



CONFIDENCE PETROLEUM INDIA LTD.

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Date: 19/06/2024

To,

<p>National Stock Exchange of India Limited Listing Department, Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai-400051</p>	<p>The Bombay Stock Exchange, Department of Corporate Services 25th Floor, P.J. Towers, Dalal Street, Mumbai- 400001</p>
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Subject: Impact of Audit Qualification

Ref: Outcome of Board meeting held on 30th May, 2024- Financial Result- March-2024

Dear sir,

With reference to the Financial Result submitted to exchanges on 02nd June, 2024 along with Impact of Audit Qualification (Standalone and Consolidated) and communication/observations received from the exchange in respect of **Impact of Audit Qualification contained quarterly Figure as details below which required to be corrected with annual Figure. The Details of changes is as follows.**

For Standalone

			Reported /Quarterly Figure		To be Replaced with Annual Figure	
I.	Sl. No.	Particulars	Audited Figures – Rs. Lac (as reported before adjusting for qualifications)	Adjusted Figures – Rs. Lacs (audited figures after adjusting for qualifications)	Audited Figures – Rs. Lac (as reported before adjusting for qualifications)	Adjusted Figures – Rs. Lacs (audited figures after adjusting for qualifications)
	1	Turnover / Total income	59326	59326	254023	254023
	2	Total Expenditure	57923	57923	241260	241260
	3	Net Profit/(Loss) PAT	937	937	9338	9338
	4	Earnings Per Share	0.36 Basic 0.34 Diluted	0.36 Basic 0.34 Diluted	3.22 Basic 3.04 Diluted	3.22 Basic 3.04 Diluted

For Consolidated

			Reported /Quarterly Figure		To be Replaced with Annual Figures	
I.	Sl. No.	Particulars	Audited Figures – Rs. Lac (as reported before adjusting for qualifications)	Adjusted Figures – Rs. Lacs (audited figures after adjusting for qualifications)	Audited Figures – Rs. Lac (as reported before adjusting for qualifications)	Adjusted Figures – Rs. Lacs (audited figures after adjusting for qualifications)
	1	Turnover / Total income	63167	63167	271350	271350
	2	Total Expenditure	61396	61396	257323	257323
	3	Net Profit/(Loss) PAT	1393	1393	10527	10527
	4	Earnings Per Share	0.33 Basic 0.31 Diluted	0.33 Basic 0.31 Diluted	3.50 Basic 3.30 Diluted	3.50 Basic 3.30 Diluted

Further, there is no change in any of the qualifications or Impact of Audit Qualification.

The rectified Impact of Audit Qualification attached herewith for the reference.

Kindly take the same on record and facilitate.

Yours truly,

For Confidence Petroleum India Limited

Nitin Khara
Managing Director
DIN-01670977

Encl- 1. Impact of Audit Qualification

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results -
(Standalone separately)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31,2024 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures – Rs. Lac (as reported before adjusting for qualifications)	Adjusted Figures – Rs. Lacs (audited figures after adjusting for qualifications)
	1	Turnover / Total income	254023	254023
	2	Total Expenditure	241260	241260
	3	Net Profit/(Less) after tax	9338	9338
	4	Earnings Per Share	3.22 Basic 3.04 Diluted	3.22 Basic 3.04 Diluted
	5	Total Assets	185610	185610
	6	Total Liabilities	185610	185610
	7	Net Worth	105884	105884
	8	Any other financial item(s) (as felt appropriate by the management)	No	No
II.	Audit Qualification (each audit qualification separately): a. Details of Audit Qualification : a. As detailed in note no. 07 the profit for the quarter and year ended March 31, 2024, is lower by Rs. 1384 lakhs as a result of re-computation and recognition of Right of Use Asset (“ROU”) of Rs. 16777 lakhs, lease liabilities of Rs. 15909 lakhs and reduction in security deposit by Rs. 869 lakhs. Such re-computation is done prospectively w.e.f. 1st April 2023 as against 1st April 2019 which is deviation from requirement of Ind AS 116 – Lease. Further, we are unable to comment on impact of such non-compliance on reported values of assets, liabilities and retained earnings of earlier period which is not in compliance with requirements of Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and errors as the same are not computed. b. Note no. 8 of the result related to non- recognition of additional provident fund liability on revised basic wages. This practice followed is not in compliance with ruling of Honorable Supreme Court dated 28th February 2019 wherein definition of “wages” was clarified to be inclusive of “Other allowances”. As the Company has not determined this liability from date of ruling up to 31st March 2024 we are unable to ascertain the impact of the same on profit for the year and earlier period and its consequential impact on retained earnings and liabilities. c. Gratuity expenses and related liability accounted by the Company is not on the basis of an Actuarial Valuation report by an Actuary which is not in compliance with requirement of Ind AS 19 – Employee benefit. We are unable to comment on the impact of such compliances on			

