

## NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of **GANESH BENZOPLAST LIMITED** will be held on **Tuesday, 30th November, 2010 at 10.00 A.M** at Shree Rajastan Recreation Club, J.B.Nagar, Andheri (East) Mumbai-400 059., to transact the following business:-

### ORDINARY BUSINESS.

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010, 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 Gyan Chordia, Shri Raunak R. Pilani, who retires by rotation as per Article 134 of the Articles of Association and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors to hold the office from the conclusion of the Twenty Third Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to section 293 (1) (d) of Companies Act 1956, the Board of Directors of the Company be and is hereby authorized and shall be deemed to have always been so authorized to raise or borrow from time to time at its discretion either from the Company's bankers or from the Directors or from elsewhere on such terms and conditions as to repayment, interest or otherwise as it thinks fit such sums as may be necessary for the purposes of the company upto a limit of Rs. 1000 crores outstanding at any one time and that such borrowing shall be exclusive of temporary loans obtained or to be obtained by the company from its bankers in the ordinary course of business."

By Order of the Board

Place : Mumbai  
Date : 05/10/2010

**Rishi R. Pilani**  
Chairman

### NOTES :-

1. The relative Explanatory statement pursuant to section 173 of the Companies Act, 1956, in respect of business under item 4 set out above is annexed thereto.

### ANNEXURE TO NOTICE :-

#### EXPLANATORY STATEMENT REQUIRED BY SECTION 173 (2) OF THE COMPANIES ACT, 1956 RELATING TO THE SPECIAL BUSINESS UNDER ITEM 4 OF THE ACCOMPANYING NOTICE DT. 05TH OCTOBER, 2010

- a) As the company's net-worth is negative, it is required to obtain approval of shareholders for borrowing moneys for the company's ongoing requirements. It is therefore proposed to obtain the consent / ratification of members in respect of loans proposed to be raised / already raised from bankers and other various sources. This resolution is also deemed to convey the ratification of the members to the loans already taken by the company in the past for meeting its ongoing requirements.

The Directors of the Company may be deemed to be concerned or interested to the extent of their shareholding, if any of the said bodies corporates.

The Directors recommend the resolution for member's approval.

2. 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.
3. 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.
4. The Register of Members and the Register of Share Transfers of the Company was closed on Monday, 20th September, 2010 to Thursday, 30th September, 2010 (Both days inclusive).
5. Members are requested to bring their copy of the Annual Report along with them to the meeting.
6. 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.
7. Members are requested to bring their attendance slip duly signed so as to avoid inconvenience.
8. 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).
9. 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.
10. 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 : 05/10/2010

**Rishi R. Pilani**  
Chairman

# Ganesh Benzoplast Limited

## DIRECTORS' REPORT TO THE SHAREHOLDERS

To

The Members,

Your Directors have pleasure in presenting the Twenty Third Annual Report on the business and operations of the Company together with the Audited Accounts for the year ended March 31, 2010.

### FINANCIAL RESULTS

	<i>(Rs. in millions)</i>	
	2009-2010	2008-2009
Gross Revenue from Operations	731.28	402.81
Less:- Excise duty	16.79	10.09
Net Revenue from operation	714.49	392.71
Other Income	8.04	9.85
Profit/(Loss) before Depreciation, Interest, Taxation and Exceptional items	224.60	(88.24)
<b>Less:</b> Depreciation	(173.31)	(224.97)
Profit/(Loss) Before Interest, Taxation and Exceptional items	51.29	(313.21)
<b>Less:</b> Interest	(164.72)	(68.01)
Profit/(Loss) before Exceptional items and Taxation	(113.43)	(381.22)
Add : Exceptional items	10.42	685.50
Profit / (Loss) before Taxation after Exceptional Item	(103.00)	304.28
Add/(Less):- Prior period income/(Expense)	(3.57)	(284.92)
<b>Less:</b> Provision for Taxation (earlier period)	-	(11.84)
<b>Less:</b> Fringe Benefit Tax	-	(0.50)
Profit / (Loss) for the year	(106.57)	7.02
Brought forward Losses of earlier years	(2234.35)	(2241.37)
<b>Total accumulated losses</b>	<b>(2340.92)</b>	<b>(2234.35)</b>
<b>Appropriations:</b>	<b>NIL</b>	<b>NIL</b>
Balance carried forward to Balance Sheet as debit balance of profit & loss account.	(2340.92)	(2234.35)

The Gross revenue from Operations was Rs.731.28Millions for the year under review as against Rs.402.81 Millions for the previous year. The Division wise Gross operational revenue is as follows:

*(Rs. in millions)*

Division	For the year ended 31.03.2010	For the year ended 31.03.2009	% Increase/ (Decrease)
Chemical	288.46	135.06	114
Infrastructure	442.82	267.75	65
Total	731.28	402.81	82

The operations for the year resulted in a net loss of Rs.106.57 Millions as against net profit of Rs.7.02 Millions in the previous year.

### DIVIDEND:

In view of the loss incurred during the year under review, your directors do not recommend any dividend.

### MAJOR REASONS FOR LOSS:

There are following reasons:

- 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 at 30% only.
- Provision for Bad and Doubtful debts of Rs.43.32 millions.

### CAPITAL EXPENDITURE:

In infrastructure division, the company was in the process of up gradation of storage tanks at Goa, Cochin and JNPT. Company has also incurred capital expenditure at chemical factory.

### FUTURE OUTLOOK:

Your directors are hopeful for better performance in the current year. The infrastructure division is showing better occupancy, also chemical division is showing 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 and as a result of above in first two quarters of Financial year 2010-11, Company has earned Net Profit after tax, as against net loss in previous years.

### Income Tax Assessments:

The company's Income tax assesment has been completed up to the A.Y.2008-09.

### PERSONNEL AND OTHER INFORMATION:

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

- who was in receipt of remuneration exceeding Rs.24,00,000/- p.a. in the aggregate;

OR

- 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

- 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 Gyan Chordia** and **Raunak Pilani**, Director's 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 Priyanka K. Somani, Practicing Company Secretary with Management Discussion and Analysis Statement.

#### **AUDITORS:**

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

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

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

#### **CASH FLOW STATEMENT:**

In conformity with the provision of Clause 32 of the Listing Agreement(s) the cash flow statement for the year ended 31st March 2010 is annexed hereto.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (I) While preparing annual accounts, the applicable accounting standards have been followed and there are no material departures;
- (II) The accounting policies as mentioned in Note 1 (a) of the Notes to Accounts have been selected and applied

consistently, and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss for the period, ended on that date;

- (III) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (IV) The annual accounts have been prepared on a going concern basis.
- (V) The observation of the auditors in their report to the members have been adequately dealt with in the relevant Notes to the Accounts.

#### **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. 42/2009. Subsequent to the year end the Company has been declared as Sick Industrial Undertaking by Board for Industrial and Financial Reconstruction (BIFR), wherein the board has appointed Operating Agency to prepare a revival scheme for the Company.

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

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

#### **APPRECIATION**

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

For and on behalf of the Board,

Place : Mumbai  
Date : October 5, 2010

**RISHI PILANI**  
CHAIRMAN

#### **DECLARATION BY CEO/CFO**

I, Ramesh Pilani, CEO of Ganesh Benzoplast Limited hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, for the year ended March 31, 2010.

For **Ganesh Benzoplast Limited**

Place : Mumbai  
Date : October 5, 2010

**Ramesh Pilani**  
Chief Executive Officer

# Ganesh Benzoplast Limited

## 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, 2010.

### 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:

	2009-2010	2008-2009
<b>I. POWER AND FUEL CONSUMPTION</b>		
1. (a) Purchased Unit (KWH in thousand)	<b>3076.92</b>	1208.33
Total Amount (Rs.in Millions)	16.22	6.33
Rate/Unit (Rs)	<b>5.27</b>	5.24
(b) Own Generation		
(1) Through Diesel Generator unit (KLS in thousand)		
Total Units	<b>77.80</b>	47.78
Total Amount (Rs. In Millions)	<b>2.25</b>	1.76
Rate / Unit (Rs.)	<b>28.92</b>	36.96
2. FURNACE OIL		
Qty. (KLS in thousand)	<b>0.46</b>	0.062
Total amount (Rs. In Millions)	<b>10.95</b>	1.766
Average rate (RS/KLS)	<b>23603</b>	18602
<b>II. CONSUMPTION PER M.T.OF PRODUCTION</b>		
Electricity	<b>931.84/KWH</b>	628.18/KWH
Furnace Oil (KLS)	<b>0.02/KLS</b>	0.02/KLS
Diesel/LDO/LSHS (KLS)	<b>0.02/KLS</b>	0.03/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.26.22Millions (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 a) of Audit Report:-** In previous financial year 2008-09 Company has given Rs.13.80 Mn. as short term advance to one of the Director Shri Gyan Chordia. In current financial Year 2009-10 Mr.Gyan Chordia has repaid back an amount of Rs.5.52 Mn. to the Company and balance amount of Rs.82.87 lacs will be recovered from him in financial year 2010-11. The Company will also take the necessary steps to regularize the default with Registrar of Companies.

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

In the previous year Company had entered in to a contract that required professional services of Mrs.

