

22<sup>ND</sup> ANNUAL REPORT 2010-11

painting the world green ...



**GANESH POLYTEX LTD.**



GANESH POLYTEX LTD.

# Corporate Information

## Board of Directors

Shri Shyam S. Sharma	Chairman & Managing Director
Shri V.D. Khandelwal	Executive Vice Chairman
Shri Sharad Sharma	Joint Managing Director
Shri Rajesh Sharma	Executive Director
Shri S.K. Kabra	
Shri Pradeep Kumar Goenka	
Shri Vishwa Nath Chandak	
Shri Satpal Arora	

## Chief Finance Officer

Shri Gopal Agarwal

## Company Secretary

Shri Bharat Kumar Sajnani

## Auditors

M/s. Mehrotra Rakesh Kumar & Co.  
Chartered Accountants, Kanpur

## Bankers

State Bank of India  
Allahabad Bank  
State Bank of Bikaner & Jaipur

## Offices:

### Administrative office:

113/216-B, Swaroop Nagar,  
Kanpur-208002  
Email : [gpl@sancharnet.in](mailto:gpl@sancharnet.in)  
Tel: +91-512-2555504-06  
Fax: +91-512-2555293

### Registered Office:

Raipur, (Rania),  
Kalpi Road,  
Distt. Kanpur Dehat  
Email : [gplworksknp@ganeshpolytex.in](mailto:gplworksknp@ganeshpolytex.in)  
Tel: +91-512-2154183

## works:

### 1. Kanpur Unit:

Raipur, (Rania),  
Kalpi Road,  
Distt. Kanpur Dehat.  
Uttar Pradesh.

### 3. Bilaspur Unit :

Khata No. 96 and 97,  
Arazi Village Kotha, Ali Nagar,  
Pargana and Tehsil Bilaspur,  
Distt. Rampur, Uttar Pradesh.

### 2. Rudrapur Unit :

Plot No. 6, Sector -2,  
Integrated Industrial Estate,  
Pantnagar, Uttarakhand.

## Website:

[www.ganeshpolytex.in](http://www.ganeshpolytex.in)



# painting the world green ...

“Green” signifies the color of nature, balance, growth, harmony, health and environment. We make it our business to Think Green every day. When we Think Green, we think of a world...

- where people know how to live sustainably i.e. making the right choice today so that future generation may not have fewer choices tomorrow.
- where “reduce, reuse and recycle” become the watchwords of every family and company.
- where the environment is respected and every action is aimed at recovery and restoration.
- where our commitment to excellence and leadership delivers lasting solutions to the environmental challenges that our planet will face in the 21st century.





## VISION

To become a Global Corporate citizen committed to recycle every PET bottle which is thrown into waste with world class recycling facilities and to create wealth for our stakeholders through conducting business around social and environmental concerns.

## Shared values

- Excellence in whatever we do .
- Delivering innovative products.
- Results through teamwork.
- Uncompromising integrity.
- Trust and respect for everyone.

## MISSION

- To be a high performance organization by making the best use of resources and empowering people.
- To be the preferred choice of our customers by providing world class customer services.
- To maintain high levels of quality in our products through innovative Research and technology development in our processes, products and applications.
- Building relationships with stakeholders based on trust, transparency & ethical business conduct.
- To contribute to the cause of making our planet a better place to live in for the present and future generations.



# Contents

• Company Profile.....	1
• Corporate Strengths.....	3
• Chairman's Message.....	5
• Our Business.....	7
• Milestones.....	11
• Finance Charts.....	14
• Financial Ratios.....	15
• Corporate Social Responsibility.....	16
• Shareholders & Investors.....	17
• Board of Directors.....	19
• Directors' Report.....	21
• Management Discussion & Analysis.....	27
• Financial & Operating Performance.....	29
• Risk Management.....	32
• Corporate Governance Report.....	34
• Auditors' Report.....	47
• Balance Sheet.....	51
• Profit & Loss Account.....	52
• Cash Flow Statement.....	53
• Schedules to the Accounts.....	54
• Balance Sheet Abstract.....	68
• Notice.....	69

## Forward Looking Statements

*This report contains forward looking statements. These statements are based on current estimates and projections of Ganesh Polytex Ltd. (GPL) management and currently available information. They do not guarantee future performance, involve certain risks and uncertainties that are difficult to predict, and are based upon assumptions as to future events that may not be accurate. Many factors could cause the actual results, performance or achievements of GPL to be materially different from those that may be expressed or implied by such statements. Such factors include those discussed in the Risk Report from page 32 to 33. We do not assume any obligation to update the forward-looking statements contained in this report.*



# Company Profile

GANESH POLYTEX LTD. is a 24 years old company engaged in recycling of post consumer pet bottle waste turning more than 150 crores bottles annually into fibre having wide application range-soft toys, pillows, mattresses, furnitures, automobile carpets, yarn spinning, technical and non woven textile, construction, paper etc. GPL's customer base is spread across the width and length of the country besides having overseas presence.

