

Benzo Petro International Limited

**12th
ANNUAL REPORT
2002-2003**



**BENZO PETRO
INTERNATIONAL LIMITED**



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BOARD OF DIRECTORS

Ramesh C. Gami - Chairman
Pankaj M. Kadakia - Director
Ajay L. Mehta - Director

12th

Annual General Meeting

29th September, 2003

at 11.00 Hours

**At 5, Welcome Shopping Centre
Opp. Punit Nagar, Old Padra Road**

BARODA - 390 007

Bankers:

Bank of Baroda, Alkapuri, Baroda

Auditors:

M/s J. Harkisondas & Co.,
Chartered Accountant, Baroda

Registered Office and Address for Correspondence :

5, Welcome Shopping
Centre, Opp. Punit Nagar,
Old Padra Road,
BARODA - 390 007.

Factory:

Plot No. 444
Village Luna, Taluka Padra,
Dist. Baroda (Gujarat).

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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



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NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that 12th Annual General Meeting of the Company will be held on 29th September 2003 at the Regd. Office of the company at 5, Welcome Shopping Center, Opp. Punit Nagar, Old Padra Road, Baroda. 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 31st March 2003 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 P.M.Kadadia who retires by rotation and, being eligible, offers himself for re-appointment.
3. 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 Sections 224, 225 and other applicable provisions, if any, of the Companies Act, 1956 and M/s. J.Harkisondas and Co, be appointed statutory auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company, on a remuneration to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company for the year ending 31st March, 2004.

SPECIAL RESOLUTION:

4. 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 Securities Contracts (Regulation) Act, 1956 and the Rules framed thereunder, the Listing Agreements, the Securities and Exchange Board of India (Delisting of Securities) Guidelines-2003, and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, which may be agreed to by the Board of Directors (hereinafter referred to as 'the Board', which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board), the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from the Ahmedabad Stock Exchange, Ahmedabad.

By Order of the Board
For Benzo Petro International Ltd

Place: Baroda
Date : 28.06.2003

Ramesh C.Gami
Chairman



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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. The relevant explanatory statement under section 173 (2) of the Companies Act., 1956 in respect of the business under item No 4 above annexed hereto.
3. 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.
4. Members desirous of getting any information about the accounts and operations of the company are requested to send their query at the Regd. Office at least seven days before the date of Meeting to enable the management to keep the information required readily available at the Meeting.
5. 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 one folio.
6. Members are requested to notify change in address, if any, immediately to the Company at its Registered Office quoting their folio numbers.
7. Members Registers and Share Transfer Books will remain closed from 15th September to 29th September (both days inclusive)



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EXPLANATORY STATEMENT

As required by section 173(2) of the Companies Act, 1956 and in pursuance of Clause 49 of the Listing Agreement, the following explanatory statement sets out all material facts regarding the business mentioned under Item No 2, and 4 of the accompanying Notice dated 28.6.03.

ITEM NO 2:

Details of Directors seeking reappointment at the AGM in pursuance of clause 49 of the Listing Agreement)

Name of the Director	Shri P.M.Kadakia
Qualification	B.Sc.(Hons.) from Bombay University B.S.(Chemical Engg.) from Polytechnic Institute of Brooklyn, New York, USA M.Sc (Polymer Materials) from Polytechnic Institute of Brooklyn, New York, USA
Expertise	Plant Operations, Management, and Financial Negotiations.
Other director-ships as on 31.3.2003	Ashok Organic Industries Ltd (M.D) Ashok Cellulose Limited Kadakia Alkalies & Chemicals Ashok Alco-Chem Ltd Shyam Alcohol & Chemicals Ltd Banco Products Shri Dinesh Mills Ltd
Chairman / Member of the Committees	Benzo Petro International Ltd

None of the other Directors of the company are concerned or interested in the resolution concerning re-appointment of above director.



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ITEM NO 4:

VOLUNTARY DELISTING OF THE COMPANY'S ORDINARY SHARES FROM AHMEDABAD, STOCK EXCHANGE:

Presently the Company's Securities are listed on The Stock Exchange, Mumbai (BSE), at Mumbai and The Stock Exchange Ahmedabad, Ahmedabad. With the wide and extensive networking of centers of the BSE, the investors have access to online dealings in the Company's securities across the country.

The trading volumes of the Company's Ordinary Shares on the Stock Exchange at Ahmedabad are practically zero in the financial year 2001-2002 and 2002-2003. The annual recurring listing fees of the said Stock Exchange, do not now offer commensurate benefits to the Company/its investor in the changed scenario of the nationwide trading terminals set up by the BSE. The continued listing on the said Stock Exchanges is not considered necessary. It would further contribute to reduction in administrative costs/effort of the Company.

In view of the above, the Board of Directors of the Company has approved the proposal for delisting of the equity shares of the Company from ASE, a subject to the approval of the Members and such other approvals as may be required.

The proposed delisting, if and when it takes place, will not adversely affect the investors as the Company's equity shares would continue to be listed and traded on BSE. Hence, no exit opportunity is required to be given as per Delisting guidelines issued by SEBI.

