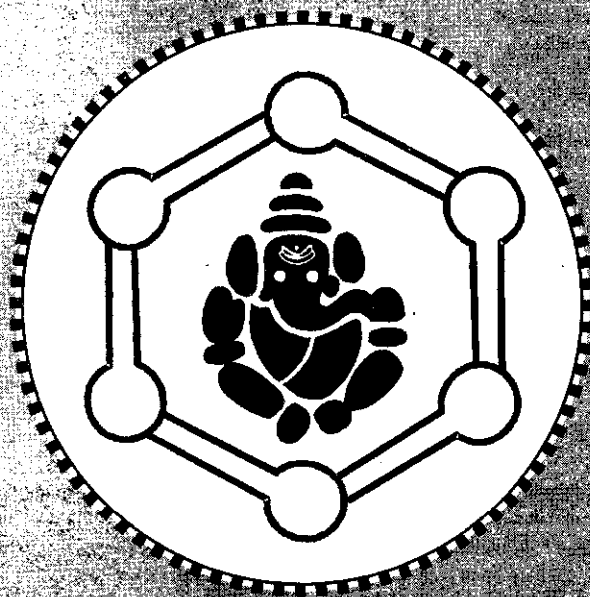


GANESH BENZOPLAST LIMITED



25th Annual Report
2011-2012



GANESH BENZOPLAST LIMITED

25TH ANNUAL REPORT 2011 - 2012

ANNUAL GENERAL MEETING

Saturday, 29th December, 2012
At 10.00 A.M.

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

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

Shareholders are requested to kindly bring
their copy to the Meeting

BOARD OF DIRECTORS

Shri Rishi R.Pilani	Chairman & Managing Director
Shri Raunak R.Pilani	Director
Shri Gyan Chordia	Director (up to 09.10.2012)
Shri Nalinakshan K.	Director
Shri. Kanahiyalal Thussu	Director (w.e.f 09.10.2012)

AUDITORS

Samria & Co.
2/E, Court Chambers,
35 Marine lines,
Mumbai 400020

BANKERS

HDFC Bank
Indian Overseas Bank
Central Bank of India

SOLICITORS

M/s. Ashwini Dhatwalia & Co.

REGISTERED OFFICE

Dina Building, 1st Floor,
53, Maharshi Karve Road,
Marine Lines, Mumbai - 400 002.
Tele Fax : 22001928

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 0694

WORKS

Chemical factories at D-5/2 & D-21/2/2 M.I.D.C Industrial Area,
Tarapur, Dist.Thane (Maharashtra),
Kolkatta and Delhi offices
Terminal at Jawaharlal Nehru Port
Terminal at Marmugoa Port
Terminal at Cochin

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NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of **GANESH BENZOPLAST LIMITED** will be held on **Saturday, 29th December, 2012**, at **10.00 A.M** at shri Rajasthan Recreation Club, J.B.Nagar, Andhari (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, 2012, 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. **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 fifth 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 Shri. Kanahiyalal Thussu who was appointed as an additional Director of the Company by the Board of Directors and who hold office up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 in writing from a member proposing his candidature for the Office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

By Order of the Board
Rishi R. Pilani
Chairman & Managing Director

Place : Mumbai
Date : November 29, 2012

NOTES :-

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member.
2. Proxies in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and the Register of Share Transfers of the Company was closed from Tuesday 18th September, 2012 to Saturday, 29th September, 2012. (Both days inclusive)

4. Members are requested to bring their copy of the Annual Report along with them to the meeting.
5. Members desiring any information on the accounts are requested to send their queries to the Company's Administrative Office at least 7 days before the Annual General Meeting, so that information can be made available at the Meeting.
6. Members are requested to bring their attendance slip duly signed so as to avoid inconvenience.
7. Notice of Change of Address and Mandates must reach the Company's Share Department at A1/A2, Gurudatt Co-op Hsg Soc Ltd., J.B.Nagar, Andheri East, Mumbai 400 059, in respect of shares held in physical form and to their Depository Participants in respect of shares held in electronic form (Demat Account).
8. Shareholders holding shares in identical order of names in more than one Folio are requested to write to the company enclosing their share certificate to enable the company to consolidate their holding into one Folio.
9. **MEMBERS ARE REQUESTED TO PLEASE FURNISH THEIR SHAREHOLDING DETAILS CONTAINING :- FOLIO NO., NAME OF SHARE HOLDER, CERTIFICATE NO., DISTINCTIVE NO., TOTAL NO OF SHARE(S) ETC. TOGETHER WITH THEIR SPECIMEN SIGNATURE FOR RECONCILIATION AND UPDATION WITH COMPANY'S RECORD TO ENSURE FULL SAFETY AND PROMPT SERVICES TO THEM.**

By Order of the Board
Rishi R. Pilani
Chairman & Managing Director

Place : Mumbai
Date : November 29, 2012

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No. 4**

With a view to broad base the management team of the Company in line with listing agreement, the Board of the company was revamped with the appointment of professional directors. Shri. Kanahiyalal Thussu on 09.10.2012. Was appointed as Additional Directors of the Company. Pursuant to the provisions of Section 260 of the Companies Act, 1956 (hereinafter referred as "the Act.") they hold office up to the date of this Annual General Meeting.

The Company has received requisite notice in writing from a member proposing his candidature to the office of Director of the Company under the provisions of Section 257 of Act.

Brief resume of Shri. Kanahiyalal Thussu, nature of his

Ganesh Benzoplast Limited

expertise in specific functional areas and names of other Companies, in which he holds Directorships and memberships of other Board Committees in line with requirements of clause 49 of the listing agreement are given in the notes to accompanying notice.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTH COMING ANNUAL GENERAL MEETING ARE AS UNDER :-

Name of the Director	Shri. Raunak R.Pilani	Shri. Kanahiyalal Thussu
Date of Birth	11.11.1987	06.06.1951
Date of Appointment	28.06.2008	09.10.2012
Expertise in Specific Functional Area	IT Systems Management & Technical	All related Petrochemicals, Oil and Gas.
Qualification	M.Tech, (Comp Science), IIT	B.E. Mechanical
No. of Shares held in the Company	Nil	Nil
Other Directorships	2	1
Chairman/Members of the Board Committee of other Companies	Nil	Nil
Relations with other Director	Cousin Brother of Shri Rishi Pilani (Chairman & M.D)	None

DIRECTORS' REPORT TO THE SHAREHOLDERS

To
The Members,

Your Directors have pleasure in presenting the Twenty fifth Annual Report on the business and operations of the Company together with the Audited Accounts for the year ended March 31, 2012.

FINANCIAL RESULTS

(₹In Millions)

	2011-12	2010-11
Gross Revenue from Operations	1064.11	995.04
Less:- Excise duty	43.36	35.66
Net Revenue from operation	1020.75	959.38
Other Income	15.09	5.41
Profit /(Loss) before Depreciation, Interest, Taxation and Exceptional items	347.82	308.81
Less: Depreciation	(174.75)	(176.74)
Profit/(Loss) Before Interest, Taxation and Exceptional items	173.07	132.07
Less: Interest	(154.10)	(135.75)
Profit /(Loss) before Exceptional items and Taxation	18.97	(3.68)
Add/(Less): Excep./prior Period Income/(Exp)	(7.16)	4.71
Profit / (Loss) before Taxation after Exceptional Item	11.80	1.03

The Gross revenue from Operations was ₹1064.11 Millions for the year under review as against ₹995.04 Millions for the previous year.

The operations for the year resulted in to a net profit of ₹11.80 Millions as against net profit of ₹1.03 Millions in the previous year.

DIVIDEND

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

CAPITAL EXPENDITURE:

In LST division, the company was in the process of up gradation of storage tanks at Goa, Cochin and JNPT. Company has also incurred a major capital expenditure at chemical plant by way of replacing very old and fully

depreciated steel machineries with new one. This capital expenditure will increase the production capacity as well as efficiency at plant level.

FUTURE OUTLOOK:

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

Income Tax Assessments:

The company's Income tax assesment has been completed up to the A.Y.2009-10 and assesment for the A.Y.2010-11 is under process.

PERSONNEL AND OTHER INFORMATION:

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

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

OR

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

OR

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

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

Ganesh Benzoplast Limited

of Particulars in the Report of the Board of Directors) Rules, 1988 are annexed hereto.

REPORT ON CORPORATE GOVERNANCE:

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

AUDITORS:

M/s. Samria & Co., 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. Samria & Co., 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 2012 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 No.2.1 of the Notes to Accounts have been selected and applied consistently, and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company

at the end of the financial year and of the profit and loss for the period, ended on that date;

- (III) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (IV) The annual accounts have been prepared on a going concern basis.

REFERENCE TO BIFR

In earlier years net worth of the company had been fully eroded, as a result company had approached to the Board for Industrial & Financial Restructuring (BIFR) for protection provided under The Sick Industrial Company's (Special Provisions) Act, 1985 and the company was declared as sick unit vide order of BIFR passed in May, 2010 vide reference no 42/2009 wherein the board has appointed IDBI as Operating Agency which has submitted the revival scheme to BIFR.