results for the period and related assets and liabilities.

d. Note no. 9 indicating delay in compliance with regulation 33 of SEBI LODR.

b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion/ Adverse Opinion - **Qualified Opinion**

c. Frequency of qualification : Whether appearing for the first time / Repetitive / Since how long Continuing - First Time

d. For Audit Qualification(s) where the impact is quantified by the auditors – For 1st Para the auditor has quantified the impact in current year only & not for earlier periods & the auditor is unable to ascertain the impact for other qualifications.

e. For Audit Qualification(s) where the impact is not quantified by the auditors

(i) **Management’s estimation on the impact of audit qualification:** Unable to estimate the impact.

(ii) **If the management is unable to estimate the impact, reason for the same:**

Para a related to right to use assets & its associated liabilities: As total number of premises taken on lease is high and considering the volume and complexities involved such re-computation was not done from 1st April 2019 being the date from which the Ind AS 116 has become operational. However, the management has recognized right to use asset on entire lease assets with effect from 1st Aril'223

Para b related to supreme court ruling on provident fund: As per management’s assessment such liability is not required to be recognized since The Employees Provident Fund and Miscellaneous Provision Act 1952 Act is not amended updating the definition of wages. Further, assessment has been done for the period April 2018 to March 2022 and assessing officer has given clean opinion on the PF compliances.

Para c related to Actuarial valuation: The management is awaiting report from registered actuary. The same shall be incorporated in upcoming financial in quarter ended 30th June'24.

Para d related to Delay in filling: The same is due to delay in conclusion of board meeting.

(iii) **Auditors Comment on the above:** Refer our independent auditors report. The impact needs to be ascertained and necessary correction should be incorporated in the financial results.

III. Signatories

- CEO / Managing Director

- CFO

	<ul style="list-style-type: none">Audit Committee Chairman	
	<ul style="list-style-type: none">Statutory Auditors	<p>For Singhi & Co. Chartered Accountants</p> <p>Sameer Mahajan Partner Membership no: 123266</p> <p>L N J & Associates Chartered Accountants</p> <p>Sunil Lahoti Partner Membership no: 138908</p>

