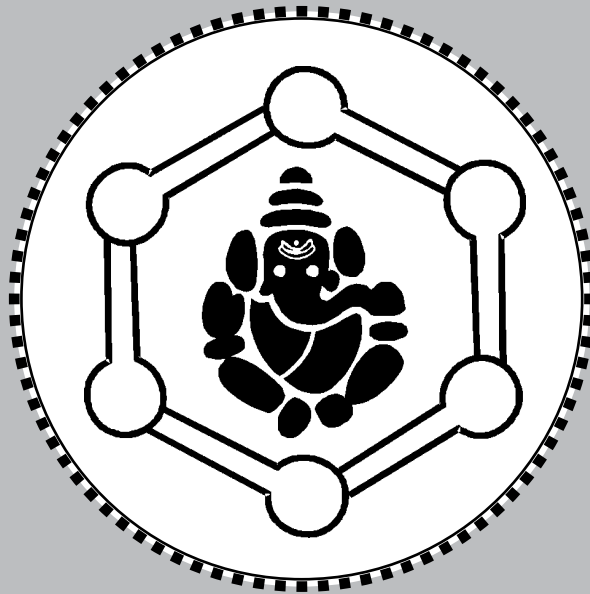


# **GANESH BENZOPLAST LIMITED**



*24<sup>th</sup> Annual Report  
2010–2011*



# GANESH BENZOPLAST LIMITED

## 24<sup>TH</sup> ANNUAL REPORT 2010 – 2011

### ANNUAL GENERAL MEETING

Friday, 30th September, 2011,  
at 10.00 A.M

at Shree Rajasthan Recreation Club, J.B. Nagar,  
Andheri (East), Mumbai - 400 059

As a measure of economy, copies of the  
Annual Report will not be distributed at the  
Annual General Meeting

Shareholders are requested to kindly bring  
their copy to the Meeting

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### BOARD OF DIRECTORS

Shri. Rishi R. Pilani Chairman (Full Time Director, upto 28<sup>th</sup> June, 2008  
& Chairman w.e.f. 29<sup>th</sup> June, 2008)

Shri. Raunak R. Pilani Director (w.e.f. 28<sup>th</sup> June, 2008)

Shri. Gyan Chordia Director (w.e.f. 28<sup>th</sup> June, 2008)

Shri. Nalinakshan K. Director (w.e.f. 30<sup>th</sup> June, 2007)

### AUDITORS

M/S. S. R. BATLIBOI & CO.  
Chartered Accountants  
Mumbai

### BANKERS

HDFC Bank  
Indian Overseas Bank

### SOLICITORS

M/s. Little & Co.  
Mumbai.

### REGISTERED OFFICE

Dina Building, 1<sup>st</sup> Floor,  
53, Maharshi Karve Road,  
Marine Lines, Mumbai - 400 002.  
Tel. No. : 2200 2618 / 2203 6738

### CORPORATE OFFICE & SHARE DEPARTMENT

A1/A2, Gurudatt C.H.S. Ltd., Ajitnagar,  
Near Jankalyan Bank, J. B. Nagar,  
Andheri (East), Mumbai - 400 059.  
Tel. No. : 2839 0698 / 2839 0694

### WORKS

#### CHEMICAL DIVISION

D-5/2 & D-21/2/2 M.I.D.C. Industrial Area,  
Tarapur, Dist. Thane (Maharashtra)

#### INFRASTRUCTURE DIVISION

- 1) Jawaharlal Nehru Port (J.N.P.)  
Bulk Road, Nhava Sheva,  
Navi Mumbai - 400 707.
- 2) Head Land, Sada,  
Mormugoa - 403 803.
- 3) Plot No. A-1, 2, 3  
South end, Willington Island,  
Cochin - 682 029.

**NOTICE**

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of **GANESH BENZOPLAST LIMITED** will be held on **Friday, 30<sup>th</sup> September, 2011, at 10.00 A.M** at Shri Rajasthan Recreation Club, J.B. Nagar, Andheri (East), Mumbai- 400 059., to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011, and the Profit and Loss Account for the year ended as on that date together with the Reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Shri. Rishi R.Pilani and Shri Nalinakshan K. who retires by rotation as per Article 134 of the Articles of Association and being eligible, offers themselves for re-appointment.
3. To appoint Statutory Auditors to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize Board to fix their remuneration.

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions of Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as approved and recommended by the remuneration committee and the Board, the Company hereby approves Appointment of Mr. Rishi Pilani, as Chairman and Managing Director, for a period of 3 (three) years with effect from 30.09.2011 on the terms & conditions including remuneration as are set out hereunder:

- A Period of Appointment :**  
30.09.2011 to 29.09.2014 (3 years)
- B Salary :**  
Rs. 1,00,000/- (One Lac) per month with an annual revision.
- C.** The total remuneration shall not exceed the limits specified in schedule XIII of the Companies Act, 1956.
- D. Minimum Remuneration:**  
Notwithstanding anything hereinabove, where in any financial year during the period of his tenure as Managing Director, the Company has no prof-

its or its profits are inadequate, the Company will pay remuneration by way of salary and perquisite as above subject to the ceiling specified under Section II of Part II of the Schedule XIII to the Companies Act, 1956.

- E. Termination:** The appointment is liable for termination by either party giving 3 months' notice in writing to the other.

The terms and conditions of the above appointment may be altered and varied from time to time by the Board of Directors ('the Board' which term shall be deemed to include Remuneration Committee thereof) as it may in its discretion deem fit within the maximum amount payable to the Managing Director in accordance with Schedule XIII to the Companies Act, 1956 or any amendments made hereafter in this regard and as may be agreed to by the Managing Director.

**RESOLVED FURTHER THAT** wherein any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director the above remuneration as the minimum remuneration by way of salary subject to the receipt of the requisite approvals, if any.

**RESOLVED FURTHER THAT** Mr. Rishi Pilani, being a Director liable to retire by rotation, his re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors, (herein after referred to as "the Board" which term shall be deemed to include any duly authorised committee thereof, for time being exercising the powers conferred by the Board by the resolution) be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit and also, to make such alterations and modifications, as may be required within the limits of Schedule XIII of the Companies Act, 1956."

By Order of the Board  
Rishi R. Pilani  
Chairman

Place : Mumbai  
Date : September 05, 2011.

# Ganesh Benzoplast Limited

## NOTES :-

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the Company. Under the Companies Act, 1956, voting is by a show of hands unless a poll is demanded by a member or members present in person, or by proxy, holding at least one-tenth of the total shares entitled to vote on the resolution or by those holding paid-up capital of at least Rs. 50,000. A proxy shall not vote except on a poll. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. An Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the special business to be transacted at the meeting in annexed hereto.
3. Members /Proxies should bring duly-filled Attendance Slips sent herewith to attend the meeting.
4. The Register of Members and Share Transfers of the Company will remain closed on Tuesday, 20th September, 2011 to Friday, 30th September, 2011 (Both days inclusive) for the purpose of Annual General Meeting.
5. Members desiring any information on the accounts are requested to send their queries to the Company's Administrative Office at least 7 days before the Annual General Meeting, so that information can be made available at the Meeting.
6. Notice of Change of Address and Mandates must reach the Company's Share Department at A1/A2, Gurudatt Co-op Hsg Soc Ltd., J.B.Nagar, Andheri East, Mumbai 400 059, in respect of shares held in physical form and to their Depository Participants in respect of shares held in electronic form (Demat Account).
7. Shareholders holding shares in identical order of names in more than one Folio are requested to write to the company enclosing their share certificate to enable the company to consolidate their holding into one Folio.
8. MEMBERS ARE REQUESTED TO PLEASE FURNISH THEIR SHAREHOLDING DETAILS CONTAINING :- FOLIO NO, NAME OF SHARE HOLDER, CERTIFICATE NO., DISTINCTIVE NO., TOTAL NO OF SHARE(S) ETC .TOGETHER WITH THEIR SPECIMEN SIGNATURE FOR RECONCILIATION AND UPDATION WITH COMPANY'S RECORD TO ENSURE FULL SAFETY AND PROMPT SERVICES TO THEM.

By Order Of the Board  
**Rishi R. Pilani**  
Chairman

Place: Mumbai  
Date: September 05, 2011.

## EXPLANATORY STATEMENT

As required by Section 173 (2) of the Companies Act, 1956.

### Item No. 4:

Mr. Rishi Pilani was appointed on the Board of the Company on 18.10.2006. His qualification includes B.E.(Chem),M.S(Finance),M.S(Ind.Eng). Since his appointment, he is playing a pivotal role in the management of the Company. His expertise on Finance and Technical aspects have been a great asset of the Company. Mr. Rishi Pilani is retiring at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The Board of Directors of the Company at its meeting held on May 31, 2011 has recommended the appointment of Mr. Rishi R. Pilani, Director as the Chairman and Managing Director of the Company.

The Remuneration Committee comprising of independent Directors namely Mr. Gyan Chordia and Mr. Nalinakshan K., approved and recommended the remuneration payable to Mr. Rishi Pilani as set out in the body of the resolution which the Board has agreed to offer by its resolution dated May 31, 2011. The remuneration is within the ceiling limits of remuneration under applicable statutory provisions and schedule XIII of the Companies Act, 1956. The Company has not made any default in repayment of any of its debts (including deposits) or debentures or interest payable thereon for continuous period of 30 days in the preceding financial year before the date of appointment of the Managing Director.

The Board recommends this special resolution for your approval.

Ms. Rishi Pilani is interested in the resolution as it pertains to his appointment as Chairman and Managing and remuneration payable to him. None of the other Directors of the Company is in any way concerned or interested in this resolution.

Information required on the matter pursuant to Section II 1(B) (iv), Part II of Schedule XIII to the Act is annexed herewith.

By Order Of the Board  
**Rishi R. Pilani**  
Chairman

Place: Mumbai  
Date: September 05, 2011.

**INFORMATION / DISCLOSURE STATEMENT**

Annexure to the Notice convening the Twenty Fourth Annual General Meeting to be held on September 30, 2011 pursuant to Section 11(B)(iv), Part II of Schedule XIII of the Companies Act, 1956 (the Act) in respect of item no. 4 of the Notice pertaining to appointment of Chairman and Managing Director and his remuneration .

**I. GENERAL INFORMATION:**

**(1) Nature of Industry:**

The Company is in the business of manufacturing and exporting of chemicals, chemical compounds, acids, alkalies, petrochemicals, and pharmaceuticals.

**(2) Date or expected date of commencement of commercial production:**

Not applicable as the Company is an existing Company.

**(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :**

Not applicable.

**(4) Financial performance based on given indicators – as per audited financial results for the year ended March 31, 2011**

(Rs. In Lacs)

Particulars	2010-2011
Income from operations	9950.40
Other Income	54.07
Profit/(Loss) before interest, depreciation and taxation	3114.60
Net Profit /(Loss)	10.28

**(5) Export performance and net foreign exchange collaborations for the year ended March 31, 2011:**

The Company utilized foreign exchange amounting to 6.25 Millions and earned foreign exchange amounting to Rs. 81.15 Millions.

**(6) Foreign investment or collaborations, if any;**

Not Applicable

**II. INFORMATION ABOUT THE APPOINTEE:**

**(1) Background details:**

Mr. Rishi Pilani:

Mr. Rishi Pilani was appointed on the Board of the Company on 18.10.2006. His qualification includes B.E. (Chem), M.S (Finance), M.S (Ind.Eng). Since his appointment, he is playing a pivotal role in the management of the Company. His expertise on Finance and Technical aspects have been a great asset to the Company.

**(2) Past remuneration:**

Not Applicable

**(3) Recognition or awards:**

Nil

**(4) Job profile and their suitability:**

Same as above in item no. 1

**(5) Remuneration Proposed:**

Same as mentioned in body of Resolution No. 4

**(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person :**

Taking into consideration the size of the Company, the profile of Mr. Rishi Pilani, his responsibilities and industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterparts in the companies.

**(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any :**

Nil

**III. OTHER INFORMATION:-**

**(1) Reasons for loss or inadequate profits**

The Company is facing difficult times in the Chemical division since the last few years. The Company is hopeful for better performance in the current year.

## Ganesh Benzoplast Limited

**(2) Steps taken or proposed to be taken for improvement:**

The Company is hopeful for better performance in the coming years. The infrastructure division is recovering and showing better occupancy. The Company is vigorously pursuing various measures to improve sales, coupled with cost control measures to improve profitability in the coming years. With imports going up due to industrial recovery, the prospects of higher revenue are good.

**INFORMATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING RE – APPOINTMENT OF DIRECTORS**

Name of the Director	Shri. Rishi R.Pilani	Shri.Nalinakshan. K
Date of Birth	29.04.1978.	08.011.1942
Date of Appointment	18.10.2006	30.06.2007
Expertisein Specific Functional Area	Finance and Technical.	Urban Development, Infra-structure, Port & Shipping
Qualification	B.E.(Chem),M.S(Finance),M.S(Ind.Eng)	M.A. (Gold Medalist)
No. of Shares held in the Company	172000	Nil
Other Directorships	3 (Three)	1 (One)
Chairman/Members of the Board Committee of other Companies	Nil	Nil
Relations with other Director	Nil	Nil

**DIRECTORS' REPORT TO THE SHAREHOLDERS**

To  
The Members,

Your Directors have pleasure in presenting the Twenty fourth Annual Report on the business and operations of the Company together with the Audited Accounts for the year ended March 31, 2011.

