



**DEVARSA GAS CHEM. LTD.**

A handwritten signature in black ink, appearing to be "D. K. K.", written over the printed name and title.

**DIRECTOR**

**DEVARSA GAS CHEM. LTD.**

**Devarsa Gas Appliances**

**Proprietor**  
**DIRECTOR**

## Devarsa Gas - Chem Limited

**11<sup>th</sup> Annual Report 2004-05****Board of Directors:**

Mr. Nitin Khara (Managing Director)  
 Mr. Elesh Khara (Director)  
 Mr. Jitendra Jain (Independent Director)  
 Mr. Suman Sutaria (Independent Director)

**Audit Committee:**

Mr. Jitendra Jain (Chairman)  
 Mr. Suman Sutaria (Member)  
 Mr. Elesh Khara (Member)

**Remuneration Committee:**

Mr. Jitendra Jain (Chairman)  
 Mr. Suman Sutaria (Member)  
 Mr. Elesh Khara (Member)

**Shareholders' / Investors' Grievance & Share****Transfer Committee:**

Mr. Suman Sutaria (Chairman)  
 Mr. Jitendra Jain (Member)  
 Mr. Elesh Khara (Member)

**Registered Office:**

D R Container, Jijamata Nagar, Near RCF Gate No. 2,  
 Mahul, Chembur, Mumbai 400 074.

**Auditors:**

Bhandari & Associates,  
 Chartered Accountants,  
 Mumbai.

**Bankers:**

Oriental Bank of Commerce  
 IndusInd Bank

**Registrar & Share Transfer Agent:**

Choksh Infotech Limited.  
 106, Mhada Commercial Complex, 2<sup>nd</sup> Floor,  
 Near Oshiwara Police Station, Jogeshwari (West), Mumbai 400 102.

**NOTICE**

Notice is hereby given that the Eleventh Annual General Meeting of the Members of **DEVARSA GAS-CHEM LIMITED** will be held on Tuesday, 20<sup>th</sup> September, 2005 at 11.00 a.m. at B-13, Prabhu Kripa Society, Nanda Patkar Road, Vile Parle (East), Mumbai 400 057, to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2005, and the Profit and Loss Account for the year ended as on that date and the report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Suman Sutaria, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Bhandari & Associates, Chartered Accountants as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** subject to the provisions of Section 94(1)(d) of the Companies Act, 1956 each of the existing Equity Shares of Rs. 10/- in the Share Capital of the Company on which the sum of Rs.10/- is credited as paid-up be sub-divided into Equity Shares of Re. 1/- each upon which the sum of Re. 1/- shall be credited as paid-up and the Equity Shares resulting from the sub-division as aforesaid be suitably renumbered accordingly."

**"RESOLVED FURTHER THAT** the existing certificates of shares be called back by the Board of Directors and cancelled and that new certificates in respect of the Equity Shares of Rs. 1/- each be issued in accordance with the provisions of the Companies (Issue of Share Certificates) Rules, 1960."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolutions, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may consider necessary, expedient, usual or proper including cancellation or rectification of the existing

## Devarsa Gas - Chem Limited

share certificates in lieu of old certificates and to settle any question or difficulty that may arise in regard to the sub-division of shares as aforesaid."

5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 16 of the Companies Act, 1956 and any other applicable provisions, if any, of the Companies Act, 1956 the Memorandum of Association of the Company be altered as follows:

In Clause V of Memorandum of Association of the Company the words and figures appearing as 'is Rs.6,00,00,000/- (Rupees Six Crores only) divided into 60,00,000 (Sixty Lac) Equity Shares of Rs.10/- (Rupees Ten) each' be and is hereby substituted by the words and figures 'is Rs.6,00,00,000/- (Rupees Six Crores only) divided into 6,00,00,000 (Six Crores) Equity Shares of Re. 1/- (Rupee One) each'."

