



# **BLUE BLENDS PETROCHEMICALS LIMITED**

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**18<sup>th</sup>  
Annual Report  
2006-2007**



## Blue Blends Petrochemicals Ltd.

### BOARD OF DIRECTORS

: Shri R.P.Sharma - Whole-time Director  
Shri Suraj Dugar - Director  
Shri Ganeshmal Surana - Director  
Shri Janardan Joshi - 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, 2nd Floor,  
Old Post Office Lane,  
Kalbadevi Road,  
Mumbai 400 002  
Ph. No.2208 8736

**ANNUAL GENERAL MEETING**  
On Thursday the 27th September,2007  
at 10.00 a.m. at Plot No.806-807,  
G.I.D.C., Vapi, Gujarat.



## Blue Blends Petrochemicals Ltd.

### NOTICE

NOTICE is hereby given that the eighteenth Annual General Meeting of the Members of BLUE BLENDS PETROCHEMICALS LIMITED will be held on Thursday, 27th September 2007 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,2007 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.Ganeshmal Surana, 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

Place : Mumbai  
Date :14<sup>th</sup> August,2007

R.P.Sharma  
Whole-time Director

**Registered Office:**  
Plot No.806,G.I.D.C. Vapi  
Gujarat

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### 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 18<sup>th</sup> day of September,2007 to Wednesday the 19<sup>th</sup> day of September,2007 (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.

For Blue Blends Petrochemicals Ltd.

Place : Mumbai  
Date : 14<sup>th</sup> August,2007

R.P.Sharma  
Whole-time Director



## Blue Blends Petrochemicals Ltd.

### DIRECTORS' REPORT

To the members,

The Directors present herewith 18<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2007.

#### FINANCIAL RESULTS:

	2006-2007	2005-2006
Gross Revenue (including sundry trade liabilities written back)	31,608	11,018,785
Loss Before Additional Depreciation :	—	(1,31,35,923)
Add : Additional Depreciation :	—	7,53,69,874
Loss Before Tax :	(3,03,776)	(88,505,797)
Add/Less : Provision for Tax :	—	—
Net Loss after Tax :	(3,03,776)	(88,505,797)
Add : Loss brought forward from previous year :	(15,02,14,870)	(6,59,09,073)
Balance carried forward :	(15,05,18,646)	15,02,14,870

#### DIVIDEND

In view of loss, the Board of Directors does not recommend any dividend on Equity Shares for the year 2006-2007.

#### OPERATIONS

During the year under review the Company has registered net loss after tax of Rs.3.04 lacs which mainly consists of expenses as against Rs.885 lacs in the previous year.

The accumulated losses of the Company are recorded at Rs.15.05 crores as against Rs.15.02 crores in the previous year.

The Company has submitted a petition for reduction of paid-up share capital before the Hon'ble High Court of Gujarat, Ahmedabad and the matter is sub-judice.

#### 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.Ganeshmal Surana 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 31<sup>st</sup> March, 2007 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, 2007 on a "going concern" basis.

#### LISTING FEES

The Company has paid Listing Fees to Vadodara Stock Exchange for the year 2004-05 and 2006-07. Listing fees for the years 1998-99 to 2003-04, 2005-06 and 2007-08 payable to Vadodara Stock Exchange remains unpaid. The listing fees to the Calcutta Stock Exchange is not paid from the financial years 1997-98 onwards and to other stock exchanges it is not paid from 1998-1999.

#### 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 accountability, 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.