**FINANCIAL RESULTS**

(Rs.In Millions)

	2010-11	2009-2010
Gross Revenue from Operations	995.04	731.28
Less:- Excise duty	35.66	16.79
Net Revenue from operation	959.38	714.49
Other Income	5.41	8.04
Profit /(Loss) before Depreciation, Interest, Taxation and Exceptional items	308.81	224.60
Less: Depreciation	(176.74)	(173.31)
Profit/(Loss) Before Interest, Taxation and Exceptional items	132.07	51.29
<b>Less: Interest</b>	<b>(135.75)</b>	<b>(164.72)</b>
Profit /(Loss) before Exceptional items and Taxation	(3.68)	(113.43)
Add : Exceptional items (Profit on OTS)	7.99	10.42
Profit / (Loss) before Taxation after Exceptional Item	4.31	(103.00)
Add/(Less):- Prior period income/ (Expense)	(3.28)	(3.57)
<b>Less : Provision for Taxation</b>	<b>-</b>	<b>-</b>
Profit / (Loss) for the year	1.03	(106.57)
Brought forward Losses of earlier years	(2340.92)	(2234.35)
Total accumulated loss	(2339.89)	(2340.92)
Appropriations:- General Reserve credit balance netted off against debit balance of P/L A/c.	527.57	NIL
Balance carried forward to Balance Sheet as debit balance of profit & loss account.	(1812.32)	(2340.92)

The Gross revenue from Operations was Rs.995.04 Millions for the year under review as against Rs.731.28 Millions for the previous year.

The operations for the year resulted in to a net profit of Rs.1.03 Millions as against net loss of Rs.106.57 Millions in the previous year.

**DIVIDEND**

Due to in adequacy of profit during the during the year under review, your directors do not recommend any dividend.

**CAPITAL EXPENDITURE:**

Company has also incurred a major capital expenditure at chemical plant by way of replacing very old and fully depreciated steel with new one. This capital expenditure will increase the production capacity as well as efficiency at plant level.

**FUTURE OUTLOOK:**

Performance of the company is improving over the past years and directors are hopeful for better performance in the current year. The infrastructure division is running at almost optimum level, also chemical division is showing satisfactory capacity utilization compared to previous financial year. The company is vigorously pursuing various steps to improve sales, coupled with cost conservation measures to improve profitability in coming years.

**Income Tax Assessments:**

The company's Income tax assessment has been completed up to the A.Y.2008-09 and assesment for the A.Y.2009-10 is going on.

**PERSONNEL AND OTHER INFORMATION:**

Employee relations remained harmonious during the year and your board would like to place on record sincere appreciation for sustained efforts and valued contribution towards growth initiative made by all the employees of company. For the particulars of employees as required to be disclosed in the Directors Report in accordance with the Provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975 as amended from time to time, the directors state that the company does not have any employee,

(i) who was in receipt of remuneration exceeding Rs.60,00,000/- p.a. in the aggregate;

OR

(ii) who if employed for part of the year was in receipt of remuneration for any part of that year at a rate which in the aggregate was not more than Rs. 5,00,000/- per month;

OR

(iii) who was in receipt of a remuneration higher than that of the Managing Director, whole time Director or Manager and was holding more than 2% of the equity shares of the Company and hence the statements required under section 217 (2A) (a) is not annexed.

# Ganesh Benzoplast Limited

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :

The information 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 are annexed hereto.

## DIRECTORS:

Shri Rishi Pilani, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers for their re-appointment.

Shri Nalinakshan K., Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers for their re-appointment.

## REPORT ON CORPORATE GOVERNANCE:

As per Clause 49 of the Listing Agreements, a report on Corporate Governance is appended along with a certificate of compliance from the Practicing Company Secretary, with Management Discussion and Analysis Statement.

## AUDITORS:

S. R. Batliboi and company, Chartered Accountants, Mumbai, being appointed as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

M/s. S. R. Batliboi and company, Chartered Accountants have also expressed their willingness to act as Auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 224 (1B) of the Companies Act, 1956.

Pursuant to the directives of the Central Government and in compliance with the provisions of Section 233 B of the Companies Act, 1956, qualified Cost Auditors have been appointed to conduct the cost audit relating to the Chemicals manufactured by the Company.

## CASH FLOW STATEMENT:

In conformity with the provision of Clause 32 of the Listing Agreement(s) the cash flow statement for the year ended 31<sup>st</sup> March 2011 is annexed hereto.

## DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956 based on the representations received from the Operations Management, the Directors state that:

- (I) While preparing annual accounts, the applicable accounting standards have been followed and there are no material departures;

- (II) The accounting policies as mentioned in Note 1 (a) of the Notes to Accounts have been selected and applied consistently, and judgments and estimates have been made that are 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 and loss for the period, ended on that date;
- (III) Proper and sufficient care has been taken for the maintenance of adequate accounting 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;
- (IV) The annual accounts have been prepared on a going concern basis.

## REFERENCE TO BIFR

In earlier years net worth of the company had been fully eroded, as a result company had approached to the Board for Industrial & Financial Restructuring (BIFR) for protection provided under The Sick Industrial Company's (Special Provisions) Act, 1985. BIFR declared the company as sick unit in the meeting held on 6th May, 2010 & appointed IDBI as operating agency to prepare a revival scheme for the Company.

Preferential allotment of shares: During the year company has issued fresh shares at a premium to certain lenders and promoters against cancellation of their loans.

**LEGAL CASES:** Company had filed civil and criminal cases against various parties for recovery of dues. As per the legal opinion and management perception Company will recover the substantial amount from the defaulting parties.

## APPRECIATION

The Board hereby records its sincere appreciation for the wholehearted support and contributions made by all its employees, workmen, staffs and officers at all levels across the Company, as well as the various Financial Institutions, Banks, Distributors, Suppliers and other business associates towards the conduct of the operations of your Company.

For and on behalf of the Board,

**RISHI PILANI**  
CHAIRMAN

Place : Mumbai  
Date: September 05, 2011.

## DECLARATION BY CEO

I, Ramesh Pilani CEO of Ganesh Benzoplast Limited hereby declare that all the members of the Board of Directors have affirmed compliance with the code of conduct & ethics, for the year ended March 31, 2011.

Place : Mumbai  
Date: September 05, 2011.

For Ganesh Benzoplast Ltd.  
**Ramesh Pilani**  
Chief Executive Officer



**ANNEXURE TO THE DIRECTORS' REPORT**

Statement pursuant to section 217(1) (e) of the Companies Act, 1956, and the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31,2011.

**A. CONSERVATION OF ENERGY**

**Efforts**

Energy conservation continues to be a major area of emphasis and is closely monitored in every manufacturing unit

of the Company.

**Benefits**

The implementation of energy conservation in a phased manner has produced good result.

**Expenditure**

The total energy consumption and the energy consumption per unit of production for chemical manufacturing units are as follows:

	2010-2011	2009-2010
<b>I. POWER AND FUEL CONSUMPTION</b>		
1. (a) Purchased Unit (KWH in thousand)	<b>3873.97</b>	3076.92
Total Amount (Rs.in Millions)	23.08	16.22
Rate/Unit (Rs)	<b>5.96</b>	5.27
(b) Own Generation		
(i) Through Diesel Generator unit (KLS in thousand)		
Total Units	<b>105.42</b>	77.80
Total Amount (Rs. In Millions)	4.24	2.25
Rate / Unit (Rs.)	<b>40.21</b>	28.92
2. FURNACE OIL		
Qty. (K.L. in thousand)	<b>0.18</b>	0.46
Total amount (Rs. In Millions)	5.85	10.95
Average rate (RS/KLS)	<b>32538</b>	23603
<b>II CONSUMPTION PER M.T.OF PRODUCTION</b>		
Electricity	<b>641.05/KWH</b>	931.84/KWH
Furnace Oil (KLS)	<b>0.03/KLS</b>	0.02/KLS
Diesel/LDO/LSHS (KLS)	<b>0.02/KLS</b>	0.02/KLS

**B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

The Company is continuously carrying out Research and Development Activities and has developed various grades of Preservatives used in the different industries to meet the specific demands of customers.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGOINGS**

Foreign exchange earning during the year is Rs.81.15 Millions (Previous Year Rs.28.68 Millions).

Total foreign exchange outgoing for import of materials and other consumables is 6.25 Millions (Previous year 0.30 Millions).

**D. Explanations for Auditors Qualifications in Audit Report:-**

Qualification mentioned in para 5 a) of audit report:-

In preceding years Company had entered in to a contract that required professional services of Mrs. Poonam Rishi Pilani from which Company had benefited. From March, 2010 Company has terminated such contract and accordingly such

## Ganesh Benzoplast Limited

services are not required. The Company will be taking necessary steps to regularize/rectify any violations in this regard.

### **Qualification mentioned in para 5 b) of audit report:-**

In preceding years Company has granted some of the business advances to the associate companies without passing special resolutions. During the current financial year some repayment has been made by the associates. The Company will be taking necessary steps to regularize/rectify any violations in this regard.

### **Qualification mentioned in para 6 a) of audit report:-**

This qualification is not at all justified, because in current financial year Chemical division has performed well as compared to preceeding year. Capacity utilization of plant has increased and hence there is no impairment of Assets is necessary. In fact in first quarter of financial year 2011-12 Chemical division has started making cash profit and management strongly believe that looking to current and future scenario in chemical business assets of chemical division are not at all overstated in balance sheet and their valuation is absolutely all right and impairment is not needed.

### **Qualification mentioned in para 6 b) of audit report:-**

Company is in the process of confirmation of balances from entire parties. In coming year management will take a call the extent to which balances of old and disputed parties will be either kept in books or have to be written off or written back.

### **Qualification mentioned in para 7 a) of audit report:-**

The qualification in this case is pertains to non provision of old receivables from ONGC. In the year 2003 ONGC illegally terminated the offshore contract of 3 vessels and as a result Company went in to arbitration as per Arbitration and Conciliation Act, 1996. In the year 2008-09 we got an award from arbitrators in favour of our Company for 2 vessels and accordingly in preceeding financial year Company got payment from ONGC. Now the award for third vessel is pending before Arbitration committee for their verdict, and as per management perception this award will again come in favor of company and amount will be recovered from ONGC. As a result of this and matter of prudence and from past experience there is no need to provide for these debtors. Accordingly company has not made provision for bad debts pertaining to ONGC debt. In coming year looking in to progress of Arbitration proceed-

ing management will take a call either to retain the amounts in books or make a provision for the same.

### **Qualification mentioned in para 7 b) of audit report:-**

In the past Company had given some loans and advances to few corporates in expectation of good returns. However, subsequently there was a default by these parties in payment of interest and the Principal. For the recovery of the said loans and advances, the Company has initiated actions under Negotiable instruments Act for recovery of these sums and the Management is hopeful that the substantial amount will be recovered from the parties and hence the amount should be retained in the books of accounts. As a result Company has not made provision of the same. In coming year position will be more clear as Court proceedings in these cases are gearing up. If required then in coming year Company will make such provision depending on the progress of current status of the litigations pending before court.

### **Qualification mentioned in para 7 c) of audit report:-**

The qualification in this para arrives only because of difference of view in the matter of presentation of accounting entry of capital reserves followed by the Company and auditors view on the same. It does not have any financial implication on either Profit and Loss account or Balance sheet of the Company. In past as a result of OTS with financial institutions, Company had transferred capital profit being waiver of principal amount of term loan by financial institutions directly to the capital reserve as such profit was clearly in the nature of capital receipt. During that year auditors have not shown any objection but this year as per auditors view the correct treatment for that transaction was that the said amount should be first taken to Profit and Loss Account and thereafter through appropriation account it should be transferred to the capital reserve. In coming financial year Company will do the necessary changes in presentation of the accounting treatment in its financial statement as per the view of auditors and the said qualification will then be dropped permanently. Even after such presentation the ultimate effect of which will remain same as there will be no changes in the balance of either capital reserve or Profit and Loss account.

For and on behalf of the Board,  
**RISHI PILANI**  
**CHAIRMAN**

Place : Mumbai  
Date: September 05, 2011.

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Business of the company**

The business of the company is presently organized in the following major segments –

**CHEMICAL DIVISION**

Manufacturing and marketing of specialized chemicals such as Benzoate Plasticizer, Benzoic Acid and spectrum preservatives. The Company is the only company in India to manufacture pure Benzoic acid, confirming to International standards of food grade. Sodium Benzoate & Benzoic acid both have huge

demand in the International Markets mostly in the Industries like Food Processing, Fruit Processing Tooth Paste, Automobiles, Paints, Tobacco, Rubber, Antifreeze Coolant, Paper, Corrosion and Cutting Oils.

**INFRASTRUCTURE DIVISION**

Liquid chemical storage tanks which are leased on rent for storing liquid chemicals. The tanks are located presently at JNP (Nhava Sheva), Goa and Cochin. The Storage terminals are located at prime locations within the ports having full fledged facilities for import & export of Liquid Cargo.

**Main segments –**

Division	Products Covered	Application
Chemical	Sodium Benzoate USP/BP & Benzoic Acid USP/BP  Benzoate Plasticizer  Benzaldehyde Anisaldehyde	In squashes, crushes, jams, marmalade, sweetened mineral water, fruit-syrups, fruit jelly, etc.; in cosmetics - tooth paste, tobacco paste, glue starch and other products.  Extensive usage in PVC processing, PVA emulsions, adhesive and ink industry and more.  Pharmaceutical aids, flavouring agents.  Pharmaceutical intermediate.
Infrastructure	Liquid Chemical Storage Tanks	These Tanks are leased on rent for storing liquid chemicals.
Lube	Metal Working Fluids Cutting Oils Hydraulic Oils Neat Oils Sodium Petroleum Sulfonate Calcium Petroleum Sulfonate Extreme Pressure Additives Viscosity Index Improver	Lubricating oils for specialised metal working operations. Lubricating oil for cutting of ferrous metals. Used for hydraulic machines. For cutting of stainless steel & non ferrous metals. Raw material to manufacture emulsifier and other lubricants. Raw material to manufacture rust preventive oils, octane boosters. Used in the lubricating oils which are used in high pressure loads. Additive to improve the viscosity of oils.
Packages	Engine oil additives Gear oil additives Hydraulic additives Cutting oil concentrate Hi-Cal	To manufacture engine oils. Ready package for blending gear oils. To blend finishing hydraulic oils. For manufacturing cutting oils. High Performance furnace oil additive

The product range of the company ranging from food preservatives to industrial applications affects every person in his daily life.

**HIGHLIGHT OF PERFORMANCE AND EVENTS**

In the Chemical Division the scenario is improving in the domestic and international market which resulted

in increase in turnover.