LEGAL CASES:

Company had filed civil and criminal cases against various parties for recovery of dues. As per the legal opinion and management perception Company will recover the substantial amount from the defaulting parties. Some of the parties and suppliers have also filed cases against the Company as briefed in contingent liabilities.

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.

RISHI PILANI
CHAIRMAN & MANAGING DIRECTOR

Date : November 29, 2012
Place : Mumbai

DECLARATION BY CEO

I, Ramesh Pilani, CEO of Ganesh Benzoplast Limited as required by Clause 49(I)(E)(ii) of the Listing Agreement executed with the Bombay Stock Exchange Limited, I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct and Ethics for the Financial Year 2011-12.

Place : Mumbai
Date: November 29, 2012

For Ganesh Benzoplast Ltd.
Ramesh Pilani
Chief Executive Officer

ANNEXURE TO THE DIRECTORS' REPORT

Statement pursuant to section 217(1) (e) of the Companies Act, 1956, and the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2012.

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:

	2011-2012	2010-2011
1. POWER AND FUEL CONSUMPTION		
(a) Purchased Unit (KWH in thousand)	3427.24	3873.97
Total Amount (₹ in Millions)	23.69	23.08
Rate/Unit (₹)	6.91	5.96
(b) Own Generation		
(i) Through Diesel Generator unit (KLS in thousand)		
Total Units	65.25	105.42
Total Amount (₹ In Millions)	2.82	4.24
Rate / Unit (₹)	43.27	40.21
2. FURNACE OIL		
Qty. (K.L. in thousand)	0.16	0.18
Total amount (₹ In Millions)	6.05	5.85
Average rate (RS/KLS)	38909	32538
II CONSUMPTION PER M.T. OF PRODUCTION		
Electricity	633.28/KWH	641.05/KWH
Furnace Oil (KLS)	0.03/KLS	0.03/KLS
Diesel/LDO/LSHS (KLS)	0.01/KLS	0.02/KLS

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

C. Explanations for Auditors Qualifications in Audit Report:-

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

In preceding years Company had entered in to a contract that required professional services of Mrs.

Poonam Rishi Pilani from which Company had benefited. From March, 2010 Company has terminated such contract and accordingly such services are now not required. Company will take necessary steps to regularize the payments with the Registrar of Companies, Mumbai.

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

In preceding years Company has granted some of the business advances to the associate companies without passing special resolutions. The Company will take necessary steps to ensure that outstanding

Ganesh Benzoplast Limited

recoverable payments will be recovered as soon as possible and that the necessary approvals through special resolutions will now be obtained in general meeting of shareholders.

Qualification mentioned in para 6 of audit report:-

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

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

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

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

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

For and on behalf of the Board,

RISHI PILANI
CHAIRMAN &
MANAGING DIRECTOR

Date : November 29, 2012
Place : Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS

Business of the company

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

CHEMICAL DIVISION

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

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

INFRASTRUCTURE DIVISION(LST)

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

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 are awarded ISO 9002. Ganesh group is known for their strong 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

Ganesh Benzoplast Limited

standards. The tanks are located at JNP (Nhava Sheva), Goa and Cochin. The Company has the advantage of being a pioneer in handling liquid chemicals at JNPT and has also prime location advantage.

Research and Development

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

Growth drives

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

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

Opportunities and Threats:

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

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

We have a large clientele of domestic as well as overseas customers who have their business dealings pertaining to imports and exports based in Goa and adjoining areas of Maharashtra & Karnataka.

The 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 more tanks at JNPT/Mormugoa and Cochin Port the rentals of the infrastructure division is expected to increase in the times to come.

Summary:

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

Financial Review and position

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

The working for the year has resulted in net profit of ₹11.80 Million as against net profit of ₹1.03 million in the previous year.

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

Internal Control System:

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

Financial Condition

Share Capital

Issued, Subscribed and Paid up Capital as at March 31, 2012 was ₹51.77 Million (₹51.77 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, 2012. Reserves and Surplus amounted to ₹987.95 Million (₹999.75 Million in the previous year).

Loan Funds

The loan funds stood at ₹2732.12 million as at March 31, 2012 (₹2806.24) million in the previous year).

Fixed Assets

Net fixed assets including Capital Work in Progress as at March 31,2012 are ₹1654.18 million (₹1693.55 millions as at March 31,2011).

Investments

Total amount of investments as at March 31,2012 was ₹0.22 million (₹0.22 million as at March 31,2011).

Net Current Assets

Net Current Assets stood at ₹-64.42 million as at March 31, 2012 from ₹-72.47 million as at March 31, 2011.

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.

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,2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange of India.

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

Mruga K. Vasavada
Practising Company Secretary,
Membership No.: 26793
C.P.No.9647

Place: Mumbai
Date: November 29, 2012

CORPORATE GOVERNANCE REPORT

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

- 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.
- Board of Directors**

A. Composition and Attendance:-

The Board of Directors consisted of 4 professionals from diverse fields – two of these members are whole time Directors i.e one is the Chairman and the Managing Director and other is full time director, other two member are Non –Executive Independent Director. During the year, under review, Seven Board Meetings were held on 18.05.2011, 31.05.2011, 30.07.2011, 31.08.2011, 25.10.2011, 30.01.2012.

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	6	1	Nil
Shri Raunak R.Pilani (w.e.f.28th June 2008)	Promoter Executive	6	Nil	Nil
Shri Gyan Chordia (w.e.f.28 th June 2008 till 09 th October,2012)	Non Executive Independent Director	6	Nil	2
Shri Nalinakshan K (w.e.f.30th June 2007)	Non Executive Independent Director	6	Nil	2
Shri.Kanahiyalal Thussu (w.e.f.10 th October,2012)	Non-Executive Independent Director	Nil	Nil	Nil

B. Board's Functioning & Procedures:-

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

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

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

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

The Minutes of the Meetings of the Board are circulated to all Directors and confirmed at the subsequent Meeting. The Minutes of the Audit Committee, Remuneration Committee, Shareholder's Grievance Committee and the Minutes of the Board of Directors Meetings of subsidiary company (if any) are also are circulated to all Directors and thereafter tabled for discussion at the subsequent Board Meeting.

3. Audit Committee:-

The Primary objective of the Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosure and ensure the integrity and quality of financial reporting. The Composition, power, reolses and the terms of reference of the Committee are in terms of the requirement of Section 292A of the companies Act, 1956 and clause 49 of the Listing Agreement.

The Composition of the Audit Committee and details of meeting attended by its members are given below:-

Name of Director	Category	Position	No. of Meetings Attended
Shri Gyan Chordia, (from 27.11.2009 till 09 th October,2012)	Non Executive Independent	Chairman	5
Shri.KanhyaLal Thussu (w.e.f.10 th October,2012)	Non Executive Independent	Member	Nil
Shri Nalinakshan K. (w.e.f.10 th October,2012 as Chairman of Audit Committee)	Non-Executive Independent	Chairman	5
Shri Rishi R.Pilani	Promoter Executive	Member	5

The Committee met on and 31.05.2011, 30.07.2011, 31.08.2011, 25.10.2011, 30.01.2012, during the year. In order to comply with the listing requirements of minimum number of 3 members, the Board has appointed Shri. Rishi R. Pilani as a member of the Audit Committee till another Independent Director is appointed on the Board of the Company.

B. The functions of the Audit Committee include the followings:-

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.
- Related Party transaction.

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

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

4. Remuneration Committee:-

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

A. The board terms of reference of the Remuneration Committee are as follows:-

- Recommend to the Board remuneration including salary, perquisites and commission to be paid to the Company's Managing Director and Whole-time Directors.

Ganesh Benzoplast Limited

- Finalise the perquisites package of the Managing Director and Whole-time Directors within the overall ceiling fixed by the Board.
- Recommend to the Board, retirement benefits to be paid to the Managing Director and Whole-time Directors under Retirement Benefit Guidelines adopted by the Board.

B. Remuneration Policy:-

The Company pays remuneration to its Whole Time Director & CEO by way of salary, allowances and perquisites as recommended by the Remuneration & Compensation Committee, subject to the approval of the Board, the General Meeting and Central Government. The appointment is subject to the conditions stipulated in Schedule XII and other applicable provisions of the Companies Act, 1956. The company pay sitting fees to Non-executive directors for attending each meeting of the Board/Committee. No Commission is paid to the Executive Director.

C. Composition of Remuneration Committee:-

Name of Director	Category	Position	Meeting Attended
Shri.Gyan Chordia (upto 09 th October,2012)	Non-Executive Director	Chairman(upto 09 th October,2012)	1
Shri.Kanhyalal Thussu (w.e.f. 10 th October,2012)	Non-Executive Director	Chairman (w.e.f.10 th October,2012)	Nil
Shri.Nalinakshan K.	Non-Executive Director	Member	1

D. Details of remuneration paid to Director/CEO is as under :-

Name of Director	Salary incl. Perquisites	Sitting fees	Total
Shri Gyan Chordia	Nil	₹18000	₹18000
Shri Nalinakshan K.	Nil	₹18000	₹18000
Shri Raunak Pilani	Nil	₹10000	₹10000
Shri.Rishi R.Pilani	5,00,000	Nil	₹5,00,000
Shri.Ramesh S.Pilani (C.E.O.) Infra-Division	6,36,980	Nil	₹6,36,980
Shri.Ramakant S.Pilani (C.E.O.)Chem.Division	6,18,990	Nil	₹ 6,18,990

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 31.05.2011, 30.07.2011, 25.10.2011, 30.01.2012., during the year.