6. To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 31 of the Companies Act, 1956 and any other applicable provisions, if any, of the Companies Act, 1956, in Article 3 of the Articles of Association of the Company the words and figures 'is Rs.6,00,00,000/- (Rupees Six Crores only) divided into 60,00,000 (Sixty Lac) Equity Shares of Rs.10/- (Rupees Ten) each' be and is hereby substituted by the words and figures 'is Rs.6,00,00,000/- (Rupees Six Crores only) divided into 6,00,00,000 (Six Crores) Equity Shares of Re. 1/- (Rupee One) each'."

7. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

**"RESOLVED THAT** subject to the provisions of the Companies Act, 1956, and the provisions of Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such other approvals, permissions, sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, as may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee thereof), consent of the Company be and is hereby accorded to the Board to delist the Equity Shares of the Company from the Jaipur Stock Exchange and the Ahmedabad Stock Exchange."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to settle all questions, difficulties, doubts that may arise in regard to the aforesaid voluntary delisting of shares, and to take necessary steps in this regards in order to comply with all the legal and procedural formalities and to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution and matters related thereto."

8. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

**"RESOLVED THAT** subject to the approval of the Central Government (by delegation to the Registrar of Companies) and pursuant to Section 21 and other applicable provisions, if any, of the Companies Act, 1956, the name of the Company be and is hereby changed from DEVARSA GAS-CHEM LIMITED to CONFIDENCE PETROLEUM (INDIA) LIMITED and accordingly the name DEVARSA GAS-CHEM LIMITED wherever it occurs in the Memorandum and Articles of Association, letter heads, contracts and other documents of the Company be substituted by the name CONFIDENCE PETROLEUM (INDIA) LIMITED."

**"FURTHER RESOLVED THAT** any of the Directors of the Company be and is hereby authorized to make the necessary application to the Registrar of Companies, Maharashtra, Mumbai for the issue of new Certificate of Incorporation and to all such acts, deeds and things as may be necessary to give effect to the above resolution."

## NOTES:

1. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received by the Company at its Registered Office not later than 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 16.09.2005 to Tuesday, 20.09.2005 (both days inclusive).
4. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members / proxies are requested to bring their copies to the Meeting.

## Devasa Gas - Chem Limited

5. All communications relating to shares are to be addressed to the Company's Registrar & Share Transfer Agents, Choksh Infotech Limited, 106, Mhada Commercial Complex, 2<sup>nd</sup> Floor, Near Oshiwara Police Station, Jogeshwari (West), Mumbai 400 102.
6. Members are requested to (a) quote their folio numbers in all correspondence with the Company and (b) apply for consolidation of folios where shares are held in same / identical name(s) under different folios.
7. Shareholders holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agents, Choksh Infotech Ltd. Shareholders holding shares in electronic form must send the advice about the change in address to the respective Depository Participants and not to the Company.
8. Members desiring any information as regards the Accounts are requested to write to the Company atleast 7 days before the date of the Meeting, so as to enable the Management to keep the information ready.
9. Details of Directors, pursuant to Clause 49 of the Listing Agreement, seeking re-appointment at the ensuing Annual General Meeting is as follows:

Director	Suman Sutaria
Date of Birth	16/07/1958
Expertise in specific functional areas	MARKETING OF LPG
Qualifications	B. Com
List of other companies in which Directorships held as on 31/03/2005	NIL
Chairman / Member of the Committee of the Board of other Companies in which he is a Director as on 31/03/2005	NIL

At the ensuing Annual General Meeting Mr. Suman Sutaria, Director retires by rotation and being eligible offers himself for re-appointment.

10. Members holding shares in physical form as on 16.09.2005 are requested to surrender their old shares certificates and send them to reach latest by DATE 31.10.2005 to the Company's Registrar & Share Transfer Agents, Choksh Infotech Limited, 106, Mhada Commercial Complex, 2<sup>nd</sup> Floor, Near Oshiwara Police Station, Jogeshwari (West), Mumbai 400 102, in order to enable the Company to issue the new sub-divided shares to the respective shareholders. Necessary changes will be automatically made in the beneficiary accounts of the Shareholders, holding shares in dematerialized form.

