



BLUE BLENDS PETROCHEMICALS LIMITED

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***15th
Annual Report
2003-2004***

ANNUAL REPORT 2003-2004

BLUE BLENDS PETROCHEMICALS LTD.

BOARD OF DIRECTORS	:	Shri Anand Arya – Chairman Shri S. Raghunath – Director Shri G.L.Agarwal – Whole Time Director
AUDITORS		P.C.Surana & Co. (Chartered Accountants)
SOLICITORS	:	Malvi Ranchhoddas & Co.
BANKERS	:	Canara Bank
REGISTERED OFFICE & PLANT	:	Plot No.806-807, G.I.D.C., Vapi, Gujarat.
SECRETARIAL DIVISION	:	JBF House, 2 nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai – 400 002 Ph. No.2208 8736

ANNUAL GENERAL MEETING
On Wednesday the 29th September, 2004
at 10.00 a.m. at Plot No.806-807,
G.I.D.C., Vapi, Gujarat.

**NOTICE**

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of BLUE BLENDS PETROCHEMICALS LIMITED will be held on Wednesday, 29 th September, 2004 at 10.00 a.m. at Plot No.806,G.I.D.C.,Vapi, Gujarat to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at 31st March,2004 and Profit & Loss Account of the Company for the year ended on that date together with reports of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Mr.Anand Arya who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

By order of the Board of Directors

**ANAND ARYA
CHAIRMAN**

Place : Mumbai

Date : 2nd September, 2004

Registered Office :

Plot No.806, G.I.D.C. Vapi, Gujarat

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER.**
2. The Proxies in order to be valid must reach the Secretarial Department of the Company not less than 48 hours before the meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday the 28th September,2004 to Wednesday the 29th September,2004 (both days inclusive) for the purpose of Annual General Meeting.
4. Members are requested to notify the change of address, if any, to the company.

Details of the Directors seeking appointment/reappointment at the forthcoming Annual General Meeting.
(In pursuance of Clause 49VI(A) of the Listing Agreement)

Name of Director	Mr.Anand Arya
Date of Birth	06 th April,1952
Date of Appointment	27.01.1989
Expertise in specific functional areas	Production, marketing, finance and overall management of company.
Qualifications	B.com., L.L.B.
List of other public limited Companies in which Directorship held.	Blue Blends (India) Ltd. Blue Blends Finance Ltd. Blue Blends Stocks & Securities Ltd. Premier Synthetics Ltd.
Chairman/Member of the Committees of the Board of the Companies in which he is a Director	Blue Blends Finance Ltd. Audit Committee – Member Remuneration Committee – Member

**DIRECTORS' REPORT**

To the members,

The Directors present herewith 15th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2004.

FINANCIAL RESULTS :

	2003-2004	2002-2003
	Rs.	Rs.
Gross Revenue	5,548	19,15,952
Loss Before Depreciation	353,129	19,22,738
Add/Less : Depreciation	--	---
Loss Before Tax	353,129	19,22,738
Add/Less : Provision for Tax	--	---
Net Loss after Tax	353,129	19,22,738
Add : Loss brought forward from previous year	6,51,44,256	6,32,21,518
Balance carried forward	6,54,97,385	6,51,44,256

DIVIDEND

In view of loss, the Board of Directors does not recommend any dividend on Equity Shares for the year 2003-2004.

OPERATIONS

During the year under review, the company did not carry on manufacturing or other business activities as the Board considered that it would be unviable to do so.

CURRENT YEAR

In the current year also the Company has not carried on any manufacturing activity.

FIXED DEPOSITS

Your Company has neither invited nor accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and Rules made thereunder.

PERSONNEL

There was no employee drawing Rs.2,00,000/- or more per month as salary during the year and therefore information as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not given.

DIRECTORS

Mr. Anand Arya retires by rotation and being eligible, offers himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- That in the preparation of the accounts for the financial year ended 31st March, 2004 the applicable accounting standards have been followed along with proper explanation relating to material departure;
- That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent 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 the year under review.
- That the Directors have taken proper and sufficient care for the maintenance of adequate records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the Directors have prepared the accounts for the financial year ended 31st March, 2004 on a "going concern" basis.

LISTING FEES

The listing fees to the stock exchanges other than the Calcutta stock exchanges is not paid for the financial years from 1999-2000 onwards. The listing fees to the Calcutta stock exchange is not paid from the financial years 1995-1996 onwards.

