

Benzo Petro International Limited

***16th
ANNUAL REPORT
2006-2007***



***BENZO PETRO
INTERNATIONAL LIMITED***



Benzo Petro International Limited

Benzo Petro International Limited 16th Annual Report: 2006-2007

Board of Directors

Mr. R.C.Gami - Chairman
Mr. J. S. Sodhi - Director
Mr. J. L. Mehta - Director

16th Annual General Meeting

29th September, 2007, at 11.00 A.M
at 5, Welcome Shopping Centre,
Opp.Punit Nagar, Old Padra Road,
Vadodara – 390 007

Bankers:

Bank of Baroda, Alkapuri
Vadodara

Auditors:

M/s Kiran Solanki & Associates
Chartered Accountant, Mumbai

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Registered Office :

5, Welcome Shopping Centre,
Opp.Punit Nagar,
Old Padra Road,
Vadodara– 390 007

Factory:

Revenue Survey No.444
Village Luna
Taluka Padra
Dist. Vadodara (Gujarat)



Benzo Petro International Limited

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 16th Annual General Meeting of the Company will be held on 29th September, 2007 at the Registered Office of the Company at 5, Welcome Shopping Centre, Opp. Punit Nagar, Old Padra Road, Vadodara at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

To consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

1. To receive, consider, approve and adopt the Audited Statement of Accounts together with the Reports of the Directors and Auditors for the year ended March 31, 2007.
2. To appoint a Director in place of Mr. J. S. Sodhi 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 M/s Kiran Solanki & Associates, Chartered Accountants, be and are hereby appointed as the auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on remuneration to be fixed by the Board of Directors of the Company".

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:
"RESOLVED THAT in accordance with the provisions of Section 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s), or redeemed-enactment thereof, for the time being in force), the Authorised Share Capital of the Company, be and is hereby enhanced from Rs.12,00,00,000/- (Rupees Twelve Crores Only) divided into



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1,20,00,000 (One Crore Twenty Lakh) Equity Shares of Rs.10/- each to Rs. 18,00,00,000/- (Rupees Eighteen Crores), divided into 1,80,00,000 (One Crore Eighty Lakh) Equity Shares of Rs.10/-each and consequently the existing Clause V of the Memorandum of Association of the Company, relating to Share Capital, be and is hereby altered by deleting the same and substituting in its place and read the following as new Clause V:

- V. The Authorised Share Capital of the Company is Rs.18,00,00,000/- (Rupees Eighteen Crores Only) divided into 1,80,00,000 (One Crore Eighty Lakh) Equity Shares of Rs.10/-each, with power to increase or reduce the capital of the Company, divide the shares in the capital for the time being, into several classes to attach thereto respectively such preferential, deferred, qualified or special rights, privileges and conditions as may be determined by or in accordance with Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.

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

"RESOLVED THAT in accordance with the provisions of Section 31, and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s), or redeemed-enactment thereof, for the time being in force), and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the Articles of Association of the Company be and are hereby altered as follows:

Existing Article No.4 of the Articles of Association of the Company be and is hereby deleted and be substituted in its place by the following new Article:

Article No. 4

The Authorised Share Capital of the Company is Rs.18,00,00,000/- (Rupees Eighteen Crores Only) divided into 1,80,00,000 (One Crore Eighty Lakh) Equity Shares of Rs.10/-each, with power to increase or reduce the capital of the Company, divide the shares in the capital for the time being, into several classes to attach thereto



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respectively such preferential, deferred, qualified or special rights, privileges and conditions in such manner as the Board of Directors may deem fit from time to time.

The Board of Directors are also authorized to issue such convertible warrants and/or bonds with such qualified or special rights or conditions as they may deem fit, subject to compliance of the applicable law in that regard at the time of such issue.

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

"RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions if any, of the Companies Act, 1956 including any statutory modification(s), or redeemed-enactment thereof, for the time being in force, and subject to compliance of all other relevant Guidelines issued by SEBI under Investor Protection & Disclosure Guidelines 2000 series, and SEBI (Central Listing Authority) Regulations, 2003 as amended from time to time consent of the Company be and is hereby given to the Board of Directors of the Company to issue and allot for cash at par to Mr. J. S. Sodhi, 30,00,000 (Thirty Lakhs) Warrants, each convertible into one fully paid up equity share of the Company (hereinafter the Warrant Shares), which are required to be exercised within a period of 18 months from the date of the allotment of warrants as per the SEBI (DIP) Guidelines, 2000, at an exercise price of Rs.10/- per equity share of the Company suitably adjusted for any stock splits or issue of bonus shares and on such terms and conditions as decided and the said allotment and listing shall be subject to compliance of such terms and conditions as may be prescribed by The Central Listing Authority and the Bombay Stock Exchange Limited and The Stock Exchange - Ahmedabad and other requisite consents and approvals, if any, and further subject to such conditions and modifications as may be necessary.

- (a) The new equity shares be allotted subject to the Memorandum and Articles of Association of the Company.
- (b) The new equity shares on allotment shall rank pari-passu with the existing equity shares of the Company.
- (c) The issue and allotment of the new equity shares in accordance with paragraph (a) of this resolution be subject to the approval of



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the Reserve Bank of India under the Foreign Exchange Management Act, 1999 to the extent necessary.

