

SHREE GANESH ELASTOPLAST LIMITED

20TH AUDITED ANNUAL REPORT FOR THE YEAR 2013-14



DISCLAIMER STATEMENT

THIS AUDITED ANNUAL REPORT CONTAINING AUDITED BALANCE SHEET, PROFIT & LOSS ACCOUNT, SCHEDULES, NOTES TO THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31/03/2014 AND THE DOCUMENTS ATTACHED THERETO I.E REPORT OF THE AUDITORS, BOARD OF DIRECTORS, REPORT ON THE CORPORATE GOVERNANCE AND ANY OTHER ATTACHMENTS ARE PREPARED IN ACCORDANCE WITH THE PROVISIONS OF THE COMPANIES ACT 1956 AS PER GENERAL CIRCULAR 08/2014 ISSUED VIDE LETTER NO. 1/19/2013-CL-V DATED 04.04.2014 AND APPLICABLE PROVISIONS OF VARIOUS SECTIONS OF COMPANIES ACT 2013 WHICH WERE MADE APPLICABLE W.E.F 12/09/2013. HOWEVER IN PREPARATION OF THIS REPORT AT SOME PLACES A REFERENCE OF VARIOUS SECTIONS OF COMPANIES ACT 2013 ARE ALSO MADE AS AN ABUNDUNT CAUTION.

TWENTITH ANNUAL GENERAL MEETING PROGRAMME

DATE : 30TH SEPTEMBER, 2014

DAY : Tuesday

TIME : 11.00 A.M.

VENUE : 119, Gr.Floor, Kamdhenu Complex
Opp.Sahjanad Colleege, Polytechnic Road,
Ahmedabad: 380015

CONTENTS

SR. NO.	PARTICULARS	PAGE NO.
1	Board of Directors and Other Information	2
2	Notice	3
3	Directors' Report and Corporate Governance Report	9
4	Auditors' Certificate On Corporate Governance	21
5	Auditors' Report	21
6	Balance Sheet	25
7	Profit & Loss Account	26
8	Schedules to Balance Sheet & Profit Loss Account	27
9	Notes to the Accounts	32
10	Cash Flow Statement Pursuant to Clause 32 of the Listing Agreement	36
11	Attendance Sheet & Proxy Form	38

NOTE TO SHAREHOLDERS:

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 copies to the meeting.

BOARD OF DIRECTORS

Shri Nitin. H. Mehta, *Chairman & Managing Director*
 Shri Bharatkmar V Mashruwala, *Whole Time Director & COO*
 Shri Harishbhai Ratilal Mehta, *Director*
 Shri Mihir R. Shah, *Director*
 Shri Mayukh J. Pandya, *Director*
 Shri Sarmistha R Shah, *Director*
 Shri Ramesh S Shah, *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
Kamdheni Complex,	25th Floor, P.J. Towers,
Nr. Panjarapole,	Dalal Street, Fort,
Ahmedabad 380 015	Mumbai 400 001

REGISTERED OFFICE

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

NOTICE TO THE MEMBERS

(Note: The business of meeting may be transacted through electronic voting system. For detailed information please refer note no. 14)

Notice is hereby given that 20th Annual General Meeting of the members of Shree Ganesh Elastoplast Limited will be held on Tuesday 30th September, 2014, at 11:00 AM at the registered office of the company situated at 119, Gr. Floor, Kamdhenu Complex, Opp. Sahjanand Complex, Polytechnic Road, Ahmedabad 380015 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Profit & Loss Account for the year ended on 31st March, 2014, Balance Sheet as on that date, Directors' Report and the Auditors' Report thereon.
2. To Reappoint Mr. Nitin H. Mehta who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
3. To Reappoint Mr. Harishbhai R. Mehta who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
4. To appoint Auditors M/s. Sunil Dad & Co., Chartered Accountants, as a statutory Auditor for the Company for next financial year 2014-15 and to hold the office as such from the date of conclusion of this 20th Annual General Meeting until the conclusion of the 21st Annual General Meeting and to fix their remuneration.

