



**BLUE BLENDS  
PETROCHEMICALS  
LIMITED**

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***16th  
Annual Report  
2004-2005***

**ANNUAL REPORT 2004-2005**

**BLUE BLENDS PETROCHEMICALS LTD.**

BOARD OF DIRECTORS	: Shri Anand Arya – Chairman Shri S. Raghunath – Director Shri Ganeshmal Surana - Whole Time Director Shri Ramprakash Sharma - 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 <sup>nd</sup> Floor, Old Post Office Lane, Kalbadevi Road, Mumbai – 400 002 Ph. No.2208 8736

**ANNUAL GENERAL MEETING**  
On Wednesday the 28th, September 2005  
at 10 a.m. at Plot No.806-807,  
G.I.D.C., Vapi, Gujarat.



# Blue Blends Petrochemicals Ltd.

## NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of BLUE BLENDS PETROCHEMICALS LIMITED will be held on Wednesday, 28th September, 2005 at 10.00 a.m. at Plot No.806, G.I.D.C., Vapi, Gujarat to transact the following business:

### ORDINARY BUSINESS :

- To consider and adopt the Balance Sheet as at 31st March, 2005 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.
- To appoint a Director in place of Mr. S. Raghunath who retires by rotation and being eligible offers himself for re-appointment.
- 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.

### SPECIAL BUSINESS:

- To consider and if thought fit, to pass the following resolution with or without modification(s), as an Ordinary Resolution:  
"RESOLVED THAT Ganeshmal Surana who was appointed as an Additional Director of the Company on 11.10.2004 and whose term of office expires on the conclusion of forthcoming Annual General Meeting and in respect thereof the Company has received notice from some shareholder under section 257 of the Companies Act, 1956 expressing his intention to move necessary resolution for his appointment as a Director of the Company, be and is hereby appointed as a Director of the Company."
- To consider and if thought fit, to pass the following resolution with or without modification(s), as an Ordinary Resolution:  
"RESOLUTION THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the company accords its approval, for appointment of Mr. Ganeshmal Surana as a Wholtime Director of the company for a period of five years with effect from 11.10.2004 in terms of resolution passed by the board of directors of the Company."  
"FURTHER RESOLVED THAT Mr. Ganeshmal Surana as a Wholtime Director, shall not be entitled to any remuneration."
- To consider and if thought fit, to pass the following resolution with or without modification(s), as an Ordinary Resolution:  
"RESOLVED THAT Mr. Ramprakash Sharma who was appointed as an Additional Director of the Company on 11.10.2004 and whose term of office expires on the conclusion of forthcoming Annual General Meeting and in respect thereof the Company has received notice from some shareholder under section 257 of the Companies Act, 1956 expressing his intention to move necessary resolution for his appointment as a Director of the Company, be and is hereby appointed as a Director of the Company."

By order of the Board of Directors

Place : Mumbai

Date : 24th August, 2005

Registered Office :

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

ANAND ARYA

CHAIRMAN

### NOTES

- 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.
- The Proxies in order to be valid must reach the Secretarial Department of the Company not less than 48 hours before the meeting.
- The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday the 27<sup>th</sup> September, 2005 to Wednesday the 28<sup>th</sup> September, 2005 (both days inclusive) for the purpose of Annual General Meeting.
- Members are requested to notify the change of address, if any, to the company.

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

#### Item No.4 & 5.

Mr. Ganeshmal Surana was appointed as an Additional Director of the Company with effect from 11.10.2004 and he holds office of Director up to the conclusion of forthcoming Annual General Meeting and is eligible for reappointment. The Company has received a notice in writing under section 257 of the Companies Act, 1956 with requisite security deposit from some shareholder expressing his intention to move a resolution for appointing Mr. Ganeshmal Surana as a Director of the Company. He is a chartered accountant by profession and has varied experience of financial and Management accounting. Mr. Ganeshmal Surana, was appointed as a Wholtime Director by the Board of Directors of the Company effective from 11.10.2004. He shall not be paid any remuneration in his capacity as a Whole time Director of the Company. The Board considers that it would be in the interest of the Company to have Mr. Ganeshmal Surana on the Board of Directors of the Company and recommend the resolutions at item No. 4 & 5.

None of the Directors, except Mr. Ganeshmal Surana, is concerned or interested in the resolution.

#### Item No.6

Mr. Ramprakash Sharma was appointed as an Additional Director of the Company with effect from 11.10.2004, who holds office of Director upto the conclusion of forthcoming Annual General Meeting and is eligible for reappointment. The Company has received a notice in writing under section 257 of the Companies Act, 1956 with requisite security deposit from some shareholder expressing his intention to move a resolution for appointing Mr. Ramprakash Sharma as a Director of the Company. He is having varied experience of about twenty-two years in commercial accountancy.