Poonam Rishi Pilani, from which company has benefited. From April, 2010 Company has terminated such contract and accordingly such services are now not required. Accordingly no such remuneration will be paid to Poonam Pilani in future. Company will also take necessary steps to regularize the payments with the Registrar of Companies, Mumbai.

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

In the previous financial year 2008-09 Company has taken unsecured Int. free short term advances from friends and relatives for the purpose of OTS payments of banks. In current financial year company has repaid part dues of these parties. Company will take necessary steps to repay the amounts so borrowed and also for regularizing the funds so accepted.

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

During the year Company has granted some of the business advances to the associate companies without passing special resolutions. The Company will take necessary steps to ensure that the necessary approvals are now obtained.

**Qualification mentioned in para 6 of audit report:-**

In current financial year there is improvement in capacity utilization in chemical division, and

accordingly in the opinion of management impairment of assets of chemical division is not necessitated.

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

In the past Company had given some loans and advances to few corporates in expectation of good returns. However, subsequently there was a default in payment of interest and the Principal. For the recovery of the said loans and advances, the Company has initiated actions under Negotiable instruments Act for recovery of these sums and the Management is of the opinion that the same will be recovered by the Company.

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

During the year Company has settled the dues of one of the secured term loan lender and accordingly waiver of Principal loan amount was directly credited to Capital Reserve since such loan was for the purpose of capital expenditure and hence its waiver is certainly a capital receipt..

For and on behalf of the Board,

Date : October 5, 2010  
Place : Mumbai

**RISHI PILANI**  
CHAIRMAN

# Ganesh Benzoplast Limited

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business of the company

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

#### CHEMICAL DIVISION

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

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

#### INFRASTRUCTURE DIVISION

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

#### Main segments –

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

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

#### Highlight of performance and events

In the Chemical Division the scenario 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.

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

#### **Key Strength areas and growth:**

##### **Manufacturing facilities**

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

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

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

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

#### **Research and Development**

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

#### **Growth drivers**

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

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

#### **Opportunities and Threats:**

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

## Ganesh Benzoplast Limited

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.

In the Offshore Division, the Company has expertise in maintenance of vessels & supplying of manpower for such vessels. The Company is looking for opportunity to revive this division.

### Summary:

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

### Financial Review and position

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

The working for the year has resulted in net loss of Rs.106.57 Million as against net profit of Rs.7.01 million in the previous year. The Division wise PBIT / (loss) for the current year accounted for by Chemical Division loss Rs. 149.45 Million, Infrastructure Division Profit Rs.227.28 Million, Offshore Division loss Rs.30.55

Million, with trading and other unallocable PBIT of loss Rs. 153.85 Million.

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

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

The 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 including forfeited shares stands at Rs.53.44 millions. Company has issued OFCD's (Optionally Fully Convertible Debenture) 3,61,111 at Rs. 180 each to promoters (lenders) which can be converted into equity at a later date.

### Internal Control System:

The company is taking steps to put in place an appropriate internal audit and control system.

### Financial Condition

#### Share Capital

Issued, Subscribed and Paid up Capital as at March 31, 2010 was Rs.48.17 Million (Rs.29.28 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, 2010. Reserves and Surplus amounted to Rs. 1278.75 Millions (Rs. 953.14 Million in the previous year).



The debit balance (loss) in the profit and loss account amounted to Rs. 2340.93 Million as against Rs. 2234.35 Million in the previous year.

#### **Loan Funds**

The loan funds stood at Rs.2927.47 million as at March 31, 2010 (Rs.3266.79 million in the previous year).

#### **Fixed Assets**

Net fixed assets including Capital Work in Progress as at March 31,2010 are Rs.1804.38 million (Rs.1915.81 as at March 31,2009).

#### **Investments**

Total amount of investments as at March 31,2010 was Rs.0.22 million (Rs.0.22 million as at March 31,2009).

#### **Net Current Assets**

Net Current Assets increase to Rs.114.16 million as at March 31, 2010 from Rs.104.11 million as at March 31, 2009.

#### **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, 2010, 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 : October 5, 2010

**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, Nine Board Meetings were held on 27.04.2009, 31.07.2009, 04.09.2009, 31.10.2009, 26.11.2009, 30.01.2010, and 19.03.2010, 31.05.2010, 05.08.2010.

Name of Director	Category	No. of Board Meetings Attended	No. of Directorship of other Limited Companies	No. of Membership in other Committees
Shri Rishi R. Pilani (w.e.f. 18th October 2006)	Promoter Executive	9	1	3
Shri Raunak R. Pilani (w.e.f. 28th June 2008)	Promoter Executive	9	Nil	1
Shri Kirtikumar H. Desai, (Up to 26.11.2009 )	Non Executive Independent	5	1	3
Shri Gyan Chordia (w.e.f. 28TH June 2008)	Non Executive Independent Director	8	1	3
Shri Nalinakshan K (W.e.f. 30th June 2007)	Non Executive Independent Director	7	Nil	1

### 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, (Up to 26.11.2009 )	Non Executive t Independen	Chairman	3
Shri Nalinakshan K.	-Do-	Member	3
Shri Gyan Chordia (w.e.f. 27.11.2009)	-Do-	Chairman	4
Shri Rishi Pilani (w.e.f. 27.11.2009)	Executive Directors	Member	2

The Committee met on and 31.07.2009, 04.09.2009, 31.10.2009, 30.01.2010, 31.05.2010, 05.08.2010 during the year. In order to comply with the listing requirements of minimum number of 3 members, the Board has appointed Shri. Rishi R. Pilani as a member of the Audit Committee & Shri Gyan Chordia is appointed as Chairman of Audit Committee w.e.f. 27.11.2009 (earlier members of the Audit Committee)

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.

## Ganesh Benzoplast Limited

### 4. DETAILS OF REMUNERATION PAID TO DIRECTOR IS AS UNDER

Name of Director	Salary incl. Perquisites	Cont. to P.F.	Sitting fees	Total
Shri Kirtikumar H. Desai (Upto 26.11.2009)	Nil	Nil	Rs. 21,750	Rs. 21,750
Shri Rishi R. Pilani	Nil	Nil	Nil	Nil
Shri Raunak R. Pilani	Nil	Nil	Nil	Nil
Shri Gyan Chordia	Nil	Nil	Rs. 19,000	Rs. 19,000
Shri Nalinakshan K.	Nil	Nil	Rs. 19,000	Rs. 19,000

### 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 24.04.2009, 31.07.2009, 31.10.2009, 31.01.2010, 31.05.2010, 05.08.2010 during the year.

#### Composition

Name of Director	Category	Position	No. of Meetings Attended
Shri Kirtikumar H. Desai (Upto 26.11.2009)	Non Executive Independent	Chairman	3
Shri Nalinakshan K.	-Do-	Member	3
Shri Gyan Chordia (w.e.f. 27.11.2009)	-Do-	Chairman	4
Shri Rishi Pilani (w.e.f. 27.11.2009)	Executive Directors	Member	2

In order to comply with the listing requirements of minimum number of 3 members, the Board has appointed Shri. Rishi R. Pilani as a member of the Investors' Grievance Committee & Shri Gyan Chordia is appointed as Chairman of Investors' Grievance Committee w.e.f. 27.11.2009 (earlier members of the Investors' Grievance Committee)

The total number of complaints received and replied to the satisfaction of the Share holders during the year ended 31.03.2010 were 139, Ten Complaints as on 31.03.2009 were out standing. All pending Complaints have been attended to/replied to by 26.4.2010.

The total numbers of pending share transfers were Nil and pending request for dematerialization were 12 as on 31.03.2010. These have been approved / dematerialized by 15.04.2010.

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

### 6. SHARE TRANSFER COMMITTEE

The composition, powers and functions of the Committee meets the requirements of Listing Agreement. The Committee meets generally on a fortnightly basis. During the year under review, the Committee met 24 times.

Name of Director	Category	Position	Meeting Attended
Shri Kirtikumar H. Desai (Upto 26.11.2009)	Non Executive Independent	Chairman	15
Shri Gyan Chordia (w.e.f. 27.11.2009)	Non Executive Directors	Chairman	9
Shri Rishi R. Pilani	Executive Director	Member	24
Shri Raunak R .Pilani	Executive Director	Member	24

In order to comply with the listing requirements of minimum number of 3 members, the Board has appointed Shri Gyan Chordia as Chairman of Investors' Grievance Committee w.e.f. 27.11.2009

### 7. GENERAL BODY MEETINGS:

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

Meeting	Day, Date and Time	Venue
21st 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.
23rd AGM	Tuesday, 30.11.2010, 10.00 AM	Shree Rajasthan Recreation Club, J.B.Nagar, Andheri (E), Mumbai- 59.

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

**8. DISCLOSURES:**

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

- **Details related party transactions:**

There are no material transactions with related parties that require separate disclosures. A list of related party transactions as required by the Accounting Standards (AS) 18 issued by the institute of Chartered Accounts of India, forms part of note 10 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 other material peculiarly transaction with any Non-Executive as well as independent Director of the Company that requires a separate disclosure, except as mentioned in Para 5 a of Audit Report.

