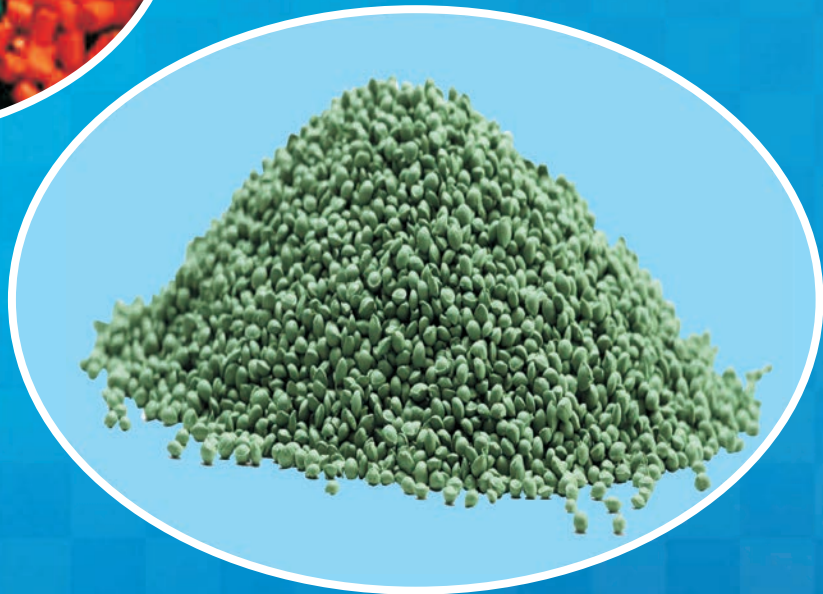


bhansali ENGINEERING polymers limited

An ISO 9001:2008 Company



**28th Annual Report
2011 - 2012**

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Board of Directors

Mr. M. C. Gupta
Chairman

Dr. B. S. Bhesania
Director

Mr. B. M. Bhansali
Managing Director

Mr. P. R. Bhansali
Director

Mr. Jayesh B. Bhansali
Executive Director

Management Team

Mr. B. M. Bhansali
Managing Director

Mr. Jayesh B. Bhansali
Executive Director

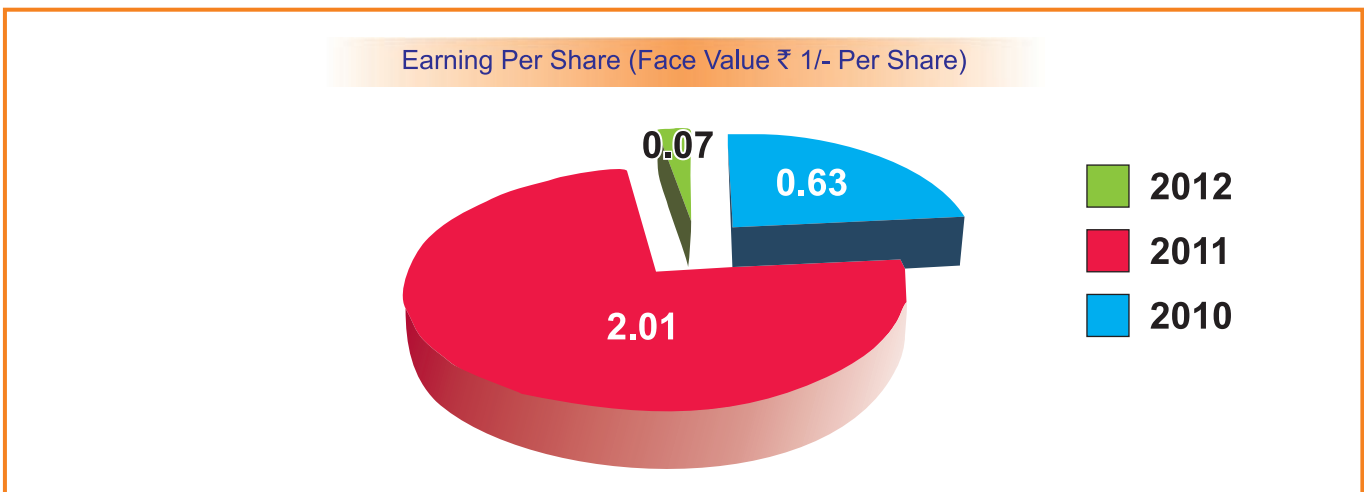
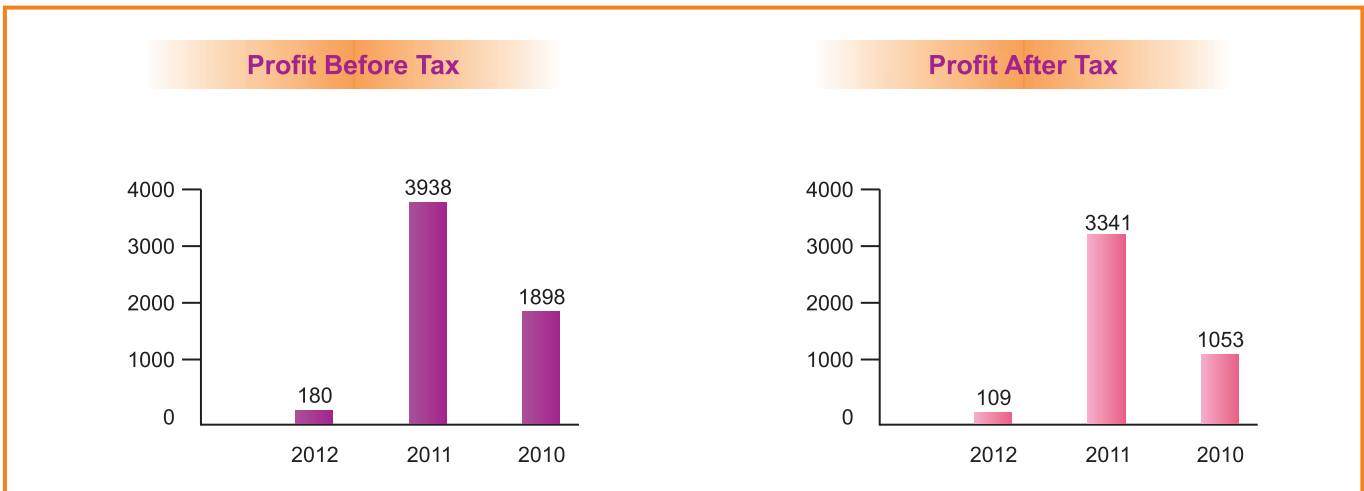
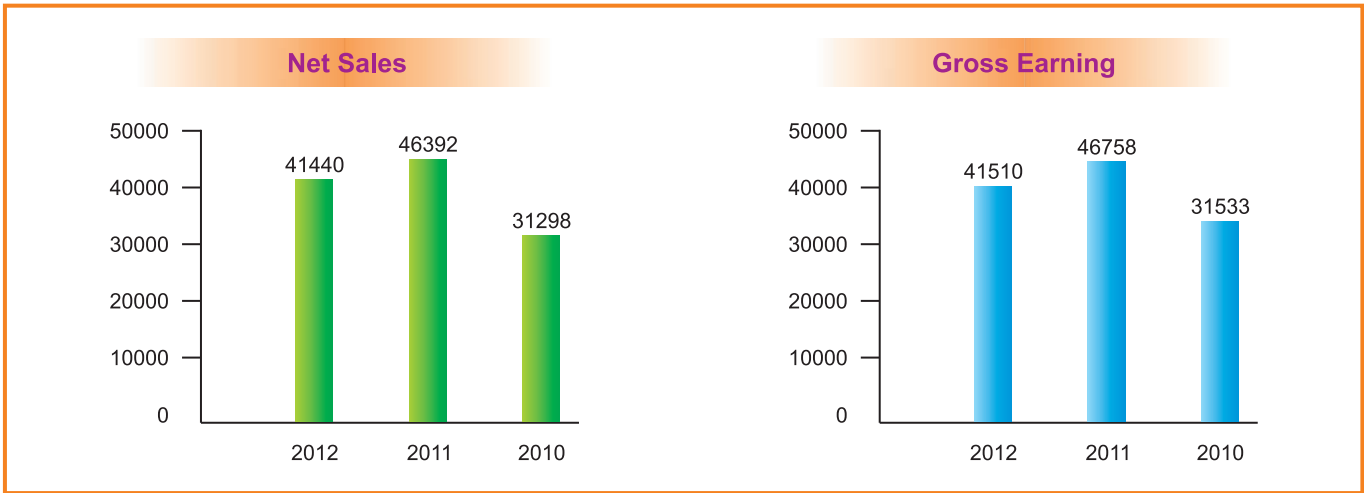
Mr. Hitarth Vasavada
Vice President (Marketing)

Mr. Kenji Asakawa
Executive Director (Technical)

Mr. D. N. Mishra
VP (Legal) & Company Secretary

Financial Highlights

(₹ in Lacs)





Mr. B.M. Bhansali
Managing Director

Chairman's Statement

“ Optimism is the faith that leads to achievement;
nothing can be done without hope and confidence. ”

- Helen Keller



Dear Shareholders,

It gives me immense pleasure to present the 28th Annual Report of your company for the Financial Year 2011-2012. This year witnessed huge fluctuations and turbulence at National and International level of business; including, Debt crisis, Mismatch in Industrial demand and supply, High volatility in Foreign Exchange rates, Uncertain economic conditions, Lack of economic reforms, Negative business sentiments etc. Amidst such economic adversities, the Company with its accentuated efforts earned net profit of Rs. 1.09 Crore during F.Y. 2012. Furthermore the fluctuation in major raw material prices of company viz Acrylonitrile (ACN), Butadiene and Styrene aggravated the adverse situation. In addition other numerous obstacles like adverse business environment, costly funds due to frequent interest rate hikes by RBI, implementation of changes in taxation system with retrospective effect have again been the areas of serious concern to the Industries. Despite such odds and hindrances, your Company is poised to sustain growth and emerge with remarkable performance during FY 13. It is worthwhile to mention that last year the adverse economic factors caused lowest GDP growth of India in last 9 years.

Your company has strengthened the internal functions for operational efficiencies, growth and competitive advantage by providing suitable training to employees, establishing full fledged internal audit team to keep constant watch on transactions, revamping its whole system, policy and procedures and following well defined organization structure, authority level and internal guidelines to ensure smooth operations at all levels in the organization. Additionally to build on existing competency and ensure operational excellence, your Company has already finalized blue print for expansion of production capacity from existing 51 KTPA to 125 KTPA but due to

various economic factors as aforesaid, the Company could not roll out the expansion programme so far. However the management is sincerely exploring all possibilities to commence the project. Considering the demographic, potential and growth trajectory, the decade ahead offers high business opportunities and we expect your Company to show resilience and increased momentum in terms of expansion, quality development and operational efficiencies. With the steadily growing demand of ABS, your Company has good prospects as ABS consumption has grown from 12362 MT during 1992-93 to 120000 MT during 2010-2011 witnessing 871% increase in 19 years i.e. CAGR of 12.71% per annum in which our Company primarily operates and financial success as expected will be a natural outcome of our efforts.

Despite the continued macro economic headwinds currently being faced by the sector, we expect improvement in annual growth in F.Y.13.

I would like to take this opportunity to extend my heartfelt thanks to entire management team at Bhansali Engineering Polymers Limited for their commitment and tireless efforts throughout the year and to all our shareholders for their encouragement, support and trust reposed in the Company. Shri B.M. Bhansali, the Managing Director deserves special congratulations for the Company's growth.

A handwritten signature in black ink, appearing to read 'M. C. Gupta', with a horizontal line extending to the right.

(M. C. Gupta)
Chairman

Performance Highlights

PERFORMANCE HIGHLIGHTS (10 Years)

Financial Year / Period	Installed Capacity (12 months basis)	Sales Volume	Sales	Profit/ (Loss) after Tax	Net worth	Book Value per Share
	(MT)	(MT)	₹ In lacs	₹ In lacs	₹ In lacs	₹
2002-03 (9 Months)	30000	10221	8386	207.33	2765.39(*)	20.73 (*)
2003-04 (15 Months)	48000	11443	9379	(282.14)	5733.25 (*)	3.46 (**)
2004-05 (9 Months)	48000	17313(#)	17399(#)	967.23	6511.30 (*)	3.92 (**)
2005-06 (12 Months)	48000	34422	30655.49	946.51	7269.57 (*)	4.38 (**)
2006-07 (12 Months)	48000	28034	27836.27	525.16	7599.68 (*)	4.58 (**)
2007-08 (12 Months)	48000	30017	29814.41	693.72	8099.28 (*)	4.88 (**)
2008-09 (12 Months)	48000	23851	25262.47	(1141.91)	6957.37 (*)	4.19 (**)
2009-10 (12 Months)	48000	33256	33963.15	1052.91	8010.28 (*)	4.83 (**)
2010-11 (12 Months)	51000	41466	51005.53	3340.97	11157.80 (*)	6.73 (**)
2011-12 (12 Months)	51000	34555	45650.79	108.83	11073.80(*)	6.67(**)

(*) Excluding Revaluation Reserve.

(**) Face Value of Shares sub-divided from ₹10/- to ₹ 1/- per share w.e.f. 23.02.2004

(#) Excluding Trading Sales

NOTICE

NOTICE is hereby given that the Twenty-Eighth Annual General Meeting of the Members of **Bhansali Engineering Polymers Limited** will be held at Walchand Hirachand Hall, Indian Merchants' Chamber, Veer Nariman Road, Churchgate, Mumbai- 400 020 on Saturday, 22nd September 2012, at 11.00 A.M. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended 31st March, 2012 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To declare a dividend on Equity Shares of the Company for the year ended on 31st March, 2012.
3. To appoint a Director in place of Mr. P. R. Bhansali, who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. M. C. Gupta, who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
5. To consider re-appointment of M/s B. L. Dasharda & Associates, Chartered Accountants, Mumbai to hold office as Statutory Auditors of company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198,269,309 and 311 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 as amended and pursuant to provisions of the Articles of Association of the Company and subject to such other approvals as may be required, consent of the members be and is hereby accorded for re-appointment of Mr. Jayesh B. Bhansali, whole time Director designated as Executive Director of the Company for a period of 3 years with effect from 23rd June, 2012 i.e. from 23rd June, 2012 to 22nd June, 2015 for a total remuneration of ₹ 36 lacs per annum as set out herein below and as per the terms and conditions mentioned in the employment agreement dated 29th May, 2012 executed between Company and Mr. Jayesh B. Bhansali.

I. Fixed Compensation:

Basic salary ₹ 1,75,000 per month. The annual basic salary and increments will be decided by the Remuneration Committee/Board of Directors, not exceeding the limits stipulated in Schedule XIII to Companies Act, 1956 (as may be amended from time to time), depending on the performance of Mr. Jayesh B. Bhansali, the profitability of the Company and other relevant factors.

