

Benzo Petro International Limited

***17th
Annual Report
2007-2008***

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***BENZO PETRO
INTERNATIONAL LIMITED***



Benzo Petro International Limited

Benzo Petro International Limited

17th Annual Report: 2007-2008

Board of Directors

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

17th Annual General Meeting

29th September, 2008, 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

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Registered Office and Address

for Correspondence:

5, Welcome Shopping Centre,
Opp.Punit Nagar,
Old Padra Road,
Vadodara– 390 007
Phone no.: 0265 -2342395
6623302

Registrars & Share Transfer Agents:

ADROIT CORPORATE SERVICES PVT. LTD.

19/20, Jafferbhoy Industrial Estate, 1st Floor, Makwana Road,

Marol Naka, Andheri (E), Mumbai – 400059.

Contact Person: Mr. Surendra Gawade

Email: surendrag@adroitcorporate.com OR adroits@vsnl.net

Tel: 022 - 2859 6060, 28594060, 28594428, 28594442, 28590942

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 17th Annual General Meeting of the Company will be held on Monday, 29th September, 2008 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 :

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, 2008
2. To appoint a Director in place of Shri J. L. Mehta, 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

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

4. 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 Section 293(1)(a) and 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 as amended from time to time, consent of the Members be and is hereby accorded to the creation of



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such mortgages and/or charges and also for modification or varying the terms of any existing mortgages and/or charges on all or any of the immovable or movable properties of the Company wheresover situated, present and/or future, including the whole of the undertaking(s) of the Company (save and except the current assets that are or may be hypothecated and/or pledged in favour of the Company's bankers for securing borrowings for working capital requirements) to secure the repayments of any borrowings made or loan availed of, or debentures issued and/or to be made/availed off/issued by the Company and to secure the payment of interest thereon or any charges or expenses relating thereto or arising from the borrowings or availing of loans or issue of debentures and that the said debentures or charges be created in favour of the trustees of debenture holders, if any, and in any manner as may be thought fit by the Board of Directors of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to execute trust deeds and/or such other documents for creating mortgages and resolve and settle any difficulties that may arise in the proposed issue and allotment of the debentures and to do all such acts and deeds, and things in connection therewith and incidental thereto as the Board of Directors in its absolute discretion may deem fit."

5. 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 Section 293(1)(d) and 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 as amended from time to time, consent of the Members be and is hereby accorded to the Board of Directors of the Company, borrowing, from time to time, all such sums of money for the purpose of business of the Company notwithstanding that the moneys borrowed together with moneys already borrowed by



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the Company (apart from the temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves, i.e. to say, reserves not set apart for any specific purpose, provided that the total amount of money so borrowed and outstanding shall not at any time exceed the sum of Rs.100.00 Crores (Rupees One Hundred Crores only)."

"RESOLVED FURTHER THAT the consent of the Members be and is hereby accorded to the Board of Directors, of the Company for issuing non-convertible debentures, whether to public or to specified individuals, bodies corporate, Banks, Financial Institutions, Mutual Funds or other lenders, of such nominal value and on such terms and conditions as to the duration and the manner of redemption of debentures, the interest payable and as to the security, as may be decided by the Board of Directors of the Company in the best interest of the Company."

By Order of the Board

For Benzo Petro International Ltd.

Place : Vadodara
Date : 31.08.2008

J. S. Sodhi
Director

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 & 5 of the accompanying Notice dated 31st August, 2008.



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ITEM NOS. 4 & 5:

This is to inform the members of the Company that under Section 293(1)(d) of the Companies Act, 1956, the Board of Directors cannot, except with the consent of the Company in a general meeting, borrow moneys apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set part for any specific purpose.

In view of the proposed capacity expansion plans, certain capital expenditure is envisaged. The Company would require funds from banks / financial institutions / other lending bodies for this purpose. Hence, it is proposed to authorise the Board to borrow upto Rs. 100 Crores [Rupees One Hundred Crores only].

