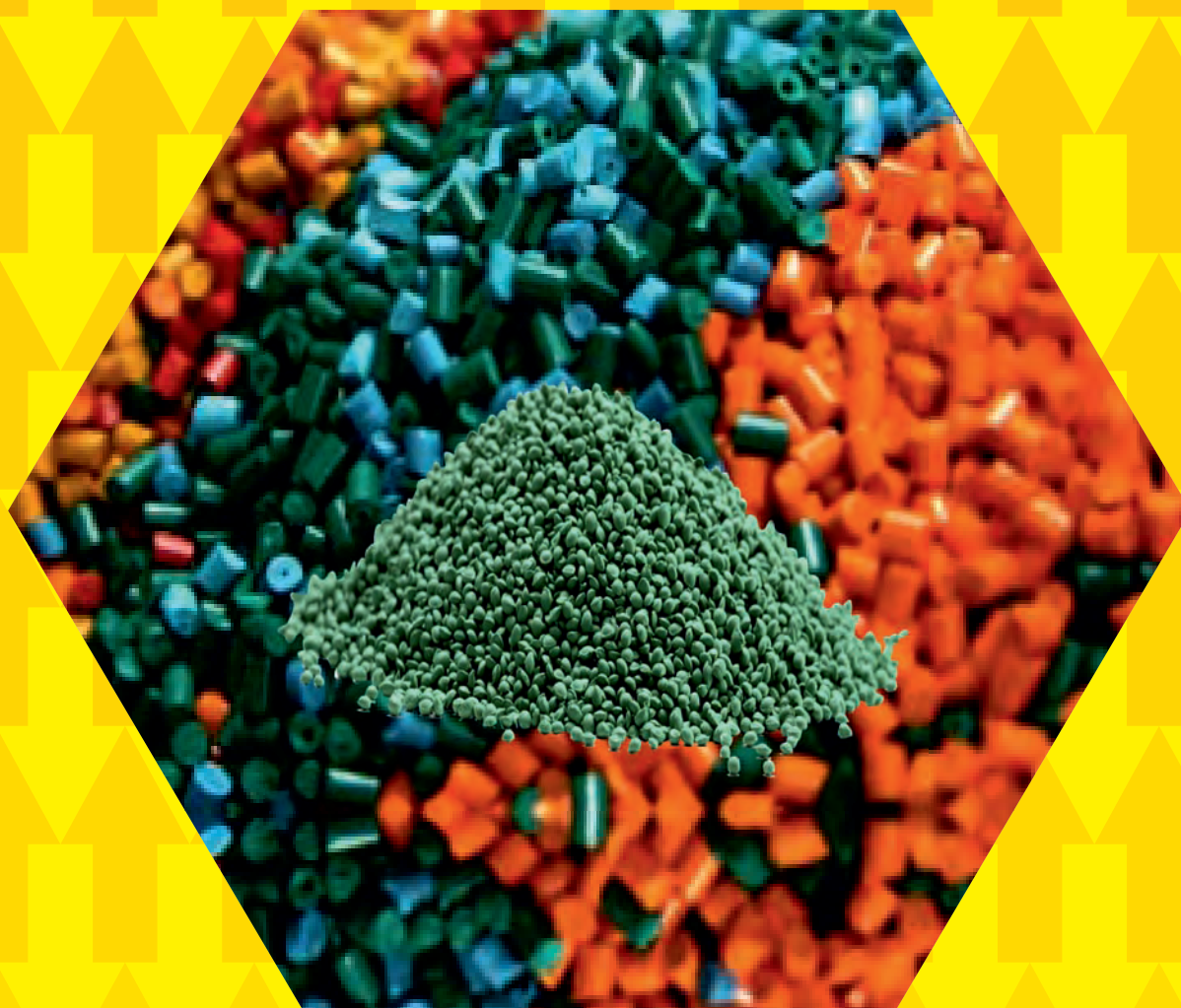


# **bhansali ENGINEERING polymers limited**

An ISO 9001:2008 Company



**29<sup>th</sup> Annual Report  
2012 - 2013**

# Content

1	Corporate Information	1- 4	6	Independent Auditors' Report	32-34
2	Notice	5-12	7	Balance Sheet	35
3	Directors' Report	13-17	8	Profit and Loss Account	36
4	Report on Corporate Governance	18-29	9	Cash Flow Statement	37
5	Management Discussion & Analysis Report	30-31	10	Notes, Schedules & Accounting Policies Forming Part of the Balance Sheet & Performance Highlights	38-51