II. Flexible Compensation:

- | | |
|------------------------------|---|
| (i) Perquisites & allowances | <ol style="list-style-type: none"> a) Free furnished accommodation, including gas and electricity with caretaker staff or house rent allowance @ 60% of the Salary. b) Medical facilities for Mr. Jayesh B. Bhansali and his family will be borne by the Company as per the Company's Rules. c) Leave Travel concession for Mr. Jayesh B. Bhansali and his family once in a year in accordance with the Rules specified by the Company. d) Fees of clubs subject to a maximum of two clubs. e) Personal accident insurance premium not exceeding ₹ 4,000/- per annum. f) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Mr. Jayesh B. Bhansali. g) Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per Company's rule and Gratuity and Encashment of Leave at the end of the tenure. |
|------------------------------|---|

Subject to the total value of perquisites as specified in (b) to (f) hereinabove not exceeding ₹ 6,00,000/- per annum.



BHANSALI ENGINEERING POLYMERS LIMITED

RESOLVED THAT in the event of inadequacy of net profit or loss in any financial year, Mr. Jayesh B. Bhansali, Whole-time Director i.e. Executive Director, shall be paid remuneration at the same substantive level as specified hereinabove and the same shall be treated as the minimum remuneration payable to him.

FURTHER RESOLVED THAT the Directors of Company be and are hereby authorized jointly and/or severally to do all such acts, deeds, matters and things as they may consider necessary, expedient or desirable for giving effect to the foregoing resolution."

By order of the Board of Directors

Place: Mumbai
Dated: 12th August, 2012

(Jayesh B. Bhansali)
Executive Director

Registered Office Address:

Bhansali House, A-5, Off Veera Desai Road,
Andheri (West), Mumbai-400053.

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.**
2. Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 (forty eight) hours before the time fixed for holding the meeting. Corporate members are requested to send a certified copy of the Board Resolution, authorizing their representative duly to attend and vote at the meeting.
3. In case of Joint holders attending the meeting, only such Joint holder who is higher in the order of names shall be entitled to vote.
4. The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the Members at the Annual General Meeting.
5. The Register of Members and the Share Transfer Books will remain closed from Saturday, 15th September, 2012 to Saturday, 22nd September, 2012 (both days inclusive).
6. The Dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 22nd September, 2012 but within the statutory time limit of 30 days as prescribed by the Companies Act 1956, to those members whose name appear on the Register of Members on 22nd September, 2012 holding physical share certificates and in respect to those shareholders who hold shares in electronic form, dividend will be paid on the basis of beneficial ownership as on 21st September, 2012, as per the details to be furnished for the said purpose by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
7. Members wishing to claim Dividend, which remain unpaid are requested to contact the Registrar and Share Transfer Agent, M/s Link Intime (India) Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai- 400 078. Members are requested to note that the amount of Dividend which remains unclaimed for a period of 7 years from the date of transfer of amount in the Unpaid Dividend Account of Company will be transferred to the Investor Education and Protection Fund as per Section 205A of the Companies Act, 1956 read with rules made thereunder.
8. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, setting out all material facts and the Statement of particulars of Directors seeking re-appointment, as required under Clause 49 of the Listing Agreement, are annexed hereto.
9. Members desirous of obtaining any information concerning to the accounts and operations of the Company, are requested to send their written queries to the Statutory & Legal Department of Company, so as to reach at its registered office at least seven working days before the date of the meeting, to enable the Company to prepare and make available the required information at the meeting, to the extent practicable.
10. Pursuant to amendment brought in by the Ministry of Corporate Affairs in provisions of Section 53 of the Companies Act, 1956 vide Circular No. 17 dated 21st April, 2011, those Members who are desirous to receive

Annual Report, Notices and service of other documents through electronic mode are requested to furnish their e-mail address to the Company's Registrar & Share Transfer Agent, M/s Link Intime (India) Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai- 400 078 with (CC) copy marked to the Company.

11. Members holding Shares in dematerialized form are requested to write their Client ID and DP ID and those holding Shares in physical form are requested to write their folio number in the attendance slip.
12. Members holding Shares in electronic form (dematerialized) are requested to notify immediately any change in their address/bank details to their respective Depository Participant (DP), the members holding shares in physical form are requested to intimate the Company's Registrar & Share Transfer Agent, M/s Link Intime (India) Private Limited.
13. Members/Proxies attending the meeting are requested to bring their copy of Annual Report with them at the meeting and deliver the duly signed attendance slip annexed therewith at the entrance of the meeting hall.
14. In terms of Section 109 A of the Companies Act, 1956 every holder of Shares of the Company, may at any time nominate in the prescribed manner, a person to whom his / her shares in the company shall vest, in the event of his/ her death. Members who wish to avail of this facility, may fill the prescribed form No. 2B and forward the same to Registrar & Share Transfer Agents of the Company, M/s. Link Intime (India) Private Limited.

Brief resume of Directors seeking Re-appointment at the forthcoming Annual General Meeting (pursuant to the requirements of Clause 49 of the Listing Agreement)

Particulars	Mr. P. R. Bhansali	Mr. M. C. Gupta	Mr. Jayesh B. Bhansali
Date of Birth	12.11.1946	23.07.1938	25.07.1983
Date of appointment on Company's Board	07.02.1986	30.09.2002	24.06.2006
No. of shares held	5,50,690 Equity Shares	NIL	21,67,624 Equity Shares
Qualifications and Experience	B. Com, LLB	M.A. (English)	M.Com
Expertise in specific functional areas	Mr. P. R. Bhansali is an eminent Industrialist and a leading exporter of readymade garments. Mr. P. R. Bhansali was the President of the Metal & Stainless Steel Merchants Association, Mumbai and Vice President of All India Garments Exporters & Manufacturers Association. Mr. P. R. Bhansali has been associated with the Company since incorporation. The Company has immensely benefitted from Mr. P. R. Bhansali's expertise in various fields and looks forward to continue the same.	Mr. M. C. Gupta is an I.A.S. (1960 batch) and have served the Union & State Governments on various administrative posts including Industries Secretary, Govt. of India, Advisor, Industries Planning Commission and he retired as Chief Secretary, Govt. of Haryana in 1997. Currently he is Advisor to United Nations Industrial Development Organization (UNIDO).	Mr. Jayesh B. Bhansali is associated with Company since 2006 and has garnered enriched experience in the field of marketing, Finance and general operations of Company with which Company is likely to be benefited immensely in its overall growth and performance.



BHANSALI ENGINEERING POLYMERS LIMITED

List of other Companies in which the Directorship is held as on 31/03/2012	<ul style="list-style-type: none">• Bhansali Bright Bars Private Limited	<ul style="list-style-type: none">• Vardhman Acrylics Limited• Lumax Industries Limited	<ul style="list-style-type: none">• Bentley Commercial Enterprises Limited• Speedage Commercials Limited• Sheraton Properties & Finance Limited• Bhansali Industrial Investment & Finance Limited• Bhansali Engineering Industries Private Limited• Bhansali Innovative Finance Private Limited• Bhansali International Private Limited
Chairman / Member of the Committee of the Board of Directors of the other Companies in which he is a Director as on 31/03/2012	NIL	<u>Vardhman Acrylics Limited:</u> Chairman of Shareholders/ Investors Grievance Committee & Member of Audit committee <u>Lumax Industries Limited:</u> Member of Audit Committee.	Nil

For and on behalf of Board of Directors

Place: Mumbai
Dated: 12th August, 2012

(Jayesh B. Bhansali)
Executive Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.**Item No. 6:**

Mr. Jayesh B. Bhansali was appointed as Whole time Director, designated as Executive Director of the Company, for a period of 3 years with effect from 24th June, 2009 and consequent upon same, the term of his employment expired on 23rd June, 2012.

Post approval of remuneration committee, the Board of Directors in their meeting held on 29th May, 2012, considering his contribution in the overall growth and performance of Company, re-appointed him as Executive Director of the Company for a period of 3 years with effect from 23rd June, 2012 i.e. from 23rd June, 2012 to 22nd June, 2015 for a total remuneration of ₹ 36 Lakhs per annum comprised of Fixed and Flexible Components of salary, subject to approval of members in the ensuing Annual General Meeting of the Company. The members are hereby informed that the proposed remuneration of Mr. Jayesh B. Bhansali is within the limits, as set out in clause 1(B) of Part II (Section II) of Schedule XIII to the Companies Act, 1956 and in accordance with the terms and conditions as mentioned in his employment agreement dated 29th May, 2012 executed between him and the Company.

Accordingly the approval of members of Company by way of special resolution is hereby sought for re-appointment of Mr. Jayesh B. Bhansali as stated herein above.

THE INFORMATIONS REQUIRED PURSUANT TO THE PROVISIONS OF SCHEDULE XIII OF COMPANIES ACT 1956 IN CONNECTION WITH PAYMENT OF REMUNERATION TO MR. JAYESH B. BHANSALI ARE GIVEN HEREINBELOW:

I. General Information

(1)	Nature of Industry	:	The Company is engaged in Manufacturing of ABS and SAN Resins.																
(2)	Date or expected date of commencement of commercial production.	:	Since 22-01-1990																
(3)	In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	:	N.A.																
(4)	Financial performance of 2011-12 based on given indicators	:	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount (₹ in Lacs)</th> </tr> </thead> <tbody> <tr> <td>1. Sales Turnover</td> <td>45650.79</td> </tr> <tr> <td>2. Profit Before Tax</td> <td>180.01</td> </tr> <tr> <td>3. Profit After Tax</td> <td>108.83</td> </tr> <tr> <td>4. Gross Block</td> <td>32892.21</td> </tr> <tr> <td>5. Net Block</td> <td>15556.00</td> </tr> <tr> <td>6. Paid-up Capital</td> <td>1659.06</td> </tr> <tr> <td>7. Reserves & Surplus</td> <td>19447.91</td> </tr> </tbody> </table>	Particulars	Amount (₹ in Lacs)	1. Sales Turnover	45650.79	2. Profit Before Tax	180.01	3. Profit After Tax	108.83	4. Gross Block	32892.21	5. Net Block	15556.00	6. Paid-up Capital	1659.06	7. Reserves & Surplus	19447.91
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(5)	Export performance and net foreign exchange collaborations	:	<table border="1"> <tbody> <tr> <td>Export Sales</td> <td>696.88</td> </tr> <tr> <td>Foreign Exchange Collaborations</td> <td>NIL</td> </tr> </tbody> </table>	Export Sales	696.88	Foreign Exchange Collaborations	NIL												
Export Sales	696.88																		
Foreign Exchange Collaborations	NIL																		
(6)	Foreign investments or collaborators, if any.	:	NIL																



II. Information about the appointee

(1)	Background details	:	Mr. Jayesh B. Bhansali, a young and dynamic individual, was appointed as an Executive Director of Company for a period of three years with effect from 24 th June, 2009 and his tenure expired on 23 rd June, 2012. He is associated with the Company since 2006 and has been involved in various Company functions and was a member of the senior management team also of the Company. He has focused on general management and day to day affairs of Company and have made valuable contributions to the business and organization during his long association with it.
(2)	Past Remuneration	:	He was previously paid a total remuneration of ₹ 24 Lacs per annum and other perquisites as per rules of Company.
(3)	Recognition or Awards	:	NIL
(4)	Job Profile and his suitability	:	Mr. Jayesh B. Bhansali is a young and dynamic person focusing in the general management and day to day affairs of the Company. He has acquired relevant experience and expertise during his long tenure with the Company and has contributed significantly in the areas of Organizational Development, Business Development and Corporate affairs etc.
(5)	Remuneration proposed	:	Total remuneration of ₹ 36 lacs per annum comprised of Fixed and Flexible components of Salary.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (In case of expatriates, the relevant details would be w.r.t. the country of his origin).	:	The proposed remuneration is as per current Industry norms and compares favorably with that being offered to similarly experienced persons in industry with an entrepreneurial background. The remuneration being proposed is considered to be appropriate, having regard to factors such as his past enriched experience, position held, present contribution to the Company's affairs and merits of the appointee.
(7)	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.	:	The appointee is the son of Mr. B.M. Bhansali, Managing Director of the Company.

III. Other Information:

(1)	Reasons of loss or Inadequate profits	:	Due to high volatility in Foreign Exchange Rates, upsurge in crude oil prices and general economic slow down.
(2)	Steps taken or proposed to be taken for improvement	:	Company is exploring opportunities to enhance its existing production capacity of 51 KTPA to 125 KTPA with technical support of Aker Power Gas Private Limited.
(3)	Expected increase in productivity and profits in measurable terms.	:	If expansion takes place in concrete term, It will cause increase in production upto 125 KTPA and earning of considerable proportionate profit thereby.

IV. Disclosures:

- (1) Apart from Mr. Jayesh B. Bhansali the only other managerial person of Company is Mr. B. M. Bhansali, Managing Director, who had drawn remuneration of ₹ 46,00,200 during Financial Year 2011-2012.
- (2) The other required disclosures have been given in the "Corporate Governance" Report and forms part of this Annual Report.

The Employment Agreement dated 29th May, 2012 entered into between the Company and Mr. Jayesh B. Bhansali and as referred to in the resolution under Item No. 6 of the Notice shall remain open for inspection by the members at the Registered Office of the Company on any working day between 2.00 p.m. and 4.00 p.m. up to the date of ensuing Annual General Meeting.

The Board recommends the resolution for approval of members.

Except Mr. Jayesh B. Bhansali and Mr. B. M. Bhansali, Managing Director, no other Director of the Company is in any way, concerned or interested in this resolution.

By order of the Board of Directors

(Jayesh B. Bhansali)
Executive Director

Place: Mumbai

Dated: 12th August, 2012

Registered Office Address:

Bhansali House, A-5, Off Veera Desai Road,
Andheri (West), Mumbai- 400053.



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Eighth Annual Report on the business and operations of Company together with the Audited Statement of accounts for the year ended on 31st March 2012.

FINANCIAL AND OPERATIONAL RESULTS:

Financial and Operational Results of company for the year ended 31st March 2012 are as mentioned hereunder:

(₹ in Lacs)

	Current Financial Year 31.03.2012	Previous Financial Year 31.03.2011
Gross Sales	45650.79	51005.53
Profit before Interest and Depreciation	1985.98	5755.44
Less: Interest	1235.68	1212.72
Depreciation (Net)	570.29	605.10
Profit before Tax	180.01	3937.62
Provision for Taxation including Deferred Tax	(71.18)	(596.65)
Profit after Tax	108.83	3340.97
APPROPRIATIONS:		
Dividend	165.91	165.91
Dividend Tax	26.91	27.55
Transfer to General Reserve	0.00	0.00

OPERATIONS AND FUTURE PLAN:

Operations:.

