

# SHREE GANESH ELASTOPLAST LIMITED



19<sup>TH</sup> AUDITED ANNUAL REPORT  
FOR THE YEAR 2012-13

## NINETEENTH ANNUAL REPORT 2012-2013

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NINETEENTH ANNUAL GENERAL MEETING PROGRAMME	
DATE	: 28TH SEPTEMBER, 2013
DAY	: SATURDAY
TIME	: 11.00 A.M.
VENUE	: 119, Gr.Floor, Kamdhenu Complex Opp.Sahjanad Colleage, Polytechnic, Ahmedabad: 380015

**BOARD OF DIRECTORS**

Shri Nitin H. Mehta, *Chairman & Managing Director*  
Shri Bharatkumar V. Mashruwala, *Whole Time Director & COO*  
Shri Harishbhai R. Mehta, *Director*  
Shri Mihir R. Shah, *Director*  
Shri Mayukh J. Pandya, *Director*

**COMPANY LAW CONSULTANT**

M/s Kamlesh M. Shah & Co., Company Secretaries,  
801- A, Mahalay Building,  
Opp. Hotel President,  
Off. C.G. Road,  
Ahmedabad – 380 009

**BANKERS OF THE COMPANY**

Central Bank of India, Ahmedabad

**STATUTORY AUDITORS**

M/S Sunil Dad & Co.,  
1016, Anand Mangal III,  
Near Parimal Cross Roads,  
Ellisbridge, Ahmedabad: 380 006.

**LISTING AT**

Ahmedabad Stock Exchange	The Bombay Stock Exchange
ASE Code 34000	BSE Code 530797
Kamdhenu Complex,	25th Floor, P.J. Towers,
Nr. Panjarapole,	Dalal Street, Fort,
Ahmedabad 380 015	Mumbai 400 001

**REGISTERED OFFICE &  
INVESTORS GRIVANCE DEPTT**

119, Gr.Floor, Kamdhenu Complex,  
Opp. Sahajanad Collage,  
Dist: Ahmedabad: 380 015.

**REGISTRARS & SHARE  
TRANSFER AGENTS**

Skyline Financial Services Pvt Ltd  
D-153 A, First Floor, Okhla Industrial Area, Phase - 1, New Delhi, Delhi, 110020  
Phone: 91-011-30857575/ 26812682/83, Telefax: 91-011-30857562  
E.Mail: admin@skylinerta.com

**NOTICE**

Notice is hereby given that 19th Annual General Meeting of the Members of Shree Ganesh Elastoplast Limited will be held on Saturday 28th September, 2013 at 11:00 AM at the Registered Office of the Company situated at 119, Gr. Floor, Kamdhenu Complex, Opp. Sahjanand Complex, Polytechnic, Ahmedabad: 380 015 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the Audited Profit & Loss Account for the year ended on 31<sup>st</sup> March, 2013, Balance Sheet as on that date, Directors' Report and the Auditors' Report thereon.
2. To Reappoint Mr. Mihir R. Shah who retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.
3. To Reappoint Mr. Mayukh J. Pandya who retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.
4. To appoint Auditors M/s. Sunil Dad & Co., Chartered Accountants, for the Company for the year 2013-14 and to hold the office as such from the date of conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**Date: 30.05.2013**

**By Order of the Board of Directors**  
**Shree Ganesh Elastoplast Limited**  
Sd/-

**Place: Ahmedabad**

**(Nitin H. Mehta)**  
*Chairman & Managing Director.*

**NOTES:**

- I. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a Member. The instrument appointing a proxy shall be deposited at the Registered Office of the Company not later than 48 hrs before the time fixed for holding the meeting.
- II. Members are requested to advise immediately any change in their address to the company.
- III. As a measure of economy, copies of the Annual Report will not be disturbed at the Annual general Meeting, therefore, members are requested to bring their copies of Annual Report to the meeting.
- IV. The Register of Members and the Share Transfer Books of the Company will remain closed from 24/09/2013 to 28/09/2013 (both days inclusive)
- V. Members are requested to send their queries, if any, to the Company at least 10 days before the date of the Meeting so as to enable the management to keep relevant information ready.