Accordingly, the sanction of the shareholders, under Section 293(1)(d) of the Act is being sought to enable the Board of Directors to borrow moneys upto the limit of Rs. 100.00 Crores.

The Company may be required to secure such borrowings by creation or modification of mortgages, hypothecation and/or charges. Accordingly, the sanction of the shareholders, under Section 293(1)(a) is being sought to enable the Board to take the necessary steps for creation of the necessary security for the borrowings.

None of the Directors of the Company are, in anyway concerned or interested in the above resolutions.

The Directors recommend the resolutions for approval of the shareholders.

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

Place : Vadodara
Date : 31.08.2008

**J. S. Sodhi
Director**



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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 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 Thursday, 25th September, 2008 to Monday, 29th September, 2008 (both days inclusive).
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(2) of the Companies Act, 1956 in respect of the business under item Nos. 4 and 5 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 submit herewith the 17th Annual Report of your Company for the financial year ended 31st March, 2008.

1. SUMMARY OF FINANCIAL RESULTS

Particulars	(Rs. in lacs) 2007-08	(Rs. in lacs) 2006-07
Sales & Other Income	2872.48	2803.65
Gross Profit/(Loss) before Depreciation, Interest and Tax	30.71	20.27
Depreciation	(64.96)	(57.44)
Interest	(0.82)	(36.26)
Profit/(Loss) before Tax	(35.07)	(73.43)
Provision for Tax	(0.44)	(0.51)
Profit/(Loss) after Tax	(35.51)	(73.94)

The figures of the previous year may have been regrouped and reclassified to confirm to the current classification.

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 remained at levels similar to previous year, which is evident from the increase in Sales & Other Income from Rs. 2803.65 Lakhs to Rs. 2872.48 Lakhs. The Loss after Tax has decreased from Rs. 73.94 Lakhs to Rs. 35.51 Lakhs, which is attributed to increase in EBITDA from Rs. 20.27 lakhs to Rs. 30.71 lakhs coupled with drop in finance cost from Rs. 36.26 Lakhs to Rs.



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0.82 lakhs. However the Company has witnessed a marginal drop in cost of raw materials and a significant increase in the cost of other expenses.

4. ENVIRONMENTAL HEALTH & SAFETY:

Your company recognizes its responsibility towards the society for a cleaner & greener environment and is constantly engaged in safety and pollution control measures. The workers are provided with adequate protective cover in order to ensure complete safety. The Company has received appropriate renewal of consent for air, water & hazardous waste management from the Gujarat Pollution Control Board.

5. RESEARCH & DEVELOPMENT:

The Company during the year continued its focus on reduction of cost to counter the reduction in prices of the end products and improvement in the margins. Your Company is continuously trying to improve product quality, process reduce the cost of the manufacturing and is working on development of new value added products, in order to achieve better margins.

6. CORPORATE GOVERNANCE

Report on Corporate Governance together with the Certificate dated 31st August, 2008, from the auditor of the Company regarding compliance of the Corporate Governance as stipulated in Clause 49 of the Listing Agreement with stock exchanges are enclosed herewith.

7. 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".



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8. FIXED DEPOSITS:

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

9. DIRECTORS:

- a. Mr. J. L. Mehta, Director of the Company, retires by rotation as per provisions of Section 256 of the Companies Act, 1956, and being eligible, offers himself for re-appointment. Your Directors recommend his appointment as Director of the Company.

10. DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AT THIS ANNUAL GENERAL MEETING:

Name of the Director	Mr. J. L. Mehta
Profile	Mr. Mehta, a Civil Engineer by profession has experience in construction for various industrial projects and also in Electrical and Pipeline project work.
Other Directorship as on 31.03.2008	Nutech Consultant Pvt. Ltd.
Chairman / Member of Committees	Chairman - Audit Committee, Benzo Petro International Limited

11. DIRECTORS' 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 had been followed along with proper explanations relating to material departures.
- b. that the accounting policies are consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.