	2006-07	2005-06
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

Place : Mumbai  
Date : 14<sup>th</sup> August, 2007

R.P.Sharma  
Whole-time Director



# 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:

- A. The provisions for appointment of directors, their powers and meetings are contained in the Articles of Association of the Company. The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors with not less than fifty percent of the Board comprising of Non-Executive Directors. At least half of the Board comprises of Independent Directors. During the previous financial year six board meetings were held on 29<sup>th</sup> April, 2006, 29<sup>th</sup> June, 2006, 31<sup>st</sup> July, 2006, 31<sup>st</sup> October, 2006, 31<sup>st</sup> January, 2007 and 05<sup>th</sup> February, 2007. 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. 1 <sup>st</sup> April, 2006 to 31 <sup>st</sup> March, 2007	Attendance at the last A.G.M.	No. of Membership/Chairmanship in Committees across all the Companies
Mr.R.P.Sharma	Whole-Time	11.10.2004	1	6	Yes	Chairmanship - Nil Membership - 2
Mr.Suraj Dugar	Non-Executive Independent Director	29.10.2005	3	6	Yes	Chairmanship - Nil Membership - Nil
Mr.Ganeshmal Surana	Independent Director	11.10.2004	2	1	Yes	Chairmanship - 3 Membership - 4
Mr.Janardan Joshi	Independent Director	29.10.2005	1	6	Yes	Chairmanship - 3 Membership - 5

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

- B. Details of sitting fees, remuneration etc. paid to Directors: Nil
- C. The Board of Directors has laid down a code of conduct for all Board members and senior management of the Company. All the Board members and senior management personnel have affirmed compliance with the code of conduct for the current 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 accountability taxation and disclosure aspect of significant transactions.

Present composition, name of members and Chairperson

1. Mr.Janardan Joshi (JJ) - Chairman
2. Mr.Ganeshmal Surana (GS) - Member
3. Mr.R.P.Sharma (RS) - Member

Meetings and attendance during the year from April, 2006 to March, 2007:

Date of Meeting	Attendance Record		
	JJ	GS	RS
29.04.2006	Yes	No	Yes
29.06.2006	Yes	Yes	Yes
31.07.2006	Yes	No	Yes
31.10.2006	Yes	No	Yes
31.01.2007	Yes	No	Yes

### 4. Board Procedure

The Board meetings are held at least four times in a year with a maximum time gap of three 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.

### 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:

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

#### Name of Director

Date of Birth  
Date of Appointment  
Expertise in specific functional areas  
Qualifications

Mr.Ganeshmal Surana

20.04.1959  
11.10.2004  
Financial and Management Accounting  
B.Com., F.C.A., C.S. Final Exam.  
(1<sup>st</sup> Group)

List of other public limited Companies in which Directorship held  
Chairman/member of the Committees of the Board of other Companies in which he/she is a Director

• Premier Synthetics Ltd.  
• Premier Equity Ltd.  
• Premier Synthetics Ltd.  
Audit Committee - Chairman & Member  
Remuneration Committee - Chairman & Member  
Shareholding Committee - Chairman & Member

#### Composition of Shareholders' Committee, Names of members and Chairperson

1. Mr.Janardan Joshi - Non Executive Independent Director (Chairman of the Committee)
2. Mr.R.P.Sharma - Executive Director and 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 6 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.	29.09.2004	10.00 a.m.
Plot No 806, G.I.D.C., Vapi, Gujarat.	28.09.2005	10.00 a.m.
Plot No 806, G.I.D.C., Vapi, Gujarat.	29.09.2006	10.00 a.m.

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

#### 9. Disclosures:

- A. 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
- B. Accounting treatment: In the preparation of financial statement the company has followed the prescribed accounting standard.
- C. 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.
- I. The Company has paid Listing Fees to Vadodara Stock Exchange for the year 2004-05 and 2006-07. Listing fees for the years 1998-99 to 2003-04, 2005-06 and 2007-08 payable to Vadodara Stock Exchange remains unpaid. The listing fees to the Calcutta Stock Exchange is not paid from the financial years 1997-98 onwards and to other stock exchanges it is not paid from 1998-1999.
- II. Dematerialisation of securities of the Company is not completed.
- III. 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.

- D. Whistle Blower Policy: No personnel was denied access to the audit committee.
- E. The Company is actively considering for adoption of non mandatory requirements of Corporate Governance.

#### 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 : 27<sup>th</sup> September, 2007 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 18<sup>th</sup> September, 2007  
To 19<sup>th</sup> September, 2007

Dividend Payment Date : N.A.  
Listing on Stock Exchanges : CSE, ASE, MSE & Vadodara Stock Exchange  
Stock Code

Market Price Data and performance in comparison to broad based indices such as BSE : 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 presently 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.