**INFORMATION ABOUT THE DIRECTORS WHO ARE PROPOSED TO BE APPOINTED/ RE-APPOINTED AT THE ANNUAL GENERAL MEETING AS PER CLAUSE 49 OF THE LISTING AGREEMENT.**

Particulars	Mihir R. Shah	Mayukh J. Pandya
Director Identification Number.	02055933	00572719
Date of Birth.	31/01/1956	22/07/1955
Age.	57	58
Educational Qualification.	BCOM	BA, LLB
Experience (No. of Years)	34	33
Business field in which Experience.	Stock Broking, Commodity Broking, General Administration of a Corporate Unit.	Security Market related legal matters
Date of Appointment as Director in the Company.	30/04/2011	30/04/2011
Directorship held in any other Company.	MERRY SHAREFIN LIMITED	MONARCH COMTRADE PRIVATE LIMITED  MERRY SHAREFIN LIMITED
Member of any Committees of the Directors in the Company.	(1) Member: Audit Committee.  (2) Chairman: Remuneration Committee.  (3) Chairman: Investors Grievance Committee.	(1) Member: Audit Committee.  (2) Member: Remuneration Committee.  (3) Member: Investor Grievance Committee.
Member of any committees of the Directors in other Companies with names of the Company.	Member: Audit Committee, Merry Sharefin Limited;  Chairman: Investor Grievance Committee, Merry Sharefin Limited; Remuneration Committee, Merry Sharefin Limited	Member: Audit Committee, Merry Sharefin Limited; Investor Grievance Committee, Merry Sharefin Limited.
Member of any Trade Association/ Charitable Organization/ NGOs etc.	N.A.	N.A.

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors are presenting herewith 19<sup>th</sup> Audited Annual Report along with the Audited Accounts for the year ended 31<sup>st</sup> March, 2013.

**FINANCIAL RESULT:**

During the year, the company had done the business of trading in Maize and other agro commodities. The Company had also done the business of the hedging in commodity market. The financial performance during the year is as under: (Rs. In Lacs)

	31.3.2013	31.3.2012
Revenue from operations	53.87	0
Other Income	5.55	0
Less: Total Expenses	85.29	28.79
Profit before exceptional and extraordinary items and tax	-25.87	-28.73
Less: Extraordinary Items	0.35	0.21
Profit before Tax	-26.22	-30.84
Profit (Loss) for the period from continuing operations	-26.22	-30.84
Profit/(Loss) from discontinuing operations	-6.04	0
Profit/(Loss) for the period	-32.26	-30.84

**OPERATIONS:**

During the year, as the Company had disposed off its unit, including the land located at Village: Vasna-Chacharvadi, Taluka: Sanand, District: Ahmedabad. The proceeds are now being used in business of trading in Agro Commodities. In order to minimize the price fluctuation risk on the inventory held by the company, the company is engaged in the hedging activity. The excess fund of Rs. 136.00 lacs has been made fixed deposit with the bankers. Further the company has also made a strict credit monitoring policy so that the company may avoid any further trading loss or business financial losses.

**SALE/DISPOSAL OF ENTIRE UNIT AT VASANA CHACHARVADI:**

Pursuant to power granted to Board of Directors in terms of Postal Ballot resolution passed by share holder, the director after receiving quotation disposed off its unit, including the land located at Village: Vasna-Chacharvadi, Taluka: Sanand, District: Ahmedabad on as is where is basis at a total consolidated amount of Rs. 300 lakh.

**DIVIDEND:**

In view of carried forward losses, your directors do not recommend any dividend for the year under review.

**TRANSFER OF UNPAID/UNCLAIMED DIVIDEND OR OTHER DUES:**

The company does not have any amount lying with it as Unpaid/Unclaimed dividend which is required to be transferred to the General Revenue Account of Government of India as per provisions 205C of the act. The company does not have any outstanding liabilities on account of interest or principal of matured/accrued and unpaid/unclaimed amount of Deposits, Debentures or other such amount.

**CAPITAL STRUCTURE:**

There was no change in the Authorized, Issued, Subscribed or Paid up share capital of the company during the year under review.

**BUY BACK OF SHARES:**

The company has not made any buy back of its equity shares during the year as per provision of section 77, 77A or other provision of the Act. The board further report that no such liabilities on account of buy back of shares if any declared in the past are outstanding.