- **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 issue. During the year company has made Preferential allotment of shares to promoters / lenders against cancellation of their outstanding loan.

- **Disclosure of Accounting Transactions:**

The Company has followed all mandatory accounting standards except Accounting Standard 28 as mentioned in Para 6 of Auditors Report.

- **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:**

Tuesday, 30th November, 2010 at 10. A.M. at. Shree Rajasthan Recreation Club 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 was closed on Monday, 20th September, 2010 to Thursday, 30th September 2010. ( 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 .

## Ganesh Benzoplast Limited

**(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 53.75% of the total shares have been dematerialised as on March 31, 2010.

**(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.:** 28390715, **Email Address:** mlgbml@yahoo.co.in, **Investor Complaint Email Address :** gbljbn@yahoo.com. **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:**

Monthly high and low quotations as well as the volume of shares traded at Mumbai Stock Exchange for 2009-2010 are :

Month 2009-2010	High (Rs.)	Low (Rs.)	Volume (Shares)	Month 2009-10	High (Rs.)	Low (Rs.)	Volume (Shares)
April 2009	-----	-----	-----	October, 2009	-----	-----	
May 2009	-----	-----	-----	November, 2009	19.00	10.06	2240461
June 2009	-----	-----	-----	December, 2009	14.80	10.10	1820321
July 2009	-----	-----	-----	January, 2010	14.90	10.31	1395610
August 2009	-----	-----	-----	February, 2010	12.30	10.40	927504
Sept 09	-----	-----	-----	March, 2010	11.23	9.06	756425

**(xiv) Distribution Schedule as on 31.03.2010.**

No. of Equity Shares	Share holders		No. of Shares	
	Number	% of Holders	Number	% of Shares
Upto -2500	37325	98.35	8445855	17.53
2501 -5000	246	0.648	690316	1.43
5001-10000	176	0.463	1338487	2.78
10001-20000	98	0.258	1500818	3.12
20001-30000	21	0.055	536984	1.11
30001-40000	19	0.052	666728	1.38
40001-50000	16	0.042	757601	1.57
50001-100000	22	0.057	1759089	3.66
100001 & Above	28	0.075	32477304	67.42
<b>Total</b>	<b>37951</b>	<b>100.00</b>	<b>48173182</b>	<b>100.00</b>



**(xv) Categories of Shareholders as on 31.03.2010.**

Category	31.03.2010	
	% of Shareholding	No. of Shares
Promoters	29.34	14135990
Individuals	37.59	18107393
Domestic Companies	18.67	8992559
FIs ,Mutual Funds & Bank	11.66	5616000
FII's, OCBs & NRI	2.74	1321240
<b>TOTAL</b>	<b>100.00</b>	<b>48173182</b>

**(xvi) Plant Location****a) CHEMICAL DIVISION**

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

**(xvii) Address for Correspondence**

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

# Ganesh Benzoplast Limited

## AUDITORS' REPORT

To,

The Members of

**Ganesh Benzoplast Limited,**

1. We have audited the attached Balance Sheet of Ganesh Benzoplast Limited ('the Company') as at March 31, 2010 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 net worth, which raise substantial doubt that the Company will be able to continue as a going concern. Subsequent to the year end the Company has been declared as Sick Industrial Undertaking by Board for Industrial and Financial Reconstruction (BIFR), wherein the board has appointed Operating Agency to prepare a revival scheme for the Company. Further the Company has during the year issued fresh shares at a premium to certain lenders against part of their dues. 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. a) *The Company has given to a director of the Company interest free loan / advance amounting to Rs. 82.87lacs (Previous year Rs 138.08 lacs) as on March 31,2010 for which the approval of Central Government as required by Section 295(1) of the Companies Act, 1956, has not been obtained.*
- b) *The Company has paid Rs.20.52 lacs (Previous year Rs 18.21 lacs) by way of salary to a relative of a Director without obtaining approval of the Central government as required by Section 314 (1B) of the Companies Act, 1956.*
- c) *The Company has taken deposits amounting to Rs 109.28 lacs ( Previous year Rs 149.50 lacs) as on March 31, 2010 from shareholders and their relatives ,which is not in accordance Companies (Acceptance of deposits) Rules 1975and 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.*
- d) *The networth of the Company has been fully eroded as on March 31, 2010, however the Company has during the year given inter corporate deposits to certain parties and has also taken loans from certain parties without passing any special resolution in a general meeting as required by section 372A and Section 293(1)(d) respectively of the Companies Act, 1956.*
- e) *The audit report for the year ended March 31, 2009 was also qualified in respect of the above matters stated in paragraph 5(a)to 5(d) above.*

*The Impact of our comments in paragraph 5 above, if any, on the financial statements cannot be ascertained.*

- 6 *We have been informed by the management that certain fixed assets of chemical segment are not fully utilized and may need to be impaired as required by Accounting Standard (AS)28, " Impairment of Assets". In the absence of information we are unable to comment on the extent of impairment if any and accordingly the effect of the same on the accompanying financial statements is not ascertainable The audit report for the year ended March 31,2009 was also qualified in respect of the above matter.*

- 7 a) *The Company has not provided for loans and advances aggregating to Rs 402.04 Lacs given to various parties outstanding for a considerable period of time, which in our opinion are doubtful of recovery, Had the Company accounted for the same the loss for the period would have been Rs 1,467.77Lacs as against Rs 1,065.73 Lacs , balance in profit and loss account would have been Rs 23,811.29 Lacs as against Rs 23,409.25 Lacs , Balance in loans and advances would have been Rs 2,308.94 Lacs as against Rs 2710.98Lacs The audit report for the year ended March 31,2009 was also qualified in respect of the above matter.*
- b) *The Company after repaying part dues has entered into "one time settlement"(OTS) with certain lenders and accordingly has credited the principal loan waiver amount which is no longer payable aggregating to Rs.45 Lacs to capital reserve as against the profit and loss account, Had the company credited the same to profit and loss account then loss for the period has been reduced to Rs.1020.73 Lacs as against loss of Rs 1,065.73Lacs. balance in profit and loss account would have been 23,364.25 as against Rs. 23,409.25 and balance in reserves and surplus would have been Rs. 12,742.54 as against Rs. 12787.54.*
- c) *Had the Company accounted for our comments in paragraph 7(a) and paragraph 7(b) above there would have been loss for the period amounting to Rs.1422.77 Lacs as against loss of Rs 1,065.73 Lacs, Balance in loans and advances would have been Rs 2,308.94 Lacs as against Rs 2,710. 98 Lacs. balance in profit and loss account would have been 23,766.29 as against Rs. 23,409.25 and balance in reserves and surplus would have been Rs. 12,742.54 as against Rs. 12787.54.*
8. Further to our comments in the Annexure referred to above, we report that:
- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit, except for our comments on paragraph 6 above relating to information in respect of impairment provision in respect of certain assets.
- 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 6and 7above ;
- v. On the basis of the written representations received from all the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the director are disqualified from being appointed as a director in any other public company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi. Based on our audit, In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and subject to our remarks in paragraph 5andparagraph 6 the impact of which cannot be ascertained on the financial statements, and paragraph 7,8(i), and 8(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, 2010;
- (b) in the case of the profit and loss account, of the loss for the year ended on that date; and
- (c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For **S.R. Batliboi & Co.**  
Chartered Accountants  
Firm Registration No.: 301003E

**Per Hemal Shah**

Partner

Place : Mumbai  
Date: 05.10.2010

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 Interest Free loans/ advances to three parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 2047.38 Lacs and the year- end balance of loans granted to such parties was Rs 1929.49 Lacs.
- (b) In our opinion and according to the information and explanations given to us , the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (c) In respect of loans /advances granted, repayment of the principal amount is as stipulated.
- (d) There is no overdue amount of loans/ advances granted to companies , firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The Company has taken Interest free loans from four parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 2713.28 Lacs and the year-end balance of loans taken from such parties was Rs. 2654.09 Lacs.
- (f) In our opinion and according to the information and explanations given to us , the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (g) In respect of loans taken , repayment of the principal amount is as stipulated.
- (iv) In our opinion and according to the information and explanations given to us, 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) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie , the prescribed accounts and records have been made and maintained.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, cess and other statutory dues have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases. Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (b) According to the information and explanations given to us, undisputed dues in respect of provident

## 23<sup>rd</sup> Annual Report 2009-2010

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	0.09 Lacs	2004- 2010	Various dates	Not paid
Professional Tax Act	Professional Tax	13.91 Lacs	1998-2010	Various dates	Not paid
Employees Provident Fund Act	Provident Fund	27.21 Lacs	2002-2009	Various dates	Not paid
Sales Tax Act	Sales Tax	14.73 Lacs	1994-2006	Various dates	Not paid
Finance Act	Service Tax	22.97 Lacs	2007-2010	Various dates	Not paid
Income Tax Act , 1961	Tax Deducted at source	12.81 Lacs	April, 2009-September 2009	Various dates	Not paid
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 interest u/s 220(2)	376.33 Lacs	AY 1999-2000	CIT(A) U/S 143(3)