During the year under review there was an increase in rentals due to increase in import. of petroleum products. The Company with aggressive marketing strategy have gained the confidence and the rentals have started improving as compared to last year.

## Ganesh Benzoplast Limited

The Company expect better rental income in the current year.

### Key Strength areas and growth:

#### Manufacturing facilities

Located at the outskirts of Mumbai the Manufacturing facility of the company is equipped for specialized manufacturing activities as per the product range. The Company's units were awarded ISO 9000. Ganesh group is known for their R&D base.

Our company is the only manufacturer of Sodium Benzoplast in India. Benzoplast is a superior plasticizer as compared with other plasticizers like Di-octyl phthalate (DOP), benzyl butyl phthalate and other phthalates manufactured by our main competitors. The Company manufactures Benzoic Acid and Sodium Benzoplast in its plant at Tarapur, by oxidation of Toluene. It is the only process to manufacture pure Benzoic Acid, conforming to international Standard for food grade.

The markets for products of the Company are well established with a good distribution network for domestic as well as export market. The Company is enjoying a good market share in India and abroad.

In the infrastructure division the Company has constructed storage tanks for oils, petroleum and chemical industries. These tanks meet with stringent international standards with the state of the art instrumentation and safety standards. The tanks are located at JNP (Nhava Sheva), Goa and Cochin. The Company has the advantage of being a pioneer in handling liquid chemicals at JNPT and has also prime location advantage.

#### Research and Development

The company has a performance proven Division for Research and Development. The various inputs arising from these activities has given the Company an edge in competition, by process refinements or changing the generally accepted methodology.

#### Growth drivers

The Company makes persistent efforts and emphasis in the following main areas:

- Product quality;
- Product improvements;
- Introduction of new products through in-house development;
- Meeting emerging customer preference;
- Producing IP grade quality;
- Competitive pricing and extremely competitive cost structure by sustained efforts for cost cutting at all levels.

#### Opportunities and Threats:

The Company is facing difficult times in the Chemical division since the last few years. The Company is making all efforts to combat the situation and with the firming up of selling prices of the Company's products the Company expects better performance in the current year. Further, with the revival in international market, export market prospects looks bright in the Chemical division.

The authorities have cleared JNP to handle class "A" chemicals subject to certain safety measures like fire fighting measures to be strengthened by JNP. JNP authorities are implementing a massive expansion of its liquid cargo jetty thereby allowing the existing operators to handle the "A" class chemicals. Since, our company has created facility for handling of "A" class chemicals, our company has advantage of being a pioneer in **handling liquid chemicals at JNP having all the infrastructure** of world class facility created at the site.

We have a large clientele of domestic as well as overseas customers who have their business dealings pertaining to imports and exports based in Goa and adjoining areas of Maharashtra & Karnataka. The completion of projects at Mormugoa and Cochin ports will have a direct business linkage to meet the total requirements of our clients in this region.

The Company is hopeful for better performance in the current year. The infrastructure division is recovering and showing better occupancy. The Company is vigorously pursuing various measures to improve sales, coupled with cost control measures to improve

profitability in coming years. With imports going up due to industrial recovery, the prospects of higher revenue are good. Further, with the installation of tanks at Mormugoa and Cochin Port the rentals of the infrastructure division is expected to increase in the times to come.

**Summary:**

The Management believes in borderless vision and opportunities. The business segments in which the **Company operates offer opportunities for growth.** At the same time, the business, particularly leasing on rent Liquid Chemical Storage Tanks is becoming more and more competitive with every passing day. The Company is making all out efforts based on advantages like early entry, quality, capacity, brand equity, diversified locations, distribution network etc. to stay put in the competition and Company would compliment this with early completion of existing projects, cost cutting at all levels including by financial restructuring and other measures, sales promotions and thrust on exports growth.

**Financial Review and position**

The core business areas viz. specialized chemicals and infrastructure activities accounted for the bulk of the Company's revenues during the year.

The working for the year has resulted in net profit of Rs.1.03 Million as against net loss of Rs.106.57 million in the previous year. The Division wise PBIT / (loss) for the current year accounted for by Chemical Division loss Rs. 166.33 Million, Infrastructure Division Profit Rs.293 Million, with trading and other unallocable PBIT of loss Rs. 125.64 Million.

The loss in Chemical Division is mainly on account of unfavourable domestic and international markets, curtailment of production, steep increase in prices of raw materials and pressure on sales and selling prices coupled with unavailability of working capital.

There has been a increase in the rental income of Infrastructure Division, better storage occupancy due to increase in import of petroleum products and edible oils

The Company's Ordinary share capital including forfeited shares stands at Rs.57.06 millions.

**Internal Control System:**

The company is taking steps to improve an internal audit and control system.

**Financial Condition****Share Capital**

Issued, Subscribed and Paid up Capital as at March 31, 2011 was Rs.51.77 Million (Rs.48.17 Million in the previous year).

**Reserves and Surplus**

In view of uncertainty of availment of tax benefit on accumulated business losses and unabsorbed depreciation, company has not recognized deferred tax liabilities/assets. As at March 31, 2011. Reserves and Surplus amounted to Rs. 812.57 Millions (Rs. 1278.75 Million in the previous year).

The debit balance (loss) in the profit and loss account amounted to Rs. 1812.33 Million as against Rs. 2340.93 Million in the previous year.

**Loan Funds**

The loan funds stood at Rs. 2869.08 million as at March 31, 2011 (Rs.2927.47 million in the previous year).

**Fixed Assets**

Net fixed assets including Capital Work in Progress as at March 31,2011 are Rs. 1693.55 million (Rs.1804.38 as at March 31,2009).

**Investments**

Total amount of investments as at March 31,2011 was Rs.0.22 million (Rs.0.22 million as at March 31,2010).

**Net Current Assets**

Net Current Assets increase to Rs. 232.62 million as at March 31, 2011 from Rs.114.16 million as at March 31, 2010.

**Enhancing Shareholder value:**

The management would be making all efforts for the creation of shareholder value, it being one of its prime objectives. It would focus on measures of cost control, improving the company's position in

## **Ganesh Benzoplast Limited**

strategic markets and strengthening its products to improve the return to shareholders.

### **Cautionary Statement**

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed

in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Member of  
**Ganesh Benzoplast Limited**

I have examined the compliance of conditions of Corporate Governance by **GANESH BENZOPLAST LIMITED** for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange of India.

The Compliance of conditions of Corporate, Governance is the responsibility of the Management. My examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement. It is neither an audit nor a expression of opinion on the financial statement of the Company.

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has generally complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement *except regarding the Constitution of the Remuneration Committee which consists of only two Non-executive Independent Directors since the Board of Directors of the Company consists of only two Non-executive Independent Directors.*

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Priyanka K. Somani**  
**Practising Company Secretary**  
**Membership No. 23930**

Place: Mumbai  
Date: September 05, 2011.

**CORPORATE GOVERNANCE REPORT**

(As required under Clause 49 of the Stock Exchange Listing Agreement)

**1. Company's philosophy on Corporate Governance:**

The Company's Corporate Governance philosophy is to implement and improve upon the best practices so as to lead the Company towards higher achievements. The business objective of the Board of Directors, Company's management and employees is to undertake all its activities such as production in a manner to result in creation of sustained value over a long term for its stakeholders particularly shareholders, and also employees, customers, government and the lenders. The Company strives to fully comply with regulatory requirements even in trying and adverse circumstances.

**2. Board of Directors:****A. Composition and Attendance:-**

The Board of Directors consisted of 4 professionals from diverse fields – two of these are Executive Directors i.e. the Whole-time Directors and the other two are Non – Executive Independent Director. During the year under review, seven Board Meetings were held on 31.05.2010, 16.07.2010, 05.08.2010, 31.08.2010, 23.09.2010, 15.11.2010, and 14.02.2011.

Name of Director	Category	No. of Board Meetings Attended	No. of Directorship of other Limited Companies	No. of Membership in other Committees
Shri Rishi R.Pilani (W.e.f.18th October 2006)	Promoter Executive	7	1	Nil
Shri Raunak R.Pilani (W.e.f.28th June 2008)	Promoter Executive	7	Nil	Nil
Shri Gyan Chordia (W.e.f.28TH June 2008)	Non Executive Independent Director	6	1	2
Shri Nalinakshan K (W.e.f.30th June 2007)	Non Executive Independent Director	5	Nil	2

**B. Board's Functioning & Procedures:-**

The Board has complete access to any information within the Company. At meetings of the Board, it welcomes the presence of Managers who can provide additional insights into the items being discussed.

The items placed at the Meeting of the Board include the following:-

- Unaudited Quarterly/Half Yearly financial results and Audited Annual Accounts of the Company, results and capital employed, for consideration and approval,
- Minutes of meetings of Audit, Share Holders Grievance Committee and Remuneration Committee,
- Abstracts of circular resolutions passed,
- General notices of interest,
- Sale and/or purchase of investments, fixed assets,
- Review compliance of all laws applicable to the Company including the requirements of the Listing Agreement with the Stock Exchanges and steps taken by the Company to rectify instances of non compliances, if any,
- Related party transactions,
- Reviewing the Company's financial and risk management policies,

All the items in the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial /business plans, financial results, detailed presentations are made. The Agenda and the relevant notes are sent in advance separately to each Director to enable the Board to take informed decisions.



The Minutes of the Meetings of the Board are circulated to all Directors and confirmed at the subsequent Meeting. The Minutes of the Audit Committee, Remuneration Committee, Shareholders' Grievance Committee and the Minutes of the Board of Directors Meetings of the Subsidiary Company are also are circulated to all Directors and thereafter tabled for discussion at the subsequent Board Meeting.

**3. Audit Committee:**

Audit committee acts as a link between the Statutory and Internal Auditors and the Board of Directors. The primary objective of the Audit Committee is to provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures.

**A. Size and Composition and Attendance:-**

Name of Director	Category	Position	No. of Meetings Attended
Shri Gyan Chordia, (from 27.11.2009 )	Non Executive Independent	Chairman	5
Shri Nalinakshan K.	-Do-	Member	5
Shri Rishi R.Pilani	-Do-	Member	5

The Committee met on and 31.05.2010, 05.08.2010, 31.08.2010, 15/11/2010, and 14.02.2011., during the year. In order to comply with the listing requirements of minimum number of 3 members, the Board has appointed Shri. Rishi R. Pilani as a member of the Audit Committee till another Independent Director is appointed on the Board of the Company.

**B. The functions of the Audit Committee include the following:-**

- Reviewing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external Auditor, fixation of Audit fee and also approval for payment for any other expenses.
- Reviewing with management the Annual/Half-yearly/ Quarterly financial statements before submission to the Board.
- Discussion with External Auditors before the Audit, nature and scope of Audit, any significant findings and follow up thereon as well as post-Audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non payment of declared dividends) and creditors.
- Related party transactions,
- To review the matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
- To review the Management discussion and analysis of financial condition and results of operations.
- To recommend re-appointment of Statutory Auditors and to fix their remuneration.

All the items in the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial results, detailed presentations are made. The Agenda and the relevant notes are sent in advance separately to each Member to enable the Committee to take informed decisions.

The Minutes of the Meetings of the Committee are circulated to all Directors and confirmed at the subsequent Meeting.

**4. Remuneration Committee:**

The purpose of the Committee shall be to discharge the Board's responsibilities relating to formulation of compensation plans and policies of the Company's Executive Directors.

**A. Size and Composition:-**

The Board constituted Remuneration Committee of Directors on 31/05/2011 having Mr. Nalinakshan K., Non-executive Independent as Member and Mr. Gyan Chordia, Non-executive Independent Director as Chairman of the Committee.

## Ganesh Benzoplast Limited

The broad terms of the Committee are to determine and review remuneration/compensation package of Managing Director and Whole Time Director of the Company.

### B. Attendance at the Remuneration Committee Meetings:-

The first meeting of Remuneration Committee Meeting was held on July 30, 2011.

Name of Members	Meeting attended(Yes/ No)
Mr. Gyan Chordia	Yes
Mr. Nalinakshan K.	Yes

### C. Disclosure of Remuneration paid: -

Details of remuneration paid to Independent Director is as under :-

Name of Director	Salary incl.Perquisites	Cont. to P.F.	Sitting fees	Total
Shri Gyan Chordia	Nil	Nil	Rs 29,750	Rs.29,750
Shri Nalinakshan K.	Nil	Nil	Rs.23,000	Rs.23,000

### D. Remuneration to be paid to Mr. Rishi Pilani on his appointment as Chairman and Managing Director:

The Board of Directors of the Company at its meeting held on May 31, 2011 has recommended the appointment of Mr. Rishi R. Pilani, Director as the Chairman and Managing Director of the Company.

The Remuneration Committee approved and recommended the remuneration payable to Mr. Rishi Pilani as set out in the body of the resolution which the Board has agreed to offer by its resolution dated May 31, 2011. The remuneration is within the ceiling limits of remuneration under applicable statutory provisions and schedule XIII of the Companies Act, 1956.

## 5. Investors' Grievance Committee:

The Committee reviews the status of investor's grievances and redressal mechanism and recommends measures to improve the level of investor services.

### A. Size and Composition:

Name of Director	Category	Position	Meeting Attended
Shri Gyan Chordia	Non Executive Independent	Chairman	4
Shri Nalinakshan K.	-Do-	Member	4
Shri Rishi R.Pilani	-Do-	Member	4

### B. Meeting of the Shareholders' grievance committee Meetings:

The Committee met on 31.05.2010, 31.08.2010, 15.11.2010 and 14.02.2011 during the year.

The total number of complaints received and replied to the satisfaction of the Share holders during the year ended 31.03.2011 were 134, Seven Complaints as on 31.03.2011 were outstanding. All pending Complaints have been attended to/replied to by 26.4.2010.

The total numbers of pending share transfers were Nil and pending request for dematerialization were 3 as on 31.03.2011. These have been approved / dematerialized by 15.04.2010.

The Board has designated Mr. Shailesh Pradhan as the Compliance Officer.

## 6. Share Transfer Committee:

The composition, powers and functions of the Committee meets the requirements of Listing Agreement.