**STATUS ON LISTING OF SHARES:**

The Company has paid the Annual listing fees of Bombay stock exchange. The Company has complied with all pending listing compliances and has submitted all pending documents with BSE. The Company has received approval from CDSL and NSDL and has obtained ISIN No. INE400N01017. Your directors recommend and request all shareholders to dematerialize their shareholding because the trading in shares are being done on stock exchange in demat mode only.

**CORPORATE GOVERNANCE**

Report on Corporate Governance and Management Discussion and Analysis as required vide clause – 49 of the Listing Agreement along with Management Discussion and Analysis Report, Auditors Certificate are annexed to this report:

**DEPOSITS:**

The company has not invited or accepted any Deposit, Loans or finance from the public as defined in section 58A of the Companies Act.

**DIRECTORS:**

Mr. MAYUKH JAYDEVPRASAD PANDYA and Mr. MIHIR RAMESHCHANDRA SHAH retire by rotation and being eligible offer themselves for reappointment. Your directors recommend appointing them by passing requisite resolutions as proposed in the Notice.

**PARTICULARS AS REQUIRED UNDER SECTION 217(1)(e):**

- a) Conservation of Energy: - As the Company was engaged in the business of trading operations during the year, this information is not applicable to your company.
- b) Technology Absorption: As the Company was engaged in the business of trading operations during the year, this information is not applicable to your company.
- c) There are no foreign exchange earnings and outgo during the year.

**PARTICULARS OF EMPLOYEES: (Section 217(2A))**

There are no employees receiving the annual remuneration of Rs. 24, 00,000/- or monthly remuneration of Rs. 2, 00,000/- or more during the year. Hence, information required to be given in the statement as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 has not been furnished.

**DIRECTOR'S' RESPONSIBILITY STATEMENT: (Section 217 (2AA).**

Your Directors declares that:

- i) In preparation of the annual accounts, ***as far as possible and except to the extent if any accounting standards mentioned by the auditors in their report as not complied with***, all other applicable accounting standards had been followed along with proper explanation relating to material departures if any;
- ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are responsible 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 after the profit or loss of the company for that period;
- iii) The Directors have taken proper and sufficient care for the maintenance of the 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 Directors had prepared the annual accounts on a going concern basis.

**AUDIT COMMITTEE: (SECTION 292A READ WITH LISTING AGREEMENT):**

The Company has in compliance to section 292A of the Companies Act 1956 as also in compliance to clause 49 of the Listing Agreement formed an AUDIT Committee consisting of independent Directors. This Committee is headed by Independent Director Mr. Harish R Mehta, and other members include two non executive independent directors. The reference and other terms of the committee are in agreement with the requirements of clause 49 on listing agreement relating to code or corporate governance.

**AUDITORS:**

M/s Sunil Dad & Co., Chartered Accountants, Ahmedabad retires at the ensuing Annual General Meeting and the Company has received their consent under provisions of Section – 224(1B) of the Companies Act, 1956. The shareholders are requested to appoint them as auditors for the year 2013-14.

**Auditors Report and Observation:**

The various observations made by the auditors in their report dated 30/05/2013 are self explanatory and properly explained in Notes forming part of the accounts attached therewith. However, full explanation on each of the observation of the auditors is as under:

1. No provision has been made in books of accounts for retirement benefit of employees, as the company does not have any employees, eligible for retirement benefits.

2. No provision has been made in books of accounts for deferred taxation as the company has during the year disposed off its unit, including the land, there is no fixed asset with the company, and hence no provision for deferred tax is considered necessary.
3. The company has discontinued its manufacturing operation during the year and has disposed off its substantial fixed assets. Company has allocated Rs. 200 lacs towards freehold land and balance Rs. 100 lacs towards other block of assets on the basis of the valuation report.
4. The company has undisputed statutory dues payable which are outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable as under:

Name of the statute	Nature of the dues	Amount (Rs.)	Other particulars
Central Sales Tax	Sales Tax	192882	Period: Earlier Years Due date: Not ascertainable Date of payment: Not paid
Central Sales Tax	Sales Tax	123594	Period: Earlier Years Due date: Not ascertainable Date of payment: Not paid

**MANAGEMENTS' PERCEPTION:** This is an accounting entries continued since last more than 8 Years. The Company has not received any demand notices, show cause notices or other communication from relevant authorities. The company has surrendered/ cancelled its VAT Sales Tax and CST registration numbers. This amount will be written off after confirmation from relevant authorities for cancellation of CST and ST registration numbers from concerned departments.