- |  |   |
|--|---|
| <p>(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.</p> <p>(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 of term loan. Term loan amounting to Rs 121.16 Lacs became due for repayment on April 2002 which is not yet repaid by the company. The Company has not defaulted in repayment of dues to debenture holders.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> | <p>(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.</p> <p>(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.</p> <p>(xviii) The Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion the price at which the shares have been issued is not prejudicial to the interest of the company.</p> <p>(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.</p> <p>(xx) According to the information and explanations given to us, during the year, the Company has not raised any money through public issue.</p> <p>(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.</p> |
|--|---|

For **S.R. Batliboi & Co.**  
Chartered Accountants  
Firm Registration No.: 301003E

**Per Hemal Shah**  
Partner

Place : Mumbai  
Date : October 05, 2010

Membership No.: 42650

# Ganesh Benzoplast Limited

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2010

	Schedule	As At 31/3/2010 Rs.	As At 31/3/2009 Rs.
<b>SOURCES OF FUNDS</b>			
<b>Sharholder's Fund</b>			
Share Capital	A	53,445,212	34,556,324
Reserves & Surplus	B	1,278,754,453	953,143,342
		<b>1,332,199,665</b>	<b>987,699,666</b>
<b>Loan Funds</b>			
Secured Loans	C	2,657,054,670	2,861,214,729
Unsecured Loans	D	270,413,999	405,575,042
		<b>2,927,468,669</b>	<b>3,266,789,771</b>
<b>TOTAL</b>		<b>4,259,668,335</b>	<b>4,254,489,437</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	E	3,705,104,729	3,645,545,135
<b>Less:</b> Accumulated Depreciation		<b>1,900,737,015</b>	<b>1,729,734,959</b>
<b>Net Block</b>		<b>1,804,367,713</b>	<b>1,915,810,176</b>
<b>Capital Work-In- Progress &amp; Capital Advances</b>		-	-
<b>Deferred Tax Asset(Net) (Refer Note 5 Of Schedule R)</b>		-	-
<b>Investments</b>	F	<b>216,000</b>	<b>216,000</b>
<b>Current Assets,Loans &amp; Advances</b>			
1. Inventory	G	29,776,590	15,918,013
2. Sundry Debtors	H	75,405,396	140,266,411
3. Cash & Bank Balance	I	19,221,686	8,466,459
4. Loans And Advances	J	271,098,418	201,902,612
		<b>395,502,090</b>	<b>366,553,494</b>
<b>Less: Current Liabilities &amp; Provision</b>			
1. Current Liabilities	K	275,093,555	257,067,093
2. Provisions	L	6,249,129	5,375,159
		<b>281,342,683</b>	<b>262,442,252</b>
<b>NET CURRENT ASSETS</b>		<b>114,159,406</b>	<b>104,111,243</b>
<b>Profit &amp; Loss Account (Debit Balance)</b>		<b>2,340,925,217</b>	<b>2,234,352,019</b>
<b>Total</b>		<b>4,259,668,335</b>	<b>4,254,489,437</b>
<b>NOTES TO ACCOUNTS</b>			
R			
'The schedules referred to above and notes to accounts from an integral part of the balance sheet'			

As per our report of even date

**For S R. Batliboi & Co.**

Chartered Accountants

Firm Regn. No.301003E

**Per Hemal Shah**

Partner

Membership No : 42650

Place : Mumbai

Date : October 5, 2010

For and on behalf of the Board

**Rishi Pilani**

Chairman

**Raunak Pilani**

Director



**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010**

Schedule	Year Ended 31/3/2010 Rs.	Year Ended 31/3/2009 Rs.
<b>INCOME</b>		
Gross Sales- Manufacturing Activity	288,455,273	135,052,234
<b>Less</b> : Excise Duty	16,790,772	10,094,042
Net Sales	271,664,501	124,958,192
Service Income	442,820,996	267,754,831
Other Income <b>M</b>	8,038,663	9,858,970
Increase/(Decrease) In Stocks (Refer Note 17 Of Schedule R)	9,063,923	4,969,085
<b>TOTAL</b>	<b>731,588,083</b>	<b>407,541,078</b>
<b>EXPENDITURE</b>		
Raw Material Consumed <b>N</b>	256,548,497	115,835,136
Personnel Expenses <b>O</b>	23,855,620	17,498,304
Manufacturing Expenses,Administrative, Selling And Distribution Expenses <b>P</b>	226,581,939	362,447,897
Depreciation	173,311,308	224,967,465
Interest & Finance Charges <b>Q</b>	164,719,741	68,009,720
<b>TOTAL</b>	<b>845,017,105</b>	<b>788,758,522</b>
<b>Profit/(Loss) Before Exceptional, Prior Period Items&amp; Taxation</b>	<b>(113,429,021)</b>	<b>(381,217,444)</b>
<b>Add</b> : Exceptional Items	10,425,000	685,496,189
<b>Profit/(Loss) After Exceptional Items But</b> Before Prior Period Items & Taxation	<b>(103,004,021)</b>	<b>304,278,745</b>
<b>Less:-</b> Prior Period Expenses	3,569,176	284,920,385
<b>Profit/(Loss) Before Tax For The Year</b>	<b>(106,573,198)</b>	<b>19,358,360</b>
<b>Less : Provision For Taxation</b>		
- Current Tax	-	-
- Deferred Tax (Refer To Note No. 5 Of Schedule R)	-	-
- Earlier Year Tax	-	11,840,550
- Fringe Benefit Tax	-	502,207
<b>Profit/(Loss) After Tax For The Year</b>	<b>(106,573,198)</b>	<b>7,015,603</b>
Brought Forward Losses From Previous Years	(2,234,352,019)	(2,241,367,622)
<b>Profit/(Loss) Available For Appropriation</b>	<b>(2,340,925,217)</b>	<b>(2,234,352,019)</b>
<b>Balance Carried To Balance Sheet</b>	<b>(2,340,925,217)</b>	<b>(2,234,352,019)</b>
<b>Basic And Diluted Earning Per Share</b> (Refer To Schedule R Note No. 15)	<b>(2.21)</b>	<b>0.24</b>
Nominal Value Of Shares (Rs.)	1	1
<b>NOTES TO ACCOUNTS</b> <b>R</b>		
'The schedules referred to above and notes to accounts from an integral part of the balance sheet'		

As per our report of even date

**For S R. Batliboi & Co.**

Chartered Accountants

Firm Regn. No.301003E

**Per Hemal Shah**

Partner

Membership No : 42650

Place : Mumbai

Date : October 5, 2010

For and on behalf of the Board

**Rishi Pilani**

Chairman

**Raunak Pilani**

Director

# Ganesh Benzoplast Limited

## SCHEDULES FORMING PART OF THE BALANCE SHEET

	As At 31/3/2010 Rs.	As At 31/3/2009 Rs.
<b>SCHEDULE 'A'</b>		
<b>Share Capital</b>		
<b>Authorised:</b>		
40,00,00,000 Equity of Rs.1/- Each (Previous Year-40,00,00,000 Equity Shares Of 1 Each)	400,000,000	400,000,000
<b>Issued &amp; Subscribed:</b>		
4,81,73,182 Equity Shares Of Rs.1/- Each (Previous Year-2,92,84,294 Equity Shares Of Rs.1/- Each)	48,173,182	29,284,294
<b>Paid Up:</b>		
4,81,73,182 Equity Shares of Rs.1/- Each (Out of above 1,88,88,888/- Shares of Rs. 1 Face Value issued To Secured Lenders/Promoters at a Premium of Rs.17 against Cancellation of the their Loan Amount to the extent.) (Previous Year-2,92,84,294 Equity Shares of Rs.1/- Each )	48,173,182	29,284,294
<b>Add:-</b> Forefeited Shares ( 10,54,406 Shares at Rs.5 Paid Up )	5,272,030	5,272,030
	53,445,212	34,556,324
<b>SCHEDULE 'B'</b>		
<b>Reserve &amp; Surplus</b>		
Capital Reserve		
Opening Balance	425,573,342	-
Addition During The Year	4,500,000	425,573,342
	430,073,342	425,573,342
Share Premium Account	321,111,111	-
Debenture Redemption Reserve:		
As Per Last Balance Sheet	3,750,000	190,300,000
<b>Less:-</b> Transferred To General Reserve After Redemption Of Non Convertible Debentures Through One Time Settlement.	3,750,000	186,550,000
<b>General Reserve</b>	-	3,750,000
As Per Last Balance Sheet	523,820,000	337,270,000
<b>Add:-</b> Transfer From Debenture Redemption Reserve	3,750,000	186,550,000
	527,570,000	523,820,000
	1,278,754,453	953,143,342
<b>SCHEDULE 'C'</b>		
<b>Secured Loans</b>		
A. Debentures ( Refer To Note No. 4(A) And 4(B) Of Scheduler R)		
IFCI-Zero Coupon Bond	74,663,000	7,500,000
Interest Accrued And Due On Above	-	10,425,000
	74,663,000	17,925,000
B. Term Loans ( Refer To Note No.4(C) Of Schedule R)		
1. From Banks		
Rupee Loan	-	-
2. From Financial Institutions And Other Secured Lenders		
Rupee Term Loan	1,077,287,323	1,367,700,323
Interest Accrued And Due On Above	1,505,104,347	1,475,589,406
	2,582,391,670	2,843,289,729
	2,657,054,670	2,861,214,729
<b>SCHEDULE 'D'</b>		
<b>Unsecured Loans</b>		
Optionally Convertible Debentures (OCD) Issued To Promoters (361111.11 At Rs.180 Each)	65,000,000	-
Loans And Advances From		
- Others	6,151,134	7,724,232
(Due Within One Year Rs.Nil Previous Year Rs.Nil)		
- Shareholders	199,262,865	397,850,810
(Due Within One Year Rs.Nil Previous Year Rs.Nil)		
	270,413,999	405,575,042

**SCHEDULE 'E'**  
**Fixed Assets**

(Figures in Rs.)

