



BLUE BLENDS PETROCHEMICALS LIMITED

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**19th
Annual Report
2007-2008**



Blue Blends Petrochemicals Limited

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)

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 Tuesday the 30th September, 2008
at 10.00a.m., at Plot No.806-807,
G.I.D.C., Vapi, Gujarat

STICKER FOR RS. 2/- PAID-UP PER EQUITY SHARE IS ATTACHED
WHICH MAY KINDLY BE AFFIXED ON THE SHARE CERTIFICATES OVER
THE PORTION MENTIONING THE RAID-UP VALUE OF THE EQUITY
SHARE AS RS. 10/- PER SHARE.



Blue Blends Petrochemicals Limited

NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of BLUE BLENDS PETROCHEMICALS LIMITED will be held on Tuesday the 30th September, 2008 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,2008 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. Janardan Joshi, 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 :30th July,2008

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 Wednesday the 24th day of September, 2008 to Thursday the 25th day of September, 2008 (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 : 30th July, 2008

R.P.Sharma
Whole-time Director

EQUITY SHARES EACH OF RUPEES 2
AMOUNT PAID UP PER SHARE RUPEES 2

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29/11/2007

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Blue Blends Petrochemicals Limited

DIRECTORS' REPORT

To
The Members,

The Directors present herewith 19th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2008.

FINANCIAL RESULTS

	2007-2008	(Rs. in Lacs) 2006-2007
Gross Revenue (including sundry trade liabilities written back)	—	31,608
Loss before Additional Depreciation	6,21,974	—
Add : Additional Depreciation	1,10,00,000	—
Loss before Tax	(1,16,21,974)	(3,03,776)
Add/Less : Provision for Tax	—	—
Net Loss after Tax	(1,16,21,974)	(3,03,776)
Add : Loss brought forward from previous year	(15,05,18,646)	(15,02,14,870)
Less : Transfer from Share Capital	15,34,40,000	—
Balance carried forward	(87,00,620)	(15,05,18,646)

DIVIDEND

In view of loss, the Board of Directors does not recommend any dividend on Equity Shares for the year 2007-2008.

OPERATIONS

The Company's business operation continued to remain shut and during the year under review the Company has registered a net loss after tax of Rs. 116.22 lacs which mainly consists of fixed expenses and additional depreciation as against Rs. 3.04 lacs in the previous year.

REDUCTION IN ACCUMULATED LOSSES

The Company had submitted a petition before the Hon'ble High Court, Ahmedabad for reduction of paid-up share capital by way of sub-division of face value of existing 19180000 issued and paid up equity shares of Rs. 10/- each aggregating to Rs. 191800000 into 19180000 equity shares of Rs. 2/- aggregating to Rs. 38360000/- and the Hon'ble High Court was pleased to pass order dated 29.11.2007 sanctioning the same. Accordingly, the accumulated losses of the Company stand reduced to Rs. 87.00 Lacs.

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. Janardan Joshi 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, 2008 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, 2008 on a "going concern" basis.

LISTING FEES

The Company has paid Listing Fees to Vadodara Stock Exchange for the year 2004-05, 2006-07 and 2008-09. 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 and Ahmedabad Stock Exchange has not been paid from the financial year 1997-98 onwards.

As per the said order of the Hon'ble High Court, Ahmedabad the company has to make payment of Rs. 2,10,000/- towards the arrears of listing fees to the Madras Stock Exchange by October, 2008. The Company has so far made a payment of Rs. 1,26,000/- to Madras Stock Exchange.

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.

2007-2008 2006-2007

1. Electricity

a) Purchased Units (in '000)	NIL	NIL
Total Amount (Rs. In lakhs)	NIL	NIL
Rate/Unit (Rs.)	NIL	NIL

2. Oil

a) Total Consumed Units [In '000]	NIL	NIL
Total amount (Rs. In lakhs)	NIL	NIL
Rate/Unit (Rs.)	NIL	NIL

B. TECHNOLOGY ABSORPTION

a) 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

b) Technology Absorption, Adaptation & Innovation:- Nil

C. Foreign Exchange Earnings and Outgo :- Nil

For and on behalf of the board

Place : Mumbai
Date : 30th July, 2008

R.P.Sharma
Whole-time Director



Blue Blends Petrochemicals Limited

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. The Company continues to focus on good Corporate Governance, which aims to improve the company efficiency, effectiveness and social responsibility. The basic philosophy of Corporate Governance in the company emphasizes on highest level of transparency, accountability and equity, in all respects of its operations.