"RESOLVED THAT pursuant to provisions of Section 139 (1) and other applicable provisions of the Companies Act 2013 (Corresponding provisions of Section 224(1B) of the Companies Act 1956) read with Rule 4 and 6 of the companies (Audit and Auditors) Rules 2014 as in force, the consent of the members of the company be and is hereby accorded to the appointment of M/s. Sunil Dad & Co., a firm of Chartered Accountants (CA FIRM Registration Number: 126741W), as Statutory Auditors of the company for the next financial year 2014-15 and to fix their remuneration as per section 139(2) of the Companies Act 2013.

SPECIAL BUSINESS:

5. To Re designated Mr. Bharatbhai V. Mashruwala as a Whole Time Director And CEO And Compliance Officer:

RESOLVED THAT pursuant to section 196, 197 and 203 read with schedule V and all other applicable provisions of Companies Act, 2013, the company do and here by re-designate Mr. Bharatbhai Vinodchandra Mashruwala as Whole Time Director and CEO and Compliance Officer with no change in remuneration.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient.

6. To Appoint Mrs. Sharmishthaben R. Shah as a Director.

RESOLVED THAT pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (corresponding to Section 260 of the Companies Act, 1956), Section 149(1) of the Companies Act, 2013 for appointment of woman director and the relevant article of Articles of Association of the Company, Mrs. Sharmishthaben R. Shah (holding DIN 06792907) who was appointed as an Additional Director of the company by the board of directors with effect from 22nd January, 2014 and in respect of whom the company has received a notice in writing for her appointment as an independent director of the company whose period of office shall be liable to determination for retirement of directors by rotation.

RESOLVED FURTHER THAT Mr. Bharat V. Mashruwala, Whole Time Director (DIN: 03440503) of the company be and is hereby authorized, empowered and instructed to file necessary form in the office of the Registrar of Companies under his digital signature, and Mr. Kamlesh M. Shah, a Practicing Company Secretary of M/s. Kamlesh M. Shah & Co., be and is hereby requested to certify such forms under his digital signature, and also to intimate all other statutory authorities in time about changes in the constitution of the board of directors of the company within time with necessary supporting documents.

**By Order of the Board of Directors of
Shree Ganesh Elastoplast Limited**

**Date: 19TH MAY 2014
Place: Ahmedabad**

**SD/-
(Bharatbhai V. Mashruwala)
Whole Time Director
(DIN: 03440503)**

NOTES:

- 1) A member of the company is entitled to attend and vote at the meeting and to appoint a proxy to attend and vote and that a proxy need not be a member of the company.
- 2) Proxies in order to be effective must be received at the company's registered office not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, trusts, etc., must be backed by appropriate resolution / authority as applicable, issued on behalf of the nominating organization.
- 3) A person can act as proxy on behalf of members not exceeding fifty (50) and should not hold more than ten percent of the total share capital of the company in aggregate. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 4) The Register of members and share transfer books of the Company shall remain closed from 22/09/2014 TO 30/09/2014 (Both days inclusive) as per the provisions of section 154 of the Companies Act 1956 and the provisions of the Clause 16 of the Listing Agreement.
- 5) The explanatory statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to special business at the meeting, is annexed hereto.
- 6) Members desiring any information on accounts are requested to write to the company 7 days before the meeting to enable the management to keep the information ready.
- 7) Shareholders holding shares in physical form are requested to advise any change of address immediately to Company's Registrar and Share Transfer Agent, Skyline Financial Services Pvt. Ltd. Shareholders holding shares in electronic form must advise to their respective depository participants about change in address and not to company.
- 8) All shareholders are requested to dematerialize their shareholding immediately as the shares are traded compulsorily in demat segment only.
- 9) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the company.
- 10) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company
- 11) The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2014 is uploaded on the company's website www.shreeganeshelastoplastltd.com and may be accessed by the members.
- 12) Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.
- 13) Electronic copy of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
- 14) Instructions for e-voting:
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 read with clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" i.e. SHREE GANESH ELASTOPLAST LIMITED from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL : 16 digits beneficiary ID,
 - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,

- c. Members holding shares in physical form should enter Folio Number registered with the company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company Name SHREE GANESH ELASTOPLAST LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvii) Above to cast vote.