Mumbai, 9th August, 2005

Regd. Office : D R Container,

Jijamata Nagar, Near RCF Gate No. 2,

Mahul - Chembur Road, Mumbai 400 074.

**For and on behalf of the Board**

**Managing Director**

## ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

### Item No. 4:

The face value of the Company's existing Equity Shares is Rs. 10/-. The Present Authorized Share Capital of the Company is Rs. 6,00,00,000/- divided into 60,00,000 Equity Shares of Rs. 10/- each.

Having regard to the anticipated growth of the Company in future, it is proposed to reorganize the capital structure and improve the liquidity in the market; by sub-dividing each of the Equity Shares of the face value of Rs. 10/- each in the Capital of the Company into Equity Shares of face value of Re. 1/- each. The proposed change in the face value of the Authorized Share Capital requires the approval of Members in General Meeting.

The Directors recommend this Resolution for approval of Shareholders. None of the Directors of the Company are concerned or interested in the Resolution.

### Item No. 5 & 6:

Subsequent to the change in the face value of the Authorized Share Capital, the necessary alteration has to be made in Clause V of Memorandum of Association and Article 3 of the Articles of Association respectively to show the alteration in the Authorized Share Capital.

Accordingly the Resolutions are proposed to alter the Memorandum and Articles of Association to incorporate the necessary changes in the Authorized Share Capital.

Sections 16 and 31 of the Companies Act, 1956 require the consent of the Members for the said alterations in the Memorandum and Articles of Association of the Company.

The Directors recommend this Resolution for approval of Shareholders. None of the Directors of the Company are concerned or interested in the Resolution.

### Item No. 7:

As the Members are aware that the Equity Shares of the Company are presently listed with Stock Exchange, Mumbai, Jaipur Stock Exchange and the Ahmedabad Stock Exchange.

**Devarsa Gas - Chem Limited**

The bulk of the trading of the Company's Equity Shares takes place at the Stock Exchange, Mumbai. Hence, the Company proposes to delist the Equity Shares from the Jaipur Stock Exchange and the Ahmedabad Stock Exchange in view of extremely low volume of trading of the Company's Equity Shares on these Exchanges which is disproportionate to the listing fees payable by the Company to these Stock Exchanges. Nevertheless, the Company will continue to be listed on the Stock Exchange, Mumbai.

Earlier, in the Annual General Meeting of the Company held on 30.09.2003, a similar Resolution for delisting was moved by the Board, however, there was no outcome for the same and this time the Board is determined to carry out the necessary formalities for delisting the Shares at the aforesaid Exchanges, where the trading volume is not large and thereby seeks the approval of the Shareholders for the same.

The Directors recommend this Resolution for approval of Shareholders. None of the Directors of the Company are concerned or interested in the Resolution.

**Item No. 8:**

The Board of Directors propose to change the name of the Company to **CONFIDENCE PETROLEUM (INDIA) LIMITED** as the flagship under which the Companies of the same management operate, carry the prefix '**CONFIDENCE**' in their names and have a goodwill in the market, which will help our Company to benefit from the aforesaid brand name.

The Company has received the Name Approval Letter from the Registrar of Companies dated 05.08.2005, approving the proposed name. Necessary application will be made to the appropriate authority for change of name of the Company.

The proposed alteration requires the approval of Members in General Meeting. Your Directors recommend the Resolutions for acceptance by the Members.

A copy of the Memorandum and Articles of Association of the Company showing the proposed change is available for inspection at the Registered Office of the Company on any working day during the business hours.

None of the Directors of the Company are concerned or interested in the Resolution.

Mumbai, 9th August, 2005  
Regd. Office : D R Container,  
Jijamata Nagar, Near RCF Gate No. 2,  
Mahul - Chembur Road, Mumbai 400 074.