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 five board meetings were held on 30th April, 2007, 31st July, 2007, 14th August, 2007, 31st October, 2007, 30th January, 2008. 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 st April, 2007 to 31 st March, 2008	Attendance at the last A.G.M.	No. of Member ship/ Committees across all the Companies
Mr. R.P. Sharma	Whole-Time Director	11.10.2004	1	5	Yes	Chairmanship - Nil Membership - 2
Mr. Suraj Dugar	Non-Executive Non-Independent Director	29.10.2005	3	5	Yes	Chairmanship - Nil Membership - Nil
Mr. Ganeshmal Surana	Independent Director	11.10.2004	2	1	No	Chairmanship - 3 Membership - 4
Mr. Janardan Joshi	Independent Director	29.10.2005	1	5	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) Other Provisions as to Board and Committee:
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 more than 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 the three committees, viz. Audit Committee and Shareholders Committee are considered. Every Director has informed the Company about committee positions he occupies in other Companies
- D) Code of Conduct
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 accountancy taxation and disclosure aspect of significant transactions and other items as per clause 49II (D) of the Listing Agreement.

The Audit Committee comprises three Directors with majority of them being Independent. The Committee is an Independent Director having financial expertise.

EQUITY SHARES EACH OF RUPEES 2
AMOUNT PAID UP PER SHARE RUPEES 2

- Mr. Janardan Joshi (RS) - Member
- Mr. Ganeshmal Surana (GS) - Member
- Mr. R.P. Sharma (RS) - Member

Meetings and attendance during the year from April, 2007 to March, 2008:

Date of Meeting	JJ	GS	RS
30.04.2007	Yes	Yes	Yes
31.07.2007	Yes	No	Yes
14.08.2007	Yes	No	Yes
31.10.2007	Yes	No	Yes
30.01.2008	Yes	No	Yes

4. 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 during the year 31st March, 2008.

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.

5. Shareholders:

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

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

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

Mr. Janardan Joshi

30.01.1960
31.10.2005
Accounting
M.Com., P.G. Diploma in Business Administration, Diploma in Material Management.
Premier Synthetics Ltd.
Blue Blends Finance Ltd.
Blue Blends Finance Ltd
Audit Committee - Chairman
Remuneration Committee - Member
Shareholding Committee - Member

A Committee under the chairmanship of a Non Executive Director is constituted to look into the redressal of shareholders' complaints. The details about Composition, Names of members and Chairperson of Shareholders Committee is as under:

- Mr. Janardan Joshi - Non Executive Director & Chairman
- Mr. R.P. Sharma - Executive Director and Member

Name and designation of Compliance Officer : Mr. Janardan Joshi

Number of shareholders complaints received so far : There is no pending grievance of shareholders. The Company had received 10 letters from shareholders, which were attended to the satisfaction of shareholder.

Number not solved to the satisfaction of shareholders : Nil

Number of pending share transfers : Nil

6. Compliance Certificate

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

7. General Body Meetings:

Location and time, where last three AGMs held:

Location	Date	Time
Plot No 806, G.I.D.C., Vapi, Gujarat.	29.09.2005	10.00 a.m.
Plot No 806, G.I.D.C., Vapi, Gujarat.	28.09.2006	10.00 a.m.
Plot No 806, G.I.D.C., Vapi, Gujarat.	29.09.2007	10.00 a.m.

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

8. 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 Vadodra Stock Exchange for the year 2004-05, 2006-07 and 2008-09. Listing fees for the years 1998-99 to 2003-04, 2005-06 and 2007-08 payable to Vadodra Stock Exchange remains unpaid. The listing fees to the Calcutta Stock Exchange and Ahmedabad Stock Exchange has not been paid from the financial year 1997-98 onwards.
As per the said order of the Hon'ble High Court, Ahmedabad the company has to make payment of Rs. 2,10,000/- towards the arrears of listing fees to the Madras Stock Exchange by October, 2008. The Company has so far made a payment of Rs. 1,26,000/- to Madras Stock Exchange.
- II. Dematerialisation of securities of the Company is not completed. The Company's applications for admission of its securities into depository were rejected by NSDL and CDSL as the capital base of the Company did not fulfill the requisite criteria.
- 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

access to the Audit Committee.
of non mandatory requirements of

w.e.f.
29/11/2007

9. Materiality

The information of investors' interest is provided either directly to the shareholders or through stock exchanges.

10. General Shareholder Information :

AGM Date, Time and Venue	: 30 th September, 2008 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 24 th September, 2008 To 25 th September, 2008
Dividend Payment Date	: N.A.
Listing on Stock Exchanges	: CSE, ASE, MSE & Vadodra 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 date 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.