

22

Indian states.

51

bottling plants.

8

cylinder manufacturing units.

75

auto LPG dispensing stations.

55

LPG transport-capable vehicles.

That is Confidence Petroleum India Limited.
India's largest green fuel (LPG – liquefied petroleum gas) crusader.

Vision

- Become the pioneer in alternate eco-friendly fuel provision for the nation
- Make environment-friendly fuels available at every doorstep in the safest manner and across every highway

Legacy

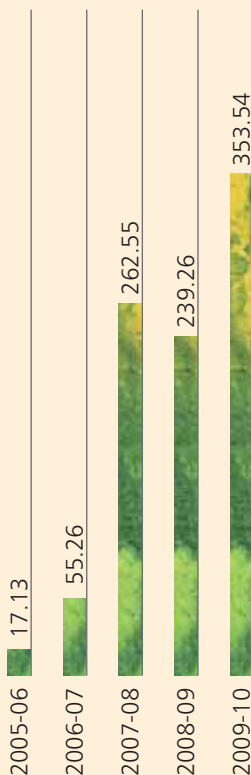
- The Confidence Group commenced operations in 1993 with the acquisition of a cylinder manufacturing unit
- The Confidence Group today transformed into a conglomerate of repute with eight LPG/CNG cylinder manufacturing plants and 51 bottling units with a distribution network across 22 Indian states

Business

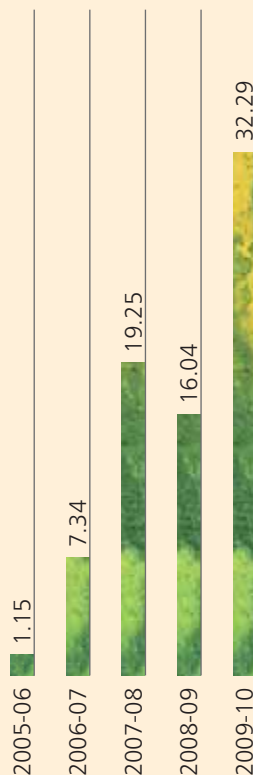
- The Company is positioned as a reputed Indian cylinder manufacturer. It is the largest private LPG bottler and bottling assistance provider in India
- The Company's business is divided across the following:
 - Auto LPG dispensing stations (ALDS)
 - CNG/high-pressure cylinder manufacturing
 - LPG bottling services (with a plant in Indonesia) and LPG cylinder manufacturing in Indonesia for Indonesian state-owned oil and gas company Pertamina
 - LPG cylinder manufacture
 - Integrated engineering solutions
 - LPG logistics

The crusade for clean and green fuel continues to be profitable.

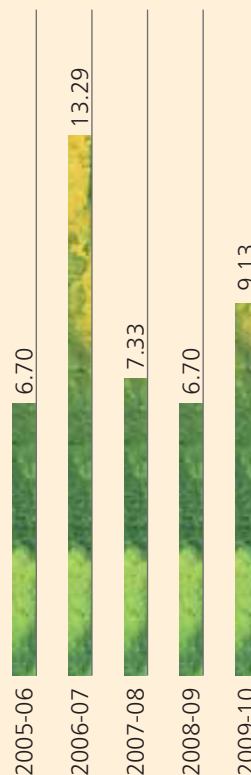
Revenue (gross)
(Rs cr)



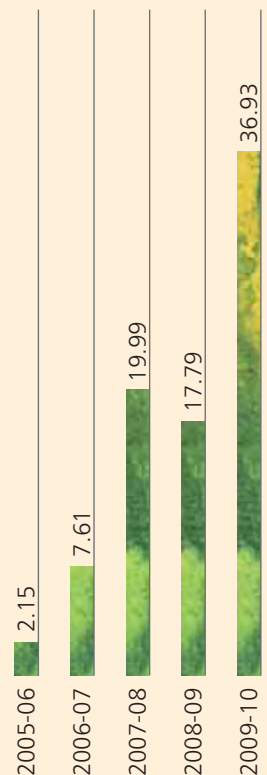
Operating profit
(Rs cr)



Operating profit
margin (%)



Cash profit
(Rs cr)



- LPG and CNG metres for piped natural gas (PNG) and autometer
- Dispensing machines for petrol, diesel, LPG and CNG
- Ethanol and crude distillation

Global associations

- Indonesian subsidiary PT Surya GoGas engaged in LPG bottling and cylinder manufacturing
- Turnkey projects in Africa and the West Indies relating to LPG/propane plants and piping

Listing

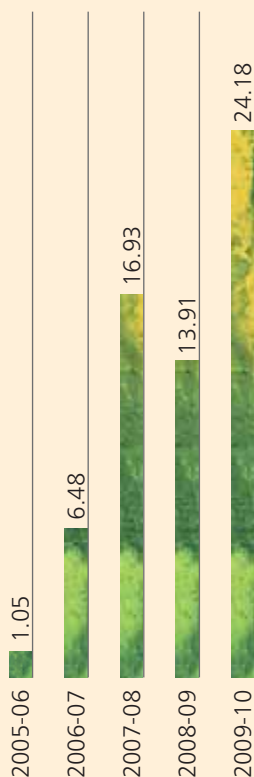
- Listed on the Bombay Stock Exchange and proposed to be listed on the National Stock Exchange

- Market capitalisation of Rs. 208.62 cr (as on 31st March 2010) (based on the closing value as on 31st March, 2010 of Rs. 8.06 per share of face value Re. 1 each)
- Promoted by Mr Nitin Khara, a first-generation entrepreneur

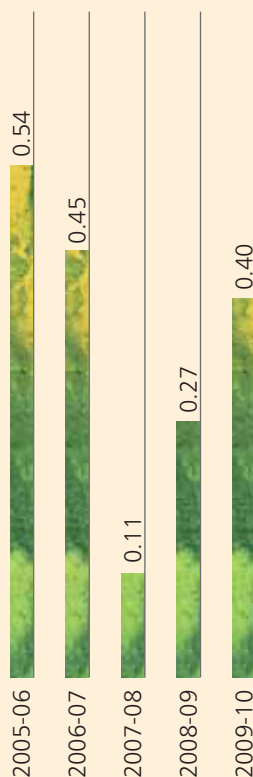
Highlights, 2009-10

- Reported the highest-ever growth in LPG cylinder production and sales
- Started production of CNG cylinders at SEZ Vizag to create opportunities in the global market
- Provided bottling solutions for LPG cylinders to BPCL, HPCL, IOCL and Reliance Group
- Operationalised the Indonesian LPG cylinder manufacturing unit for a bottling plant
- Entered into the field of auto LPG dispensing

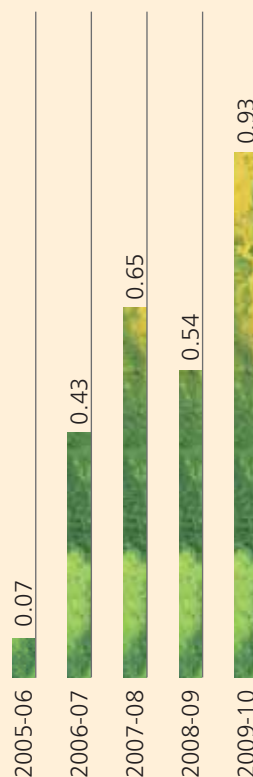
Post-tax profit
(Rs cr)



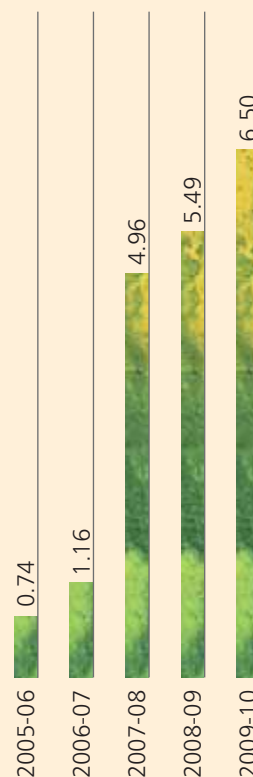
Debt-equity ratio




Earnings per share
(EPS, basic) (Rs)



Book value per share
(Rs)





“We possess a unique environmentalist-industrialist mindset. We focus on eco-friendly fuels. This concept is more relevant now than ever. As a result, our business is positioned at the cusp of exponential growth.”

Mr. Nitin Khara, *Managing Director*, Confidence Petroleum India Limited

Dear fellow Stakeholders,

Our performance

The growing awareness for environment protection and the continuously rising prices of fossil fuels have increased the demand for eco-friendly, low-cost fuels like LPG. Confidence Petroleum, with its foresightedness, developed core strengths in providing complete LPG infrastructural facilities to various companies.

The firm focused on providing its customers a total turnkey solution at every stage. It developed expertise in manufacturing and refuelling cylinders,


installing auto LPG dispensing stations (ALDS), providing engineering and transportation services to customers, providing meters and also developed its own marketing network.

With this, the Company has created a unique position for itself in the market and is on the right track to increase its growth momentum. In 2009-10 (on a consolidated basis), the Company's revenues increased 112.74% from Rs. 263.74 cr in 2008-09 to Rs. 561.11 cr. The Company's profit after tax also grew 59.98% from Rs. 18.64 cr

in 2008-09 to Rs. 29.82 cr in 2009-10.

Industry optimism

LPG: In a recent report, the World Health Organisation (WHO) indicated that an annual investment of USD 13 billion would halve the number of people cooking with solid fuels worldwide by 2015, and supplying them with LPG would lead to a payback of USD 91 billion annually. The government's initiative to implement the Rajiv Gandhi Gramin LPG Vitran Yojana for supplying LPG connections to deep rural areas would create a huge



demand for LPG in India. The PSU majors would require appointing 3,000 LPG dealers in rural areas.

Auto LPG: Over 13 million LPG-fuelled and 8.5 million CNG-powered vehicles are now in use around the world (with the Asian region accounting for almost 51% or 4.4 million vehicles), representing an annual global growth of more than 30% over FY 06 (5.7 million vehicles). An extremely low penetration of natural gas vehicles – 6.1% world over, 5.9% in Asia and CIS and 2% for high-growth markets like India and China – signifies a growing opportunity, going forward. Auto LPG also accounts for 40-50% savings as compared with petrol.

CNG: The KG basin and other gas discoveries in India led to a sharp increase in India's gas production in March 2010 at 155 mmscmd, up 72% YoY. The share of gas in the energy basket remains high but is far below the global averages. Even per capita consumption of gas in India is very low compared with global averages. India ranks 19th in the global pecking order in terms of natural gas consumption at about 429.9 bn m³ as compared with the United State's 6,572 bn m³ (CIA, *World Factbook*). However, with

increased gas availability, the demand for natural gas is estimated to grow at a CAGR of 5.4% to increase to 177 mmscmd from 159.5 mmscmd by 2011-12. On the supply side, it is projected that supply will increase at a CAGR of 14.8% to 176 from 133.5 mmscmd by 2011-12. The deficit is likely to reduce to 1 mmscmd by 2011-12.

Opportunity

As an opportunity-focused organisation, we are capitalising on this situation through the following initiatives:

- Establishing 250 auto LPG dispensing stations (ALDS) across India in two years
- Maximising production at our LPG and CNG cylinder manufacturing facilities
- Strengthening our LPG bottling business through the establishment of 50 such facilities in two years
- Focusing on the Indonesian market by maximising production at PT Surya GoGas (100% subsidiary), which enjoys an annual installed capacity of 1.8 million units
- Commissioning 10 new LPG bottling plants in Indonesia over the next two

years, in line with the growing demand for LPG cylinders in that country

- Enhancing high-pressure CNG cylinder production to cater to the growing CNG kit auto fuel market
- Leveraging our expertise in natural fuel storage and transportation by providing such assistance to third party projects

In doing so, we expect to grow our topline by 30-40% in 2010-11 over the previous year.

Acknowledgements

I take this opportunity to applaud the efforts of all who have had a direct or indirect participation in our growth – our customers, employees, partners, suppliers, associates and community members. I must assure them that the Company will continue to practise what it has always practised – enhance value for all those who depend on us, work with us and invest in us.

Sincerely,

Nitin Khara

Chairman and Managing Director

Brigadier Hemant Deshpande minimises his carbon footprint each time he visits a GoGas LPG station in Mohali.



- Confidence Petroleum owns the largest number of auto LPG dispensing stations (ALDS) in India
- The Company has 75 such stations located strategically across India
- The Company's widely recognised GoGas brand makes clean and cost-effective transportation a reality
- The Company's ALDS infrastructure comprises an LPG blending facility (propane and butane blending), which enables it to cater to various vehicular fuel mixes
- The Company makes fuel available through solid logistical support – a fleet of 550 large and small tankers ensure timely gas availability from the point of origin to the end consuming centre, representing a robust competitive advantage in terms of all-time fuel availability
- The Company plans to establish 200 ALDS over the next two years and 500 ALDS across India by December 2014, ensuring a pan-India presence

Housewife Megawati Suharto in Jakarta fixes the burner on her new LPG cylinder and lights it confidently.



- In Indonesia, the government took a decisive step under 'zero kero', which means zero kerosene consumption in the country; this step aimed at reducing pollution levels, enabling people to live a healthier life as well as minimising the 500% subsidy paid by the government on kerosene
- The Company set up four bottling plants, the largest such capacity in Indonesia, manufacturing 3-kg cylinders (as per Indonesian government recommendations); on account of the small container size, filling is required at least five times a year, ensuring a continual bottling business
- The Company plans to add 20 new plants in 2010-11, the economies-of-scale ensuring a payback within one year
- The Company manufactures a range of domestic, commercial and special-purpose cylinders in India
- The Company works closely with 18 reputed domestic industrial customers including BPCL, HPCL, OIL and Reliance Industries, among others
- The Company provides bottling services through 51 plants located across India and offers state-of-the-art testing and after-market services
- The Company established a subsidiary for cylinder manufacture and marketing in Indonesia (PT Surya GoGas)
- The Company leveraged its LPG cylinder knowledge in the manufacture of CNG high-pressure cylinders (installed capacity of 2.50 lac units per annum) at SEZ, Vizag



Value drivers

Leader

We pioneered the manufacture and bottling of eco-friendly and cost-effective fuels (LPG and CNG) that protect the environment and reduce cumulative energy expenses.

Diversified

Our business focuses on auto LPG gas stations, CNG high-pressure cylinder manufacture, LPG bottling services, LPG cylinder manufacture, engineering solutions, LPG logistics, LPG/CNG metres for piped natural gas, auto metre reading solutions and ethanol and crude distillation. We are competently placed to capture every upturn in the demand for green fuels.

Quality

We adhere to stringent quality standards across all manufacturing facilities endorsed by the prestigious ISO 9001-2008 certification.

Scale

We are Asia's largest LPG cylinder manufacturer with an installed capacity of 38 lac units per annum.

Customers

We cater to the cylinder manufacturing and bottling requirements of three of

the largest sectoral PSUs – HPCL, BPCL and IOCL.

Market share

Our eight geographically dispersed manufacturing units enable India's largest LPG cylinder market share of 24%. Fifty-two LPG bottling plants complete our dominant presence in this space with a 95-98% market share.

Safety

Our plants ensure adherence with international safety standards for manufacturing cylinders; the advanced cylinder testing facility at the Vishakhapatnam plant tests cylinders in the most adverse atmospheric conditions.

Presence

Our network is spread across 51 locations in India with eight cylinder manufacturing plants and 51 bottling units, facilitating cost-effective cylinder distribution.

Strategic locations

Our Vishakhapatnam SEZ facility is strategically located, enabling on-time customer delivery and capitalising on tax and excise exemptions. Besides, eight cylinder manufacturing units and

51 bottling units spread across India enable maximum opportunity capture across diverse geographical pockets.

Cost-competitive

We are Asia's largest LPG/CNG gas cylinder manufacturer and bottling assistance provider. Scale and integration make it possible to ride industry downturns.

Brand

Our GoGas-branded auto LPG dispensing stations are popular; the brand emphasises cost-effective transportation in its 'go anywhere with gas' positioning.

Management

We are spearheaded by a first-generation industrialist, supported by a senior team comprising experience and youth.

Balance sheet

Our debt-equity ratio improved from 0.11 as on 31st March 2008 to 0.40 as on 31st March 2010; reserves and surplus (including share premium) stood at Rs. 142.47 cr as on 31st March 2010 while return on capital employed improved from 6.49% in 2008-09 to 9.14% in 2009-10.



Enhancing shareholder value

At Confidence, we recognise that we are in business to enhance value for our shareholders, reflected in attractive returns on employed capital.

Confidence fared well in this regard. Market capitalisation strengthened from Rs. 97.97 cr (as on 1st April 2009) to Rs. 208.62 cr (as on 31st March 2010). This growth was the direct result of an improvement in our performance, margins and prospects.