The Board considers that it would be in the interest of the Company to have Mr. Ramprakash Sharma on the Board of Directors of the Company and recommend the resolution for his appointment.

None of the Directors, except Mr. Ramprakash Sharma, is concerned or interested in the resolution.

### 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. S. Raghunath	Mr. Ganeshmal Surana	Mr. Ramprakash Sharma
Date of Birth	08 <sup>th</sup> November, 1960	20.04.1959	01.07.1962
Date of Appointment	30.09.2000	11.10.2004	11.10.2004
Expertise in specific functional areas	Accounts and Finance	Financial and Management Accounting	Commercial and Accounting
Qualifications	B.Com., C.A., A.C.S.	B.Com., F.C.A., C.S. Final Exam. (1st Group)	S.S.C.
List of other public limited Companies in which Directorship held.	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 -Chairman & Member Shareholders Committee- Chairman & Member Remuneration Committee-Member	Premier Synthetics Ltd. Audit Committee-Chairman & Member Remuneration Committee-Member Shareholding Committee-Member	---

By order of the Board of Directors

Place : Mumbai

Date : 24th August, 2005

ANAND ARYA

CHAIRMAN



## Blue Blends Petrochemicals Ltd.

### DIRECTORS' REPORT

To the members,

The Directors present herewith 16th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2005.

### FINANCIAL RESULTS :

	2004-2005 Rs.	2003-2004 Rs.
Gross Revenue	17,537	5,548
Loss Before Depreciation	4,11,688	3,53,129
Add/Less : Depreciation	--	--
Loss Before Tax	4,11,688	3,53,129
Add/Less : Provision for Tax	--	--
Net Loss after Tax	4,11,688	3,53,129
Add : Loss brought forward from previous year	6,54,97,385	6,51,44,256
Balance carried forward	6,59,09,073	6,54,97,385

### DIVIDEND

In view of loss, the Board of Directors does not recommend any dividend on Equity Shares for the year 2004-2005.

### 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 activities.

### 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.S.Raghunath retires by rotation and being eligible, offers himself for reappointment. Mr.Ganeshmal Surana and Mr.R.P.Sharma were appointed as Additional Directors of the Company on 11.10.2004 and they hold the office as such directors up to the conclusion of ensuing Annual General Meeting. The Company has received notices in writing with requisite security deposit under Section 257 of the Companies Act, 1956 from some shareholders proposing the candidature of Mr.Ganeshmal Surana and Mr.R.P.Sharma as directors of the Company. Mr. Ganeshmal Surana was appointed as Whole-time Director of the company effective from 11<sup>th</sup> October, 2004 subject to approval of the shareholders. The Resolutions for appointment of Mr.Ganeshmal Surana and Mr.R.P.Sharma are contained in the notice of the ensuing Annual General Meeting of the members of the Company.

Shri G.L.Agarwal had resigned from the office of Director of the Company with effect from 11.10.2004. The Board of Directors place on records its deep appreciation for the valuable support and co-operation extended to the company by Mr.G.L.Agarwal during the tenure of his office.

### 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 31<sup>st</sup> March, 2005 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 31<sup>st</sup> March, 2005 on a "going concern" basis.

### LISTING FEES

The Company has paid Listing Fees to Vadodara Stock Exchange for the year 2004-05. The listing fees to the Calcutta Stock Exchange is not paid from the financial years 1995-96 onwards and to other stock exchanges it is not paid from 1999-2000.

### 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.

	2004-05	2003-04
1. <b>Electricity</b>		
a) Purchased Units (in '000)	NIL	NIL
Total Amount (Rs. In lakhs)	NIL	NIL
Rate/Unit (Rs.)	NIL	NIL
2. <b>Oil</b>		
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