The Directors recommend the adoption of the Resolution at Item No.4 of the Notice.

No Director is in any way concerned or interested in the Resolution at Item No.4 of the Notice.

Place: Baroda
Date : 28.06.2003

By Order of the Board
For Benzo Petro International Ltd

Ramesh C. Gami
Chairman



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DIRECTOR'S REPORT

Your Directors submit herewith the 12th Annual General Report of your Company for the financial year ended 31st March 2003.

1. SUMMARY OF FINANCIAL RESULTS.

No	Particulars	(Rs in lacs) 2002-2003	(Rs in lacs) 2001-2002
A	Gross Profit before Depreciation, Interest and Tax	3.68	(16.12)
B	Depreciation	29.89	29.46
C	Interest	18.77	18.36
D	Profit/ (Loss) before Tax	(44.98)	(63.94)
E	Provision for Tax deferred tax savings	-----	21.86
F	Profit (Loss) After Tax	(44.98)	(42.08)

2. DIVIDEND:

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

3. OPERATIONS:

The Operations of the company better than last year were affected by the rigid stand taken by the Bank by not approving post shipment facilities, even though good Export Order were on hand with ECGC cover and RBI Policy permits such facilities, and account with Bank are normal. Export have substantial increase during the year. If Bank had given facilities, operations would have been much better.

4. ENVIRONMENTAL PROTECTION:

The Company has received renewal of consent for air as well as for water.

5. RESEARCH & DEVELOPMENT:

The Company during the year focused on reduction of cost to counter the reduction in prices of the products. Company has substantially reduced the cost. Further benefits of the results of the improvement will be available from next year onward.

6. EXPORT:

Company during the year Exported Aromatic Aldehyde to middle east as well as Carry on Deemed Export to Local Industry. Total Export Turnover has increased to Rs.139 Lakhs as against Rs.45 lakhs last year (Both CIF value).



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7. FUTURE OUT LOOK:

The economy is improving and the market seem to be growing. We can take advantage of this if the Bank provide sufficient facilities.

8. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS 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".

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. DIRECTORS:

Shri H.N.Elavia and Shri M.D.Patel resigned on 29.01.2003. The Board places on record the valuable services rendered by them as Directors.

Shri P.M.Kadakia, Director of the Company retire by rotation as per section 256 of the Companies Act 1956, and being eligible offered himself for re-appointment. Shri P.M.Kadakia has contributed substantially to the development of the company. Your Directors recommend his re-appointment.

11. DIRECTOR'S RESPONSIBILITY STATEMENT:

In accordance with the provisions of section 217 (2AA) of the Companies Act, 1956 as amended by Companies (Amendment) Act, 2002, your Directors State:

- a. That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures
- b. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are responsible and prudent so as to give a true and fair value of the state of affairs of the Company at the end of the Financial Year ended on 31.3.2003 and of the profit or loss of the Company for the year ended on 31.3.2003.
- c. Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,



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1956 for safeguarding the assets of the Company and for preventing and detecting fraud and the irregularities.

d. That the directors have prepared annual accounts, on a going concern basis

12. AUDITORS :

The present Auditors M/s. J. Harkisondas & Co., Chartered Accountants, Baroda retire at the conclusion of 11th Annual General Meeting. They have submitted certificate of eligibility for re-appointment 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 authorize Board of Directors to fix their remuneration.

13. FOREIGN EXCHANGE EARNING AND OUTGO:

During the year under review, the company has earned Rs.123.51 lakhs (FOB) foreign exchange. The Company has incurred Rs.85.03 lacs (CIF Value) for import of its materials.

14. PARTICULARS OF EMPLOYEES:

Information under section 217(a) of the Company's Act 1956 read with Companies (particulars of employees) Rules 1975 has not been given as there are no employees who have drawn salary of more than Rs. 50,000/- per month during the year

15. APPRECIATION:

Your Directors like to place on record their appreciation of the continued support from customers and suppliers and 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 endeavour in the pursuit for excellence.

Place: Baroda
Date : 28.06.2003

For and on behalf of the Board,

Ramesh C. Gami
Chairman



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ANNEXURE – A

EXPLANATORY STATEMENT

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.

CONSERVATION OF ENERGY

A: Power and Fuel consumption in respect of total energy consumption:

	<u>Current year</u> <u>2002-2003</u>	<u>Previous year</u> <u>2001-2002</u>
(1) Units (KWH)	3,36,168	1,98,927
Total amounts (Rs. In Lacs)	16.78	10.95
Rate per Unit	4.99	5.50
(2) Oil/LSHS/LDO/HSQ/WOOD		
Quantity (Lts) (L.D.O)	57111	34219
Total Amounts (Rs. In lacs)	10.49	5.50
Average Rate (Rs. / Lts)	18.36	16.08
Quantity (kgs) (WOOD)	966540	320125
Total Amounts (Rs. In Lacs)	7.28	2.66
Average Rate (Rs. / kgs)	0.75	0.83

FORM: B

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

FORM: C

(1) Total foreign exchange used and earned :

A Foreign Exchange used:

a. Capital Goods (CIF) (Rs. In lacs)

NIL

NIL