Confidence has a diversified shareholder base of 17,892 investors. At the end of 2009-10, the foreign investments (foreign investors and FIIs) was 19.78% of the Company's equity, while retail investors including domestic corporates held 80.22%. Around 46.27% of the equity capital was in the hands of the Company's promoters.

Capital cost per cylinder: Confidence's capital cost per cylinder stands at Rs 870 as compared with the global

benchmark of Rs. 910. With a cumulative 38-lac cylinder manufacturing capacity per year – the largest in Asia – the economies-of-scale enable fixed cost distribution over a larger production volume and hence optimise the overall capital cost per cylinder.

Order book: Confidence's order book for LPG and CNG cylinder manufacture stood at Rs. 95 cr at the end of the financial year 2009-10. This healthy order book backlog represents the cornerstone of our success as it provides revenue visibility for the next two years. The Company's order book grew 53% over 2008-09 even as orders worth Rs. 164 cr were received during the period under review. Confidence expects to almost double its present order book size to Rs. 180 cr by end of 2010-11 on account of robust business prospects (this order book value

excludes the Rs. 500-cr worth of orders that the Company expects to receive in the road space).

Return on gross block (ROGB):

Confidence's gross block represents its competitive edge in terms of advanced equipment, machinery and technology and an effective entry barrier. The Company's ROGB enhanced from 8.94% in 2008-09 to 12.86% to 2009-10.

Margins: Confidence's profit after tax margin in 2009-10 increased 1.18 basis points from 5.81% in 2008-09 to 6.84% in 2009-10. This was despite escalated material cost, interest, depreciation and tax burdens. The margins are expected to improve with lower input costs, higher value-addition and robust order book, going forward.

Earnings per share (EPS):

Confidence's cash EPS stood at Rs. 1.43 in 2009-10 against Rs. 0.69 in 2008-09.



Business review – 1

LPG cylinder manufacturing

Overview

The LPG cylinder manufacturing division of Confidence Petroleum is one of the largest across Asia with an annual production capacity of 40 lakh units. It enjoys a reputation of delivering quality products to major LPG redistributors in India.

Advantages

- The division, with an experience of 15 years, manufactures quality LPG cylinders of different sizes like 14.2kg,

19kg, 35kg and 47.5kg to various PSUs

- The division has nine units in Khapoli (Maharashtra), Nagpur, Saoner, Halol, Hyderabad and Bajpur (Uttanchal)
- The division possesses expertise in the field of cylinder manufacture with investments in state-of-the-art equipment
- The division is supported by well-trained staff

- The division focuses on safety, quality and cost-efficient cylinders, meeting international standards
- The division enjoys tax benefits from various states

Opportunities

- The Rajiv Gandhi Gramin LPG Vitran Yojana intends to distribute LPG connections in deep rural areas of India, which will strengthen demand for new cylinders as well as bottling the same.

Business review – 2

CNG/high-pressure gas cylinder manufacture

Overview

The rising demand for eco-friendly and low-cost fuels prompted Confidence Group to enter CNG/high-pressure gas cylinder manufacturing. The division manufacturing facility is spread across 10 acres at the Vizag SEZ with an annual production capacity of 3,00,000 units. The division also plans to establish a state-of-the-art CNG cylinder manufacturing plant in Uttanchal to make light-weight cylinders, for which, the Company is looking to acquire technology from leaders around the world.

Advantages

- The division is equipped with modern

high-quality equipment which enables it to produce cylinders of international standards

- The division caters to the needs of various domestic as well as international companies across the world
- The division is ISO 9001-2008 certified
- The division manufactures a complete range of high-pressure cylinders used in various applications like medical oxygen, industrial gases, nitrogen cylinders and cylinders for other high-pressure gases
- The division produces cylinders of all the regular sizes and standard

requirements for the domestic and international markets

Opportunities

- With huge natural gas output from the KG Basin and other discoveries across India, the demand for CNG kits for automobile fuel will rise significantly
- The present gas vehicle population of almost 8 lac units in India is slated to increase to a level of about 1.5 million vehicles over the next three years
- A lot of new natural gas import terminals are coming up in Gujarat, Tamil Nadu and Andhra Pradesh, likely to generate huge demand

LPG bottling (bottling assistance, marketing and hand-blending)

Overview

The division has a presence across 19 states in India. It bottles empty cylinders for major PSUs in India and is a leader in the area with plants spread across rural areas. The division plans to add 50 new bottling plants in the coming two-three years to cater to the increasing demand for LPG in rural areas.

Advantages

- The division has 22 bottling plants

across 19 states which provide assistance to companies like BPCL, HPCL, IOCL and Reliance Group

- The division enjoys the benefit of having low operational and investment costs
- The division has a vast experience of 15 years in the field
- The division's vast presence across different states in India helps major PSU companies save substantially,

using the bottling assistance and providing bulk and packed transportation

- The division also offers blending of butane and propane

Opportunities

- The proposed dismantling of subsidies on domestic LPG cylinders for high-income groups will generate incremental demand for cylinders

Ethanol

Overview

The ethanol division of the Company undertakes blending of ethanol into auto fuel. This division came up with the government's norms to allow 10% ethanol as a blending agent to auto fuel to boost agriculture and reduce fuel prices.

Advantages

- All the plants are located near the sugar belt in Maharashtra, reducing the cost and time involved in transportation
- The division supplies ethanol to major PSUs like BPCL, IOCL and HPCL

Opportunities

- Blending of ethanol with fuel checks the rise in the fuel prices to some extent
- Limited crude oil reserves around the world are expected to be exhausted in the next 40-50 years. Thus, blending with ethanol would increase the availability of crude oil by a few years

Auto LPG dispensing stations (ALDS)

Overview

LPG used as automotive fuel is referred to as Auto LPG. It is a clean fuel and its usage in India started in 2000 with prescribed safety norms. The Company promotes this division through its 100% subsidiary Confidence GoGas Ltd. It has the approval to design, supply, erect, install and commission ALDS.

Confidence Group entered into long-term agreements to supply LPG to major multinational companies for automobiles in India. The division plans to add 500 ALDS across India by 2013

in phases.

Advantages

- LPG is about 40-50% cheaper than petrol
- LPG is a green fuel and emits pollutants in significantly less quantities than petrol power equivalents
- The division has LPG storage infrastructure in 19 states of India including Maharashtra, Karnataka, Rajasthan, Gujarat, Tamil Nadu, Madhya Pradesh, West Bengal,

Andhra Pradesh, Punjab, Haryana and Chhattisgarh

- The division received approval for installation and operations of Auto LPG dispensing station by the Static and Mobile Pressure Vessels (Unfired) Rules, 1991

Opportunities

- The initiatives by the government across various states in India to replace old autorickshaws with new LPG models to reduce pollution will increase auto LPG demand



Business review – 6

LPG propane, CNG project division

Overview

The project division undertakes various technology and feasibility tests to provide designing, technical assessment and engineering support for erection on a turnkey basis of ALDS, storage tanks, bottling plants, blending plants, piping and networking.

Advantages

- The division has a team of well-qualified, professional and skilled

engineers with core competence in the gas sector

- The division's team meets international quality standards for their work
- The division's engineers and associates have an excellent track record of completing projects within deadlines

Opportunities

- Natural gas finds in the KG Basin will drive the demand for LPG as well as

CNG ALDS

- Growing community of natural gas vehicles will raise proportionate demand for natural gas fuel dispensing stations
- The division receives tenders from IOCL for putting up ALDS on a continuous basis and also received a tender from SAIL for establishing a propane storage facility and pipeline worth Rs. 8 cr

Business review – 7

LPG, propane, CNG and other fuels dispensing machines

Overview

The Confidence Group, foreseeing the demand for LPG, CNG and propane dispensing machines throughout the world, tied up with the world's largest LPG/propane/CNG dispenser and fuel

manufacturer M/s Zhejiang Lanfeng Machines Co. Ltd, China.

Advantages

- The Company along with its technical partners has the exclusive rights of distribution of machines in Asia

Opportunities

- The initiatives by the government to focus more on eco-friendliness are expected to increase the demand for LPG/CNG/ propane and fuel dispensers in India

Business review – 8

LPG marketing (bulk and packed)

Overview

The Confidence Group promotes its LPG products across various hotels, industries, restaurants and other usages through its own network in commercial and industrial segments.

Advantages

- The Group provides complete LPG manufacturing, bottling and other infrastructural facilities through its marketing network

Opportunities

- The government plans to reduce the subsidy on domestic LPG. Thus, our marketing network has good prospects of providing LPG products at low costs



Business review – 9

LPG, PNG, gas meters and automated meter reading (AMR) Solutions

Overview

AMR solution technology would improve the efficiency for billing assistance to the piped gas supply network. It is a simple, efficient and fixed radio-based metering system.

Advantages

- The AMR solution system is a multi-utility system which supports water, gas and electricity metres in the same

network; all readings can be recorded at one point

- The AMR solution system is easy to install without any defects and bills can be generated instantly
- The AMR solution system's hardware and software can be easily modified and implemented saving cost
- The AMR solution system can be installed in widespread townships,

underground installations and complex buildings

Opportunities

- India has nearly 10,000 km of natural gas pipeline with a current capacity of 300 mmscmd, which includes 3,000 km of pipeline with a capacity of 119 mmscmd
- With growing finds gas demand is bound to increase over the future

Business review – 10

LPG/ propane/ CNG transport solutions

Overview

Confidence Group provides logistics solutions to major oil PSUs like BPCL, IOCL, HPCL and other private players in India with its huge fleet of medium and heavy vehicles. The Company has a fleet capacity of more than 1,000 mt at a time.

Advantages

- The division provides transportation at optimum rates and ensures timely delivery
- The Company's bottling plants spread across the country reduce transportation costs of major PSU

companies and other private players by reducing travel distance

Opportunities

- Increased cost saving for companies increased the demand for logistic solutions provided by Confidence

Corporate information

Board of Directors

Mr. Nitin Khara

Managing Director

Mr Nalin Khara

Director

Mr Elesh Khara

Director

Mr Jitendra Jain

Independent Director

Mr Sumant Sutaria

Independent Director

Audit committee

Mr Sumant Sutaria

Chairman

Mr Jitendra Jain

Member

Mr Elesh Khara

Member

Remuneration committee

Mr Jitendra Jain

Chairman

Mr Sumant Sutaria

Member

Mr Elesh Khara

Member

Shareholders' / investor grievance committee

Mr Sumant Sutaria

Chairman

Mr Jitendra Jain

Member

Mr Elesh Khara

Member

Management committee

Mr. Nitin Khara

Chairman

Mr Nalin Khara

Mr Jitendra Jain

Registered office

Near D R Container,
Jijamata Nagar,
Next to RCF gate no 2

Mahul-Chembur Road

Mahul, Mumbai - 400 074

Auditors

Bhandari & Associates

Chartered accountants, Mumbai

Bankers

ICICI Bank

Ramdaspath Branch, Nagpur

Shamrao Vithal Cooperative Bank Ltd

Ghatkopar (E), Mumbai

Bank of India

New Panvel Branch, Mumbai

Central Bank of India

Nagpur

Registrar and share transfer agents

AJEL Infotech Limited

106, MHADA Commercial Complex,
2nd floor, Near Oshiwara Police Station
Jogeshwari (West), Mumbai - 440 102



Management discussion and analysis

Indian economy – at a glance

India is among the first few countries in the world to implement a broad-based counter-cyclic policy package to respond to the negative fallout of the global slowdown. The Gross Domestic Product (GDP) growth for 2009-10 is 7.4%. The growth rate in manufacturing sector in December 2009 was 18.5% - the highest in the past two decades.

A major concern during the second half of 2009-10 has been the emergence of double digit food inflation. Government has set in motion steps, in consultation with the State Chief Ministers, which should bring down the inflation in the next few months and ensure that there is better management of food security in the country.

With recovery taking root, there is a need to review public spending, mobilise resources and gear them towards building the productivity of the economy. Fiscal policy shaped with reference to the recommendations of the Thirteenth Finance Commission, which has recommended a calibrated exit strategy from the expansionary fiscal stance of last two years. It would be for the first time that the Government would target an explicit reduction in its domestic public debt-GDP ratio.

Industry structure and developments

Even as energy is essential for our existence, its consumption can generate harmful pollutants which affect the air we breathe, the waterways that sustain us and the soil which provides our food.

In an ideal world, we would be able to satisfy all our energy needs from natural sources like the sun, wind or oceans. Indeed, as mankind becomes increasingly aware of the damage caused to the environment and well-being through pollution and

climate-impacting activities, many initiatives are now being pursued to do precisely this - harness energy from these clean natural sources.

However, despite the best intentions, energy from renewable sources will account for only a limited fraction of global energy supply. The sad reality is that an overwhelming majority of our energy needs will continue to be met by a range of fossil fuels. In view of this, selection of the right fuel can deliver enormous environmental and health benefits on a local and regional scale. The right fuel choice can reduce the incidence of respiratory ailments, heart disorders and other illnesses.

Most governments recognise the financial and social benefits of reducing human exposure to pollution. However, the time has come to match intent with action; they must send the right signals to businesses and the community at large, either through economic policies, education/awareness programmes or regulations so that their policy results in a greater consumption of clean fuels with a positive impact on human health and existence. Liquefied petroleum gas (LPG) is one such fuel.

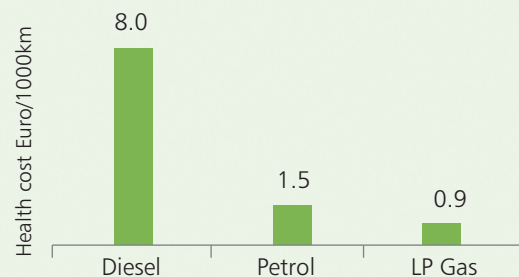
LPG – the clean-green fuel

In a recent report, the World Health Organisation (WHO) indicated that an annual investment of USD13 billion would halve the number of people cooking with solid fuels worldwide by 2015 and supplying them with LPG would lead to a payback of USD 91 billion annually. The longstanding practice of cooking over an open fire using wood, charcoal, crop waste and animal dung has had a devastating impact on human health: premature deaths of more than 1.5 million people annually, with women and young children among the most affected (Source: WHO).

One of the most dangerous pollutants from this form of combustion is fine particulate matter (PM), which penetrates deep into human lungs, causing respiratory illnesses, heart disease and neurological problems. A recent study by the Harvard School of Public Health and Brigham Young University, 2009, found that for every decrease of 10 micrograms per cubic meter of city particulate pollution, residents' average life expectancy shot up by more than seven months. On a broader front, traditional liquid fuels such as gasoline (petrol), diesel and kerosene have complex chemical structures. When burned, these fuels can release a range of harmful compounds, some of which are linked to serious and frequently life-threatening illnesses.

On the other hand, gaseous fuels like LPG possess a simple chemical structure, promoting clean burning, with greatly reduced levels of combustion by-products. PM emissions from the combustion of LPG are typically around 1,000 times lower than wood burning and can be 100 times lower than the combustion of diesel fuel. The following chart (BIC, 2001) provides a graphic picture of the overall damage to society caused by a number of widely used existing transport fuels, together with some emerging alternative fuels, when used in urban bus application. The value of switching to LPG is self-evident.

Health cost totals



Source: World LP Gas Association

It is with this health-oriented perspective that the Indian Government focused on the increased rollout of new LPG

connections – 55 million new connections till 2015 – while increasing its population coverage from 50% to 75% and raising the total number of LPG customers to 160 million.

LPG (called autogas when used as an automotive fuel) is the most widely available and accepted alternative fuel for road transport. Over 13 million LPG-fuelled and 8.5 million CNG-powered vehicles are now in use around the world (with Asian region accounting for almost 51% or 4.4 million vehicles), representing annual global growth of more than 30% over FY 06 (5.7 million vehicles). An extremely low penetration of natural gas vehicles – 6.1% world over, 5.9% in Asia and CIS and 2% for high-growth markets like India and China – signifies a growing opportunity, going forward. In many instances, LPG/ CNG fuel systems are fitted to vehicles as an aftermarket conversion, though in some markets, particularly in Asia, factory-built LPG vehicles ('retrofitted') represent a large and growing proportion of new vehicles. The population of CNG run vehicles is slated to go up to a level of 50 million by 2020 and to a level of 100-200 million by the year 2030 as per International Gas Union. Moreover the same agency estimates that the present gas vehicle population of almost 8 lac units in India is slated to increase to a level of about 1.5 million vehicles over next 3 years.