Place : Mumbai.  
Dated : 24th August, 2005



## Blue Blends Petrochemicals Ltd.

### 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 Meetings, 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. During the previous financial year seven board meetings were held on 29<sup>th</sup> April, 2004, 30<sup>th</sup> July, 2004, 2<sup>nd</sup> September, 2004, 11<sup>th</sup> October, 2004, 29<sup>th</sup> October, 2004, 29<sup>th</sup> January, 2005 and 24<sup>th</sup> March, 2005. The composition of Board of directors, Board meetings and Annual General Meetings 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, 2004 to 31st March, 2005	Attendance at the last A.G.M. No. of Membership	No. of Membership / Chairmanship in Committees across all the Companies
Mr. Anand Arya (Promoter)	Chairman	27.01.89	6	7	yes	Chairmanship - Nil Membership - 4
Mr. S. Raghunath	Independent Director	30.09.00	2	3	Yes	Chairmanship - 3 Membership - 5
Mr. G.L. Agarwal	Whole-Time Director	30.09.00	--	--	No	Chairmanship - Nil Membership - Nil
Mr. Ganeshmal Surana	Whole-Time Director	11.10.04	2	4	No	Chairmanship - 1 Membership - 4
Mr. Ramprakash Sharma	Independent Director	11.10.04	--	4	No	Chairmanship - 1 Membership - 1

\* Mr. G.L. Agarwal ceased to be Director of the Company w.e.f. 11.10.2004.

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 accounting taxation and disclosure aspect of significant transactions.

Composition, name of members and Chairperson

1. Mr. R. P. Sharma (RPS) - Chairman  
2. Mr. Anand Arya (AA) - Member  
3. Mr. Ganeshmal Surana (GS)\*\* - Member  
4. Mr. S. Raghunath (SR) - Member

Meetings and attendance up to date.

Date of Meeting	SR	*GL	AA	*GS	**RPS
29.04.2004	Yes	No	Yes	N.A.	N.A.
30.07.2004	Yes	No	Yes	N.A.	N.A.
02.09.2004	Yes	No	Yes	N.A.	N.A.
29.10.2004	No	N.A.	Yes	Yes	Yes
29.01.2005	No	N.A.	Yes	Yes	Yes

\* Mr. G.L. Agarwal ceased to be a Director of the Company w.e.f. 11.10.2004.

\*\* Mr. Ganeshmal Surana and Mr. R.P. Sharma were appointed as Members of the Audit Committee w.e.f. 11.10.2004

#### 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. For the purpose of considering the limits of the committees on which a Director can serve, only three committees, viz the Audit Committee, the Shareholders committee and the Remuneration committee are considered. 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 49V(A) of the Listing Agreements)

Name of Director	Mr. S. Raghunath	Mr. Ganeshmal Surana	Mr. Ramprakash Sharma
Date of Birth	08 <sup>th</sup> November, 1960	20.04.1959	01.07.1962
Date of Appointment	30.09.2000	11.10.2004	11.10.2004
Expertise in specific functional areas	Accounts and Finance	Financial and Management Accounting	Commercial and Accounting
Qualifications	B.Com., C.A., A.C.S.	B.Com., F.C.A., C.S. Final Exam. (1st Group)	S.S.C.
List of other public limited Companies in which Directorship held.	Blue Blends Finance Ltd. Blue Blends Stocks & Securities Ltd.	Premier Synthetics Ltd.	-----
Chairman / Member of the Committees of the Board of other Companies in which he / she is a Director	Blue Blends Finance Ltd. Audit Committee-Chairman & Member Shareholders Committee-Chairman & Member Remuneration Committee-Member	Premier Synthetics Ltd. Audit Committee-Chairman & Member Remuneration Committee-Member Shareholding 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 36 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

#### 7. Compliance Certificate

Compliance Certificate for Corporate Governance from auditors' of the Company is annexed herewith.

#### 8. General Body Meetings :

Location and time, where last three AGMs held:

Location	Date	Time
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.
Plot No 806, G.I.D.C., Vapi, Gujarat.	29.09.2004	10.00 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 Company has paid Listing Fees to Vadodara Stock Exchange for the year 2004-05. The listing fees to the Calcutta Stock Exchange is not paid from the financial years 1995-96 onwards and to other stock exchanges it is not paid from 1999-2000.

B) The Publication of financial Results to the stock Exchanges as required under Clause 41 of the Listing Agreement was not regular 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 securities of the Company are de-listed by BSE. The trading in securities of the Company at other stock exchanges is suspended 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	28th September, 2005 At 10.00 A.M. Plot No.806, G.I.D.C., Vapi, Gujarat.
Financial Calendar	1 <sup>st</sup> April to 31 <sup>st</sup> March
Date of Book Closure	From 27 <sup>th</sup> September, 2005 To 28 <sup>th</sup> September, 2005
Dividend Payment Date	N.A.
Listing on Stock Exchanges	CSE, ASE, MSE & Vadodara Stock Exchange
Stock Code	-----
Market Price Date and performance in comparison to broad based indices such as BSE Sensex, CRISIL index etc	Since no trading had taken place in the previous year, the 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.