



7th ANNUAL REPORT

MD	✓	BKC	✓
CS	NA	DPY	NA
RO	✓	DIY	NA
TRA	✓	AC	✓
AGM	✓	SEH	✓
YE	✓		



BENZO PETRO INTERNATIONAL LIMITED



BENZO PETRO INTERNATIONAL LIMITED

BOARD OF DIRECTORS

D.C. Gami

Chairman

Ramesh C Gami

Managing Director

Pankaj M. Kadakia

Mukesh M. Patel

H.N.Elavia

Mukesh D Patel

Mukesh O Talati

Jagdish. L. Mehta [w.e.f.01.09.97]

7th

Annual General Meeting

26th September, 1998

11.00 A.M.

Auditorium, Central Gujarat Chamber of Commerce,
Vanijya Bhuwan, Race Course Circle,
Baroda - 390 007.

Bankers

Bank of Baroda, Alkapuri, Baroda

Auditors

M/s J.H Harkisonadas & Co.,
Chartered Accountants

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Registered Office:

✓ 5, Welcome Shopping Centre, *SEN 9/11/95*
Opp. Punit Nagar, Old Padra Road,
BARODA - 390 007.

Contents

Factory:

Revenu Survey No.444
Village Luna
Taluka Padra
Dist. Baroda (Gujarat)

Notice to the Shareholders2
Director's Report3
Auditor's Report5
Balance Sheet7
Notes on Accounts14

In order to save unnecessary expenditure,
we will not distribute copies of Annual Report
at AGM. You are requested to bring your copy
of the Annual Report to the Meeting.



Benzo Petro International Limitd.

NOTICE TO THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT 7th Annual General Meeting of the Shareholders of the Company will be held on 26th September, 1998 at the Auditorium, Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Baroda 390007 at 11.00 A.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for the year ended on the 31st March, 1998 and the Balance Sheet as at that date and the report of the Auditors and Directors thereon.
2. To appoint a Director in place of Shri H.N. Elavia, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri M.D. Patel, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri M.O. Talati, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appointment M/s. J. Harikisondas & Company, Chartered Accountants, as Auditors of the Company, to hold Office from the conclusion of this Meeting until the conclusion of the next annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modification the following Resolution.

6. As an Ordinary Resolution:
"RESOLVED THAT SHRI JAGDISH L. MEHTA be and is hereby appointed as a Director of the Company, liable to retire by rotation".
7. As an Ordinary Resolution:
"RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to take necessary action to discontinue listing of the Company's Shares at The Stock Exchange, Ahmedabad, subject to the necessary approval from concerned Authorities including the Ministry of Finance, concerned Stock Exchange, SEBI and other concerned Government department, if any".

"FURTHER RESOLVED THAT promoter Directors or those who are in control of Management be and are hereby authorised to buy or to make arrangement of buying the share of Shareholders situated in regional of Ahmedabad Stock Exchange, after fixing a record date specially for this purpose and at a price which should be fixed in consultation with the Stock Exchange Ahmedabad and/or SEBI or any other concerned Government Department, if any".

by Order of the Board of Directors,
for **Benzo Petro International Limited**
D.C. GAMI
Chairman

Place: Baroda
Date: 6.8.98

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member.
2. Shareholders desiring any information as regards the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
3. Members desirous of getting any information about the accounts and operations of the company are requested to send their query at the Regd. Office atleast seven days before the date of meeting to enable the management to keep the information required readily available at the Meeting.
4. Members holding Shares in identical order of names in more than one folio are requested to write to the Company to consolidate their holding in on folio.
5. Members are requested to notify change in address, if any, immediately to the Company at its Registered Office quoting their folio numbers.
6. Member Registers and Share Transfer Books will remain closed from 21.09.1998 to 30.09.1998 (both days inclusive).

By order of the Board
for **Benzo Petro International Ltd**

Place : Baroda
Date : 6.8.98

D.C. GAMI
Chairman

**Annual Report, 1997-98****EXPLANATORY STATEMENT****EXPLANATORY STATEMENT PURSUANT TO THE SECTION 173(2)
OF THE COMPANIES ACT, 1956.****ITEM 6.**

SHRI JAGDISH L. MEHTA is a Professional Engineer and an eminent Industrialist and businessman of Baroda. He was inducted on the Board of Directors on 1.9.97. His appointment is beneficial to the Company.