Most importantly, from a climate change perspective, neither propane nor butane is on the Intergovernmental Panel on Climate Change (IPCC) list of greenhouse gases. LPG released into the environment rapidly disperses into the atmosphere where it undergoes photochemical degradation. Additionally, the greenhouse gas emissions from the combustion of LPG are also low compared with most other fuels, resulting in the lowest carbon footprint in diverse applications. It has low reactivity at normal temperatures, burns readily in the presence of air and its energy content per kilogram is similar to gasoline and diesel.

These characteristics have made LPG a popular fuel for domestic, commercial, industrial, agricultural and transport applications.

Opportunity

LPG: In a recent report, the World Health Organisation (WHO) indicated that an annual investment of USD13 billion would halve the number of people cooking with solid fuels worldwide by 2015 and supplying them with LPG would lead to a payback of USD 91 billion annually. The government's initiative to implement the Rajiv Gandhi Gramin LPG Vitran Yojana for supplying LPG connections in the deep rural areas would create huge demand for LPG in India. The PSU majors would require appointing 3,000 LPG dealers in the rural areas.

Auto LPG: Over 13 million LPG-fuelled and 8.5 million CNG-powered vehicles are now in use around the world (with Asian region accounting for almost 51% or 4.4 million vehicles), representing annual global growth of more than 30% over FY 06 (5.7 million vehicles). An extremely low penetration of natural gas vehicles – 6.1% world over, 5.9% in Asia and CIS and 2% for high-growth markets like India and China – signifies a growing opportunity, going forward. Auto LPG also accounts for 40-50% savings as compared to petrol.

CNG: The KG basin and other gas discoveries in India have led to a sharp increase in India's gas production in March 2010 at 155 mmscmd up 72% YoY. The share of gas in the energy basket remains high but is far below the global averages. Even

per capita consumption of gas in India is very low compared to global averages. India ranks 19th in the global pecking order in terms of natural gas consumption at about 429.9 bn m3 as compared the United State's 6,572 bn m3 (CIA, World Factbook). However with the increased gas availability, the demand for natural gas is estimated to grow at CAGR of 5.4% to increase to 177 mmscmd from 159.5 mmscmd by 2011-12. On the supply side, it is projected that supply will increase at a CAGR of 14.8% to 176 from 133.5 mmscmd by 2011-12. The deficit is likely to reduce to 1 mmscmd by 2011-12.

Human resources/ industrial relations

The Company continues to focus on training its employees on a continuous basis both on the job and through training programmes to help them face business/ industrial challenges. During the year, industrial relations have been cordial.

Cautionary statement

The statement made in this report describing the Company's expectations and estimations may be a forward-looking statement within the meaning of applicable securities, laws and regulations. Actual results may differ from those expressed or implied in this report due to the influence of external and internal factors which are beyond the control of the Company.

Directors' Report

To

The Members

Confidence Petroleum India Limited,

B-13, Prabhu Kripa Society, Nanda Patkar Road,

Near Telephone Exchange, Vile Parle (East),

Mumbai - 400057

Your Directors are pleased to present the Annual Report of the Company, together with the audited accounts for the year ended 2009 - 2010. The summarised results for the year ended 31st March 2010 are as under: -

Financial Results

The performance of the Company for the financial year ended 2009-10 is summarised below: -

- (i) The total turnover for the year was Rs. 353.54 cr.
- (ii) The company has incurred a Net profit (before tax) during the year of Rs. 32.29 cr.

Auditors

M/s. Bhandari & Associates, the Statutory Auditors of the company, retires at the forthcoming Annual General Meeting and is eligible for re-appointment. The retiring auditors, having furnished a certificate of their eligibility for re-appointment under section 224(1B) of the Companies Act, 1956 and have indicated their willingness to continue. The board recommends their re-appointment.

Consolidated Financial Statements

In compliance with the Accounting Standard 21 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2009 - 10.

From the Consolidated Profit and Loss Account, it may be observed that the Turnover grew by 112.74% to Rs. 561.11 cr as compared to Rs. 263.74 cr in the previous year. Similarly, profit after tax and after minority interest for the year was Rs.28.94 cr, higher by Rs. 10.30 cr as compared to Rs. 18.64 cr recorded in the previous year.

Internal Control System

The Company's internal control system comprises audit and compliance by in-house Internal Audit Division.

The internal auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by the direct reporting of Internal Audit Division and Internal Auditors to the Audit Committee of the Board.

Subsidiaries

As required under the provisions of Section 212 of the Companies Act, 1956, a statement of the holding company's interest in the subsidiary companies is attached as 'Annexure 1' and forms part of this report.

In terms of approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, copy of Balance Sheet, Profit and Loss Account, Report of the Board of Directors and the Report of the Auditors of the subsidiary companies have not been attached with the Balance Sheet of the Company. The Company will make available these documents/details upon request by any investor of the Company or its Subsidiaries.

The Annual accounts of the Subsidiaries are also available for inspection by the investors at the Head Office of the Company and also at the respective offices of its Subsidiaries. However, pursuant to Accounting Standard AS-21, issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company includes the financial information of its Subsidiaries. The following information for each Subsidiary is also being disclosed in 'Annexure 2' of the Directors Report : (a) Capital (b) Reserves (c) Total assets (d) Total liabilities (e) Details of investment (except in case of investment in subsidiaries) (f) Turnover (g) Profit before taxation (h) Provision for taxation (i) Profit after taxation (j) Proposed dividend.

Auditors' Report

The observations of Auditors in their report, read with the relevant notes to accounts in Schedule P, are self explanatory and do not require further explanation.

Particulars of Employees

There were no employees drawing salary more than the amount as provided under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

In terms of Section 217 (1) (e) of the Companies Act, 1956 and the rules made there under, relevant information about:

Energy conservation items : Nil

Technology Absorption items : Nil

Foreign Exchange earnings and outgo : Outgo of Foreign currency is made under following heads. The company is expecting inflows in ensuing financial year

Rs. in Lacs

Particulars	2009-10
For Purchase of CNG Pipe and Raw materials	360.21
For Purchase of Glycerine and other trading goods	13.25
For Purchase of LPG Dispensers	83.69
For Investment in Equity of Foreign Subsidiary (PT Surya Go Gas, Indonesia)	1521.53

Director's Responsibility Statement

Pursuant to section 217(2AA) of the Companies Act, 1956 the Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures,
- the directors had selected such accounting policies and applied them consistently and 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 and of the profit or loss of the company for that period.
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities,
- the directors had prepared the annual accounts on a going concern basis.

Acknowledgement

Your directors wish to place on record their appreciation of the excellent support received from the company's bankers and all other persons connected with the company.

For and on behalf of the Board of Directors

Sd/-

Nitin Khara

Managing Director

Sd/-

Elesh Khara

Director

Place:Nagpur

Dated: 14th August.2010

'Annexure I'

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

Financial Information of Subsidiary Companies as on / for the year ended on 31st March, 2010

Rs. in Lacs

Sr. No.	Name of Subsidiary Company	Reporting Currency	Holding Company Interest	Holding in No. of Shares	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover /Total Income	Profit Before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country
1.	Confidence Go Gas Limited	INR	100.00%	150000	15.00	9.61	735.53	735.53	175.60	16690.65	3.13	1.58	1.55	0	India
2.	Envy Cylinders Pvt Ltd.	INR	100.00%	1613797	161.38	(56.27)	765.78	765.78	38.72	1868.49	218.55	40.32	178.22	0	India
3	Laxminirnal Petrochemicals Pvt. Ltd.	INR	100.00%	25000	25.00	(27.52)	507.04	507.04	0.00	151.04	(16.27)	0.00	(16.27)	0	India
4.	Virendra Petrochemicals Pvt. Ltd.	INR	100.00%	500000	50.00	(12.32)	184.52	184.52	0.00	0.00	(1.81)	0.00	(1.81)	0	India
5	Agwan Coach Private Limited	INR	100.00%	85020	8.50	(87.10)	86.84	86.84	0.00	177.41	(27.28)	0.00	(27.28)	0	India
6	Keppy Infrastructure Developers Private Limited	INR	100.00%	10000	1.00	(18.64)	13.08	13.08	0.00	68.40	(9.24)	0.00	(9.24)	0	India
7	Hemkunt Petroleum Limited	INR	100.00%	123000	12.30	(138.92)	(126.62)	(126.62)	3.85	56.76	(1.20)	0.00	(1.20)	0	India
8	Taraa LPG Bottling Private Limited	INR	100.00%	1000	1.00	(18.09)	20.91	20.91	0.00	64.77	(3.46)	0.00	(3.46)	0	India
9	PT Surya Go Gas Indonesia	IDR	70.00%	35249747	503567.82	71944.46	732537.22	732537.22	107634.93	338290.89	105970.81	16217.99	89752.83	0	Indonesia

For and on behalf of the Board of Directors

Sd/-

Sd/-

Place:Nagpur

Dated: 14th August.2010

Nitin Khara

Managing Director

Elesh Khara

Director

Corporate Governance Report

Company's Philosophy on Corporate Governance:

The Company's philosophy is to conduct business and its dealings with all stakeholders in compliance with law and high standards of business ethics and to exceed the statutory requirements with regard to Corporate Governance. The Company would continue to strengthen its principles of transparency, fairness, and accountability to generate long-term value for its shareholders on a continuous and sustainable basis in harmony with the interests of all the other stakeholders.

Board of Directors

The Board comprises of 5 (Five) Directors of whom 2 (Two) are Executive Directors and 3 (Three) are Non-Executive/Independent Directors. Mr. Nitin Khara is Promoter and Managing Director of the Company.

In accordance with the provisions of Clause 49 of the Listing Agreement, not less than 50% of the Board consists of Non-Executive/ Independent Directors.

The composition of the Board of Directors is as follows:

Name of the Member of the Board	Relationship with other Directors
Mr. Nitin Khara	Brother of Mr. Nalin Khara and Mr. Elesh Khara
Mr. Nalin Khara	Brother of Mr. Nitin Khara and Mr. Elesh Khara
Mr. Elesh Khara	Brother of Mr. Nitin Khara and Mr. Nalin Khara
Mr. Jitendra Jain	None
Mr. Sumant Sutaria	None

Attendance of Directors at Board Meetings and Annual General Meeting:

There were in all 18 Board meetings held during the financial year under review:

30th April, 2009, 14th May, 2009, 15th May, 2009, 20th May, 2009, 01st June, 2009, 08th June, 2009, 18th June, 2009, 30th June, 2009, 13th July, 2009, 21st July, 2009, 31st July, 2009, 5th August, 2009, 31st October, 2009, 13th November, 2009, 30th November, 2009, 1st December, 2009, 15th January, 2010 and 27th March, 2010

Details of attendance of Directors were as under:

Name of Director	Number of Board Meeting attended	Last Annual General Meeting attended
Mr. Nitin Khara	18	YES
Mr. Nalin Khara	16	YES
Mr. Elesh Khara	14	YES
Mr. Jitendra Jain	18	YES
Mr. Sumant Sutaria	12	YES

Board Members and their Directorship in other Public Limited Companies:

Name of Director	Executive/Non-Executive/ Independent	Directorship in other Public Limited Companies	(*) Committee positions in other Public Limited Companies (as Chairman)
Mr. Nitin Khara	Executive	9	Nil
Mr. Nalin Khara	Executive	6	Nil
Mr. Elesh Khara	Executive	7	Nil
Mr. Jitendra Jain	Independent	Nil	Nil
Mr. Sumant Sutaria	Independent	Nil	Nil

(*) For considering the limit of the committees on which a director can serve:

a) all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under Section 25 of the Companies Act have been excluded

b) Chairmanship/ membership of the Audit Committee and the Shareholders' Grievance Committee alone have been considered.

Remuneration and Shareholding of Directors:

Details of monthly remuneration of Executive Directors of the Company are as under:

Sr. No.	Particulars	Mr. Nitin Khara	Mr. Elesh Khara
1.	Salary & Perquisites	540,000	Nil
2.	Provident Fund	Nil	Nil
3.	Superannuation Fund	Nil	Nil
4.	Commission	Nil	Nil

Non-Executive Director's Compensation:

None of the Non-Executive Directors have been paid compensation neither the Independent Directors were paid sitting fees and commission during the year under review.

The Company does not have any stock option scheme provided to Directors or Officers of the Company.

List of Non- Executive/ Independent Directors along with their Shareholding is as under:

Sr. No.	Name of the Directors	No. of Shares held
1.	Mr. Jitendra Jain	Nil
2.	Mr. Sumant Sutaria	34,380
3.	Mr. Nalin Khara	*47,90,732

* shareholding as on 30th June, 2010

Audit Committee

To comply with requirements of Clause 49(II) of the Listing Agreement Mr. Sumant Sutaria (Independent Director) has been appointed as the Chairman of the Audit Committee with effect from August, 2010. The Audit Committee comprises of:

Mr. Sumant Sutaria (Chairman)
Mr. Jitendra Jain
Mr. Elesh Khara

Mr. Sumant Sutaria and Mr. Jitendra Jain are the Independent/ Non-Executive Directors and Mr. Elesh Khara is the Executive Director of the Company.

Members of the Audit Committee possess expert knowledge of Accounts, Audit and Finance. The Audit Committee meetings were held on June 22, 2009, July 23, 2009, October 22, 2008 and January 06, 2010.

The attendance at these meetings was as under:

Name of the Directors	No. of Meetings Attended
Mr. Sumant Sutaria (Chairman)	4
Mr. Jitendra Jain	4
Mr. Elesh Khara	4

The powers and role of the Audit Committee is in accordance with the provisions of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 and includes oversight of the Company's financial process, reviewing the financial statements and the adequacy of internal audit. The role of Audit Committee includes the role of discussions with internal and statutory auditors periodically about their scope of audit and adequacy of internal control systems.

In addition, the Committee also reviews the Management Discussion and Analysis of the financial condition and results of operations and in respect of unlisted subsidiary companies, the financial statements, investments made and the minutes of the Board Meeting.

Remuneration Committee

The Remuneration Committee consists of Mr. Jitendra Jain, Mr. Sumant Sutaria and Mr. Elesh Khara.

The Committee meeting was held once in the year 2009 – 2010 on 27th November, 2009 and all the three members of the Committee were present in the meeting.

Shareholders and Investors Grievance Committee

Shareholders and Investors Grievance Committee of the Company inter-alia reviews and considers the report of M/s. Ajel Infotech Limited regarding number of various types of complaints/requests received, handled and balances if any.

Members of the Committee are:

Sumant Sutaria (Chairman)

Jitendra Jain

Elesh Khara

The Committee meetings were held on 20th May, 2009, 18th July, 2009, 17th September, 2009 and 18th March, 2010 and were attended by all members.

During the financial period, the Company received three complaints and one pending complaint of the previous year. The complaints received during the year were resolved and one complaint remained pending. The Company does not have any complaints, not attended at the closure of the year under review.

Management Committee

The management committee has been constituted by the Company which can come into operation from 15th January, 2010 to ensure guidance to the Board in terms of providing strategic direction to the Company and be an architect of the growth of the Company.

