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**Confidence**

# ANNUAL REPORT 2019-20



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**CONFIDENCE  
PETROLEUM  
INDIA LIMITED**

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# CORPORATE INFORMATION

## CONFIDENCE PETROLEUM INDIA LIMITED

PARTICULARS	DETAILS
CIN	L40200MH1994PLC079766
DATE OF INCORPORATION	21/07/1994
REGISTRATION NO.	11-079766
REGISTERED OFFICE ADDRESS	701, Shivni Palaza Premises Chs Limited, Plot No. 79 Marol Industrial Estate, Near Mahalaxmi Hotel, Andheri East, Mumabi, Maharashtra -400059 w.e.f B-13, Prabhu Kripa Society, Nanda Patkar Road, Near Telephone Exchange, Vile Parle (East), Mumbai-400057
CORPORATE OFFICE ADDRESS	404, Satyam Apartment, 8 Wardha Road, Dhantoli, Nagpur, MH – 440012.
WEBSITE	<a href="http://www.confidencegroup.co">www.confidencegroup.co</a>
E- MAIL ID	<a href="mailto:cs@confidencegroup.co">cs@confidencegroup.co</a>
TEL . NO.	(0712)-3250318/ 3250319
FAX	(0712) – 6612083/6631977
BOARD OF DIRECTORS	Mr. Nitin Khara :Chairman-Managing Director & CEO
	Mr. Elesh Khara :Executive Director & CFO
	Mr. Sumant Sutaria: Non Executive-Independent Director
	Mrs. Mansi Deogirkar : Non Executive-Independent Director
	Mr. Vaibhav Pradeep Dedhia: Non Executive-Independent Director
	Mr. Rajkumar Varma:Non Executive-Independent Director
COMPANY SECRETARY & COMPLIANCE OFFICER	Ms. Prity Bhabhra
AUDIT COMMITTEE	Mr. Vaibhav Pradeep Dedhia- Chairman
	Mr. Sumant Sutaria- Member
	Mr. Elesh Khara – Member
NOMINATION & REMUNERATION COMMITTEE	Mr. Sumant Sutaria- Chairman
	Mrs. Mansi Deogirkar- Member
	Mr. Vaibhav Pradeep Dedhia - Member
STAKEHOLDERS' RELATIONSHIP COMMITTEE	Mr. Vaibhav Pradeep Dedhia- Chairman
	Mrs. Mansi Deogirkar – Member
	Mr. Nitin Khara – Member
MANAGEMENT COMMITTEE	Mr. Nitin Khara – Chairman
	Mr. Elesh Khara – Member
	Mr. Vaibhav Pradeep Dedhia- Member
CSR COMMITTEE	Mr. Nitin Khara – Chairman
	Mr. Elesh Khara – Member
	Mrs. Mansi Deogirkar – Member

<b>STATUTORY AUDITORS</b>	M/s. Akhil Rathi & Co. Nagpur M/s. Ganesh Adukia & Associates, Mumbai
<b>COST AUDITOR</b>	M/s. Narendra Peshne & Associates, Nagpur
<b>BANKERS</b>	ICICI BANK LIMITED CENTRAL BANK OF INDIA AXIS BANK LIMITED
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	Adroit Corporate Services Pvt.Ltd. 17-20, Jafferbhoy Ind. Estate, 1 <sup>st</sup> Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai 400059, India Tel: +91 (0) 22 42270400   Direct: +91 (0)22 42270423   Fax: +91 (0)22 28503748

ANNUAL REPORT



## **CMD's Message**



**Confidence Petroleum India Ltd.**

# Chairman's Speech

## **Chairman Speech**

The world around us is turbulent since past few months. The pandemic has changed in an unprecedented way the professional and personal lives of each & everyone the world over. I hope and pray that each of you, your families and the society around you remains healthy and safe. I also take a moment's silence to those who sacrificed their lives in our fight against the pandemic.

As the pandemic spread and lockdown announced subsequently, although our key priority was to ensure health and well-being of our employees and the end users, we stood shoulder to shoulder with our stakeholders to ensure business continuity and nullify the disruption in the supply chain.

The lockdown tested our business model, the resilience of our team and adaptability of our delivery model too. We responded to the challenge with agility and withstood the shocks or disruptions.

