

**Benzo Petro International Ltd.**

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*18th  
Annual Report  
2008 - 2009*



**Benzo Petro  
International Ltd.**

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# Benzo Petro International Ltd.

## Benzo Petro International Limited 18<sup>th</sup> Annual Report: 2008-2009

### Board of Directors

Mr. J.S.Sodhi - Executive Director  
Mr. Ayub Kazi - Director  
Mr. Amit Ranawat - Director

### 18<sup>th</sup> Annual General Meeting

29<sup>th</sup> September, 2009, 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 Accountants

### Registered Office and Address

#### for Correspondence:

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

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### Registrars & Share Transfer Agents:

Adroit Corporate Services Pvt. Ltd.  
19/20, Jafferbhoy Industrial Estate,  
1<sup>st</sup> Floor, Makwana Road,  
Marol Naka, Andheri (E),  
Mumbai – 400059.

### Factory:

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



## Benzo Petro International Ltd.

### NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 18<sup>th</sup> Annual General Meeting of the Company will be held on Tuesday, 29<sup>th</sup> September, 2009 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, 2009.
2. 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 statutory 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**

3. To consider and, if thought fit, to pass, with or without modifications, the following Resolution as Ordinary Resolution:  
 "RESOLVED THAT in accordance with provisions the Sections 198, 269, 309, 311 and Schedule XIII and applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or subsequent enactment thereof), Mr. J. S. Sodhi, be and is hereby re-appointed as Whole-time Director of the Company designated as Executive Director for a period of 3 (Three) years, effective from 1<sup>st</sup> April, 2009 upto 31<sup>st</sup> March, 2012, on such terms of appointment and remuneration payable to him as stated below:
  - I. Remuneration
    - 1) Remuneration: In the range of Rs. 58,000/- (Rupees Fifty-eight Thousand Only) to Rs 1,00,000/- (Rupees One Lakh Only) per month. The Board or any committee thereof, may revise the remuneration, perquisites and allowances as payable to Mr. J. S. Sodhi, based on merit and taking into account the Company's performance for the year, from time to time, within the range stated above.
    - 2) The following perquisites are included in the above remuneration :
      - a) Medical reimbursement: Actual expenses incurred for self.



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- b) Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent that these either singly or put together are not taxable under the Income-Tax Act, 1961.
- c) Gratuity payable shall be calculated as per the provisions of Gratuity Act, 1972.
- d) Encashment of Leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- 3) The following are the other terms of the appointment:
  - a) Provision of Company's car which will not be considered as perquisite.
  - b) Reimbursement of entertainment expenses, traveling and all other expenses, actually and properly incurred for the purpose of Company's business.
  - c) No sitting fees shall be paid for attending the meeting of Board of Directors or committee thereof.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to vary the terms of his appointment and vary or increase the remuneration and perquisites including the monetary value thereof beyond the range specified above, to the extent the Board of Directors may consider appropriate, as may be permitted or authorised by the Companies Act, 1956, or schedules appended thereto, for the time being in force or any statutory modification or re-enactment thereof and/or any rules or regulations there under."

- 4. To consider and, if thought fit, to pass, with or without modifications, the following Resolutions as Ordinary Resolution:

"RESOLVED THAT Mr. Ayub Kazi, who was inducted into the Board as an Additional Director of the Company in accordance to the provisions of Section 260 of the Companies Act, 1956 (the "Act"), effective from 1<sup>st</sup> day of August, 2009, holding office upto the conclusion of this Annual General Meeting and in respect of whom the Company has received notice under Section 257 of the Act, be and is here by appointed as a Director of the Company."

- 5. To consider and, if thought fit, to pass, with or without modifications, the following Resolutions as Ordinary Resolution:

"RESOLVED THAT Mr. Amit Ranawat, who was inducted into the Board as an Additional Director of the Company in accordance to the provisions of Section 260 of the Companies Act, 1956 (the "Act") effective from 1<sup>st</sup> day of August, 2009, holding office upto the conclusion of this Annual General



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Meeting and in respect of whom the Company has received notice under Section 257 of the Act, be and is here by appointed as a Director of the Company."