The scope of the Management Committee is, but not limited to:

- business planning
- performance monitoring
- corporate governance
- finance
- human resources
- internal audit and audit committee activities
- occupational health and safety
- operational issues
- stakeholder management

Composition of the Committee:

The Management Committee comprises of each of the following Directors as its members:

1. Mr. Nitin Khara (Chairman)
2. Mr. Nalin Khara
3. Mr. Jitendra Jain

Meetings of the Committee:

The Committee since its formation has met thrice on the following dates: 25th February, 2010, 5th March, 2010, 25th March, 2010. All the members of the Committee attended all the three meetings.

a) General Body Meeting

Last three Annual General Meetings of the Company were held at the venue and the time as under:

Year	Date of Annual General Meeting	Time of Meeting	Venue
2006 – 2007	28th September, 2007	11.00 am	Uttarbhartiya Sangh Building, Mumbai
2007 – 2008	30th September, 2008	11.00 am	Uttarbhartiya Sangh Building, Mumbai
2008 – 2009	28th December, 2009	2.00 pm	Gala No. 11-12, First Floor, Sita Estate, Vashi Naka, Mahul Road, Next To RCF Police Station, Chembur, Mumbai – 400074

b) Extra-Ordinary General Meeting

Year	Date of Extra-Ordinary General Meeting	Time of Meeting	Venue
2007 – 2008	17th August, 2007	11.00 am	Plot no 629/1243, Ground Floor Uttarbhartiya Sangh Building, Teachers Coloney Bandra Kurla Complex Bandra (East) Mumbai – 400 051
2008 – 2009	Nil	Nil	Nil
2009 – 2010	8th June, 2009	11.45 am	Silk Merchant Association Hall, Kalbadevi Road, 480, Dhanukar Building, 1st Floor, Room No. 26, Mumbai - 400002

c) Date of Book Closure:

20th September, 2010 to 30th September, 2010 (Both days inclusive).

d) Dividend Payment:

No Dividend is declared for the year 2009 - 2010

e) Listing of Stock Exchange and Stock Code:

Bombay Stock Exchange Limited - 526829

f) Dematerialization:

ISIN Number INE5552D01024

g) Registrar & Transfer Agents:

AJEL INFOTECH LIMITED, 106, Link Plaza Commercial Complex Building, New Link Road, Oshiwara, Jogeshwari (West), Mumbai – 400102. Phone: 022 – 26303348

h) Share Transfer System:

Transfers are registered and returned within a period of 30 days from the date of receipt. The requests for dematerialization of shares are confirmed within 15 days from the date of receipt.

i) Stock Market Price for the year:

Face Value per Equity Share – Rs. 1/-

Month	High Price	Low Price	Close Price
April, 2009	7.81	4	6.43
May, 2009	12.66	6.2	11.88
June, 2009	13.5	7.08	8.62
July, 2009	11.73	6.89	11.3
August, 2009	11.47	8.65	9.25
September, 2009	9.59	7.65	7.81
October, 2009	10.2	6.97	8.1
November, 2009	8.6	7.5	7.84
December, 2009	9.6	7.33	9.6
January, 2010	10.16	7.37	7.49
February, 2010	8.83	7.4	8.37
March, 2010	9.19	7.6	8.08

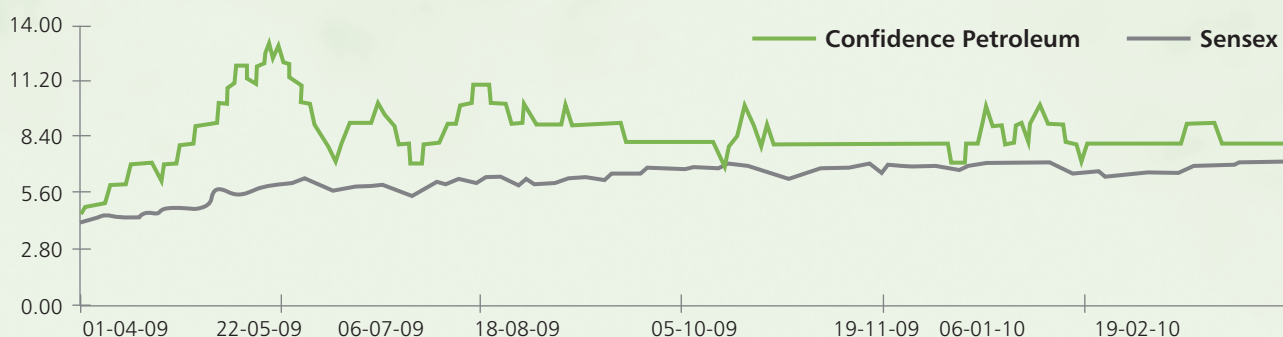
j) Shareholding Pattern as on March 31, 2010:

Category	No. of Shares	%
(A) Promoter and Promoter Group		
Indian	11,97,65,518	46.27
Foreign	0	0.00
(B) Public		
1) Institutions		
Foreign Institutional Investors	4,00,000	0.15
2) Non-Institutions		
Bodies Corporate	263,20,918	10.17
Individuals	615,58,150	23.78
Non-resident Indians	2072079	0.8
(C) Custodians	48718335	18.82
Total	25,88,35,000	100.00

k) Distribution of Shareholding as on March 31, 2010:

Slab of shareholding distribution	Shareholders		Shares value	
	Total holders	% age of holders	Face value (Rs.)	In %age
0001 – 5000	16,060	89.76	18625311	7.24
5001 - 10000	883	4.94	6875019	2.67
10001 - 20000	404	2.26	5972341	2.32
20001 - 30000	161	0.9	4059530	1.58
30001 - 40000	105	0.59	3689573	1.44
40001 - 50000	54	0.3	2593527	1.01
50001 - 100000	94	0.53	6682519	2.6
100001 - 99999999	131	0.73	208587180	81.14
Total	17892	100	257085000	100

l) Historic Graph of Confidence Petroleum India Limited with BSE Sensex:



Historic graph 01-04-2009 to 31-03-2010

m) Dematerialization:

As on March 31, 2010, out of total of 25,88,35,000 Shares, 14,84,34,800 (57.35%) shares, are held in dematerialized form and the balance 11,04,00,200 shares are held in Physical Form.

n) Shareholders and Investors Correspondence:

Shareholders should address their correspondence to the Company's Registrar and Transfer Agent at the following address

M/s. Ajel Infotech Limited, 106, Link Plaza Commercial Complex Building, New Link Road, Oshiwara, Jogeshwari (West), Mumbai – 400102.

Contact number – 022 – 26303348

Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding compliance with Code of Conduct.

In accordance with Clause 49 I (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial period ended March 31, 2010.

For Confidence Petroleum India Limited

Sd/-

Nitin Khara

Managing Director

Place: Nagpur

Date: 14th August, 2010

Auditors' Certificate on Corporate Governance

To

The Members of Confidence Petroleum India Limited

We have examined the compliance of conditions of corporate governance by Confidence Petroleum India Limited ('the Company'), for the twelve months period ended on 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Bhandari & Associates**

Chartered Accountants

Place: Mumbai

Date: 25th May, 2010

Partner

Membership No. 33168

Auditors' Report

To
The Members,
Confidence Petroleum India Limited

1. We have audited the attached Balance Sheet of **CONFIDENCE PETROLEUM INDIA LIMITED** "the Company" as at **31st March, 2010**, the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together 'the Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure a statement on the matters specified paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in Paragraph 1 above, we report that:
 - 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) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account ;
 - d) In our opinion, Balance Sheet and Profit & Loss account, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956; and
 - e) On the Basis on the written representations received from the directors as on 31st March 2010, and taken of records by the Board of Directors, we report that none of the directors of the company are disqualified as on 31st March 2010 from being appointed as a director, in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with notes appearing in Notes to Accounts and Accounting Policies, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) in case of Balance Sheet of the state of affairs of the Company as at 31st March, 2010, and
 - ii) in case of Profit and Loss account of the Loss for the year ended on that date.
 - iii) in case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For Bhandari and Associates
Chartered Accountants

L. R. Bhandari
Proprietor
M. No. 33168

Place: Mumbai
Dated: 25th May, 2010

Annexure to the Auditors' Report

(Referred to in paragraph (1) of our report of even date)

- i) a) The Company has maintained proper records show full particulars including quantitative details and situation of the fixed assets.
- b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion the frequency of verification is reasonable.
- c) In our opinion and according to the information and explanation given to us, the Company has not disposed of substantial part of its fixed assets during the year.
- ii) a) The inventory of the Company has been physically verified by the management during the year, In our opinion, the frequency of verification is reasonable.
- b) In our opinion, and according to the information & explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) In our opinion, and according to the information & explanation given to us, the Company has maintained proper records of its inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii) a) During the year the Company has not given loan to any party during the year.
- b) According to the information and explanations given to us, interest is paid or received on these aforesaid loans.
- c) In respect of loan taken or given by the Company from the parties, there is no fixed repayment schedule. In respect of other loan no interest is being paid and the principal amount is repayable on demand which is still outstanding.
- d) There is no overdue amount in respect of loans taken by the Company.
- iv) In our opinion, and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company and according to the information and explanation given to us, we have neither come across nor have we been informed of any continuing failure internal control system.
- v) a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under the Section.
- b) In our opinion and according to the information and explanation given to us, transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public, falling within the purview of Section 58A and 58AA or any other relevant provision of the Act and the Companies (Acceptance of Deposits) Rules, 1975 and the rules framed there under during the year under review.
- vii) In our opinion and according to the information and explanations given to us, the company has an adequate Internal Audit system commensurate with its size and the nature of its business.
- viii) According to the information & explanations given to us, the Company has not been ordered to maintain cost

records as prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.

- ix) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the company is regular in depositing statutory dues including Income-tax, Sales tax and any other statutory dues with the appropriate authorities.
- b) According to the information and explanations given to us and the records of the Company examined by us as at 31st March, 2010, there were no dues of Income-tax, Wealth Tax, Service Tax, Custom Duty, Cess and Sales Tax, in the manner so required and give a true and fair view in conformity with the accounting principals generally accepted in India except as mentioned under note 9 of notes to accounts.
- x) In our opinion, the Company has no accumulated losses as at 31st March, 2010. The Company has also not incurred cash losses from operations during the current and the immediately preceding financial year.
- xi) According to the information and explanation given to us by the management, In our opinion, the company has not defaulted in repayment of dues to any financial institution or banks.
- xii) According to the information and explanation given to us by the management, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
- xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- xv) To the best of our knowledge and belief and according to

the information & explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions except particulars in Note No. 2 in Schedule "U" Part 2 – notes to accounts.

- xvi) In our opinion, the Company has used term loans for the purpose for which they were obtained.
- xvii) On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanation given to us, there are no funds raised on short-term basis which have been used for long-term investments.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xix) In our opinion, no debenture have been issued by the Company and hence, the question of creating securities in respect thereof does not arise.
- xx) The Company has not raised any money by public issue during the year.
- xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Bhandari and Associates
Chartered Accountants

L. R. Bhandari
Proprietor
M. No. 33168

Place: Mumbai
Dated: 25th May, 2010

Balance Sheet As at 31st March, 2010

Particulars	Schedule	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS :			
Share Capital	A	25 88 35 000	25 88 35 000
Reserves and Surplus	B	1 42 46 67 354	1 18 29 16 311
LOAN FUNDS :			
Secured Loans	C	67 04 05 824	38 55 70 672
Unsecured Loans	D	29 07 71 205	31 49 59 681
Deferred Tax Liability		8 45 389	(19951097)
TOTAL		2 64 55 24 772	2 12 23 30 567
APPLICATION OF FUNDS :			
FIXED ASSETS :	E		
Gross Block		1 88 01 10 935	1 55 62 33 886
Less : Depreciation		52 49 37 006	39 73 59 595
Net Block		1 35 51 73 929	1 15 88 74 291
Capital Work in Progress		12 54 26 668	4 82 22 722
		1 48 06 00 597	1 20 70 97 013
INVESTMENTS	F	30 46 39 126	14 93 26 126
CURRENT ASSETS, LOANS AND ADVANCES :			
Inventories	G	38 98 63 489	23 49 06 526
Sundry Debtors	H	49 48 30 211	47 07 31 349
Cash and Bank Balances	I	5 72 60 186	17 09 52 948
Loans and Advances	J	12 38 49 450	12 84 97 302
		1 06 58 03 336	1 00 50 88 125
Less : Current Liabilities and Provisions	K	20 55 23 287	23 91 91 897
NET CURRENT ASSETS		86 02 80 048	76 58 96 228
Miscellaneous Expenditure to the extent not written off	L	5 000	11 200
Profit and Loss account			
TOTAL		2 64 55 24 772	2 12 23 30 567
Significant Accounting Policies and Notes to Accounts Schedule	U		

As per our Report of even date

For **Bhandari and Associates**
Chartered Accountants

For and on behalf of the Board

L.R. Bhandari
Proprietor

Nitin Khara
Director

Elesh Khara
Director

Place: Mumbai,
Dated: 25th May 2010

Profit and Loss Account For the year ended 31st March, 2010

Particulars	Schedule	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
INCOME			
Sales and Operational Income	M	3 49 61 32 938	2 30 35 40 545
Other Income	N	70 08 057	3 31 20 927
Increase/(Decrease) in stocks	O	3 22 94 295	5 59 17 073
TOTAL		3 53 54 35 290	2 39 25 78 545
EXPENDITURE			
Cost of Goods Consumed / Sold	P	2 79 87 35 685	2 05 70 79 637
Employees Benefits	Q	3 55 38 934	2 04 51 675
Operating and Other Expenses	R	8 28 03 904	3 63 84 843
Administrative and Selling Expenses	S	7 51 87 158	5 07 41 376
Interest and Financial Charges	T	9 26 77 680	2 87 56 965
Depreciation	E	12 75 77 411	3 87 93 220
TOTAL		3 21 25 20 772	2 23 22 07 716
Profit before Exceptional Items and Taxation		32 29 14 517	16 03 70 830
Provision for Taxation			
- Current Year		5 50 00 000	2 10 00 000
- Fringe Benefit Tax		-	2 60 000
- Deferred Tax		2 07 96 486	-
- Earlier Years		53 66 988	-
Profit after Tax		24 17 51 043	13 91 10 830
Add : Balance brought forward		24 33 31 605	10 42 20 775
Balance transferred to Balance Sheet		48 50 82 648	24 33 31 605
EARNING PER SHARE (Face Value of Rs 1/- each)			
- Basic and Diluted Earning Per Share		0.93	0.54
- Number of Shares used in computing earning per share		25 88 35 000	25 88 35 000
Significant Accounting Policies and Notes to Accounts Schedule	U		

As per our Report of even date

For **Bhandari and Associates**
Chartered Accountants

For and on behalf of the Board

L.R. Bhandari
Proprietor

Nitin Khara
Director

Elesh Khara
Director

Place: Mumbai,
Dated: 25th May 2010

Schedules forming part of Balance Sheet and Profit and Loss Account

As at 31st March, 2010

Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 'A' SHARE CAPITAL		
Authorised		
26 00 00 000 Equity Shares of Rs. 1/- each	26 00 00 000	26 00 00 000
Issued Subscribed and Paid Up		
25 88 35 000 Equity Shares of Rs. 1/- each	25 88 35 000	25 88 35 000
(of the above 10,00,00,000 shares fully paid were issued pursuant to the scheme of amalgamation dated 11th of August, 2006 and further 17 50 000 shares fully paid were issued pursuant to the scheme of amalgamation dated 18th of September, 2009 for considerations otherwise than cash)		
Total	25 88 35 000	25 88 35 000

SCHEDULE 'B' RESERVES AND SURPLUS

Securities Premium Account		
As per last Balance Sheet	92 28 10 706	92 28 10 706
(a)	92 28 10 706	92 28 10 706
Capital Subsidy Reserves		
As per last Balance Sheet	22 50 000	22 50 000
(b)	22 50 000	22 50 000
General Reserve		
As per last Balance Sheet	1 45 24 000	1 45 24 000
(c)	1 45 24 000	1 45 24 000
Surplus in Profit and Loss Account		
As per account annexed	48 50 82 648	24 33 31 605
(d)	48 50 82 648	24 33 31 605
TOTAL (a+b+c+d)	1 42 46 67 354	1 18 29 16 311

Schedules forming part of Balance Sheet and Profit and Loss Account

As at 31st March, 2010

Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 'C' SECURED LOANS		
TERM LOANS :		
From - Shamrao Vithal Co-operative Bank Ltd.	0	14 11 578
(Secured against Equitable Mortgage of Land Building and hypothecation of Plant and Machinery, Furniture and Fixtures and other assets of the company and personal guarantee of Directors) Payable within one Year Rs.0/-		
From - ICICI Bank Ltd	38 79 62 958	25 00 00 000
(Secured against equitable mortgage of land and building situated at Khasra No. (Survey No.) 209, Rampur road, Bazpur, Dist. Uddhamsinghnagar, Uttranchal , Plot no. 49, A.P. SEZ, village Achutapuram, Dist. Vishakhapatnam, Andhra Pradesh. survey no. 338, Post Noorpura, Village and Taluka Halol, District Panchmahal and personal guarantee of directors of the company i.e. Shri Nitin Khara and Shri Elesh Khara of which Payable within one Year Rs. 100000008/-)		
From - ICICI Bank Ltd	4 61 756	12 44 093
(Secured against Vehicles and personal guarantee of Shri Nitin Khara of which Payable within one Year Rs.4,61,756/-)		
WORKING CAPITAL LOAN :		
From - ICICI Bank Ltd	24 98 36 239	10 63 08 471
(Secured against charge by way of hypothecation of the Company's entire stocks of raw materials, semi – finished and finished goods, consumable stores and spares and such other movables including book – debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank ranking pari-passu with the other participating bank along with equitable mortgage of land and building situated at Khasra No. (Survey No.) 209, Rampur road, Bazpur, Dist. Uddhamsinghnagar, Uttranchal, Plot no. 49, A.P. SEZ, village Achutapuram, Dist. Vishakhapatnam, Andhra Pradesh. Survey no. 338, Post Noorpura, Village and Taluka Halol, District Panchmahal and personal guarantee of directors of the company i.e. Shri Nitin Khara and Shri Elesh Khara)		
From - Shamrao Vithal Co-operative Bank Ltd.	2 97 64 055	2 33 42 162
(Secured against hypothecation of stock of Raw material, Consumable, Finished Goods, Work in Process, Book Debts and second charge over entire fixed assets Company and personal guarantee of the directors of the company i.e. Shri Nitin Khara and Shri Elesh Khara)		
From - Central Bank of India	23 80 815	32 64 368
(Secured against hypothecation of stock of Raw Material, Consumable, Finished goods, Work in Process, Booksdebts, second charge over entire fixed assets of the company and personal guarantee of the Directors of the company i.e. Shri Nitin Khara and Shri Elesh Khara)		
Total	67 04 05 824	38 55 70 672