A. Size and Composition of Investors Grievance Committee:-

Name of Director	Category	Position	Meeting Attended
Shri Gyan Chordia (upto 09 th October, 2012)	Non Executive Independent	Chairman	4
Shri Nalinakshan K.	-Do-	Member	4
Shri Rishi R.Pilani	Executive-Director	Member	4

The total number of complaints received and replied to the satisfaction of the Share holders during the year ended 31.03.2012 were 90 , Two Complaints as on 31.03.2012 were outstanding. All pending Complaints have been attended to/replied to by 15.4.2012.

The total numbers of pending share transfers were Nil and pending request for dematerialization were 2 as on 31.03.2012. These have been approved / dematerialized by 15.04.2012.

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 Board has delegated the powers to approve share transfers to whole time Directors with regard to the shares held in physical and demat form in coordination with the Registrar. The Share Transfer committee held 8 meetings during the year on 30/04/2011,30/05/2011,29/07/2011,30/08/2011,30/09/2011,31/12/2011,15/01/2012,15/03/2012The Committee meets generally on a fortnightly basis as per volume of transfer request.

Name of Director	Category	Position	Meeting Attended
Shri Rishi R.Pilani	Promoter Executive	Chairman	8
Shri Raunak R. Pilani	Promoter Executive	Member	8

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

Meeting	Day, Date and Time	Venue
22 nd AGM	Wednesday,30.09.2009,10.00a.m.	Panchayat Seva Trust, Satyanarayan Seva Bhavan, J.B.Nagar, Andheri (E.), Mumbai- 59
23 rd AGM	Tuesday,30.11.2010,10.00a.m .	Shri Rajasthan Recreation Club, J.B.Nagar, Andheri (E), Mumbai- 59.
24 th AGM	Friday,30.09.2011,10.00 a.m	Shri Rajasthan Recreation Club, J.B.Nagar, Andheri (E), Mumbai- 59.

No Special resolution was put through, postal ballot, at the last Annual General Meeting.

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 34 to the accounts. These transactions do not have any potential conflict with the interest of the company at large.

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

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

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

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

*** Disclosure of Accounting Transactions:-**

The Company has followed all mandatory accounting standards.

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

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

- 9. Means of Communication:** The Company has reported all material information including quarterly financial results 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** : Dina Building, 1st Floor, 53 M.K.Road, Marine Lines (East) Mumbai- 400 002. & Corporate Office : A1/A2, Gurudatt CO-Operative Hsg Soc, J.B.Nagar Andheri (E), Mumbai- 400 059.
- (ii) **Annual General Meeting** : Saturday, 29th December, 2012 at-10. A.M. at. Shri Rajasthan Recreation Club, J.B.Nagar, Andheri (East) Mumbai- 400 059.
- (iii) **Financial Calendar** : 2012-2013 (tentative)
- 1st Quarter Results ending : 14th August, 2012, June 30, 2012
- 2nd Quarter Results ending : 30th October, 2012. September 30, 2012
- 3rd Quarter Results ending : Last week of January, 2013.
- 4th Quarter Results ending : Last week of April, 2013.
- Annual General Meeting : Before end September, 2013.
- (iv) **Date of book Closure**: The Register of Members and the Register of Share Transfers of the Company was closed from Tuesday 18th September, 2012 to Saturday, 29th September, 2012. (Both days inclusive)
- (v) **Registrar for demat segment**: The Company has appointed Big Share Services Limited having its office at E/2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri-East, Mumbai-400 072 as Registrar for demat segments .
- (vi) **Share Transfer System**: The Company has in -house Share Department, which provides all shareholders related services. Share Transfer requests received in physical form are registered within 30 days from the date of receipt and demat requests are normally confirmed within an average period of 15 days from the date of receipt.
- (vii) **Dematerialization of Shares**: Trading in Company's shares is permitted only in dematerialization since April 08.1999, as per notification issued by the Securities and Exchange Board of India. The Company provides facility for simultaneous transfer and dematerialization of equity shares as per the procedure prescribed by NSDL and CDSL.

The number of Shares held in dematerialized and physical mode as on 31st March, 2012 is as under:

	No.of Shares	% of total Capital issued
Held in dematerialized Form in NSDL	4,21,58,156	81.41
Held in dematerialized Form in CDSL	63,69,192	12.30
Physical	32,56,945	6.29
Total	5,17,84,293	100.00

- (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, FaxNo.2830715, EmailAddress:gbjbn@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) **The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE).**
The Company has paid the listing fees for the year 2012-13 to the Bombay Stock Exchange Limited (BSE). There are no arrears of listing fees with the said stock exchange till date
- (xi) **BSE Stock Code**: 500153
- (xii) **ISIN No.:** INE388A01029

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(xiii) Stock Market Data: Monthly high and low quotations as well as the volume of shares traded at Mumbai Stock Exchange for 2011-2012 are :

Month	High (₹)	Low (₹)	Volume (Shares)	Month	High (₹)	Low (₹)	Volume (Shares)
April 2011	7.87	5.77	264929	October,2011	7.89	5.68	153162
May 2011	7.45	5.71	91806	November2011	7.89	5.56	85360
June 2011	7.00	5.75	121020	December2011	6.65	4.29	123354
July 2011	7.44	5.81	111267	January,2012	7.00	5.23	82363
Aug 2011	6.84	4.30	188065	February,2012	9.37	6.65	344541
Sep2011	6.75	5.25	226423	March, 2012	8.66	7.20	129351

(xiv) Distribution Schedule as on 31.03.2012.

No. of Equity Shares	Share holders		No. of Shares	
	Number	% of Holders	Number	% of Shares
Upto -2500	34821	98.028	7160243	13.82
2501 -5000	347	0.976	1331013	2.57
5001-10000	154	0.433	1169693	2.26
10001-20000	90	0.254	1352841	2.62
20001-30000	23	0.064	584272	1.13
30001-40000	20	0.056	675237	1.30
40001-50000	12	0.033	558839	1.08
50001-100000	28	0.078	2218811	4.28
100001 & Above	28	0.078	36733344	70.94
TOTAL	35523	100.00	51784293	100.00

(xv) Categories of Shareholders as on 31.03.2012.

Category	31.03.20012	
	% of Shareholding	No. of Shares
Promoters	32.82	16997101
Individuals	35.54	18404868
Domestic Companies	17.05	8830194
FIs, Mutual Funds & Bank	12.28	6359235
FIs, OCBs & NRI	2.31	1192895
TOTAL	100.00	51784293

(xvi) 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

Millions without obtaining approval of the Central government as required by Section 314 (1B) of the Companies Act, 1956.

- 1 We have audited the attached Balance Sheet of Ganesh Benzoplast Limited ('the Company') as at March 31, 2012 and also the statement of 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 no.29 to notes to accounts to the financial statements. As at March 31, 2012 the company's accumulated losses of ₹1800.52 Million exceeds its net worth of ₹930.89 Million. These matters raise substantial doubts regarding the Company's ability to continue as a going concern, which is dependent on establishing profitable operations and obtaining continuing financial support from its shareholders. These mitigating factors have been more fully discussed in Note no.29 accompanying financial statements, in view of which the accompanying financial statements have been prepared under the going concern assumption, and consequently, no adjustments have been made to the carrying values or classification of balance sheet accounts.
- 5 a) *The Company had in the earlier year paid salary to a relative of a Director amounting to ₹3.87*
- b) *The net worth of the Company has been fully eroded as on March 31, 2012, however the Company had in the earlier years 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. The Impact of our comments in paragraph 5 above, if any, on the financial statements cannot be ascertained.*
- 6 *The balances of the Trade Receivables, Trade Payables and Advances given to certain parties are subject to confirmation / reconciliation. Consequently we are unable to comment on the carrying values of these balances and the impact if any on the accompanying financial statements.*
- 7 a) *The company has not provided for debts aggregating to ₹29.27 Millions in respect of outstanding from one party 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 ₹17.47 Millions as against a reported net profit of ₹11.80 Millions, deficit balance in profit and loss account would have been ₹1,829.79 Millions as against ₹1,800.52Millions, balance in Trade Receivables would have been ₹73.05 Millions as against ₹102.32Millions.*
b) *The Company has not provided for loans and advances aggregating to ₹69.47 Millions 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 ₹57.67 Millions as against a reported profit of ₹11.80Millions, deficit balance in profit and loss account would have been ₹1869.99 Millions as against ₹1,800.52 Millions, balance in loans and advances would have been ₹ 292.48 as against ₹ 361.95 Millions.*
- c) *Had the Company accounted for our comments in paragraph 7(a) and 7(b) above there would*

have been loss for the period amounting to ₹86.94 Millions as against a reported profit of ₹ 11.80 Millions, balances in Trade Receivables would have been ₹73.05 Millions as against ₹102.32Millions, balance in loans and advances would have been ₹292.48 as against ₹361.95-Millions, Deficit balance in profit and loss account would have been ₹1899.27Millions as against ₹ 1,800,52 Millions.