## **Key macro developments shaping the Company's prospects**

India continued to be recognized amongst the fastest growing economies globally, even during these testing times of disruption in the global economic activities. Thanks to the efforts of Indian Government, the Governmental agencies and the focus on inclusive growth. The short term monetary and fiscal policy is expected to help Indian businesses roll back on track at a faster pace.

LPG was the only fuel which continued to grow during the lockdown. Thanks to penetration of fuel to the lower strata of society. Further, the downfall in global LPG prices helped increasing adoption of the fuel for industrial purposes as substitute to fossil fuels.

The energy industry is at an inflection point. Oil prices and consequently LPG prices continued to remain low. The continuing policy amendments to adopt clean energy by various states and the Central Government further increased the industrial applications of the fuel. India still has a long way to go with Air Quality Index ratings and continue to be one of the most air polluted countries in the world.

The pandemic has provided unprecedented opportunities for positioning of LPG as a safe, non-pollutant and cheaper fuel, with many industries across the country converting their existing thermal/oil based industries to LPG. These investments by manufacturers are expected to increase in the next 2 to 3 years.

## **Performance and Strategies**

In preparation, CPIL revisited the strategic review for 2019-2022 to increase its positive impact to the environment, industry, stakeholders and valuable clients as we respond to opportunities provided within the Indian energy industry and help its transition to a low carbon economy.

The Company has achieved consolidated turnover of Rs. 1077.77 Crs up from Rs. 873.34 Crs in FY 2018-19. The Company has been able to achieve this growth in turnover despite decrease in prices by around 10 to 20 % in various segments. The Operating Profit has increased from Rs. 124.58 Crs to Rs. 130.90 Crs. However profit after tax has declined because huge surge in depreciation during the year. Owing to various expansion programmes undertaken by company particularly in ALDS segment. Though Company has in current year too also completed various projects however commercial operations were pending due delay in procuring licenses. The company is expected to complete this process in near future and expected to grow miles.

The COVID -19 PANDEMIC which has hit business worldwide has also hit our business we have made necessary steps to contain its ill effects in business like re-negotiation of lease rentals / rationalization of salaries and overheads.

The company has been able to achieve 50 % turnover in current period and is expected to achieve 75 % of turnover looking after performance of previous year in current scenario however future is still unpredictable.

The Company met its targets in 2019-20, which is largely due to our vertically integrated business models across LPG space. However, the unanticipated nationwide lockdown did take a toll on the inventory, which we are sure to cover in the near future. Over the years, we benefitted from economies, improved cost efficiencies through a judicious management of inventories, managed cash flows, focus on value-added products; adding new territories and aligning long-term business strategies with diverse stakeholder expectations.

The year 2019-20 had set momentum for CPIL to achieve the strategic and operational goals set for future years. During the nationwide lockdown, which disrupted operations of a majority of our clients, we worked alongside them and kept a safe and secured supply chain.

Your Company established a central war room to deal with the disruptions and we ensured, we speak to each of our major customers. On the Auto LPG front, we started the much applauded free sanitization scheme at over 150+ locations across the country. While we continued to take care of our clients, we were rewarded, with Go Gas becoming a choice of Auto LPG fuel retailer at major locations.

Our future lies in our strategy. We had, we have and we will always continue to stand along with our clients and do our part to help them manage fuel costs and ensure competitiveness.

Going in future, we see significant gains from our packed cylinder marketing and the Auto LPG divisions. We have made a good progress in developing our dealer and stockist network in new states and developing the right vendor relations to service our Auto LPG stations.

During the lockdown, we continued to establish our dealer network and have received overwhelming response, signing up with entrepreneurs who wanted to invest in a recession proof business of LPG.

Auto LPG, as a transport fuel, continues to grow and in 2020. Our previous discussions with various policymakers of the State and Central Government, for introducing Auto LPG in the Northern States have gained momentum.

Cheaper prices of Auto LPG and lower fuel switching costs, have seen overwhelming response in various cities for shift of vehicles from Petrol to Auto LPG.

As a Company, we are increasingly agile and readily adapting to the newer realities brought in by the Covid-19 pandemic. We are keenly looking at our downstream activities within the oil and gas space to secure our supplies of LPG at competitive rates.

### **Expansion Plan**

The pandemic has altered our expansion plans; we have opened up dealerships for Auto LPG Dispensing Stations and negotiating with other private bottlers, for co- bottling facilities. The theme of the year will be to stay agile and expand the retail network at a higher pace.