DESCRIPTION OF ASSETS	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK		
	Cost As At 01.04.2009 Rs.	Addition during the year Rs.	Deletions/ Adj. during the year Rs.	Cost As At 31.03.2010 Rs.	Upto 01.04.2009 Rs.	Addition for the year Rs.	Deletions/ Adj. during the year Rs.	Upto 31.03.2010 Rs.	As At 31.03.2010 Rs.	As At 31.03.2009 Rs.
Freehold Land	217,875	-	-	217,875	-	-	-	-	217,875	217,875
Leasehold Land	1,656,000	-	-	1,656,000	384,727	16,727	-	401,455	1,254,545	1,656,000
Buildings	66,663,821	-	-	66,663,821	30,891,023	2,226,572	-	33,117,594	33,546,226	35,772,798
Plant & Machinery	1,334,887,085	50,533,960	-	1,385,421,045	900,398,867	64,428,185	-	964,827,052	420,593,993	434,488,218
Storage Tanks	2,216,873,416	15,399,133	-	2,232,272,549	784,487,660	105,545,847	-	890,033,507	1,342,239,042	1,432,385,755
Residential Flats At MIDC	965,946	-	-	965,946	329,375	15,745	-	345,120	620,826	636,571
Office Premises	8,506,750	-	8,238,000	268,750	2,827,741	4,381	2,693,979	138,142	130,608	5,679,009
Furniture & Fixtures	10,706,511	1,602,491	-	12,309,002	6,818,064	693,997	-	7,512,060	4,796,942	3,888,448
Office Equipments	3,080,807	7,590	-	3,088,397	2,314,376	195,313	-	2,509,689	578,708	766,431
Vehicles	458,181	82,000	-	540,181	248,359	47,134	-	295,493	244,688	209,822
Computer & Data Processing Equipments	1,528,744	172,419	-	1,701,163	1,419,494	137,409	-	1,556,903	144,260	109,249
Grand Total Rs.	3,645,545,135	67,797,594	8,238,000	3,705,104,729	1,730,119,686	173,311,308	2,693,979	1,900,737,015	1,804,367,713	1,915,810,175
Previous Year 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	1,729,723,881	1,915,810,176	2,724,100,994

## Ganesh Benzoplast Limited

	As At 31/3/2010 Rs.	As At 31/3/2009 Rs.
<b>SCHEDULE 'F'</b>		
<b>Investments (Long Term - At Cost-Fully Paid Up)</b>		
<b>(A) Quoted:</b>		
Trade :		
1,500 (Previous Year 1,500) Equity Shares Of Emtex Industries (India) Ltd Of Rs 10 Each. (Aggregate Market Value of Quoted Investment Rs.6,630/ Previous Year Rs 4,350)	15,000	15,000
<b>TOTAL A</b>	<u>15,000</u>	<u>15,000</u>
<b>(B) Unquoted:</b>		
<b>Other Than Trade :</b>		
-- 10,000 ( Previous Year 10,000) Equity Shares Of Jankalyan Sahakari Bank Of Rs 10 Each	100,000	100,000
-- 40 (Previous Year 40 ) Equity Shares Of Punjab And Maharashtra Bank Of Rs 10 Each	1,000	1,000
-- 3,85,527(Previous Year 3,85,527) Equity Shares Of Futuristic Offshore Services And Chemical Ltd (Formerly Ganesh Anhydride Ltd.)Of Rs 10 Each	100,000	100,000
<b>TOTAL B</b>	<u>201,000</u>	<u>201,000</u>
<b>Total Investments (A + B)</b>	<u>216,000</u>	<u>216,000</u>
<b>SCHEDULE 'G'</b>		
<b>Inventories: (At Lower Of Cost Or Net Realisable Value)</b>		
Raw Materials In Stock At Cost	12,719,498	8,237,990
Stores,Spares & Consumables & Fuel	1,589,204	1,276,058
Work In Progress	12,816,234	3,808,305
Finished Goods	2,651,654	2,595,660
<b>TOTAL</b>	<u>29,776,590</u>	<u>15,918,013</u>
<b>SCHEDULE 'H'</b>		
<b>Sundry Debtors: (Refer to note no 16 B of notes to accounts)</b>		
Outstanding For More Than 6 Months		
Unsecured Considered Good	35,326,917	107,508,317
Unsecured Considered Doubtful	71,984,520	35,005,019
	<u>107,311,437</u>	<u>142,513,335</u>
<b>Other Debts</b>		
Unsecured Considered Good	40,078,479	32,758,094
	<u>147,389,916</u>	<u>175,271,429</u>
<b>Less: Provision For Bad And Doubtful Debts</b>	<u>71,984,520</u>	<u>35,005,019</u>
<b>TOTAL</b>	<u>75,405,396</u>	<u>140,266,411</u>

## 23<sup>rd</sup> Annual Report 2009-2010

	As At 31/3/2010 Rs.	As At 31/3/2009 Rs.
<b>SCHEDULE 'I'</b>		
<b>Cash And Bank Balances:</b>		
Cash in Hand	1,411,230	837,169
<b>Bank Balance With Scheduled Banks</b>		
In Deposit Account	3,655,447	3,443,853
In Current Account	14,108,396	4,138,343
On Current Account	46,612	47,094
<b>TOTAL</b>	<b>19,221,686</b>	<b>8,466,459</b>
<b>Bank balance with other banks include:</b>		
	<b>Balance Outstanding</b>	<b>Maximum amount outstanding during the</b>
	<b>31-Mar-10 Rupees</b>	<b>31-Mar-09 Rupees</b>
Shramik Sahakari Bank Ltd.	6,036	6,318
The Konkan Prant Sahakari Bank	40,576	40,776
<b>SCHEDULE 'J'</b>		
<b>Loans And Advances:</b> ( Refer to note no. 16 A of schedule R)		
Unsecured Considered Good		
Advance recoverable in Cash or in kind or for value to be received	184,004,822	139,036,048
Loans to Directors	8,287,930	13,808,692
Inter Corporate Deposits	29,007,138	37,307,285
Advance Payment of Tax (Net of Provision Rs Nil)		
(Previous Year Rs Nil)	1,431,617	1,784,354
Balance With Customs & Excise Authorities	1,212,906	499,233
Deposits - Others	47,154,004	9,467,000
	271,098,418	201,902,612
Unsecured Considered Doubtful		
Inter Corporate Deposits And Advances	106,818,378	106,818,378
<b>Less:-</b> Provision For Doubtful Advances	106,818,378	106,818,378
	0	0
<b>TOTAL</b>	<b>271,098,418</b>	<b>201,902,612</b>
<b>Current Liabilities &amp; Provisions :</b>		
<b>SCHEDULE 'K'</b>		
<b>Current Liabilities:</b>		
Sundry Creditors:-		
Total Outstanding Dues Of Micro And Small Enterprises (Refer to note no. 13 of schedule R)	-	-
Others	182,602,502	175,101,167
Unclaimed Dividend	177,683	177,683
Unclaimed Debenture Interest	56,145	56,145
Other Liabilities	42,661,576	52,837,775
Advances Received From Customers	49,595,649	28,894,323
<b>TOTAL</b>	<b>275,093,555</b>	<b>257,067,093</b>
<b>SCHEDULE 'L'</b>		
<b>Provisions:</b>		
Provision For Fringe Benefit Tax - Net of Advance Tax Rs Nil (Previous Year Rs Nil)	771,109	1,151,146
Provision For Leave Encashment	1,083,721	789,447
Provision For Gratuity	4,394,299	3,434,566
<b>TOTAL</b>	<b>6,249,129</b>	<b>5,375,159</b>

# Ganesh Benzoplast Limited

## SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup>, MARCH, 2010

	Year Ended 31/3/2010 Rs.	Year Ended 31/3/2009 Rs.
<b>SCHEDULE 'M'</b>		
<b>Other Income</b>		
Dividend Received ( Trade Quoted-long term investment)	130	150
Interest Earned (Net of Tax deducted at source Rs 17770 (Previous Year Rs Nil. Long term investment)	1,125,348	27,459
Profit realised on OTS	-	-
Profit On Sale Of Fixed Asset	2,423,979	2,325,600
Sundry Credit Balances Written Back	105,434	2,682,291
Miscellaneous Income [Net Of Tax Deducted At Source Rs Nil (Previous Year Rs Nil)]	4,383,773	4,823,470
<b>TOTAL</b>	<b>8,038,663</b>	<b>9,858,970</b>
<b>SCHEDULE 'N'</b>		
<b>Raw Material Consumed</b>		
Opening Stock	8,237,990	7,350,510
<b>Add:</b> Purchases During The Year	261,030,005	116,722,616
	269,267,995	124,073,126
<b>Less:</b> Stocks At The End	12,719,498	8,237,990
<b>TOTAL</b>	<b>256,548,497</b>	<b>115,835,136</b>
<b>SCHEDULE 'O'</b>		
<b>Personnel Expenses</b>		
Salaries, Wages & Bonus	22,458,968	16,265,198
Contribution To Provident And Other Funds	242,073	242,941
Gratuity Expenses	139,983	414,866
Staff & Workers Welfare Expenses	1,014,596	575,299
<b>TOTAL</b>	<b>23,855,620</b>	<b>17,498,304</b>