Schedules forming part of Balance Sheet and Profit and Loss Account

As at 31st March, 2010

Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 'D' UNSECURED LOANS		
From Corporates	11 39 43 102	13 78 31 578
From SICOM Limited (Interest Free)	1 89 79 918	1 89 79 918
(Under Deferral Package Scheme of Incentive 1993.		
Deposit Received against Cylinders	15 78 48 185	15 81 48 185
Total	29 07 71 205	31 49 59 681

Schedules forming part of Balance Sheet and Profit and Loss Account

As at 31st March, 2010

SCHEDULE 'E' FIXED ASSETS

Block Head	Rate of Dep. (%)	ASSETS				DEPRECIATION				NET BLOCK	
		Opening Balance	Addition 09-10	Sale/Adj	Total Value	Upto 3/31/09	During the Year	Sale/Adj	Upto 3/31/10	As on 31.03.10	As on 31.03.09
Land	0.00%	29 23 48 139	17 39 116	-	29 40 87 255	-	-	-	0	29 40 87 255	29 23 48 139
Goodwill	20.00%	5 00 00 000	-	-	5 00 00 000	2 00 00 000	1 00 00 000	-	30000000	2 00 00 000	3 00 00 000
Office Building	5.00%	34 03 167	-	-	34 03 167	11 60 252	1 12 146	-	1272398	21 30 769	22 42 915
Factory Building	10.00%	33 68 50 897	10 89 90 275	-	44 58 41 172	3 75 57 246	3 17 58 211	-	69315457	37 65 25 715	29 92 93 651
Plant And Machinery	13.91%	63 58 62 511	19 95 62 440	-	83 54 24 951	14 71 71 491	7 54 84 500	-	222655991	61 27 68 960	48 86 91 020
Electrical Installation	13.91%	3 98 71 068	98 18 403	-	4 96 89 471	1 13 67 834	46 14 856	-	15982690	3 37 06 781	2 85 03 234
Vehicle	25.89%	98 97 882	13 10 672	-	1 12 08 554	27 89 322	20 87 392	-	4876714	63 31 840	71 08 560
Heavy Vehicle	40.00%	11 66 888	-	-	11 66 888	4 41 774	2 90 046	-	731820	4 35 068	7 25 114
Furniture & Fixtures	18.10%	86 32 988	7 26 638	-	93 59 626	41 07 472	9 00 492	-	5007964	43 51 662	45 25 516
Computer	40.00%	53 99 158	13 54 898	-	67 54 056	28 53 470	14 53 797	-	4307267	24 46 789	25 45 688
Office Equipment	13.91%	21 07 599	3 74 607	-	24 82 206	9 21 432	1 94 254	-	1115686	13 66 520	11 86 167
Cylinders	40.00%	17 06 93 589	-	-	17 06 93 589	16 89 89 305	6 81 714	-	169671019	10 22 570	17 04 284
Total		155 62 33 886	32 38 77 049		188 01 10 935	39 73 59 598	12 75 77 407		52 49 37 006	135 51 73 929	115 88 74 288
Wip Project	10.00%	4 82 22 722	24 06 09 490	16 34 05 544	12 54 26 668	-	-	-	-	12 54 26 668	4 82 22 722
Total		160 44 56 608	56 44 86 539	16 34 05 544	200 55 37 603	39 73 59 598	12 75 77 407		52 49 37 006	148 06 00 597	120 70 97 010

Schedules forming part of Balance Sheet and Profit and Loss Account

As at 31st March, 2010

Particulars		As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 'F' INVESTMENTS			
National Saving Certificate		22 000	22 000
Shares in Indian company (Unquoted)		1 03 630	1 03 630
- Investment in Partnership Business of M/s Sneha Petroleum, Bangalore		62 50 000	42 50 000
- Investment in Partnership Business of M/s Prachi Gaspoint, Gwalior		19 00 000	-
- Investment in Garg Distillaries Pvt. Ltd.		2 63 29 855	1 44 79 855
	(a)	3 46 05 485	1 88 55 485
In Equity Shares of Subsidiaries	Face Value (Rs.)		
-100% holding in Shares of Envy Cylinders Pvt. Ltd	10	1 61 37 970	1 61 37 970
-100% holding in Shares of Hemkunt Petroleum Ltd	10	12 30 000	12 30 000
-100% holding in Shares of Taraa LPG Bottling Pvt. Ltd	100	1 00 000	1 00 000
-100% holding in Shares of Gomti Gaspoint Bottling Pvt. Ltd	100	-	9 42 000
-100% holding in Shares of Neora Gaspoint Bottling Pvt. Ltd	10	-	10 00 000
-100% holding in Shares of Agwan Coach Pvt. Ltd.	10	2 45 35 671	2 45 35 671
-100% holding in Shares of Laxmi Nirmal Petrochemicals Ltd.	100	4 08 00 000	4 08 00 000
-100% holding in Shares of Virendra Petrochemicals Pvt Ltd.	10	2 36 00 000	1 66 00 000
-100% holding in Shares of Keppy Infrastructure Developers Pvt. Ltd.	10	27 65 000	27 65 000
-100% holding in Shares of Confidence Go Gas Ltd.	100	2 00 00 000	2 00 00 000
- 50% holding in Shares of Chhatisgarh Gaspoint Bottling Pvt. Ltd.	10	4 50 000	4 50 000
- 50% holding in Shares of Arihant Gaspoint Bottling Pvt. Ltd.	10	-	4 95 000
- 50% holding in Shares of Kastkar Gaspoint Bottling Pvt. Ltd.	10	4 50 000	4 50 000
- 50% holding in Shares of Uma LPG Bottling Pvt. Ltd.	10	4 80 000	4 80 000
- 50% holding in Shares of Annapurna Gaspoint Bottling Pvt. Ltd.	10	4 50 000	4 50 000
- 50% holding in Shares of Aishwaryam Gaspoint Bottling Pvt. Ltd.	10	5 00 000	5 00 000
- 50% holding in Shares of STN Gaspoint Bottling Pvt. Ltd.	10	4 95 000	4 95 000
- 50% holding in Shares of Jagannath Gaspoint Bottling Pvt. Ltd.	10	4 90 000	4 90 000
- 50% holding in Shares of Gaspoint Bottling Pvt. Ltd.	10	50 000	50 000
	(b)	13 25 33 641	12 79 70 641
In Joint Venture			
- 70% holding in Investment In Pt Surya Go Gas Indonesia		13 75 00 000	25 00 000
	(c)	13 75 00 000	25 00 000
Total (a+b+c)		30 46 39 126	14 93 26 126

Schedules forming part of Balance Sheet and Profit and Loss Account

As at 31st March, 2010

Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 'G' INVENTORIES		
At Lower of Cost or Net Realisable Value (As certified by the Management)		
Stock In Trade		
- Raw Materials	16 30 48 154	4 58 73 462
- Work in Progress	16 17 67 434	13 48 06 195
- Finished Goods	1 94 86 210	1 62 38 508
Components	75 33 732	62 78 110
Consumables	1 35 78 065	1 13 15 054
Stores and Spares	37 48 439	31 23 700
LPG	80 67 613	67 23 011
Scrap	1 25 12 127	1 04 26 773
Inventories	1 21 713	1 21 713
Total	38 98 63 489	23 49 06 526

SCHEDULE 'H' SUNDRY DEBTORS

(Unsecured, considered good)		
Debts Outstanding for a period exceeding six months	3 93 04 673	9 31 97 369
Others	45 55 25 538	37 75 33 980
Total	49 48 30 211	47 07 31 349

SCHEDULE 'I' CASH AND BANK BALANCES

Cash in Hand	25 21 513	92 99 876
Balances With Scheduled Banks :		
In Current Account	83 75 406	8 98 51 022
In Fixed Deposit Account		
Fixed Deposit Account Without Lien	68 06 766	4 81 75 000
F.D.R.(Against BG Margin)	1 97 49 695	1 06 30 789
F.D.R. (Against L/C Margin Money A/c)	1 95 68 157	1 29 79 251
Interest Accrued	2 38 649	17 010
Total	5 72 60 186	17 09 52 948

Schedules forming part of Balance Sheet and Profit and Loss Account

As at 31st March, 2010

Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 'J' LOANS AND ADVANCES		
(Unsecured, considered good, unless otherwise stated)		
Loans to Subsidiaries	3 60 36 414	4 60 72 319
Advances recoverable in cash or kind or for value to be received	2 17 66 836	1 51 05 085
Deposits and Recoverable	5 33 85 576	4 46 66 448
Advance Payment of Income Tax	70 60 380	2 18 31 864
Balance with Excise on Current Account	56 00 245	8 21 587
Total	12 38 49 450	12 84 97 302

SCHEDULE 'K' CURRENT LIABILITIES

Sundry Creditors		
Creditors for Goods and Expenses	12 85 85 536	18 28 47 738
Other Liabilities	2 68 11 309	3 36 60 370
Provision for Taxes	5 01 26 442	2 26 83 789
Total	20 55 23 287	23 91 91 897

SCHEDULE 'L' MISCELLANEOUS EXPENDITURE

(To the extent not Written off or adjusted)		
Preliminary Expenses :		
Balance Brought Forward	11 200	17 400
Less : Written off during the year	6 200	6 200
Total	5 000	11 200

Schedules forming part of Balance Sheet and Profit and Loss Account

For the year ended 31st March, 2010

Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 'M' SALES AND OPERATIONAL INCOME		
Sale of LPG/ CNG Cylinders and Raw Material	1 09 49 16 032	75 96 55 117
Sale of Scrap	3 84 03 797	2 63 25 225
Sale of LPG and Auto LPG	2 01 38 12 262	1 50 70 54 995
Filling / Transport Charges / Project Income Received	37 63 31 357	23 17 18 910
DPT Income	9 53 24 045	1 17 35 473
	3 61 87 87 493	2 53 64 89 720
Less : Excise Duty Recovered	8 56 07 104	6 14 54 929
Less : Sales Tax Recovered	3 70 47 450	17 14 94 245
Total	3 49 61 32 938	2 30 35 40 545

SCHEDULE 'N' OTHER INCOME

Interest Income	14 66 734	3 20 49 092
TDS on Interest Income	1 67 906	
Dividend Received	16 875	
Miscellaneous Receipts	1 96 356	5 74 327
Rebates and Discount	51 60 186	4 97 508
Total	70 08 057	3 31 20 927

SCHEDULE 'O' INCREASE IN STOCKS

Opening Stock		
Finished Goods	1 62 38 508	1 45 65 761
Work in Progress	13 48 06 195	8 07 07 184
Scrap	1 04 26 773	1 02 81 459
Sub Total	16 14 71 476	10 55 54 404
Less :		
Closing Stock		
Finished Goods	1 94 86 210	1 62 38 508
Work in Progress	16 17 67 434	13 48 06 195
Scrap	1 25 12 127	1 04 26 773
Sub Total	19 37 65 772	16 14 71 476
Increase / (Decrease) in Stocks	3 22 94 295	5 59 17 073

Schedules forming part of Balance Sheet and Profit and Loss Account

For the year ended 31st March, 2010

Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 'P' COST OF GOODS CONSUMED / SOLD		
Raw Material Consumed :		
Opening Stock	4 58 73 462	3 48 39 046
Add : Purchases	60 83 20 147	39 89 79 015
Less :		
Discount Received	30 20 464	-
Closing Stock	16 30 48 154	4 58 73 462
Subtotal (A)	48 81 24 991	38 79 44 599
LPG Consumed :		
Opening Stock	67 23 011	65 28 463
Add : Purchases	1 99 47 94 444	1 49 45 83 373
Less :		
Closing Stock	80 67 613	67 23 011
Sub Total (B)	1 99 34 49 842	1 49 43 88 825
Components Consumed :		
Opening Stock	62 78 110	55 18 171
Add : Purchases	21 60 55 617	13 15 55 813
Less :		
Closing Stock	75 33 732	62 78 110
Sub Total (C)	21 47 99 995	13 07 95 874
Consumables Consumed :		
Opening Stock*	1 44 38 754	1 29 54 667
Add : Purchases	10 52 48 607	4 52 33 216
Less :		
Closing Stock	1 73 26 505	1 42 37 544
Sub Total (D)	10 23 60 857	4 39 50 339
Total (A+B+C+D)	2 79 87 35 685	2 05 70 79 637
(figure for 2009-10 includes Stores and Spares)		

SCHEDULE 'Q' EMPLOYEES BENEFITS

Salary and Wages including PF and Others	3 48 27 329	1 99 91 846
Staff and Labour Welfare	7 11 605	4 59 829
Total	3 55 38 934	2 04 51 675

Schedules forming part of Balance Sheet and Profit and Loss Account

For the year ended 31st March, 2010

Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 'R' OPERATING AND OTHER EXPENSES		
Factory expenses		
- Power and Fuel	2 90 25 089	1 55 86 430
- Plant Licenses and other Exp.	40 51 658	11 92 729
- Carriage Inward	2 19 06 605	61 20 182
- Job Work Charges	1 94 38 879	84 38 925
- Testing and Marking Fees	43 46 026	23 61 440
- Stores and Spares Consumed	-	5 96 607
Repair and Maintenance	-	-
- Plant and Machinery	23 82 513	11 40 779
- Others	16 53 136	9 47 752
Total	8 28 03 904	3 63 84 843

SCHEDULE 'S' ADMINISTRATIVE AND SELLING EXPENSES

Rent, Rates and Taxes	5 23 401	6 75 077
Printing and Stationery	5 49 217	2 91 705
Remuneration to Auditors	3 00 000	2 00 000
Rental Expenses	1 18 86 931	1 11 15 109
Security Charges	28 13 500	16 62 979
Insurance Expenses	12 00 468	4 35 153
Carriage Outward	3 08 36 446	1 13 32 571
Travelling Expenses	89 86 748	68 19 208
Service Tax and WCT paid	2 44 720	2 42 929
Remuneration to Directors	60 00 000	55 00 000
Miscellaneous Expenses	33 48 303	30 57 028
LD Charges	4 99 831	20 54 445
Communication Expenses	16 87 414	15 62 402
Legal and Professional Charges	33 92 825	5 36 438
Filing Fees Roc and others	5 14 880	1 71 523
Advertising and Sales Promotion	10 34 682	2 81 118
Vehicle Expenses	13 61 591	47 97 491
Preliminary Expenses Written off	6 200	6 200
Total	7 51 87 158	5 07 41 376

SCHEDULE 'T' INTEREST AND FINANCIAL CHARGES

Interest to Bank on Term Loan	4 57 40 982	85 70 834
Interest to Bank on W/C and others	4 10 39 475	1 53 10 063
Bank Charges, LC Charges, Mortgage and Registration Charges	58 97 223	48 76 068
Total	9 26 77 680	2 87 56 965

Schedules forming part of Balance Sheet and Profit and Loss Account

For the year ended 31st March, 2010

SCHEDULE 'U' NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING CONVENTION

The Company maintains its accounts in accrual basis following the historical cost convention in accordance with generally accepted accounting principals (GAAP), in compliance with the provision of the Companies Act 1956 and the accounting standards as specified in the companies (Accounting Standards) Rules, 2006 prescribed by the central government.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balance of assets and liabilities and the disclosures relating the contingent liabilities as of the date of the financial statements. Examples of such expenses includes the useful lives of tangible and intangible fixed assets, provision for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

B) FIXED ASSETS

Fixed assets are stated at cost which includes all related expenses up to acquisition and installation of the assets.

Leasehold Land is not amortized.

Assets identified and evaluated technically as obsolete and held for disposal are stated at lower of book value and estimated net realizable value / salvage value.

C) DEPRECIATION

Depreciation on fixed assets has been provided on written down value method at the rates provided in Schedule XIV to the Companies Act, 1956 except on Goodwill which is being written off on straight line value method in five years. Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the month of addition/disposal.

D) INVESTMENTS

Long term investments including interest in incorporated jointly controlled entities, are carried at cost, after providing for any diminution in value, if such diminution is of permanent nature. Current investments are carried at lower of cost or market value. The determination of carrying amount of such investments is done on the basis of specific identification. Investments in integrated joint ventures are carried at cost net of adjustments for Company's share in profit or losses as recognized.