**For and on behalf of the Board**

**Managing Director**

**DIRECTORS' REPORT**

To,  
The Members,

Your Directors have pleasure in presenting the Eleventh Annual Report of your Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March 2005.

**FINANCIAL RESULTS:**

(Rs. in Lacs)

Particulars	31.03.2005	31.03.2004
Income/(Loss)	20.28	30.19
Profit/(Loss) before Taxation	(10.10)	(23.23)
Provision for Taxation	0.00	0.00
Profit/(Loss) after Taxation	(10.10)	(23.23)
Add: Loss brought forward from previous year	(603.81)	(580.58)
Balance carried forward to Balance Sheet	(613.91)	(603.81)

**DIVIDEND:**

In view of losses, the Board of Directors do not recommend any dividend for the financial year under review.

**OPERATIONS & PROSPECTS:**

During the year under review, the Company could not secure any new connections in the market, the reason being that our competitor PSU's reap the benefit of the subsidies made available to them by the Government and supply the domestic cylinders at subsidized and much lower rates as compared to our prices. It only serviced the existing clients, due to which the Company's income further lowered down this year.

During the current F.Y. 2005-06 your company has started LPG bottling assistance for M/s Indian Oil Corporation Ltd. at Udaipur by giving Plant on lease to M/s Gaspoint Petroleum (I) Ltd. and your Companies Pali Plant is providing bottling assistance to M/s LPG Infrastructure (I) P. Ltd. (Reliance Gas). Your company has also started marketing in the commercial / industrial segment where the realizations and future prospects is better.

For future the management has taken decision to provide LPG bottling assistance to major PSU oil companies like IOCL / BPCL / HPCL & other Pvt. Companies like Reliance Gas, management has also approved,



## Devarsa Gas - Chem Limited

backward integration by way of mergers etc. for which M/s Confidence Cylinders & Petrochem (P) Ltd. is proposed to be merged with Devarsa Gas Chem Ltd. Presently M/s Confidence Cylinders Petrochem (P) Ltd is having Asia's single largest cylinder manufacturing Plant near Mumbai and five LPG bottling Plants one LPG blending (mfg.) plant near Mumbai. Cylinder Plants & bottling Plants are catering demands of BPCL-HPCL & IOCL.

However with a major development your Director are trying their best to achieve better results and are hopeful that the future prospects are very bright as Govt. PSU oil companies are taking LPG bottling assistance at various Places in India for better logistics in the coming year other PSU oil companies like GAIL / ONGC are also entering in the retail LPG market for which your company is preparing to offer LPG bottling assistance at various locations in India. The merged entity is expecting good. Business in cylinders manufacturing as well as LPG marketing (commercial) & LPG bottling assistance segment in which your company will be undisputed market leader.

**PROPOSED AMALGAMATION:**

The Directors are trying their best to achieve better results and are hopeful about the future prospects of the Company, in view of the proposed amalgamation with Confidence Cylinders & Petro-Chem Private Limited which is due for application in the High Court and the proposed Amalgamation Scheme will be presented in the General Meeting as per the directives of the honorable High Court for the approval of the Members.

**CHANGE OF NAME:**

The Board of Directors propose to change the name of the Company to **CONFIDENCE PETROLEUM (INDIA) LIMITED** as the flagship under which the Companies of the same management operate, carry the prefix 'CONFIDENCE' in their names and have a goodwill in the market, which will help our Company to benefit from the aforesaid brand name.

**SUB DIVISION OF SHARES:**

As an Investor friendly measure it is proposed to reorganize the capital structure and improve the liquidity in the market; by sub-dividing each of the Equity Shares of the face value of Rs. 10/- each in the Capital of the Company into Equity Shares of face value of Re. 1/- each. The Board of Directors recommend for consideration of the Share holders, the proposed sub division of shares.

**CHANGE OF REGISTERED OFFICE:**

The Registered Office of the Company has been shifted from the earlier location at Andheri (East) to D R Container Jijamata Nagar, Near to RCF Gate No. 2, Mahul - Chembur Road, Mumbai 400 074, for operational purposes.