	Year Ended 31/3/2010 Rs.	Year Ended 31/3/2009 Rs.
<b>SCHEDULE 'P'</b>		
<b>Manufacturing, Selling &amp; Administrative Expenses</b>		
<b>A) Manufacturing Overheads</b>		
Power, Fuel & Water Charges	45,017,414	14,283,599
Stores, Spares Consumed	14,226,575	6,969,014
Labour/Service Charges, Freight, Warehousing & Handling Chgs.	11,722,997	4,897,330
Repairs & Maintenance (Machinery)	2,084,065	749,541
Travelling/Conveyance And Motor Car Expenses	42,908	35,827
Printing & Stationary	245,692	33,857
License And Application Fees	33,195	68,100
Postage, Telephone Expenses	4,719	4,819
General Expenses	353,992	282,758
<b>SUB TOTAL (A)</b>	<b>73,731,557</b>	<b>27,324,846</b>
<b>B) Administrative Expenses</b>		
Power, Fuel, Electricity & Water Charges	8,989,354	7,190,421
Stores & Spares Consumed	5,877,372	5,204,933
Labour/Service Charges, Freight, Warehousing, Handling Chgs And Tank Cleaning Charges.	17,951,765	16,735,078
Insurance	1,098,809	163,514
Repairs & Maintenance (Machinery)	8,112,291	7,120,245
Travelling Expenses	3,854,880	3,899,991
Printing & Stationary	652,390	788,886
Postage, Telephone And Airfreight	1,319,037	2,105,366
Rent	25,936,787	18,529,091
Rates & Taxes	2,888,320	2,512,083
Legal, Professional, Consultancy And Service Chgs.	11,406,481	30,563,950
Licence & Application Fee	310,770	219,566
Motor Car Expenses	207,829	449,095
Directors Sitting Fees	77,750	78,000
Demurrage Charges	3,400,000	1,073,492
Stock Exchange Listing Fees	12,114	56,883
Auditors Remuneration ( Excluding Service Tax):		
- For Audit Fees	1,250,000	1,250,000
- As Adviser Or In Other Capacity	-	-
- In Any Other Manner	-	450,000
Donation	115,552	325,752
General Expenses	1,057,430	1,344,067
Foreign Exchange Fluctuation	366,415	1,448,599
Loss On Sale Of Assets	-	-
Bad Debts Written Off	-	30,985,393
Provision For Doubtful Debts	43,320,737	35,005,019
Sundry Advances Written Off	2,987,551	40,547,603
Provision For Doubtful Advances	-	106,818,378
Capital Expenditure W/Off	-	10,582,969
<b>SUB TOTAL (B)</b>	<b>141,193,635</b>	<b>325,448,374</b>
<b>C) Selling And Distribution Expenses</b>		
Membership, Subscription & Periodicals	185,872	277,861
Sales Promotion And Other Marketing Expenses	3,771,964	1,780,923
Advertisement Expenses	390,031	92,403
Distribution Expenses (Container Freight Charges)	4,586,549	3,930,530
Brokerage & Commission	296,343	1,796,948
Discount Given	2,425,988	1,796,013
<b>SUB TOTAL (C)</b>	<b>11,656,747</b>	<b>9,674,678</b>
<b>TOTAL (A+B+C)</b>	<b>226,581,939</b>	<b>362,447,897</b>
<b>SCHEDULE 'Q'</b>		
<b>Interest &amp; Finance Charges</b>		
On Term Loans From Fin. Institution. And Others	164,385,112	67,178,284
On Working Capital Finance & Other Financial Chgs.	334,629	831,436
<b>TOTAL</b>	<b>164,719,741</b>	<b>68,009,720</b>

# Ganesh Benzoplast Limited

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

##### (d) Depreciation

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

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

##### (e) Impairment

- 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.
- A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment. (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.

**(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 & the foreign currency at the date of the transaction.

**(ii) Conversion :**

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

**(iii) Exchange Differences :**

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

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

- i. A Retirement benefit in the form of Provident

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

- ii. Gratuity liability is defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of 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 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 for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

## II. NOTES TO ACCOUNTS

### 1 Contingent Liabilities not provided for

	Rs. in millions	
	2009-2010	2008-2009
Claims against the Company not acknowledged as debts *	42.00	42.00
Guarantees and Counter guarantees given by the Company	2.66	2.00
Income Tax demand (including interest u/s 234 A/B/C & 220) 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	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*

	2009-2010	2008-2009
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. The management of the Company is working on business plans to improve profitability and is working with certain lenders on improving its capital structure. Subsequent to the year end the Company has been declared as Sick Industrial Undertaking by Board for Industrial and Financial Reconstruction (BIFR), wherein the board has appointed Operating Agency to prepare a revival scheme for the Company.

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

- a) During the current and previous financial year Company has redeemed all the Non Convertible Debentures way of One Time Settlement (OTS). As on date no liability exists for Non Convertible debentures.
- b) Company had issued 746,630 nos. of Zero coupon Bond (ZCB) having face value of Rs.100 each for an aggregate of Rs.74.66 Mn. to IFCI in accordance with One Time Settlement agreement. The said ZCB are redeemable in three equal installments of Rs.24.88 Mn.each on September 30,2016, September 30,2017 and September 30,2018. These ZCB are interest free.
- c) 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 charge to be created in favour of India Debt Management Pvt Ltd ("IDM") for the loans extended by it to the company and shall rank pari-passu with such charges.

Apart from the Term Loans referred to (B) (1) and (2) of schedule 'C', the company has also taken two loans from IDM secured by all movable and immovable assets of the company. The security creation on these loans is yet to be completed

5. The Company has made loss during the year and accordingly no provision has made in respect of Income Tax. The Company has accumulated losses upto March 31, 2010. 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 2009-2010	As At 2008-2009
Deferred tax asset recognized for timing differences due to :		
a) Gratuity / Leave Encashment	0.39	1.44
b) Unabsorbed carried forward Loss	363.77	421.39
<b>Total (A)</b>	<b>364.16</b>	<b>422.83</b>
Deferred tax liability recognized for timing differences due to :		
a) Depreciation	364.16	422.83
<b>Total (B)</b>	<b>364.16</b>	<b>422.83</b>
<b>Net deferred tax (A- B)</b>	<b>NIL</b>	<b>NIL</b>

6. 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.

7. Prior period expenses comprises of the following

*(Rs in millions)*

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Interest to Financial Institutions	3.09	276.62
Other Expenses	0.47	8.30
<b>Total</b>	<b>3.56</b>	<b>284.92</b>

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

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## 9. 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 Mn)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
<b>Revenue (Net Sales and Services)</b>		
a) Chemical Division	288.46	135.05
<b>Less:-</b> Excise Duty	16.79	10.09
Net Sales Chemical Division	271.67	124.96
b) Offshore Division	-	-
c) Infrastructure Division	442.82	267.75
d) Salt Division	-	-
e) Others	-	-
<b>Total Revenue</b>	<b>714.49</b>	<b>392.71</b>
<b>Less :</b> Inter Segment Revenue	-	-
Net sales /Income from Operations	714.49	392.71
<b>Segment Results</b>		
a) Chemical Division	(149.45)	(169.80)
b) Offshore Division	(30.55)	(0.47)
c) Infrastructure Division	227.28	(29.98)
d) Trading and Others	(1.04)	(29.48)
<b>Total</b>	<b>46.24</b>	<b>(229.73)</b>

Unallocated Corporate Expenses	(6.56)	(378.26)
Operating Profit	39.68	(607.99)
<b>Less:-</b> Interest and Finance charges	(164.72)	(68.01)
<b>Add:-</b> Un-allocable income net-off	8.04	9.85
Total Profit /(Loss) Before		
Tax Exceptional Items	(117.00)	(666.15)
<b>Less:-</b> Income Taxes(Earlier Year)	-	(12.34)
<b>Add:-</b> Exceptional items (Profit on OTS)	10.43	685.50
<b>Net Profit</b>	<b>(106.57)</b>	<b>7.02</b>
<b>Assets</b>		
a) Chemical Division	485.90	489.40
b) Offshore Division	-	134.68
c) Infrastructure Division	1,412.30	1,499.06
d) Salt Division		
e) Unallocable	301.66	108.84
<b>Total assets</b>	<b>2,199.86</b>	<b>2,231.98</b>
<b>Liabilities</b>		
a) Chemical Division	150.08	70.64
b) Offshore Division	-	3.76
c) Infrastructure Division	32.49	59.28
d) Salt Division		
e) Unallocable	2,017.29	2,098.31
<b>Total Liability</b>	<b>2,199.86</b>	<b>2,231.98</b>
<b>Capital Expenditure</b>	-	-
a) Chemical Division	50.03	-
b) Offshore Division	-	-
c) Infrastructure Division	15.98	0.46
d) Salt Division	-	-
e) Unallocable	1.78	0.04
<b>Total</b>	<b>67.79</b>	<b>0.50</b>
<b>Depreciation</b>		
a) Chemical Division	60.78	64.91
b) Offshore Division	-	-
c) Infrastructure Division	112.54	160.06
d) Salt Division	-	-
e) Unallocable	-	-
<b>Total</b>	<b>173.32</b>	<b>224.97</b>
<b>Significant Non-cash expenditure</b>		
a) Chemical Division	13.00	33.51
b) Offshore Division	29.27	-
c) Infrastructure Division	-	36.62
d) Salt Division	-	-
e) Unallocable	4.03	122.82
<b>Total</b>	<b>46.30</b>	<b>192.95</b>