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 *balance confirmation / reconciliation of certain balances.*
- 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, Statement of profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, *except for comments in paragraph 6 and 7 above;*
- v. On the basis of the written representations received from all the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the director are disqualified from

being appointed as a director in any other public company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- vi. Based on our audit, in our opinion and to the best of our information and according to the explanations given to us, the said accounts *subject to our remarks in paragraph 5 and paragraph 6 the impact of which cannot be ascertained on the financial statements, and paragraph 7, 8(i) and 8(iv) above,* give the information required by the Companies Act, 1956, in the manner so required and, give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;
 - (b) in the case of the Statement of profit and loss account, of the Profit for the year ended on that date; and
 - (c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For Samria & Co.
Chartered Accountants
Firm Registration No.: 109043W

CA S.R.Rathi
Partner
Membership No.: 112376

Place: Mumbai
Date: November 29, 2012

ANNEXURE TO AUDITORS' REPORT

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

Re: Ganesh Benzoplast Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed Assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) (a) During the year Company has granted Interest Free loans / advances to three parties covered in the register maintained under section 301 of the Companies Act, 1956 to the extent of ₹1.36 Million. The maximum amount involved during the year was ₹ 180.32 Millions and the year- end balance of loans granted to such parties was ₹ 176.45 Millions.
- (b) In respect of loans /advances granted, repayment of the principal amount is stipulated.
- (c) 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.
- (d) In earlier years the Company has taken Interest free loans from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 207.73 Millions and the year-end balance of loans taken from such parties was ₹ 206.49 Millions.
- (e) 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 because these are long term and interest free unsecured loan availed from the promoters of the company.
- (f) In respect of loans taken, there is agreed period for repayment of these loans.
- (iv) In our opinion and according to the information and explanations given to us, *the internal control system for purchases of inventory, fixed assets and sales of goods and services is inadequate since in some cases of purchases of inventory and fixed assets the same are made without inviting quotations and in case of sales of goods and services there are no contractual agreements for all the customers. 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 respect of transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees five lakhs have been entered in to during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) *The Company does not have an internal audit system.*
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, and are of the opinion that prima facie , the prescribed accounts and records have been made and maintained.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, 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 delays in large number of cases.*
- (b) According to the information and explanations given to us, undisputed dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, service tax, sales-tax, customs duty, excise duty, cess and other statutory dues which were outstanding, at the yearend 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 (₹in Millions)	Period to which the amount relates	Due Date	Date of Payment
Maharashtra Labour welfare Fund Act	Labour fund Dues	0.02	2004- 2012	Various dates	Not paid
Professional Tax Act	Professional Tax	2.08	1998-2012	Various dates	Not paid
Employees Provident Fund Act	Provident Fund	2.70	2002-2012	Various dates	Not paid
Finance Act	Service Tax	0.41	2011-2012	Various dates	Not paid
Income Tax Act , 1961	Income Tax	10.94	2000-2001	Various dates	Not paid
Companies Act , 1956	Investor Education and Protection Fund	0.12	1997-1998	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 (in Millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act , 1961	Interest u/s 234A/B/C & 220(2) of the act.	37.6	AY 1999-2000 and A.Y. 2000-01	"G" Bench ,ITAT Mumbai as well as BIFR.

- (x) *The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth.* The Company has not incurred cash losses in current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) In respect of bonds issued by the Company and outstanding during the year, the Company has created security or charge in respect of bonds issued.
- (xx) According to the information and explanations given to us, during the year, the Company has not raised any money through public issue.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Samria & Co.
Chartered Accountants
Firm Registration No.: 109043W

CA S.R.Rathi
Partner
Membership No.: 112376

Place: Mumbai
Date: November 29, 2012

Ganesh Benzoplast Limited

BALANCE SHEET AS AT 31ST MARCH, 2012

	Note	31-Mar-12 ₹ in millions	31-Mar-11 ₹ in millions
Equity and liabilities			
Shareholders' funds			
Share capital	3	57.06	57.06
Reserves and surplus	4	(987.95) (930.89)	(999.75) (942.70)
Non-current liabilities			
Long-term borrowings	5	2,722.74	2,798.20
Long-term provisions	6	9.38	8.04
		<u>2,732.12</u>	<u>2,806.24</u>
Current liabilities			
Short-term borrowings	7	54.90	44.47
Trade payables	8	196.61	203.14
Other current liabilities	8	182.18	108.90
Short-term provisions	6	1.56	0.25
		<u>435.24</u>	<u>356.76</u>
Total		<u><u>2,236.47</u></u>	<u><u>2,220.30</u></u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	1,653.38	1,693.55
Capital work-in-progress		0.80	-
Non-current investments	10	0.22	0.22
Deferred tax assets (net)	11	-	-
Long-term loans and advances	12	203.36	193.49
Other non current assets	13	7.90	48.76
		<u>1,865.64</u>	<u>1,936.01</u>
Current assets			
Inventories	14	32.54	26.12
Trade receivables	15	102.32	106.84
Cash and bank balances	16	76.92	29.07
Short-term loans and advances	12	158.59	121.20
Other current assets	13	0.45	1.05
		<u>370.82</u>	<u>284.29</u>
Total		<u><u>2,236.47</u></u>	<u><u>2,220.30</u></u>
Corporate information and basis of Preparation	1&2		
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Samria & Co.

Chartered Accountants

Firm Regn. No. 109043W

CA S.R.Rathi

Partner

Membership no.: 112376

Place : Mumbai

Date: November 29, 2012

For and on behalf of the board of directors of Ganesh Benzoplast Limited

Rishi Pilani

Chairman & Managing director

Raunak Pilani

Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

	Note	31-Mar-12 ₹ in millions	31-Mar-11 ₹ in millions
Continuing operations			
Income			
Revenue from operations (gross)	17	1,064.11	995.04
Less: excise duty		43.36	35.66
Revenue from operations (net)		1,020.75	959.38
Other income	18	15.09	5.41
Total revenue (I)		1,035.84	964.79
Expenses			
Cost of raw material and components consumed	19	402.89	409.62
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	20	(8.76)	0.37
Employee benefits expense	21	42.28	32.68
Other expenses	22	251.61	213.30
Perior period items	23	7.16	(4.71)
Total Expenses (II)		695.19	651.27
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) – (II)		340.65	313.52
Depreciation and amortization expense	24	174.75	176.74
Finance costs	25	154.10	135.75
Profit/(loss) before tax		11.80	1.03
Tax expenses			
Current tax		-	-
Deferred tax		-	-
Total tax expense			
Profit/(loss) for the year		11.80	1.03
Earnings per equity share	26		
[nominal value of share ₹ 1 (31 March 2011: ₹1)]			
Basic & Diluted			
Computed on the basis of profit from continuing operations		0.23	0.02
Computed on the basis of total profit for the year		0.23	0.02
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For Samria & Co.
Chartered Accountants
Firm Regn. No. 109043W

CA S.R.Rathi
Partner
Membership no.: 112376
Place : Mumbai
Date: November 29, 2012

For and on behalf of the board of directors of Ganesh
Benzoplast Limited

Rishi Pilani
Chairman & Managing director

Raunak Pilani
Director

Ganesh Benzoplast Limited

Significant Accounting Policies & General Information:-

1. Corporate Information

Ganesh Benzoplast Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange in India. The company is engaged in the business of manufacturing and selling food preservatives and industrial lubricants. The company caters to both domestic and international markets. The company also provides storage and warehousing services at various ports in India.

2. 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. Previous year's figures have been regrouped where necessary to confirm this years classification keeping in mind requirement of revised schedule VI.

2.1 Summary of significant accounting policies

a) Changes in accounting policy

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. The Differences between the actual results and the estimates are recognized in the period in which the results are Known/Materialise.

c) Tangible fixed assets

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 directly 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.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

From accounting periods commencing on or after 7 December 2006, the company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

d) Capital Work –in- Progress

Projects under commissioning and other Capital Work-in-Progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

e) Depreciation on tangible fixed assets

Depreciation is provided using the straight line method at the rates prescribed under schedule XIV of the Companies Act, 1956. Lease hold land is amortizable over the period of 99 years from the year of allotment of land which is 1986.

Asset	Schedule XIV Rates (SLM)
Buildings	3.34%
Plant and Equipment	4.75%
Storage tanks	4.75%
Office premises	1.63%
Furniture and Fittings	6.33%
Vehicles	9.5%
Computers	16.21%

f) Impairment

An Asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has a change in the estimate of recoverable amount.

g) Leases

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.

h) Investments

Investments that are readily realisable and intended to be held for not more than a year after the date of acquisition 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 individually at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

i) 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.

j) 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.