The Committee meets generally on a fortnightly basis.

During the year under review, the Committee met 21 times.

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Name of Director	Category	Position	Meeting Attended
Shri Rishi R. Pilani	Non Executive Independent	Chairman	21
Shri Raunak R. Pilani	Executive Director	Member	21

### 7. General Body Meetings:

#### A. The particulars of last three Annual General Meetings are as under:

Meeting	Day, Date and Time	Venue
22 <sup>ND</sup> AGM	Monday, 29.09.2008, 10.00 am	Panchayat Seva Trust, Satyanarayan Seva Bhavan, J.B.Nagar, Andheri (E), Mumbai- 59
23 <sup>RD</sup> AGM	Tuesday, 30.11.2010, 10.00 am	Shri Rajasthan Recreation Club, J.B.Nagar, Andheri (E), Mumbai- 59.
24 <sup>TH</sup> AGM	Friday, 30.09.2011, 10.00 am	Shri Rajasthan Recreation Club, J.B.Nagar, Andheri (E), Mumbai- 59.

No Special resolution was put through, postal ballot, at the last Annual General Meeting nor is any item proposed for this year.

### 8. Disclosures:

There were no material significant transactions with the Directors or Management that have any conflict with the interest of the Company at large.

#### \* Details related party transactions:

There are no material transactions with related parties that require separate disclosures. A list of related party transactions as required by the Accounting Standards (AS) 18 issued by the institute of Chartered Accounts of India, forms part of note 9 of Schedule "S" to the accounts. These transactions do not have any potential conflict with the interest of the company at large.

#### \* Peculiarly relationship or transaction of the Non-Executive Director:

There is no material peculiarly transaction with any Non-Executive as well as independent Director of the Company that requires a separate disclosure.

#### \*Details on the use of proceeds from public issue , right issue, preferential issue etc:

No funds have been raised through issue of equity or debt in the form of public or right or preferential issues during the year under review.

#### \* Disclosure of Accounting Transactions:

The Company has followed all mandatory accounting standards.

#### \* Details of Non- compliance etc:

The Company has complied with various rules and regulations prescribed by the Stock Exchange and Securities & Exchange Board of India or any other statutory authority relating to the capital market during the year under review. No Penalties or structures have been imposed by them on the Company.

### 9. Code of Conduct:

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management. The Code is reviewed from time to time by the Board. The said Code has been communicated to the Directors and the Members of the Senior Management. The Code has also been posted on the Company's website [www.walchand-peoplefirst.com](http://www.walchand-peoplefirst.com).

### 10. Trading in the Company's shares by Directors and Designated Employees:

In compliance with the SEBI (Prevention of Insider Trading) Regulations, 1992, our Company has appointed Mr. Shailesh Pradhan as the Compliance Officer who is responsible for setting policies, procedures for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct for trading in Company's securities under the overall supervision of the Board. The Company has adopted a Code of Conduct for Prevention of Insider Trading.

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### 11. Means of Communication:

- The Quarterly and Half-Yearly results of the Company are published in English and Marathi National dailies.
- The Management Discussion and Analysis Report forms a part of this Annual Report, which is sent to each member by post.
- The Company informs the Stock Exchange all price sensitive matters or such other matters which are material and of relevance to the shareholders.

### 12. General Shareholder Information:

All the required information is provided in Shareholders' information section.

#### SHAREHOLDER INFORMATION SECTION:

(i) **Registered Office** : Change of address from Ganesh House, Marol Naka, Andheri-Kurla Road, Andheri- East, Mumbai-400 059 to Dina Building, 1st Floor, M. K. Road, Marine Lines (East) Mumbai- 400 002. (W.e.f 12th January 2007).

(ii) **Corporate Office** : A1/A2, Gurudatt CO-Operative Hsg Soc, J. B. Nagar Andheri (E), Mumbai- 400 059.

(iii) **Annual General Meeting** : Friday, 30th September, 2011 at 10. A.M. at Shri Rajasthan Recreation Club, J. B. Nagar, Andheri (East ) Mumbai- 400 059.

(iv) **Financial Calendar** : **2010-2011(tentative)**

1st Quarter Results : Last week of July, 2010.

2nd Quarter Results : Last week of October, 2010.

3rd Quarter Results : Last week of January, 2011.

4th Quarter Results : Last week of June, 2011.

Annual General Meeting : before end September, 2011.

(v) **Date of book Closure**: The Register of Members and the Register of Share Transfers of the Company will remain closed on Tuesday,20th September, 2011 to Friday, 30th September 2011.( Both days Inclusive )

(vi) **Registrar for demat segment**: The Company has appointed Big Share Services Limited having its office at E/2, Ansa Industrial Estate,Saki Vihar Road ,Saki Naka, Andheri-East, Mumbai-400 072 as Registrar for demat segments .

(vii) **Share Transfer System**: The Company has in –house Share Department, which provides all shareholders related services. Share Transfer requests received in physical form are registered within 30 days from the date of receipt and demat requests are normally confirmed within an average period of 15 days from the date of receipt.

(viii) **Dematerialization of Shares**: Trading in Company's shares is permitted only in dematerialization since April 08.1999, as per notification issued by the Securities and Exchange Board of India. The Company provides facility for simultaneous transfer and dematerialization of equity shares as per the procedure prescribed by NSDL and CDSL.

About 94 % of the total shares have been dematerialized as on March 31, 2011.

(ix) **Share Transfer Office/ Address for correspondence**:

A/1, A2, Gurudatt Co-op Hsg Soc Ltd., J.B.Nagar Andheri (E) 400 059.

Telephone No.28390694, FaxNo. 2830715

Email Address: rkp1@vsnl.com

Website: <http://www.ganeshgroup.com.in>

(x) **Notice for change of address** and mandates must reach the Company's Share Department. In case of dematerialised shares the notice for change of address and mandates etc. should be directly sent to the concerned DP's.

(xi) **Listing on Stock Exchange**: At the Mumbai.

(xii) **BSE Stock Code**: 500153

(xiii) **ISIN No.:** INE388A01029

(xiv) **Stock Market Data**:

## 24<sup>th</sup> Annual Report 2010-2011

Monthly high and low quotations as well as the volume of shares traded at Mumbai Stock Exchange for 2010-2011 are : ( NEW FIGERS TO BE INSERT FROM BS

Month 2010-11	High (Rs.)	Low (Rs.)	Volume (Shares)	Month 2010-11	High (Rs.)	Low (Rs.)	Volume (Shares)
April 2010	14.90	9.11	1373644	October,2010	9.55	8.01	387801
May 2010	14.59	10.11	925225	November2010	10.15	7.26	648527
June 2010	12.29	10.30	535480	December2010	8.79	6.41	520852
July 2010	12.40	10.81	548301	January,2011	9.00	6.70	462952
Aug 2010	11.35	9.00	574009	February,2011	8.31	5.50	547973
Sept10	10.49	8.72	600409	March, 2011	7.60	4.50	777714

(xv) **Distribution Schedule as on 31.03.2011.**

No. of Equity Shares	Share holders	No. of Shares		
	Number	% of Holders	Number	% of Shares
<b>Upto -2500</b>	36098	98.32	8122913	15.69
<b>2501 -5000</b>	237	0.65	603815	1.17
<b>5001-10000</b>	165	0.45	1251448	2.42
<b>10001-20000</b>	101	0.28	1520427	2.93
<b>20001-30000</b>	24	0.06	617966	1.19
<b>30001-40000</b>	20	0.05	692008	1.34
<b>40001-50000</b>	14	0.04	647486	1.25
<b>50001-100000</b>	27	0.07	2175250	4.20
<b>100001 &amp; Above</b>	28	0.08	36152980	69.81
<b>Total</b>	<b>36714</b>	<b>100.00</b>	<b>51784293</b>	<b>100.00</b>

(xvi) **Categories of Shareholders as on 31.03.2011.**

Category	31.03.20011	
	% of Shareholding	No. of Shares
Promoters	32.82	16997101
Individuals	35.62	18443323
Domestic Companies	16.96	8779028
FIs ,Mutual Funds & Bank	12.28	6359235
FIs, OCBs & NRI	2.32	1205606
<b>TOTAL</b>	<b>100.00</b>	<b>51784293</b>

(xvii) **Plant Location**

**CHEMICAL DIVISION** - D-5/2 & D-21/2/2 M.I.D.C. Industrial Area, Tarapur, Dist. Thane (Maharashtra).

(xviii) **Address for Correspondence**

A1/A2 Gurudatt CO-OP Hsg Soc Ltd, J.B.Nagar Ahdheri (E) , Mumbai-400 059.

# Ganesh Benzoplast Limited

## AUDITORS' REPORT

To  
The Members of  
**Ganesh Benzoplast Limited**

- 1 We have audited the attached Balance Sheet of Ganesh Benzoplast Limited ('the Company') as at March 31, 2011 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4 Without qualifying our opinion, we draw attention to Note 2 of Schedule S to the financial statements. As at March 31, 2011 the company's accumulated losses of Rs. 18,123.27 Lacs exceed its net worth of Rs. 8,696.30 Lacs. These matters raise substantial doubts regarding the Company's ability to continue as a going concern, which is dependent on establishing profitable operations and obtaining continuing financial support from its shareholders. These mitigating factors have been more fully discussed in Note 2 of Schedule S to the accompanying financial statements, in view of which the accompanying financial statements have been prepared under the going concern assumption, and consequently, no adjustments have been made to the carrying values or classification of balance sheet accounts.
  - a) *The Company had in the earlier years paid salary to a relative of a Director amounting to Rs.38.73 Lacs without obtaining approval of the Central government as required by Section 314 (1B) of the Companies Act, 1956.*
  - b) *The net worth of the Company has been fully eroded as on March 31, 2011, however the Company had in the earlier years given inter corporate deposits to certain parties without passing any special resolution in a general meeting as required by section 372A of the Companies Act, 1956.*
- 5
  - c) *The audit report for the year ended March 31, 2010 was also qualified in respect of the above matters stated in paragraph 5(a) and 5(b) above.*

*The Impact of our comments in paragraph 5 above, if any, on the financial statements cannot be ascertained.*
- 6
  - a) *From the analysis of segmentwise performance of the Company we observed that certain fixed assets of chemical segment are not fully utilized and may need to be impaired as required by Accounting Standard (AS)28, "Impairment of Assets". In the absence of information we are unable to comment on the extent of impairment if any and accordingly the effect of the same on the accompanying financial statements is not ascertainable. The audit report for the for the year ended March 31,2010 was also qualified in respect of the above matter.*
  - b) *The balances of the Sundry Debtors, Sundry Creditors, and Advances given to certain parties are in the process of confirmation / reconciliation. Consequently we are unable to comment on the carrying values of these balances as recorded in these financial statements and accordingly the impact of the consequential adjustments on the Profit and Assets / Liabilities cannot be ascertained.*
- 7
  - a) *The company has not provided for debts aggregating to Rs 259.54 Lacs in respect of outstanding from one party for a considerable amount of time, which in our opinion are doubtful of recovery. Had the Company accounted for the same the loss for the period would have been Rs 249.26 Lacs as against profit of Rs 10.28 Lacs , balance in profit and loss account would have been Rs 18,382.81 Lacs as against Rs 18,123.27 Lacs , balance in Sundry Debtors would have been Rs 808.87 Lacs as against Rs 1,068.41 Lacs.*
  - b) *The Company has not provided for loans and advances aggregating to Rs 302.57 Lacs given to various parties outstanding for a considerable period of time, which in our opinion are doubtful of recovery, Had the Company accounted for the same the loss for the period would have been Rs 292.29 Lacs as against a profit of Rs 10.28 Lacs*

, balance in profit and loss account would have been Rs 18,425.84 Lacs as against Rs 18,123.27 Lacs, balance in loans and advances would have been Rs 2,604.74 Lacs as against Rs 2,907.31 Lacs. The audit report for the year ended March 31, 2010 was also qualified in respect of the above matter.

- c) The Company had in the earlier years after repaying part dues had entered into "one time settlement"(OTS) with certain lenders and accordingly in that year Company had credited the principal loan waiver on those term loans amount which was no longer payable aggregating to Rs.4,300.73 Lacs to capital reserve as against the profit and loss account, Had the company credited the same to profit and loss account then profit for the period would have been 4,311.02 Lacs as against profit of Rs 10.28 Lacs, debit balance in profit and loss account would have been 13,822.54 Lacs as against Rs.18,123.27 Lacs.
- d) Had the Company accounted for our comments in paragraph 7(a) to 7(c) above there would have been Profit for period amounting to Rs 3,748.90 Lacs as against reported Rs 10.28 Lacs, balances in Sundry debtors would have been Rs 808.87 Lacs as against Rs 1,068.41Lacs, balance in loans and advances would have been Rs 2,604.74 Lacs as against Rs 2,907.31 Lacs, balance in profit and loss account would have been 14,384.65 Lacs as against Rs 18,123.27 Lacs .
8. Further to our comments in the Annexure referred to above, we report that:
- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit, *except for our comments on paragraph 6 above relating to information in respect of impairment provision in respect of certain assets and pending balances confirmation / reconciliation.*
- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, *except for comments in paragraph 6 and 7 above ;*
- v. On the basis of the written representations received from all the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the director are disqualified from being appointed as a director in any other public company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi. Based on our audit, In our opinion and to the best of our information and according to the explanations given to us, the said accounts *subject to our remarks in paragraph 5 and paragraph 6 the impact of which cannot be ascertained on the financial statements, and paragraph 7,8(i) and 8(iv) above*, give the information required by the Companies Act, 1956, in the manner so required and, give a true and fair view in conformity with the accounting principles generally accepted in India;
- (a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
- (b) in the case of the profit and loss account, of the Profit for the year ended on that date; and
- (c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For **S.R. BATLIBOI & CO.**  
Chartered Accountants  
Firm Registration No.: 301003E

**Per Hemal Shah**  
Partner  
Membership No.: 42650

Place: Mumbai  
Date: September 05, 2011.