The performance of your company was hard hit on account of loss arising out of foreign exchange fluctuations and sudden upsurge in petroleum/crude oil prices. The company is heavily dependent on the imports of its main raw material Styrene. Due to unpredictable decline of the Indian Rupee against the US dollar which eroded around 20% to 25% of its value causing significant pressure on the company's profitability, the company could not keep its financial performance upto the mark. It is evident from the fact that out of the total profit after tax reported at ₹ 1.09 Crore, the loss arising out of the foreign exchange fluctuations alone amounted to ₹ 13.06 Crore during the FY12. Besides this the company's other income amounted to ₹ 0.70 Crore as against ₹ 3.67 Crore in the previous year.

The increase in the raw material prices also significantly impacted the overall profitability of the company. The raw material consumption ratio stood at 74.32% to sales as compared to 71.24% to sales during the last year representing an increase of 3.08%.

Future Plans:

The expansion plan has been already formulated to increase the overall capacity from the existing 51000 TPA to 125000 TPA with the technical and engineering support of M/s Aker Power Gas Pvt Ltd, Mumbai and blue print of this ambitious plan has also been finalized. Due to highly adverse factors such as foreign exchange fluctuations, volatility in raw material prices, uncertain economic conditions, negative business sentiments, economic slump across all the business segments and various other allied factors, the company could not proceed with the implementation of the expansion programme. The management is quite hopeful for some positive development during the current year 2012-2013. It goes without saying that the overall demand of ABS and SAN in India is robust.

AWARDS AND RECOGNITIONS:

Your Directors take pleasure in informing you that the Company and its Managing Director have been conferred the following awards during the current fiscal.

❖ **HONOURS RECEIVED BY THE COMPANY:**

Sr. No.	Award Name	Name of Awarding Institution
1.	"Excellence Award"	Institute of Economic Studies
2.	" Best Organization Gold Award"	Public Sector Today

❖ **HONOURS RECEIVED BY THE MANAGING DIRECTOR**

Sr. No.	Award Name	Name of Awarding Institution
1.	"Udyog Rattan Award"	Institute of Economic Studies
2	" Indian Achievers Award for Quality Excellence"	All India Achievers Foundation
3.	"International Achievers Award for Business Excellence"	International Achievers Conference

The Management and the Company feels greatly honored and encouraged by these awards.

DIVIDEND:

Your Directors recommend a dividend of 10% (viz Re. 0.10 per share) on the Paid-up Share capital of Company consisted of 16,59,05,640 equity shares of ₹ 1/- each for the financial year ended on 31st March 2012.

SAFETY AND ENVIRONMENT PROTECTION:

Your Company has always accorded high priority to the areas of Safety and Environment Protection. The Company has regular practice of taking up the training programmes for employees for creating continuous awareness about the compliance with safety norms, its benefits and various safety measures to increase the safety standards for all concerned. The Company has made Safety and Environment Protection measures as the integral part of its operating system. Mock drills and safety awareness programmes are being regularly conducted to ensure the safety & environment protection.

DEPOSITS:

The Company has not accepted any Deposit, within the meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975 from the public during the year under review.

STATUTORY AUDITORS:

M/s B. L. Dasharda & Associates, Chartered Accountants, the Statutory Auditors of the Company will retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

Your Directors recommend to appoint M/s B. L. Dasharda & Associates as Statutory Auditors of company for the current year as set out in accompanying notice of the Annual General Meeting.

COST AUDITORS:

The Board has appointed M/s Joshi Apte & Associates, CWA, Pune as Cost Auditors of the company pursuant to section 233B of Companies Act, 1956 for conducting audit of its cost accounting records for F.Y. 2012-2013.

AUDITORS' REPORT:

The observations made by the Auditors in their Report read with the relevant notes as given in the Notes on Accounts for the year ended 31st March, 2012 are self explanatory and being devoid of any reservation, qualification or adverse remark, except one case as reported below, does not call for any further information/explanation under Section 217(3) of the Companies Act, 1956.

During the year ended 31st March, 2012, a case of fraud amounting to ₹ 464.02 Lacs involving embezzlement of goods by an employee occurred in the company. As soon as the management came to know about the said fraud, it took stern action against the employee including termination of services, lodging FIR and initiating all legal recourse available in such cases. The management of company, with its resolute efforts, has recovered so far an amount of



₹ 251.03 Lacs and for recovery of the balance amount, the stringent efforts are underway. To prevent the recurrence of such events, the company has overhauled its whole system and procedures and has implemented very stringent internal control system by way of introducing a full fledged In-House Internal Audit Team to keep constant vigilance over all transactions of company in order to ensure correct and legitimate process coupled with proper authorizations across the company. The management is quite hopeful that with such stringent system of internal audit and other allied controls put in place, recurrence of such incidence can be effectively avoided.

DIRECTORS:

Mr. P. R. Bhansali & Mr. M. C. Gupta, Directors of the Company will retire by rotation at the ensuing Annual General Meeting of the Company and are eligible for re-appointment.

A brief profile of Mr. P. R. Bhansali & Mr. M. C. Gupta, pursuant to Clause 49 of the Listing Agreement with the Stock Exchange is annexed with the notice of Annual General Meeting and forms part of Annual Report.

Mr. C. S. Sastry, the Director has resigned the Company vide his letter dated 24th January, 2012 which has been duly accepted by the Board. Your directors wish to place on record their sincere appreciation of the guidance and valuable contributions made by him in the growth and performance of company during his tenure as Director.

COMMITTEES OF DIRECTORS:

Reconstitution of Audit Committee:

During the year under review, the Audit Committee of company was reconstituted and Mr. B. M. Bhansali, Managing Director of company, was inducted as member of Audit Committee w.e.f. 16th day of July, 2011. There is no any other change in the composition of committee.

Reconstitution of Shareholders/Investors Grievance Committee:

During the year under review, the existing member of Shareholders/Investors Grievance Committee Dr. B. S. Bhesania was designated as Chairman of the committee in place of erstwhile Chairman Mr. P. R. Bhansali w.e.f. 4th February, 2012 however Mr. P. R. Bhansali continues to serve the committee as its member. There is no any other change in the composition of committee.

GREEN INITIATIVES IN CORPORATE GOVERNANCE:

The Ministry of Corporate Affairs, Government of India, has permitted companies to send electronic copies of Annual Report, notices etc, to the email IDs of the shareholders. We have accordingly arranged to send the soft copies of these documents to the email IDs of those shareholders who have provided the same. In case any of the shareholders would like to receive physical copies of the said documents, he is required to make a written request to the Company at its Registered Office.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, your Directors based on the representations received from the management and after due inquiry, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and no deviations have been found;
- the accounting policies of company as selected have been applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the profit of the Company for that year;
- 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;
- the annual accounts for the year ended 31st March, 2012 have been prepared on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The relevant data as regards the conservation of energy, technology absorption pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto vide Annexure-A (comprised of Form A & Form B) and forms an integral part of this Annual report.

CORPORATE GOVERNANCE:

A report on Corporate Governance pursuant to the provisions of Clause 49 of the Listing Agreement is annexed hereto vide Annexure-B and forms an integral part of this Report.

A Certificate issued by M/s B. L. Dasharda & Associates, Statutory Auditors of the Company, certifying the company's compliance with the requirements of Corporate Governance in terms of clause 49 (VII) of the Listing Agreement is also annexed hereto vide Annexure – C and forms an integral part of this Report.

CODE OF CONDUCT:

The company has suitably laid down the Code of Conduct for all Board Members and Senior Management personnel of the company. The declaration by CEO viz. Managing Director of company related to the compliance of aforesaid Code of Conduct is attached hereto vide Annexure – D and forms an integral part of this Annual Report.

PARTICULARS OF EMPLOYEES:

During the fiscal ended on 31st March, 2012, no employee of the company was in receipt of remuneration equal to or exceeding the limits as prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, hence no statement is required to be annexed in this respect.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report on the operations of company is annexed hereto vide Annexure – E and forms an integral part of this Annual Report.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their deep appreciation and heartfelt thanks to the Banks, Statutory Authorities, Government, Customers, Vendors, Stakeholders and other related organizations who through their continued support and patronage have enabled the company to function smoothly and grow in such competitive environment. Your Directors express their deep appreciation to the Company's employees at all levels for their hard work, dedication, commitment, outstanding efforts and valuable contributions made in the operations of Company all across.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**M. C. GUPTA
CHAIRMAN**

**Place: Mumbai
Dated: 12th August, 2012**



ANNEXURE-A

PARTICULARS AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A) Conservation of Energy:

Several measures have been taken for power and fuel conservation as outlined herein below during the year under review.

(i) Power conservation measures which were adopted are as follows:

- (a) Proper plant shut down schedule and higher output operation reduced power consumption in both plants.
- (b) Reducing stop time for dryer system at power supply trouble reduced power consumption.
- (c) Separated vacuum pump systems were merged into one unit with more efficient pumps
- (d) Operation monitoring timers were provided to periodic running machines to automatically stop the machine.

(ii) Fuel consumption measures which were adopted are as follows:

- (a) Proper shut down schedule and higher output operation for dryer reduced steam consumption.
- (b) By proper maintenance for steam traps steam loss was reduced.
- (c) Reducing stop time for dryer system at power supply trouble reduced steam loss.

B) Technology absorption:

Details of the efforts made in Technology Absorption are given in the prescribed form 'B'.

C) Foreign Exchange Earnings and Outgo:

- (a) Total foreign exchange used and earned:

(₹ in Lacs)

Total foreign exchange used **15694.91**

Total foreign exchange earned (FOB Value) **696.88**

- (b) The company made export of 585 MT goods during F.Y. 2011-12. The export markets are not encouraging and better as compared to Indian Market potentials, hence much export activity neither planned nor undertaken.

**FORM – A
(See Rule – 2)**

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.

	Year Ended 31.03.2012	Year Ended 31.03.2011
A. Power and Fuel Consumption:		
1) Electricity		
a) Purchased:		
Units (KWH) in lacs	208.02	239.38
Total Amount (₹ in lacs)	1069.59	1095.80
Rate per KWH (₹)	5.14	4.58
b) Own Generation:		
Through Diesel Generator		
Units (KWH) in lacs	2.17	2.88
Unit per litre of diesel oil	2.99	3.02
Cost per unit (₹)	13.73	11.62
2) Coal used in Boiler:		
Quantity (MT)	5838.00	7213.00
Total cost (₹ in lacs)	193.78	260.16
Rate per MT (₹)	3319.00	3619.00
3) L.D.O, HSD and FO Used in SAN PLANT		
Quantity (Ltrs.)	1075826	1230596
Total Amount (₹ in lacs)	395.79	360.44
Average Rate (per Ltr.)	36.79	29.29
B. Consumption per Unit of Production:		
Electricity (KWH/MT of ABS & SAN Resins)	606.57	588.00
Coal (MT/MT) of ABS & S/SAN RESIN	0.17	0.18
FUEL LDO/FO (Ltrs/MT of SAN Resins)	41.14	40.02

FORM - B
(See Rule - 2)

Form for disclosure of particulars with respect to technology absorption.

A) RESEARCH AND DEVELOPMENT (R & D) :

1. Specific areas in which R & D has been carried out by the Company and benefits derived as a result of the above R & D.

- (i) Responding to customer requirements following new grades are developed :
 - a) Super high heat resistance grades
 - b) FR grades by using new FR agents
 - c) Extrusion grades to improve extrusion performance and properties
 - d) Blow mold grades
 - e) Low gloss grades
 - f) PC/ABS grades
- (ii) New grades are developed to compete against imported specialty grades
- (iii) Production procedure of SAN polymer was modified to improve clarity.
- (iv) Batch cycle time to produce spine rubber was shortened and stabilized by recipe modification.

2. Future Plan of Action : N.A.

3. Expenditure on R & D :

	(₹ in lacs)
a. Capital	NIL
b. Recurring	NIL
c. Total	NIL
d. Total R & D Expenditure as a percentage of total turnover.	0.00%

B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

- 1) Efforts, in brief, made towards technology absorption, adaptation, innovation and benefits derived: Not Applicable
- 2) Information regarding technology imported during the last five years: Not Applicable



ANNEXURE – 'B'

REPORT ON CORPORATE GOVERNANCE

(A) Company's philosophy on Code of Corporate Governance:

The Company is fully committed to and continues to practice good Corporate Governance. The Company believes that proper Corporate Governance generates goodwill among business partners, customers and investors, facilitates effective management and control of business and generates competitive returns for the investors. In addition to the basic governance issues, the Company lays significant emphasis on the principles of trusteeship, transparency, empowerment, accountability and integrity.

During the year under review, the Board continued its pursuit by adopting appropriate corporate strategies and prudent business plans. Adequate monitoring system was followed to safeguard against major risk and to ensure implementation of policies and procedures to satisfy its social, legal and ethical responsibilities.

(B) Board of Directors:

In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information are placed before the Board from time to time to enable it to discharge its responsibilities of closely monitoring the activities of the Company.

i) Composition of the Board

The composition of the Board of Directors of the Company is in conformity with Clause 49 of the Listing Agreement. The total strength of the Board is 5 Directors of which 3 directors are Non-Executive Independent Directors and of remaining two members of the Board one is Managing Director and another is Whole Time Director i.e. Executive Director. The Chairman of the Board is Non Executive Independent Director. All the members of the Board are qualified, possess of expertise in their respective functional areas alongwith managerial skills and business acumen.

The composition of the Board of Directors, category and details of other Directorships and Membership / Chairmanship of Committees of the respective directors as on 31st March, 2012 are as under:

Sr. No	Name of Directors	Category	Number of other Companies		
			Directorships	Committee Member ships	Committee Chairmanships
1.	Mr. M. C. Gupta	Chairman, Non-Executive, and Independent Director	2	2	1
2.	Mr. P. R. Bhansali	Non-Executive, Independent Director	-	-	-
3.	Dr. B. S. Bhesania	Non-Executive, Independent Director	1	1	-
4.	Mr. B. M. Bhansali	Promoter, Managing Director (Executive)	3	-	-
5.	Mr. Jayesh B. Bhansali	Whole-Time Director (Executive)	3	-	-

Note:

- The above Directorships exclude the Directorships held in Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956.
- The above Committees of Directors include the Audit Committee and Shareholders/Investors Grievance Committee only.

ii) Board Meetings and attendance of Directors:

The Board meets at least once in a quarter to consider amongst other business the performance of the Company and quarterly financial results. The Board also meets to consider the other necessary matters as and when necessary. Agenda of the business to be transacted at the Meeting along with explanatory notes are drafted and circulated well in advance to the Board of Directors of the Company. Every Board Member is free to suggest the inclusion of items on the agenda.

During the year 2011-12, 5 Board Meetings were held i.e. on 26th May, 2011, 23rd July 2011, 30th September, 2011, 12th November, 2011 & 4th February, 2012. The Twenty Seventh Annual General Meeting of the Shareholders of the Company was held on 30th September, 2011.