6. 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 authorities or bodies, the Articles of Association of the Company be and are hereby altered in the following manner:-

- (i) Article no. 126 stating "First Directors of the Company shall be permanent Directors on the Board for life and shall not be liable to retire by rotation." be and is hereby replaced and it shall be read as follows:

"The First Directors of the Company are:

- 1) DHIRAJLALCHHAGANLAL GAMI
- 2) RAMESHCHANDRACHHANGANLAL GAMI
- 3) RUPANIMISH GAMI"

- (ii) Article no. 162 be and is hereby replaced and it shall be read as follows:

"Subject to the applicable provisions of the Companies Act, 1956 and to such approvals as may be necessary, any person appointed as a Managing Director or Whole-time Director, in terms of Article 161 of the Articles of Association of the Company, shall be considered as a Director retiring by rotation for the purposes of Sections 255 and 256 of the Companies Act, 1956 and in case of cessation as a Director for any reason, whatsoever, his or her term of office as a Managing Director, Whole Time Director shall also come to an end."

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

Place: Vadodara  
Date: 31.08.2009

**J. S. Sodhi**  
**Executive 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 Friday, 25<sup>th</sup> September, 2009 to Tuesday, 29<sup>th</sup> September, 2009 (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. 3,4,5 and 6 proposed to be conducted at the Annual General Meeting 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.

### 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. 3,4, 5 & 6 of the accompanying Notice dated 31<sup>st</sup> August, 2009.

#### **Item No. 3**

Mr. J. S. Sodhi was appointed as an Executive Director of the Company with effect from 1<sup>st</sup> April, 2006. The Board recognizes the significant & invaluable contribution made during the tenure of his appointment. The Board of Directors has re-appointed Mr. J. S. Sodhi as Whole-time Director designated as Executive Director of the Company for a further period of 3 (Three) years with retrospective effect from 1<sup>st</sup> April, 2009, as per the provisions of Sections 198, 269, 309, 311 and Schedule XIII and applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s), or subsequent enactment thereof) and subject to the approval of the shareholders.

Mr. J. S. Sodhi is a dynamic and enterprising individual. He is a Science Graduate and has completed his Masters in Business Administration with specialization in Marketing. He has



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an extensive experience in the Pharmaceutical Industry. His contribution during the tenure of his appointment has proved to be of immense value to the Company and hence after discussion, the Board has re-appointed him for a further period of 3 years.

Brief profile of Mr. J. S. Sodhi is included in a separate Annexure after the Notice, forming part of this Annual Report.

Hence, the Board recommends the resolution for the approval of the shareholders as Ordinary resolution.

None of the Directors of the Company, except Mr. J. S. Sodhi, are interested in this resolution.

### Item Nos. 4 & 5

In view of the resignations of Mr. R. C. Gami and Mr. J. L. Mehta, the erstwhile Directors of the Company, Mr. Ayub Kazi and Mr. Amit Ranawat were inducted into the Board as Additional Directors in Non-Executive Independent capacity effective 1<sup>st</sup> August, 2009, as per the provisions of Section 260 the Companies Act, 1956. The abovementioned Directors will hold office upto the conclusion of the ensuing Annual General Meeting. The Company has received notices in writing under Section 257 of the Companies Act, 1956, proposing their candidature for the office of Directors.

Mr. Ayub Kazi is a Science Graduate with the specialization in Chemistry. He has a varied experience in the industry. His inclusion in the Board will be adding value to the growth of the Company.

Mr. Amit Ranawat has a considerable experience in the area of commercial and business development. His insight and valuable experience will add immense value to the Company.

Brief profiles of Mr. Ayub Kazi and Mr. Amit Ranawat are included in a separate Annexure after the Notice, forming part of this Annual Report.

Hence, the Board recommends the resolutions for the approval of the shareholders as Ordinary resolutions.

None of the Directors of the Company, except Mr. Ayub Kazi and Mr. Amit Ranawat, are interested in this resolution.

### Item No. 6

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), Article Nos. 126 and 162 are proposed to be replaced

- (i) In view of resignations of First Directors as stated the Memorandum of Association and Articles of Association, from the Board of the Company from the Company, approval of the shareholders is being sought to amend Article no. 126 of the Articles of Association pertaining to permanent directorship.
- (ii) The restriction in the Articles, for the Managing Director, Manager and Whole-time Director appointed as per the provisions of the Companies Act, 1956, to be considered as rotational directors, is proposed to be removed. Consequently



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Article no. 162 of the Articles of Association is proposed to be altered in order to include the Managing Director, Manager and Whole-time Director, so appointed as per the provisions of the Companies Act, 1956, while determining the number of Directors retiring by rotation at the time of Annual General Meeting for the purposes of Sections 255 and 256 of the Companies Act, 1956.

By Order of the Board  
For Benzo Petro International Ltd.