## ANNEXURE TO AUDITORS' REPORT

Annexure referred to in paragraph 3 of our report of even date

**Re: Ganesh Benzoplast Limited ('the Company')**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed Assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) (a) The Company has granted Interest Free loans / advances to two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1,847.47 Lacs and the year- end balance of loans granted to such parties was Rs. 1,655.85 Lacs.
- (b) In our opinion and according to the information and explanations given to us , the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the the interests of the Company.
- (c) In respect of loans /advances granted, repayment of the principal amount is as stipulated.
- (d) There is no overdue amount of loans/ advances granted to companies , firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The Company has taken Interest free loans from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 2,117.64 Lacs and the year-end balance of loans taken from such parties was Rs. 2,077.27 Lacs.
- (f) In our opinion and according to the information and explanations given to us , the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (g) In respect of loans taken, repayment of the principal amount is as stipulated.
- (iv) In our opinion and according to the information and explanations given to us, *the internal control system for purchases of inventory, fixed assets and sales is inadequate since in case of purchases of inventory and fixed assets the same are made without inviting quotations and in case of sales there are no contractual agreements. In our opinion this is a continuing failure to correct major weakness in the internal control system.*
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) *The Company does not have an internal audit system.*
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie , the prescribed accounts and records have been made and maintained.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, cess and other statutory dues have *not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases.*

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.



## 24<sup>th</sup> Annual Report 2010-2011

- (b) According to the information and explanations given to us, undisputed dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, service tax, sales-tax, customs duty, excise duty, cess and other statutory dues which were outstanding, at the year – end for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Due Date	Date of Payment
Maharashtra Labour welfare Fund Act	Labour fund Dues	0.12 Lacs	2004- 2011	Various dates	Not paid
Professional Tax Act	Professional Tax	17.62 Lacs	1998-2011	Various dates	Not paid
Employees Provident Fund Act	Provident Fund	28.95 Lacs	2002-2011	Various dates	Not paid
Finance Act	Service Tax	5.47 Lacs	2007-2011	Various dates	Not paid
Income Tax Act , 1961	Tax Deducted at source	142.35 Lacs	2010-2011	Various dates	Not paid
Income Tax Act , 1961	Income Tax	123.93 Lacs	2000-2001	Various dates	Not paid

- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act , 1961	Income Tax interest u/s 220(2) of the I.T.Act,1961	376.33 Lacs	AY 1999-2000 and A.Y. 2000-01	ITAT, Mumbai as well as BIFR

- (x) *The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth.* The Company has not incurred cash losses in current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion the price at which the shares have been issued is not prejudicial to the interest of the company.
- (xix) In respect of debentures issued by the Company and outstanding during the year. The Company has created security or charge in respect of debentures issued.
- (xx) According to the information and explanations given to us, during the year, the Company has not raised any money through public issue.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **S.R. BATLIBOI & CO.**  
Chartered Accountants  
Firm Registration No.: 301003E

**Per Hemal Shah**  
Partner  
Membership No.: 42650

Place: Mumbai  
Date: September 05, 2011.

# Ganesh Benzoplast Limited

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011

	Schedule	As At 31/3/2011 Rs.	As At 31/3/2010 Rs.
<b>SOURCES OF FUNDS</b>			
Sharholder's Fund			
Share Capital	A	57,056,323	53,445,212
Reserves & Surplus	B	<u>812,573,342</u>	<u>1,278,754,453</u>
		<b>869,629,665</b>	<b>1,332,199,665</b>
Loan Funds			
Secured Loans	C	2,660,126,720	2,657,054,670
Unsecured Loans	D	<u>208,953,502</u>	<u>270,413,999</u>
		<b>2,869,080,222</b>	<b>2,927,468,669</b>
<b>TOTAL</b>		<u><b>3,738,709,887</b></u>	<u><b>4,259,668,334</b></u>
<b>APPLICATION OF FUNDS</b>			
Fixed Assets			
Gross Block	E	3,716,902,573	3,705,104,729
Less:accumulated Depreciation		<u>2,023,350,966</u>	<u>1,900,737,015</u>
Net Block		<b>1,693,551,607</b>	<b>1,804,367,714</b>
Capital Work-In- Progress & Capital Advances		-	-
Deferred Tax Asset(Net) (Refer Note 4 Of Schedule S ) Notes to Accounts)		-	-
Investments	F	216,000	216,000
Current Assets,Loans & Advances			
1. Inventory	G	26,116,357	29,776,590
2. Sundry Debtors	H	106,841,014	75,405,396
3. Cash & Bank Balance	I	78,229,773	19,221,685
4. Loans And Advances	J	<u>290,730,916</u>	<u>271,098,416</u>
		<b>501,918,060</b>	<b>395,502,087</b>
Less:current Liabilities & Provision			
1. Current Liabilities	K	261,014,147	275,864,664
2. Provisions	L	<u>8,288,485</u>	<u>5,478,020</u>
		<b>269,302,632</b>	<b>281,342,684</b>
<b>NET CURRENT ASSETS</b>			
Profit & Loss Account (Debit Balance)		<u>1,812,326,853</u>	<u>2,340,925,217</u>
Total		<u><b>3,738,709,887</b></u>	<u><b>4,259,668,334</b></u>
NOTES TO ACCOUNTS			
S			
'The schedules referred to above and notes to accounts form an integral part of the balance sheet'			

As per our report of even date  
For **S R. BATLIBOI & CO.**

Chartered Accountants  
Firm Regn. No.301003E

Per Hemal Shah  
Partner

Membership No : 42650  
Place : Mumbai  
Date : Septemer 05, 2011.

For and on behalf of the Board

**Rishi Pilani**  
Chairman

**Raunak Pilani**  
Director

## 24<sup>th</sup> Annual Report 2010-2011

### PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

	Schedule	Year Ended 31/3/2011 Rs.	Year Ended 31/3/2010 Rs.
<b>INCOME</b>			
Gross Sales- Manufacturing Activity		486,548,671	288,455,273
<b>Less</b> : Excise Duty		35,662,104	16,790,772
Net Sales		450,886,567	271,664,501
Service Income		508,492,352	442,820,996
Other Income	M	5,407,529	8,038,663
Increase/(Decrease) In Stocks	N	(374,415)	9,063,923
<b>TOTAL</b>		<u>964,412,033</u>	<u>731,588,083</u>
<b>EXPENDITURE</b>			
Raw Material Consumed	O	409,619,604	256,548,497
Personnel Expenses	P	32,679,310	23,855,620
"Manufacturing Expenses,Administrative , Selling And Distribution Expenses"	Q	213,305,716	226,581,939
Depreciation		176,738,983	173,311,308
Interest & Finance Charges	R	135,749,478	164,719,741
<b>TOTAL</b>		<u>968,093,090</u>	<u>845,017,105</u>
<b>Profit/(Loss) Before Exceptional ,Prior Period Items&amp; Taxation</b>		(3,681,058)	(113,429,022)
<b>Add</b> : Exceptional Items		7,991,250	10,425,000
<b>(Profit on OTS)</b>			
Before Prior Period Items & Taxation		4,310,192	(103,004,022)
<b>Less:-</b> Prior Period Expenses		3,281,828	3,569,176
<b>Profit/(Loss) Before Tax For The Year</b>		1,028,364	(106,573,198)
<b>Less : Provision For Taxation</b>			
- Current Tax		-	-
- Deferred Tax (Refer To Note No. 4 Of Schedule S)		-	-
- Earlier Year Tax		-	-
- Fringe Benefit Tax		-	-
<b>Profit/(Loss) After Tax For The Year</b>		1,028,364	(106,573,198)
Brought Forward Losses From Previous Years		(2,340,925,217)	(2,234,352,019)
<b>Profit/(Loss) Available For Appropriation</b>		(2,339,896,853)	(2,340,925,217)
Add:- Set Of General Reserve Balance		527,570,000	-
Balance Carried To Balance Sheet		(1,812,326,853)	(2,340,925,217)
<b>Basic And Diluted Earning Per Share (Refer To Schedule S Note No. 14)</b>		0.02	(2.21)
Nominal Value Of Shares(Rs.)		1	1
<b>NOTES TO ACCOUNTS</b>	<b>S</b>		
'The schedules referred to above and notes to accounts form an integral part of the balance sheet'			

As per our report of even date

**For S R. BATLIBOI & CO.**

Chartered Accountants  
Firm Regn. No.301003E

**Per Hemal Shah**

Partner  
Membership No : 42650  
Place : Mumbai  
Date : Septemer 05, 2011.

For and on behalf of the Board

**Rishi Pilani**  
Chairman

**Raunak Pilani**  
Director

# Ganesh Benzoplast Limited

## SCHEDULES FORMING PART OF THE BALANCE SHEET

	As At 31/3/2011 Rs.	As At 31/3/2010 Rs.
<b>SCHEDULE 'A'</b>		
<b>Share Capital</b>		
<b>Authorised:</b>		
40,00,00,000 Equity Of Rs.1 Each (Previous Year-40,00,00,000 Equity Shares Of 1 Each)	<u>400,000,000</u>	<u>400,000,000</u>
<b>Issued &amp; Subscribed:</b>		
5,17,84,293 Equity Shares Of Rs.1/- Each (Previous Year-4,81,73,182 Equity Shares Of Rs.1/- Each)	<u>51,784,293</u>	<u>48,173,182</u>
<b>Paid Up:</b>		
5,17,84,293 Equity Shares Of Rs.1/- Each (Out Of Above 2,24,99,999 (Previous Year 1,88,88,888) Shares Of Rs. 1 Face Value Issued To Secured Lenders/Promoters At A Premium Of Rs.17 Against Cancellation Of The Their Loan Amount To The Extent.) (Previous Year-4,81,73,182 Equity Shares Of Rs.1/- Each )	<u>51,784,293</u>	<u>48,173,182</u>
<b>Add:-</b> Forefeited Shares ( 10,54,406 Shares At Rs.5 Paid Up )	<u>5,272,030</u>	<u>5,272,030</u>
	<u>57,056,323</u>	<u>53,445,212</u>
<b>SCHEDULE 'B'</b>		
<b>Reserve &amp; Surplus</b>		
<b>Capital Reserve</b>		
Opening Balance	430,073,342	425,573,342
Addition During The Year	-	4,500,000
Closing Balance	<u>430,073,342</u>	<u>430,073,342</u>
<b>Share Premium Account</b>		
Opening Balance	321,111,111	321,111,111
Addition During The Year	<u>61,388,889</u>	-
Closing Balance	<u>382,500,000</u>	<u>321,111,111</u>
<b>Debenture Redemption Reserve:</b>		
As Per Last Balance Sheet	-	3,750,000
<b>Less:-</b> Transferred To General Reserve After Redemption Of Non Convertible Debentures Through One Time Settlement.	-	<u>3,750,000</u>
<b>General Reserve</b>		
As Per Last Balance Sheet	<u>527,570,000</u>	523,820,000
<b>Add:-</b> Transfer From Debenture Redemption Reserve	-	<u>3,750,000</u>
	<u>527,570,000</u>	<u>527,570,000</u>
<b>Less:-</b> Set Off Against Debit Balance Of P/L Ac	<u>(527,570,000)</u>	-
Closing Balance Of General Reserve	<u>812,573,342</u>	<u>527,570,000</u>
	<u>812,573,342</u>	<u>1,278,754,453</u>
<b>SCHEDULE 'C'</b>		
<b>SECURED LOANS</b>		
A. Debentures ( Refer To Note No. 3(A) Of Schedule S) Ifci-Zero Coupon Bond	<u>74,663,000</u>	<u>74,663,000</u>
	<u>74,663,000</u>	<u>74,663,000</u>
B. Term Loans ( Refer To Note No.4(B) Of Schedule S)		
1. From Banks		
Ruppee Loan	-	-
2. From Financial Institutions And Other Secured Lenders		
Ruppee Term Loan	1,070,537,323	1,077,287,323
Interest Accrued And Due On Above	<u>1,474,779,712</u>	<u>1,505,104,347</u>
	<u>2,545,317,035</u>	<u>2,582,391,670</u>
3. OD From Banks		
" Short Term Bank Overdraft From Bank Against Fixed Deposit"	<u>40,146,685</u>	-
	<u>2,660,126,720</u>	<u>2,657,054,670</u>
<b>SCHEDULE 'D'</b>		
<b>UNSECURED LOANS</b>		
OPTIONALLY CONVERTIBLE DEBENTURES(OCD) ISSUED TO PROMOTERS (361111.11 AT RS.180 EACH)	-	65,000,000
<b>LOANS AND ADVANCES FROM</b>		
- Others	4,325,806	6,151,134
(Due Within One Year Rs.Nil Previous Year Rs.Nil)		
- Shareholders	<u>204,627,696</u>	<u>199,262,865</u>
(Due Within One Year Rs.Nil Previous Year Rs.Nil)		

**GANESH BENZOPLAST LIMITED**

**SCHEDULE 'E'  
Fixed Assets**

(Figures in Rs.)