Attendance of each Director at Board Meetings and Annual General Meeting (AGM) was as follows:

Sr. No.	Name of the Directors	No. of Board Meetings held	No. of Board Meetings Attended	Attendance at AGM held on 30.09.2011
1.	Mr. M. C .Gupta	5	4	Yes
2.	Mr. B. M. Bhansali	5	4	Yes
3.	Mr. P. R. Bhansali	5	3	Yes
4.	Mr. C. S. Sastry	5	Nil	No
5.	Dr. B.S. Bhesania	5	5	Yes
6.	Mr. Jayesh B. Bhansali	5	5	Yes

(C) Details of Remuneration paid to the Directors during the year ended 31st March 2012:**(i) Non – Managerial Persons:**

The Non-executive Directors of the Company are paid sitting fees for attending each meeting of the Board of Directors and Committees thereof as given below and apart from it no other payments are made to Non-Executive Directors:

(₹ in lacs)

Sr. No.	Name of the Directors	Sitting fees (including Committee Meetings)
1.	Mr. M. C. Gupta	0.35
2.	Mr. P. R. Bhansali	0.25
3.	Mr. C. S. Sastry	Nil
4.	Dr. B. S. Bhesania	0.45

(ii) Managerial Persons:

The remuneration paid to Managing Director and Executive Director was as approved by the members. The details of the managerial remuneration paid to these directors during the year under review are as stated hereunder:

Sr. No.	Components	Mr. B. M. Bhansali (Managing Director)	Mr. Jayesh B. Bhansali (Executive Director)
1.	All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc	Basic 24.60 HRA 14.76 PF 2.95 Superannuation 3.69 Total Earning ₹ (in Lacs) 46.00	Basic 7.68 HRA 3.84 PF 0.92 Other Allowances and Arrears 16.40 Total Earning ₹ (in Lacs) 28.84



Sr. No.	Components	Mr. B. M. Bhansali (Managing Director)	Mr. Jayesh B. Bhansali (Executive Director)
2.	Details of fixed component and performance linked incentives alongwith the performance criteria	5 % Commission on Net Profit of the Company	N.A.
3.	Service Contracts, notice period, severance fees.	Service Contract - 1 st April, 2010 to 31 st March, 2013. Notice Period – NIL Severance Fees - NIL	Service Contract - 24 th June, 2009 to 23 rd June, 2012. Notice Period – NIL Severance Fees - NIL
4.	Stock Option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	The Company has not come out with any stock option plan so far.	The Company has not come out with any stock option plan so far.

Details of Number of Equity Shares held by Non-Executive Directors as on 31st March, 2012 is as hereunder:

Sr. No.	Name of the Directors	No. of Shares
1.	Mr. M. C. Gupta	Nil
2.	Mr. P. R. Bhansali	550690
3.	Dr. B. S. Bhesania	17000

(D) Committees of the Board:

Presently there are Three Committees of the Board of Directors viz.:

1. Audit Committee
2. Shareholders'/Investors Grievance Committee
3. Remuneration Committee.

The Board is responsible for the constitution, co-opting and fixing the terms of reference for Committee members of the said Committees.

(i) Audit Committee:

The following Directors are members of the Audit Committee:

Sr. No.	Name of the Director	Category of Members
1.	Mr. M. C. Gupta	Chairman, Non-Executive, Independent Director
2.	Mr. P. R. Bhansali	Non-Executive, Independent Director
3.	Dr. B. S. Bhesania	Non-Executive, Independent Director
4.	Mr. B.M. Bhansali	Managing Director, Promoter & Whole Time Director

All members of the Committee are Independent Directors except Mr. B.M Bhansali who is Promoter & Managing Director of the Company. Mr. M. C. Gupta is the Chairman of the Audit Committee and

Mr. P. R. Bhansali, Dr. B. S. Bhesania and Mr. B. M. Bhansali are members. All the Members of the Audit Committee are capable of analyzing Financial Statements of the Company. The Auditors are generally invitees to the Audit Committee Meetings. The Committee members are free to invite any other concerned officer of the Company in the meeting.

The role, powers and functions of the Audit Committee are as stated in clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The Committee reviews the financial statements before they are placed before the Board.

Mr. D. N. Mishra, Company Secretary, functions as secretary to Audit Committee.

During the year under review, four meetings of the Audit Committee were held i.e. on 26th May, 2011, 23rd July 2011, 12th November, 2011 and 4th February, 2012. The details of attendance of the Audit Committee Members are as under:

Sr. No.	Name of the Directors	No. of Meetings held	No. of Meetings Attended
1.	Mr. M. C. Gupta	4	3
2.	Mr. P. R. Bhansali	4	2
3.	Dr. B. S. Bhesania	4	4
4.	Mr. B. M. Bhansali	4	2

(ii) Remuneration Committee:

The details of composition of the Remuneration Committee are as under:

Sr. No.	Name of the Directors	Category of Members
1.	Dr. B. S. Bhesania	Chairman, Non-Executive, Independent Director
2.	Mr. M. C. Gupta	Non-Executive, Independent Director
3.	Mr. P. R. Bhansali	Non-Executive, Independent Director

Dr. B. S. Bhesania is the Chairman of the Remuneration Committee and Mr. M. C. Gupta & Mr. P. R. Bhansali are the members. All the members of the Remuneration Committee are Independent Directors.

Mr. D. N. Mishra, Company Secretary, functions as secretary to Remuneration Committee.

The broad terms of reference of the Remuneration Committee is to ensure that the remuneration practices of the Company in relation to the Senior Executives, including the Managing Director & Executive Director etc. are competitive, considering the prevalent compensation packages in corporates, so as to recruit and retain suitable talents in such capacity.

Remuneration Policy:

The Non-Executive Directors of the Company are paid sitting fees for each meeting of the Board and the Committee thereof. The appointment and remuneration of the Managing Director and Whole Time Director / Executive Director is governed by resolutions passed by the Board of Directors and Shareholders of the Company, which covers terms of such appointments, coupled with the service rules of the Company. Remunerations paid to the Managing Director and Whole-time Director / Executive Director are recommended first by the Remuneration Committee, and then approved by the Board of Directors and thereafter by members in General Meeting etc. as applicable.

During the year under review, no meeting of Remuneration Committee was held.

**(iii) Shareholders/Investors Grievance Committee:**

The following Directors are members of Shareholders/Investors Grievance Committee:

Sr. No.	Name of the Directors	Category of Members
1	Dr. B. S. Bhesania	Chairman, Non-Executive, Independent Director
2	Mr. P. R. Bhansali	Non-Executive, Independent Director
3	Mr. B. M. Bhansali	Promoter, Managing Director (Executive)

Dr. B. S. Bhesania is the Chairman of the Shareholders/Investors Grievance Committee. The Committee is authorized to approve the transfer of shares, review & record shareholders grievances, if any, and monitor the work of the Registrar and Transfer Agents. The Members of Shareholders/Investors Grievance Committee met 4 times during the year under review i.e. 16th July, 2011, 30th September, 2011, 10th October, 2011 & 10th January, 2012.

Mr. D. N. Mishra, Company Secretary, functions as secretary to Shareholders/Investors Grievance Committee.

During the year under review, the Company received 50 Investors' Grievances and all of these have been resolved. No grievances are pending as at 31st March, 2012.

(E) General Body Meetings:

Details of last three Annual General Meetings are given hereunder:

AGM	For the year	Venue	Date	Time
27 th	2010-11	Walchand Hirachand Hall, Indian Merchants' Chamber Veer Nariman Road, Churchgate, Mumbai- 400 020	30.09.2011	11.45 a.m.
26 th	2009-10	-do-	27.07.2010	11.30 a.m.
25 th	2008-09	-do-	19.09.2009	11.30 a.m.

Special Resolution:

No Special Resolution was passed at the 25th Annual General Meeting held on 19th September, 2009.

At the 26th Annual General Meeting held on 27th July, 2010 the following special Resolution was passed by the shareholders:

- Re-appointment of and revision in remuneration payable to Mr. B. M. Bhansali as the Managing Director of the Company for a period of three years.

No Special Resolution was passed at the 27th Annual General Meeting held on 30th September, 2011.

Postal ballots:

No Special Resolution requiring postal ballot was placed before the last Annual General Meeting. No Special Resolution requiring postal ballot is being proposed at ensuing Annual General Meeting.

(F) Disclosures regarding appointment or re-appointment of Directors:

Pursuant to the provisions of Sections 255 and 256 of the Companies Act, 1956, Mr. P.R. Bhansali and Mr. M. C. Gupta, Non-Executive and Independent Directors of the Company, are due to retire by rotation at the ensuing Annual General Meeting and offer themselves for re-appointment. Mr. Jayesh B. Bhansali who is designated as Executive Director, is also proposed to be re-appointed for a period of 3 years w.e.f. 23/06/2012 viz upto 22/06/2015. A brief profile of all the three Directors have been provided in the Notice of the ensuing Annual General Meeting as annexed in this Annual Report.

(G) Disclosures:

(i) Related Party Transactions:

During the year under review, there are no materially significant related party transaction entered into by the company with its Promoters, Directors or management, their subsidiaries or relatives etc. which has potential conflict with the interest of company at large. Transactions with the related parties are disclosed vide Note No. 24 to the Financial Statement of this Annual Report.

(ii) Compliances by the Company:

No penalties, strictures have been imposed by the Stock Exchange, SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

(iii) Whistle Blower Policy and Access of personnel to the Audit Committee:

The Company has not established the non-mandatory requirement of Whistle Blower Policy. However, the Company's personnel have access to the Chairman of the Audit Committee in connection with the cases which concern unethical behavior, frauds and other grievances. No personnel of the Company have been denied access to the Audit Committee.

(iv) Code for Prevention of Insider Trading Practices:

In compliance with SEBI's regulation on prohibition and prevention of Insider Trading, the Company has instituted a comprehensive Code of Conduct for prohibition and prevention of Insider Trading for its designated employees and Directors. The said Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company.

(v) Compliance with the Mandatory requirements and Implementation of the Non-mandatory requirements:

The Company has complied with the mandatory requirements of the Corporate Governance Clauses of Listing Agreement. The Company has not implemented the non-mandatory requirements enlisted by way of annexure to Clause 49 of the listing agreement except the constitution of Remuneration Committee.

(H) Means of Communication:

Financial Results

- (i) The quarterly un-audited financial results and annual audited financial results were published in Free Press Journal English (Mumbai) + Navshakti Marathi (Mumbai). These results were also placed on the Company's website www.bhansaliabs.com.
- (ii) No presentations were made to the institutional investors or to analysts during the Financial Year 2011-12.
- (iii) The Management Discussion and Analysis Report is attached and forms part of this Annual Report.

(I) Certificate on Corporate Governance :

As required by Clause 49 (VII) of the Listing Agreement, a certificate on compliance of conditions of Corporate Governance Code by the company as issued by M/s B. L. Dasharda & Associates, Statutory Auditors, is attached as an annexure to the Directors' Report and forms integral part of this Annual Report.

(J) CEO Certification:

As required by Clause 49 (I) (D) of the Listing Agreement, the CEO i.e. the Managing Director's certification stating that all the Board Members and Senior Management personnel of Company have affirmed their compliance with the code of conduct for the Financial Year ended 31st March, 2012 is annexed to the Directors' Report and forms integral part of this Annual Report.



(K) GENERAL INFORMATION FOR SHAREHOLDER(S):

(i) Annual General Meeting:

Day, Date and Time	Saturday, 22 nd September, 2012 at 11.00 A.M.
Venue	Walchand Hirachand Hall, Indian Merchants' Chamber, Veer Nariman Road, Churchgate, Mumbai - 400 020.

(ii) Financial Calendar:

Calendar of events for the year ending 31st March 2013:
(Tentative and subject to change)

Un-audited Financial Results for the quarter ending 30 th June 2012 together with the Limited Review Report.	By 14 th August 2012
Un-audited Financial Results for the quarter ending 30 th September 2012 together with the Limited Review Report.	By 14 th November 2012
Un-audited Financial Results for the quarter ending 31 st December 2012 together with the Limited Review Report.	By 14 th February 2013
Audited Financial Results for the year ending 31 st March 2013 together with the Auditors' Report thereon.	By 30 th May 2013
Annual General Meeting for the year ending 31 st March 2013.	By 30 th September 2013

(iii) Date of Book Closure:

The Company's Register of Members and Share Transfer Books shall remain closed from Saturday, 15th September, 2012 to Saturday, 22nd September, 2012 (both days inclusive).

(iv) Payment of Dividend:

The Directors recommended a final dividend of ₹ 0.10/- (Ten Paise) per share (i.e 10%) on the Paid up Equity Share capital of Company ₹ 16,59,05,640/- consisted of ₹ 1/- per share. The said dividend if approved in the Annual General Meeting will be paid through electronic mode in respect of shareholders whose bank details are available with the Company and in other cases Dividend Warrant /Pay Order / Demand Draft shall be dispatched on or before 21st October, 2012 (viz within 30 days from the date of Annual General Meeting).

(v) Share Transfer System:

Shares lodged for transfer at the Registrar's address are normally processed within 15 days from the date of lodgment, in case documents are complete in all respect. All requests for dematerialization of shares are processed and the confirmation is given to the depositories within 21 days. Shareholders/ Investors Grievance Committee of the company has delegated its powers to company's Registrar and Share Transfer Agent M/s Link Intime (India) Pvt Ltd to approve transfer of shares and to deal with other investor related matters. Grievances received from Investors and other miscellaneous correspondence on change of address, mandates etc. are generally processed by the Registrar & Share Transfer Agents within 15 days.

Total number of shares transferred in physical form for the year from 1st April 2011 to 31st March 2012.

Number of Transfers	49
Number of Shares Transferred	63615

(vi) Investor Services - queries/complaints during the year ended 31st March 2012:

The correspondence identified as Investor complaints are letters received through statutory/regulatory bodies and those related to loss of shares, court / consumer forum matters and other matters identified as complaints for reporting under Clause 41 of the Listing Agreement. The details of complaints received and attended during the year from 1st April 2011 to 31st March 2012 are as under:

Total no. of complaints received	50
Total no. of complaints attended	50

No complain remained unresolved at the end of the year under review.

