



**BLUE BLENDS
PETROCHEMICALS
LIMITED**

**23rd
Annual Report
2011-2012**



Blue Blends Petrochemicals Limited

BOARD OF DIRECTORS	:	Shri Suraj Dugar (Non-Executive Director) Shri Ramprakash Sharma (Non-Executive Director) Shri Janardan Joshi (Independent Director) Shri Pujaram Purohit (Independent Director)
AUDITORS	:	P.C.Surana & Co. (Chartered Accountants)
REGISTERED OFFICE	:	D-113, Haria Park, Village – Dungra, Vapi – 396 191 (Gujarat)
PLANT	:	Plot No. 806/807, G.I.D.C., Vapi, Gujarat.
SECRETARIAL OFFICE	:	JBF House, 2 nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai – 400 002 Ph. No.2208 8736

ANNUAL GENERAL MEETING

On Tuesday the 31st July, 2012
At 10.00a.m. at D-113, Haria Park,
Village - Dungra, Vapi - 396 191 (Gujarat).

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Blue Blends Petrochemicals Limited

NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Members of **BLUE BLENDS PETROCHEMICALS LIMITED** will be held on Tuesday the 31st July, 2012 at 10.00 a.m. at D-113, Haria Park, Village – Dungra, Vapi – 396 191 (Gujarat) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2012 and Profit & Loss Account and Cash Flow Statement 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. Pujaram Purohit, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint auditors M/s P. C. Surana & Co. Chartered Accountants, Mumbai 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
For Blue Blends Petrochemicals Limited**

Place : Mumbai
Date : 30th May, 2012

Suraj Dugar
Director

Registered Office:
D-113, Haria Park,
Village – Dungra,
Vapi – 396 191(Gujarat).

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday the 26th day of July, 2012 to Saturday the 28th day of July, 2012 (both days inclusive) for the purpose of Annual General Meeting.
3. Members are requested to notify the change of address, if any, to the company.

**By order of the Board of Directors
For Blue Blends Petrochemicals Limited**

Place : Mumbai
Date : 30th May, 2012

Suraj Dugar
Director

Registered Office:
D-113, Haria Park,
Village – Dungra,
Vapi – 396 191(Gujarat).



Blue Blends Petrochemicals Limited

DIRECTORS' REPORT

To

The Members,

The Directors present herewith 23rd Annual Report together with the Audited Accounts of the Company for the year ended on 31st March 2012.

FINANCIAL RESULTS:

(Amount in Rupees)

Particulars	Year Ended 31 st March, 2012	Year Ended 31 st March, 2011
Gross Income	85,713,198	52,666,000
Total Expenditure	86,363,006	52,839,351
Profit/(Loss) for the year before Taxes	(649,808)	(173,351)
Less : Provision for taxation	-	-
Profit/(Loss) for the year after Tax	(649,808)	(173,351)
Add : Profit/ (Loss) brought forward from previous year	(9,067,613)	(8,894,262)
Balance Carried forward to Balance Sheet	(97,17,421)	(9,067,613)

DIVIDEND

Your Directors have not recommended any dividend on Equity Shares for the year under review.

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. 6.49 Lacs as against net loss after tax Rs.1.73 Lacs in the previous year.

FIXED DEPOSITS

Your Company has neither invited nor accepted any deposit within the meaning of Non Banking Financial Companies (Reserve Bank Directions) or Section 58A of the Companies Act, 1956 and Rules made there under.

CHANGE OF REGISTERED OFFICE

During the financial year the Company changed its Registered Office from Plot No. 806/807, G.I.D.C., Vapi, Gujarat to D-113, Haria Park, Village – Dungra, Vapi – 396 191 (Gujarat).

PERSONNEL

The Company has not paid any remuneration attracting the provisions of the Companies (Particulars of employees) Rules 1975 read with the section 217 (2A) of the Companies Act, 1956. Hence no information is required to be appended to this report in this regard.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the accounts, for the financial year ended 31st March, 2012 the applicable accounting standards have been followed;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at 31st March, 2012 and of the loss of the company for the year ended that date;
- 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 and
- the Directors have prepared the accounts for the financial year ended 31st March, 2012 on a 'going concern' basis.

DIRECTORS

Mr.Pujaram Purohit retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

LISTING FEES

The Listing Fees to Vadodara Stock Exchange for the years 1998-99 to 2003-04, 2005-06, 2007-08, 2010-11, 2011-12 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 and Madras Stock Exchange has not been paid for the financial years 2009-2010, 2010- 2011 and 2011-2012.

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.