General Instruction:

- (A) The voting period begins on September 22, 2014 at 10.00 a.m. and ends on September 24, 2014 at 06.00 p.m. During this period shareholders' of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 31st August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (C) Mr. Kamlesh. M. Shah, Practicing Company Secretary, (Membership No. A8356 and COP No. 2072) (Address: 801-A, Mahalay Complex, Opp: Hotel President, B/h. Fairdeal House, Swastik Cross Roads, Navrangpura, Ahmedabad: 380 009, Gujarat, India), has been appointed as the Scrutinizer to scrutinize the evoting process in a fair and transparent manner.
- (D) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the chairman of the company.
- (E) The Results declared along with the Scrutinizer's Report shall be placed on the company's website www.shreeganeshelastoplastltd.com and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the company and communicated to the ASE and BSE Limited.

INFORMATION ABOUT THE DIRECTORS WHO ARE PROPOSED TO BE APPOINTED / RE-APPOINTED AT THE 20TH ANNUAL GENERAL MEETING AS PER CLAUSE 49 OF THE LISTING AGREEMENT FORMING PART OF THE NOTICE CONVENING THE ANNUAL GENERAL MEETING OF THE COMPANY.

Particulars	Mr. Nitin. H. Mehta
Director Identification Number.	00471515
Date of Birth.	03/01/1953
Age.	61 years
Educational Qualification.	Graduate
Experience (No. of Years)	25 Years
Business field in which Experience.	Manufacturing
Date of Appointment as Director in the Company.	28/03/1994
Directorship held in any other Company.	Magnus Rubber Industries Limited.
Member of any Committees in the Company.	N.A.
Member of any committees of the Directors in other Companies with names of the Company.	N.A.
Member of any Trade Association/ Charitable Organization/ NGOs etc.	N.A.

Particulars	Mr. Harishbhai R. Mehta
Director Identification Number.	02055933
Date of Birth.	17/05/1945
Age.	70 years
Educational Qualification.	Graduate
Experience (No. of Years)	35 Years
Business field in which Experience.	He is a Retired Bank Manager, having knowledge of Banking operations, Internal Control & Audit of business operations, accounting of financial transactions, financial control etc.
Date of Appointment as Director in the Company.	16/07/2012
Directorship held in any other Company.	1. Winsome Diamonds And Jewellery Limited 2. Forever Precious Jewellery And Diamonds Limited 3. Flucid Jewellery Private Limited
Member of any Committees in the Company.	Audit Committee Shareholder's Grievances Committee
Member of any committees of the Directors in other Companies with names of the Company.	N.A.
Member of any Trade Association/ Charitable Organization/ NGOs etc.	N.A.

Particulars	Mr. Sharmishthaben R. Shah
Director Identification Number.	06792757
Date of Birth.	27/05/1931
Age.	83 Years
Educational Qualification.	Graduate
Experience (No. of Years)	40 Years
Business field in which Experience.	General Management
Date of Appointment as Director in the Company.	22/01/2014
Directorship held in any other Company.	No other Directorship in any Company Held.
Member of any Committees in the Company.	N.A.
Member of any committees of the Directors in other Companies with names of the Company.	N.A.
Member of any Trade Association/ Charitable Organization/ NGOs etc.	N.A.

AN EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102(1) OF THE COMPANIES ACT, 2013 TO THE RESOLUTIONS MENTIONED UNDER THE HEAD SPECIAL BUSINESS OF THE NOTICE CONVENING THE 20TH ANNUAL GENERAL MEETING.

ITEM NO 5: TO RE-DESIGNATE MR. BHARATBHAI V. MASHRUWALA AS A WHOLE TIME AND CEO AND COMPLIANCE OFFICER DIRECTOR OF THE COMPANY

The Board of Directors of the company has Re-designated Mr. Bharatbhai V. Mashruwala pursuant to the provisions of Section 196, 197 and 203 read with schedule V and all other applicable provisions of Companies Act, 2013 as a Whole Time Director and CEO and Compliance Officer of the company for his remaining term of office.

It is proposed to seek the member's approval for the Re-designation of Mr. Bharatbhai V. Mashruwala, as a Whole Time Director and CEO and Compliance Officer in terms of Applicable Provisions of the Act.