Place: Vadodara  
Date: 31.08.2009

J. S. Sodhi  
Executive Director

**Details of Directors seeking appointment / re-appointment in  
forthcoming Annual General Meeting :**  
( In pursuance of Clause 49 of the Listing Agreement)

Name	Mr. J. S. Sodhi	Mr. Ayub Kazi	Mr. Amit Ranawat
Date of Birth	10.01.1975	07.06.1959	21.06.1978
Date of Appointment	01.04.2009	01.08.2009	01.08.2009
Nationality	Indian	Indian	Indian
Category	Professional	Professional	Professional
Designation	Whole-time Director designated as Executive Director	Non-Executive Independent Director	Non-Executive, Independent Director
Expertise in Specific Functional Areas	Mr. Sodhi is a Science Graduate and has completed his Masters in Business Administration with specialization in Marketing. He has an extensive experience in the pharmaceutical industry. His contribution during his tenure has proved of immense value to the Company.	Mr. Ayub Kazi is a Science Graduate with the specialization in Chemistry.	Mr. Amit Ranawat has a considerable experience in the area of commercial and business development.
Occupation	Business	Business	Business
Membership/Chairmanship of Committees of other companies (includes only Audit Committees and Shareholders' / Investor Grievance Committee)	NIL	NIL	NIL
Shareholding in the Company	19,63,500	NIL	NIL
Relationship between directors inter-se	NIL	NIL	NIL





# Benzo Petro International Ltd.

## DIRECTOR'S REPORT

Dear Shareholders,

Your Directors submit herewith the 18<sup>th</sup> Annual Report of your Company for the financial year ended 31<sup>st</sup> March, 2009

### 1. SUMMARY OF FINANCIAL RESULTS

<b>FINANCIAL RESULTS</b>		<b>(Rs. in Lakhs)</b>	
<b>Particulars for the year ended</b>	<b>31.03.2009</b>	<b>31.03.2008</b>	
Sales & Other Income	3530.23	2872.48	
Profit / (Loss) before Depreciation, Interest and Tax	(154.95)	30.71	
Less : Depreciation	111.74	64.96	
Profit / (Loss) before Interest and Tax	(266.69)	(34.25)	
Less : Interest	0.22	0.82	
Profit / (Loss) before Tax	(266.91)	(35.07)	
Less : Provision for Tax Fringe Benefit Tax	0.82	0.44	
Profit / (Loss) after Tax	(267.73)	(35.51)	

The figures of the previous year may have been re-grouped and re-classified to conform 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:

During the period under review, the operations of the Company witnessed an increase in Sales & Other Income from Rs. 2872.48 Lakhs to Rs. 3530.23 Lakhs, registering an increase of 22.90% as compared to similar period last year.

However, there has been an increase in Loss after Tax, from Rs. 35.51 Lakhs to Rs. 267.73 Lakhs, which can be attributed to various issues including that of steep rise in fuel, power and labour costs during the year.

### 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 consents for air, water & hazardous waste management from the Gujarat Pollution Control Board. Since the Company forms part of the Pharmaceutical Industry, it



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endeavours to have minimal negative impact on the Environment, by way of resorting to effluent treatment activities etc.

### 5. RESEARCH & DEVELOPMENT:

The Company during the year continued its focus on reduction of costs and improvement in the margins by way of improving product quality/yield and process improvements initiatives.

### 6. CORPORATE GOVERNANCE

Report on Corporate Governance together with the Certificate dated 31<sup>st</sup> August, 2009, from the Statutory 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 outgo as envisaged by Section 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 as Annexure "A".

### 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:

Mr. J. S. Sodhi, Executive Director was re-appointed for a further term of 3 years as Whole-time Director designated as Executive Director with effect from 1<sup>st</sup> April, 2009, on such terms and conditions as determined by the Board, subject to the approval of the shareholders.

Mr. Amit Ranawat was inducted into the Board as an Additional Director in Non-Executive and Independent capacity with effect from 1<sup>st</sup> August, 2009.

Mr. Ayub Kazi was inducted into the Board as an Additional Director in Non-Executive and Independent capacity with effect from 1<sup>st</sup> August, 2009.

Mr. R. C. Gami and Mr. J. L. Mehta, erstwhile Directors of the Company have resigned from the Board with effect from 1<sup>st</sup> August, 2009.

### 10. DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THIS ANNUAL GENERAL MEETING

Brief profiles of Mr. J. S. Sodhi, Mr. Ayub Kazi and Mr. Amit Ranawat are included in a separate Annexure after the Notice, forming part of this Annual Report.

### 11. SHARE WARRANTS

30,00,000 share warrants, allotted to the Promoter, Mr. J. S. Sodhi on 10<sup>th</sup> October, 2007, were convertible into equivalent number of equity shares of face value of