Sales of Goods

Revenue from sales of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Income from Services

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

Interest

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

Dividends

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

Duty Drawback

Revenue is recognized on actual receipt basis.

k) For Foreign currency transactions & translation

(i) Initial Recognition

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

(ii) Conversion

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

(iii) Exchange Differences

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

l) Retirement and other employee benefits

- 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.
- Gratuity liability is are defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year.
- 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.
- Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

m) Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred tax resulting from timing difference between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

n) 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.

o) 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.

p) Provisions

A provision is recognized 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 (Excluding retirement Benefits) 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.

q) 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.

r) Derivative instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

s) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective

asset. All other borrowing costs are expensed in the period they occur.

t) Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

u) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

Ganesh Benzoplast Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	31-03-2012 ₹in millions	31-03-2011 ₹in millions
3 SHARE CAPITAL		
Authorized shares (No. millions)		
400 Mn (31 March 2011: 400 Mn) equity shares of ₹1/- each	400.00	400.00
Issued, subscribed and fully paid-up shares (No. millions)		
51.78 Mn (31 March 2011: 51.78 Mn) equity shares of ₹1/- each	51.78	51.78
Share Forfeiture Account (1.05 Mn. Shares @ ₹5 paid up, 31 March 2011: 1.05 Mn. Shares @ ₹ 5 paid up.)	5.27	5.27
TOTAL ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARE CAPITAL	57.06	57.06

(a) Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period
Equity Shares

	As at 31 March 2012		As at 31 March 2011	
	No. millions	₹in millions	No. millions	₹in millions
At the beginning of the period	51.78	51.78	51.78	51.78
Issued during the period – Bonus issue	0	0	0	0
Issued during the period – ESOP	0	0	0	0
Outstanding at the end of the period	51.78	51.78	51.78	51.78

(b) Terms/Rights attached to Equity shares

The company has only one class of equity shares having par value of ₹1' per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the company

	As at 31 March 2012		As at 31 March 2011	
	No. millions	% holding in the class	No. millions	% holding in the class
Equity shares of ₹1' each fully paid				
Suaram Financial Services & Techniques Pvt.Ltd.	10.56	20.38%	10.56	20.38%
Ganesh Risk Management Pvt. Ltd.	4.97	9.60%	4.97	9.60%
India Debt Management Pvt.Ltd.	6.94	13.41%	6.94	13.41%
IFCI, Ltd.	3.89	7.51%	3.89	7.51%

As per the records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal & beneficial ownership of shares.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	31-03-2012 ₹ in millions	31-03-2011 ₹ in millions
4 RESERVES AND SURPLUS		
Capital reserve		
Capital reserve	430.07	430.07
Securities premium account		
Balance as per the last financial statements	382.50	321.11
Add: premium on Issue of Fresh shares to Promoters and Institutions	-	61.39
Closing Balance	382.50	382.50
General reserve		
Balance as per the last financial statements	-	527.57
Less:- Adjusted against debit balance of Profit & Loss Account	-	(527.57)
Closing Balance	-	-
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	(1,812.33)	(1,813.36)
Profit for the year	11.80	1.03
Less: Appropriations		
TRANSFER TO GENERAL RESERVE		
TOTAL APPROPRIATIONS		
NET SURPLUS IN THE STATEMENT OF PROFIT AND LOSS	(1,800.52)	(1,812.33)
TOTAL RESERVES AND SURPLUS	(987.95)	(999.75)

	Non-current portion		Current maturities	
	31-Mar-12 ₹ in millions	31-Mar-11 ₹ in millions	31-Mar-12 ₹ in millions	31-Mar-11 ₹ in millions
5 LONG-TERM BORROWINGS				
Bonds				
a) 0.746 million (31 March 2011: 0.746 million) Zero Coupon Bond (ZCB) having face value of ₹100 each (Secured)	74.66	74.66	-	-
Term loans from Banks and Financial Institutions				
b) Cent Rental loan from Bank (Unsecured)	5.78	-	12.50	-
c) From financial institutions (secured)	2,435.81	2,515.81	80.00	-
Other loans and advances				
d) Loans & Advances				
from Shareholders (unsecured)	204.63	204.63	-	-
from related parties (unsecured)	1.86	3.10	-	-
	2,722.74	2,798.20	92.50	-
The above amount includes				
Secured borrowings	2,510.47	2,590.47	80.00	-
Unsecured borrowings	212.27	207.73	12.50	-
Amount disclosed under the head "other current liabilities" (Note no.8)			(92.50)	-
Net amount	2,722.74	2,798.20	-	-

Ganesh Benzoplast Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

- a) Company had issued 746,630 nos. of Zero coupon Bond (ZCB) having face value of ₹100 each for an aggregate of ₹74.66 million to IFCI in accordance with One Time Settlement Agreement entered in the earlier years. The said ZCB are redeemable at par in three equal installments of ₹24.88 million each on September 30, 2016, September 30, 2017 and September 30, 2018. These ZCB are interest free and non transferable. Further these are secured by second charge on all fixed assets of the Company.
- b) Cent rental loan is secured against contract with one of the customer Bharat Petroleum Corporation Limited for rendering of storage services. Further this is secured against mortgage of personal properties of promoters alongwith personal guarantees of directors and their relatives and corporate guarantee of M/s Agarwal Bulk Actives Pvt Ltd. (Associates). This loan is repayable in 24 monthly installments of ₹ 1.22 million each including interest @ bank rate plus 5% p.a., from the date of the loan.
- c) Term Loans from financial institutions are secured against mortgage/charge of all movable/immovable properties both present and future and first charge by way of hypothecation of all movables (save and except book debts) including movable machinery spares, tools and accessories present and future subject to prior charge and/or charge to be created in favour of India Debt Management Pvt. Ltd ("IDM") for the loans extended by it to the company and shall rank pari-passu with such charges. There are no agreed term in respect of repayment and interest is charged @ 16% p.a.
- d) Loans and advances from shareholders and related parties are long term, unsecured and interest free in nature. Further there are agreed terms in respect of repayment.

	Long-term		Short-term	
	31-Mar-12 ₹in millions	31-Mar-11 ₹in millions	31-Mar-12 ₹in millions	31-Mar-11 ₹in millions
6 Provisions				
Provision for employee benefits				
Provision for gratuity (note 30)	6.41	6.42	1.19	0.03
Provision for leave benefits	2.97	1.62	0.37	0.23
	9.38	8.04	1.56	0.25

	31-03-2012 ₹in millions	31-03-2011 ₹in millions
7 SHORT-TERM BORROWINGS		
Bank Overdraft (Secured)	37.57	40.15
Cent Rental Loan from Bank (Unsecured)		
Other loans & advances (Unsecured)	1.83	4.33
Total Short term borrowing	54.90	44.47
The above amount includes		
Secured borrowings	37.57	40.15
Unsecured borrowings	17.33	4.33

- a) Bank overdraft facility is secured against fixed deposits of ₹ 45 Millions with bank. The overdraft is repayable on demand and carries interest @ 10% p.a.
- b) Cent rental loan is secured against contract with one of the customer The Fertilizer & Chemical Travancore Limited for rendering of storage services. Further this is secured against mortgage of personal properties of alongwith personal guarantees of directors and their relatives and corporate guarantee of M/s Agarwal Bulk Actives Pvt Ltd. (Associates).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	31-03-2012 ₹ in millions	31-03-2011 ₹ in millions
8 OTHER CURRENT LIABILITIES		
Trade payables (including acceptances) (note 31)	196.61	203.14
Other liabilities		
Current maturities of long term borrowings (note 5)	92.50	-
Interest accrued but not due on Secured loan of IDM.	29.84	29.51
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unclaimed dividend	0.12	0.12
Unclaimed debenture interest	0.06	0.06
Advances received from customers	31.14	50.44
Others		
Interest free deposits from customers	6.09	-
Payables for capital goods	7.73	1.09
Profession tax and MLWF dues	2.10	1.77
Provident fund dues	3.16	2.90
Service Tax		0.55
TDS and Income tax dues payable	9.45	22.47
	182.18	108.90
	378.79	312.04

Ganesh Benzoplast Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

9 TANGIBLE ASSETS

(₹ In millions)

	Land	Leasehold Land	Buildings	Plant and equipment	Storage tanks	Office premises	Furniture and fixtures	Vehicles	Computers	Total
Cost or valuation										
At 1 April 2010	0.22	1.66	66.66	1,385.42	2,232.27	1.23	15.40	0.54	1.70	3,705.10
Additions	-	-	-	58.17	7.25	-	0.36	-	0.36	66.13
Disposals*	-	-	-	(54.33)	-	-	-	-	-	(54.33)
At 31 March 2011	0.22	1.66	66.66	1,389.25	2,239.52	1.23	15.76	0.54	2.06	3,716.90
Additions	-	-	-	114.33	21.19	-	0.28	-	0.55	136.35
Disposals*	-	-	-	(91.59)	-	-	(0.04)	-	(0.27)	(91.89)
At 31 March 2012	0.22	1.66	66.66	1,412.00	2,260.71	1.23	15.99	0.54	2.34	3,761.36