Description Of Assets	Gross Block (At Cost)			Depreciation			Net Block			
	Cost As At 01.04.2010	Addition During The Year	Deletions /Adjust- ments** During The Year	Cost As At 31.03.2011	Upto 01.04.2010	Addition For The Year	Deletions** During The Year	Upto 31.03.2011	As At 31.03.2011	As At 31.03.2010
Freehold Land	217,875	-	-	217,875	-	-	-	-	217,875	217,875
Leasehold Land	1,656,000	-	-	1,656,000	401,455	16,727	-	418,182	1,237,818	1,254,545
Buildings	66,663,821	-	-	66,663,821	33,117,594	2,226,572	-	35,344,166	31,319,655	33,546,227
Plant & Machinery	1,385,421,045	58,166,204	54,333,703	1,389,253,546	964,827,052	67,223,111	54,125,032	977,925,131	411,328,415	420,593,993
Storage Tanks	2,232,272,549	7,247,293	-	2,239,519,842	890,033,507	106,200,839	-	996,234,346	1,243,285,496	1,342,239,042
Residential Flats At Midc	965,946	-	-	965,946	345,120	15,745	-	360,865	605,081	620,826
Office Premises	268,750	-	-	268,750	138,142	4,381	-	142,523	126,227	130,608
Furniture & Fixtures	12,309,002	263,573	-	12,572,575	7,512,060	641,624	-	8,153,684	4,418,891	4,796,942
Office Equipments	3,088,397	94,223	-	3,182,620	2,509,689	158,374	-	2,668,063	514,557	578,708
Vehicles	540,181	-	-	540,181	295,493	51,317	-	346,810	193,371	244,688
Computer & Data Processing Equipments	1,701,163	360,254	-	2,061,417	1,556,903	200,293	-	1,757,196	304,221	144,260
<b>Grand Total</b>	<b>3,705,104,729</b>	<b>66,131,547</b>	<b>54,333,703</b>	<b>3,716,902,573</b>	<b>1,900,737,015</b>	<b>176,738,983</b>	<b>54,125,032</b>	<b>2,023,350,966</b>	<b>1,693,551,607</b>	<b>1,804,367,714</b>
Previous Year	3,645,545,135	67,797,594	8,238,000	3,705,104,729	1,730,119,686	173,311,308	2,693,979	1,900,737,015	1,804,367,714	1,915,810,175

\*\* DELETION IS TOTALLY ON ACCOUNT OF REPLACEMENT OF OLD AND ALMOST FULLY DEPRECIATED STEEL PLATES AND ANGLES FOR NEW ONES AND CORRESPONDING REVERSAL OF ACCUMULATED DEPRECIATION ON IT.

## Ganesh Benzoplast Limited

	As At 31/3/2011 Rs.	As At 31/3/2010 Rs.
<b>Schedule 'F'</b>		
<b>Investments (Long Term - At Cost-Fully Paid Up)</b>		
<b>(A) Quoted:</b>		
TRADE :		
1,500 (Previous Year 1,500) Equity Shares Of Emtex Industries (India) Ltd Of Rs 10 Each. (Aggregate Market Value of Quoted Investment Rs.6,630/ Previous Year Rs 4,350)	15,000	15,000
<b>TOTAL A</b>	<u>15,000</u>	<u>15,000</u>
<b>(B) UNQUOTED:</b>		
<b>OTHER THAN TRADE :</b>		
10,000 ( Previous Year 10,000) Equity Shares Of Jankalyan Sahakari Bank Of Rs 10 Each	100,000	100,000
40 (Previous year 40 ) Equity Shares Of Punjab And Maharashtra Bank Of Rs 10 Each	1,000	1,000
3,85,527(Previous Year 3,85,527) Equity Shares Of Futuristic Offshore Services And Chemical Ltd(Formerly Ganesh Anhydride Ltd.)Of Rs 10 Each	100,000	100,000
<b>TOTAL B</b>	<u>201,000</u>	<u>201,000</u>
<b>TOTAL INVESTMENTS (A + B)</b>	<u>216,000</u>	<u>216,000</u>
<b>SCHEDULE 'G'</b>		
Inventories : (At Lower Of Cost Or Net Realisable Value)		
Raw Materials In Stock At Cost	9,272,841	12,719,498
Stores, Spares & Consumables And Fuel	1,750,043	1,589,204
Work In Progress	12,552,243	12,816,234
Finished Goods	2,541,230	2,651,654
<b>TOTAL</b>	<u>26,116,357</u>	<u>29,776,590</u>
<b>SCHEDULE 'H'</b>		
Sundry Debtors: (Refer To Note No 15 B Of Schedule 'S')		
Outstanding For More Than 6 Months		
Unsecured Considered Good	46,021,338	35,326,917
Unsecured Considered Doubtful	5,565,980	71,984,520
	<u>51,587,318</u>	<u>107,311,437</u>
<b>Other Debts</b>		
Unsecured Considered Good	60,819,676	40,078,479
	<u>112,406,994</u>	<u>147,389,916</u>
<b>Less: Provision For Bad And Doubtful Debts</b>	<u>5,565,980</u>	<u>71,984,520</u>
<b>TOTAL</b>	<u>106,841,014</u>	<u>75,405,396</u>

## 24<sup>th</sup> Annual Report 2010-2011

	As At 31/3/2011 Rs.	As At 31/3/2010 Rs.
<b>SCHEDULE 'I'</b>		
<b>Cash And Bank Balances:</b>		
Cash In Hand	1,795,146	1,411,230
<b>Bank Balance With Scheduled Banks</b>		
In Deposit Account	49,155,447	3,655,447
In Current Account	27,239,004	14,108,396
With Other Banks	40,176	46,612
<b>TOTAL</b>	<b><u>78,229,773</u></b>	<b><u>19,221,685</u></b>

**Bank balances with other banks include:**

	Balance Outstanding		Maximum amount outstanding during the	
	31-Mar-11 Rupees	31-Mar-10 Rupees	31-Mar-11 Rupees	31-Mar-10 Rupees
Shramik Sahakari Bank Ltd.	-	6,036	6,036	6,036
The Konkan Prant Sahakari Bank	40,176	40,576	40,176	40,575

### SCHEDULE 'J'

**Loans And Advances:** ( Refer to note no. 15 A of schedule S)

Unsecured Considered Good			
Advance Recoverable In Cash Or In Kind Or For Value To Be Received	197,982,877	184,004,822	
Loans To Directors	-	8,287,930	
Inter Corporate Deposits	29,007,138	29,007,138	
Advance Payment Of Tax ( Net Of Provision Rs Nil (Previous Year Rs Nil)	4,157,875	1,431,617	
Balance With Customs & Excise Authorities	1,760,656	1,212,906	
Deposits - Others	57,822,370	47,154,003	
	<b><u>290,730,916</u></b>	<b><u>271,098,416</u></b>	
Unsecured Considered Doubtful			
Inter Corporate Deposits And Advances	58,637,689	106,818,378	
<b>Less:- Provision For Doubtful Advances</b>	<b><u>58,637,689</u></b>	<b><u>106,818,378</u></b>	
	-	-	
<b>TOTAL</b>	<b><u>290,730,916</u></b>	<b><u>271,098,416</u></b>	

### Schedule 'K'

**Current Liabilities:**

Sundry Creditors:-			
Total Outstanding Dues Of Micro And Small Enterprises ( Refer To Note No. 12 Of Schedule S)			
Others	204,216,737	182,602,501	
Unclaimed Dividend	121,538	177,683	
Unclaimed Debenture Interest	56,145	56,145	
Other Liabilities	6,177,076	43,432,686	
Advances Received From Parties	50,442,651	49,595,649	
<b>TOTAL</b>	<b><u>261,014,147</u></b>	<b><u>275,864,664</u></b>	

### SCHEDULE 'L'

**Provisions:**

Provision For Leave Encashment			
Provision For Gratuity	1,843,902	1,083,721	
	6,444,583	4,394,299	
<b>TOTAL</b>	<b><u>8,288,485</u></b>	<b><u>5,478,020</u></b>	

# Ganesh Benzoplast Limited

## SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup>, MARCH, 2011

	Year Ended 31/3/2011 Rs.	Year Ended 31/3/2010 Rs.
<b>SCHEDULE 'M'</b>		
<b>Other Income</b>		
Dividend Received ( Trade Quoted-Long Term Investment)	-	130
Interest Earned (Net Of Tax Deducted At Source Rs 17770 (Previous Year Rs Nil. Long Term Investment)	571,431	1,125,348
Profit On Sale Of Fixed Asset	-	2,423,978
Sundry Credit Balances Written Back	76,165	105,434
Miscellaneous Income (Net Of Tax Deducted At Source Rs Nil (Previous Year Rs Nil)'	4,759,933	4,383,773
<b>TOTAL</b>	<b><u>5,407,529</u></b>	<b><u>8,038,663</u></b>
<b>SCHEDULE 'N'</b>		
Increase/Decrease In Stock		
Closing Stock Of Finished Goods	2,541,230	2,651,654
Closing Stock Of Work In Process	<u>12,552,243</u>	<u>12,816,234</u>
	<b>15,093,473</b>	<b>15,467,888</b>
Opening Stock Of Finished Goods	2,651,654	2,595,660
Opening Stock Of Work In Process	<u>12,816,234</u>	<u>3,808,305</u>
	<b>15,467,888</b>	<b>6,403,965</b>
Increase/(Decrease) In Stock	<u>(374,415)</u>	<u>9,063,923</u>
<b>SCHEDULE 'O'</b>		
Raw Material Consumed		
Opening Stock	12,719,498	8,237,990
Add: Purchases During The Year	<u>406,172,947</u>	<u>261,030,005</u>
	<b>418,892,445</b>	<b>269,267,995</b>
Less: Stocks At The End	<u>(9,272,841)</u>	<u>(12,719,498)</u>
<b>TOTAL</b>	<b><u>409,619,604</u></b>	<b><u>256,548,497</u></b>
<b>SCHEDULE 'P'</b>		
<b>PERSONNEL EXPENSES</b>		
Salaries, Wages & Bonus	28,027,848	22,458,968
Contribution To Provident And Other Funds	445,501	242,073
Gratuity Expenses And Leave Encashment	3,081,544	139,983
Staff & Workers Welfare Expenses	1,124,417	1,014,596
<b>TOTAL</b>	<b><u>32,679,310</u></b>	<b><u>23,855,620</u></b>



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	Year Ended 31/3/2011 Rs.	Year Ended 31/3/2010 Rs.
<b>SCHEDULE 'Q'</b>		
<b>MANUFACTURING,SELLING &amp; ADMINISTRATIVE EXPENSES</b>		
<b>(A) MANUFACTURING OVERHEADS</b>		
Power,Fuel & Water Charges	59,922,748	45,017,414
Stores,Spares And Packing Material Consumed	25,822,087	14,226,575
Labour/Service Charges, Freight, Warehousing And Handling Chgs.	14,148,113	11,722,997
Repairs & Maintenance(Machinery)	3,925,924	2,084,065
Travelling/Conveyance And Motor Car Expenses	84,265	42,908
Printing & Stationary	219,974	245,692
License And Application Fees	123,932	33,195
Postage, Telephone Expenses	43,671	4,719
Fixed Assets Written Off	208,672	-
General Expenses	<u>1,450,636</u>	<u>353,992</u>
<b>SUB TOTAL (A)</b>	<b>105,950,022</b>	<b>73,731,557</b>
<b>(B) ADMINSTRATIVE EXPENSES INCLUDING OPERATING EXPENSES OF INFRA DIVISION</b>		
Power,Fuel,Electricity & Water Charge	9,342,550	8,989,354
Stores & Spares Consumed	6,636,244	5,877,372
Labour/Service Charges, Freight,Warehousing, Handling Chgs And Tank Cleaning Charges.	18,306,679	17,951,765
Insurance	819,860	1,098,809
Repairs & Maintenance(Machinery)	9,522,686	8,112,291
Travelling & Conveyance Expenses	4,300,422	3,854,880
Printing & Stationary	738,273	652,390
Postage, Telephone And Airfreight	1,372,869	1,319,037
Rent	19,534,307	25,936,787
Rates & Taxes	320,797	2,888,320
Legal,Professional, Consultancy And Service Chgs.	14,330,142	11,406,481
Licence & Application Fee	40,307	310,770
Motor Car Expenses	203,896	207,829
Directors Sitting Fees	52,750	77,750
Demmorage Charges	-	3,400,000
Stock Exchange Listing Fees	71,845	12,114
Auditors Remuneration ( Excluding Service Tax):		
- For Audit Fees	1,250,000	1,250,000
- As Adviser Or In Other Capacity	-	-
- In Any Other Manner	-	-
Donation	746,925	115,552
General Expenses	625,742	1,057,430
Foreign Exchange Fluctuation	226,741	366,415
Provision For Doubtful Debts	-	43,320,737
Sundry Advances Written Off	-	<u>2,987,552</u>
<b>Sub Total (B)</b>	<b>88,443,035</b>	<b>141,193,635</b>
<b>(C) SELLING AND DISTRIBUTION EXPENSES</b>		
Membership,Subscription & Periodicals	29,000	185,872
Sales Promotion And Other Marketing Expenses	2,820,745	3,771,964
Advertisement Expenses	1,077,829	390,031
Distribution Expenses (Container Freight Charges)	8,853,656	4,586,549
Brokerage & Commission	3,127,979	296,343
Discount Given And Sundry Balances W/Off	3,003,450	2,425,988
<b>Sub Total (C)</b>	<b>18,912,659</b>	<b>11,656,747</b>
<b>TOTAL (A+B+C)</b>	<b><u>213,305,716</u></b>	<b><u>226,581,939</u></b>
<b>SCHEDULE 'R'</b>		
<b>INTEREST &amp; FINANCE CHARGES</b>		
On Term Loans From Fin. Institution. And Others	133,987,524	164,385,112
On Working Capital Finance & Other Financial Chgs.	<u>1,761,954</u>	<u>334,629</u>
<b>TOTAL</b>	<b><u>135,749,478</u></b>	<b><u>164,719,741</u></b>

# Ganesh Benzoplast Limited

## Schedule S: Accounting Policies & Notes to Accounts

### I) Statement of Significant Accounting Policies

#### (a) **Basis of preparation**

The financial statements have been prepared to comply in all material respects in respects with the Notified accounting standard by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

#### (b) **Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### (c) **Fixed Assets (Tangible and Intangible)**

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

#### (d) **Depreciation**

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher. Lease hold land is amortized over the available balance lease period.

	Schedule XIV Rates (SLM)
Factory Buildings	3.34%
Plant and Machinery including storage tanks	4.75%
Computers	16.21%
Furniture and Fittings	6.33%
Vehicles	9.5%
Residential flats/Office building	1.63%

#### (e) **Impairment**

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.
- ii. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- iii. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

#### (f) **Leases**

##### ***Where the Company is the lessee***

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

#### (g) **Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

#### (h) **Inventories**

Inventories are valued as follows:

##### **Raw materials, components, stores and spares**

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on FIFO basis.

##### **Work-in-progress and finished goods**

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**(i) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Sale of Goods**

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise Duty, Sales Tax and VAT deducted from turnover (gross) are the amount that is included in the amount of turnover (gross) and not the entire amount of liability arising during the year.