E) INVENTORIES

Inventories are valued at lower of cost and net realizable value. Cost is determined on first in first out (FIFO) basis. The cost of work-in-progress and finished goods comprises of raw materials, direct labour, other direct costs and related production overheads, but excludes interest expense. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

F) REVENUE RECOGNITION

Revenue is recognized based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

a) Sales and Service

- i) Sales and service include excise duty and adjustments made towards liquidated damages and price variation are exclusive of all taxes wherever applicable.
- ii) Revenue from sale of goods is recognized when the substantial risks and rewards of ownership are transferred to the buyer under the terms of contract.
- iii) Revenue from service related activities is recognized using the proportionate completion method.
- iv) Revenue from engineering and service fees is recognized as per the terms of contract.

Schedules forming part of Balance Sheet and Profit and Loss Account

For the year ended 31st March, 2010

SCHEDULE 'U' NOTES ON ACCOUNTS (Contd.)

- b) Other operational income represents income earned from the activities incidental to the operations of the business segments and is recognized on rendering of related services as per the terms of the contract.
- c) Interest income is accrued at applicable interest rate and separate disclosures have been made towards TDS deducted on those interest income.
- d) Other items of income are accounted as and when the right to receive arises.

G) FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are accounted at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the Profit and Loss Account.

H) TAXES ON INCOME

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

	As at 31.03.2010 (Rs. in lacs)	As at 31.03.2009 (Rs. in lacs)
2. Contingent liabilities not provided for:		
a) Outstanding Bank Guarantees	530.42	434.63
b) Counter Guarantee to Bank (Amalgamated company)	Nil	Nil
3. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	Nil	Nil

- 4. The disclosure required in balance sheet in view of amendment in Schedule – to the Companies Act, 1956 vide notification No. GSR-129(E) dated 22-02-99 as to the names of Small Scale Industrial undertaking to whom the company owes a sum exceeding Rs. 1.00 Lac outstanding for more than one month and as to total outstanding dues of such undertakings at the date of Balance Sheet are not possible to make, as the information as to whether the creditors are small industrial undertaking or not, is not available from most of the creditors till the date of finalization of the accounts.
- 5. Balances of Sundry Debtors, Sundry Creditor, Unsecured Loans and loans and advances of amounts lesser than 10 Lacs are subject to reconciliation and confirmation with the respective parties.
- 6. No provision has been made on debtors outstanding for more than year. In the opinion of the Board of Directors, the current assets, loans and advances have a value on realization at least equal to the amount at which they are stated in the Balance Sheet.
- 7. The Company has liability towards excise duty on finished goods and scrap held at factory and payable on clearance amounting to Rs.34,28,393/- has not been taken into account as per consistent practice. However, there is no impact on the profit and loss account for the year.
- 8. In terms scheme of amalgamation (Scheme) sanctioned by the order dated 18th September 2009 of the Hon'ble High Court of Bombay, M/s Maharashtra Cylinders Pvt. Ltd., M/s Khara gas Equipments Pvt. Ltd. and M/s Hans Gas Appliances Pvt. Ltd. ("Amalgamating Companies") have been amalgamated with our company with effect from April 01, 2007. The company has issued 17,50,000 new equity shares of Rs. 1 each are being issued as fully paid up to the share holders of the amalgamating companies whose name are registered in the register of members of the respective companies on the record date, without payment being received in cash.

Schedules forming part of Balance Sheet and Profit and Loss Account

For the year ended 31st March, 2010

SCHEDULE 'U' NOTES ON ACCOUNTS (Contd.)

Name of Beneficiary	Quantity
Nitin Khara	381796
Nalin Khara	183852
Rasila Khara	52593
Elesh Khara	132074
Alpa Khara	362426
Neela Khara	23444
Harsha Khara	187093
Ilesp P Khara	304500
Gaspoint Petroleum (I) Limited	122222
Total	1750000

9. The Company has availed Sales Tax Deferral under Package Scheme of Incentives, 1993 of Govt. of Maharashtra valid up to 31-7-2002 and sales tax deferral exemption converted into sales tax exemption w.e.f.01-08-2002 to 31-03-2006.

10. During the year company has sold its 100% stake of M/s Gomti Gaspoint Bottling Private Limited, M/s Neora Gaspoint Bottling Private Limited, & 50% stake in M/s Arihant Gaspoint Bottling Private Limited. The financial figures of these companies have not been considered for consolidated results.

Further, the company entered in Joint venture under a 70% Subsidiary M/s PT Surya Go Gas Indonesia for its project of Manufacturing of LPG Cylinders and Bottling of LPG. The company has obtained required clearances from Reserve Bank of India including Unique Identification Number.

10. No Provision has been made in respect of liabilities towards retirement benefits under mandatory Accounting Standard – 15, amount not ascertainable.

11. Managerial Remuneration

a. Managing and Whole-time Directors

	2009-10 (Rs. in lacs)	2008-09 (Rs. in lacs)
Salary	57.50	52.50
Perquisites	2.50	2.50
Total	60.00	55.00

b) Computation of Net Profit in accordance with Section 198 of the Companies Act, 1956:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Net Profit	24 17 51 044	13 91 10 830
Add / (Deduct) :		
Directors Remuneration	60 00 000	55 00 000
Depreciation as per Profit And Loss Account	12 75 77 411	3 87 93 220
Depreciation under Section 350 of the Companies Act, 1956	(12 75 77 411)	(3 87 93 220)
Provision / Write off for doubtful debts, loans and advances		
Profit on sale / disposal of fixed assets (net)		

Schedules forming part of Balance Sheet and Profit and Loss Account

For the year ended 31st March, 2010

SCHEDULE 'U' NOTES ON ACCOUNTS (Contd.)

b) Computation of Net Profit in accordance with Section 198 of the Companies Act, 1956 (Contd.):

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Exceptional items:		
Profit on sale / redemption of investments (net)		
Profit on sale of property		
Compensation for surrender of rental premises		
Taxation for the year (including of exceptional items)	5 50 00 000	2 10 00 000
Net Profit	30 27 51 044	16 56 10 830
Maximum remuneration permissible under the Companies Act, 1956 at 10%	3 02 75 104	1 65 61 083
Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under :		
(a) The principal amount and the due thereon remaining unpaid to suppliers		
(i) Principal	0	0
(ii) Interest due thereon	0	0
(b) (i) The delayed payments of principal amount paid beyond the appointed date during the entire accounting year	0	0
(ii) Interest actually paid under Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 are as under :	0	0
(c) (i) Normal Interest accrued during the year, for all the delayed payments, as per the agreed terms	0	0
(ii) Normal Interest payable for the period of delay in making payments as per the agreed terms	0	0
(d) (i) Total Interest accrued during the year	0	0
(ii) Total Interest accrued during the year and remaining unpaid	0	0
(e) Included in (d) above is Nil being interest on amounts outstanding as at the beginning of the accounting year	0	0

12. Key Financial Ratios

Sr. No.	Particulars	2009-10	2008-09
a)	Total Turnover (Income) / Total Assets	1.32	1.21
b)	Net Profit before interest and tax / Capital Employed %	14.21	9.13
c)	Return on Net Worth %	14.36	9.65
d)	Net Profit / Total Income %	6.90	5.41

Schedules forming part of Balance Sheet and Profit and Loss Account

For the year ended 31st March, 2010

SCHEDULE 'U' NOTES ON ACCOUNTS (Contd.)

13. As per Accounting Standard 17 on Segment Reporting (AS 17), the Company has reported "Segment Information", as described below:

- The LPG/CNG Cylinder manufacturing segment includes production and marketing operations of cylinder.
- The LPG Bottling & Marketing segment includes bottling of LPG & supplies for commercial usage.

Segmentwise Report for the period ended 31st March, 2010

Particulars	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
REVENUE		
- LPG/CNG Cylinder manufacturing	1133319829	785980342
- LPG Bottling & Marketing	2485467664	1750509378
	3618787493	2536489720
SEGMENT WISE RESULT		
- LPG/CNG Cylinder manufacturing	127271817	51717897
- LPG Bottling & Marketing	195642701	108652933
	322914517	160370830
CAPITAL EMPLOYED		
- LPG/CNG Cylinder manufacturing	1587314863	1285368998
- LPG Bottling & Marketing	1058209909	856912665
	2645524772	2142281663
CAPITAL EXPENDITURE		
- LPG/CNG Cylinder manufacturing	240648597	557532930
- LPG Bottling & Marketing	160432398	371688620
	401080994	929221551
DEPRECIATION		
- LPG/CNG Cylinder manufacturing	76546447	23275932
- LPG Bottling & Marketing	51030964	15517288
	127577411	38793220

Note: Capital Employed, Capital Expenditure, Depreciation incurred has been allocated @ 60:40 in between Cylinder, LPG Bottling also Segment wise result have been computed without considering impact of taxes.

14. Disclosure in respect of related parties pursuant to Accounting Standard – 18.

(A) List of related parties:

Sr. No.	Name of Related Parties	Relationship
1	Envy Cylinders Pvt. Ltd	Wholly Owned Subsidiary
2	Hemkunt Petroleum Ltd	Wholly Owned Subsidiary
3	Taraa LPG Bottling Pvt. Ltd	Wholly Owned Subsidiary
4	Agwan Coach Private Limited	Wholly Owned Subsidiary
5	Laxmi Nirmal Petrochemicals Limited	Wholly Owned Subsidiary
6	Virendra Petrochemicas Pvt Ltd.	Wholly Owned Subsidiary
7	Keppy Infrastructure Developers Pvt. Ltd.	Wholly Owned Subsidiary
8	Confidence Go Gas Ltd	Wholly Owned Subsidiary

Schedules forming part of Balance Sheet and Profit and Loss Account

For the year ended 31st March, 2010

SCHEDULE 'U' NOTES ON ACCOUNTS (Contd.)

(A) List of related parties (Contd.):

Sr. No.	Name of Related Parties	Relationship
9	Chhatisgarh Gaspoint Bottling Pvt. Ltd	Subsidiary *
10	Kastkar Gaspoint Bottling Pvt. Ltd	Subsidiary *
11	Uma LPG Bottling Pvt. Ltd	Subsidiary *
12	Annapurna Gaspoint Bottling Pvt. Ltd	Subsidiary *
13	Aishwaryam Gaspoint Bottling Pvt. Ltd	Subsidiary *
14	STN Gaspoint Bottling Pvt. Ltd	Subsidiary *
15	Jagannath Gaspoint Bottling Pvt. Ltd	Subsidiary *
16	Gaspoint Bottling Pvt. Ltd	Subsidiary *
17	Pt Surya Go Gas Indonesia	Subsidiary **

* The Company holds 50% in nominal value of the equity share capital

** The Company holds more than 50% in nominal value of the equity share capital

(1) Key Management Personnel or their relatives

Nitin Khara	- Managing Director
Nalin Khara	- Director
Elesh Khara	- Director
Jitendra Jain	- Director
Sumant Sutaria	- Director

(2) Relatives of Key Management Personnel

None

(B) During the year following transactions were carried out with related parties in the ordinary course of business.

Sr. No.	Name of the Parties	Relationship	Nature of Transaction	Volume of transaction(Net)	Balance as on 31-3-10	Remarks
1.	Gas Point Petroleum (I) Ltd	KMP are Director	Loan Repaid	NIL	2,41,38,098/-	

16. Payments to Managing Director and Executive Director.

	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
I) Salaries & Allowances	60.00	55.00

17. Auditor's Remuneration

	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
I) Audit Fee	3.00	2.00
II) Service Tax & Others	0.31	0.24
Total	3.31	2.24

Schedules forming part of Balance Sheet and Profit and Loss Account

For the year ended 31st March, 2010

SCHEDULE 'U' NOTES ON ACCOUNTS (Contd.)

18. Quantitative information pursuant to paragraph 3, 4 and 4D of part II of Schedule VI of the Companies Act, 1956 (as certified by the management):

A. Licensed, Installed Capacity and Production:

Class of Product	Units	Licensed Capacity	Installed Capacity	Actual Production/ Purchases
LPG	M.T.	N.A.	N.A.	49041.411 (30599.000)
LPG Cylinders Refilling	Nos.	N.A.	MT.	
LPG /CNG Cylinders Manufacturing	Nos.	N.A.	27,44,000	859010 (389010)

B. Turnover, Closing Stock and Opening Stock of Manufactured Goods:

Class of Products	Units	Turnover		Closing Stock		Opening Stock	
		Qty.	Amount	Qty.	Amount	Qty.	Amount
Finished Goods							
LPG/CNG Cylinders	No.	856277	1094916032	18971	19486210	16238	16238508
		(407892)	(341986649)	(16238)	(16238508)	(35120)	(14530961)
LPG Gas	MT	48986.670	2013812262	209.904	8067613	140.58	6723011
		(33236)	(1406504800)	(140.58)	(6723011)	(135.45)	(65,28,463)
Scrap	MT	3175.549	38403797	1025.584	12512127	672.69	10426778
		1610.23	(26228380)	(672.69)	(10426778)	(736.87)	(10316259)
TOTAL			3147132091		40065950		33388297
			(1774719829)		(33388297)		(21059424)

C. Consumption of Raw Material, Components and Consumables:

Class of Products	Units	2009-10	
		Qty.	Amount
HR Sheet	MT	18842.12	479224991
		(7656.85)	(244637619)

D. Value of Imported/Indigenous Raw Material Consumed

	Amount (Rs. in lacs)	%
I) Indigenous	8052.86 (1747.46)	100
II) Imported	373.43 (75.95)	100

Schedules forming part of Balance Sheet and Profit and Loss Account

For the year ended 31st March, 2010

SCHEDULE 'U' NOTES ON ACCOUNTS (Contd.)

	Amount (Rs. in lacs)
E. Value of Imported / Indigenous Stores and Spare Parts Consumed	
i) Indigenous	Nil
ii) Imported	Nil
F. Remittances in Foreign Currency	1978.68
G. Expenditure in Foreign Currency	100.54
H. Earning in Foreign Currency	Nil
I. Value of Imports on CIF Basis	Nil

Note :

Particulars	2009-10 (Rs. in lacs)
For Purchase of CNG Pipe and Raw materials	360.21
For Purchase of Glycerine and other trading goods	13.25
For Purchase of LPG Dispensers	83.69
For Investment in Equity of Foreign Subsidiary (PT Surya Go Gas, Indonesia)	1521.53

19. Figures have been rounded off to the nearest rupee.

20. Previous year figures have been regrouped/reclassified wherever necessary to make them comparable with current year figures.

21. Schedule A to T has been signed by the Directors and Auditors and forms an integral part of the Balance Sheet and Profit and Loss Account.

As per our Report of even date

For **Bhandari and Associates**
Chartered Accountants

For and on behalf of the Board

L.R. Bhandari
Proprietor

Nitin Khara
Director

Elesh Khara
Director

Place: Mumbai,
Dated: 25th May 2010

Cash Flow Statement For the year ended 31st March, 2010

Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	322914517	160370830
Depreciation	127577411	38793220
Other Non Cash exp	6200	6200
Dividend & Interest Received Shown Separately	(1651515)	(32049092)
Operating Profit before Working Capital Changes	448846613	167121158
Increase / (Decrease) in Sundry debtors	(24098862)	(166778237)
Increase / (Increase) in Other Current Assets & Loans & Advances	4647852	17168246
Decrease / (Increase) in Inventories	(154956963)	(69194606)
Increase / (Decrease) in Trade Payables	(33668610)	7425486
Cash Generated from Operations	240770031	(44257953)
Taxes Paid	81163474	21260000
Net Cash Generated from Operating Activities	159606557	(65517953)
B CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure	(401080995)	(929221552)
Investment During the year	(155313000)	(120279740)
Dividend Received	16875	0
Interest Received	1634640	32049092
Net Cash Used in Investing Activities	(554742480)	(1017452200)
C CASH FLOW FROM FINANCING ACTIVITIES		
Fresh Equity Capital	0	0
Fresh Secured Loans raised	349066109	248592274
Fresh Unsecured Loans raised		99761861
Repayment of Borrowing	(64230957)	
Repayment of Unsecured Loans	(3391990)	
Net Cash Used in Financing Activities	281443161	348354136
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(113692761)	(734616017)
CASH & CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	170952948	905568964
CASH & CASH EQUIVALENTS AS AT END OF THE YEAR	57260187	170952948

Notes

- 1 Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statement" as specified in the Companies (Accounting Standards) rules, 2006.
- 2 Purchase of Fixed Assets includes movement of capital work-in-progress during the year.
- 3 For cash and cash equivalents not available for immediate use as on the Balance Sheet date, see note no.5(a) and 5(c) of notes forming parts of accounts.

As per our Report of even date

For **Bhandari and Associates**
Chartered Accountants

For and on behalf of the Board

L.R. Bhandari
Proprietor

Nitin Khara
Director

Elesh Khara
Director

Place: Mumbai,
Dated: 25th May 2010

Auditors' Report on Consolidated Accounts

To
The Members,
Confidence Petroleum India Limited

We have audited the attached Consolidated Balance Sheet of Confidence Petroleum India Ltd., ("The Company") and its subsidiaries as at 31st March 2010 and also the Consolidated Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibilities of the company's management and have been prepared by the management on the basis of separate financial statements and other financial regarding component. Our responsibility is to expresses an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. Those Standards require 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 a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principal 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.