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I.	Sl. No.	Particulars	Audited Figures - (Rs. Lacs) (as reported before adjusting for qualifications)	Adjusted Figures - (Rs. Lacs) (audited figures after adjusting for qualifications)
	1	Turnover/ Total income	271350	271350
	2	Total Expenditure	257323	257323
	3	Net Profit/(Loss) after tax	10527	10527
	4	Earnings Per Share	3.50 Basic 3.30 Diluted	3.50 Basic 3.30 Diluted
	5	Total Assets	220250	220250
	6	Total Liabilities	220250	220250
	7	Net Worth	118165	118,165
	8	Any other financial item(s) (as felt appropriate by the management)	No	No
II.	Audit Qualification (each audit qualification separately): a. Details of Audit Qualification : a. As detailed in note no. 07 the profit for the quarter and year ended March 31, 2024, is lower by Rs. 1384 lakhs as a result of re-computation and recognition of Right of Use Asset ("ROU") of Rs. 16777 lakhs, lease liabilities of Rs. 15909 lakhs and reduction in security deposit by Rs. 869 lakhs. Such re-computation is done prospectively w.e.f. 1st April 2023 as against 1st April 2019 which is deviation from requirement of Ind AS 116 – Lease. Further, we are unable to comment on impact of such non-compliance on reported values of assets, liabilities and retained earnings of earlier period which is not in compliance with requirements of Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and errors as the same are not computed. b. Note no. 08 of the result related to non- recognition of additional provident fund liability on revised basic wages. This practice followed is not in compliance with ruling of Honorable Supreme Court dated 28th February 2019 wherein definition of "wages" was clarified to be inclusive of "Other allowances". As the Company has not determined this liability from date of ruling up to 31st March 2024 we are unable to ascertain the impact of the same on profit for the year and earlier period and its consequential impact on retained earnings and liabilities. c. Gratuity expenses and related liability accounted by the Company is not on the basis of an Actuarial Valuation report by an Actuary which is not in compliance with requirement of Ind AS 19 – Employee benefit. We are unable to comment on the impact of such compliances on			

results for the period and related assets and liabilities.

d. During FY 2023-2024, the Company acquired an associate company – Evershine Petroleum. In the absence of valuation report of the associate company from the registered valuer on acquisition date, the fair value of identifiable assets and liabilities cannot be identified, and goodwill or capital reserve is not recognized in the consolidated financial statement of the Company.

This is in contravention to the Ind AS 28 Investment in Associates and Joint Ventures.

e. Note no. 09 indicating delay in compliance with regulation 33 of SEBI LODR.

f. Note no 13 related to non-reporting of respective Segment Asset and liabilities which is not in compliance with requirement of SEBI LODR Regulations

b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion/ Adverse Opinion - **Qualified Opinion**

c. Frequency of qualification : Whether appearing for the first time / Repetitive / Since how long Continuing - First Time

d. For Audit Qualification(s) where the impact is quantified by the auditors – For 1st Para the auditor has quantified the impact in current year only & not for earlier periods & the auditor is unable to ascertain the impact for other qualifications.

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Para b related to supreme court ruling on provident fund: As per management's assessment such liability is not required to be recognized since The Employees Provident Fund and Miscellaneous Provision Act 1952 Act is not amended updating the definition of wages. Further, assessment has been done for the period April 2018 to March 2022 and assessing officer has given clean opinion on the PF compliances.

Para c related to Actuarial valuation: The management is awaiting report from registered actuary. The same shall be incorporated in upcoming financial in quarter ended 30th June'24.

Para d related to Valuation report: The management is awaiting report from Valuation report. The same shall be incorporated in upcoming financial in quarter ended 30th June'24.

Para e related to Delay in filling: The same is due to delay in conclusion of board meeting.

Para f related to Segment Assets and Liabilities: Considering the volume and complexities

	<p>involved in identification of respective segmental division, allocation of such assets and liabilities is not practicable and any forced allocation would not result in any meaningful segregation. Hence, assets and liabilities have not been identified to any of the reportable segments.</p> <p>(iii) Auditors Comment on the above: Refer our independent auditors report. The impact needs to be ascertained and necessary correction should be incorporated in the financial results.</p>
<p>III. Signatories</p>	<ul style="list-style-type: none"> • CEO / Managing Director
	<ul style="list-style-type: none"> • CFO
	<ul style="list-style-type: none"> • Audit Committee Chairman
<ul style="list-style-type: none"> • Statutory Auditors 	<p>For Singhi & Co. Chartered Accountants</p> <p>Sameer Mahajan Partner Membership no: 123266</p> <p>L N J & Associates Chartered Accountants</p> <p>Sunil Lahoti Partner Membership no: 138908</p>