**Income from Services**

Revenues from Storage contracts are recognised pro-rata over the period of the contract as and when services are rendered.

**Interest**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Dividends**

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

**(j) Foreign currency translation**

*Foreign currency transactions*

**(i) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**(ii) Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

**(iii) Exchange Differences**

Exchange differences arising on a monetary item on the settlement of monetary or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

**(k) Retirement and other employee benefits**

i. A Retirement benefit in the form of Provident Fund is

a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the Provident Fund authorities.

ii. Gratuity liability is defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year.

iii. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

iv. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

**(l) Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with *the Income-tax Act, 1961* enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

## Ganesh Benzoplast Limited

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

### (m) Segment Reporting Policies

#### **Identification of segments :**

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

#### **Inter segment Transfers :**

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

#### **Allocation of common costs :**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

#### **Unallocated items :**

Includes general corporate income and expense items which are not allocated to any business segment.

#### **Segment Policies :**

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

### (n) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### (o) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates

### (p) Cash and Cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### II) Notes to Accounts

#### 1 Contingent Liabilities not provided for (Rs. in millions)

	31-Mar-11	31-Mar-10
Claims filed by Twenty Two parties before different courts against company not acknowledge as Debt including the claim partly acknowledged	89.91	89.91
Claims by Two co-op banks by filing recovery suits in respect of guarantees alleged to have been issued by company	13.20	13.20
Contingent Liabilities in respect of pending Sales Tax re-assessment	50.00	50.00
Claim of The State Trading Corporation Ltd in respect of unrealized exports bills of The State Trading Corporation Ltd	113.50	113.50
Claim of Jawaharlal Nehru Port Trust & Marmagao Port Trust in Arbitration	Amount indeterminate	Amount indeterminate
Income Tax demand (Pertains to interest charged u/s 234A/B/C and 220(2) of I.T. Act 1961) in respect of Assessment Year 1999-00 and 2000-01. In this respect the company has approached to BIFR for waiver of overall interest. And looking in to company's financial crisis our plea is likely to be accepted.	37.63	37.63

2. Capital and Reserves of the company has been fully eroded by the net losses, the necessary reference to the Board for Industrial & Financial Reconstruction (BIFR) had been made and the company was declared as sick unit vide order of BIFR passed in May, 2010, wherein the board has appointed Operating Agency to prepare a revival scheme for the Company.

3. Secured Loans referred to in Schedule 'C':-

a) Company had issued 746,630 nos. of Zero coupon Bond (ZCB) having face value of Rs.100

each for an aggregate of Rs.74.66 million to IFCI in accordance with One Time Settlement Agreement entered in the earlier years. The said ZCB are redeemable in three equal installments of Rs.24.88 million each on September 30, 2016, September 30, 2017 and September 30, 2018. These ZCB are interest free.

- b) Term Loans referred to (B) (1) and (2) of schedule 'C' are secured by mortgage/charge of all movable/immovable properties both present and future and first charge by way of hypothecation of all movables (save and except book debts) including movable machinery spares, tools and accessories present and future subject to prior charge and/or charge to be created in favour of India Debt Management Pvt. Ltd ("IDM") for the loans extended by it to the company and shall rank pari-passu with such charges.

4. The Company has made profit during the year but since the company has huge assessed losses as well as book losses, no provision has made in respect of Income Tax or MAT u/s 115JB of the Income Tax Act, 1961. Further In view of uncertainty of availment of tax benefit on accumulated business losses and unabsorbed depreciation, company has recognized deferred tax assets only to the extent of deferred tax liability.

Break-up of deferred tax assets and liabilities is as follows:

(Rs. in millions)

Particulars	31-Mar-2011	31-Mar-2010
Deferred tax asset recognized for timing differences due to :		
a) Gratuity / Leave Encashment	0.87	0.39
b) Unabsorbed carried forward Loss	338.59	363.77
<b>Total (A)</b>	<b>339.46</b>	<b>364.16</b>
Deferred tax liability recognized for timing differences due to :		
a) Depreciation	339.46	364.16
<b>Total (B)</b>	<b>339.46</b>	<b>364.16</b>
<b>Net deferred tax (A- B)</b>	<b>NIL</b>	<b>NIL</b>

5. Since the paid up share capital of Company is more than Rs 50 million, It is required to employ whole time secretary as per the provisions of section 383A of the Companies Act, 1956. Since company is suffering from great financial crisis and after lot of effort also cost efficient cost accountant is not available for reasonable remuneration. Accordingly the Company

has outsourced all its secretarial work to professional CS firm.

6. Prior period expenses comprises of the following  
(Rs in millions)

Particulars	31-Mar-2011	31-Mar-2010
Interest to Financial Institutions	-	3.09
Brokerage, Commission and Other Expenses	3.28	0.47
<b>Total</b>	<b>3.28</b>	<b>3.56</b>

There has been no payment of remuneration to the managing director or any other directors of the Company.

8. **Segment Information**

*Business Segments :*

The business of the company is presently organized in the following major segments

**CHEMICAL DIVISION**

Manufacturing and marketing of specialized chemicals such as Benzoate Plasticizer, Benzoic Acid and spectrum preservatives. The company is the only company in India to manufacture pure Benzoic Acid, confirming to international standards of food grade. Sodium Benzoate & Benzoic acid both have huge demands in the Industries like Food Processing, Fruit Processing Toothpaste, Automobile, Paints, Tobacco, Rubber, Coolant, Paper, Corrosion and Cutting Oils

**INFRASTRUCTURE DIVISION**

Liquid chemical storage tanks which are leased on rent for storing liquid chemicals. The tanks are located presently at JNP (Nhava Sheva), Goa and Cochin. The storage terminals are located at prime terminals for import and export of liquid cargo.

*Others* include immaterial operating segments of the company.,,

**Geographical Segments :**

The Company does not have revenue or assets/ customers based on such revenue which expose the Company to diverse risk/reward environments hence the company has not made any secondary segment disclosures. Also since the operations of the company are in India and hence the Company is not affected by diverse risks & rewards environment.

The details are as under:

## Ganesh Benzoplast Limited

Particulars	31-Mar-2011	31-Mar-2010	<i>(Rs. in Millions)</i>	
<b>Revenue (Net Sales and Services)</b>				
a) Chemical Division	486.55	288.46	c) Infrastructure Division	1334.58
Less:- Excise Duty	35.66	16.79	d) Unallocable	376.05
Net Sales Chemical Division	450.89	271.67	<b>Total assets</b>	<u>2195.47</u>
b) Offshore Division	-	-		<u>2,199.86</u>
c) Infrastructure Division	508.49	442.82	<b>Liabilities</b>	
<b>Total Revenue</b>	<u>959.38</u>	<u>714.49</u>	a) Chemical Division	175.00
<b>Less : Inter Segment Revenue</b>	-	-	b) Offshore Division	-
<b>Net income from Operations</b>	<u>959.38</u>	<u>714.49</u>	c) Infrastructure Division	29.22
<b>Segment Results</b>			d) Unallocable	1991.25
a) Chemical Division	(166.33)	(149.45)	<b>Total Liability</b>	<u>2195.47</u>
b) Offshore Division	-	(30.55)		<u>2,199.86</u>
c) Infrastructure Division	293.00	227.28	<b>Capital Expenditure</b>	
<b>Total</b>	<u>126.67</u>	<u>46.24</u>	a) Chemical Division	58.17
<b>Unallocated Corporate Expenses</b>	<u>(3.28)</u>	<u>(6.56)</u>	b) Offshore Division	-
<b>Operating Profit</b>	129.00	39.68	c) Infrastructure Division	7.25
<b>Less: Interest and Finance charges</b>	(135.75)	(164.72)	d) Salt Division	-
<b>Add: Un-allocable income net-off</b>	5.41	8.04	e) Unallocable	0.72
<b>Total Profit /(Loss) Before Tax Exceptional Items</b>	(6.95)	(117.00)	<b>Total</b>	<u>66.13</u>
Less:- Income Taxes (Earlier Year)	-	-		<u>67.79</u>
<b>Add:-Exceptional items(Profit on OTS)</b>	7.99	10.43	<b>Depreciation</b>	
<b>Net Profit</b>	<u>1.03</u>	<u>(106.57)</u>	a) Chemical Division	63.52
<b>Assets</b>			b) Offshore Division	-
a) Chemical Division	455.57	485.90	c) Infrastructure Division	113.22
b) Offshore Division	29.27	-	d) Salt Division	-
			e) Unallocable	-
			<b>Total</b>	<u>176.74</u>
				<u>173.32</u>
			<b>Significant Non-cash expenditure</b>	
			a) Chemical Division	-
			b) Offshore Division	-
			c) Infrastructure Division	-
			d) Salt Division	-
			e) Unallocable	-
			<b>Total</b>	46.30

9. Related Parties

a) Names of related parties

Names of related parties where control exists irrespective of whether transactions have occurred or not	Nil
Names of other related parties with whom transactions have taken place during the year	
Key Management Personnel	Mr.Rishi Pilani/ Raunak Pilani
Relatives of key management personnel	Ravi Pilani Poonam Pilani Shantidevi Pilani Manju Pilani Sushila Pilani Ramakant Pilani Ramesh Pilani
Enterprises owned or significantly influenced by key management personnel or their relatives	Futuristic Offshore Services And Chemical Ltd Agarwal Chemicals Susram Financial Services and Techniques Pvt Ltd. Agarwal Bulk Actives Pvt.Ltd. Ganesh Risk Management Pvt. Ltd Ganesh Flexobenz Pvt.Ltd Ganesh Energene Limited

b) Related Party Disclosure- Disclosure in respect of transactions with related parties

(Rs. in Millions)

Nature of Transaction	Sale Of Goods	Purchase Of Goods	Services obtained	Salary Paid	Interest on loan	Loans / Advances Given	Loans / Advances Taken	Provision for doubtful debts	Bad debts written off	Closing Balance (Dr)	Closing Balance (Cr)
Futuristic Offshore Services And Chemical Ltd	4.84 -	- -	- -	- -	- -	- (81.00)	- -	- -	- -	158.54 (176.95)	- -
Agarwal Chemicals	0.01 (2.45)	- (0.07)	- -	- -	- -	- -	- -	- -	- -	7.05 (7.71)	- -
Susram Financial Services and Techniques Pvt Ltd.	- -	- -	- -	- -	- -	- -	14.27 -	- -	- -	204.63 (190.35)	- (255.35)
Agarwal Bulk Active Pvt. Ltd.	- -	0.44 -	- (0.12)	- -	- -	- -	1.95 (1.14)	- -	- -	3.10 (1.14)	1.14 -
Manju Pilani	- -	- -	- -	0.40 (0.32)	- -	- -	- (-)	- -	- -	- -	- (0.04)
Ramakant Pilani	- -	- -	- -	0.32 (0.30)	- -	- -	- -	- -	- -	- -	- -
Ramesh Pilani	- -	- -	- -	0.62 (0.58)	- -	- -	- -	- -	- -	- -	- -
Sushila Pilani	- -	- -	- -	0.61 (0.58)	- -	- -	- -	- -	- -	- -	- -
Poonam Pilani	- -	- -	- -	- (2.05)	- -	- -	- -	- -	- -	- -	- -
Ravi Pilani	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- (8.70)
Shantidevi Pilani	- -	- -	- -	- -	(0.70)	- -	- -	- -	- -	- -	- (0.21)

Note: Figures in brackets indicate previous year balance.

# Ganesh Benzoplast Limited

## 10 Gratuity and other post-employment benefit plans:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is non-funded.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and amounts recognised in the balance sheet for the respective plans.

### Profit and Loss account

#### Net employee benefit expense (recognised in Employee Cost) (Rs in Millions)

	Gratuity 31-Mar-2011	Gratuity 31-Mar-2010
Current service cost	0.65	0.50
Interest cost on benefit obligation	0.36	0.28
Expected return on plan assets	-	-
Net actuarial( gain) / loss recognised in the year	1.25	0.87
Past service cost	-	-
Net benefit expense	2.27	1.65
Actual return on plan assets	-	-

### Balance sheet

#### Details of Provision for Gratuity (Rs in Millions)

	Gratuity 31-Mar-2011	Gratuity 31-Mar-2010
Defined benefit obligation	6.44	4.39
Fair value of plan assets	-	-
	6.44	4.39
Less: Unrecognised past service cost	-	-
Plan asset / (liability)	6.44	4.39

## Changes in the present value of the defined benefit obligation are as follows:

(Rs in Millions)

	Gratuity 31-Mar-2011	Gratuity 31-Mar-2010
Opening defined benefit obligation	4.39	3.43
Interest cost	0.36	0.28
Current service cost	0.65	0.50
Benefits paid	(0.22)	(0.69)
Actuarial (gains) / losses on obligation	1.25	0.87
Closing defined benefit obligation	6.44	4.39

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	31-Mar-2011 %	31-Mar-2010 %
Discount Rate	8.25 %	8.25 %
Employee turnover		
- Younger Ages	5 %	5 %
- Older Ages	1 %	1 %
Salary increase rate	6 %	5 %

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## 11 Un-hedged Foreign Currency Exposure

### Particulars of Un-hedged foreign Currency Exposure as at the Balance Sheet date

Particulars	Amount
Export debtors	Rs. 0.47 Million (US \$ 10,472 @ Closing rate of 1 USD = Rs. 44.65)
Advances from customers	Rs. 9.49 Million (US \$ 212,482 @ Closing rate of 1 USD = Rs.44.65)

(Rs in Millions)

## 12. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year

the amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year

the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.

the amount of interest accrued and remaining unpaid at the end of each accounting year; and

the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006

31-Mar-11

31-Mar-10

	-	-
	-	-
	-	-
	-	-



13. **Additional information pursuant to the provisions of paragraphs 3, 4, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956**

13.1 **Sales**

	Unit	Quantity		Value (Rs. In Millions)	
		31-Mar-2011	31-Mar-2010	31-Mar-2011	31-Mar-2010
Benzoic Acid	M.T	1390.560	1027.450	88.71	59.60
Sodium Benzoate	M.T	2177.415	1617.150	147.60	102.81
Benzoplast (Benzoate Plasticizers)	M.T	689.080	217.085	50.31	14.91
Sodium petroleum Sulphate	M.T	371.418	145.304	27.05	98.18
Industrial lubricant	M.T	820.593	299.715	91.19	34.59
Others	M.T	-	-	46.03	49.95
				<b>450.89</b>	271.66
Sale of services				<b>508.49</b>	442.81
				<b>959.38</b>	<b>714.47</b>

13.2 **Consumption of raw materials**

	Unit	Quantity		Value (Rs. In Millions)	
		31-Mar-2011	31-Mar-2010	31-Mar-2011	31-Mar-2010
Toulene	M.T	5040.450	3568.061	234.77	148.69
Caustic Soda Lye	M.T	1766.886	1094.790	14.59	9.17
SN 150	M.T	166.374	7.225	7.92	0.27
Heavy Alkalate	M.T	311.997	146.913	18.88	6.84
Others*	M.T	-	-	133.45	91.58
				<b>409.62</b>	<b>256.55</b>

\* It is not practicable to furnish quantitative information in view of the large number of items which differ in size and nature, each being less than 10% in value of the total.