- (d) For the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable or appropriate to settle any question, difficulty or doubt that may arise in regard to the issue and distribution of the new equity shares as it may think fit and to accept on behalf of the Company such conditions and modifications, if any, relating to the issue of the new equity shares, which may be imposed, required or suggested by the Reserve Bank of India or other appropriate authority and either of them and which the Board of Directors in its discretion think fit and proper."

By Order of the Board

For Benzo Petro International Ltd.

sd/-

R. C. Gami
Chairman

Place: Vadodara

Date: 31.08.2007

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

As required by provisions of 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 Nos. 4 to 6 of the accompanying Notice dated 31st August, 2007.



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ITEM NOS. 4 & 5:

The present Authorised Capital of the Company is Rs 12,00,00,000 (Rupees Twelve Crores) divided into 1,20,00,000 Equity Shares of Rs. 10 each. It is now proposed to increase the said Authorised Share Capital to Rs 18,00,00,000 (Rupees Eighteen Crores) divided into 1,80,00,000 Equity Shares of Rs. 10 each in accordance with Section 16 and 94 of the Companies Act, 1956. The increase in the Authorised Capital is required to enable the Company to issue Equity Shares or such Convertible Warrants/Bonds to the Banks/Financial Institutions/Foreign Financial Institutions, etc. or other persons from the external resources for raising of finance for the Company.

The alteration of the capital clause of the Memorandum and Articles of Association of the Company as set out in Item No.5 of the Notice is purely consequential to the increase in the Authorised Capital of the Company. None of the Directors of the Company are, in anyway concerned or interested in the said resolutions.

The Directors recommend the resolutions for approval of the shareholders.

ITEM NO. 6:

Mr. J. S. Sodhi is proposed to be issued and allotted 30,00,000 (Thirty Lakhs Only) Share Warrants, each convertible into one fully paid up equity share of the Company, with the right of conversion exercisable at a price of Rs.10/- per equity share of the Company suitably adjusted for any stock splits or issue of bonus shares and on such terms and conditions as decided. As per the provisions of SEBI (DIP) Guidelines, 2000, an amount of 10% of the total consideration for the warrants is required to be paid at the time of allotment of the abovementioned warrants and such right of conversion is required to be exercised within a period of 18 months from the date of allotment of the warrants. In case such conversion right is not exercised within the prescribed period, the amount of 10% of the total consideration for the warrants paid at the time of allotment will stand forfeited. The said allotment and listing shall be subject to compliance of such terms and conditions as may be prescribed by The Central Listing A



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Authority and the Bombay Stock Exchange Limited and The Stock Exchange - Ahmedabad and other requisite consents and approvals, if any, and further subject to such conditions and modifications as may be necessary, and as stated in proposed Special Resolution.

The proposed Special Resolution is designed to comply with the requirements of Section 81 and Section 81(1A) of the Companies Act, 1956.

The Directors recommend the resolution for approval of the shareholders.

**By Order of the Board
For Benzo Petro International Ltd**

sd/-

**R. C. Gami
Chairman**

Place: Vadodara

Date : 31.08.2007

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 MEMBER OF THE COMPANY.

The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the commencement of the Meeting.

2. Members Registers and Share Transfer Books will remain closed from Tuesday, 25th September, 2007 to Saturday, 29th September, 2007 (both days inclusive).



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3. Members are requested to notify change in address, if any immediately to the Company at its Registered Office quoting their folio numbers.
4. The relevant explanatory statement under section 173 of the Companies Act, 1956 in respect of the business under item Nos. 4, 5 & 6 above annexed hereto.
5. Members desirous of getting any information about the accounts and operation of the company are requested to send their query at the Registered Office at least seven days before the date of Meeting to enable the management to keep the information required readily available at the Meeting.
6. 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.
7. In order to save necessary 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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DIRECTOR'S REPORT

Dear Shareholders,

Your Directors are pleased to present this 16th Annual Report of the Company and the Audited Financials for the year ended 31st March, 2007.

1. SUMMARY OF FINANCIAL RESULTS.

The performance for the year ended 31st March, 2007 is as under

Particulars	(Rs.in lacs) 31.03.2007	(Rs.in lacs) 31.03.2006
Sales & Other Income	2803.65	1283.42
Gross Profit/(Loss) before Depreciation, Interest and Tax	20.27	2.79
Less : Depreciation	(57.44)	(27.08)
Interest	(36.26)	(1.28)
Profit/(Loss) before Tax (PBT)	(73.43)	(25.57)
Less : Provision for Tax	(0.51)	(0.49)
Profit/(Loss) after Tax (PAT)	(73.94)	(26.06)

The above figures have been regrouped and reclassified to confirm to the current classification, where ever necessary.

2. DIVIDEND:

In view of the need to conserve available financial resources and due to the loss incurred by the Company, the Directors do not recommend any dividend for the year under review.

3. OPERATIONS:

The operations of the Company have increased significantly as compared to previous year, which is evident from the increase in Sales & Other Income from Rs. 1283.42 Lakhs to Rs. 2803.65 Lakhs. However the Loss after Tax has increased from Rs.26.06 Lakhs to Rs. 73.94 Lakhs, primarily due to increase in Depreciation from Rs. 27.08 Lakhs to Rs.57.44 Lakhs and increase in Interest & other financial charges from Rs.1.28 Lakhs