR has principally relied on the standalone audited financial results of CPL up to FY25 (refers to period April 1st, 2024, to March 31st, 2025) and three years projected financials for FY2026 (refers to period April 1st, 2025, to March 31st, 2026) - FY2028 (refers to period April 1st, 2027, to March 31st, 2028), along with publicly available information/ clarifications provided by the company's management.



Press Release

Key Rating Sensitivities:

Upward Factors

- Significant growth in scale of business with improvement in profitability metrics thereby leading to overall improvement in cash accruals on a sustained basis
- Sustenance in capital structure and debt protection metrics.

Downward Factors

- Dip in operating income and/or profitability thereby impacting the debt coverage indicators.
- Any further significant rise in working capital intensity leading to a further deterioration in the liquidity position or elongation of operating cycle.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths:

- **Experienced promoters and established track record**

Continental Petroleums Limited is managed by a team of promoters with long-term involvement in the business. Mr. Madan Lal Khandelwal serves as chairman & managing director and oversees overall operations. Mr. Navneet Khandelwal, as CEO (chief executive officer), looks after business strategy and operations. Mr. Vikrant Khandelwal handles financial planning besides compliance as CFO (chief financial officer). Ms. Radhika Khandelwal and Ms. Rekha Sharma serve as directors, contributing to board decisions and company policies across all verticals of the business.

- **Diversified business model**

CPL has a diversified business model focused on manufacturing high-performance automotive and industrial lubricants, greases, specialty fluids, and other oil-based products under the "CONTOL" brand. It also operates in two strategic verticals: EPC (Engineering, Procurement & Construction) in the power and infrastructure sector under government and semi-government electrification schemes, and hazardous waste incineration and management. The company operates a licensed incineration facility in Behror, Rajasthan, with a 6,300 MT annual capacity, generating recurring, high-margin revenue amid growing environmental regulations and rising waste management demands.



Press Release

- **Improved scale of operations, comfortable financial risk profile**

The company's total operating income improved by 112.92% to Rs. 112.91 crore in FY25 as against Rs. 53.03 crore in FY24 due to increase in sales volume. ATNW (adjusted tangible net worth) improved from Rs. 24.10 Crore as on March 31, 2024, to Rs. 28.41 Crore as on March 31, 2025, due to accretion of profits to reserves. The overall gearing of the company stood comfortable at 0.35x as on March 31, 2025, against 0.31x as on March 31, 2024. TOL (total outside liabilities) / ATNW increased to 1.41x as on March 31st, 2025, against 1.02x as on March 31st, 2024; due to increase in total debt. The debt protection metrics are comfortable, indicated by improved interest service coverage ratio (ISCR) to 5.08x in FY25 as against 2.83x in FY24 due to increase in EBITDA (earning before interest, tax, depreciation and amortisation) in absolute terms on account of decrease in consumption of raw material. DSCR (debt service coverage ratio) stood comfortable at 4.59x in FY25 as against 2.66x in FY24. Total Debt to GCA improved to 1.91x in FY25 from 2.03x in FY24 on account of lower utilization of working capital bank borrowings as on balance-sheet date and increase in GCA.

Key Rating Weaknesses:

- **Declined profitability margins in FY25**

The EBITDA margins of the company declined from 7.60% in FY24 to 5.86% FY25 due to increase in raw material consumption cost while PAT margin decreased from 4.97% in FY24 to 3.78% in FY25. However, on absolute level, EBITDA increased to Rs. 6.62 Crore in FY25 as against Rs. 4.03 Crore in FY24 on account of improvement in the scale of operations.

Elongated Operating cycle

The operating cycle of the company is satisfactory & improved to 88 days in FY25 against 160 days in FY24 on account of decrease in average collection period stood to 115 days in FY25 (168 days in FY24) & creditors period improved to 59 days in FY25 (75 days in FY24).

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)



Press Release

[Rating Methodology for Infrastructure Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity – Adequate

The company has adequate liquidity profile marked by sufficient cushion in gross cash accruals vis-a-vis its debt obligations. The company's bank limits are utilised to an extent of 90.53% for last 12 months ended May 2025, indicating low utilization cushion. The current ratio of the company stood at 1.66x as on March 31st, 2025 (against 1.69x as on March 31st, 2024). The unencumbered cash and bank balance is Rs. 0.09 Crore as on March 31, 2025.

About the Company

Continental Petroleums Limited (CPL) is a limited company incorporated in 1986 and listed on BSE in 1990s. CPL is engaged in the manufacturing of high-performance automotive and industrial lubricants, greases, specialty fluids, and other oil-based products under "CONTOL" brand. The company also operates in two strategic verticals — EPC (Engineering, Procurement & Construction) in the power and infrastructure sector, and Hazardous waste incineration and management.

Financials (Standalone):

(Rs. crore)		
For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	53.03	112.91
EBITDA	4.03	6.62
PAT	2.73	4.32
Total Debt	7.58	9.93
Tangible Net Worth (including quasi equity)	24.10	28.41



Press Release

EBITDA Margin (%)	7.60	5.86
PAT Margin (%)	4.97	3.78
Overall Gearing Ratio (x) (Including quasi equity)	0.31	0.35
Interest Coverage (x)	2.83	5.08

**Classification as per Infomerics Standard*

Status of non-cooperation with previous CRA: None

Any other information: NA

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1.	Long term Facilities	Long Term	7.45	IVR BB / Stable	-	-	-
2.	Short Term Facilities	Short Term	43.00	IVR A4	-	-	-

Name and Contact Details of the Rating Analyst:

Name: Vipin Jindal

Tel: (011) 45579024

Email: vipin.jindal@infomerics.com

About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).



Press Release

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Disclaimer: Infomerics' ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities or to sanction, renew, disburse or recall the concerned bank facilities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.



Press Release

Annexure 1: Details of Facilities

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	-	7.45	IVR BB/Stable
PSR	-	-	-	-	0.50	IVR A4
DRULL	-	-	-	-	3.00	IVR A4
Bank Guarantee	-	-	-	-	5.50	IVR A4
Letter of credit	-	-	-	-	15.00	IVR A4
ILC / FLC	-	-	-	-	9.00	IVR A4
ILG / FLG	-	-	-	-	10.00	IVR A4

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Continental-Petroleums-20june25.pdf>

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated analysis: Not Applicable.

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.