(vii) Listing on Stock Exchanges:

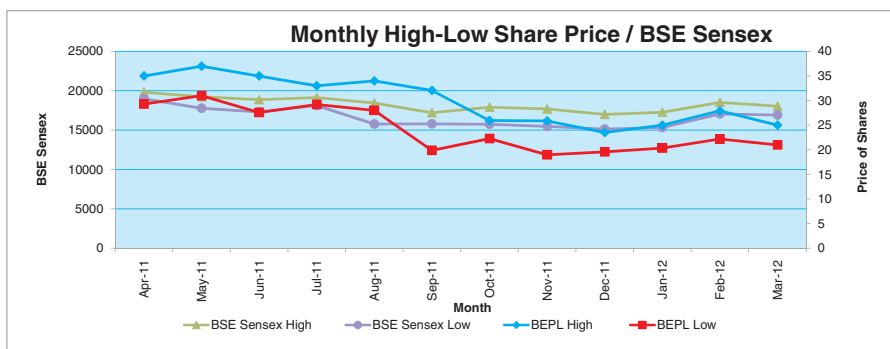
The Shares of the Company have been listed at following stock exchanges:

Sr. No.	Name of the Stock Exchange	Stock Codes
1.	Bombay Stock Exchange Limited (BSE)	500052
2.	National Stock Exchange of India Limited (NSE)	BEPL-EQ

The Listing Fees of both the Stock Exchanges for 2012-2013 have been paid.

(viii) Market Price Data (At BSE):

Month	As per BSE Quote		Volume (in no. of shares)
	High (₹)	Low (₹)	
April – 2011	35.00	29.30	1159746
May – 2011	37.00	31.00	1025660
June – 2011	35.00	27.60	1055432
July – 2011	33.00	28.70	288489
August – 2011	34.00	28.00	757850
September – 2011	32.05	19.90	933940
October – 2011	25.95	22.30	77747
November – 2011	25.85	19.00	83712
December – 2011	23.50	19.60	68404
January – 2012	25.00	20.35	112806
February – 2012	27.90	22.20	2118889
March – 2012	25.00	21.00	1370531



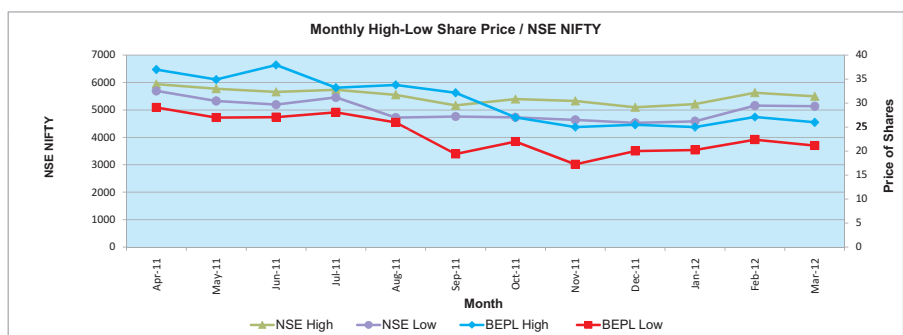
(ix) Market Price Data (At NSE Nifty):

Month	As per NSE Quote		Volume (in no. of shares)
	High (₹)	Low (₹)	
April – 2011	37.00	29.10	1041794
May – 2011	34.90	27.00	1079326
June – 2011	37.95	27.10	918798
July – 2011	33.20	28.10	243363
August – 2011	33.80	26.00	415085
September – 2011	32.15	19.40	1690660



BHANSALI ENGINEERING POLYMERS LIMITED

Month	As per NSE Quote		Volume (in no. of shares)
	High (₹)	Low (₹)	
October – 2011	27.00	22.00	80857
November – 2011	25.00	17.25	90374
December – 2011	25.50	20.00	29454
January – 2012	25.00	20.25	110517
February – 2012	27.10	22.40	2688085
March – 2012	26.00	21.15	4368183



(x) Distribution of Shareholding as on 31st March 2012:

No. of Equity Shares held	Shareholders		Shares	
	Number	% to total Shareholders	Amount (in ₹)	% to total Capital
1 - 500	6217	49.84	2112440	1.27
501 - 1000	3884	31.13	3722666	2.24
1001 - 2000	1458	11.70	2571080	1.55
2001 - 3000	321	2.57	891986	0.54
3001 - 4000	105	0.84	404239	0.24
4001 - 5000	155	1.24	755558	0.46
5001 - 10000	119	0.95	930041	0.56
10001 & above	216	1.73	154517630	93.14
Total	12475	100.00	165905640	100.00

(xi) Categories of Shareholding as on 31st March 2012:

Category	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
Promoters & Promoter Group	22	0.18	82415784	49.68
Banks/Financial Institutions, FIs, Mutual Funds, NRI, Insurance Companies, Foreign Nationals	31	0.25	120272	0.07
Private Corporate Bodies	201	1.61	57930645	34.92
Indian Public	12221	97.96	25438939	15.33
Total	12475	100.00	165905640	100.00

(xii) Dematerialization of Shares:

The Company has established connectivity with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for dematerialization of shares and the same are available in electronic segment under ISIN- **INE922A01025**. As on 31st March, 2012, Total 158,149,970 Equity Shares representing 95.33% had been dematerialized.

Physical and Dematerialized Shares as on 31 st March, 2012	Shares	%
No. of Shares held by CDSL	31,53,431	1.90
No. of Shares held by NSDL	15,49,96,539	93.43
Physical Shares	77,55,670	4.67
TOTAL	16,59,05,640	100

Exchange of Shares of the Company:

Some of the Shareholders of the Company are still holding the old Share Certificates of the Company. Those Shareholders' holding Share certificates of ₹ 10/- each of the Company are requested to surrender their original Share certificate(s) to M/s Link Intime India Pvt. Ltd., Registrar & Share Transfer agent of the Company to obtain new share certificate(s) of ₹ 1/- each (pursuant to the Sub-division of Equity Shares of the Company on 23rd February, 2004).

Unclaimed Shares lying with the Company or its Registrar and Share Transfer Agent:

Pursuant to the circular issued by the Securities and Exchange Board of India, bearing no. CIR/CFD/DIL/10/2010 dated 16th December, 2010, the details with respect to the unclaimed shares lying with the Company and/or its Registrar and Share Transfer Agent are as follows:

Unclaimed Shares as on 1 st April, 2011		Details of Shareholders who approached during the Financial Year 2011-12 for claiming their shares		Details of Shareholders to whom the shares have been transferred during the Financial Year 2011-12		Unclaimed Shares as on 31 st March, 2012	
No. of share holders	No. of Shares	No. of share holders	No. of Shares	No. of share holders	No. of Shares	No. of share holders	No. of Shares
28	30200	-	-	-	-	48	49300

The Voting Rights on above unclaimed shares will remain frozen till the rightful owner claims such shares.

(xiii) Information for Investors:-**i) Company's Registered Office:**

Bhansali Engineering Polymers Limited
 Bhansali House, A-5, Off Veera Desai Road, Andheri (West), Mumbai-400053
Telephone-26731779-85 Fax-26731796,
Email-abstron@bhansaliabs.com & Investors@bhansaliabs.com
Website: www.bhansaliabs.com

ii) Company's Registrar and Share Transfer Agent Office:

M/s Link Intime (India) Pvt. Limited
 Unit Bhansali Engineering Polymers Limited,
 C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai-400078
Telephone-25963838, Fax-25946969
Website: www.linkintime.co.in

(xiv) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity:

There are no GDR/ADR/Warrant or any Convertible Instruments pending conversion or any other instrument likely to impact the equity share capital of the Company.

(xv) Plant Locations:

- (i) **Works - Satnoor:** Bhansali Nagar, Taluka Sausar, Dist.: Chhindwara, Madhya Pradesh-480108.
 (ii) **Works - Abu Road:** SP-138-144, Ambaji Industrial Area, Abu Road, Dist.: Sirohi, Rajasthan-307026.



ANNEXURE - C

CHARTERED ACCOUNTANTS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Bhansali Engineering Polymers Limited

We have examined the compliance of conditions of Corporate Governance by Bhansali Engineering Polymers Limited (the Company) for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

As per the records of the Company, there were no investor grievances remaining unattended for a period exceeding one month against the Company.

We 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.

**For and on behalf of
B. L. Dasharda & Associates
Chartered Accountants**

**Sushant Mehta
Partner
Membership no.: 112489
F.R.No: 112615W**

**Place: Mumbai
Dated: 29th May, 2012**

Annexure - D

DECLARATION REGARDING COMPLIANCES OF COMPANY'S CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL OF COMPANY:

This is to confirm pursuant to Clause 49 (I) (D) of the Listing Agreement that the company has adopted a Code of Conduct for its Directors and Senior Management Personnel of the company.

I confirm on the basis of declarations received that the Board Members and Senior Management Personnel of the company have complied with the Code of Conduct of company in respect to Financial Year ended on 31st March, 2012.

For the purpose of this declaration, Senior Management personnel are comprised of the category of General Manager and above including all functional heads.

**Place- Mumbai
Date- 29th May, 2012**

**B. M. Bhansali
Managing Director**

ANNEXURE-E**Management Discussion and Analysis Report:****Economic Outlook:**

The year 2011-2012 was a challenging year for the Indian Economy. GDP growth was at the lowest level during the past nine years. The global economic slowdown coupled with domestic problems and high interest rate were the key factors that led to weak economic growth. The economic situation prevailing in Europe and elsewhere is a matter of concern.

India being a large importer of crude oil suffered heavily and this along with various other negative macro-economic factors resulted in the significant erosion in the value of rupee against Dollar. Over the Financial year, the rupee has depreciated about 20 to 25%. The ballooning trade deficit and the current account deficit also puts significant pressure on the exchange rates and adds to the woes of all Import based Industries.

Reserve Bank of India has substantially raised the rate of interest in last two years which has adversely affected the Industries.

Industry Structure and Development:

Bhansali Engineering Polymers Ltd is engaged in the manufacturing and sale of ABS and SAN granules and has its manufacturing facilities at Abu Road, Rajasthan and Satnoor MP. The ABS consumption in India has grown from 12362 MT during 1992-93 to 120000 MT during 2010-2011 witnessing an increase of about 871% in 19 years, this corresponds to compounded annual growth rate (CAGR) of about 12.71%. ABS exhibits wide range of properties being used in various diversified applications viz. Home Appliances, Automobiles, Telecom Industry and lot of other applications such as helmets, novelties, stationery items, toys etc.

In view of the slowdown on the economic front the world over and its corresponding impact on automobile and consumer durable industries across the globe, the ABS business experienced very challenging conditions in terms of demand during the last year. With volatile crude/monomer prices and slowdown in the end product demand of ABS, customers undertook production at periodic intervals and started procuring materials to the extent required with minimum inventory level. The resultant mismatch in the demand and supply of ABS impacted the selling prices, resulting in pressure on margins.

Simultaneously Cost increase on account of various inputs such as utilities and man-power aggravated the adverse economic situation further.

The expansion plan has been already formulated to increase the overall capacity from the existing 51000 TPA to 125000 TPA with the technical and engineering support of M/s Aker Power Gas Pvt Ltd, Mumbai and Blue Print of this ambitious plan has also been finalized. Due to highly adverse factors such as foreign exchange fluctuations, volatility in raw material prices, uncertain economic conditions, negative business sentiments, economic slump across all the business segments and various other allied factors, the company could not proceed with the implementation of the expansion program. The management is quite hopeful for some positive development during the current year 2012-2013. Your company is sparing no efforts to overcome the obstacles and is hopeful of doing tangible progress in current year.

Opportunities and Threats:

The Company is well placed to explore its market potentials and expand operations with a view to improve performance on good economies of scale. Despite the unfavorable market conditions, with the gradual market recovery and considering the increasing trend of ABS consumption, outlook of our industry appears optimistic and promising picture can be visualized for the future once the Indian Economy is back on track.

There is no survival without balanced growth in the current highly competitive environment and to sustain with same, excellence in the technology through massive research and development activities and good management practices are key factors to produce the best at least cost and survive. By maintaining quality through continuous developments and on implementation of phase wise expansion plan of company as proposed, it would be possible to achieve targeted performance.

Segment Wise Performance:

The company has only one business segment covering ABS and SAN Polymers. During the year under review the total sales of ABS resins amounted to ₹ 401.42 Cr as against ₹ 452.05 Cr. during last fiscal and the sale of SAN Resins amounted to ₹ 55.09 Cr. as against ₹ 55.51 Cr. during last fiscal.

Risk and Concerns:

The high volatility in global crude prices, economic slump and exchange rate fluctuations pose a substantive risk for the company. Further, price of key inputs such as Styrene, Acrylonitrile (ACN) and Butadiene have been steadily



rising causing additional burden on company. The company has tried for improving its selling prices whenever possible with a view to reduce the adverse impact of increase in price of some of the inputs within limitations of the competitive scenario however it could not be fully achieved due to various internal and external constraints.

Internal Control Systems and their adequacy:

Bhansali Engineering Polymers Ltd has an adequate system of Internal Controls to ensure that all assets of the company are safeguarded and protected against loss from unauthorized use or disposal and to ensure that all transactions are duly authorized, recorded and reported correctly. In order to have adequate internal control, the company has implemented a full-fledged Internal Audit system all across the company to have constant vigil on all the transactions so as to ensure their legitimacy within the operating procedures of the company. External periodic Internal Audits by external agencies further helps in strengthening the internal control systems and on the basis of findings and observations made by such auditors, periodic review and corrective actions are taken up by the management.

The company has well defined organization structure, authority levels and internal guidelines and rules for each areas of functioning to enable smooth operations at all level.

Discussions on Financial Performance with respect to operational performance:

The total turnover of the company stood at ₹ 456.51 Crore as compared to ₹ 510.05 Crore reported during last financial year. PAT reduced from ₹ 33.41Crore in F.Y. 2010-11 to ₹ 1.09 Crore in 2011-12 due to various adverse economic factors as stated hereinabove.

Human Resource:

Bhansali Engineering Polymers Ltd firmly believes that a motivated and trained workforce is the key to sustained growth. In view of the acute shortage of skilled work force as prevailing in the country, our focus during the year was to enhance the capabilities of the existing workforce through training programmes and various other initiatives to ensure the employment motivation and high confidence level which would enable the company to face the current challenges. Regular and detailed performance appraisal system is in place to evaluate the performance of all the Employees periodically. Industrial Relations remained cordial during the year. The Company has a work force of around 486 persons as on 31st March, 2012. The company believes that the skills and diversity of our employees would give flexibility to adapt to the future needs of our organization.

Cautionary Statement:

Some of the statements in this Management Discussion and Analysis Report may be forward looking statement in this report, particularly those which relate to the company's objectives, projections and expectations, within the meaning of applicable laws and regulations and limits set by the company's competitive position. However the actual results might differ materially from those either expressed or implied hereinabove. The foregoing statements reflect the company's current views with respect to the future events and are subject to risk and uncertainties and can also be affected by the structure of industry, substantive changes in political and economic environment in India and overseas, tax laws and labour relations etc.