Except Mr. Bharatbhai V. Mashruwala, no other director may be deemed to be interested or concerned in the proposed resolution.

ITEM NO 6: APPOINTMENT OF MRS. SHARMISHTHABEN R. SHAH AS A DIRECTOR OF THE COMPANY

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) and 149(1) of the Companies Act, 2013 and the relevant article of Articles of Association of the Company, Mrs. Sharmishthaben R. Shah as an Additional Director of the Company with effect from 22ND January, 2014. In terms of the provisions of Section 161(1) and 149(1) of the Act, Mrs. Sharmishthaben R. Shah will hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Sharmishthaben R. Shah for the office of Director of the Company. Mrs. Sharmishthaben R. Shah is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

The Board considers that the appointment of Mrs. Sharmishthaben R. Shah as a director of the company would be as per the Provisions of Section 149(1) of Companies Act 2013 as a Woman Director. Accordingly, the Board of Directors recommends his appointment as a Director of the Company whose period of office is liable to determination by retirement of directors by rotation.

Except Mrs. Sharmishthaben R. Shah, Mr. Mihir R. Shah may be deemed to be interested or concerned in the proposed resolution.

Date: 19TH MAY 2014
Place: Ahmedabad

By Order of the Board of Directors of
Shree Ganesh Elastoplast Limited

SD/-
(Bharatbhai V. Mashruwala)
Whole Time Director
(DIN: 03440503)

DIRECTORS' REPORT

To,
The Members,
Shree Ganesh Elastoplast Limited.

Dear Shareholders,
Your directors have pleasure in presenting herewith the 20th Audited Annual Report for the year ended on 31st March, 2014 of your Company.

Financial Results:

The Financial performance of the company during the year is as under:

PARTICULARS	FOR THE YEAR ENDED ON 31/03/2014	FOR THE YEAR ENDED ON 31/03/2013
Income From Sales(Net)	51,748,126	5,386,936
Other Income	387,538	554,713
Total Income.	52,135,664	5,941,648
Total Expenses	51,788,033	8,528,728
Profit Before Tax	304,966	(2,622,381)
Depreciation	20,703	618,195
Tax Expenses	68,650	0
Deferred Tax	(4,231)	0
Provision for FBT.	0	0
Profit / (Loss) After Tax.	232,085	(2,622,381)
Net Profit / (Loss) for the Year	232,085	(3,226,360)
Other Adjustment	0	4,246,459
Previous Year Balance B/F	(28,531,220)	(29,551,318)
Balance Carried to Balance Sheet	(28,299,135)	(28,531,220)
Earnings Per Share (In Rupees)	0.04	(0.59)

DIVIDEND:

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

SHARE CAPITAL STRUCTURE:

During the year under review there were no changes in the Authorized, Issued, Subscribed and Paid up Share Capital Structure of the Company.

BUY BACK OF EQUITY SHARES:

The Company had not made any Buy Back of its paid up equity shares during the year in terms of section 77A, 77AA and 77B of the Companies Act 1956. Hence no specific disclosure is required to be made in this report.

OPERATIONS:

The company has engaged in business of commodities. During the year the company has earned total income of Rs. 52,135,664/- (Previous year 5,941,648/-) and total expenses of Rs. 51,788,033/- (Previous year of Rs. 8,528,728/-). After deduction of depreciation of Rs 20,703/- (Previous Year Rs. 618,195/-) and provision for tax of Rs. 68,650/-, the company has earned a net profit after tax of Rs. 232,085 /- (Previous year (2,622,381)/-). After making set off against previous year losses the net profit is Rs. 232,085 /- (Previous Year Accumulated loss of Rs. (3,226,360)/-) has been carried forward to next year.

DEMATERIALISATION OF SECURITIES:

The company's equity shares are admitted in the system of Dematerialization by both the depositories namely NSDL and CDSL. The company has signed tripartite agreement through Registrar and Share Transfer Agent M/s Skyline Financial Services Pvt. Ltd. The Investors are advised to take advantage of timely dematerialization of their securities. The ISIN allotted to the company is **INE400N01017**. Total share dematerialized up to 31st March 2014 were **1,568,800** which constitute 28.51%