## 10. 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 / Raunak Pilani Ravi Pilani Poonam Pilani Shantidevi Pilani Manju Pilani Sushila Pilani Ramakant Pilani Ramesh Pilani
Enterprises owned or significantly influenced by key management personnel or their relatives	Futuristic Offshore Services And Chemical Ltd Agarwal Chemicals Susram Financial Services and Techniques Pvt Ltd. Agarwal Bulk Actives Pvt.Ltd. Ganesh Risk Management Pvt. Ltd Ganesh Flexobenz Pvt..Ltd Ganesh Energene Limited

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

(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	-	-	-	-	-	81.00 (23.91)	-	- (54.02)	-	176.95 (95.95)	-
Agarwal Chemicals	2.45 (-)	0.07 (0.01)	-	-	-	-	- (3.2)	-	-	7.71 (7.88)	-
Susram Financial Services and Techniques Pvt Ltd.	-	-	-	-	-	- (0.02)	-	-	-	-	- (255.35)
Agarwal Bulk Active Pvt.Ltd.	-	-	0.12 (0.19)	-	-	-	1.14 -	-	-	- (1.25)	1.14 -
Ravi Pilani	-	-	-	-	-	-	3.23 (5.47)	-	-	-	8.70 (5.47)
Poonam Pilani	-	-	-	2.05 (1.80)	-	-	- (0.15)	-	-	-	- (0.15)
Shantidevi Pilani	-	-	-	-	0.07 (0.11)	-	- (0.70)	-	-	-	0.21 (0.72)
Manju Pilani	-	-	-	0.32 -	-	-	- (0.04)	-	-	-	- (0.04)
Ramakant Pilani	-	-	-	0.30 (-)	-	-	-	-	-	-	-
Ramesh Pilani	-	-	-	0.58 -	-	-	-	-	-	-	-
Sushila Pilani	-	-	-	0.58 -	-	-	-	-	-	-	-

Note : Figures in bracket indicate previous year balance.

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### 11. Gratuity and other post-employment benefit plans: \*\*\*

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is non-funded. The following tables summarise the components of net benefit expense recognised in the profit and loss account and amounts recognised in the balance sheet for the respective plans.

#### Profit and Loss account

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

	Gratuity 2010	Gratuity 2009
Current service cost	0.50	0.14
Interest cost on benefit obligation	0.28	0.18
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognised in the year	0.87	0.79
Past service cost	-	(0.70)
Net benefit expense	1.65	0.41
Actual return on plan assets		

#### Balance sheet

#### Details of Provision for Gratuity (Rs. in Mn.)

	Gratuity 2010	Gratuity 2009
Defined benefit obligation	4.39	3.43
Fair value of plan assets	-	-
	4.39	3.43
Less: Unrecognised past service cost	-	-
Plan asset / (liability)	4.39	3.43

### Changes in the present value of the defined benefit obligation are as follows: (Rs. in Mn.)

	Gratuity 2010	Gratuity 2009
Opening defined benefit obligation	3.43	2.32
Interest cost	0.28	0.18
Current service cost	0.50	0.14
Benefits paid	(0.69)	-
Actuarial (gains) / losses on obligation	0.87	0.79
Closing defined benefit obligation	4.39	3.43

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

	2010 %	2009 %
Discount rate	8.25 %	8 %
Employee turnover		
- Younger Ages	5 %	2 %
- Older Ages	1 %	1 %
Salary increase rate	5 %	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.

### 12. Un hedged Foreign Currency Exposure

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

Particulars	Amount
Export debtors	Rs. 1.83. Mn. (US \$ 40,694 @ Closing rate of 1 USD = Rs. 45.02)
Advances from customers	Rs. 9.56 Mn. (US \$ 212,482 @ Closing rate of 1 USD = Rs. 45.02)

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

	2010 Rs. in million	2009 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	-	-

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

**14.1 Sales**

	Unit	Quantity		Value (Rs. In Millions)	
		2010	2009	2010	2009
Benzoic Acid	M.T	1027.450	324.610	59.60	25.18
Sodium Benzoate	M.T	1617.150	731.480	102.81	60.00
Benzoplast (Benzoate Plasticizers)	M.T	217.085	43.531	14.91	3.60
Sodium petroleum sulphate	M.T	145.304	118.805	98.18	10.96
Industrial lubricant	M.T	299.715	61.807	34.59	7.53
Others		-	-	49.95	27.78
				271.66	135.05
Sale of services				442.81	267.76
				714.47	402.81

**14.2 Consumption of raw materials**

	Unit	Quantity		Value (Rs. In Millions)	
		2010	2009	2010	2009
Toulene		3568.061	1,623.931	148.69	54.21
Caustic Soda Lye		1094.790	527.645	9.17	6.88
SN 150		7.225	131.474	0.27	6.57
Heavy Alkalate		146.913	249.267	6.84	10.36
Others*		-	-	91.58	37.82
				256.55	115.84

\* 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.

**14.3 Details of Finished Goods**

	Quantity (M.T)		Value (Rs. In millions )	
	2010	2009	2010	2009
<b>Opening Stock</b>				
Opening Stock				
Benzoic Acid	7.600	1.725	0.46	0.11
Sodium Benzoate	6.450	2.075	0.43	0.07
Benzoplast (Benzoate Plasticizers)	13.075	0.100	0.82	0.09
Sodium petroleum sulphate	-	-	-	-
Industrial lubricant	5.200	-	0.52	-
Others*	-	0.37	-	-
			2.60	0.27
<b>Closing Stock</b>				
Benzoic Acid	7.350	7.600	0.43	0.46
Sodium Benzoate	4.875	6.450	0.31	0.43
Benzoplast (Benzoate Plasticizers)	12.295	13.075	0.84	0.82
Sodium petroleum sulphate	0.400	-	0.03	-
Industrial lubricant	5.340	5.200	0.62	0.52
Others*	-	-	0.42	0.37
			2.65	2.60

\* 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.

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

Class of Goods	Unit	Licensed Capacity		Installed Capacity		Actual Production	
		2010	2009	2010	2009	2010	2009
Benzoic Acid***	M.T	1,800	1,800	1,800	1,800	1027.200	330.475
Sodium Benzoate	M.T	1,800	1,800	1,800	1,800	1615.575	735.845
Benzoplast (Benzoate Plasticizers)	M.T	9,000	9,000	9,000	9,000	216.305	56.506
Sodium petroleum sulphate	M.T	150	150	150	150	145.704	118.805
Industrial lubricant	M.T	5,000	5,000	5,000	5,000	299.855	67.007

\*\*\* excluding captive consumption

### 14.5 Imported and indigenous raw materials and spare parts consumed

	Percentage of total consumption		Value (Rs. In Millions)	
	2010	2009	2010	2009
Raw Materials				
Imported	0.12	-	0.30	-
Indigenously obtained	99.88	100.00	256.25	115.84
	100.00	100.00	256.55	115.84
Stores and Spare Parts				
Imported	-	-	-	-
Indigenously obtained	100.00	100.00	20.10	12.17
	100.00	100.00	20.10	12.17

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

	2010 Rs. In Millions	2009 Rs. In Millions
Exports at F.O.B. Value	28.68	26.22
	28.68	26.22

### 15. Earning Per Share (EPS)

Sr.	Earning per Share (EPS)	2009-2010	2008-2009
	Profit/( Loss) after Tax (Rs. In Millions)	(106.57)	7.02
(i)	Weighted Average No. of Ordinary Shares for basic EPS	4,81,73,182	2,92,84,294
(ii)	Nominal Value of ordinary share	Re.1/-	Re.1/-
(iii)	Basic/diluted earning per Ordinary share(Rs.)	(2.21)	0.24

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

Nature of Transaction	Closing Balance (Rs. In Millions)	Maximum balance outstanding (Rs. In Millions)
Ganesh Energene Limited	9.24	9.24
	(9.24)	(19.24)
Gyan Choradia	8.29	17.33
	(13.81)	(16.44)
Futuristic Offshore Services And Chemical Ltd	176.95	176.95
	(95.95)	(95.95)

**B) Details of dues from Associates & firms under the same management which are grouped under Sundry Debtors**

Nature of Transaction	Closing Balance (Rs. In Millions)	Maximum balance outstanding (Rs. In Millions)
Agarwal Chemicals	7.71 (7.88)	10.46 (15.05)

**17. The details of Increase and Decrease in stocks**

	As At 31.03.2010 (Rs. in Millions)	As At 31.03.2009 (Rs. in Millions)
Closing stock of Finished Goods	2.65	2.60
Closing stock of work in process	12.82	3.81
	15.47	6.41
<b>Less:</b>		
Opening stock of Finished Goods	2.60	0.27
Opening stock of work in process	3.81	1.17
	6.41	1.44
Net Increase /( Decrease )in stocks	9.06	4.97

- 18.** The Company has operating lease from various premises which are renewable on a periodic basis and cancelable at its option. Rental expenses for operating lease are charged to Profit and Loss account for the year Rs.23.17 Mn. (Previous Year Rs. 17.57 Mn.)