AUDITORS & AUDITORS REPORT

M/s P.C.Surana & Co., Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The Company has received a letter from M/s. P.C.Surana & Co., to the effect that their appointment, if made, would be within the limits prescribed under section 224 (1B) of the Companies Act, 1956 and that they are not disqualified from



Blue Blends Petrochemicals Limited

such appointment within the meaning of section 226 of the Companies Act, 1956.

The observations & comments given by Auditors in their report read together with notes to accounts are self explanatory and hence do not call for any further comments under Section 217 of the Companies Act, 1956.

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:-

A. Power and fuel consumption

1.	Electricity	2011-12	2010-11
a)	Purchased Units	NIL	NIL
	Total Amount (Rs.)	NIL	NIL
	Rate/Unit (Rs.)	NIL	NIL
b)	Own Generation		
	(i) Through Diesel Generator		
	Unit	NIL	NIL
	Units per Ltr. Of diesel oil	NIL	NIL
	Cost/unit	NIL	NIL
	(ii) Through steam turbine/generator		
	Units	NIL	NIL
	Units per ltr. Of oil/gas	NIL	NIL
	Cost/units	NIL	NIL
2.	Coal		
	Quantity (tonnes)	NIL	NIL
	Total cost	NIL	NIL
	Average rate	NIL	NIL
3.	Furnace Oil		
	Quantity (k.ltrs.)	NIL	NIL
	Total amount (Rs. In lakhs)	NIL	NIL
	Average Rate/Unit (Rs.)	NIL	NIL

4.	Others/Internal generation		
	Quantity	NIL	NIL
	Total Cost	NIL	NIL
	Rate/Unit	NIL	NIL

Consumption per unit production :

	Standards (if any)	2011-12	2010-11
Electricity	-	NIL	NIL
Furnace Oil	-	NIL	NIL
Coal	-	NIL	NIL
Others	-	NIL	NIL

B) TECHNOLOGY ABSORPTION :

a) Research and Development (R & D)

- Specific areas in which R & D carried out by the Company :- Nil
- Benefits derived as a result of the above R & D :- Nil
- Future plan of action :- None
- Expenditure on R & D :- Nil

b) Technology Absorption, Adaptation & Innovation

- Efforts, in brief, made towards technology absorption, adaptation and innovation :- Nil
- Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc. :- Nil

C) FOREIGN EXCHANGE EARNINGS AND OUTGO :-

Earnings : Nil
Outgo : Nil

SECRETARIAL COMPLIANCE CERTIFICATE

Secretarial Compliance Certificate as required under section 383 A (i) of the Companies Act, 1956 issue by M/s MILAN MEHTA & ASSOCIATES, Company Secretaries, is annexed herewith.

ACKNOWLEDGEMENT

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

For and on behalf of the board

Suraj Dugar
Director

Ramprakash Sharma
Director

Place : Mumbai
Date : 30th May, 2012



Report on Corporate Governance (Annexure to Directors Report)

1. Corporate Governance:

The Company's philosophy on Corporate governance is to attain high level of transparency and accountability in the functioning of the Company and in its relationship with employees, shareholders, creditors, lenders and ensuring high degree of regulatory compliance.

The Company also believes that its systems and procedures will enhance corporate performance and maximize shareholder value in the long term.

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 Independent Directors with not less than fifty percent of the Board comprising of Independent Directors. At least half of the Board comprises of Independent Directors. During the previous financial year Six Board Meetings were held on 26th April 2011, 27th July 2011, 21st October 2011, 28th October, 2011, 2nd January, 2012 and 31st January, 2012. 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 Director ship held	No. of Meetings attended during F.Yr. 1 st April, 2011 to 31 st March, 2012	Attend ance at the last A.G.M.	No. of Membership/ Chairmanship in Committees across all the Companies
Mr.Suraj Dugar (SD)	Non-Executive Director	29.10.2005	3	6	Yes	Chairmanship- Nil Membership - 1
Mr.R.P.Sharma (RPS)	Non-Executive Director	11.10.2004	1	6	Yes	Chairmanship - Nil Membership - 2
Mr. Janardan Joshi (JJ)	Independent Director	29.10.2005	3	5	Yes	Chairmanship - 5 Membership - 6
Mr. Pujaram Purohit (PP)	Independent Director	29.06.2009	2	6	Yes	Chairmanship - Nil Membership - 2

Note: One Extra-Ordinary General Meeting took place during the previous financial year on 17th December, 2011.