Depreciation										
At 1 April 2010	-	0.40	33.12	964.83	890.03	0.48	10.02	0.30	1.66	1,900.74
Charge for the year	-	0.02	2.23	61.22	106.20	0.02	0.80	0.05	0.20	176.74
Disposals*	-	-	-	(54.13)	-	-	-	-	-	(54.13)
At 31 March 2011	-	0.42	35.34	977.93	996.23	0.50	10.82	0.35	1.76	2,023.95
Charge for the year	-	0.02	2.23	64.33	106.93	0.02	0.90	0.05	0.28	174.75
Disposals*	-	-	-	(89.83)	-	-	(0.04)	-	(0.27)	(90.12)
At 31 March 2012	-	0.43	37.57	952.44	1,103.16	0.52	11.69	0.40	1.77	2,107.98

Net Block										
At 31/03/2011	0.22	1.24	31.32	411.33	1,243.29	0.73	4.93	0.9	0.30	1,693.55
At 31/03/2012	0.22	1.22	29.09	459.56	1,157.55	0.71	4.31	0.4	0.57	1,653.38

*Disposal is on account of replacement of very old and almost fully depreciated steel plates, angles, rods, pipes etc with new ones as well as reduction of gross block of Fixed assets after being fully depreciated and its corresponding reduction of accumulated depreciation in the block.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	31-03-2012 ₹ in millions	31-03-2011 ₹ in millions
10 NON-CURRENT INVESTMENTS		
Non-trade investments (valued at cost unless stated otherwise)		
Investment in equity instruments (quoted)		
0.0015 million (31 March 2011: 0.0015 million) equity shares of ₹10 each fully paid-up in Emtex Limited	0.02	0.02
Aggregate amount of quoted investments (Market value: 0.005 million (31 March 2011: 0.006 million))	0.02	0.02
Investment in equity instruments (unquoted)		
0.01 million (Previous year 0.01 million) equity shares of Jankalyan Sahkari bank ltd of ₹10 each	0.10	0.10
0.00004 million (Previous year 0.00004 million) equity shares of Punjab & Maharashtra Bank ltd of ₹10 each	0.00	0.00
0.39 million (Previous year 0.39 million) equity shares of M/s Futuristic offshore Services and chemical ltd.of ₹10 each	0.10	0.10
Aggregate amount of unquoted investments	0.20	0.20
Total Non Current Investment	0.22	0.22
11 DEFERRED TAX ASSET (NET)		
Deferred tax asset recognized for timing differences due to :		
a) Gratuity / Leave Encashment	0.82	0.87
b) Unabsorbed carried forward Loss	316.32	338.59
Total (A)	317.14	339.46
Deferred tax liability recognized for timing differences due to :		
a) Depreciation	317.14	339.46
Total (B)	317.14	339.46
Net deferred tax (A- B)	-	-

The Company has made profit during the year but since the company has huge assessed losses as well as book losses, no provision has made in respect of Income Tax or MAT u/s 115JB of the Income Tax Act, 1961. Secondly SICK companies are exempt from MAT as per provisions of section 115JB of the act. 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.

Ganesh Benzoplast Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

12 LOANS AND ADVANCES

	Non-current		Current	
	31-Mar-12 ₹in millions	31-Mar-11 ₹in millions	31-Mar-12 ₹in millions	31-Mar-11 ₹in millions
Capital advances				
Unsecured, considered good	50.14	44.58	-	-
Other loans & advances - intercorporate deposits				
Unsecured, considered good	39.50	39.50	-	-
Trade advances given to sundry creditors			39.02	35.39
Unsecured, considered good				
Security deposit			41.31	33.32
Unsecured, considered good	39.50	39.50	80.34	68.71
	89.64	84.08	80.34	68.71
Loan and advances to related parties (note 34 & 37)				
Unsecured, considered good	113.71	109.41	-	-
Unsecured, considered Doubtful	58.64	58.64	-	-
	172.35	168.05	-	-
Provision for doubtful advances	58.64	58.64	-	-
	113.71	109.41	-	-
Other loans and advances				
Loans to employees			0.44	0.56
Balances with statutory / government authorities			75.90	51.93
Advance payment of tax (Net of tax demand)			78.26	52.49
	203.36	193.49	158.59	121.20

	Non-current		Current	
	31-Mar-12 ₹in millions	31-Mar-11 ₹in millions	31-Mar-12 ₹in millions	31-Mar-11 ₹in millions
13 OTHER ASSETS				
Unsecured, considered good unless stated otherwise			0.45	0.66
Interest accrued on fixed deposits	3.92	-	-	0.40
Other bank balances (Refer Note 16)	3.98	48.76	0.45	1.05
Total	7.90	48.76	0.45	1.05

	31-03-2012 ₹in millions	31-03-2011 ₹in millions
14 INVENTORIES (VALUED AT LOWER OF COST AND NET REALIZABLE VALUE)		
Raw materials and components	7.83	9.27
Work-in-progress (refer note 20)	15.96	12.55
Finished goods (refer note 20)	7.89	2.54
Stores & spares, Packing material & fuel	0.86	1.75
	32.54	26.12

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	31-03-2012 ₹in millions	31-03-2011 ₹in millions
15 TRADE RECEIVABLES		
	Current	
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	52.37	46.02
Unsecured, considered doubtful	5.70	5.57
	58.06	51.59
Provision for doubtful receivables	(5.70)	(5.57)
	52.37	46.02
Other receivables		
Unsecured, considered good	49.95	60.82
Doubtful		-
	49.95	60.82
Provision for doubtful receivables		-
	49.95	60.82
Total	102.32	106.84
Trade receivables include:		
Dues from partnership firm (Agarwal Chemicals) in which the company's executive director is a partner	4.10	7.05
	4.10	7.05

	Non-current		Current	
	31-Mar-12 ₹in millions	31-Mar-11 ₹in millions	31-Mar-12 ₹in millions	31-Mar-11 ₹in millions
16 CASH AND BANK BALANCES				
Cash and cash equivalents				
Balances with banks:				
- On current accounts	-	-	26.08	26.30
- Deposits with original maturity of less than three months	-	-	-	-
Cash on hand	-	-	3.18	1.80
	-	-	29.26	28.09
Other bank balances				
- Deposits with original maturity for more than 12 months	0.48	47.26	-	0.40
- Deposits with original maturity for more than 3 months but less than 12 months	-	-	46.68	-
- Margin money deposit	3.50	1.50	-	-
- Other bank balance on current account (refer below Note No. c)	-	-	0.98	0.98
	3.98	48.76	47.66	1.38
	3.98	48.76	76.92	29.47
Amt disclosed under the head other non current assets (Refer Note 13)	(3.98)	(48.76)	-	(0.40)
Net Amount	-	-	76.92	29.07

- Fixed deposits are subject to first charge to secure the bank overdraft facility and bank guarantees issued in favour of the company.
- Margin Money deposit are subject to first charge to secure the bank guarantees issue by the Central bank of India in the favour of company of equal amount to various parties.
- Out of total amount of ₹27.06 Million , ₹0.98 Million has been seized by Sales tax department against various dues.

Ganesh Benzoplast Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	31-03-2012 ₹in millions	31-03-2011 ₹in millions	
17 REVENUE FROM OPERATIONS			
Revenue from operations			
Gross Revenue from Operation	1,064.11	995.04	
Less: Excise duty	43.36	35.66	
Revenue from operations (net)	<u>1,020.75</u>	<u>959.38</u>	
18 OTHER INCOME			
Interest income on			
Bank deposits	4.35	0.57	
Others	0.05	-	
Foreign exchange fluctuation Gain	0.57	-	
Sale of DEPB license	5.41	2.50	
Other Misc income	4.70	2.34	
	<u>15.09</u>	<u>5.41</u>	
19 COST OF RAW MATERIAL AND COMPONENTS CONSUMED			
Inventory at the beginning of the year	9.27	12.72	
Add: Purchases	401.44	406.17	
Less: inventory at the end of the year	7.83	9.27	
Cost of raw material and components consumed	<u>402.89</u>	<u>409.62</u>	
Details of raw material and components consumed			
Toluene	239.28	234.77	
Caustic	18.54	14.59	
SN-150	13.02	7.92	
HA	23.97	18.88	
Others	108.08	133.45	
	<u>402.89</u>	<u>409.62</u>	
	31-03-2012 ₹in millions	31-03-2011 ₹in millions	(Increase) / decrease ₹in millions 31-Mar-12
20 (INCREASE)/ DECREASE IN INVENTORIES			
Inventories at the end of the year			
Work-in-progress	15.96	12.55	(3.40)
Finished goods	7.89	2.54	(5.35)
	<u>23.85</u>	<u>15.09</u>	<u>(8.76)</u>
Inventories at the beginning of the year			31-Mar-11
Work-in-progress	12.55	12.82	0.26
Finished goods	2.54	2.65	0.11
	<u>15.09</u>	<u>15.47</u>	<u>0.37</u>
	<u>8.76</u>	<u>(0.37)</u>	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	31-03-2012 ₹in millions	31-03-2011 ₹in millions
Work-in-Progress		
Benzoic Acid	8.15	6.52
Sodium petroleum Sulphate	0.36	
Industrial lubricant	7.45	5.52
Salphonic Acid		0.51
	<u>15.96</u>	<u>12.55</u>
Finished Goods		
Benzoic Acid	2.89	0.09
Sodium Benzoate	1.35	0.17
Benzoplast (Benzoate Plasticizers)	0.73	1.11
Sodium petroleum Sulphate	0.12	0.22
Industrial lubricant	1.74	0.56
Others	1.06	0.4
	<u>7.89</u>	<u>2.54</u>