SHRI JAGDISH L. MEHTA holds office upto the date of this Annual General Meeting and being eligible, offers himself for re-appointment.

Notice under section 257 of the Companies Act, 1956 along with requisite deposits have been received from some members signifying their intention to propose the candidature of SHRI JAGDISH L. MEHTA for election to the Office of Director of the Company.

Your Directors are of the opinion that his presence in the Board will be in the interest of the Company and recommend the resolution for approval.

None of the Directors except SHRI JAGDISH L. MEHTA is concerned or interested in the resolution.

ITEM NO 7.

In Ahmedabad Stock Exchange, there is hardly any trading in the Equity Shares of the Company. It is therefore, in the interest of the Company to save expenditure By delisting the Shares at the Ahmedabad Stock Exchange. The Directors therefore recommend the Resolution for approval. None of the directors are concerned or interested in the resolution.

Benzo Petro International Limitd.**DIRECTOR'S REPORT**

Your Directors submit herewith the 7th Annual General Report of your Company for the financial year ended on 31st March, 1998.

1. SUMMARY OF FINANCIAL RESULTS.

	(Rs. in lacs)	
	1997-98	1996-97
a. Gross Profit before Depreciation, Interest and Tax.	16.86	57.45
b. Depreciation	25.35	22.51
c. Interest	25.23	24.44
d. Profit/(Loss) before Tax	(33.72)	10.50
e. Provision for Taxation	—	1.26
f. Profit/(Loss) After Tax	(33.72)	9.24

2. DIVIDEND

In view of the loss incurred, the Directors do not recommend dividend for the year.

3. OPERATIONS

The Company has stopped operations from its Nandesari unit w.e.f. June 97 and the excise registration certificate has since been cancelled/surrendered. During the year sale of Para Chloro Benzaldehyde substantially increased and that of Ortho Chloro Benzoic Acid increased by 20 %. However there was substantial reduction in quantity and realisation on sale of Ortho Chloro Benzaldehyde in domestic market due to dumping of product by China at very low price. This forced the company to reduce price of Ortho Chloro Benzaldehyde to domestic consumers. Thus lower quantity sale and reduce realization for Ortho Chloro Benzaldehyde in Domestic Market mainly accounted for the loss suffered by the company during 1997-98.

Govt of India is likely to take favourable decision to levy anti dumping duty on Ortho Chloro Benzaldehyde being imported from China.

CURRENT YEAR AND FUTURE OUT LOOK

Production and sale of all product during first quarter are higher as compared to the quantities in the first quarter of 1997-98. The Sale of Ortho Chloro Benzoic Acid and Para Chloro Benzaldehyde are stabilizing at higher levels and the demand for Ortho Chloro Benzaldehyde from Domestic Consumers has increased due to improved competitiveness and favourable Government policies. If these trend continue there would be substantial improvement in the profitability of the company.

4. POLLUTION ABATEMENT

As stated in the last Annual Report, the Company has achieved ZERO pollution and does not discharge any liquid or gaseous effect outside the factory premises.

5. RESEARCH & DEVELOPMENT

After achieving commercial production of Ortho Chloro Benzaldehyde and Para Chloro Benzaldehyde, Company has started developmental work on other downstream and related products.

6. EXPORT

Company has exported of Ortho Chloro Benzaldehyde of Para Chloro Benzaldehyde, and Ortho Sulfo Benzaldehyde and have earned Rs. 120.13 lacs in foreign exchange (FOB Value). The company has exported its products to USA, Japan, Isreal, Italy and Spain.

7. DIRECTORS

According to Section 256 of the Companies Act, 1956, Shri H. N. Elavia, Shri M.D. Patel and Dr. M.O. Talati Directors of the Company, retire by rotation and being eligible, have offered themselves for re-appointment. Shri J.L. Mehta was appointed as additional director and being eligible has offered himself for appointment.

9. FIXED DEPOSITS

The Company has not accepted Fixed Deposits from Public as envisaged under Section 58 A of the Companies Act, 1956, read with the Companies (Acceptance of Deposit) Rules, 1975.