CORPORATE GOVERNANCE

In terms of clause 49 of the Listing Agreement with the Stock Exchanges, a report on the Corporate Governance is appended as annexure to this report.

AUDIT COMMITTEE

The company has constituted an audit committee of Directors as required under Section 292A of the Companies Act, 1956. Some of the terms of reference of audit committee are to review the financial reporting process and to examine accountancy, taxation, and disclosure aspect of significant transactions.

AUDITORS

M/s. P.C. Surana & Co., Chartered Accountants, Mumbai hold the office as Auditors of the Company till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Board of Directors recommends their re-appointment.

PARTICULARS UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956.

As required under 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, the relevant information is given below:-

A. CONSERVATION OF ENERGY :-

- Energy conservation measures taken:- None
- Additional investments and proposals, if any being implemented for reduction in consumption of energy :-None
- Impact of measures at (a) and (b) above for reduction in energy and consequent impact on the cost of production of goods:- Not Applicable
- Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the schedule thereto:- Since no commercial production was made during the year, no energy has been consumed.

	2003-04	2002-03
1. Electricity		
a) Purchased Units (in '000)	NIL	NIL
Total Amount (Rs. In lakhs)	NIL	NIL
Rate/Unit (Rs.)	NIL	NIL
2. Oil		
Total Consumed Units(In '000)	NIL	NIL
Total amount (Rs. In lakhs)	NIL	NIL
Rate/Unit (Rs.)	NIL	NIL

TECHNOLOGY ABSORPTION

- Research and Development
 - Specific areas in which R&D carried out by the Company:-Nil
 - Benefits derived as a results of above R&D:-Nil
 - Future Plan of Action:- None
 - R&D Expenditure:-None
- Technology Absorption, Adaptation & Innovation:- Nil
- Foreign Exchange Earnings and Outgo :- Nil

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude, the co-operation and assistance given by the Bankers of the Company during the year under review.

For and on behalf of the board

ANAND ARYA
Chairman



**Report on Corporate Governance
(Annexure to Directors Report)**

1. Corporate Governance

- A. Corporate Governance requirements as contained in Clause 49 of the Listing Agreement are comprehensive and valuable tool for the investors.
- B. **Company Philosophy on Corporate Governance:** The Company's Philosophy of Corporate Governance is aimed at attaining high level of transparency, accountability and integrity. The Company has endeavored to seek greater and active participation by the shareholders at the General Meeting, for better interaction with the shareholders.

2. Board of Directors :

The provisions for appointment of directors, their powers and meetings are contained in the Articles of Association of the Company. None of the Directors of the Company is a member of more than ten committees or chairman of more than 5 committees across all Companies in which he is a Director. During the previous financial year seven board meetings were held on the composition of Board of directors, Board meetings and Annual General Meeting attended by directors and other details are given hereunder.

Name of the Director	Category	Date of Appointment	No. of other Directorship held	No. of Meetings attended during F. Yr. 1st April, 2003 to 31st March, 2004	Attendance at the last A.G.M. No. of Membership	No. of Membership / Chairmanship in Committees across all the Companies
Mr. Anand Arya (AA) (AA) (Promoter)	Chairman	27.01.89	6	7	yes	Chairmanship - Nil
Mr. S. Raghunath (SR)	Independent Director	30.09.00	3	7	Yes	Membership - 4
Mr. G. L. Agarwal (GL)	Whole-Time Director	30.09.00	-	-	No	Membership - 8
						Chairmanship - Nil
						Membership - 1

Note : No Extra-Ordinary General Meeting took place during the previous financial year.

3. Audit Committee:

Brief description of terms of reference: To review the financial reporting process and financial statements, the accounting policies and practices and to examine accountancy taxation and disclosure aspect of significant transactions.

Composition, name of members and Chairperson

1. Mr. S. Raghunath - Chairman

2. Mr. G. L. Agarwal - Member

3. Mr. Anand Arya - Member

- Meetings and attendance up to date.

Date of Meeting	Attendance Record		
	SR	GL	AA
27.06.2003	Yes	No	Yes
02.09.2003	Yes	No	Yes
09.03.2004	Yes	No	Yes

4. Board Procedure

The Board meetings are held at least four times in a year with a maximum time gap of four months between any two meetings. None of the Directors of the Company is a member of more than ten committees or acts as a Chairman of five committees across all Companies in which he is a Director. Every Director has informed the Company about committee positions he occupies in other Companies.