AUDITORS' REPORT

To,

The Members of

Bhansali Engineering Polymers Limited

1. We have audited the attached Balance Sheet of **Bhansali Engineering Polymers Limited** as at 31st March, 2012, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, both 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 test basis evidence supporting the amounts and disclosures in the financial statement. 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 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 (hereinafter referred to as the Act), we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that: -
 - a) 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;
 - b) 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;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
 - e) On the basis of written representations received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon, 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;
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ii. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
B. L. Dasharda & Associates
Chartered Accountants
F.R. No. 112615W

Sushant Mehta
Partner
Membership No. : 112489

Place : Mumbai
Dated : 29th May, 2012



ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in paragraph 3 of our report of even date on the accounts for the year ended 31st March, 2012 of **Bhansali Engineering Polymers Limited**.

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) As explained to us, all the fixed assets have been physically verified by the management during the year in a phased periodical manner which, in our opinion, is reasonable having regards to the size of the company and the nature of its assets. As informed to us no material discrepancies were noticed on such verification.
c) No substantial part of fixed assets has been disposed off during the year, which has bearing on the going concern assumption.
2. a) The stocks of finished goods, raw materials, work-in-process and stores and spares of the Company have been physically verified by the management during the year.
b) The procedures of physical verification of the above stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
c) The Company is maintaining proper records of inventory. As explained to us, the discrepancies between the physical stocks and the book stocks were not material and have been properly dealt with in the books of account.
3. As informed to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, requirements of clauses (iii.b) to (iii.d) of paragraph 4 of the Order are not applicable and hence not commented upon.
4. As informed to us, the company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, requirements of clauses 4(iii.e) to (iii.g) of paragraph 4 of the Order are not applicable and hence not commented upon.
5. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
6. a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that needs to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contract or arrangement and exceeding the value of Rupees Five Lacs have been made at prices, which are reasonable having regard to the prevailing market prices at the relevant time.
7. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under to the extent applicable with regards to the deposit accepted from the public.
8. In our opinion, the Company has an internal audit system commensurate with its size and nature of business.
9. On the basis of the records produced, we are of the opinion that, prima facie, the cost records and accounts prescribed by the Central Government u/s 209(1) (d) of the Companies Act, 1956 have been maintained by the Company. However, we are not required to carry out and have not carried out any detailed examination of such accounts and records.
10. a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess, Service Tax and any other statutory dues have been generally regularly deposited in time with the appropriate authorities and there are no undisputed statutory dues payable at the year end for a period of more than six months from the date they became payable.

- b) In our opinion and according to the information and explanations given to us, there are no dues outstanding in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty and Service Tax on account of any dispute other than the following:-

Name of the Statute	Nature of the Dues	Amount (₹ in lacs)	Year to which the amount relates	Forum where Dispute is Pending
The Central Excise Act, 1944	Service Tax	120.00	2006-2007	Assistant Commissioner (Chhindwara)
The Income Tax Act, 1961	Income Tax	240.51	2006-2007 and 2007-2008	Income Tax Appellate Tribunal
Customs Act	Custom Duty	295.78	2005	Deputy Commissioner of Customs

11. The Company does not have accumulated losses as at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
12. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of any dues to financial institutions or banks.
13. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society, therefore, the clause 4 (xiii) of the Order is not applicable to the Company.
15. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
16. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
17. In our opinion and according to the information and explanations given to us, the company has not raised any term loans during the year.
18. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that no funds raised on short term basis have been used for long term investment.
19. The Company has not made any preferential allotment of shares during the year to any parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
20. The Company has not issued any debentures during the year.
21. The Company has not raised any money through a public issue during the year. Accordingly, the provisions of clause 4 (xx) of the order are not applicable to the company.
22. According to the information and explanation given to us, *During the year one of the employee of company has committed fraud of ₹ 464.02 lacs by way of embezzlement of goods. The company has initiated legal action against the employee and terminated the services of the employee. The company has been able to recover ₹ 251.03 lacs till date. The management has taken adequate steps to improve the internal control procedures to prevent such instances of fraud in future by formulating centralized policies and by periodic audits. We have not come across any other such instances of fraud on or by the company.*

For and on behalf of
B. L. Dasharda & Associates
Chartered Accountants
F.R. No. 112615W

Place : Mumbai
Dated : 29th May, 2012

Sushant Mehta
Partner
Membership No. : 112489

**BHANSALI ENGINEERING POLYMERS LIMITED****BALANCE SHEET AS AT 31ST MARCH 2012**

	Note	As At 31.03.2012 (₹ in lacs)		As At 31.03.2011 (₹ in lacs)	
I EQUITY AND LIABILITIES					
Shareholders' Funds :					
Share Capital	2	1659.06		1659.06	
Reserves and Surplus	3	19447.91	21106.97	20506.14	22165.20
Non-Current Liabilities					
Long-Term Borrowings	4	584.30		81.00	
Long-Term Provisions	5	221.29	805.59	191.75	272.75
Current Liabilities					
Short-Term Borrowings	6	5015.33		5505.35	
Trade Payable	7	11327.15		13528.13	
Other Current Liabilities	8	491.37		818.93	
Short-Term Provisions	9	247.41		219.85	
			17081.26		20072.26
	TOTAL		38993.82		42510.21
II ASSETS					
Non-current assets					
Fixed assets					
	10				
Tangible Assets			15541.15		16552.82
Intangible Assets			14.85		-
			15556.00		16552.82
Capital-Work-In-Progress			-		-
Deferred Tax Assets	11		27.71		54.71
Long term Loans and Advances	12		185.35		141.57
Current assets					
Inventories	13	3876.63		4190.22	
Trade Receivables	14	15617.03		18606.32	
Cash and Cash Balances	15	775.12		1356.68	
Short-Term Loans and Advances	16	2529.41		1554.30	
Other Current Assets	17	426.57	23224.76	53.59	25761.11
	TOTAL		38993.82		42510.21
Significant Accounting Policies	1				
Notes on financial Statements					

As per our report of even date attached

For and on behalf of

B. L. Dasharda & Associates**Chartered Accountants****F.R.No: 112615W****Sushant Mehta****Partner****M. No. 112489**

For and on behalf of the Board

M.C. Gupta

Chairman

B.M. Bhansali

Managing Director

D.N. Mishra

Company Secretary

Place: Mumbai

Dated : 29th May 2012

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

	Note	As At 31.03.2012 (₹ in lacs)	As At 31.03.2011 (₹ in lacs)
INCOME:			
Revenue from operations			
Sales (See Note No 34)		45650.79	51005.53
Less : Excise Duty		4210.74	4613.91
Other Income	18	70.09	366.60
		<u>41510.14</u>	<u>46758.22</u>
Expenses:			
Cost of Materials Consumed	19	34386.13	35373.56
Trading Purchases		-	239.98
Changes in Inventories of Finished Goods and Stock in Process	20	(459.76)	965.18
Employee Benefit Expenses	21	1302.16	1305.49
Financial Costs	22	1342.80	1403.27
Depreciation		1544.53	1595.42
Less: Transferred from Revaluation Reserve		974.24	990.32
Other Expenses	23	4188.51	2928.02
		<u>41330.13</u>	<u>42820.60</u>
Profit before Tax		180.01	3937.62
Tax Expense			
- Current Tax		30.00	1260.40
- Earlier Tax		14.18	8.96
- Deferred Tax		27.00	(672.71)
Profit for the year		<u>108.83</u>	<u>3340.97</u>
Earning Per Share of ₹ 1/- each fully paid up (in ₹) (See Note No 26)			
Basic		0.07	2.01
Diluted		0.07	2.01
Significant Accounting Policies	1		
Notes on financial Statements			

As per our report of even date attached

For and on behalf of

B. L. Dasharda & Associates**Chartered Accountants****F.R.No: 112615W****Sushant Mehta****Partner****M. No. 112489**

Place: Mumbai

Dated : 29th May 2012

For and on behalf of the Board

M.C. Gupta

Chairman

B.M. Bhansali

Managing Director

D.N.Mishra

Company Secretary



BHANSALI ENGINEERING POLYMERS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	Year Ended 31/03/2012 (₹ in lacs)	Year Ended 31/03/2011 (₹ in lacs)
Cash flow from operating activities :		
Net (Loss)/Profit before tax and Extraordinary Items:	180.01	3937.62
Adjustment for :		
Depreciation	570.29	605.10
Finance Cost	1342.80	1403.27
Interest Income	(56.63)	(61.55)
Unrealised (Gain)/Loss	270.28	(273.50)
Loss/ (Profit) on sale of Assets (Net)	8.04	6.94
Operating profit before working capital changes,taxes and Extraordinary Items	2314.79	5617.88
Adjustment for (Increase) / Decrease in Operating assets:		
Trade and other receivables	2030.35	(2796.74)
Earmarked Bank Accounts	181.83	(1.50)
Inventories	313.59	(135.10)
Trade payables	(3194.23)	1345.17
Cash (used in)/Generated from Operations before taxes	1646.33	4029.71
Taxes paid		
Income Tax Paid	(23.96)	(1437.54)
Net cash (used in) / generated from operating activities	1622.37	2592.17
Cash flow from investing activities		
Purchase of Fixed Assets , including Capital Advances	(562.49)	(271.51)
Interest received	56.63	61.55
Sale of Fixed Assets	6.74	7.70
Net cash generated/ (used in) investing activities	(499.12)	(202.26)
Cash flow from Financing Activities		
Repayment of Long Term borrowings	13.28	(441.69)
Finance Cost	(1342.80)	(1403.27)
Dividend paid including dividend tax thereon	(193.46)	0.00
Net cash generated/ (used in) financing activities	(1522.98)	(1844.96)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(399.73)	544.95
Cash and Cash equivalents (Opening Balance)	551.84	6.89
Cash and Cash equivalents (Closing Balance) (Refer Note no 15)	152.11	551.84

As per our report of even date attached

For and on behalf of

B. L. Dasharda & Associates

Chartered Accountants

F.R.No: 112615W

Sushant Mehta

Partner

M. No. 112489

For and on behalf of the Board

M.C. Gupta

Chairman

B.M. Bhansali

Managing Director

D.N.Mishra

Company Secretary

Place: Mumbai

Dated : 29th May 2012

Notes to Account**1. SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of Accounting**

The financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, mandatory Accounting Standards notified by the Companies (Accounting Standards) Rule, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements are prepared under historical cost convention modified by revaluation of fixed assets. For recognition of Income and Expenses, mercantile system of accounting is followed.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Revenue Recognition

- (i) The Company recognizes sale at the point of dispatch of goods to the customers. Sales are stated exclusive of Excise duty, Sales tax and are net of sales return and trade discount.
- (ii) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

(d) Fixed Assets & Depreciation**(a) Tangible Assets & Depreciation**

- (i) The Fixed Assets are stated at cost of acquisition/construction and includes amounts added on revaluation less accumulated depreciation. All cost including financing cost attributable to the fixed assets to bring the assets to their intended use are capitalised.
- (ii) Depreciation on plant and machinery (other than continuous process plant) has been calculated on the written down value method at the rates specified in Schedule XIV to the Companies Act, 1956.
- (iii) Depreciation on all other assets, other than leasehold land and Intangibles including continuous process plant, has been calculated on the straight line method at the rates specified in Schedule XIV to the Companies Act, 1956.
- (iv) Cost of leasehold land is not amortised over the lease period.
- (v) Depreciation on the assets purchased/ sold during the year has been provided on a pro-rata basis.

(b) Intangible assets and amortization:-

Intangible assets are valued at cost less amortization and comprise mainly of computer software licenses. Amortization takes place on a straight line basis over the assets anticipated useful life. The useful life is determined based on the period over which the intangible asset is expected to be used and generally does not exceed 5 years.

(e) Valuation of Inventories

- (i) Inventories are stated at cost or net realisable value whichever is lower. Cost include purchase price, nonrefundable taxes and delivery and handling cost and all costs incurred in bringing the inventory to its present location and condition. Cost of raw materials, process chemicals, stores and spares, packing material, and other inventory determined on weighted average basis.
- (ii) Finished goods and work in progress include cost of conversion and other costs.

(f) Employee benefits**(i) Defined Contribution Plan**

Company's contributions paid/payable during the year to Provident Fund, ESIC, Labour Welfare Fund and Superannuation Fund are recognised in the Profit & Loss Account.

(ii) Defined benefit plan

The company's liabilities towards gratuity and leave encashment, a defined benefit obligation, is accrued and provided for on the basis of actuarial valuation, using the projected unit credit method as at the Balance Sheet date.



Notes forming Part of the Financial Statement

(g) Foreign Currency Transactions

- (i) Foreign currency transactions are recorded at the exchange rate prevailing at the time of the transaction and exchange difference, if any, on settlement of transaction is recognised in the Profit & Loss Account.
- (ii) Amounts of foreign currency transactions remaining pending at the year end are recorded at the exchange rate prevailing at that time.
- (iii) All exchange differences arising on settlement/conversion on foreign currency transactions are included in the Profit and Loss Account.
- (iv) In respect of transactions covered by forward exchange contracts, the difference between the forward rate and the exchange rate at the date of transaction is recognized as income or expense over the life of the contract. Forward exchange contracts outstanding as at the balance sheet date are stated at their fair values and gains or losses are recognised in the Profit and Loss Account as exchange differences.

(h) Borrowing Cost

Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of these capitalised assets, upto the date when such assets is ready for its intended use. Borrowing costs on working capital is charged to Profit and Loss Account for the year.

(i) Excise Duty

Cenvat is accounted as per exclusive method of accounting in terms of Accounting Standard – 2 on Valuation of Inventories, issued by the Institute of Chartered Accountants of India.

(i) Taxation

- (i) 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.
- (ii) Deferred tax is recognised, subject to consideration of prudence on timing difference, being the difference between the taxable and accounting income/expenditure that originate in one year and are capable of reversal in one or more subsequent year(s). Deferred tax assets are not recognised unless there is virtual certainty that sufficient future taxable income will be available, against which such deferred tax asset will realise.

(k) Leased Assets

Assets acquired under finance lease, which effectively transfer to the Company all the risks and benefits are disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

(l) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

(m) Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable is reassessed and the asset is reflected at the recoverable amount

	As At 31.03.2012 (₹ in lacs)	As At 31.03.2011 (₹ in lacs)
2 SHARE CAPITAL		
Authorised:		
20,00,00,000 Equity Shares of ₹ 1/- each (P.Y. 20,00,00,000)	<u>2000.00</u>	<u>2000.00</u>
Issued, Subscribed and Paid-up:		
16,59,05,640 Equity Shares of ₹ 1/- each fully paid up (P.Y. 16,59,05,640)	<u>1659.06</u>	<u>1659.06</u>

Notes forming Part of the Financial Statement

2.1 Terms / rights attached to Equity Shares

The company has only one class of equity shares having a par value of ₹ 1/- per share . Each equity shareholder is entitled to one vote per share. The company declares and pays dividend 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.