5. The loans and advances, trade receivables and debtors outstanding etc in books of account amounting to Rs. 1,89,80309 are non recoverable, outstanding for more than 6 years are written off during the year after due efforts made by the management with relevant parties.
6. Investments, written off last year has been reinstated in the books of account and given to the director Mihir R. Shah for Rs. 212323/- against the total dues payable to him.  
**MANAGEMENTS' PERCEPTION:** These investments were written off as non realizable as these were mainly in the form of investment in unlisted or private companies. Now as Mr. Mihir. R. Shah has shown interest in buying of these investments, the company has written back the same in the books of accounts and transferred to Mr. Mihir R Shah, against the consideration amount of Rs. 2,12,323/-. This amount has been settled against his dues from the company.

Report on Corporate Governance and management discussion and analysis as required vide Clause-49 of the Listing Agreement along with Auditors Certificate are annexed to this report.

#### **MATERIAL DEVELOPMENT:**

There is no material development has taken place since the closure of the financial year up to the date of this report which may have substantial bearing on the business and affairs of the company or its finances or performances.

#### **ACKNOWLEDGEMENT:**

Your directors take on record and acknowledge the devotion made and hard work put by its employees, co operations at all level received from various government authorities, stock exchanges, professionals, Bankers and all other persons, institutions associated with the company.

**Date:** 30.05.2013

**Place:** Ahmedabad

**On behalf of the Board of Directors**

**Shree Ganesh Elastoplast Limited**

Sd/-  
**(Nitin H. Mehta)**  
Chairman & Managing Director.



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT FORMING PART OF DIRECTORS REPORT AND ALSO A REPORT ON CORPORATE GOVERNANCE ATTACHED TO DIRECTORS REPORT.**

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### **CURRENT STATUS OF THE COMPANY:**

During the year pursuant to postal ballot resolution passed by the members, the Company has disposed off its unit, including the land located at Village: Vasna, Chacharvadi, Taluka: Sanand, District: Ahmedabad at the best realizable amount of Rs.300 Lacs. The proceeds is now applied and appropriated in trading business for Agro commodities, and also hedging in future exchange to decrease adverse price movement. During the year, the company has achieved gross turnover of Rs.59.42 lacs. Further the Company has also made fixed deposit of excess funds with its bankers which have earned an interest income of Rs.2.39 lacs. During the year, the management has done and completed major financial restructuring within the company. The company has now fixed deposits with bankers of Rs.136.00 Lacs, stock for trading on hand of Rs.36.60 Lacs. Majority of the non realizable assets are either realized or written off in the books of accounts.

### **FUTURE COURSE OF ACTION FOR REVIVAL:**

After realization of all fixed assets, writing off of the non realizable assets in the books of accounts has now put your company at the reality position. Now with the available cash funds on hand, your company has now started trading business operations in Maize, Castor and other agro products on actual sale purchase basis. Further for the purpose of avoiding the future loss on account of price fluctuation in highly volatile agro commodities markets, your company is also engaged in hedging of the stock on hand. This subsidiary business operations has earned for your company an amount of RS.97,918/-. During the year, your company has availed benefit of cash discount of Rs.2,17,767/- in trading business operations. Now with the available cash funds, your company is now poised for major breakthrough in the trading business operations in agro and commodity market.

### **COMMENCEMENT OF NEW BUSINESS ACTIVITIES COUPLED WITH POSSIBILITIES OF FINANCIAL POSITION IMPROVEMENT:**

On the basis of this rich experience of trading and scaling up of the business volume on the basis of availability of funds, credit line up, age wise sound trade debtors your company is now on path of business recovery, and not only increasing of the business volume but also improving its cash and fund position. Your company's management is now hopeful of giving more and more good financial results in the years to come.