13.3 **Details of Finished Goods**

	Quantity (M.T.)		Value (Rs. in Millions )	
	31-Mar-2011	31-Mar-2010	31-Mar-2011	31-Mar-2010
<b>Opening Stock</b>				
Benzoic Acid	7.350	7.600	0.43	0.46
Sodium Benzoate	4.875	6.450	0.31	0.43
Benzoplast (Benzoate Plasticizers)	12.295	13.075	0.84	0.82
Sodium petroleum Sulphate	0.400	-	0.03	-
Industrial lubricant	5.340	5.200	0.62	0.52
Others*	-	-	0.43	0.37
			<b>2.65</b>	<b>2.60</b>
<b>Closing Stock</b>				
Benzoic Acid	1.350	7.350	0.09	0.43
Sodium Benzoate	2.500	4.875	0.17	0.31
Benzoplast (Benzoate Plasticizers)	15.150	12.295	1.11	0.84
Sodium petroleum Sulphate	3.000	0.400	0.22	0.03
Industrial lubricant	5.090	5.340	0.56	0.62
Others*	-	-	0.40	0.42
			<b>2.54</b>	<b>2.65</b>

\* It is not practicable to furnish quantitative information in view of the large number of items which differ in size and nature, each being less than 10% in value of the total.

## Ganesh Benzoplast Limited

### 13.4 Licensed Capacity, Installed Capacity and Actual Production

Class of Goods	Unit	Licensed Capacity		Installed Capacity		Actual Production	
		31-Mar-2011	31-Mar-2010	31-Mar-2011	31-Mar-2010	31-Mar-2011	31-Mar-2010
Benzoic Acid**	M.T	1,800	1,800	1,800	1,800	1384.560	1027.200
Sodium Benzoate***	M.T	1,800	1,800	1,800	1,800	2175.040	1615.575
Benzoplast (Plasticizers)***	M.T	9,000	9,000	9,000	9,000	691.935	216.305
Sodium petroleum Sulphate***	M.T	150	150	150	150	374.018	145.704
Industrial lubricant***	M.T	5,000	5,000	5,000	5,000	820.343	299.855

\*\* Excluding captive consumption

\*\*\* Capacities of all the finished goods are interchangeable and can be utilized for different product mix

### 13.5 Value of imports calculated on CIF basis

(Rs. In Millions)

	31-Mar-2011	31-Mar-2010
Raw Materials	5.99	0.30
Stores and Spare Parts	0.26	-
	<b>6.25</b>	<b>0.30</b>

### 13.6 Imported and indigenous raw materials and spare parts consumed.

	Percentage of total consumption		Value (Rs. In millions)	
	31-Mar-2011	31-Mar-2010	31-Mar-2011	31-Mar-2010
Raw Materials				
Imported	1.72	0.12	7.05	0.30
Indigenously obtained	98.28	99.88	402.57	256.25
	<b>100.00</b>	<b>100.00</b>	<b>409.62</b>	<b>256.55</b>
Stores and Spare Parts				
Imported	0.85	-	0.28	-
Indigenously obtained	99.15	100.00	32.18	20.10
	<b>100.00</b>	<b>100.00</b>	<b>32.46</b>	<b>20.10</b>

### 13.7 Earnings in foreign currency (Accrual basis)

(Rs. Millions)

	31-Mar-2011	31-Mar-2010
Exports at F.O.B. Value	81.15	28.68
	<b>81.15</b>	<b>28.68</b>

### 14 Earning Per Share (EPS)

Sr. No.	Earning per Share (EPS)	31-Mar-11	31-Mar-10
	Profit/ (Loss) after Tax (Rs. In Millions)	1.03	(106.57)
(i)	Weighted Average No. of Ordinary Shares for basic EPS	51,784,293	48,173,182
(ii)	Nominal Value of ordinary share	Rs.1/-	Rs.1/-
(iii)	Basic / diluted earnings per ordinary share (Rs.)	0.02	(2.21)

- 15 A) Details of loans/advances given to directors /associates and firms/ companies under the same management/ in which directors are interested.

(Rs. In Millions)

Nature of Transaction	Closing Balance	Maximum balance outstanding
Ganesh Engene Limited	9.24 (9.24)	9.24 (9.24)
Gyan Chorodia	- (8.29)	- (17.33)
Futuristic Offshore Services And Chemical Ltd	158.54 (176.95)	177.02 (176.95)

- B) Details of dues from associates and firms under the same management which are grouped under sundry debtors.

(Rs. In Millions)

Nature of Transaction	Closing Balance	Maximum balance outstanding
Agarwal Chemicals	7.05 (7.71)	7.72 (10.46)

16. The Company has operating lease from various premises which are renewable on a periodic basis and cancelable at its option. Rental expenses for operating lease are charged to Profit and Loss account for the year Rs.19.53 Million(Previous Year Rs.23.17 Million)

Not later than one year Rs. 19.53 Millions (Previous Year Rs. 23.17 Millions)

Not later than five years Rs. 19.53 Millions (Previous Year Rs. 23.17 Millions)

17. The Company in earlier years had given interest free loan/advances to one of the director of the Company amounting to Rs.8.28 Millions for which the approval of Central Government as required by section 295(1) of Companies Act,1956 was not obtained. During the current financial year whole loan was repaid by the said director and no such amount is outstanding from him. Similarly company has also regularized the provisions of section 58A,58AA of Companies Act,1956, in respect of acceptance of Fixed Deposits from public by way of repaying the whole amount of Rs.10.92 Millions taken from shareholders and relatives,

18. **Previous Year Comparatives**

Previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date

**For S. R. BATLIBOI & CO.**

Chartered Accountants  
Firm Regn No. 301003E

**per Hemal Shah**

Partner  
Membership No. 42650

Place : Mumbai

Date : September 5, 2011.

For and on behalf of the Board of

Directors of Ganesh Benzoplast Limited

**Rishi Pilani**

Chairman

**Raunak Pilani**

Director

# Ganesh Benzoplast Limited

## SCHEDULE 'T'

### INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956

#### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

##### I. Registration Details

Registration No.	11 - 39836	State Code	11
Balance Sheet Date	31-03-2011		
	Date Month Year		

##### II. Capital Raised during the Year (Amount in Rs. millions)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	3.61

##### III. Position of Mobilisation and Deployment of Funds (Amount in Rs. millions)

Total Liabilities	3738.71	Total Assets	3738.71
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##### SOURCES OF FUNDS

Paid-up Capital	57.05	Reserves and Surplus	812.57
Deferred Tax Liability	NIL	Secured Loans	2660.13
		Unsecured Loans	208.95

##### APPLICATION OF FUNDS

Net Fixed Assets & CWIP	1693.55	Investments	0.21
Net Current Assets	232.62	Misc. Expenditure	—
Accumulated Losses	1812.33		

##### IV. Performance of Company (Amount in Rs. millions)

Turnover/Income	959.38	Total Expenditure	958.35
<input type="checkbox"/> + <input type="checkbox"/> - Profit/Loss Before Tax	1.03	<input type="checkbox"/> + <input type="checkbox"/> - Profit/Loss After Tax	1.03

(Please tick Appropriate box + for Profit, - for Loss)

Earning per share in Rs.	0.02	Dividend	NIL
--------------------------	------	----------	-----

##### V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	291631.09	Product Description	B E N Z O P L A S T
Item Code No. (ITC Code)	291631.01	Product Description	B E N Z O I C A C I D
Item Code No. (ITC Code)	291631.04	Product Description	S O D I U M B E N Z O A T E

## 24<sup>th</sup> Annual Report 2010-2011

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

	Year Ended 31/3/2011 Rs.	Year ended 31/3/2010 Rs.
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (Loss)/Profit after extraordinary/prior period items	1,028,364	(106,573,198)
Adjusted for :-		
Depreciation	176,738,983	173,311,308
Interest Income	571,431	(1,125,348)
Interest Expenses	135,749,478	164,719,741
Fixed assets w/off due to Nil scrap value	208,672	-
Provision for bad & doubtful debts	-	43,320,737
Prior period depreciation on lease hold land	-	384,727
(Profit)/Loss on sale of fixed assets	-	(2,423,978)
	<b>313,268,564</b>	<b>378,187,187</b>
Operating Profit before Working Capital Change	<b>314,296,928</b>	<b>271,613,989</b>
Adjusted for		
Sundry Debtors (Increase)/Decrease	(31,435,618)	21,540,277
Loans and Advance recoverable in cash or kind (Increase)/Decrease	(19,632,500)	(69,195,806)
Inventories(Increase)/Decrease	3,660,233	(13,858,577)
Trade payables, Provisions & Tax Increase/(Decrease)	(12,040,052)	18,900,431
	<b>254,848,991</b>	<b>229,000,314</b>
Less:- Income Taxes Paid	-	-
Cash generated from Operating activities .....A	<b>254,848,991</b>	<b>229,000,314</b>
<b>B) Cash Flow from investing activities</b>		
Sale of Fixed Assets	-	7,968,000
Purchase of Fixed Assets	(66,131,547)	(67,797,594)
Interest Income	(571,431)	1,125,348
Net Cash used in investing Activities.....B	<b>(66,702,978)</b>	<b>(58,704,246)</b>
<b>C) Cash Flow From Financing Activities</b>		
Secured Loans (repaid)	-	15,339,941
Secured Loans borrowed(including accrued interest)	3,072,050	-
Unsecured Loans (repaid)	-	(10,161,043)
Unsecured Loans borrowed(including accrued interest)	3,539,503	-
Interest Paid	(135,749,478)	(164,719,741)
	<b>(129,137,925)</b>	<b>(159,540,843)</b>
<b>Net Cash From Financing Activities .....C</b>	<b>(129,137,925)</b>	<b>(159,540,843)</b>
<b>Net increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>59,008,088</b>	<b>10,755,226</b>
Cash and cash equivalent as at 1st April 2010	<b>19,221,685</b>	<b>8,466,459</b>
<b>Cash and cash equivalent as at 31st March 2011</b>	<b>78,229,773</b>	<b>19,221,685</b>
Components of cash and cash equivalents		
Cash in hand	1,795,146	1,411,230
Bank balance with scheduled and other banks		
- In Deposit Accounts	49,155,447	3,655,447
- In current Accounts	27,279,180	14,155,008
Cash & Bank Balances as per schedule I	<b>78,229,773</b>	<b>19,221,685</b>

Note : (1) Figures in brackets represents outflows  
 (2) The above cash flow statements has been prepared under the indirect method as set out in the Accounting standard 3 on cash flow statement issued by the ICAI.

This is the cash flow statements referred to in our report of even date

**For S. R. BATLIBOI & CO.**  
 Chartered Accountants  
 Firm Regn. No.301003E

For and on behalf of the Board

**Per Hemal Shah**  
 Partner  
 Membership No : 42650  
 Place : Mumbai  
 Date : September 5, 2011.

**Rishi Pilani**  
 Chairman

**Raunak Pilani**  
 Director





## GANESH BENZOPLAST LIMITED

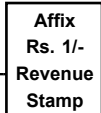
Regd. Office: Dina Building, 1<sup>st</sup> Floor, 53, Maharshi Karve Road, Marine Lines, Mumbai - 400 002.

### PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_  
being a member/members of **GANESH BENZOPLAST LIMITED**, hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ or failing him \_\_\_\_\_ of  
\_\_\_\_\_ or failing him \_\_\_\_\_ of  
\_\_\_\_\_ as my/our proxy to vote for me/on our behalf at the **24th Annual General Meeting** of the Company to be held on **30th September, 2011** and at any adjournment thereof.

Signed this \_\_\_\_\_, day of \_\_\_\_\_ 2011.

Signature of Member \_\_\_\_\_



**Note:** This Proxy Form duly completed should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.

(Tear Here) .



## GANESH BENZOPLAST LIMITED

Regd. Office: Dina Building, 1<sup>st</sup> Floor, 53, Maharshi Karve Road, Marine Lines, Mumbai - 400 002.

### ATTENDANCE SLIP

Please sign this attendance slip and hand it over at the entrance of the Hall to facilitate registration formalities at the meeting place.

I hereby record my presence at the **24th ANNUAL GENERAL MEETING** of the Company to be held on **Friday, 30th September, 2011 at 10.00 a.m.** at Shree Rajsthan Recreation Club, J.B.Nagar, Andheri (E), Mumbai – 400 059.

**Full Name Signature :** \_\_\_\_\_  
(in Block Letter)

#### Signature

(i) Member \_\_\_\_\_

(ii) Proxy \_\_\_\_\_

L. F. No. \_\_\_\_\_

## **BOOK-POST**

To,



*If undelivered please return to :*

**GANESH BENZOPLAST LIMITED**

**REGISTERED OFFICE :**

Dina Building, 1<sup>st</sup> Floor,  
53, Maharshi Karve Road,  
Marine Lines, Mumbai - 400 002.

Rivera Systems  
☎ 2216 5034 - 2216 5035