During the year ended 31st March, 2012 the amount of dividend, per share, recognised as distribution to equity shareholders is ₹ 0.10/- per share (year ended 31st March, 2011 ₹ 0.10/- per share)

2.2 Details of shareholders holding more than 5% shares in the Company.

Equity Shares of ₹ 1/- each fully paid up	31 st March 2012		31 st March 2011	
	Nos.	% holding	Nos.	% holding
B.M. Bhansali	15475490	9.33%	12555210	7.57%
Bhansali International Private Limited	13333500	8.04%	13333500	8.04%
Sheraton Properties & Finance Limited	11709000	7.06%	11709000	7.06%
Bentley Commercial Enterprises Limited	8708043	5.25%	8708043	5.25%

3 RESERVES & SURPLUS

	As At 31.03.2012 (₹ in lacs)		As At 31.03.2011 (₹ in lacs)	
Revaluation Reserve :				
Opening Balance	11007.41		11997.73	
Less : Adjustment towards assets sold / discarded	-		-	
Less: Transferred to Depreciation Account	974.24	10033.17	990.32	11007.41
Capital Reserve: Capital Subsidy		44.90		44.90
Share Premium Account		2977.00		2977.00
General Reserve		225.00		225.00
Profit & Loss Account				
As per last Balance Sheet	6251.83		3104.32	
Add: Profit for the year	108.83		3340.97	
	6360.66		6445.29	
Less: Appropriations				
Proposed Dividend on Equity Shares (Dividend per share ₹ 0.10/- (Previous year ₹ 0.10/-)	165.91		165.91	
Tax on Dividend	26.91		27.55	
		6167.84		6251.83
		19447.91		20506.14

4 LONG TERM BORROWINGS

Loan against purchase of Vehicles		
From Banks	84.30	81.00
Unsecured Loans	500.00	-
	584.30	81.00

4.1 Vehicle loans including current maturities is secured by hypothecation of Vehicles against which the loans have been taken.

4.2 Vehicle loans are repayable in equal monthly installments over the term of loan ranging from 3 to 6 years.

**Notes forming Part of the Financial Statement**

	As At 31.03.2012 (₹ in lacs)	As At 31.03.2011 (₹ in lacs)
5 LONG TERM PROVISIONS (See Note No 28) Provisions for:		
Gratuity	185.03	168.86
Leave Encashment	36.26	22.89
	<u>221.29</u>	<u>191.75</u>
6 SECURED SHORT-TERM BORROWINGS		
Cash Credit Limit from Allahabad Bank	5015.33	5505.35
	<u>5015.33</u>	<u>5505.35</u>
6.1 The above Cash Credit Limit is secured by a first charge on all the immovable assets of the Company and hypothecation of all movable properties, both present and future and personal guarantee of managing director.		
7 TRADE PAYABLES		
Sundry Creditors		
- Micro and Small Enterprises	-	-
- Others	11327.15	13528.13
	<u>11327.15</u>	<u>13528.13</u>
7.1 The Company has identified Micro, Small and Medium Enterprises on the basis of information made available. As at 31 st March, 2012 there are no dues to Micro, Small and Medium Enterprises that are reportable under the MSMED Act, 2006		
8 OTHER CURRENT LIABILITIES		
Deposits	0.76	0.51
Other Payable		
- Employee Related	120.25	232.17
- Statutory dues payable (Including PF and TDS)	70.62	129.34
- Unclaimed Dividend	18.26	14.16
- Others	281.48	442.75
	<u>491.37</u>	<u>818.93</u>
8.1 There is no amount due and outstanding to be credited to Investor Education and Protection Fund under section 205C of the companies Act, 1956 as at the year end.		
9 SHORT TERM PROVISIONS		
Provision for Employee Benefits (See Note No 28)		
Gratuity	20.56	18.76
Leave Encashment	4.03	7.63
	<u>24.59</u>	<u>26.39</u>
Provisions for:		
Taxation	30.00	-
Proposed Dividend	165.91	165.91
Tax on Proposed Dividend	26.91	27.55
	<u>247.41</u>	<u>219.85</u>


Notes forming Part of the Financial Statement
10 - FIXED ASSETS

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK		
	As at 01.04.2011	Additions	Deductions	As at 31.03.2012	For the year	on Revalued Assets	Adjustment in respect of assets sold / discarded	As at 31.03.2012	As at 31.03.2011
TANGIBLE ASSETS:									
Freehold Land	125.80	-	-	125.80	-	-	-	125.80	125.80
Leasehold Land	140.99	-	-	140.99	-	-	-	140.99	140.99
Buildings	2976.68	18.32	-	2995.00	38.97	50.65	-	2188.14	2259.44
Plant & Machinery	27909.08	423.18	-	28332.26	466.57	923.59	-	12697.50	13664.48
Furniture, Fixtures & Office Equipments	742.91	44.58	0.00	787.49	33.30	-	-	197.50	186.22
Vehicles	289.28	58.72	48.46	299.54	28.36	-	33.42	191.21	175.89
Total (A)	32184.74	544.80	48.46	32681.09	567.20	974.24	33.42	17139.94	16552.82
INTANGIBLE ASSETS :									
Computer Software & Licenses	193.42	17.70	-	211.12	2.85	-	-	14.85	-
Total (B)	193.42	17.70	-	211.12	2.85	-	-	14.85	-
Total (A) + (B)	32378.16	562.50	48.46	32892.21	570.05	974.24	33.42	17336.21	16552.82
PREVIOUS YEAR	31082.48	1330.78	35.11	32378.16	605.10	990.32	20.46	15825.34	16552.82

Note:

- (i) The Freehold Land, Building and Plant & Machinery of the Company as on 30th June 2002 and as on 30th June 2004 were revalued by the approved valuer and the surplus arising thereon has been transferred to Revaluation Reserve. Depreciation on revalued assets, amounting to ₹ 974.24 lacs (Previous Year ₹ 990.32 lacs) has been appropriated from the Revaluation Reserve.
- (ii) Borrowing cost capitalised during the year is ₹ 36.48 lacs (Previous Year ₹ 77.59 lacs)

**Notes forming Part of the Financial Statement**

	As At 31.03.2012 (₹ in lacs)	As At 31.03.2011 (₹ in lacs)
11 DEFERRED TAX ASSETS (NET)		
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	251.42	299.03
Deferred Tax Liability		
Depreciation & Amortisation	223.71	244.32
	<u>27.71</u>	<u>54.71</u>
12 LONG TERM LOANS & ADVANCES (Unsecured, considered good unless stated otherwise)		
Security Deposits	147.17	114.74
Advance Income Tax	32.40	22.62
Loans & Advances to Employee	5.78	4.21
	<u>185.35</u>	<u>141.57</u>
12.1 Deposits include deposits with related parties ₹ 18 lacs (previous year ₹ 18 lacs) (See Note No 24)		
13 INVENTORIES (See Note No 36)		
Finished Goods	178.33	20.73
Work-in-Process	946.51	644.35
Raw Materials (including Goods in Transit)	2424.46	3193.28
Packing Materials	21.27	32.24
Stores & Spares	306.06	299.62
	<u>3876.63</u>	<u>4190.22</u>
14 TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, Considered Good		
Over six months	228.62	-
Other Trade receivables		
Unsecured , Considered good	15388.41	18606.32
	<u>15617.03</u>	<u>18606.32</u>

**Notes forming Part of the Financial Statement**

	As At 31.03.2012 (₹ in lacs)	As At 31.03.2011 (₹ in lacs)
15 CASH & BANK BALANCES		
Cash and Cash Equivalents		
Cash in Hand	9.74	6.16
Balances with Scheduled Banks:		
On Current Accounts	142.37	545.68
	<u>152.11</u>	<u>551.84</u>
Other Bank Balances		
Earmarked Accounts	.	
- Balances held as margin money (current accounts)	604.75	790.68
- Unclaimed Dividend Account	18.26	14.16
	<u>623.01</u>	<u>804.84</u>
TOTAL	<u>775.12</u>	<u>1356.68</u>
15.1 Fixed Deposit with Banks in margin accounts include deposits of ₹ 604.75 lacs (Previous year ₹ 790.68 lacs) with maturity of more than 12 months.		
16 SHORT TERM LOANS & ADVANCES (Unsecured , Considered good)		
Balances with Government Authorities	1349.66	894.49
Prepaid expenses	68.55	13.52
Other Receivables	1111.20	646.29
	<u>2529.41</u>	<u>1554.30</u>
17 OTHER CURRENT ASSETS		
Interest Accrued but not due	3.43	53.59
Other Current Assets	423.14	-
	<u>426.57</u>	<u>53.59</u>
18 OTHER INCOME		
Interest Income		
From Banks	46.18	56.58
Others	10.45	56.63
	<u>56.63</u>	<u>4.97</u>
Exchange Rate Difference (Net)	-	273.50
Miscellaneous Income	12.61	31.55
Profit on Sales of Assets	0.85	13.46
	<u>13.46</u>	<u>-</u>
	<u>70.09</u>	<u>366.60</u>

**Notes forming Part of the Financial Statement**

	As At 31.03.2012 (₹ in lacs)	As At 31.03.2011 (₹ in lacs)
19 COST OF MATERIALS CONSUMED (See Note No 35)		
Raw Material		
Opening Stock	3193.28	2131.42
Purchases	<u>33617.31</u>	<u>36435.42</u>
	36810.59	38566.84
Less: Sales	-	-
Less: Closing Stock	<u>2424.46</u>	<u>3193.28</u>
	<u><u>34386.13</u></u>	<u><u>35373.56</u></u>
20 CHANGES IN INVENTORIES		
Closing Stocks:		
Finished Goods	178.33	20.73
Work-in-Process	<u>946.51</u>	<u>644.35</u>
	1124.84	665.08
Less: Opening Stocks:		
Finished Goods	20.73	276.58
Work-in-Process	<u>644.35</u>	<u>1353.68</u>
	<u><u>665.08</u></u>	<u><u>1630.26</u></u>
	<u><u>459.76</u></u>	<u><u>(965.18)</u></u>
21 EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages & Bonus	1097.83	979.73
Managerial Remuneration	74.84	218.99
Contributions to Provident Fund etc.	69.50	62.16
Employees Welfare Expenses	<u>59.99</u>	<u>44.61</u>
	<u><u>1302.16</u></u>	<u><u>1305.49</u></u>
22 FINANCIAL COSTS		
Interest on Cash Credit Limits to Bank	988.47	887.97
Finance Charges	89.29	47.51
Bank Charges	17.83	143.04
Interest On Others	<u>247.21</u>	<u>324.75</u>
	<u><u>1342.80</u></u>	<u><u>1403.27</u></u>

**Notes forming Part of the Financial Statement**

	Year Ended 31.03.2012 (₹ in lacs)	Year Ended 31.03.2011 (₹ in lacs)
23 OTHER EXPENSES		
Stores and Spares Consumed	187.22	208.90
Packing Materials Consumed	252.12	294.47
Power & Fuel	1683.84	1713.96
Rent, Rates & Taxes	32.76	35.43
Insurance	31.90	23.11
Travelling & Conveyance	137.43	112.88
Repairs & Maintenance :		
Buildings	1.95	1.47
Machinery	33.09	37.88
Others	<u>28.16</u>	<u>44.98</u>
Printing & Stationery	13.29	11.43
Postage, Telephone, Fax etc.	38.22	31.74
Miscellaneous Expenses *	222.62	210.32
Legal & Professional Charges	39.40	15.18
Auditors' Remuneration :		
Audit Fees	4.00	4.00
Tax Audit Fees	0.45	0.45
Taxation Matters	0.30	0.30
Review Audit Fees and Other Services	<u>3.13</u>	<u>2.04</u>
Directors' Sitting Fees	1.05	1.20
Bad Debts	-	8.61
Foreign Exchange Fluctuation	1305.73	-
Loss on Sale of Assets	8.89	6.94
Commission	6.19	8.89
Freight & Forwarding	107.81	87.09
Cash discount	48.96	66.75
	<u>4188.51</u>	<u>2928.02</u>

* Excise duty of ₹ 16.41 lacs. (Previous year ₹ 14.97 lacs) included in Miscellaneous Expenditure represents mainly the difference in amount of excise duty on closing stock and opening stock of finished goods.



24. Related party disclosures

As per Accounting Standard 18 issued by the Institute of Chartered Accountants of India the company's related parties and transactions are disclosed below:

Name of the related party and description of relationship (Excluding Reimbursements)	Nature of transactions	Current Year (Previous Year) ₹ in lacs		
		Enterprises owned by Relatives of Key Managerial Person	Key managerial Personnel	Relative of Key Managerial Person
(i) Deposit Mrs. D. B. Bhansali (Wife of Mr. B.M.Bhansali)	Rent Deposit	NIL	NIL	18.00 (18.00)
	Rent Paid	NIL	NIL	6.00 (4.70)
(ii) Remuneration Mr. B.M. Bhansali (Managing Director)	Managerial Remuneration	NIL	46.00 (197.25)	NIL
	Loan Taken	NIL	NIL (54.12)	NIL
Mr. Kenji Asakawa (Executive Director – Technical)	Remuneration	NIL	42.00 (36.00)	NIL
Mr. Jayesh Bhansali (Executive Director - Corporate)	Remuneration & Perquisites	NIL	28.84 (21.73)	NIL
(iii) Sundry Creditors				
Balance as on 31 st March 2012.			5.30 (104.78)	

25. The Company manufactures and sells ABS and SAN and does trading of Polycarbonates which belong to the same product group i.e. "Highly Specialized Engineering Thermoplastics". The product has the same risks and returns, which are predominantly governed by market conditions, namely demand and supply position. Thus, in the context of Accounting Standard 17 "Segment Reporting", issued by the Institute of Chartered Accountants of India, there is only one identified reportable segment.

26. Earning per share is calculated as shown below:

	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Net profit as per Profit & Loss Account after tax available for equity shareholders	108.83	3340.97
Weighted Average Number of Equity Shares (Nos.)	16, 59, 05,640	16, 59, 05,640
Earning per share (₹)		
Basic & Diluted EPS before Extraordinary item (Face Value ₹ 1/- per share)	0.07	2.01
Basic & Diluted EPS after Extraordinary item (Face Value ₹ 1/- per share)	0.07	2.01

27. Details of foreign currency exposures that is not hedged by derivative instruments or otherwise

Particulars	Current Year			Previous Year		
	Amount in foreign Currency	Currency	Amount in ₹ lacs	Amount in foreign Currency	Currency	Amount in ₹ lacs
Liabilities Payable	NIL	EURO	NIL	16,37,626	EURO	1038.42
	24,214,814	USD	12318.08	1,98,19,420	USD	9200.52
Assets Receivable	NIL	USD	NIL	1,98,588	USD	86.76

28. Employee benefits

The Company has made provision for gratuity and leave encashment in the nature of defined benefit obligation on the basis of actuarial valuation as per revised AS-15. Since the liability is not funded through a trust or insurer, there are no plan assets.