### **Our People – Driving The Momentum**

While we initiated the performance management plan as on track, the pandemic further pushed our digitalization at a faster pace. Our organizational values helped us tide over the pandemic to gain the accelerated momentum. We are more agile and have new talents to further grow and improve our digital footprint.

Our spirit of professionalism is the key quality at a time of growth inflection. We are determined to recognize the talent in the Company's businesses and to support development of people from early in their careers, not just to top-level succession planning but focusing on divisional and departmental leadership.

Your Company takes pride in growth of its employees and their families, who helped the Company and the clients to tide over the disruption caused by the Covid-19 pandemic.

### **Closing Thoughts**



The Group has strong financial control, sound administration and robust & transparent governance. Moreover, we are building the assets and the teams to secure further growth.

I would like to end by expressing my sincere thanks to all our talented and committed colleagues for their unstinting hard work and dedication. would also like to thank our Board Members for their constant guidance. Finally, I would like to thank all our stakeholders for being with us and immense contribution to our success.

While we remain focused on the task in hand, we are committed to delivering our strategies and to drive profitability within the business, building upon the successes we achieved in 2019-20. We reaffirm our commitment to nation building by curbing air pollution and moving towards sustainable development.

Best Wishes,

Nitin Khara

ENVIRONMENTAL SUSTAINABILITY  
ENVIRONMENTAL SUSTAINABILITY



# NOTICE OF TWENTY SIXTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY SIXTH (26TH) ANNUAL GENERAL MEETING OF THE MEMBERS OF CONFIDENCE PETROLEUM INDIA LIMITED (CIN: L40200MH1994PLC079766) WILL BE HELD ON TUESDAY, THE 29<sup>TH</sup> DAY OF SEPTEMBER, 2020 AT 01.00 P.M. THROUGH VIDEO CONFERENCING ('VC')/OTHER AUDIO VISUAL MEANS ('OAVM') FACILITY TO TRANSACT THE FOLLOWING BUSINESS:-

## ORDINARY BUSINESS:

### Item No. 1 – Adoption of Financial Statements and Reports of the Auditors & Directors thereon for the Financial Year 2019-20

To receive, consider and adopt:

- a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 and the Reports of the Board of Directors and the Auditors thereon; and
- b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 and the Report of the Auditors thereon.

### Item No. 2 – Appointment of Mr. Elesh Khara (DIN-01765620) as Director liable to retire by rotation.

To appoint a Director in place of Mr. Elesh Khara (DIN: 01765620) who retires by rotation, and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

### Item No. 3 – Ratification of Remuneration Payable to Cost Auditors.

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

**“RESOLVED THAT**, pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, **M/s. Narendra Peshne & Associates, Cost Accountants, Nagpur**, appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2020-21 at a remuneration determined by the Board of Directors be and is hereby ratified.

**RESOLVED FURTHER THAT**, the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

### Item No. 4 – Re-appointment of Mrs. Mansi Deogirkar (DIN: 07269038) as an Independent Director. (Woman Independent Director)

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

**“RESOLVED THAT**, pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI

Listing Regulations”), as amended from time to time, Mrs. **Mansi Deogirkar (DIN:07269038)** who was appointed as an Independent Director at the Twenty First Annual General Meeting of the Company and who holds office up to 29<sup>th</sup> September, 2020 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed there under and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from 30<sup>th</sup> September, 2020 to 29<sup>th</sup> September, 2025.”

**“RESOLVED FURTHER THAT,** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**Place: Nagpur**  
**Dated: 02/09/2020**

**By the order of Board**  
**Confidence Petroleum India Limited**

**Prity Bhabhra**  
**(Company Secretary)**

**NOTES:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as 'MCA Circulars') and SEBI circular dated May 12, 2020 permitted holding of the Annual General Meeting ('AGM') through VC/ OAVM facility, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations') and MCA Circulars, the AGM of the Company is being conducted through VC/ OAVM hereinafter called as 'E-AGM'.

2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/ OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. The attendance of the Members attending the AGM through VC/ OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

4. The facility of joining the e-AGM through VC/ OAVM will be opened 15 minutes before and will be open up to 15 minutes after the scheduled start time of the e-AGM, i.e., from 12.45 p.m. to 01.15 p.m. and will be available for on a first come first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters & promoter group, institutional investors, directors, senior managerial personnel, auditors, etc.

5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM.