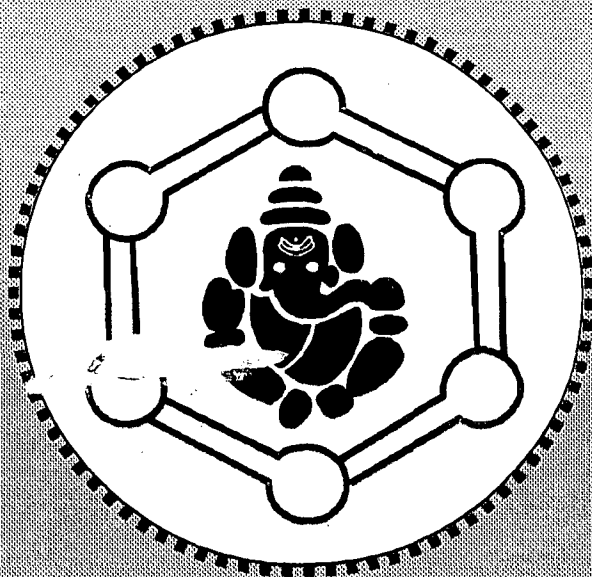


GANESH BENZOPLAST LIMITED



***22nd Annual Report
2008–2009***



GANESH BENZOPLAST LIMITED

22ND ANNUAL REPORT 2008 – 2009

ANNUAL GENERAL MEETING

On Wednesday, 30th September, 2009,
at 10.00 A.M at

Panchayat Seva Trust, Satyanarayan Goenka
Bhavan 87, 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. Ramesh S. Pilani	Chairman (upto 28 th June, 2008)
Shri. Ramakant S. Pilani	Managing Director (upto 28 th June, 2008)
Shri. Kirti H. Desai	Director
Smt. Manju Jain	Director (IFCI Nominee, upto 26 th , Sep., 2008)
Shri. Rishi R. Pilani	Chairman (Full Time Director, upto 28 th June, 2008 & Chairman w.e.f. 29 th June, 2008)
Shri. Ranju R. Pilani	Director (upto 28 th June, 2008)
Shri. Raunak R. Pilani	Director (w.e.f. 28 th June, 2008)
Shri. Gyan Chordia	Director (w.e.f. 28 th June, 2008)
Shri. Nallnakshan K.	Director (w.e.f. 30 th June, 2007)

AUDITORS

M/s. S. R. Battliboi & Co.
Chartered Accountants
Mumbai

BANKERS

HDFC Bank
Indian Overseas Bank

SOLICITORS

M/s. Little & Co.
Mumbai.

REGISTERED OFFICE

Dina Building, 1st 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. | 3) Plot No. A-1, 2, 3
South end, Willington Island,
Cochin - 682 029. |
| 2) Head Land, Sada,
Mormugoa - 403 803. | |

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of the Members of **GANESH BENZOPLAST LIMITED** will be held on **Wednesday, 30th September, 2009, at 10.00 A.M** at Panchayat Seva Trust Shree Satyanarayan Goenka Bhavan, 87 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, 2009, 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. Nalinakshan K.**, who retires by rotation as per Article 134 of the Articles of Association and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Shri. Rishi R. Pilani**, who retires by rotation as per Article 134 of the Articles of Association and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors to hold the office from the conclusion of the Twenty Second Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 94(1) and other applicable provisions of the Companies Act, 1956, if any, the authorised share capital of the Company be and is hereby subdivided and reclassified from Rs. 40,00,00,000 (Forty Crores) divided into 4,00,00,000 (Four Crore) equity shares of Rs. 10/- each to Rs. 40,00,00,000 (Forty Crores) divided into 40,00,00,000 (Forty Crores) equity shares of Re.1/- each."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors (which will include any committee thereof) be and is hereby authorized to take all such steps and to do all such acts & deeds, matters and things as may be necessary to give effect to the aforesaid resolution."

6. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 16 and other applicable provisions, if any of

the Companies Act, 1956, the existing Clause V of the Memorandum of Association of the company be replaced by the following Clause V:

- V. The Authorised share capital of the company is Rs. 400,000,000 (Rupees Forty Crores) divided into 400,000,000 (Forty Crore) equity shares of Re. 1 each."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors (which will include any committee thereof) be and is hereby authorized to take all such steps and to do all such acts & deeds, matters and things as may be necessary to give effect to the aforesaid resolution."

7. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any of the Companies Act, 1956, the existing Article 5.A of the Articles of Association of the company be hereafter replaced by the following Article 5.A : The Authorised Share Capital of the company is Rs. 400,000,000/- (Rupees Forty Crores) divided into 400,000,000 (Forty Crore) equity shares of Re.1 each with power to increase and/or reduce capital of the company for the time being and to sub-divide the capital into several classes and to attach thereto respectively such preferential, deferred, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the company."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors (which will include any committee thereof) be and is hereby authorized to take all such steps and to do all such acts & deeds, matters and things as may be necessary to give effect to the aforesaid resolution."

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 314 and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded to Mr. Ramesh Pilani, a relative of Mr. Raunak Pilani and Mr. Rishi Pilani, Directors of the Company, to hold an office or place of profit as Chief Executive Officer, on such monthly

Ganesh Benzoplast Limited

remuneration as may be fixed by the Board of Directors (which term to include any Committee thereof) from time to time within the rules prescribed under Rule 3 of the Director's Relatives (Place of Office or Profit) Rules, 2003".

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution".

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 314 and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded to Mrs. Poonam Pilani, a relative of Mr. Raunak Pilani and Mr. Rishi Pilani, Directors of the Company, to hold an office or place of profit as Systems Development Officer, on such monthly remuneration as may be fixed by the Board of Directors from time to time within the rules prescribed under Rule 3 of the Director's Relatives (Place of Office or Profit) Rules, 2003".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution."

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 314 and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded to Mrs. Sushila Ramesh Pilani, a relative of Mr. Raunak Pilani and Mr. Rishi Pilani, Directors of the Company, to hold an office or place of profit as Purchase Manager, on such monthly remuneration as may be fixed by the Board of Directors from time to time within the rules prescribed under Rule 3 of the Director's Relatives (Place of Office or Profit) Rules, 2003".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution."

11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 314 and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded to Mr. Ramakant Pilani, a

relative of Mr. Raunak Pilani and Mr. Rishi Pilani, Directors of the Company, to hold an office or place of profit as Manager (Manufacturing), on such monthly remuneration as may be fixed by the Board of Directors from time to time within the rules prescribed under Rule 3 of the Director's Relatives (Place of Office or Profit) Rules, 2003."

"RESOLVED FURTHER THAT any Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution."

12. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 314 and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded to Mrs. Manju Ramakant Pilani, a relative of Mr. Raunak Pilani and Mr. Rishi Pilani, Directors of the Company, to hold an office or place of profit as Manager (Administration), on such monthly remuneration as may be fixed by the Board of Directors from time to time within the rules prescribed under Rule 3 of the Director's Relatives (Place of Office or Profit) Rules, 2003".

"RESOLVED FURTHER THAT any one director of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution."

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF COMPANIES ACT, 1956

Items 5, 6 & 7

The Company may, from time to time by passing such resolution as stipulated under the law, increase or otherwise amend the Authorised Share Capital as may be specified in the resolution subject to and in accordance with the provisions of Section 94 of the Companies Act, 1956."

The members had vide EGM dated 12th February 2007 given their consent for reduction of the paid up capital from Rs. 10/- each to Re. 1 each, per share. The Company had filed a petition with the Bombay High Court for the aforesaid reduction and has also obtained the High Court approval. Thus the consequential amendments in the respective capital clause of the Memorandum of Association and the Articles of Association of the company is required.

Your Directors recommend the resolutions for your approval.

None of the Directors of your company is interested in the aforesaid.

Item 8

Mr. Ramesh Pilani has experience of 25 years in management of the overall affairs of the Company.

Our company will immensely benefit from his overall leadership qualities and thus it proposed that he be appointed as the Chief Executive Officer of the Company.

He is the Father of Mr. Rishi Pilani.

As per section 314 of the Companies Act, 1956, a relative of a director can hold an office or place of profit in the Company carrying monthly remuneration of more than Rs.10,000 only with the consent of the shareholders through a special resolution. The monthly remuneration will be restricted to and in compliance with section 314(1B) of the Companies Act, 1956 read with Rule 3 of the Director's Relatives (Place of Office or Profit) Rules, 2003.

Your Board thus recommends the aforesaid resolution.

Except Mr. Rishi Pilani and Mr. Raunak Pilani no other directors are interested or concerned in the aforesaid resolution

Item 9

Mrs. Poonam Pilani has been associated with systems development and other activities in the past and her knowledge in this field can be of help to the Company. It is thus proposed to appoint her as the Systems Development Officer.

She is the wife of Mr. Rishi Pilani.

As per section 314 of the Companies Act, 1956, a relative of a director can hold an office or place of profit in the Company carrying monthly remuneration of more than Rs.10,000 only with the consent of the shareholders through a special resolution. The monthly remuneration will be restricted to and in compliance with section 314(1B) of the Companies Act, 1956 read with Rule 3 of the Director's Relatives (Place of Office or Profit) Rules, 2003.

Your Board thus recommends the aforesaid resolution.

Except Mr. Rishi Pilani and Mr. Raunak Pilani no other directors are interested or concerned in the aforesaid resolution

Item 10

Mrs. Sushila Pilani has experience in the purchase operations and it is proposed that she be appointed as Purchase Manager.

She is the Mother of Mr. Rishi Pilani.

As per section 314 of the Companies Act, 1956, a relative of a director can hold an office or place of profit in the Company carrying monthly remuneration of more

than Rs.10,000 only with the consent of the shareholders through a special resolution. The monthly remuneration will be restricted to and in compliance with section 314(1B) of the Companies Act, 1956 read with Rule 3 of the Director's Relatives (Place of Office or Profit) Rules, 2003.

Your Board thus recommends the aforesaid resolution.

Except Mr. Rishi Pilani and Mr. Raunak Pilani no other directors are interested or concerned in the aforesaid resolution

Item 11

Mr. Ramakant Pilani has considerable experience in manufacturing and other related activities.

He is the father of Mr. Raunak Pilani.

As per section 314 of the Companies Act, 1956, a relative of a director can hold an office or place of profit in the Company carrying monthly remuneration of more than Rs.10,000 only with the consent of the shareholders through a special resolution. The monthly remuneration will be restricted to and in compliance with section 314(1B) of the Companies Act, 1956 read with Rule 3 of the Director's Relatives (Place of Office or Profit) Rules, 2003.

Your Board thus recommends the aforesaid resolution.

Except Mr. Rishi Pilani and Mr. Raunak Pilani no other directors are interested or concerned in the aforesaid resolution

Item 12

Mrs. Manju Ramakant Pilani has good administrative skills and thus it is proposed to appoint her as Manager - Administration.

She is the mother of Mr. Raunak Pilani

As per section 314 of the Companies Act, 1956, a relative of a director can hold an office or place of profit in the Company carrying monthly remuneration of more than Rs.10,000 only with the consent of the shareholders through a special resolution. The monthly remuneration will be restricted to and in compliance with section 314(1B) of the Companies Act, 1956 read with Rule 3 of the Director's Relatives (Place of Office or Profit) Rules, 2003.

Your Board thus recommends the aforesaid resolution.

Except Mr. Rishi Pilani and Mr. Raunak Pilani no other directors are interested or concerned in the aforesaid resolution

By Order of the Board

Place: Mumbai
Date : 04/09/2009.

Rishi R. Pilani
Chairman

Ganesh Benzoplast Limited

NOTES :-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.
2. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and the Register of Share Transfers of the Company will remain closed on Monday, 21st September, 2009 to Wednesday, 30th September, 2009. (Both days inclusive)
4. Members are requested to bring their copy of the Annual Report along with them to the 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. Members are requested to bring their attendance slip duly signed so as to avoid inconvenience.
7. 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).
8. 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.
9. 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

Place: Mumbai
Date : 04/09/2009.

Rishi R. Pilani
Chairman

Details of the Directors Seeking Appointment/Re-Appointment at the Annual General Meeting. (Pursuant to Clause 49 iv (G) Of The Listing Agreement.)

Name of the Director	Shri. Nalinakshan K.	Shri. Rishi R. Pilani
Date of Birth	08-11-1942	29.04-1978
Date of Appointment	30-06-2007	18-10-2006
Expertise in specific Functional Area	Urban Development, Infrastructure, Port & Shipping.	Finance
Qualifications	M.A.(Gold Medalist)	B.Tech, M.S In Finance & Industrial Engineering,
No. of shares held in the Company	Nil	922000
Other Directorships	1 (one)	1 (One)
Chairman / Member of the Board Committees of other companies	Nil	3

By Order Of The Board

Place: Mumbai
Date : 04/09/2009

Rishi R. Pilani
Chairman

DIRECTORS' REPORT TO THE SHAREHOLDERS

To

The Members,

Your Directors have pleasure in presenting the **Twenty second Annual Report** on the business and operations of the Company together with the Audited Accounts for the year ended March 31, 2009.

FINANCIAL RESULTS

(Rs. in millions)

	2008-2009	2007-2008
Gross Revenue from Operations	402.81	521.59
Less: Excise Duty	10.09	21.67
Net Revenue from Operations	392.71	499.92
Other Income	9.86	4.66
Profit /(Loss) before Depreciation, Interest, Taxation and Exceptional items	(88.24)	(43.21)
Less: Depreciation	(224.97)	(232.84)
Profit/(Loss) Before Interest, Taxation and Exceptional items	(313.21)	(276.05)
Less: Interest	(68.01)	(95.58)
Profit /(Loss) before Exceptional items and Taxation	(381.22)	(371.63)
Add : Exceptional items	685.50	34.19
Profit / (Loss) before Taxation after Exceptional item	304.28	(337.44)
Add/(Less): Prior period income/(Expense)	(284.92)	(1.25)
Less : Provision for Taxation(earlier period)	(11.84)	(14.87)
Less : Fringe Benefit Tax	(0.50)	(0.29)
Add: Deferred tax liability w/back	-----	337.27
Profit / (Loss) for the year	7.02	(16.58)
Brought forward Losses of earlier years	(2241.37)	(4032.02)
Total accumulated losses	(2234.35)	(4048.60)
Appropriations:		
1) Equity capital reduction adjusted against negative balance of profit & loss account	—	263.56
2) Equity capital premium after reduction adjusted against negative balance of profit & loss account	—	1,880.95
3) Add: Reversal of deferred tax liability transferred to General Reserve as originally it was created by transfer from General Reserve.	—	(337.27)
Balance carried forward to Balance Sheet as debit balance of profit & loss account.	(2234.35)	(2241.37)

The Gross revenue(including Excise) from Operations was Rs.402.81Millions for the year under review as against Rs.521.59 Millions for the previous year. The Division wise Gross operational revenue is as follows:

(Rs. in millions)

Division	For the year ended 31.03.2009	For the year ended 31.03.2008	% Increase/ (Decrease)
Chemical	135.06	234.57	42.42
Infrastructure	267.75	287.02	06.71
Total	402.81	521.59	29.00

The operations for the year resulted in a net profit of Rs. 7.02 Millions as against loss of Rs.16.58 Millions in the previous year.

DIVIDEND

In absence of sufficient distributable profit during the year under review, your directors do not recommend any dividend.

MAJOR REASONS FOR LOSS/PROFIT:

There are following reasons:

- (I) Unavailability of working capital and import of finished goods in large quantity affected the production of chemical division drastically. Average capacity utilisation during the year was just 7% as against 13% in previous year.
- (II) Provision for Bad and Doubtful debts of Rs.89.03 Mn. and bad debts written off Rs. 30.99 Mn.
- III) Provision for old loans and advances to the tune of Rs. 52.79 Mn. and sundry deposits and advances w/off Rs. 40.15 Mn.
- IV) Prior Period Interest expense provision of Rs. 274.28 Mn.
- V) Write back of interest accrued and due of Rs. 685.49 Mn as Exceptional Income.

CAPITAL EXPENDITURE:

In infrastructure division, the company was in the process of up gradation of storage tanks at Goa, Cochin and JNPT.

FUTURE OUTLOOK:

Your directors are hopeful for better performance in the current year. The infrastructure division is recovering and showing better occupancy, also chemical division is showing slightly better capacity utilization in comparison 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.2006-07. Assessment for the A.Y.2007-08 is in progress.

PERSONNEL AND OTHER INFORMATION:

Employee relations remained harmonious during the year and your board would like to place on record sincere

Ganesh Benzoplast Limited

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.24,00,000/- 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. 2,00,000/- 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.

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 and Nalinakshan K., Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers for 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 Auditors of the company, with Management Discussion and Analysis Statement.

AUDITORS:

The Statutory Auditors M/s. S. R. Batliboi & Co., Chartered Accountant. Mumbai the existing Auditors retire and eligible for re-appointment. They have furnished the certificate of their eligibility under section 224 (1B) of the Companies Act, 1956 for the appointment.

CASH FLOW STATEMENT:

In conformity with the provision of Clause 32 of the Listing Agreement(s) the cash flow statement for the year ended 31st March 2009 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 subject to note no.17 on notes to accounts, 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.

- (v) The observation of the auditors in their report to the members have been adequately dealt with in the relevant Notes to the Accounts. Hence no additional explanation is considered necessary.

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 had received & registered our reference as case no. 104/2005.

LEGAL CASES : Some of the unsecured lenders and Creditors had filed civil cases against the company. On the other hand company had also filed cases for recovery of dues against various parties.

During the year Company has settled dues of various Secured lenders by way of arriving at One Time Settlement (OTS). As a result of such OTS Company has given following treatment for waiver of Principal and Interest amount in books of accounts.

Waiver of Principal loan amount of Financial Institutions and Non Convertible Debentures of Rs.427.57 Mn. credited to Capital Reserve as this is purely in the nature of Capital Receipt. Waiver of Principal Amt of Working Capital Banks taken to Profit and Loss Accounts. Waiver of accumulated interest of Financial Institutions and Non Convertible Debentures to the tune of Rs. 583.70 Mn. has been reduced from Block of Fixed Assets due to decapitalisation which was previously capitalized to Fixed Assets and interest of Rs.685.30 Mn. credited to Profit and Loss Account under the head Exceptional Income.

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,

Place : Mumbai
Date: Sep 4, 2009

RISHI PILANI
CHAIRMAN

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, 2009.

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:

	2008-2009	2007-2008
I. POWER AND FUEL CONSUMPTION		
(a) Purchased Unit (KWH in thousand)	1208.33	1735.69
Total Amount (Rs.in Millions)	6.334	8.802
Rate/Unit (Rs)	5.24	5.07
(b) Own Generation		
(1) Through Diesel Generator unit (KLS in thousand)		
Total Units	47.78	35.26
Total Amount (Rs. In Millions)	1.76	1.202
Rate / Unit (Rs.)	36.96	34.11
2. FURNACE OIL		
Qty. (KLS in thousand)	0.062	0.353
Total amount (Rs. In Millions)	1.766	7.33
Average rate (RS/KLS)	18602	20743
II. CONSUMPTION PER M.T.OF PRODUCTION		
Electricity	923.28/KWH	1101.53/KWH
Furnace Oil (KLS)	0.04/KLS	0.22/KLS
Diesel/LDO/LSHS (KLS)	0.05/KLS	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 earnings during the year is Rs. 26.22 Millions (Previous Year Rs. 15.18 Millions).

Total foreign exchange outgoing for import of materials and other consumables is Nil (Previous year NIL).

D. EXPLANATIONS FOR AUDITORS QUALIFICATION IN AUDIT REPORT

Qualification mentioned in para 5 of Audit Report:- During the year Company has granted loans and advances to one of the Director of the Company Mr Gyan Chordia. The Company will take the necessary steps to recover the loan given in the current financial year 2009-10. The Company will also take the necessary steps to regularize the default with the Registrar of Companies, Mumbai.

Qualification mentioned in para 6 of Audit Report:- The Company had entered into a contract that required services of Mrs. Poonam Pilani (Wife of Rishi Pilani), from which the Company has benefited. The Company will not make any such further payments and the Company will also take

Ganesh Benzoplast Limited

necessary steps to regularize the payments with the Registrar of Companies, Mumbai.

Qualification mentioned in para 7 of Audit Report:- During the financial year 2008-09 the Company has taken advances amounting to Rs. 149.50 Lacs from relatives and friends of Directors to pay off the liability of Secured lenders by way of One Time Settlement (OTS). The Company is going through financial crisis and its normal business operations were not adequate to pay of the OTS liabilities. The loans obtained were only to abide by the terms of the OTS. The Company will take the necessary steps to repay the amounts so borrowed and also for regularizing the funds so accepted.

Qualification mentioned in para 8 of Audit Report:- During the year Company has granted some of the business advances to the associate Companies without passing special resolution. The Company will take the necessary steps to ensure that the necessary approvals are now obtained.

Qualification mentioned in para 9 a) of Audit Report:- The Company, in earlier years, had raised secured interest bearing funds by way of term loans from various institutions. During the year, loans aggregating to Rs. 21,889 lacs (including accumulated interest of Rs. 14,452.71 lacs upto March 31, 2008) availed from IFCI and ICICI bank have been assigned to India Debt Management Private Limited ("Assignee"). Since the debts are assigned in favour of new lender, the Company has to now pay the amount to the Assignee. As on date the total amount of loan taken over by the Assignee is Rs. 21,889 Lacs which is book value. The para 9.a) is self explanatory as the amount that needs to be repaid to the Assignee is not yet agreed with the Assignee. Also there is no clause for interest in assignment agreement. Pending such ascertainment/clarifications the Company is not in a position to make any provisions in this behalf.

Qualification mentioned in para 9 b) of Audit Report:- During the year Company has written back some of the old advances taken from few parties. These advances were taken in the year 1997-98 from the business customers and have not been claimed for some years now. Hence in the opinion of the Management, these amounts are no longer payable and have been written back and credited to Profit and Loss account. Short term advances taken from friends and relatives of Directors are interest free. The Company will take steps to obtain the necessary confirmations in due course.

Qualification mentioned in para 9 c) of Audit Report:- In the opinion of the Management though certain fixed assets of the Company were not optimally utilized during the year ended 31.3.2009, there is no need for making provision for 'impairment of assets'.

Qualification mentioned in para 9 d) of Audit Report:- The Company has initiated arbitration proceedings for recovery of this sum and the Management is of the opinion that the same will be recovered by the Company.

Qualification mentioned in para 9 e) of Audit Report:- In the past Company had given some loans and advances in expectation of good returns. However, subsequently there was a default in payment of interest and the Principal. For the recovery of the said loans and advances, the Company has initiated actions under the Negotiable Instruments Act for recovery of these sums and the Management is of the opinion that the same will be recovered by the Company.

For and on behalf of the Board,

Date : Sep 4, 2009
Place : Mumbai

RISHI PILANI
CHAIRMAN

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, conforming 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 continued to be adverse in the domestic and international market which resulted in fall in turnover. Increase in prices of raw material, power, consumables etc coupled with unavailability of working capital adversely effected profit margins. Under utilization of Plant capacity due to

unavailability of working capital also contributed to the fall in turnover and increase in losses.

In the infrastructure division, installation of some tanks for storage of liquid chemicals at Mormugoa & Cochin Ports were completed, which has been Capitalised during the year. The Company has also incurred capital expenditure at its infrastructure division at Jawaharlal Nehru Port to upgrade the facilities to "A" Class Chemicals, as the port has been approved to take "A" Class Chemicals since August, 2001.

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During the year under review there was a 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. The Company expect better rental income in the current year.

Key Strength areas and growth: State-of-the-Art 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 are awarded ISO 9002. Ganesh group is known for their strong R&D base and foresight in the introduction of newer technologies sustain and to meet their global vision in the years ahead. The group enjoys excellent reputation for quality among multinational in pharmaceutical, paint, rubber, food and plastic industries. The group is committed to the manufacturing of quality products using GMP as per internationally accepted norms. This is confirmed by the fact that besides catering to the domestic market successfully, the products are exported to more than 40 countries all over the world including USA, Canada, Germany, Finland, U.K., Spain etc.

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 computerised plant at Tarapur, by the well route of 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 market share of 80% in India and 20% all over the world.

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 drives

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 Company is also looking at different options like carrying on job works to increase plant capacity utilization and are confident that efforts made will help the Company's future growth prospects.

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 also to further its leading position in the business. The 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.7.01 Million as against net loss of Rs.16.59 million in the previous year. The Division wise PBIT (loss) for the current year accounted for by Chemical Division Rs. (170.70) Million, and Infrastructure Division Rs.(29.98) Million and other unallocable PBIT of Rs.226.88 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 an increase in the rental income of Infrastructure Division, better storage occupancy due to increase in import of petroleum products and edible oils

The working capital requirements of the company are catered to by a consortium of four bankers of which only IOB have continued extending working capital facilities to the Company. The Company has stopped accepting any Deposits.

The Company's Ordinary share capital stands at Rs.292.84 millions and there are no outstanding instruments which are convertible into equity at a later date.

Internal Control System:

The company has established an appropriate system of internal control to ensure that there exists a proper control over all the transactions.

The internal audit is conducted in all its key areas of business. The internal audit including the Stock Takings, carried out by an outside firm of Chartered Accountants, is oriented towards review of controls and operations improvements.

**Financial Condition
Share Capital**

Issued, Subscribed and Paid up Capital as at March 31, 2009 was Rs.292.84 Million (Rs.292.84 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, 2009. Reserves and Surplus amounted to Rs.953.14 Million (Rs.527.57 Million in the previous year).

Loan Funds

The loan funds stood at Rs.3266.78 million as at March 31,2009 (Rs.4672.13 million in the previous year).

Deferred Tax Liability provision outstanding as at March 31,2009 is Rs. NIL (previous year Rs. NIL)

Fixed Assets

Net fixed assets including Capital Work in Progress as at March 31,2009 are Rs.1915.81 million (Rs.2734.68 as at March 31,2008).

Investments

Total amount of investments as at March 31,2009 was Rs.0.22 million (Rs.0.52 million as at March 31,2008).

Net Current Assets

Net Current Assets declined to Rs.104.11 million as at March 31, 2009 from Rs.257.69 million as at March 31, 2008.

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 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.

Ganesh Benzoplast Limited

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, 2009, 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 implementation 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 an 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.

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.

Place : Mumbai
Date : 4th September, 2009

Priyanka K. Somani
Practising Company Secretary
Membership No. 23930

CORPORATE GOVERNANCE REPORT

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

1. 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

Composition:-The Board of Directors consisted of 5 professionals from diverse fields - two of these members are whole time Directors and Three member are Non -Executive Independent Director .During the year, under review, Five Board Meetings were held on 28.06.2008, 24.07.2008, 26.09.2008, 23.10.2008, 31.01.2009.

Name of Director	Category	No. of Board Meetings Attended	No. of Directorship of other Limited Companies	No. of Membership In other Committees
Shri Ramesh S Pilani, Chairman (Up to 28th June 2008)	Promoter Executive	1	Nil	Nil
Shri Ramakant S.Pilani,Managing Director (Up to 28th June 2008.)	Promoter Executive	1	1	2
Shri Kirtikumar H. Desai,	Non Executive Independent	5	1	6
Smt Manju Jain (Nominee IFCI Up to 26.09.2008)	Non Executive Independent	1	2	2
Shri Rishi R. Pilani (Full Time Director, upto 28th June, 2008 & Chairman w.e.f. 29th June, 2008)	Promoter Executive	5	1	3
Shri Ranju R. Pilani (Up to. 28th June 2008)	Promoter Executive	1	Nil	Nil
Shri Gyan Chordia (w.e.f. 28th June 2008)	Non Executive Independent Director	3	1	2
Shri Nalinakshan K (w.e.f. 30th June 2007)	Non Executive Independent Director	3	Nil	2
Shri Raunak R.Pilani (w.e.f. 28th June 2008)	Promoter Executive Director	5	Nil	Nil

3. AUDIT COMMITTEE

The composition of the Audit Committee is as under:

Name of Director	Category	Position	No. of Meetings Attended
Shri Kirtikumar H. Desai,	Non Executive Independent	Chairman	5
SMT Manju Jain, Nominee IFCI (Up to.26.09.2008)	-Do-	Member	1
Shri Nalinakshan K.	-Do-	Member	5
Shri Gyan Chordia	-Do-	Member	2

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The Committee met on 28.06.2008, 24.07.2008, 26.09.2008, 23.10.2008, & 31.01.2009 during the year. In order to comply with the listing requirements of minimum number of 3 members.

This Committee broadly covers the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956. These committee reviewing:

- the Company's financial reporting process and the disclosure of its financial information.
- the quarterly and annual financial statements with primary focus on accounting policies and practices, compliance with accounting standards and legal requirements..
- the adequacy of internal control systems and audit function.
- Recommending the appointment and removal of statutory auditors, fixation of
- audit fee and also to approve payment for other services.

4. DETAILS OF REMUNERATION PAID TO DIRECTOR IS AS UNDER

Name of Director	Salary incl. Perquisites	Cont. to P.F.	Sitting fees	Total
Shri. Ramakant S. Pilani(upto 28/06/2008)	Nil	Nil	Nil	Nil
Shri Ramesh S. Pilani (upto 28/06/2008)	Nil	Nil	Nil	Nil
Shri. Kirtikumar .H. Desai.	Nil	Nil	Rs. 30000	Rs. 30000
Shri Rishi R.Pilani			Rs. 8000	Rs. 8000
Shri Raunak R.Pilani	Nil	Nil	Rs. 8000	Rs. 8000
Shri Gyan Chordia	Nil	Nil	Rs. 8000	Rs. 8000
Shri Nalinakshan K.	Nil	Nil	Rs.18000	Rs. 18000
Smt. Manju Jain (IFCI Nominee) (upto 26/09/2008)	Nil	Nil	Rs. 4000	Rs. 4000
Shri Ranju Pilani (upto 28/06/2008)	Nil	Nil	Rs. 2000	Rs. 2000

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. The Committee met on 28.06.2008, 24.07.2008, 23.10.2008, 31.01.2009. during the year.

Composition

Name of Director	Category	Position	No. of Meetings Attended
Shri Kirtikumar H. Desai	Non Executive Independent	Chairman	4
Smt Manju Jain (Nominee IFCI up to 26.09.2008)	-Do-	Member	1
Shri Ramesh S.Pilani (upto 28/06/2008)	-Do-	Member	2
Shri Nalinakshan K.	-Do-	Member	4
Shri Gyan Chordia	-Do-	Member	1

The total number of complaints received and replied to the satisfaction of the Share holders during the year ended 31.03.2009 were 202 Seventeen Complaints as on 31.03.2009 were out standing. All pending Complaints have been attended to/replied to by 15.4.2009.

The total numbers of pending share transfers were -Nil- and pending request for dematerialization were 5 as on 31.03.2009. These have been approved / dematerialized by 15.04.2009.

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 24 times.

Name of Director	Category	Position	Meeting Attended
Shri Kirtikumar H. Desai	Non Executive Independent	Chairman	24
Shri Rishi R. Pilani	Executive Director	Member	24
Shri Raunak R .Pilani (w.e.f. 28/06/2008)	Executive Director	Member	18

7. GENERAL BODY MEETINGS:

Details of last three Annual General Meetings of the Company are as follows:

Meeting	Day, Date and Time	Venue
20TH AGM	Saturday,29.09.2007,10.00Am	Panchayat Seva Trust, Satyanarayan Seva Bhavan, J.B.Nagar, Andheri (E)
21TH AGM	Monday,29.09.2008,10.00 Am	Panchayat Seva Trust, Satyanarayan Seva Bhavan, J.B.Nagar, Andheri (E), Mumbai- 59.
22nd AGM	Wednesday,30.09.2009,10.00 Am	Panchayat Seva Trust, Satyanarayan Seva Bhavan, 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 11 of Schedule "R" 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. MEANS OF COMMUNICATION:

The Company has reported all material information including quarterly financial results, press release issued by the Company to all Stock Exchanges where the securities of the Company are listed.

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

(ii) Annual General Meeting:

Wednesday, 30th September , 2009 at-10. A.M. at. Panchayat Seva Trust Shree Satyanarayan Goenka Bhavan 87 J.B.Nagar, Andheri (East) Mumbai- 400 059.

(iii) Financial Calendar : 2009-2010(tentative)

1st Quarter Results : Last week of July, 2009.
2nd Quarter Results : Last week of October, 2009.
3rd Quarter Results : Last week of January, 2010.
4th Quarter Results : Last week of June, 2010.
Annual General Meeting : before end September, 2010.

(iv) Date of book Closure:

The Register of Members and the Register of Share Transfers of the Company will remain closed on Monday, 21st September, 2009 to Wednesday 30th September 2009.(Both days Inclusive)

(v) 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.

(vi) 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.

(vii) 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 75 % of the total shares have been dematerialised as on March 31, 2009.

(viii) 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, **Fax No.:** 2830715, **Email Address:** mlgbml@yahoo.co.in, **Website:** <http://www.ganeshgroup.com.in>

(ix) 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.

(x) Listing on Stock Exchange: At the Mumbai.

(xi) BSE Stock Code: 500153

(xii) ISIN No.: INE388A01029

(xiii) Stock Market Data:

The equity shares of the Company are suspended from trading at the BSE with effect from 29th December,2007 till this date. The necessary steps for revocation of suspension for trading are taken by the Company.

(xiv) Distribution Schedule as on 31.03.2009.

No. of Equity Shares	Share holders		No. of Shares	
	Number	% of Holders	Number	% of Shares
Upto -2500	37982	98.010	8046712	27.47
2501 -5000	412	1.063	1582558	5.40
5001-10000	165	0.426	1258810	4.29
10001-20000	96	0.248	1425551	4.88
20001-30000	19	0.049	498792	1.70
30001-40000	15	0.039	505713	1.74
40001-50000	11	0.028	523806	1.79
50001-100000	28	0.072	2165552	7.39
100001 & Above	25	0.065	13276800	45.34
TOTAL	38753	100.00	29284294	100.00

(xv) Categories of Shareholders as on 31.03.2009.

Category	31.03.2008	
	% of Shareholding	No. of Shares
Promoters	24.56	7191546
Individuals	62.92	18427709
Domestic Companies	6.70	1960595
FIs, Mutual Funds & Bank	2.10	616000
FII's, OCBs & NRI	3.72	1088444
TOTAL	100.00	29284294

(xvi) Plant Location
a) CHEMICAL DIVISION

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

b) INFRASTRUCTURE DIVISION

Jawahar Lal Nehru Port (J.N.P.) Bulk Road, Nhava Seva, Navi Mumbai - 400 707.
Plot No. A-1, 2,3. South End, Willington Island, Cochin - 682 029.
Head Land, sada, Mormugoa - 403 803.

(xvii) Address for Correspondence

A1/A2 Gurudatt C.H.S. Ltd., J. B. Nagar, Ahdheri (E), Mumbai - 400 059.

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, 2009 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 3 of Schedule R to the accompanying financial statements. The company has accumulated losses that have eroded the networth, which raise substantial doubt that the Company will be able to continue as a going concern. The management of the Company is working with certain lenders on business plans for generating revenues. Accordingly these financial statements have been prepared assuming that the Company will continue as a going concern and hence does not include any adjustment that might be necessary should the Company be unable to continue as a going concern.
5. The Company has given interest free loan / advance to one of its director amounting to Rs 138.08 lacs as on March 31, 2009 for which the approval of Central government is not obtained as required by Section 295(1) of the Companies Act, 1956.
6. The Company has paid Rs 18.21 lacs by way of salary to relative of a director without passing any special resolution in a general meeting and without obtaining approval of the Central government as required by Section 314 (1B) of the Companies Act, 1956.
7. The Company has taken deposits from shareholders and their relative amounting to Rs. 149.50 lacs as on March 31, 2009 which is not in accordance Companies (Acceptance of deposits) Rules 1975.
8. The networth of the Company has been fully eroded as on March 31, 2009, however the Company has during the year 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.
9. a) The Company, in earlier years, had raised secured interest bearing funds by way of term loans from various institutions. (Collectively called as "Lenders"). During the year, we have been informed by the management that the said debts aggregating to Rs 21,889.00 lacs (Including Interest Rs 14,452.71 lacs upto March 31, March 2008) have been assigned by the respective parties to India Debt Management Private Limited ("Assignee"). We have been further informed by the management that since the debts are already assigned, the Company need not repay the Lenders but instead, needs to repay the amount to the Assignee. However, we are informed that the amount that needs to be repaid to the Assignee is not yet agreed with the Assignee and, therefore, no interest provision has been made and no entries have been passed in the books for the year ended March 31, 2009. Pending the final outcome of the amounts to be repaid to the Assignee, we are unable to comment on the balances and on the adjustments, if any, that may be required to the accompanying financial statements.
- b) The Company has written back loans taken from various parties in earlier years aggregating to Rs 21.89 lacs. Further the Company has also represented that certain loans taken from various parties to Rs 161.53 lacs are interest free and has accordingly not provided for interest thereon. In the absence of documents / confirmation from the various parties involved, we are unable to comment on the balances

and on the adjustments, if any, that may be required to the accompanying financial statements.

- c) We have been informed by the management that certain fixed assets are not fully utilized and may 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 the impairment if any.
 - d) The Company has not provided for debts aggregating to Rs 1,346.84 lacs in respect of outstanding from one party for a considerable period of time, which in our opinion are doubtful of recovery.
 - e) The Company has not provided for loans and advances aggregating to Rs 572.65 lacs given to various parties outstanding for a considerable period of time, which in our opinion are doubtful of recovery.
 - f) Without considering the impact if any of the matters considered in paragraph 9(a) to 9(c) above, the effects of which on the accompanying financial statements is not ascertainable, and had the company accounted for the aforementioned comments in paragraph 9(d) and 9(e) the loss for the period would have been Rs. 1,849.33 lacs as against profit of Rs. 70.16 lacs, balance in profit and loss account would have been Rs. 24,192.85 lacs as against Rs. 22,343.52 lacs, balance in Sundry debtors would have been Rs. 726.34 lacs as against Rs. 2073.18 lacs, and balance in loans and advances would have been Rs. 269.93 lacs as against Rs. 842.58 lacs.
10. The audit report for the year ended March 31, 2008 was also qualified in respect of matters stated in paragraph 11(v) below and paragraph 9(c) above.
11. Further to our comments in the Annexure referred to paragraph 3 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 in 9(a) above relating to non ascertaining of amount to be repaid to assignee and non provision of interest, 9(b) above relating to absence of documentation/confirmation in respect of amount written back and non provision of interest and paragraph 9(c) above relating to information in respect of impairment provision in respect of certain assets.
 - 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 9(c) above;
 - v. On the basis of the written representations received from the directors, and taken on record by the Board of Directors, as on March 31, 2009, we report that one director Mr. Kirti H Desai is 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. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and subject to our remarks in paragraph 5, 6, 7, 8, 9, 11(i) and 11(iv) above, 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, 2009;
 - 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

Per Hemal Shah
Partner

Place : Mumbai
Date: 4th September, 2009. Membership No.: 42650

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) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed 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 loans/ advances to six parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 1,252.70 Lacs and the year-end balance of loans granted to such parties was Rs 1,189 Lacs.
- (b) There is no stipulation as to the rate of interest, repayment or other terms and conditions of loans/ advances granted to the parties covered in the register maintained under section 310, *hence we are unable to comment on the regularity of the repayment of principal, payment of interest and overdue amount.*
- (c) The Company has taken loan from five parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 4,125.20 Lacs and the year-end balance of loans taken from such parties was Rs. 3,930.01 Lacs.
- (d) There is no stipulation as to the rate of interest, repayment or other terms and conditions of loans taken from the parties covered in the register maintained under section 310, *hence we are unable to comment on the regularity of the repayment of principal, payment of interest.*
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the sale of goods/services and for the purchase of fixed assets. *However, the internal control system for purchases of inventory is inadequate since the purchases are made without inviting quotations. 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 accepted deposits from share holders and relatives which is not in accordance with the Companies (Acceptance of Deposit) Rules, 1975 and has accordingly not complied with the directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.*
- (vii) *The Company does not have an internal audit system.*
- (viii) The Central Government has prescribed maintenance of costs records under section 209(1)(d) of the Companies Act, 1956, in respect of certain manufacturing activities carried on by the Company, *however no such records are maintained by the Company.*
- (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.*
- (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	0.07 Lacs	2004- 2008	Various dates	Not paid
Professional Tax Act	Professional Tax	12.28 Lacs	1998-2008	Various dates	Not paid
Employees Provident Fund Act	Provident Fund	22.91 Lacs	2002-2008	Various dates	Not paid
Sales Tax Act	Sales Tax	225.80 Lacs	1994-2006	Various dates	Not paid
Finance Act	Service Tax	8.59 Lacs	2007-2008	Various dates	Not paid
Income Tax Act , 1961	Tax Deducted at source	3.99 Lacs	May 2008 - September 2008	Various dates	6th & 8th April 2009
Income Tax Act , 1961	Income Tax	116.22 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	376.33 Lacs	AY 1999-2000	CIT(A) U/S 143(3)

- (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, *the Company has defaulted in repayment of dues to debenture holders and financial institution. Debentures amounting to Rs. 179.25 Lacs became due for redemption on April 2002 which are not yet redeemed by the Company. Term loans amounting to Rs. 111.04 Lacs became due for repayment on April 2002 which is not yet repaid by the Company.*
- (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 not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (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

Per Hemal Shah
Partner
Membership No.:42650

Place : Mumbai
Date : 4th September, 2009.

Ganesh Benzoplast Limited

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	As At 31/3/2009 Rs.	As At 31/3/2008 Rs.
SOURCES OF FUNDS			
Shareholder's Fund			
Share Capital	A	34,556,324	34,556,324
Reserves & Surplus	B	953,143,342	527,570,000
		987,699,666	562,126,324
Loan Funds			
Secured Loans	C	2,861,214,729	4,212,214,427
Unsecured Loans	D	405,575,042	459,918,230
		3,266,789,771	4,672,132,657
TOTAL		4,254,489,437	5,234,258,981
APPLICATION OF FUNDS			
Fixed Assets			
	E		
Gross Block		3,645,545,135	4,773,874,480
Less: Accumulated Depreciation		1,729,734,959	2,049,773,486
Net Block		1,915,810,176	2,724,100,994
Capital Work-in- Progress & Capital Advances		-	10,582,969
Deferred Tax Asset(Net) (Refer Note 6 Of Schedule R)		-	-
Investments	F	216,000	515,000
Current Assets, Loans & Advances			
1. Inventory	G	15,918,013	9,248,795
2. Sundry Debtors	H	207,318,486	276,378,386
3. Cash & Bank Balance	I	8,466,459	6,364,606
4. Loans And Advances	J	84,257,813	144,053,262
		315,960,771	436,045,049
Less: Current Liabilities & Provision			
1. Current Liabilities	K	206,474,369	174,684,014
2. Provisions	L	5,375,159	3,668,639
		211,849,528	178,352,653
NET CURRENT ASSETS		104,111,243	257,692,396
Profit & Loss Account (Doubt Balance)		2,234,352,019	2,241,367,622
Total		4,254,489,437	5,234,258,981

As per our report of even date
For S R. Batliboi & Co.
Chartered Accountants

For and on behalf of the Board

Per Hemal Shah
Partner
Membership No : 42650
Place : Mumbai
Date : 4th September, 2009

Rishi Pilani
Chairman

Raunak Pilani
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

Schedule	Year Ended 31/3/2009 Rs.	Year Ended 31/3/2008 Rs.
INCOME		
Gross Sales- Manufacturing Activity	135,052,234	234,574,815
Less : Excise Duty	10,094,042	21,668,247
Net Sales	124,958,192	212,906,568
Service Income	267,754,831	287,015,645
Other Income	9,858,970	4,658,418
Increase In Stocks (Refer Note 19 Of Schedule R)	4,969,085	110,828
TOTAL	407,541,078	504,691,458
EXPENDITURE		
Raw Material Consumed	115,835,136	136,817,637
Personnel Expenses	17,498,304	15,832,674
Manufacturing Expenses, Administrative, Selling And Distribution Expenses	362,447,897	395,254,311
Depreciation	224,967,465	232,839,930
Interest & Finance Charges	68,009,720	95,576,783
TOTAL	788,758,522	876,321,336
Profit/(Loss) Before Exceptional, Prior Period Items & Taxation	(381,217,444)	(371,629,878)
Add : Exceptional Items (Refer To Note No. 5 Of Schedule R)	685,496,189	34,193,958
Profit/(Loss) After Exceptional Items But Before Prior Period Items & Taxation	304,278,745	(337,435,920)
Less:- Prior Period Expenses (Refer To Note No. 8 Of Schedule R)	284,920,385	1,252,800
Profit/(Loss) Before Tax For The Year	19,358,360	(338,688,720)
Less : Provision For Taxation		
- Current Tax	-	-
- Deferred Tax (Refer To Note No. 6 Of Schedule R)	-	-
- Earlier Year Tax	11,840,550	14,872,590
- Fringe Benefit Tax	502,207	294,094
Profit/(Loss) After Tax For The Year	7,015,603	(353,855,404)
Add:- Deferred Tax Liability W/Back	-	337,270,000
Net Profit/(Loss) For The Year	7,015,603	(16,585,404)
Brought Forward Losses From Previous Years	(2,241,367,622)	(4,032,021,261)
Profit/(Loss) Available For Appropriation	(2,234,352,019)	(4,048,606,665)
Appropriations		
Add:- Equity Share Capital Reduced And Adjusted Against Balance Of Profit And Loss Account	-	263,558,646
Add:- Equity Share Premium Adjusted Against Balance Of Profit And Loss After Capital Reduction	-	1,880,950,397
Less:- Reversal Of Deferred Tax Liability Transferred To General Reserve As Originally It Was Created By Transfer From General Resrve	-	(337,270,000)
Balance Carried To Balance Sheet	(2,234,352,019)	(2,241,367,622)
Basic And Diluted Earning Per Share (Refer To Schedule R Note No. 16)	0.24	(0.57)
Nominal Value Of Shares (Rs.)	1	1
Notes To The Accounts	R	
Balance Sheet Abstract & Co's Profile	S	
As per our report of even date	For and on behalf of the Board	
For S R. Batliboi & Co.		
Chartered Accountants		
Per Hemal Shah	Rishi Pilani	
Partner	Chairman	
Membership No : 42650	Raunak Pilani	
Place : Mumbai	Director	
Date : 4th September, 2009		

Ganesh Benzoplast Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As At 31/3/2009 Rs.	As At 31/3/2008 Rs.
SCHEDULE 'A'		
Share Capital		
Authorised:		
4,00,00,000 (4,00,00,000) Equity Shares Of Rs.10/- Each	<u>400,000,000</u>	<u>400,000,000</u>
Issued & Subscribed:		
2,92,84,294 Equity Shares Of Re.1/- Each (Previous Year-2,92,84,294 Equity Shares Of Rs.1/- Each)	<u>29,284,294</u>	<u>29,284,294</u>
Paid Up:		
2,92,84,294 Equity Shares Of Re.1/- Each (Previous Year-2,92,84,294 Equity Shares Of Rs.1/- Each)	<u>29,284,294</u>	<u>29,284,294</u>
Add:- Forefeited Shares (10,54,406 Shares At Rs.5 Paid Up)	<u>5,272,030</u>	<u>5,272,030</u>
	<u>34,556,324</u>	<u>34,556,324</u>
SCHEDULE 'B'		
Reserve & Surplus		
Capital Reserve	<u>425,573,342</u>	-
(Refer To Schedule R Note No.5 Of Notes To Accounts)		
Debenture Redemption Reserve:		
As Per Last Balance Sheet	<u>190,300,000</u>	<u>190,300,000</u>
Less:- Transferred To General Reserve In Respect Of Non Convertible Debentures On Account Of One Time Settlement	<u>186,550,000</u>	-
	<u>3,750,000</u>	<u>190,300,000</u>
General Reserve		
As Per Last Balance Sheet	<u>337,270,000</u>	<u>337,270,000</u>
Add:- Transfer From Debenture Redemption Reserve	<u>186,550,000</u>	-
	<u>523,820,000</u>	<u>337,270,000</u>
	<u>953,143,342</u>	<u>527,570,000</u>
SCHEDULE 'C'		
Secured Loans		
A. Debentures (Refer To Note No. 4(A) And 4(B) Of Schedule R)		
75,000 (Previous Year 3,435,747) 18% Non Convertible Debentures Of Rs 100 Each	<u>7,500,000</u>	<u>343,574,688</u>
Interest Accrued And Due On Above	<u>10,425,000</u>	<u>372,243,601</u>
	<u>17,925,000</u>	<u>715,818,289</u>
B. Term Loans (Refer To Note No.4(C) Of Schedule R)		
1. From Banks		
Rupee Loan	-	<u>34,980,879</u>
2. From Financial Institutions And Other Secured Lenders		
Rupee Loan	<u>2,843,289,729</u>	<u>3,189,537,290</u>
Working Capital Loan From Bank :-		
Cash Credit / Packing Credit	-	<u>271,877,969</u>
	<u>2,861,214,729</u>	<u>4,212,214,427</u>
SCHEDULE 'D'		
Unsecured Loans		
Loans And Advances From		
- Companies	<u>390,624,681</u>	<u>392,697,391</u>
- Shareholders And Others Parties	<u>14,950,361</u>	<u>36,987,382</u>
Sales Tax Deferral *	-	<u>30,233,457</u>
	<u>405,575,042</u>	<u>459,918,230</u>

* Represent Deferment Of Sales Tax Under State Incentive Scheme

SCHEDULE 'E'

Fixed Assets

(Figures in Rs.)

DESCRIPTION OF ASSETS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	Cost As At 01.04.2008	Addition during the year	**Deletions/ Adj. during the year	Cost As At 31.03.2009	Upto 01.04.2008	Addition for the year	Deletions/ Adj. during the year	Upto 31.03.2009	As At 31.03.2009	As At 31.03.2008
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold Land	217,875	-	-	217,875	-	-	-	-	217,875	217,875
Leasehold Land	1,656,000	-	-	1,656,000	-	-	-	-	1,656,000	1,656,000
Buildings	66,663,821	-	-	66,663,821	28,664,451	2,226,572	-	30,891,023	35,772,798	37,999,369
Plant & Machinery	1,440,602,548	61,242	105,776,705	1,334,887,095	898,755,088	68,391,983	66,748,205	900,398,867	434,488,218	541,847,459
Storage Tanks	3,222,426,869	400,000	1,005,953,453	2,216,873,416	1,092,708,616	153,065,276	461,286,232	784,487,650	1,432,385,756	2,129,718,253
Residential Flats At MIDC	1,146,902	-	180,956	965,946	370,187	15,745	56,556	329,375	636,571	776,715
Office Premises	8,506,750	-	-	8,506,750	2,689,081	138,660	-	2,827,741	5,679,009	5,794,015
Furniture & Fixtures	11,770,996	-	1,064,485	10,706,511	7,160,380	722,169	1,064,485	6,818,064	3,888,448	4,610,616
Office Equipments	3,294,040	-	213,233	3,080,807	2,332,330	195,015	212,969	2,314,376	766,431	961,446
Vehicles	5,461,861	-	5,003,680	458,181	5,194,957	68,426	5,015,024	248,359	209,822	278,248
Computer & Data Processing Equipments	12,126,818	35,523	10,633,598	1,528,743	11,909,473	143,619	10,633,598	1,419,494	109,249	240,999
Grand Total Rs.	4,773,874,480	496,765	1,128,826,110	3,645,545,135	2,049,773,485	224,967,465	545,017,069	1,729,734,959	1,915,810,176	2,724,100,994
Previous Year Rs.	5,268,894,951	192,447	495,212,918	4,773,874,480	2,043,839,930	232,839,930	226,986,588	2,049,773,486	2,724,100,994	-

** Refer to Note No.5 of Schedule R Of Notes to Accounts

Ganesh Benzoplast Limited

	As At 31/3/2009 Rs.	As At 31/3/2008 Rs.
SCHEDULE 'F'		
Investments (Long Term - At Cost)		
(A) Quoted:		
Trade :		
1,500 Equity Shares Of Emtex Industries (India) Ltd Of Rs 10 Each.	15,000	15,000
(Aggregate Market Value Of Quoted Investment Rs.4,350/ Previous Year Rs 5,520)		
TOTAL A	<u>15,000</u>	<u>15,000</u>
(B) Unquoted:		
Other Than Trade :		
--- (Previous Year 3,980) Equity Shares Of Greater Bombay Co Operative Bank Of Rs 10 Each	-	99,500
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
--- (Previous Year 10,000) Equity Shares Of Kalyan Janta Sahakari Bank Of Rs 10 Each	-	99,500
2,00,000(Previous Year 2,00,000) Equity Shares Of Ganesh Anhydride Ltd.Of Rs 10 Each	100,000	100,000
--- (Previous Year 10,000) Equity Shares Of Thane Bharat Co Operative Bank Of Rs 10 Each	-	100,000
TOTAL B	<u>201,000</u>	<u>500,000</u>
Total Investments (A + B)	<u>216,000</u>	<u>515,000</u>
SCHEDULE 'G'		
Inventories: (At Lower Of Cost Or Net Realisable Value)		
Raw Materials In Stock At Cost	8,237,990	7,350,510
Stores, Spares & Consumables	1,276,058	463,405
Work In Progress	3,808,305	1,165,895
Finished Goods	2,595,660	268,985
TOTAL	<u>15,918,013</u>	<u>9,248,795</u>
SCHEDULE 'H'		
Sundry Debtors: (Refer To Note No. 17 Of Schedule R)		
Outstanding For More Than 6 Months		
Unsecured Considered Good	174,560,392	244,702,279
Unsecured Considered Doubtful	89,028,404	19,254,851
	<u>263,588,796</u>	<u>263,957,130</u>
Other Debts		
Unsecured Considered Good	32,758,094	31,676,107
	<u>296,346,890</u>	<u>295,633,237</u>
Less: \Provision For Bad And Doubtful Debts	<u>89,028,404</u>	<u>19,254,851</u>
TOTAL	<u>207,318,486</u>	<u>276,378,386</u>

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	As At 31/3/2009 Rs.	As At 31/3/2008 Rs.
SCHEDULE 'I'		
Cash And Bank Balances:		
Cash in Hand	837,189	1,099,076
Bank Balance With Scheduled Banks		
On Deposit Account	3,443,878	4,058,970
On Current Account	4,185,437	1,206,560
TOTAL	8,466,459	6,364,606
SCHEDULE 'J'		
Loans And Advances: (Refer to Note No. 18 of Schedule R)		
Unsecured Considered Good		
Advance recoverable in Cash or in kind or for value to be received	21,391,249	32,023,851
Loans to Directors	13,808,692	7,338,877
Inter Corporate Deposits .	37,307,285	83,551,373
Advance Payment of Tax (Net of Provision Rs Nil) (Previous Year Rs Nil)	1,784,354	2,212,759
Balance With Customs & Excise Authorities	499,233	2,432,935
Deposits - Others	9,467,000	16,493,467
	84,257,813	144,053,262
Unsecured Considered Doubtful		
Inter Corporate Deposits And Advances	52,794,993	-
Less:- Provision For Doubtful Advances	52,794,993	-
TOTAL	84,257,813	144,053,262
Current Liabilities & Provisions :		
SCHEDULE 'K'		
Current Liabilities:		
Sundry Creditors:-		
Total Outstanding Dues Of Micro And Small Enterprises (Refer To Note No. 14 Of Schedule R)	-	-
Others	133,680,588	93,025,121
Investor Education And Protection Fund	177,883	460,857
Other Liabilities	72,616,099	81,198,035
TOTAL	286,474,369	174,684,014
SCHEDULE 'L'		
Provisions:		
Provision For Fringe Benefit Tax [Net Of Advance Tax Rs Nil (Previous Year Rs Nil)]	1,151,146	648,939
Provision For Leave Encashment	789,447	-
Provision For Gratuity	3,434,566	3,019,700
TOTAL	5,375,159	3,668,639

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SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST, MARCH, 2009

	Year Ended 31/3/2009 Rs.	Year Ended 31/3/2008 Rs.
SCHEDULE 'M'		
Other Income		
Dividend Received (Trade Quoted)	150	-
Interest Earned [Net Of Tax Deducted At Source Rs Nil (Previous Year Rs Nil)]	27,459	156,557
Profit On Sale Of Fixed Asset	2,325,600	-
Sundry Credit Balances Written Back	2,682,291	54,107
Miscellaneous Income [Net Of Tax Deducted At Source Rs Nil (Previous Year Rs Nil)]	4,823,470	4,447,753
TOTAL	9,858,970	4,658,418
SCHEDULE 'N'		
Raw Material Consumed		
Opening Stock	7,350,510	6,499,573
Add: Purchases During The Year	116,722,616	137,668,574
	124,073,126	144,168,147
Less: Stocks At The End	8,237,990	7,350,510
TOTAL	115,835,136	136,817,637
SCHEDULE 'O'		
Personnel Expenses		
Salaries, Wages & Bonus	16,265,198	13,600,253
Contribution To Provident And Other Funds	242,941	195,161
Gratuity Expenses	414,866	980,747
Staff & Workers Welfare Expenses	575,299	1,056,513
TOTAL	17,498,304	15,832,674

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	Year Ended 31/3/2009 Rs.	Year Ended 31/3/2008 Rs.
SCHEDULE 'P'		
Manufacturing, Selling & Administrative Expenses		
A) Manufacturing Overheads		
Power, Fuel & Water Charges	14,283,599	18,616,754
Stores & Spares Consumed	6,969,014	5,451,712
Labour/Service Charges, freight, warehousing and handling chgs.	4,897,330	5,400,695
Repairs & Maintenance (Machinery)	749,541	485,602
Travelling/Conveyance And Motor Car Expenses	35,827	83,321
Printing & Stationary	33,857	20,749
License And Application Fees	68,100	170,078
Postage, Telephone Expenses	4,819	5,490
General Expenses	282,758	581,040
SUB TOTAL (A)	27,324,846	30,815,440
B) Administrative Expenses		
Power, Fuel & Water Charges	7,190,421	5,385,698
Stores & Spares Consumed	5,204,933	4,719,094
Labour/Service Charges, Freight, Warehousing, Handling Chgs and Tank Cleaning Charges.	16,735,078	15,955,601
Insurance	163,514	46,634
Repairs & Maintenance (Machinery)	7,120,245	3,468,760
Travelling Expenses	3,899,991	4,304,767
Printing & Stationary	788,886	568,337
Postage, Telephone And Airfreight	2,105,366	2,133,532
Rent	18,529,091	18,594,167
Rates & Taxes	2,512,083	652,948
Legal, Professional, Consultancy And Service Chgs.	30,563,950	12,873,224
Licence & Application Fee	219,566	81,000
Motor Car Expenses	449,095	429,911
Directors Sitting Fees	78,000	55,000
Demurrage Charges	1,073,492	366,666
Stock Exchange Listing Fees	56,883	38,250
Auditors Remuneration (Excluding Service Tax):		
- As Auditor	1,700,000	150,000
- As Adviser Or In Other Capacity	-	-
- In Any Other Manner	-	-
Donation	325,752	82,888
General Expenses	1,344,067	903,561
Foreign Exchange Fluctuation	1,448,599	-
Loss On Sale Of Assets	-	250,726,330
Bad Debts Written Off	30,985,393	-
Provision For Doubtful Debts	89,028,404	19,254,851
Sundry Advances Written Off	40,547,603	1,462,550
Provision For Doubtful Advances	52,794,993	-
Capital Expenditure W/Off	10,582,969	-
SUB TOTAL (B)	325,448,374	342,253,769
C) Selling And Distribution Expenses		
Membership, Subscription & Periodicals	277,861	205,468
Sales Promotion And Other Marketing Expenses	1,780,923	1,163,767
Advertisement Expenses	92,403	14,156,368
Distribution Expenses (Container Freight Charges)	3,930,530	4,993,259
Brokerage & Commission	1,796,948	1,235,705
Discount Given	1,796,013	430,535
SUB TOTAL (C)	9,674,678	22,185,102
TOTAL (A+B+C)	362,447,897	395,254,311
SCHEDULE 'Q'		
Interest & Finance Charges		
On Term Loans From Fin. Institution. And Others	67,178,284	91,511,298
On Working Capital Finance & Other Financial Chgs.	831,436	4,065,485
TOTAL	68,009,720	95,576,783

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SCHEDULE 'R'

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 maybe), 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. Depreciation is not charged on leasehold land.

	Schedule XIV Rates (SLM)
Buildings	1.63%
Plant and Machinery	4.75%
Computers	16.21%
Furniture and Fittings	6.33%
Vehicles	9.5%

(e) Impairment

- 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 at the weighted average cost of capital.
- After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- 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. (Item iii to be given in the second year of impairment and onwards)

(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. Dividend from subsidiaries is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of schedule VI of the Companies Act, 1956.

(j) 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 a defined benefit obligation and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each 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, deferred and fringe benefit tax. Current income tax and fringe benefit 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

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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

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 in the balance sheet 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	
	2008-2009	2007-2008
Claims against the Company not acknowledged as debts *	42.00	29.00
Guarantees and Counter guarantees given by the Company	2.00	2.00
Income Tax in respect of Assessment Year 1999-00 in respect of which the company has gone on appeal. Based on judicial pronouncements, the Company's claim is likely to be accepted by appellate authorities	37.63	-

*Claims against the Company not acknowledged as debts comprises of two customers who have commenced action against the Company in respect of losses suffered due to rupture of storage tank. It has been estimated that the liability, should the action be successful is Rs. 42 millions

A trial date has not yet been set and therefore it is not practicable to state the timing of any payment. The Company has been advised by its Counsel that it is possible, but not probable, the action will succeed

and accordingly no provision for any liability has been made in these financial statements

2. Capital Commitments

Rs. in millions

	2008-2009	2007-2008
Estimated amount of contracts remaining to be executed on capital account and not provided for.		-

3. 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 case has been registered. Further the Company is also negotiating with certain lenders so that revenue can be generated in future. Pending the decision of the BIFR with regard to the revival of the company and negotiation with lenders, the accounts have been prepared on going concern basis.

4. Debentures referred to in Schedule 'C':-

- a) During the current financial year Company has redeemed all the Non Convertible Debentures except 18% NCD of United India Insurance (UII) by way of One Time Settlement (OTS). The total Principal amount outstanding for the 18% NCD as per books of account as on 31st March, 2009 is Rs. 7.5 Mn. only.
- b) Debentures referred to in 4(a) above are secured in terms of Debenture Trust Deed executed/ to be executed by equitable mortgage/charge and first pari-passu charge by way of hypothecation of all movable properties of the company present and future (save and except book debts) subject to prior charge created/to be created in favour of bankers for their working capital facilities.
- c) During the year Company has settled all the dues of Secured lenders except IIBI by way of One Time Settlement (OTS). Company has taken fresh loan from India Debt Management for the settlement. Term Loans referred to (B) (1) and (2) of schedule 'C' are secured by mortgage/charge of all movable 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 to be created in favour of Investor for raw-materials, semi-finished goods, consumable, stores and other movable and shall rank pari-passu with the charge created in favour of Debentures Trustees of the above debentures

issued. The Term Loans are also secured by the personal guarantees of some of the Director(s) of the Company.

5. The Company, in earlier years, had raised interest bearing funds by way of term loans from Banks, Financial Institutions and by way of issue of debentures to various financial institutions for purchase of fixed assets and working capital, Interest thereon was capitalized to the fixed assets wherever applicable. During the year the Company after repaying part dues has entered into "one time settlement" (OTS) with certain banks and financial institutions, whereby the Company as on March 31, 2009 has discharged the liability comprising of principal and interest in respect of these term loans from banks and debentures issued, aggregating to Rs 1,694.77 millions, accordingly the Company has credited Rs 425.57 millions to capital reserve representing the principal component of the amount no longer payable to Financial Institutions, has decapitalised the interest amounting to Rs 583.70 millions which in the earlier years had been capitalised and has written back the balance amount of Rs 685.50 millions to Profit and Loss Account representing the interest no longer payable to Financial Institutions and Banks.
6. The Company has made profit during the year, however in absence of any taxable income as per the provision of the Income Tax Act, 1961, no provision has made in respect of Income Tax. The Company has accumulated losses upto March 31, 2009. 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)	
	As At 2008-2009	As At 2007-2008
Deferred tax asset recognized for timing differences due to :		
a) Gratuity / Leave Encashment	1.44	1.03
b) Unabsorbed carried forward Loss	421.39	656.34
Total (A)	422.83	657.37
Deferred tax liability recognized for timing differences due to :		
a) Depreciation	422.83	657.37
Total (B)	422.83	657.37
Net deferred tax (A- B)	NIL	NIL

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7. Since the paid up share capital of Company is more than Rs 2 crores, It is required to employ whole time secretary as per the provisions of section 383A of the Companies Act, 1956. The Company has given advertisement for appointment and the whole time secretary will be appointed in due course.

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

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
Interest to Financial Institutions	276.62	-
Other Expenses	8.30	1.25
Total	284.92	1.25

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

10. 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.

The details are as under:

(Amt. in Rupees)

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
Revenue (Sales and Services)		
a) Chemical Division (Including Excise duty)	135,052,234	234,574,815
Less:- Excise Duty	10,094,042	21,668,247
Net Sales Chemical Division	124,958,192	212,906,568
b) Offshore Division	-	-
c) Infrastructure Division	267,754,831	287,015,645
d) Salt Division	-	-
e) Others	-	-
Total Revenue	392,713,023	499,922,213
Less : Inter Segment Revenue	-	-
Net sales /Income from Operations	392,713,023	499,922,213
Segment Results		
a) Chemical Division	(169,795,775)	(77,855,146)
b) Offshore Division	(466,204)	(765,480)
c) Infrastructure Division	(29,982,968)	50,663,108
d) Salt Division	-	(622,952)
e) Others	(29,479,150)	-
Total	(229,724,097)	(28,580,470)
Unallocated Corporate Expenses	(378,262,982)	(253,441,680)
Operating Profit	(607,987,079)	(282,022,150)
Less: Interest and Finance charges	(68,009,720)	(95,576,784)
Add: Un-allocable income net-off	9,858,970	4,716,256
Total Profit / (Loss) Before	(666,137,829)	(372,882,678)
Tax Exceptional Items	(12,342,757)	(15,166,684)
Less:- Income Taxes (Earlier Year)	685,496,189	371,463,958
Add:- Exceptional Items	7,015,603	(16,585,404)
Net Profit	7,015,603	(16,585,404)
Assets		
a) Chemical Division	489,404,328	573,537,660
b) Offshore Division	134,683,970	134,683,970
c) Infrastructure Division	1,499,060,186	2,247,492,488
d) Salt Division	-	-
e) Unallocable	108,838,463	165,955,124
Total assets	2,231,986,947	3,121,669,242
Liabilities		
a) Chemical Division	70,641,219	27,589,966
b) Offshore Division	3,755,438	1,810,560
c) Infrastructure Division	59,283,931	40,335,213
d) Salt Division	-	-
e) Unallocable	2,098,306,359	3051,953,503
Total Liability	2,231,986,947	3,121,669,242
Capital Expenditure		
a) Chemical Division	-	47,947
b) Offshore Division	-	-
c) Infrastructure Division	461,242	-
d) Salt Division	-	-
e) Unallocable	35,523	144,500
	496,765	192,447
Depreciation		
a) Chemical Division	64,910,536	72,069,726
b) Offshore Division	-	-
c) Infrastructure Division	160,056,928	160,770,204
d) Salt Division	-	-
e) Unallocable	-	-
	224,967,464	232,839,930
Significant Non-cash expenditure		
a) Chemical Division	33,512,418	8,095,415
b) Offshore Division	-	-
c) Infrastructure Division	36,619,804	11,159,436
d) Salt Division	-	-
e) Unallocable	122,821,747	1,462,550
	192,953,969	20,717,401

11. 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 Relatives of key management personnel	Rishi Pilani Ravi Pilani Poonam Pilani Shantidevi Pilani Manju Pilani Raunak Pilani
Enterprises owned or significantly influenced by key management personnel or their relatives	Futuristic Offshore Services And Chemical Ltd Agarwal Chemicals Ganesh Medicament Pvt Ltd. Susram Financial Services and Techniques Pvt Ltd. Agarwal Bulk Actives Pvt.Ltd. Moriya Chemicals Pvt. Ltd. Ganesh Investment And Finance Techniques Pvt. Ltd. Ganesh Shipping Agency Ganesh Risk Management Pvt. Ltd Ganesh Flexobenz Pvt..Ltd Ganesh Energene Limited

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

(Amt. 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	-	-	-	-	-	23.91 (18.83)	-	54.02 (-)	-	95.95 (72.04)	-
Agarwal Chemicals	-	(0.01)	-	-	-	-	3.20 (11.79)	-	-	7.88 (11.79)	-
Ganesh Medicament Pvt Ltd.	1.07 (2.07)	-	-	-	-	-	9.32 (-)	-	-	-	0 (7.58)
Susram Financial Services and Techniques Pvt Ltd.	-	-	-	-	-	0.02 (-)	-	-	-	-	386.62 (-)
Agarwal Bulk Active Pvt.Ltd.	-	-	0.19 (-)	-	-	-	-	-	-	1.25 (1.05)	-
Moriya Chemicals	-	-	-	-	-	-	(15.00)	-	-	-	0 (30.56)
Ganesh Investment And Techniques Pvt.Ltd.	-	-	-	-	-	-	(43.24)	-	-	-	0 (41.74)
Ganesh Shipping Agency	-	-	-	-	-	-	1.5 (-)	-	-	-	0 (4.76)
Ganesh Risk Management Pvt. Ltd	-	-	-	-	-	-	0.02 (-)	-	-	0.01 (-)	-
Ganesh Flexobenz Pvt.Ltd	-	-	-	-	-	0.01 (-)	-	-	-	0.03 (0.92)	-
Ganesh Energene Limited	-	-	-	-	-	-	-	-	10.00 (-)	9.24 (19.24)	-
Ravi Pilani	-	-	-	-	-	-	5.47 (-)	-	-	-	5.47 (-)
Poonam Pilani	-	-	-	1.80 (1.34)	-	-	0.15 (-)	-	-	-	0.15 (-)
Shantidevi Pilani	-	-	-	-	0.11 (-)	-	0.70 (0.33)	-	-	-	0.72 (0.33)
Manju Pilani	-	-	-	-	-	-	0.04 (-)	-	-	-	0.04 (-)
Raunak Pilani	-	-	-	-	-	(2.30)	-	-	-	(2.30)	-
Rishi Pilani	-	-	-	-	-	(5.25)	-	-	-	(5.25)	-

Note : Figures in bracket indicate previous year balance.

Ganesh Benzoplast Limited

12. 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.)

	Gratuity 2009
Current service cost	138,046
Interest cost on benefit obligation	185,696
Expected return on plan assets	-
Net actuarial(gain) / loss recognised in the year	789,626
Past service cost	(698,502)
Net benefit expense	414,866
Actual return on plan assets	-

Balance sheet

Details of Provision for Gratuity (Rs.)

	Gratuity 2009
Defined benefit obligation	3,434,566
Fair value of plan assets	-
	3,434,566
Less: Unrecognised past service cost	-
Plan asset / (liability)	3,434,566

Changes in the present value of the defined

benefit obligation are as follows:

(Rs.)

	Gratuity 2009
Opening defined benefit obligation	2,321,198
Interest cost	185,696
Current service cost	138,046
Benefits paid	-
Actuarial (gains) / losses on obligation	789,626
Closing defined benefit obligation	3,434,566

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

	2009 %
Discount rate	8 %
Employee turnover	-
- Up to Age of 35	2 %
- 35-45 yrs	1 %
- Above 45	1/2 %
Salary increase rate	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.

*** The Company has adopted AS-15 Employee benefits in the current year, hence comparable figures for 2007-08 are not presented

13. Un hedged Foreign Currency Exposure

Particulars of Unhedged foreign Currency Exposure as at the Balance Sheet date

Particulars	Amount
Export debtors	Rs. 234,370 (US \$ 4,600 @ Closing rate of 1 USD = Rs. 50.95)
Advances from customers	Rs. 12,209,556 (US \$ 239,638 @ Closing rate of 1 USD = Rs. 50.95)

14. 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

	2009 Rs. in million	2008 Rs. in million
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	-	-

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

15.1 Sales (Inclusive of Excise)

	Unit	Quantity		Value (Rs. In Millions)	
		2009	2008	2009	2008
Benzoic Acid	M.T	324.61	686.04	25.18	48.18
Sodium Benzoate	M.T	731.48	710.75	60.00	51.75
Benzoplast (Benzoate Plasticizers)	M.T	43.53	142.06	3.60	11.97
Sodium petroleum sulphate	M.T	118.81	108.61	10.96	7.61
Industrial lubricant	M.T	61.88	596.84	7.53	88.69
Others		-	-	27.78	26.38
				<u>135.05</u>	<u>234.58</u>
Sale of services				267.76	287.01
				<u>402.81</u>	<u>521.59</u>

15.2 Consumption of raw materials and components

	Unit	Quantity		Value (Rs. In Millions)	
		2009	2008	2009	2008
Toulene	M.T	1,623.931	1,607.97	54.21	77.41
Caustic Soda Lye	M.T	527.645	463.048	6.88	5.24
SN 150	M.T	131.474	33.879	6.57	1.42
Heavy Alkalate	M.T	249.267	75.736	10.36	4.01
Others*		-	-	37.82	48.74
				<u>115.84</u>	<u>136.82</u>

* 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.

15.2 Consumption of raw materials and components

	Quantity (M.T)		Value (Rs. In millions)	
	2009	2008	2009	2008
Opening Stock				
Benzoic Acid	1.73	1.60	0.11	0.10
Sodium Benzoate	2.08	0.23	0.07	0.12
Benzoplast (Benzoate Plasticizers)	0.10	0.10	0.09	0.07
Sodium petroleum sulphate	-	-	-	-
Industrial lubricant	-	-	-	-
Others*	-	-	-	0.05
			<u>0.27</u>	<u>0.34</u>
Closing Stock				
Benzoic Acid	7.60	1.73	0.46	0.11
Sodium Benzoate	6.45	2.08	0.43	0.07
Benzoplast (Benzoate Plasticizers)	13.08	0.10	0.82	0.09
Sodium petroleum sulphate	-	-	-	-
Industrial lubricant	5.20	-	0.52	-
Others*	-	-	0.37	-
			<u>2.60</u>	<u>0.27</u>

* 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

15.4 Licensed Capacity, Installed Capacity and Actual Production

Class of Goods	Unit	Licensed Capacity		Installed Capacity		Actual Production	
		2009	2008	2009	2008	2009	2008
Benzoic Acid***	M.T	1,800	1,800	1,800	1,800	330.48	686.17
Sodium Benzoate	M.T	1,800	1,800	1,800	1,800	735.85	712.60
Benzoplast (Benzoate Plasticizers)	M.T	9,000	9,000	9,000	9,000	56.51	142.06
Sodium petroleum sulphate	M.T	150	150	150	150	118.81	108.61
Industrial lubricant	M.T	5000	5,000	5000	5,000	67.08	596.84

*** excluding captive consumption

15.5 Imported and indigenous raw materials, components and spare parts consumed

	Percentage of total consumption		Value (Rs. In Millions)	
	2009	2008	2009	2008
Raw Materials				
Imported	-	-	-	-
Indigenously obtained	100	100	115.84	136.82
	100.00	100.00	115.84	136.82
Stores and Spare Parts				
Imported	-	-	-	-
Indigenously obtained	100	100	12.17	10.17
	100.00	100.00	12.17	10.17

15.6 Earnings in foreign currency (Accrual basis)

	2009 Rs. In Millions	2008 Rs. In Millions
Exports at F.O.B. Value	26.22	15.18
	26.22	15.18

16. Earning Per Share (EPS)

Sr.	Earning per Share (EPS)	2008-2009	2007-2008
	Profit/(Loss) after Tax (Rs. In Millions)	7.02	(16.58)
(i)	Weighted Average No. of Ordinary Shares for basic EPS	2,92,84,294	2,92,84,294
(ii)	Nominal Value of ordinary share	Re.1/-	Re.1/-
(iii)	Basic/diluted earning per Ordinary share (Rs.)	0.24	(0.57)

17. Details of balances included in debtors which are due from companies in which directors are interested

Nature of Transaction	Closing Balance (Rs. In Millions)	Maximum balance outstanding (Rs. In Millions)
Futuristic Offshore Services And Chemical Ltd.	95.95 (72.04)	95.95 (72.04)
Agarwal Chemicals	7.88 (11.79)	7.88 (15.05)

18. Details of loans given to directors /associates and firms/ companies in which directors are interested

Nature of Transaction	Closing Balance (Rs. In Millions)	Maximum balance outstanding (Rs. In Millions)
Agarwal Bulk Active Pvt.Ltd.	1.25 (1.05)	1.35 (1.05)
Ganesh Risk Management Pvt. Ltd	0.01 (-)	0.01 (-)
Ganesh Flexobenz Pvt.Ltd	0.03 (0.02)	0.03 (0.02)
Ganesh Energene Limited	9.24 (19.24)	19.24 (19.24)
Raunak Pilani	(2.30)	- (2.30)
Rishi Pilani	(5.25)	- (5.25)
Gyan Choradia	13.81 (7.34)	16.44 (7.34)

Note : Figures in bracket indicate previous year balance.

19. The details of Increase and Decrease in stocks

	As At 31. 03. 2009 (Rs. in Millions)	As At 31. 03. 2008 (Rs. in Millions)
Closing stock of Finished Goods	2.60	0.27
Closing stock of work in process	3.81	1.17
	6.41	1.44
Less:		
Opening stock of Finished Goods	0.27	0.11
Opening stock of work in process	1.17	1.21
	1.44	1.32
Net Increase /(Decrease) in stocks	4.97	0.12

20. Previous Year Comparatives

The figures of previous year were audited by a firm of Chartered accountants other than S.R. BATLIBOI & Co. 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

per Hemal Shah
Partner
Membership No. 42650

Place : Mumbai
Date : 4th September, 2009

For and on behalf of the Board of
Directors of Ganesh Benzoplast Limited

Rishi Pilani
Chairman

Raunak Pilani
Director

Ganesh Benzoplast Limited

SCHEDULE 'S'

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	31-03-2009		
	Date Month Year		

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

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

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

Total Liabilities	4254.49	Total Assets	4254.49
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SOURCES OF FUNDS

Paid-up Capital	34.55	Reserves and Surplus	953.14
Deferred Tax Liability	NIL	Secured Loans	2861.21
		Unsecured Loans	405.58

APPLICATION OF FUNDS

Net Fixed Assets & CWIP	1915.81	Investments	0.26
Net Current Assets	104.11	Misc. Expenditure	—
Accumulated Losses	2234.35		

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

Turnover/Income	407.54	Total Expenditure	400.52
<input type="checkbox"/> + <input type="checkbox"/> - Profit/Loss Before Tax	19.36	<input type="checkbox"/> + <input type="checkbox"/> - Profit/Loss After Tax	7.02

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

Earning per share in Rs.	0.24	Dividend	NIL
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V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	291631.09	Product Description	BENZOPLAST
Item Code No. (ITC Code)	291631.01	Product Description	BENZOICACID
Item Code No. (ITC Code)	291631.04	Product Description	SODIUMBENZOATE

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	Year Ended 31/3/2009 Rs.	Year ended 31/3/2008 Rs.
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit after extraordinary/prior period items	7,015,603	(16,585,404)
Adjusted for :-		
Depreciation	224,967,465	232,839,930
Other Income	(27,459)	(156,557)
Deferred Tax Liability w/back	-	(337,270,000)
Interest Expenses	68,009,720	95,576,783
Provision for bad & doubtful debts	89,028,404	19,254,851
Provision for bad loans and advances	52,794,992	-
Capital Expenditure w/off	10,582,969	-
(Profit)/Loss on sale of fixed assets	(2,325,600)	250,726,330
	443,030,490	260,971,337
Operating Profit before Working Capital Change	450,046,093	244,385,933
Adjusted for :-		
Sundry Debtors (Increase)/Decrease	(19,968,503)	(67,303,423)
Advance recoverable in cash or kind and Loans and Advances	7,000,457	(1,934,654)
Inventories(Increase)/Decrease	(8,668,218)	(946,534)
Trade payables, Provisions & Tax Increase/(Decrease)	33,496,876	3,266,995
	463,905,704	177,468,317
Cash generated from Operations	463,905,704	177,468,317
Less:- Income Taxes Paid		
Net Cash from Operating activitiesA	463,905,704	177,468,317
B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	2,450,000	17,500,000
Purchase of Fixed Assets	(496,765)	(192,447)
Interest income	27,459	156,557
	1,980,694	17,464,110
Net Cash used in investing Activities.....B	1,980,694	17,464,110
C) CASH FLOW FROM FINANCING ACTIVITIES		
Secured Loans (repaid)	(971,636,681)	(89,138,988)
Secured Loans borrowed(including accrued interest)	630,205,041	-
Unsecured Loans (repaid)	(65,237,697)	(17,623,467)
Unsecured Loans borrowed(including accrued interest)	10,894,510	8,028,356
Interest	(68,009,720)	(95,576,783)
	(463,784,546)	(194,310,882)
Net Cash From Financing ActivitiesC	(463,784,546)	(194,310,882)
Net increase in Cash & Cash Equivalents (A+B+C)	2,101,853	621,547
Cash and cash equivalent as at 1st April 2008	6,354,606	5,743,058
Cash and cash equivalent as at 31st March 2009	8,466,459	6,364,606
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.		
(3) Cash and cash equivalents	31st March 2009	31st March 2008
Cash and cheques in hand	837,169	1,099,076
Bank balance with scheduled banks		
In current and deposit accounts	7,629,290	5,265,530
	8,466,459	6,364,606

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

For S. R. Batliboi & Co.
Chartered Accountants

For and on behalf of the Board

Per Hemal Shah
Partner
Membership No : 42650
Place : Mumbai
Date : 4th September, 2009

Rishi Pilani
Chairman

Raunak Pilani
Director



GANESH BENZOPLAST LIMITED

Regd. Office: Dina Building, 1st 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 **22nd Annual General**

Meeting of the Company to be held on **30th September, 2009 at 10.00 a.m.** at Panchayat Seva Trust, Satyanarayan Goenka Bhavan, 87, J. B. Nagar, Andheri (East), Mumbai - 400 059 and at any adjournment thereof.

Signed this _____, day of _____ 2009.

Signature of Member _____

Affix
Rs. 1/-
Revenue
Stamp

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, 1st 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 **22nd ANNUAL GENERAL MEETING** of the Company to be held on **30th September, 2009 at 10.00 a.m.** at Panchayat Seva Trust, Satyanarayan Goenka Bhavan, 87, J. B. Nagar, Andheri (East), 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, 1st Floor,
53, Maharshi Karve Road,
Marine Lines, Mumbai - 400 002.

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