Financial statements of subsidiaries, which reflect total assets of Rs 58.10 Crores as on 31st March 2009, revenue of Rs. 207.52 Crores and which contributes profit after taxes of Rs. 5.65 Crores, have been audited other auditors and we have relied on their report

We report that the consolidated financial statements have been prepared by the Company's management in accordance of the

requirements of Accounting Standard 21, Consolidated Financial Statements and Accounting Standards 23, Accounting for Investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of Consolidated Balance Sheet, of the consolidated state of affairs of the company and its subsidiaries as at 31st March 2010;
- (b) in the case of Consolidated Profit & Loss Account, of the consolidated profits of the Company and its subsidiaries for the year then ended;

For Bhandari and Associates
Chartered Accountants

L. R. Bhandari
Proprietor
M. No. 33168

Place: Mumbai
Dated: 1st August, 2010

Consolidated Balance Sheet As at 31st March, 2010

Particulars	Schedule	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SOURCES OF FUNDS :			
SHAREHOLDERS` FUNDS :			
Share capital	A	25 88 35 000	25 88 35 000
Reserves & Surplus	B	1 42 53 58 605	1 21 94 86 296
LOAN FUNDS :			
Secured Loans	C	67 60 01 473	40 15 67 387
Unsecured Loans	D	54 35 19 094	39 93 76 384
Minority Interest		6 77 16 021	
TOTAL		2 97 14 30 193	2 27 92 65 066
APPLICATION OF FUNDS :			
FIXED ASSETS :	E		
Gross Block		2 36 73 00 053	1 78 99 94 044
Less : Depreciation		71 37 48 978	57 93 22 763
NET BLOCK		1 65 35 51 076	1 21 06 71 281
Capital Work in Progress		16 82 32 960	6 25 45 108
		1 82 17 84 035	1 27 32 16 389
INVESTMENTS	F	11 30 71 374	4 35 06 537
Deferred Tax Asset		20 30 765	2 28 27 251
CURRENT ASSETS, LOANS & ADVANCES :			
Inventories	G	45 99 39 279	26 93 85 236
Sundry Debtors	H	69 24 30 231	57 12 88 966
Cash & Bank Balances	I	8 53 06 595	19 30 11 175
Loans & Advances	J	24 20 66 150	24 09 97 631
		147 97 42 254	1 27 46 83 008
Less : Current Liabilities & Provisions	K	44 64 06 129	33 50 69 898
NET CURRENT ASSETS		1 03 33 36 125	93 96 13 110
Miscellaneous Expenditure	L	12 07 896	1 01 780
Profit and Loss account			
TOTAL		2 97 14 30 193	2 27 92 65 066
Significant Accounting Policies & Notes to Accounts	U		

As per our Report of even date

For **Bhandari and Associates**
Chartered Accountants

For and on behalf of the Board

L.R. Bhandari
Proprietor

Nitin Khara
Director

Elesh Khara
Director

Place: Mumbai,
Dated: 1st August 2010

Consolidated Profit and Loss Account For the year ended 31st March, 2010

Particulars	Schedule	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
INCOME :			
Sales and Operational Income	M	5 49 92 06 298	2 48 42 21 800
Other Income		3 92 68 816	8 70 52 806
Increase/(Decrease) in stocks	O	7 21 82 794	6 61 25 953
TOTAL		5 61 06 57 908	2 63 74 00 560
EXPENDITURE :			
Cost of Goods Consumed / Sold	P	4 67 70 39 318	2 18 06 65 128
Employees Benefits	Q	5 62 12 405	2 60 97 577
Operating and Other Expenses	R	15 45 12 312	7 71 56 858
Administrative and Selling Expenses	S	9 17 53 219	6 09 35 232
Interest and Financial Charges	T	9 72 20 883	3 22 95 902
Depreciation	E	14 23 03 217	4 87 80 429
TOTAL		5 21 90 41 354	2 42 59 31 126
Profit for the year		39 16 16 555	21 14 69 434
Provision for Taxation			
- Current Year		6 72 18 692	2 50 50 212
- Fringe Benefit Tax			
- Deferred Tax		2 07 96 486	
- Earlier Years		53 66 988	
Profit after taxes		29 82 34 389	18 64 19 222
Minority Interest		88 16 021	
Profit after Minority Interest		26 94 18 368	18 64 19 222
Significant Accounting Policies & Notes to Accounts	U		

As per our Report of even date

For **Bhandari and Associates**
Chartered Accountants

For and on behalf of the Board

L.R. Bhandari
Proprietor

Nitin Khara
Director

Elesh Khara
Director

Place: Mumbai,
Dated: 1st August 2010

Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account

As at 31st March, 2010

Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 'A' SHARE CAPITAL		
Authorised		
26 00 00 000 Equity Shares of Rs. 1/- each	26 00 00 000	26 00 00 000
Issued Subscribed and Paid Up		
25 88 35 000 Equity Shares of Rs. 1/- each	25 88 35 000	25 88 35 000
(of the above 10,00,00,000 shares fully paid were issued pursuant to the scheme of amalgamation dated 11th of August, 2006 and further 17 50 000 shares fully paid were issued pursuant to the scheme of amalgamation dated 18th of September, 2009 for considerations otherwise than cash)		
Total	25 88 35 000	25 88 35 000

SCHEDULE 'B' RESERVES AND SURPLUS

Securities Premium Account		
As per last Balance Sheet	92 28 10 706	92 28 10 706
(a)	92 28 10 706	92 28 10 706
Capital Subsidy Reserves		
As per last Balance Sheet	24 50 000	24 50 000
(b)	24 50 000	24 50 000
General Reserve		
As per last Balance Sheet	1 45 24 000	1 45 24 000
(c)	1 45 24 000	1 45 24 000
Surplus in Profit and Loss Account		
As per account annexed	49 43 89 920	27 97 01 590
(d)	49 43 89 920	27 97 01 590
TOTAL (a+b+c+d)	1 43 41 74 626	1 21 94 86 296
Less : Minority Interest	88 16 021	
	1 42 53 58 605	1 21 94 86 296

Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account

As at 31st March, 2010

Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 'C' SECURED LOANS		
TERM LOANS :		
From - Shamrao Vithal Co-operative Bank Ltd.		14 11 578
(Secured against Equitable Mortgage of Land Building and hypothecation of Plant and Machinery, Furniture and Fixtures and other assets of the company and personal guarantee of Directors) Payable within one Year Rs.0/-		
From - ICICI Bank Ltd	38 79 62 958	25 00 00 000
(Secured against equitable mortgage of land and building situated at Khasra No.(Survey No.) 209, Rampur road,Bazpur, Dist. Uddhamsinghnagar, Uttranchal, Plot no. 49, A.P. SEZ, village Achutapuram, Dist. Vishakhapatnam, Andhra Pradesh. survey no. 338, Post Noorpura, Village and Taluka Halol, District Panchmahal and personal guarantee of directors of the company i.e. Shri Nitin Khara and Shri Elesh Khara of which Payable within one Year Rs. 100000008/-)		
From - ICICI Bank Ltd	4 61 756	12 44 093
(Secured against Vehicles and personal guarantee of Shri Nitin Khara of which Payable within one Year Rs.4,61,756/-)		
WORKING CAPITAL LOAN :		
From - ICICI Bank Ltd	24 98 36 239	
(Secured against charge by way of hypothecation of the Company's entire stocks of raw materials, semi – finished and finished goods, consumable stores and spares and such other movables including book – debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank ranking pari-passu with the other participating bank along with equitable mortgage of land and building situated at Khasra No. (Survey No.) 209, Rampur road, Bazpur, Dist. Uddhamsinghnagar, Uttranchal, Plot no. 49, A.P. SEZ, village Achutapuram, Dist. Vishakhapatnam, Andhra Pradesh. Survey no. 338, Post Noorpura, Village and Taluka Halol, District Panchmahal and personal guarantee of directors of the company i.e. Shri Nitin Khara and Shri Elesh Khara)		
From - Shamrao Vithal Co-operative Bank Ltd.	2 97 64 055	10 63 08 471
(Secured against hypothecation of stock of Raw material, Consumable, Finished Goods, Work in Process, Book Debts and second charge over entire fixed assets Company and personal guarantee of the directors of the company i.e. Shri Nitin Khara and Shri Elesh Khara)		
From - Central Bank of India	79 76 465	2 33 42 162
(Secured against hypothecation of stock of Raw Material, Consumable, Finished goods, Work in Process, Booksdebts, second charge over entire fixed assets of the company and personal guarantee of the Directors of the company i.e. Shri Nitin Khara and Shri Elesh Khara)		
Cash Credit-CBI		1 09 57 069
Demand Loan-CBI		83 04 014
TOTAL	67 60 01 473	40 15 67 387

Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account

As at 31st March, 2010

Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 'D' UNSECURED LOANS		
From Corporates	16 79 18 328	17 49 55 998
From Friends & Relatives	17 23 70 575	91 11 460
From SICOM Limited (Interest Free)	1 89 79 918	2 64 78 481
(Under Deferral Package Scheme of Incentive 1993.		
Deposit Received against Cylinders	18 42 50 274	18 88 30 445
TOTAL	54 35 19 094	39 93 76 384

MINORITY INTEREST

Minority Interest in Capital	5 89 00 000	
Minority Interest in Profit	88 16 021	
Total	6 77 16 021	

Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account

As at 31st March, 2010

Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 'F' INVESTMENTS		
National Saving Certificate	22 000	22 000
Shares in Indian company (Unquoted)	1 03 630	1 03 630
- Investment in Partnership Business of M/s Sneha Petroleum, Bangalore	62 50 000	42 50 000
- Investment in Partnership Business of M/s Prachi Gaspoint, Gwalior	19 00 000	
- Investment in Garg Distilleries Pvt. Ltd.	2 63 29 855	1 44 79 855
LIC Mutual Fund	3 84 802	3 84 802
Shares in The Shamrao Vithal Cooperative Bank Ltd	12 700	12 700
Fully Paid 10000 Equity Shares of Rs.386.455 each in M/s. Agrasen Steel Tubes Pvt Ltd	38 64 553	38 64 553
Vijaya Bank (300 Shares @24/-)	7 200	7 200
(a)	3 88 74 740	2 31 24 740
In Equity Shares of Subsidiaries	Face Value	
	(Rs.)	
- 100% holding in Shares of Envy Cylinders Pvt. Ltd	10	1 61 37 970
- 100% holding in Shares of Hemkunt Petroleum Ltd	10	12 30 000
- 100% holding in Shares of Taraa LPG Bottling Pvt. Ltd	100	1 00 000
- 100% holding in Shares of Gomti Gaspoint Bottling Pvt. Ltd	100	9 42 000
- 100% holding in Shares of Neora Gaspoint Bottling Pvt. Ltd	10	10 00 000
- 100% holding in Shares of Agwan Coach Pvt. Ltd.	10	2 45 35 671
- 100% holding in Shares of Laxmi Nirmal Petrochemicals Ltd.	100	4 08 00 000
- 100% holding in Shares of Virendra Petrochemicals Pvt Ltd.	10	2 36 00 000
- 100% holding in Shares of Keppy Infrastructure Developers Pvt. Ltd.	10	
27 65 000	27 65 000	
- 100% holding in Shares of Confidence Go Gas Ltd.	100	2 00 00 000
- 50% holding in Shares of Chhatisgarh Gaspoint Bottling Pvt. Ltd.	10	4 50 000
- 50% holding in Shares of Arihant Gaspoint Bottling Pvt. Ltd.	10	4 95 000
- 50% holding in Shares of Kastkar Gaspoint Bottling Pvt. Ltd.	10	4 50 000
- 50% holding in Shares of Uma LPG Bottling Pvt. Ltd.	10	4 80 000
- 50% holding in Shares of Annapurna Gaspoint Bottling Pvt. Ltd.	10	4 50 000
- 50% holding in Shares of Aishwaryam Gaspoint Bottling Pvt. Ltd.	10	5 00 000
- 50% holding in Shares of STN Gaspoint Bottling Pvt. Ltd.	10	4 95 000
- 50% holding in Shares of Jagannath Gaspoint Bottling Pvt. Ltd.	10	4 90 000
- 50% holding in Shares of Gaspoint Bottling Pvt. Ltd.	10	50 000
(b)	13 25 33 641	12 79 70 641
In Joint Venture		
- 70% holding in Investment In Pt Surya Go Gas Indonesia	13 75 00 000	25 00 000
- 50% holding in Partnership Business of M/s Badshah Go Gas	7 50 000	
- 50% holding in Partnership Business of M/s Deshmukh Go Gas	5 75 199	3 99 439
- 50% holding in Partnership Business of M/s Jaiswal Go Gas	43 62 428	7 69 462
- 50% holding in Partnership Business of M/s Kasturi Go Gas	8 23 606	9 00 000

Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account

As at 31st March, 2010

Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 'F' INVESTMENTS (Contd.)		
- 50% holding in Partnership Business of M/s Mahendra Go Gas	8 79 615	7 75 860
- 50% holding in Partnership Business of M/s Mewani Go Gas	1 53 000	1 53 000
- 50% holding in Partnership Business of M/s Pushpraj Go Gas	7 58 530	7 53 500
- 50% holding in Partnership Business of M/s Sagar Go Gas	11 47 810	4 50 000
- 50% holding in Partnership Business of M/s Shirdhan Go Gas	17 11 421	17 11 296
- 50% holding in Partnership Business of M/s Shree Ganesh Go Gas	9 92 745	7 50 000
- 50% holding in Partnership Business of M/s Shri Gajanan Go Gas	20 71 276	9 71 533
- 50% holding in Partnership Business of M/s Surya Go Gas	6 39 612	5 59 466
- 50% holding in Partnership Business of M/s Vision Go Gas	22 03 307	5 87 770
- 50% holding in Partnership Business of M/s Parasmani Go Gas	2 76 738	
- 50% holding in Partnership Business of M/s Nikita Go Gas	9 51 726	
- 70% holding in Partnership Business of M/s	5 32 84 621	
(c)	20 83 31 634	1 20 31 326
TOTAL (a+b+c)	37 97 40 015	16 31 26 707
Less : Investment in Subsidiaries for which shares has been issued	26 66 68 641	11 96 20 170
Net Investment	11 30 71 374	4 35 06 537

SCHEDULE 'G' INVENTORIES

At Lower of Cost or Net Realisable Value (As certified by the Management)		
Stock In Trade		
- Raw Materials	17 52 91 500	2 14 10 310
- Work in Progress	19 86 00 887	15 57 90 072
- Finished Goods	2 80 84 235	5 17 55 439
Components	1 03 15 164	62 78 110
Consumables	1 56 71 345	1 29 42 309
Stores and Spares	53 04 573	70 25 270
LPG	88 94 292	31 62 200
Scrap	1 27 74 627	1 08 99 813
Inventories	50 02 655	1 21 713
TOTAL	45 99 39 279	26 93 85 236

SCHEDULE 'H' SUNDRY DEBTORS

(Unsecured, considered good)		
Debts Outstanding for a period exceeding six months	3 93 06 861	10 08 27 511
Others	65 31 23 370	47 04 61 456
TOTAL	69 24 30 231	57 12 88 966

Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account

As at 31st March, 2010

Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 'I' CASH AND BANK BALANCES		
Cash in Hand	76 13 938	1 03 03 335
Balances With Scheduled Banks :		
In Current Account	2 42 71 353	9 74 50 120
In Fixed Deposit Account		
Fixed Deposit Account Without Lien	68 06 766	5 35 75 000
F.D.R.(Against BG Margin)	1 97 49 695	1 06 30 789
F.D.R. (Against L/C Margin Money A/c)	2 66 26 194	2 10 26 619
Interest Accrued	2 38 649	25 313
TOTAL	8 53 06 595	19 30 11 175

SCHEDULE 'J' LOANS AND ADVANCES

(Unsecured, considered good, unless otherwise stated)		
Loans to Subsidiaries	7 20 00 485	13 52 79 241
Advances recoverable in cash or kind or for value to be received	8 09 08 072	1 85 34 255
Advance Against Expenses	27 55 552	23 37 785
Advance Against Salary	30 000	2 94 240
Debit Balance of Sundry Creditors		49 57 252
Deposits and Recoverable	5 97 70 085	4 83 27 936
Advance Payment of Income Tax	93 53 665	2 43 68 611
Balance with Excise on Current Account	1 01 06 610	68 98 311
TOTAL	24 20 66 150	24 09 97 631