The Company has classified the various benefits provided to employees as under:

➤ **Defined Contribution Plans**

During the year, the company has recognised the following amounts in the Profit and Loss Account:

PARTICULARS	Current Year	Previous Year
	₹ in lacs	₹ in lacs
Employer's Contribution to Provident Fund & Other Funds	69.50	62.16
(Included in Contribution to Provident Fund etc (Note 19))		
Employer's Contribution to Superannuation Fund and ESIC	14.91	14.52
Included in Salaries, Wages and Bonus (Note 19)		

➤ **Defined Benefit Plans & Other Long term Benefits**

In accordance with Accounting Standard 15 (R), actuarial valuation was done as on 31st March 2012 in respect of Contribution to Gratuity Fund and Leave Encashment using "Projected Unit Method". The charge on account of provision for gratuity and leave encashment has been included in Salaries, Wages and Bonus (Note 19).

(a) **Changes in Present value of obligation**

	Current Year	Previous Year	Current Year	Previous Year
PARTICULARS	GRATUITY (UNFUNDED) (₹ in lacs)	GRATUITY (UNFUNDED) (₹ in lacs)	LEAVE ENCASHMENT (UNFUNDED) (₹ in lacs)	LEAVE ENCASHMENT (UNFUNDED) (₹ in lacs)
Present Value of Obligation as at April 1, 2011	187.62	172.91	30.51	26.21
Current Service Cost	18.38	16.37	11.41	11.54
Benefits Paid	10.36	18.31	19.52	16.14
Interest Cost	15.01	13.83	2.44	2.10
Actuarial (gain)/loss on obligation	(5.06)	2.82	15.44	6.81
Present value of Obligation as at March 31, 2012	205.58	187.62	40.28	30.51

(b) **Reconciliation of Present Value of Defined Obligation and the fair Value of Plan**

Assets

	As at 31 st March 2012	As at 31 st March 2011	As at 31 st March 2012	As at 31 st March 2011
PARTICULARS	GRATUITY (UNFUNDED) (₹ in lacs)	GRATUITY (UNFUNDED) (₹ in lacs)	LEAVE ENCASHMENT (UNFUNDED) (₹ in lacs)	LEAVE ENCASHMENT (UNFUNDED) (₹ in lacs)
Present value of Obligation as at March 31, 2012	205.58	187.62	40.28	30.51



BHANSALI ENGINEERING POLYMERS LIMITED

Fair Value of Plan Assets as at March 31, 2012	Nil	Nil	Nil	Nil
Liability Recognized in the Balance Sheet	205.58	187.62	40.28	30.51

(c) Expenses recognized in the Profit and Loss Account

	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
PARTICULARS	GRATUITY (UNFUNDED) ₹ in Lacs	GRATUITY (UNFUNDED) ₹ in Lacs	LEAVE ENCASHMENT (UNFUNDED) ₹ in Lacs	LEAVE ENCASHMENT (UNFUNDED) ₹ in Lacs
Current Service Cost	18.38	16.37	11.41	11.54
Interest Cost	15.01	13.83	2.44	2.10
Expected Return on Plan Assets	Nil	Nil	Nil	Nil
Actuarial (gain)/loss	(5.06)	2.82	15.44	6.81
Net Cost	28.32	33.02	29.29	20.45

(d) Actuarial Assumptions:

	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
PARTICULARS	GRATUITY (UNFUNDED)	GRATUITY (UNFUNDED)	LEAVE ENCASHMENT (UNFUNDED)	LEAVE ENCASHMENT (UNFUNDED)
Retirement Age	58 years	58 years	58 years	58 years
Withdrawal Rates	1% per annum	1% per annum	1% per annum	1% per annum
Future Salary Rise	4% per annum	4.5% per annum	4% per annum	4.5% per annum
Rate of Discounting	8% per annum	8% per annum	8% per annum	8% per annum
Return on Plan Assets	N.A.	N.A.	N.A.	N.A.
Mortality Table	L.I.C.(1994-96) Ultimate	L.I.C.(1994-96) Ultimate	L.I.C.(1994-96) Ultimate	L.I.C.(1994-96) Ultimate

(e) Notes:

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

29. The Income Tax assessments of the company have been completed upto Assessment Year 2009-10. The disputed outstanding demand up to the said Assessment year is ₹ 240.51 lacs (PY ₹ 265.79 lacs). Based on the decision of the appellate authorities and the interpretations of other relevant provisions, the company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

30. The Company's significant leasing arrangements are mainly in respect of residential and office premises. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other Expenses". The leasing arrangements are for a period not exceeding one year and are in most cases renewable by mutual consent, on mutually agreeable terms.

Future lease rentals payable in respect of residential and office premises:

(₹ in lacs)

Payable	Current year	Previous Year
Not Later than one year	27.78	26.99
Later than one year but not later than five years	-	-
Later than five years	-	-

31. A group of shareholders of Company owning around 19.69% stake in the company has initiated legal action in the month of September 2011 against the company and its management by way of filing of petitions/applications before the Company Law Board (CLB), Mumbai Bench, alleging acts of oppression, mismanagement etc. inter alia others which is still pending before CLB. None of the interim reliefs as sought by the such group of shareholders have been accepted by CLB so far.
32. During the year one of the employee of company has committed fraud of ₹ 464.02 lacs by way of embezzlement of goods. The company has initiated legal action against the employee and terminated the services of the employee. The company has been able to recover ₹ 251.03 lacs till date. The management has taken adequate steps to improve the internal control procedures to prevent such instances of fraud in future by formulating centralized policies and by periodic audits.

33. Proposed Dividend

The Company has not made any remittances in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances in foreign currencies on account of dividends have been made by or on behalf of non-resident shareholders.

	Year ended 31 st March, 2012	Year ended 31 st March, 2011
Year to which Dividend relates	2010-11	2009-10
Number of non-resident shareholders	25	23
Number of shares held by them on which dividend is due.	75272	71512
Amount remitted to bank accounts in India of non-residents shareholders-Rupees in lacs	0.07	0.07

34. Sales

	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
ABS Resins	40142.10	45204.59
SAN Resins	5508.69	5550.80
(a)	45650.79	50755.39
Trading Sales		
Polycarbonate	(b) NIL	250.14
(a) + (b)	45650.79	51005.53

35. Raw Material Consumed

	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Acrylonitrile	8777.53	10357.75
Butadiene	6190.45	5151.49
Styrene	15893.66	15841.49
Others	3524.49	4262.81
	34386.13	35613.54

36. Details of Stock

Value of Finished Goods		
ABS and SAN Granules	178.33	20.73
	178.33	20.73



BHANSALI ENGINEERING POLYMERS LIMITED

37. Consumption of Raw Materials and Stores & Spares and Components

	Current Year		Previous Year	
	(₹ in lacs)	%	(₹ in lacs)	%
(a) Value of Raw Materials, Stores & Spares and Components consumed				
(i) Raw materials:				
Imported	15570.97	45.28	14385.43	40.39
Indigenous	18815.16	54.72	21228.11	59.61
	<u>34386.13</u>	<u>100.00</u>	<u>35613.54</u>	<u>100.00</u>
(ii) Stores & Spare parts & Components				
Components				
Imported	1.54	0.82	4.09	1.96
Indigenous	185.68	99.18	204.81	98.04
	<u>187.22</u>	<u>100.00</u>	<u>208.90</u>	<u>100.00</u>

38. Expenditure in Foreign Currency

	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
(i) Interest and Finance Charges	113.22	159.00
(ii) Others	9.18	0.98

39. Earning in Foreign Exchange

(i) Exports on F.O.B. Basis	696.88	890.17
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40. Contingent Liabilities and Commitments:

	As at 31.03.2012 (₹ in lacs)	As at 31.03.2011 (₹ in lacs)
(a) Bills Discounted.	628.01	977.68
(b) Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances).	NIL	141.89
(c) Service tax and customs demands under appeal	415.78	120.00
(d) Income tax demands under appeal	<u>240.51</u>	<u>265.79</u>

41. The revised schedule VI has become effective from 1st April, 2011 for the preparation of the financial statements. This has significantly affected the disclosure and presentation made in the financial statements. Figures for the Previous Year have been regrouped and re-arranged wherever necessary to conform to the Current Year's classification.

As per our report of even date attached

For and on behalf of

B. L. Dasharda & Associates

Chartered Accountants

F.R.No: 112615W

Sushant Mehta

Partner

M. No. 112489

For and on behalf of the Board

M.C. Gupta

Chairman

B.M. Bhansali

Managing Director

D.N. Mishra

Company Secretary

Place: Mumbai

Dated : 29th May 2012

BHANSALI ENGINEERING POLYMERS LIMITED

Registered Office : Bhansali House, A-5, off Veera Desai Road, Andheri (West), Mumbai-400 053.

ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the entrance of the hall.
Members/Representatives of Corporate Members or Proxies are allowed to attend the meeting)

Folio No. * _____ DP ID _____

No. of Shares held _____ Client ID _____

I hereby record my presence at the 28th Annual General Meeting of the Company to be held on 22nd day of September, 2012 at 11.00 a.m. at Walchand Hirachand Hall, Indian Merchants' Chamber, Veer Nariman Road, Mumbai - 400 020.

Name(s) of Member/Proxy

Signature of Member/Proxy

* Applicable for Investors holding shares in Physical Form

----- TEAR HERE -----

BHANSALI ENGINEERING POLYMERS LIMITED

Registered Office : Bhansali House, A-5, off Veera Desai Road, Andheri (West), Mumbai-400 053.

PROXY FORM

Folio No. * _____ DP ID _____

No. of Shares held _____ Client ID _____

Name(s) in Full	Father/Husband's Name	Registered Address
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

being a Member/Members of **BHANSALI ENGINEERING POLYMERS LIMITED**, hereby appoint
Shri / Smt _____ of _____

(or failing him/her) _____ of _____

(or failing him/her) _____ of _____

as my/our proxy to attend and vote for me/us on my/our behalf at the 28th Annual General Meeting of the Company to be held on 22nd day of September, 2012 and at any adjournment thereof.

AS WITNESS my hand / our hands this _____ day of _____ 2012.

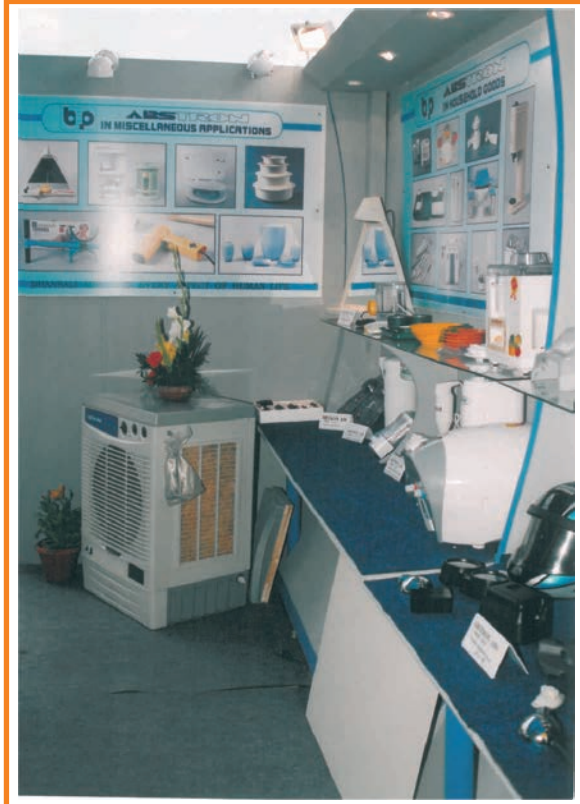
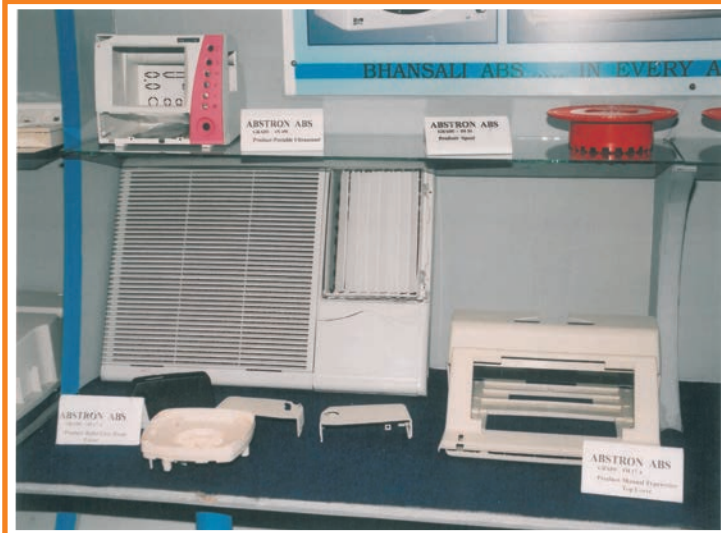
Signed by the said _____

Affix a
₹ 1/-
Revenue
Stamp

* Applicable for Investors holding shares in Physical Form

NOTE : The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting. Proxy need not be a member of the Company.

Some Applications of "OUR PRODUCTS"





BHANSALI ENGINEERING POLYMERS LIMITED

REGD. OFFICE :

Bhansali House, A-5, off Veera Desai Road, Andheri (West), Mumbai - 400 053.
Tel : 2673 1779 - 85 Fax : 2673 1796 E-mail : abstron@bhansaliabs.com

WORKS

Satnoor : Bhansali Nagar, Taluka Sausar, Dist.: Chhindwara, (M.P.) - 480 108.
Tel : (07165) 226376-79 Fax : (07165) 226380 E-mail : ranjeetsingh@bhansaliabs.com

Abu Road : Plot no. SP-138-144, Ambaji Industrial Area, Abu Road, Dist.: Sirohi, (Raj.) - 307026.
Tel : (02974) 226781-82, 226862, 226213 Fax : (02974) 226737 E-mail : rpsraghav@bhansaliabs.com

MARKETING OFFICES

1) EAST BRANCH

Vill-Champahati Sahebpur (Bager More)
P.O.Champahati
P.S.Sonerpur
Dist. 24 Parganas (South)
Pin – 743330

Mob.09831385069
E-mail: mchakraborty@bhansaliabs.com

2) WEST BRANCH

Bhansali House, A-5,
Off. Veera Desai Road,
Andheri (West),
MUMBAI – 400 053.

Tel: 022-26731779-84
Fax:022-26731796
E-mail: hitarth@bhansaliabs.com

3) NORTH BRANCH

810,8th Floor,Pearl Best Heights-1
Plot No.A-5, Netaji Subhash Place,
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NEW DELHI – 110 034

Tel : 011- 45604654
E-mail : mksharma@bhansaliabs.com

4) PUNE BRANCH

Meera Classic, Shop No.B-7,
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Chinchwad,
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Mob : 9773333517
E-mail : atul.tiwari@bhansaliabs.com

5) SOUTH BRANCHES

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CHENNAI – 600 083

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