Not later than one year Rs. 23.17 Mn. (Previous Year Rs. 17.57 Mn.)

Not later than five years Rs. 23.17 Mn. (Previous Year Rs. 17.57 Mn.)

**19. Previous Year Comparatives**

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

As per our report of even date

**For S. R. BATLIBOI & Co.**

Chartered Accountants  
Firm Regn No. 301003E

**per Hemal Shah**

Partner  
Membership No. 42650

Place : Mumbai  
Date : October 5, 2010

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	31-03-2010		
	Date Month Year		

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

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	18.88

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

Total Liabilities	4259.67	Total Assets	4259.67
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#### SOURCES OF FUNDS

Paid-up Capital	53.44	Reserves and Surplus	1278.76
Deferred Tax Liability	NIL	Secured Loans	2657.05
		Unsecured Loans	270.42

#### APPLICATION OF FUNDS

Net Fixed Assets & CWIP	1804.37	Investments	0.21
Net Current Assets	114.16	Misc. Expenditure	—
Accumulated Losses	2340.93		

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

Turnover/Income	714.49	Total Expenditure	821.06
<input checked="" type="checkbox"/> Profit/Loss Before Tax	(106.57)	<input checked="" type="checkbox"/> Profit/Loss After Tax	(106.57)

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

Earning per share in Rs.	(2.21)	Dividend	NIL
--------------------------	--------	----------	-----

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

Item Code No. (ITC Code)	291631.09	Product Description	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 31<sup>ST</sup> MARCH, 2010**

	Year Ended 31/3/2010 Rs.	Year ended 31/3/2009 Rs.
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (Loss)/Profit after extraordinary/prior period items	(106,573,198)	7,015,603
Adjusted for :-		
Depreciation	173,311,308	224,967,465
Interest Income	(1,125,348)	(27,459)
Interest Expenses	164,719,741	68,009,720
Provision for bad & doubtful debts	43,320,737	35,005,019
Prior period depreciation on lease hold land	384,727	-
Provision for bad loans and advances	-	106,818,378
Capital Expenditure w/off	-	10,582,969
(Profit)/Loss on sale of fixed assets	(2,423,979)	(2,325,600)
	<b>378,187,187</b>	<b>443,030,491</b>
Operating Profit before Working Capital Change	<b>271,613,989</b>	<b>450,046,094</b>
Adjusted for		
Sundry Debtors (Increase)/Decrease	21,540,277	(19,968,503)
Loans and Advance recoverable in cash or kind (Increase)/Decrease	(69,195,806)	7,000,457
Inventories(Increase)/Decrease	(13,858,577)	(6,669,218)
Trade payables, Provisions & Tax Increase/(Decrease)	18,900,431	33,496,876
	<b>229,000,316</b>	<b>463,905,706</b>
Less:- Income Taxes Paid	-	-
<b>Cash generated from Operating activities .....A</b>	<b>229,000,316</b>	<b>463,905,706</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	7,968,000	2,450,000
Purchase of Fixed Assets	(67,797,594)	(496,765)
Interest Income	1,125,348	27,459
<b>Net Cash used in investing Activities.....B</b>	<b>(58,704,246)</b>	<b>1,980,694</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Secured Loans (repaid)	15,339,941	(971,636,681)
Secured Loans borrowed(including accrued interest)	-	630,205,041
Unsecured Loans (repaid)	(10,161,043)	(65,237,697)
Unsecured Loans borrowed(including accrued interest)	-	10,894,510
Interest	(164,719,741)	(68,009,720)
<b>Net Cash From Financing Activities .....C</b>	<b>(159,540,842)</b>	<b>(463,784,547)</b>
<b>Net increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>10,755,228</b>	<b>2,101,854</b>
Cash and cash equivalent as at 1st April 2009	8,466,459	6,364,606
Cash and cash equivalent as at 31st March 2010	19,221,686	8,466,459
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	<b>31st March 2010</b>	31st March 2009
Cash in hand	1,411,230	837,169
Bank balance with scheduled and other banks	17,810,456	7,629,290
In current and deposit accounts	19,221,686	8,466,459

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

**For S. R. Batliboi & Co.**

Chartered Accountants

Firm Regn. No.301003E

For and on behalf of the Board

**Per Hemal Shah**

Partner

Membership No : 42650

Place : Mumbai

Date : October 5, 2010

**Rishi Pilani**

Chairman

**Raunak Pilani**

Director





## GANESH BENZOPLAST LIMITED

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

### PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_  
being a member/members of **GANESH BENZOPLAST LIMITED**, hereby appoint \_\_\_\_\_ of  
\_\_\_\_\_ or failing him \_\_\_\_\_ of  
\_\_\_\_\_ or failing him \_\_\_\_\_ of  
\_\_\_\_\_ as my/our proxy to vote for me/on our behalf at the **23<sup>rd</sup> Annual General Meeting** of the Company to be held on **Tuesday, 30th November, 2010 at 10.00 a.m.** at Shree Rajasthan Recreation Club, J.B. Nagar, Andheri (East), Mumbai - 400 059 and at any adjournment thereof.

Signed this \_\_\_\_\_, day of \_\_\_\_\_ 2010.

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

### ATTENDANCE SLIP

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

I hereby record my presence at the **23<sup>rd</sup> ANNUAL GENERAL MEETING** of the Company to be held on **Tuesday, 30th November, 2010 at 10.00 a.m.** at Shree Rajasthan Recreation Club, J.B. Nagar, Andheri (East), Mumbai - 400 059.

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

#### Signature

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

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

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



## GANESH BENZOPLAST LIMITED

### 23<sup>RD</sup> ANNUAL REPORT 2009 – 2010

#### ANNUAL GENERAL MEETING

Tuesday, 30th November, 2010,  
at 10.00 A.M

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

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

Shareholders are requested to kindly bring their  
copy to the Meeting

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#### BOARD OF DIRECTORS

Shri. Rishi R. Pilani	Chairman (Full Time Director, upto 28 <sup>th</sup> June, 2008 & Chairman w.e.f. 29 <sup>th</sup> June, 2008)
Shri. Raunak R. Pilani	Director (w.e.f. 28 <sup>th</sup> June, 2008)
Shri. Gyan Chordia	Director (w.e.f. 28 <sup>th</sup> June, 2008)
Shri. Nalinakshan K.	Director (w.e.f. 30 <sup>th</sup> June, 2007)
Shri. Kirti H. Desai	Director (upto 26 <sup>th</sup> November, 2009)

#### AUDITORS

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

#### BANKERS

HDFC Bank  
Indian Overseas Bank

#### SOLICITORS

M/s. Little & Co.  
Mumbai.

#### REGISTERED OFFICE

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

#### CORPORATE OFFICE & SHARE DEPARTMENT

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

#### WORKS

##### CHEMICAL DIVISION

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

##### INFRASTRUCTURE DIVISION

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

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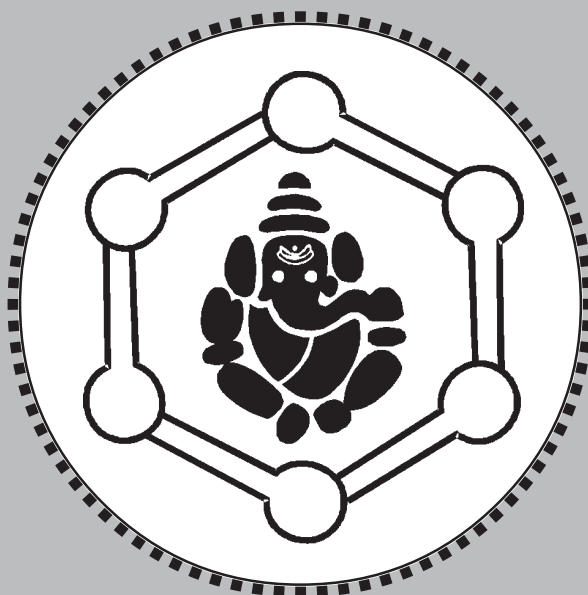
**GANESH BENZOPLAST LIMITED**

**REGISTERED OFFICE :**

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

***Rivera Systems***  
☎ 2216 5034 - 2216 5035

# GANESH BENZOPLAST LIMITED



*23<sup>rd</sup> Annual Report*  
*2009–2010*