B) Details of sitting fees, remuneration etc. paid to Directors: Nil

C) Other Provisions as to Board and Committee:

The Board Meetings were held on 26th April 2011, 27th July 2011, 21st October 2011, 28th October, 2011, 2nd January, 2012 and 31st January 2012 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 two committees, viz. Audit Committee, and Shareholders Grievance 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:

A) 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 of three Directors with majority of them being Independent Directors. The Chairman of the Audit Committee is an Independent Director having financial and accounting knowledge. The Chairman of the Audit Committee was present at the previous Annual General Meeting to answer shareholders' queries.

B) The Composition of the Audit Committee as on 31st March, 2012 was as under

1. Mr. Janardan Joshi (JJ) - Chairman
2. Mr. Ramprakash Sharma (RPS) - Member
3. Mr. Pujaram Purohit (PP) - Member



C) Meetings and attendance during the year from April,2011 to March,2012:

Date of Meeting	Attendance Record		
	JJ	RPS	PP
26.04.2011	No	Yes	Yes
27.07.2011	Yes	Yes	Yes
21.10.2011	Yes	Yes	Yes
31.01.2012	Yes	Yes	Yes

4. Disclosures by Management:

- A) i)** 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 ended 31st March, 2012.
- ii)** 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.
- iii)** The Board is kept informed about the potential risk and the minimization procedures thereto. The procedures are periodically reviewed to ensure the measures taken are within the defined framework.
- B)** The plant of the Company is shut down and hence Management Discussion and Analysis is not given.
- C) Shareholders**
- i)** Details of the Director's seeking appointment/ reappointment at the forthcoming Annual General Meeting (In pursuance of Clause 49 of the Listing Agreements]

Name of Director	Mr. Pujaram Purohit
Date of Birth	03.07.1963
Date of Appointment	29.06.2009
Expertise on specific functional areas	Accounting, Marketing of Textile Products and Banking.
Qualifications	Matriculate
List of Other Public Limited Companies in which Directorship held.	Blue Blends (India) Limited Blue Blends Finance Ltd.

Chairman/Member of the Committees of the Board of other Companies in which he is a Director.	<u>Blue Blends (India) Limited</u> Audit Committee - Member
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- ii)** A Committee under the Chairmanship of a Independent Director is constituted to look into the redressal of shareholders' complaints. The details about Composition, Names of Members and Chairperson of Shareholders Grievance Committee is as under:

- Mr. Janardan Joshi – Independent Director & Chairman
- Mr. Ramprakash Sharma – Non-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 share holders. The Company had received 3 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

5. Compliance Certificate:

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

6. General Body Meetings:

Location and time, where last three AGM's held:

Location	Date	Time
Plot No. 806/807, G.I.D.C., Vapi, Gujarat.	24.09.2009	10.00 a.m.
Plot No. 806/807, G.I.D.C., Vapi, Gujarat.	24.09.2010	10.00 a.m.
Plot No. 806/807, G.I.D.C., Vapi, Gujarat.	19.09.2011	10.00 a.m.

- No postal ballots were used for voting at the Annual General Meetings of the shareholders.
- No special resolution was passed in any of the last 3 Annual General Meetings of the Company.



7. 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 Listing Fees to Vadodara Stock Exchange for the year 1998-99 to 2003-04, 2005-06, 2007-08, 2010-11, 2011-12 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 and for Madras Stock Exchange the listing fees has not been paid for the financial year 2009-2010, 2010-2011, 2011-12.
- 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 trading in securities of the Company at Stock Exchanges are suspended for non payment of pending listing fees.

D. Compliance with non mandatory requirement:

Whistle Blower Policy : The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal & unethical behaviour. The Company has a Whistle Blower policy wherein the employees are free to report violation of law, rules, regulations & unethical behaviour to their immediate superior or such other persons as may be notified by the management to the work groups.

The confidentiality of those reporting violations is maintained and they are not subject to any discriminatory practice.

8. Means of Communication :

- A) The Quarterly Results and AGM Notice are published in newspapers namely, The BUSINESS STANDARD (National Daily) and GANDHINAGAR WESTERN TIMES (Regional Newspaper).
- B) The information of investors' interest is communicated either directly to the shareholders or through stock exchanges.
- C) Website of the Company is www.blueblendspetrochemicals.com
The Website of the Company is periodically updated & results (Quarterly, half-yearly, & yearly) are posted on the same.
- D) Official news releases are also posted on the website.

9. General Shareholder Information :

AGM Date, Time and Venue	:	Tuesday, 31 st July, 2012 at 10.00 A.M. D-113, Haria Park, Village - Dungra, Vapi - 396 191 (Gujarat)
Financial Calendar	:	1 st April to 31 st March
Date of Book Closure	:	From 26th July, 2012 To 28th July, 2012 (Both days inclusive)
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 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. Share Transfer Committee has been delegated authority by the Board for expediting share transfers.