10. AUDITORS

The present Auditors M/s. J. Harkisondas & Co., Chartered Accountants, Baroda, retire at the conclusion of 7th Annual General Meeting. They have submitted certificate of eligibility for reappointment under section 224 (1) (B) of the Companies Act, 1956. You are requested to appoint them as Auditors to hold office till the next Annual General Meeting and authorise Board of Directors to fix their remuneration.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.

Particulars regarding the conservation of energy, technological absorption and foreign exchange earning and out go as envisaged by Sec. 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors Rules 1988) are placed at Annexure. "A". Company has earned Foreign Exchange of Rs. 120.13 lacs (FOB Value) on export of its products. The Company has incurred Rs. 146.91 lacs (CIF Value) for import of its raw materials.

12. PARTICULARS OF EMPLOYEES

Your Directors like to place on record their appreciation of the contribution made by employees at all levels through their steadfastness, solidarity, co-operation and support. Employees continue to remain our major asset, in our continuing endeavors in the pursuit for excellence. Information under section 217 (a) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 has not been given as there are no employees who have drawn salary more than Rs.25,000/- per month, during the year.

13. ACKNOWLEDGEMENT

The Board of Directors are pleased to place on record their sense of gratitude for the continued financial support by Bank of Baroda, Alkapuri Branch, Baroda.

for and on behalf of the Board

Place : Baroda

Date : 6.8.98

D.C.GAMI
CHAIRMAN


Annual Report, 1997-98
ANNEXURE - A

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

FORM : A

Form for disclosure of particulars with respect to conservation of energy.

1. CONSERVATION OF ENERGY
A. Power and Fuel consumption in respect of total energy consumption:

	Current Year 1997-98	Previous Year 1996-97
1. Units (K W H)	2,08,558	1,20,834
Total Amounts(Rs.in Lacs)	8.84	4.52
Rate per Unit	Rs. 4.24	3.74
2. Oil/LSHS/LDO/HSQ		
Quantity (kilo Lts)	1,81,900	2,62,187
Total Amounts(Rs.in Lacs)	18.40	21.01
Average Rate (Rs./Lts)	10.12	8.01

FORM : B
TECHNOLOGY ABSORPTION

It is pleasure to report that the R&D of your company has developed indigenous process of manufacturing new products adhering to clientele specifications. Thus, it has achieved self sufficiency in manufacturing operations.

FORM : C
1. Total foreign exchange used and earned :

A. Foreign Exchange used:	(Rs. in lacs)	
a. Capital Goods (CIF)	NIL	NIL
b. Travelling and Membership Fees	NIL	1.03
c. Import of raw materials CIF Basis.	146.91	112.15
B. Foreign Exchange earned:		
a. Export on FOB basis	120.12	126.11

By Order of the Board
for **Benzo Petro International Ltd.**

Place: **BARODA**

Date : **06.08.98**

D.C. GAMI

Chairman

Benzo Petro International Limitd.



AUDITORS REPORT

To,
The Shareholders of

BENZO PETRO INTERNATIONAL LTD

We have audited the attached Balance Sheet of Benzo Petro International Limited as on 31st March, 1998 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that:

01. As required by the manufacturing and Other Companies (Auditor's Report) Order 1988 issued by the company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 and in terms of information and explanations given to us and on the basis of such checks as we considered appropriate, we enclose in the Annexure a statement on the matters as specified in Para 4 and 5 of the said order.
02. Further to our comments in the annexure, referred in Para 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 purposes of our audit.
 - b. In our opinion, proper Books of Account as required by Law have been kept by the company so far as it appears from our examination of such 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 and to the best of our information and according to the explanations given to us, the said statement of accounts read together with accounting policies and notes on Accounts annexed thereto, give the information required by the companies Act, 1956 as amended from time to time in the manner so required and give true and fair view.
 - (i) In the case of Balance Sheet, of the state of Affairs of the company as on 31st March, 1998 and,
 - (ii) In the case of Profit & Loss Account, of the Profit for the year ended on that date.

for, J. HARKISONDAS & Co.

(Chartered Accountants)

PLACE : BARODA

DATE : 06.08.98

(AKBAR CHASMAWALA)

Partner