Incorporated in 1987 by Founder, Mr. Shyam Sunder Sharma, GPL has manufacturing facilities for pet bottle waste recycling and yarn dyeing and processing. Its advanced manufacturing set up is at Kanpur (U.P.) and Rudrapur (Uttarakhand). It is also having raw material processing facility and wash line at Bilaspur (U.P.).

Company is growing at a CAGR of 35% since last 5 years and has achieved a annual turnover of ₹ 291.28 crores in FY 2010-11. It has also shown a healthy growth of 100% in net profit on YOY basis translating in to Earnings Per Share of ₹ 12.99.

# Turning **waste** ...



# ... into **Resources**







## Corporate Strengths



1

**Governance -  
Sound and  
responsible  
practices.**

2

**Experience – the  
only Indian  
company with 15  
years proven track  
record in waste  
recycling.**

3

**Products – wide  
range with best  
quality  
standards.**

4

**Scale - Largest  
capacity for  
pet bottle recycling.**

5

**Growth – 5-years  
compounded  
annual growth rate  
at over 35%.**



## ICAI Award For Financial Reporting For The Year 2009-10



Ganesh Polytex Limited, India's leading PET Waste Recycling Company has been awarded the coveted **"Silver Shield"** for **"Excellence in Financial Reporting"** by the Institute of Chartered Accountants of India.

The Annual Report and Accounts for the year ended March 31st, 2010 have been adjudged as the second best amongst the entries received under the Category "Manufacturing Sector – Turnover less than ₹ 500 crores". The award was presented in the presence of his Excellency Shri Salman Khurshid, Hon'ble Union Minister of State (I/C) for Corporate Affairs and a huge gathering of Chartered Accountants and stalwarts of the financial sector and Corporate India.



## Chairman's Message

### *Dear Fellow Stakeholders'*

Overall FY2011 has been an interesting and exciting year for your Company. Amidst the uneven global recovery, I am extremely pleased to report that we have turned in yet another solid set of results in 2010-11 surpassing our previous robust results in FY 2009-10.

During 2010-11:

- We recorded a new high of ₹ 291.3 crores in revenue, an increase of 46.5% over FY2010. The revenue growth was derived largely through additional recycling capacity of 18000 tpa, which was commercially started during the year.
- Our EBITDA stood at ₹ 36.3 crores as against ₹ 24.3 crores last year, an astounding 49.4% surge.
- We earned Profit after tax of ₹ 18.02 crores, up 100% from the previous year.
- Business generated cash accruals of ₹ 26.9 crores
- Return on equity shoot up to 30.6% during the year.

Further, I am pleased to inform you that the Institute of Chartered Accountants of India (ICAI) has awarded "Silver Shield" to Ganesh Polytex Ltd. for "Excellence in Financial Reporting" for the year 2009-10. The award asserts the Company's sound and transparent accounting policies and good corporate governance practices.

The excellent performance of 2010-11 is a testament to the Company's sound strategies and commitment to execute excellence. Our strong results serve as an encouragement to us and spur us to work harder and be better in all that we do. Our robust business strategy and core competencies put us in a strong position to seize opportunities and capture value wherever there is economic growth and pickup in demand. We will continue to work ceaselessly to sharpen our focus and further build on our strengths and capabilities to sharpen our competitive edge and exploit opportunities to extract maximum value for stakeholders.

In recent years, we have seen a major shift in thinking about the environment. People are more concerned about depleting natural resources and what we are doing to ensure the future well-being of the planet. For us, the rising tide of environmental awareness brings opportunities to develop new solutions that meet the environmental and economic needs of a changing world. Increasing awareness would support our philosophy of recycling every bit of waste plastic to conserve the scarce resources for a stretched period of time and simultaneously save the planet of becoming dumping ground. Preserving environment is a must for sustainable growth and our conviction is that what is good for the environment is also good for our business, good for our customers' businesses, good for our communities and good for future generations.

Due to increase in population, developmental activities, changes in life style and socio-economic conditions, the quantum of pet waste is ever increasing. On account of increasing usage of pet bottles in daily consumption there is a huge amount of pet waste that gets created every year. This shows that there is tremendous scope of growth in this sector and your company will not leave any stone unturned to capitalize the same. In our efforts to contribute radically towards the protection of environment and global sustainable development, we will be continuing our journey by enhancing PET bottles recycling capacity in future. We are also considering recycling of every kind of plastic waste along with PET bottle waste and shall bring ecologically safe value added products on the table

Your company looks to the future with confidence, driven by an inspiring Vision, values of trusteeship and vitality powered by a dedicated and experienced team of human resources. At GPL, I, hereby take this opportunity, to express my sincere thanks & gratitude towards the eminent Board members for contributing their valuable input and wise counsel and our customers, suppliers and bankers for their continued confidence and support during the year. I want to place on record my appreciation to GPL team for their commitment, dedication and diligent contribution. My heartfelt appreciation goes to our shareholders, for being pillar of support in helping accomplish our shared aspirations.



*"Excellence is not a destination;*

*It is a continuous journey that never ends"*