**FIXED DEPOSITS:**

The Company has not accepted or renewed any fixed deposits from the public during the year under review.

**DIRECTORS:**

Mr. Suman Sutaria, Director of the Company retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

In compliance with the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
2. they have 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;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;
4. they have prepared the annual accounts on a going concern basis.

**PARTICULARS OF EMPLOYEES:**

Pursuant to Section 217(2A) of the Companies Act, 1956, the Directors have to inform that there was no such employee as mentioned in the Section.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:****A. CONSERVATION OF ENERGY:**

The information required to be given pursuant to section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, does not apply to the company.

## Devarsa Gas - Chem Limited

**B. TECHNOLOGY ABSORPTION:****Research & Development:**

The Company is constantly putting its efforts to improve the techniques and standards of LPG bottling and distribution. These efforts have helped to improve the efficiency of the Company.

**Technology Absorption, Adaptation & Innovation:**

The Company has fully absorbed the technology for bottling of LPG at its plants. The Company has not imported any technology or process.

**Foreign Exchange Earnings & Outgo:**

There were no foreign exchange earnings and outgo during the year under review.

**CORPORATE GOVERNANCE:**

Your Company has complied with the applicable provisions of the Listing Agreements with the Stock Exchanges where its Equity Shares are Listed. A separate report on Corporate Governance along with the Auditors Certificate on its compliance is included as part of this Annual Report.

**AUDITORS:**

Bhandari & Associates, Chartered Accountants, Statutory Auditors of the Company will retire at the ensuing Annual General Meeting and are eligible for reappointment. You are requested to reappoint the Auditors and to fix their remuneration.

**ACKNOWLEDGEMENT:**

Your Directors wish to place on record their appreciation of Banks and other Financial Institutions, Shareholders and other for their continued support. Your Directors also wish to place on record their appreciation of the contribution made by employees at all levels to the continued growth and prosperity of the Company.

Mumbai, 9th August, 2005  
Regd. Office: D.R. Container,  
Jijamata Nagar, Near RCF Gate No. 2,  
Mahul - Chembur Road, Mumbai 400 074.

**For and on behalf of the Board**

**Managing Director**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

(It forms part of Directors' Report)

Management Discussion and Analysis Report on the business of the Company as applicable and to the extent relevant is given below:

**INDUSTRY STRUCTURE AND DEVELOPMENT:**

The industry scenario has not changed from the previous years for any good. As of today, almost after 12 years, since the Central Government opened this industry for private sector in 1991 to sell, import and fix price of LPG, subsidy on domestic LPG Cylinder is still Rs.100/- per cylinder which is given to only to the PSU Oil Companies and not to the private sector, which creates many a odds against the Company in pricing its products.

**OPPORTUNITIES & THREAT:**

There are not many opportunities for the private sector companies due to the Central Government's policies of providing subsidies to the PSU's. The major threat to our industry is again the "Subsidies" provided by the Central Government to the PSU's only. The entire private sector faces competitive pressures from the PSU's, which enjoys access to lower costing due to the subsidies available to them.

**SEGMENT WISE / PRODUCT-WISE PERFORMANCE:**

As the Company has only one segment i.e. bottling and distribution of LPG cylinders, segment-wise or product-wise performance is not applicable for the period 2004-2005.

**OUTLOOK:**

The Company's operations continue to be mainly focused on procuring more contracts for filling of cylinders of other Companies / PSU's. Removal of subsidies is a sensitive and crucial issue. Further the Company is looking at various alternatives to achieve better sales.

**RISK AND CONCERNS:**

Company is exposed to specific risks that are particular to its businesses and the environment within which it operates, including economic conditions, market risk and government's policies. Apart from the normal risks, the Company foresees the subsidy given by the Central Government as an area of serious concern.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Your Company has adopted Internal Control System.