	31-03-2012 ₹in millions	31-03-2011 ₹in millions
21 EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	39.21	28.84
Contribution to provident and other funds	0.49	0.45
Gratuity expense (note 30)	1.18	2.27
Staff welfare expenses	1.40	1.12
	<u>42.28</u>	<u>32.68</u>
22 OTHER EXPENSES		
Power & Fuel Charges	70.35	66.86
Water Charges	2.49	2.40
Stores, Spares and Packing Material Consumed	27.84	32.46
Labour/Service charges, Freight, Warehousing and Handling charges etc.	40.47	32.45
Fixed Assets Written off	1.77	0.21
Insurance	1.19	0.82
Repairs & Maintenance (Machinery)	13.90	13.45
Travelling & Conveyance expenses	6.99	4.38
Motor car expenses	0.11	0.20
Printing & Stationary	1.37	0.96
Postage, Telephone and Airfreight	1.90	1.42
Rent	29.80	19.53
Rates & taxes	0.77	0.32
Legal, Professional, Consultancy and Service chgs.	13.55	14.33
Licence & Application fee	1.36	0.16
Directors sitting fees	0.05	0.05
Stock exchange listing fees	0.03	0.07
Auditors remuneration	1.25	1.25
Donation	0.33	0.75

Ganesh Benzoplast Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	31-03-2012 ₹ in millions	31-03-2011 ₹ in millions
22 OTHER EXPENSES (CONTD..)		
General expenses	2.05	2.08
Foreign exchange fluctuation loss		0.23
Bad debts written off	4.90	-
Provision for bad & doubtful debts	5.70	-
Membership, Subscription & Periodicals	0.08	0.03
Sales Promotion and Other Marketing expenses	3.78	2.82
Advertisement expenses	0.13	1.08
Distribution expenses	7.67	8.85
Brokerage & commission	5.09	3.13
Discount given	5.95	2.60
Sundry balances w/off	0.74	0.41
TOTAL	251.61	213.30
23 PRIOR PERIOD ITEMS		
Profit on OTS		7.99
Prior Period Expenses	(7.16)	(3.28)
	(7.16)	4.71
Prior Period Expenses comprises		
Rates and Taxes	3.59	-
Repairs & Maintenance	0.94	-
Professional fees	0.80	-
Transportation Expenses	-	0.70
Brokerage & Commission	-	2.58
Lease rent	1.83	-
Profit on OTS in previous year consists of Profit realised on One time settlement with One of the secured lender(IIBI)		
24 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation of tangible assets	174.75	176.74
Amortization of intangible assets		
Depreciation of investment property		
	174.75	176.74
Less: recoupmnt from revaluation reserve	-	-
	174.75	176.74
25 FINANCE COSTS		
Interest on Term Loan	150.46	133.99
Bank charges and Commission	3.64	1.76
	154.10	135.75

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	31-03-2012 ₹ in millions	31-03-2011 ₹ in millions
26 EARNINGS PER SHARE (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Total operations for the year		
Profit/ (loss) after tax	11.80	1.03
	No. millions	No. millions
Weighted average number of equity shares in calculating basic EPS	51.78	51.78
Effect of dilution:		
Convertible preference shares	0.00	0.00
Convertible bonds	0.00	0.00
Stock options granted under ESOP	0.00	0.00
Weighted average number of equity shares in calculating diluted EPS	51.78	51.78
Earning per share (₹) Basic	0.23	0.02
Earning per share (₹) Diluted	0.23	0.02
27 CONTINGENT LIABILITIES NOT PROVIDED FOR		
Claims filed by Twenty Two parties before different courts against company not acknowledge as Debt including the claim partly acknowledged.	117.16	89.91
Claim for delayed interest(disputed) made by three parties namely M/s Sahastraa Export, M/s Harsh Industries and M/s Fab trade Ent.	9.44	-
Claims by Two co-op banks by filing recovery suits in respect of guarantees alleged to have been issued by company	13.20	13.20
Contingent Liabilities in respect of pending Sales Tax re-assessment	50.00	50.00
Claim of The State Trading Corporation Ltd in respect of unrealized exports bills of The State Trading Corporation Ltd	113.50	113.50
Claim of Jawaharlal Nehru Port Trust & Marmugao Port Trust in Arbitration	Amount indeterminate	Amount indeterminate
Income Tax demand (Pertains to interest charged u/s 234A/B/C and 220(2) of I.T. Act 1961) in respect of Assessment Year 1999-00 and 2000-01. In this respect the company has approached to BIFR for waiver of overall interest. And looking in to company's financial crisis our plea is likely to be accepted.	37.63	37.63

Ganesh Benzoplast Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

28. CAPITAL COMMITMENTS

Estimated amount of contract remaining to be executed on capital account, net of advances, not provided for is ₹ 0.8 Million (Previous year ₹NIL).

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

30. 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 summaries the components of net benefit expense recognized in the profit and loss account and amounts recognized in the balance sheet for the respective plans.

Statement of profit and loss account

Net employee benefit expense recognized in the employee cost. (Gratuity)

	31-Mar-12 ₹ in millions	31-Mar-11 ₹ in millions
Current service cost	0.87	0.65
Interest cost on benefit obligation	0.53	0.36
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognised in the year	(0.22)	1.25
Past service cost	-	-
Net benefit expense	1.18	2.27
Actual return on plan assets	-	-

Balance sheet

Provisions of gratuity

	31-Mar-12 ₹ in millions	31-Mar-11 ₹ in millions
Defined benefit obligation	7.60	6.44
Fair value of plan assets	-	-
	7.60	6.44
Less: Unrecognised past service cost	-	-
Plan asset / (liability)	7.60	6.44

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

	31-Mar-12 ₹ in millions	31-Mar-11 ₹ in millions
Opening defined benefit obligation		
Interest cost	0.53	0.36
Current service cost	0.87	6.54
Benefits paid	(0.03)	(0.22)
Actuarial (gains) / losses on obligation	(0.22)	1.25
Closing defined benefit obligation	7.60	6.44

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

	31-Mar-12	31-Mar-11
	%	%
Discount Rate	8.25%	8.25%
Employee turnover		
- Younger Ages	5%	5%
- Older Ages	1%	1%
Salary increase rate	6%	5%

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

31. There are no dues to Micro, Small and Medium Enterprises as defined under "The Micro, Small and Medium Enterprises Development Act, 2006 as at 31 March 2012. This information has been determined to the extent; such parties have been identified on the basis of the information available with the Company.
32. Since the paid up share capital of Company is more than ₹50 million, It is required to employ whole time secretary as per the provisions of section 383A of the Companies Act, 1956. Since company is suffering from great financial crisis and after lot of effort also cost efficient Company Secretary is not available for reasonable remuneration. Accordingly the Company has outsourced all its secretarial work to professional CS firm.
33. Remuneration to Managing Director-As per resolution passed in 24th General meeting of the Company held on 30 September 2011 Company has paid ₹0.5 Million @ ₹0.1 Million. Per month to Mr. Rishi Pilani starting from 1 November 2011 till 31 March 2012 as salary for the post of Chairman Cum Managing Director.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

34. Related Parties Disclosure

a) Names of related parties and related party relationship

Related parties where control exists irrespective of whether transactions have occurred or not	Nil
Related parties with whom transactions have taken place during the year	
Key Management Personnel(Directors)	Mr.Rishi Pilani/ Raunak Pilani
Relatives of key management personnel	Ravi Pilani(Brother of Rishi Pilani) Poonam Pilani(Wife of Rishi Pilani) Manju Pilani(Mother of Raunak Pilani) Sushila Pilani(Mother of Rishi Pilani) Ramakant Pilani(Father of Raunak Pilani) Ramesh Pilani(Father of Rishi 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 Investment and Financial Technics Pvt Ltd Ganesh Emergene Limited Ganesh Medicament Pvt Ltd Poonam Software Solutions Pvt. Ltd. Rishabh Suiting Pvt Ltd.