5. Management

The plant of the Company is shut down and hence Management Discussion and Analysis is not given.

Disclosures by management

All details of financial and commercial transactions where Directors may have an interest are provided to the Board and interested Directors neither participate in the discussion, nor do they vote on such matters. There are no transactions of material nature with the promoters, directors or their relatives etc. that may have potential conflict with the interests of the Company.

As required by Accounting Standard AS-18, details of related party transactions are given in Schedule containing notes forming part of Balance Sheet and Profit & Loss Account.

6. Shareholders Committee :

Details of the Directors seeking appointment/reappointment at the forthcoming Annual General Meeting
(In pursuance of Clause 49VI(A) of the Listing Agreement)

Name of Director	Mr. Anand Arya
Date of Birth	06 th April, 1952
Date of Appointment	27.01.1989
Expertise in specific functional areas	Production, marketing, finance and overall management of company.
Qualifications	B.com., L.L.B.

List of other public limited Companies in which Directorship held.

Blue Blends (India) Ltd.
Blue Blends Finance Ltd.
Blue Blends Stocks & Securities Ltd.
Premier Synthetics Ltd.

Chairman/member of the Committees of the Board of the Companies in which he/she is a Director

Blue Blends Finance Ltd.
Audit Committee - Member
Remuneration Committee - Member

- Composition, name of members and Chairperson
 - 1. Mr. S. Raghunath - Non Executive Independent Director (Chairman of the Committee)
 - 2. Mr. Anand Arya - Member
- Name and designation of compliance officer : Mr. I. K. Jha
- Number of shareholders complaints received so far: There is no pending grievance of shareholders. The Company had received 27 letters from shareholders which were attended to the satisfaction of shareholders.
- Number not solved to the satisfaction of shareholders - Nil
- Number of pending share transfers - Nil
- Compliance Certificate
 - Compliance Certificate for Corporate Governance from auditors' of the Company is annexed herewith.
- General Body Meetings :
 - Location and time, where last three AGMs held:

Location	Date	Time
Plot No 806, G.I.D.C., Vapi, Gujarat.	29.09.2001	10.30 a.m.
Plot No 806, G.I.D.C., Vapi, Gujarat.	28.09.2002	10.30 a.m.
Plot No 806, G.I.D.C., Vapi, Gujarat.	30.09.2003	10.30 a.m.

No postal ballots were used for voting at the general meetings of shareholders.

9. Disclosures:

Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with interests of company at large : Nil

Details of non compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

- A) The Listing fees to the Stock Exchanges other than the Calcutta Stock Exchange is not paid for the financial years from 1999-2000 onwards. The listing fees to the Calcutta Stock Exchange is not paid from the financial years 1995-96 onwards.
- B) The Publication of financial Results to the stock Exchanges as required under Clause 41 of the Listing Agreement was not made as the company had not carried on any manufacturing or other business activities during the previous year.
- C) Dematerialisation of securities of the Company is not completed.
- D) The Company has not subjected it to secretarial audit for the purpose of reconciliation of the total admitted capital with both the depositories and the total issued and listed capital because the shares of the Company have so far not been dematerialised. All work related to share registry are maintained in-house at a single point as the entire shares are presently in physical mode.
- E) The securities of the Company are delisted from BSE due to non-compliance of listing agreement.
- 10. Means of Communication
 - The information of investors' interest is communicated either directly to the shareholders or through stock exchanges.
- 11. General Shareholder Information :

AGM Date, Time and Venue	: 29 September, 2004 At 10.00 A.M. Plot No.806, G.I.D.C., Vapi, Gujarat.
Financial Calendar	: 1 st April to 31 st March
Date of Book Closure	: From 28 th September, 2004 To 29 th September, 2004
Dividend Payment Date	: N.A.
Listing on Stock Exchanges	: BSE, CSE, ASE, MSE & Vadodra Stock Exchange
Stock Code	: BSE Stock Code : 24152
Market Price Date and	: Since no trading had taken place in the previous year, the performance in comparison to market price data and performance in comparison to broad based indices such as BSE Sensex, CRISIL index etc. are not given.
Registrar and Transfer Agents	: In-house
Share Transfer System	: Share transfers in physical form are present registered and returned within a period of 25 to 30 days from the date of receipt, provided the documents are complete and the shares under transfer are not under dispute.

Sufficient delegations have been given to the Share Transfer Committee for expediting share transfers.