Further looking to current financial and cash position of the Company, the management has decided that with the available sale proceeds and recovery of other current assets, the company is now exploring possibilities of trading, agro commodity in international markets which is perceived to be very lucrative business opportunity in present scenario. This business requires low capital investment. With the starting of the new business as proposed with the requisite approvals, the management is hopeful of revival of the company and its financial position within next 5 years.

### **CAUTIONARY STATEMENTS:**

The statements made in the report are based upon assumptions and expectations of future events. Actual results could however differ in future. The company assumes no responsibility in respect of forward looking statements that may be amended or modified later on the basis of subsequent developments, information and also subject to approvals, consents of members in AGM/ EGM and also subject approvals from various government agencies, departments, etc. Any future non compliances or non performance may occur in the event of non receipt of such approvals, consents or any other events which may occur in future beyond the control of the management or company.

### **ANNEXURE-A TO DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE**

### **CORPORATE PHYLOSOPHY:**

The Company believes that good corporate governance practices enable the Board to direct and control the affairs of the Company in an efficient manner. At the same time it is also providing transparency in all its day to day management and administration of the business and affairs of the company. Timely information to investors, creditors, institutions, bankers, general public in proper manner also provide them with an opportunity to take right decision on investment in the company whether by way of equity or by debt instrument or even by financing or by making business transactions.

The various systems of control and monitoring, suggestive and advisory guidance received from non executive independent directors improve the health of the system of administration and also put a check on the middle management.

#### **COMPANY'S STRATEGY:**

As per provisions of the Listing Agreement clause 49 the company is required to implement and introduce the system of corporate governance within the organization and company. In compliance with the same the Company is adhering to comply with the requirements of the same by publishing the financial information and shareholder relevant information in time through the channel of stock exchange. In addition the Company has also formed within the company various committees which are in compliance with the listing agreement guidelines.

#### **BOARD COMPOSITION AND ATTENDANCE OF DIRECTORS AT MEETINGS:**

The Company's present Board of Directors comprises of 5 Directors out of which one is Promoter Director, who is also a Managing Director, one is Non Promoter- Executive Director, and three are Non Promoter non executive Independent Directors. The Chairman of the Company is promoter and executive, however looking to current financial position, the Company is not paying any remuneration to Managing Director. The Company is meeting with the criteria of having Non Promoter, Non Relative and Independent Directors as per requirements of the clause 49 of the Listing Agreement.

The Present Composition of the Board of Directors is as under:

#### **COMPOSITION OF VARIOUS COMMITTEES WITHIN THE ORGANISATION:**

Name of Director	Designation	Type	Executive / Non Executive	No. Board Meeting Attended
Mr. Nitin. Harshadlal. Mehta	Chairman and Managing Director	Promoter and Managing Director.	Executive	6
Mr. Harish Ratilal Mehta	Director	Non Promoter and Director	Non Executive	5
Mr. Mihir Rameshchandra Shah	Director	Non Promoter and Director	Non Executive	6
Mr. Mayukh Jaydevprasad Pandya	Director	Non Promoter and Director	Non Executive	6
Mr. Bharatkumar Vinodchandra Mashruwala	Whole Time Director and Chief Operation Officer	Non Promoter and Director	Executive	6

#### **AUDIT COMMITTEE:**

The audit committee of the Board of Directors is as under:

Sr. no.	Name	Type	No. of Meeting Attended
1.	Shri Harish R. Mehta.	Chairman	5
2.	Shri Mihir. R. Shah	Member	5
3.	Shri Mayukh .J. Pandya	Member	5

#### **Function of Audit Committee:**

The audit Committee is headed by Shri Harish R Mehta as Chairman. Mr. Harish R Mehta is a retired Banker. He has rich experience of Banking operations, Internal Control, Internal Audit of business operations, financial control, accounting of financial transactions etc. He has more than 30 years of banking experience. He is the chairman of the Audit Committee and is further assisted by another rich experienced independent two other directors namely Shri Mihir R Shah, who is Commerce Graduate and a reputed Share & Stock Broker of Ahmedabad Stock Exchange Limited, and Shri Mayukh J. Pandya, another committee member. He is a graduate and a professional legal consultant having more than 15 years of experience. The Finance Manager is acting as coordinator who is regularly giving feedback on daily financial and accounting position of the company to the committee. In fact all the directors and Committee members have more than 15 years of business experience.