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

(₹ in Millions)

Name of re- lated Party/ Nature of Transaction	Sale Of Goods	Purchase Of Goods	Services obtained	Salary Paid	Loans/ Ad- vances Given to	Loans/ Advanc- es Taken from	Loans/ Advances recovered from old balances	Loans/ Advances repaid out of old balance	Provision for doubt- ful debts	Closing Bal- ance (Dr)	Closing Balance (Cr)
Futuristic Offshore Services & Chem Ltd	(4.84)	-	-	-	(-)	-	0.92	-	58.64 (58.64)	157.61 (158.54)	-
Agarwal Chemicals	(0.01)	(-)	-	-	-	-	2.95	-	-	4.10 (7.05)	-
Rishabh Sutings Pvt. Ltd.	-	-	-	-	5.23 (9.51)	-	-	-	-	14.74 (9.51)	-
Susram Financial Ser. & Tech Pvt.Ltd.	-	-	-	-	(14.27)	-	-	-	-	-	204.63 (204.63)
Agarwal Bulk active Pvt Ltd.	4.23	(0.44)	-	-	-	(1.95)	-	1.24	-	-	1.86 (3.10)
Manju Pilani	-	-	-	0.62 (0.40)	-	(-)	-	-	-	-	-
Ramakant Pilani	-	-	-	0.62 (0.32)	-	-	-	-	-	-	-
Ramesh Pilani	-	-	-	0.64 (0.62)	-	-	-	-	-	-	-
Sushila Pilani	-	-	-	0.62 (0.61)	-	-	-	-	-	-	-
Ravi Pilani	-	-	-	0.25	-	-	-	-	-	-	-

Note: Figures in brackets indicate previous year balance.

Ganesh Benzoplast Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

35. Leases

a) Future lease rental payments.

	2011-2012 ₹in millions	2010-2011 ₹in millions
Lease Payment recognised in the Profit and Loss Account	Nil	Nil
Not later than one year	Nil	Nil
Later than one year and not later than five years	Nil	Nil
Later than five years	Nil	Nil

b) General descriptions of the leasing arrangement: Office premises are obtained on lease.

Future lease rentals are determined on the basis of agreed terms. At the expiry of the lease term the company has an option either to return the assets or extend the term by giving notice in writing

36. Unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure at the reporting date

(₹&USD in millions)

Particulars	31-March-2012		31-March-2011	
	USD	INR	USD	INR
Export trade receivable				
Al Ajra F.Z.E.	0.05	2.78	-	-
Al Bader Est	0.04	2.13	-	-
Glaxosmithline Pakistan Limite-Gms	0.00	0.12	-	-
Glaxo Wellcome Ceylon Ltd	0.00	0.03	-	-
Advance received from customers				
Kimya Trading Lic	0.16	8.44	-	8.93
Deltech Shanghai Ltd.	0.05	2.61	-	-
Universal Lubricants Factory (Zinol) Lic	0.02	1.13	-	1.13
Atwad Al-Gharbia For Lubricants Recycling	0.02	1.03	-	-
Darsh Industries Ltd	0.01	0.32	-	-
Glaxosmithline Pakistan Limite-Gms			-	0.04

37. Details of loans/advances given to directors /associates and firms/ companies under the same management/ in which directors are interested. (₹in millions)

Nature of Transaction	Closing Balance		Maximum balance outstanding
Ganesh Energene Limited	9.24		9.24
	(9.24)		(9.24)
Futuristic Offshore Services And Chemical Ltd	157.61		159.48
	(158.54)		(177.02)

38. Value of imports calculated on CIF basis.

(₹in millions)

Particulars	31-Mar-12	31-Mar-11
Capital goods	1.10	-

39. Earnings in foreign currency (Accrual basis).

(₹in millions)

Particulars	31-Mar-12	31-Mar-11
Export Earning	277.15	281.15

40. Segment Reporting

25th Annual Report 2011-2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	31-Mar-12 ₹ in millions	31-Mar-11 ₹ in millions
Cash flow from operating activities		
Profit before tax from continuing operations	11.80	1.03
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization on continuing operation	174.75	176.74
Loss/ (profit) on sale of fixed assets	1.77	0.21
Interest expense	154.10	135.75
Interest income	(4.40)	(0.57)
Operating profit before working capital changes	338.02	313.16
Movements in working capital :		
Increase/ (decrease) in trade payables	(6.53)	20.90
Increase / (decrease) in long-term provisions	1.34	2.81
Increase / (decrease) in short-term provisions	1.31	-
Increase/ (decrease) in other current liabilities	73.28	(35.75)
Decrease / (increase) in trade receivables	4.52	(31.44)
Decrease / (increase) in inventories	(6.42)	3.66
Decrease / (increase) in long-term loans and advances	(9.87)	-
Decrease / (increase) in short-term loans and advances	(37.39)	(19.63)
Decrease / (increase) in other current assets	0.21	-
Decrease / (increase) in other non current assets	(3.92)	-
Cash generated from / (used in) operations	16.53	(59.45)
Direct taxes paid (net of refunds)	-	-
Net cash flow from/ (used in) operating activities (A)	<u>354.55</u>	<u>253.71</u>
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(137.15)	(66.13)
Investments in bank deposits (having original maturity of more than three months)	(1.50)	(49.16)
Receipt from bank deposits matured during the year	-	-
Interest received	4.40	0.57
Net cash flow from/ (used in) investing activities (B)	<u>(134.25)</u>	<u>(114.72)</u>
Cash flows from financing activities		
Repayment of long-term borrowings	(81.24)	6.61
Proceeds from long-term borrowings	5.78	-
Proceeds from Short-term borrowings	15.50	-
Repayment of Short-term borrowings	(5.08)	-
Interest paid	(154.10)	(135.75)
Net cash flow from/ (used in) in financing activities (C)	<u>(219.13)</u>	<u>(129.14)</u>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	1.17	9.86
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	-
Cash and cash equivalents at the beginning of the year	28.09	18.24
Cash and cash equivalents at the end of the year	<u>29.26</u>	<u>28.09</u>
Components of cash and cash equivalents		
Cash on hand	3.18	1.80
With banks- on current account	26.08	26.30
- on deposit account	-	-
- unpaid dividend accounts*	-	-
- unpaid matured deposits*	-	-
- unpaid matured debentures*	-	-
Total cash and cash equivalents (note 16)	<u>29.26</u>	<u>28.09</u>
Summary of significant accounting policies		

* The company can utilize these balances only toward settlement of the respective unpaid dividend, unpaid matured deposits and unpaid matured debenture liabilities.

As per our report of even date
For Samria & Co.
 Chartered Accountants
 Firm Regn. No. 109043W

CA S.R.Rathi
 Partner
 Membership no.: 112376
 Place : Mumbai
 Date: November 29, 2012

For and on behalf of the board of directors of Ganesh
 Benzoplast Limited

Rishi Pilani
 Chairman & Managing director

Raunak Pilani
 Director

The Note no 'C' of the Financial Statement for the year ended 31st March, 2012 in the Balance sheet on page no 28 is replaced with following note for which the below resolution was put on motion in the 25th Annual General Meeting of the Company held on 29th December, 2012.

“RESOLVED THAT Term Loan from financial institutions include loans directly disbursed by India Debt Management Pvt Ltd (IDM) and those acquired by IDM from some erstwhile lenders of the Company. All these term loans are secured by a first charge/ mortgage of all immovable properties both present and future and by a first charge by way of hypothecation of all movables (save and except book debts) including movable machinery spares, tools and accessories present and future and shall rank pari passu between one another. These loans are proposed to be restructured in both quantum and repayment schedule under a Draft Rehabilitation Scheme filed by the Company with BIFR which is pending approval. As per the proposed terms under the Draft Rehabilitation Scheme, these loans carry an interest rate of 16% p.a. and are repayable by June 2013 based on other terms agreed between IDM and the Company”.



GANESH BENZOPLAST LIMITED

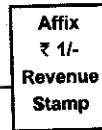
Regd. Office: Dina Building, 1st Floor, 53, Maharshi Karve Road, Marine Lines, Mumbai - 400 002.

PROXY FORM

I/We _____ of _____
 being a member/members of **GANESH BENZOPLAST LIMITED**, hereby appoint _____
 of _____ or failing him _____ of
 _____ or failing him _____ of
 _____ as my/our proxy to vote for me/on our behalf at the **25th Annual General Meeting** of the Company to be held on **Saturday, 29th December, 2012 at 10.00 a.m.** at Shree Rajsthan Recreation Club, J.B.Nagar, Andheri (E), Mumbai – 400 059 at any adjournment thereof.

Signed this _____, day of _____ 2012.

Signature of Member _____



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

(Tear Here)



GANESH BENZOPLAST LIMITED

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

ATTENDANCE SLIP

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

I hereby record my presence at the **25th ANNUAL GENERAL MEETING** of the Company to be held on **Saturday, 29th December, 2012 at 10.00 a.m.** at Shree Rajsthan Recreation Club, J.B.Nagar, Andheri (E), Mumbai – 400 059.

Full Name Signature : _____
(in Block Letter)

Signature

(i) Member _____

(ii) Proxy _____

L. F. No. _____

BOOK-POST

To,



If undelivered please return to :

GANESH BENZOPLAST LIMITED

REGISTERED OFFICE :

Dina Building, 1st Floor,
53, Maharshi Karve Road,
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