SCHEDULE 'K' CURRENT LIABILITIES

Sundry Creditors		
Creditors for Goods and Expenses	36 71 91 152	21 62 89 486
Other Liabilities	2 79 98 856	8 58 32 624
Provision for Taxes	5 12 16 121	3 29 47 788
TOTAL	44 64 06 129	33 50 69 898

SCHEDULE 'L' MISCELLANEOUS EXPENDITURE

(To the extent not Written off or adjusted)		
Preliminary Expenses :	12 02 896	
Balance Brought Forward	11 200	1 07 980
Less : Written off during the year	6 200	6 200
TOTAL	12 07 896	1 01 780

Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account

For the year ended 31st March, 2010

Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 'M' SALES AND OPERATIONAL INCOME		
Sale of LPG/ CNG Cylinders and Raw Material	1 36 69 51 412	84 38 08 845
Sale of Scrap	4 99 42 045	3 33 26 001
Sale of Lpg and Auto LPG	3 69 61 36 694	1 59 09 28 203
Sale of Regulator and Rubber Tube	4 41 351	
Filling / Transport Charges / Project Income Received	41 30 65 306	1 02 66 029
DPT Income	9 53 24 045	24 34 54 383
	5 62 18 60 853	2 72 17 83 461
Less : Excise Duty Recovered	8 56 07 104	6 14 54 929
Less : Sales Tax Recovered	3 70 47 450	17 61 06 731
TOTAL	5 49 92 06 298	2 48 42 21 800

SCHEDULE 'N' OTHER INCOME

Interest Income	31 46 481	5 31 98 062
TDS on Interest Income	1 67 906	3 24 48 597
Dividend Received	16 875	4 75 644
Miscellaneous Receipts	1 51 36 447	4 97 508
Income From JODO	9 57 254	
Deposit on Leased Cylinders Adjusted	79 80 710	
Rebates and Discount	1 18 63 142	4 32 995
TOTAL	3 92 68 816	8 70 52 806

SCHEDULE 'O' INCREASE IN STOCKS

Opening Stock		
Finished Goods	1 72 52 941	1 95 05 519
Work in Progress	14 00 10 880	8 77 97 895
Scrap	1 08 99 813	1 05 13 459
SUBTOTAL	16 81 63 634	11 78 16 873
LESS :		
Closing Stock		
Finished Goods	2 89 70 914	1 72 52 941
Work in Progress	19 86 00 887	15 57 90 072
Scrap	1 27 74 627	1 08 99 813
SUB TOTAL	24 03 46 429	18 39 42 826
INCREASE / (DECREASE) IN STOCKS	7 21 82 794	6 61 25 953

Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account

For the year ended 31st March, 2010

Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 'P' COST OF GOODS CONSUMED / SOLD		
RAW MATERIAL CONSUMED :		
Opening Stock	5 13 72 627	4 04 29 461
Add : Purchases	77 75 44 367	43 66 92 795
Less :		
Discount Received	30 20 464	
Closing Stock	17 52 91 500	5 13 72 627
SUB TOTAL (A)	65 06 05 030	42 57 49 629
LPG CONSUMED :		
Opening Stock	67 23 011	65 28 463
Add : Purchases	3 65 48 87 105	1 56 29 72 497
Less :		
Closing Stock	80 67 613	67 23 011
SUB TOTAL (B)	3 65 35 42 503	1 56 27 77 949
COMPONENTS CONSUMED		
Opening Stock	62 78 110	55 18 171
Add : Purchases	23 86 22 835	13 26 17 766
Less :		
Closing Stock	1 03 15 164	62 78 110
SUBTOTAL (C)	23 45 85 782	13 18 57 827
CONSUMABLES CONSUMED :		
Opening Stock*	1 60 66 009	1 39 27 418
Add : Purchases	14 31 55 914	6 22 17 104
Less :		
Closing Stock	2 09 15 918	1 58 64 799
SUB TOTAL (D)	13 83 06 004	6 02 79 723
TOTAL (A+B+C+D)	4 67 70 39 318	2 18 06 65 128
(figure for 2009-10 includes Stores and Spares)		

SCHEDULE 'Q' EMPLOYEES BENEFITS

Salary and Wages including PF and Others	5 51 49 853	2 54 29 351
Staff and Labour Welfare	10 62 552	6 68 226
TOTAL	5 62 12 405	2 60 97 577

Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account

For the year ended 31st March, 2010

Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 'R' OPERATING AND OTHER EXPENSES		
Factory expenses		
- Power and Fuel	4 18 03 059	1 89 48 764
- Plant Licenses and other Exp.	52 04 347	21 81 235
- Carriage Inward	2 24 11 399	1 08 79 643
Consumables	13 37 484	1 20 99 059
- Job Work Charges	5 19 85 370	1 70 31 239
- Testing and Marking Fees	46 03 684	23 93 515
Explosive Expenses	5 84 322	2 31 293
Diesel exp.	3 45 233	79 21 256
Parking & others		1 39 725
RTO & Insurance Charges	8 24 524	18 93 984
Diesel for tankers	1 75 89 518	
Repair and Maintenance		
- Plant and Machinery	30 92 737	21 98 982
- Others	47 30 635	12 38 163
TOTAL	15 45 12 312	7 71 56 858

SCHEDULE 'S' ADMINISTRATIVE AND SELLING EXPENSES

Rent, Rates and Taxes	9 44 121	10 77 448
Printing and Stationery	9 53 388	3 61 865
Remuneration to Auditors	5 14 500	3 75 878
Rental Expenses	1 19 05 431	1 12 95 409
Security Charges	33 53 400	21 82 237
Insurance Expenses	12 62 939	4 63 057
Carriage Outward	3 45 26 682	1 13 32 571
Travelling Expenses	1 21 80 976	77 18 319
Service Tax and WCT paid	14 39 568	27 28 512
Remuneration to Directors	75 40 000	67 32 000
Miscellaneous Expenses	50 42 057	37 38 893
LD Charges	4 99 831	
Communication Expenses	23 04 040	22 90 475
Legal and Professional Charges	37 46 259	19 42 054
Filing Fees Roc and others	5 14 880	6 28 078
Advertising and Sales Promotion	18 12 019	4 05 049
Vehicle Expenses	14 51 780	4 00 302
Preliminary Expenses Written off	6 200	6 812
Other Administrative Exp.	17 55 149	72 56 274
TOTAL	9 17 53 219	6 09 35 232

SCHEDULE 'T' INTEREST AND FINANCIAL CHARGES

Interest to Bank on Term Loan	4 57 40 982	1 01 71 746
Interest to Bank on W/C and others	4 39 16 480	1 61 80 368
Bank Charges, LC Charges, Mortgage and Registration Charges	75 63 421	59 43 788
TOTAL	9 72 20 883	3 22 95 902

Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account

For the year ended 31st March, 2010

SCHEDULE 'U' NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES TO THE REVISED CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

1. Principles of consolidation

The consolidated financial statements relate to Confidence Petroleum India Ltd. ('the Company') and its subsidiary companies. The revision is only of audited figures of amalgamated company M/s Confidence Petroleum India Limited. The consolidated financial statements have been prepared on the following basis:

- a) The Profit & Loss accounts of the subsidiaries namely M/s Envy Cylinders Pvt. Ltd., M/s Hemkunt Petroleum Ltd., M/s Taara LPG Bottling Pvt. Ltd., , M/s Confidence Go Gas Limited, M/s Laxmi Nirmal Petrochemicals Pvt. Ltd., M/s Virendra Petrochemicals Pvt. Ltd, M/s Keppy Infrastructure Developers Private Limited , M/s Agwan Coach Private Limited, PT Surya Go Gas Indonesia.
 - b) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
 - c) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
2. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS)13 on "Accounting for Investments".
 3. Other significant accounting policies These are set out under "Significant Accounting Policies" as given in the Unconsolidated Financial Statements of Confidence Petroleum India Ltd. and its subsidiaries.

As per our Report of even date

For **Bhandari and Associates**
Chartered Accountants

For and on behalf of the Board

L.R. Bhandari
Proprietor

Nitin Khara
Director

Elesh Khara
Director

Place: Mumbai,
Dated: 1st August 2010

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.

1	1	-	0	7	9	7	6	6
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 State Code

1	1
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CIN No. U40200MH1994PLC079766

Balance Sheet Date

3	1
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0	3
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2	0	1	0
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II. Capital raised during the year (Amount in Thousand)

Public Issue

					N	I	L
--	--	--	--	--	---	---	---

 Right Issue

					N	I	L
--	--	--	--	--	---	---	---

Bonus Issue

					N	I	L
--	--	--	--	--	---	---	---

 Private Placement

					N	I	L
--	--	--	--	--	---	---	---

III. Position of Mobilisation and Deployment of Fund (Amount in Thousand)

Total Liabilities

	2	6	4	5	5	2	5
--	---	---	---	---	---	---	---

 Total Assets

	2	6	4	5	5	2	5
--	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

		2	5	8	8	3	5
--	--	---	---	---	---	---	---

 Reserves & Surplus

	1	4	2	4	6	6	7
--	---	---	---	---	---	---	---

Secured Loans

		6	7	0	4	0	6
--	--	---	---	---	---	---	---

 Unsecured Loans

		2	9	0	7	7	1
--	--	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

	1	4	8	0	6	0	1
--	---	---	---	---	---	---	---

 Investments

		3	0	4	6	3	9
--	--	---	---	---	---	---	---

Net Current Assets

		8	6	0	2	8	0
--	--	---	---	---	---	---	---

 Misc. Expenditure

							5
--	--	--	--	--	--	--	---

Accumulated Losses

					N	I	L
--	--	--	--	--	---	---	---

IV. Performance of Company (Amount in Rs. Thousand)

Turnover

	2	6	4	5	5	2	5
--	---	---	---	---	---	---	---

 Total Expenditure

	3	2	1	2	5	2	1
--	---	---	---	---	---	---	---

Profit Before Tax

		3	2	2	9	1	5
--	--	---	---	---	---	---	---

 Profit After Tax

		2	4	1	7	5	1
--	--	---	---	---	---	---	---

Earning Per Share (In Rs.)

				0	.	9	3
--	--	--	--	---	---	---	---

 Dividend Rate %

					N	I	L
--	--	--	--	--	---	---	---

V. Generic Names of the Principal Products / Services of the Company (As per Monetary Term)

Item Code (ITC Code)

7	3	1	1	0	0	0	1
---	---	---	---	---	---	---	---

Product Description Liquefied Petroleum Gas (LPG)/Liquid Industrial Gas

As per our Report of even date

For Bhandari and Associates
Chartered Accountants

For and on behalf of the Board

L.R. Bhandari
Proprietor

Nitin Khara
Director

Elesh Khara
Director

Place: Mumbai,
Dated: 25th May 2010



Confidence Petroleum India Limited

404, Satyam Apartments, 8, Wardha Road, Dhantoli, Nagpur, Maharashtra - 440 016 (India)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the sixteenth Annual General Meeting of the CONFIDENCE PETROLEUM INDIA LIMITED will be held at "Gala No. 11-12, First Floor, Sita Estate, Vashi Naka, Mahul Road, Next To RCF Police Station, Chembur, Mumbai – 400074 on Thursday, the 30th September, 2010, at 2 PM to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2010 and the Balance Sheet as on that date together with the Report of the Board of Directors and the Auditors thereon.
2. To declare dividend on ordinary shares.
3. To appoint a Director in the place of Shri Jitendra Jain who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Shri Nalin Khara, who retires by rotation and is eligible for re-appointment.
5. To appointment Statutory Auditors and fix their remuneration:

To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

"Resolved that M/s. Bhandari & Associates, Chartered Accountants, be and are hereby re-appointed as the Statutory Auditors' of the company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting, on such remuneration as may be determined by the Board of Directors."

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies, in order to be effective must be lodged with the Company not less than 48 hours before the commencement of the Annual General Meeting.

2. The Register of Members and Share Transfer Books of the Company shall remain closed from 20-09-2010 to 30-09-2010 (both days inclusive).
3. Members are requested to notify their change of address, if any, to the Company's Registrar & Share Transfer Agent - **M/s. Ajel Infotech Limited**, 106, Link Plaza Commercial Complex Building, New Link Road, Oshiwara, Jogeshwari (West), Mumbai – 400102.
4. Members holding shares in single name may avail the nomination facility.
5. As required under the Listing Agreement, the particulars of Directors seeking appointment/ re-appointment as Director are given in the Annexure.

By order of the Board of Directors

Place: Nagpur
Date: 14th August, 2010

Nitin Khara
Managing Director

ANNEXURE TO THE NOTICE

Brief resume of Directors proposed for appointment/Re-appointment

JITENDRA SURENDRA JAIN (MR.)

(son of MR.SURENDRA MATHOLAYLAL JAIN)

Age 37

Education C.A. (Chartered Accountant)

Director on Board of following Listed Companies *

Sl.No. Company - CONFIDENCE PETROLEUM INDIA LTD.

BSE Scrip Code	526829
First Date of Appointment as a Director	30/11/2002
Director Type/ Designation on the Board **	Independent Director
Non-Executive Director	YES

Director on Board of following Unlisted Companies/ Organisations

Sl.No. Indian Companies/Organisations

1. ESSENN LPG BOTTLING PVT. LTD.
2. COMBINED INFRATECH PROJECTS PVT. LTD.

Brief Profile covering Experience, Achievements ***

Mr Jitendra Jain, aged 37 years is a resident of Nagpur. By profession he is a practicing chartered accountant. He has 10 years of experience in the field of LPG Cylinder business. He has been associated with the Khara Group for over 10 years.

NALIN POONAMCHAND KHARA (MR.)

(son of MR.POONAMCHAND GAMBHIRDAS KHARA)

Age 49

Education B.COM

Director on Board of following Listed Companies *

Sl.No. Company - CONFIDENCE PETROLEUM INDIA LTD.

BSE Scrip Code	526829
First Date of Appointment as a Director	06/09/2008
Director Type/ Designation on the Board **	Director
Independent Director	NO

Director on Board of following Unlisted Companies/Organisations

Sl.No. Indian Companies/Organisations

1. ENVY CYLINDERS PVT. LTD.
2. KHARA SOFTWARE PVT. LTD.
3. HEMKUNT PETROLEUM LTD.
4. CONFIDENCE GO GAS LTD.
5. GASPOINT PETROLEUM (INDIA) LTD.
6. KEPPY INFRASTRUCTURE DEVELOPERS PVT. LTD.
7. CONFIDENCE TECHNOLOGIES PVT. LTD.
8. CONFI ENERGTEK (ASIA) LTD.

Brief Profile covering Experience, Achievements ***

Mr. Nalin Khara, 49 years of age is a Commerce Graduate and a resident of Hyderabad. By occupation he is a business man and has an experience of 28 years. He started his career in 1982 by assisting his brother putting up a steel utensils and domestic appliances trading shop at Nagpur. He was also engaged in LPG distribution business. In the year 1997 and 1999 under his leadership the Khara Group acquired two sick cylinder manufacturing units. Under his leadership they also acquired three more cylinder manufacturing units – M/s Gujarat Cylinders Private Limited, Maharashtra Cylinders Private Limited and Envy Cylinders Private Limited. In the year 1998, he established Gas Point Petroleum India Ltd. which is engaged in bottling and parallel marketing of domestic and commercial LPG gas.



Confidence Petroleum India Limited

Regd. Office: B-13, Prabhu Kripa Society, Nanda Patkar Road, Near Telephone Exchange, Vile Parle (East), Mumbai - 400057

FORM OF PROXY

I/We
.....being a Member / Members of Confidence Petroleum India Limited hereby appoints
Mr./Mrs./Miss..... of
..... in the district of..... of failing him/her
Mr./Mrs./Miss. of in
the district of as my/our proxy to vote for me/us on my/our behalf at the **Sixteenth Annual General Meeting** of the Company to be held on Thursday, the 30th September, 2010 at Gala No. 11-12, First Floor, Sita Estate, Vashi Naka, Mahul Road, Next To RCF Police Station, Chembur, Mumbai – 400074 at 2 PM and at any adjournment thereof.

Regd. Folio No.

No. of Shares held

(Signature of Member/s as per specimen
signature on Company's record)

Note: Proxies in order to be valid must be duly filled in, stamped, signed and deposited at the Registered Office of the Company not less than **48 Hours** before the time of commencement of the Meeting.



Confidence Petroleum India Limited

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ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Member/Proxy.....
(First) (Middle) (Surname)

I hereby record my presence at the **Sixteenth Annual General Meeting** of the Company held on

Thursday, 30th September, 2010 at Hours at Mumbai

Regd. Folio No.

No. of Shares held

Please
affix
Re. 1/-
Revenue

(Signature of Member/Proxy)

Note: Persons attending the Annual General Meeting are required to bring their copies of **Annual Reports** as the practice of distribution of copies of the Report at the meeting has been discontinued.