## Board of Directors

**Mr. M. C. Gupta**  
Chairman

**Dr. B. S. Bhesania**  
Director

**Mr. B. M. Bhansali**  
Managing Director

**Mr. Jayesh B. Bhansali**  
Executive Director

**Mr. P. R. Bhansali**  
Director

### VP(Legal) and Company Secretary

Mr. D. N. Mishra

### AUDITORS

M/s B.L.Dasharda & Associates  
Chartered Accountants

### SOLICITORS

M/s Mulla & Mulla & Craigie Blunt & Caroe

### BANKERS

Allahabad Bank

### REGISTERED OFFICE

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

### REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West),  
Mumbai – 400 078.

### WORKS Satnoor

Bhansali Nagar,  
Taluka : Sausar,  
Dist.: Chhindwara, (M.P.)  
Pin - 480 108.

### Abu Road

Plot no.SP-138-143,  
Ambaji Industrial Area,  
Abu Road, Dist.: Sirohi, (Rajasthan)  
Pin - 307 026.

## MANAGEMENT TEAM

**Mr. B.M.Bhansali**  
Managing Director

**Mr. Jayesh B. Bhansali**  
Executive Director

**Mr. Kenji Asakawa**  
Executive Director (Technical)

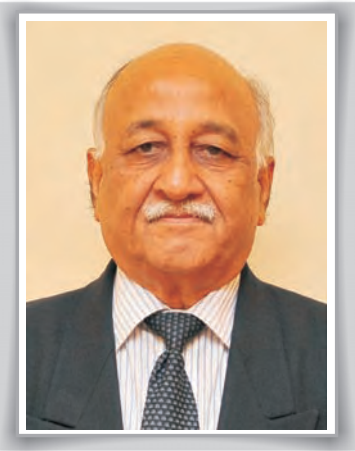
**Mr. Hitarth Vasavada**  
Vice President (Marketing)

**Mr. D.N. Mishra**  
VP (Legal) and Company Secretary



**Mr. B. M. Bhansali, Managing Director of Bhansali Engineering Polymers Limited (Right) and Mr. Akio Imai, President of Nippon A&L, Inc (Left) during signing of Joint Venture Agreement in Mumbai on 11<sup>th</sup> May 2013.**

Dear Shareholders,



I am once again inviting your kind attention to some of THE unique features of your company's past, present and FUTURE upholding the rich tradition which began A few years back. You will appreciate that your company's operations began in 1990 that's almost a quarter century ago. Lots of changes in the overall environment in which the company has been operating have influenced the history which resulted in your company gathering strength to withstand competition without compromising its basic beliefs and philosophy. The belief since very beginning has been that domestic ABS market will come of age in consonance with overall economic development of the country especially when it crosses GDP Growth rate over 8% p.a. This is because consistent GDP Growth rate over 8% gives adequate disposable income in the hands of consumers who then can invest in life style goods viz. automobiles, white goods and other home appliances-electronics/ telecommunications. Our anticipation that Indian economy post liberalization period (1990 onwards) will move towards high growth trajectory (over 8% GDP growth rate p.a.) during X<sup>th</sup> and XI<sup>th</sup> plan periods has been realised. It has been observed that consistent GDP Growth rate in China over 9 / 10 % p.a. boosted ABS demand in big way. Currently China consumes about 4 million tons of ABS p.a. out of the global consumption of 7.5 Million tons p.a. Growth of ABS Market in India, though growing @ 12 to 15 % CAGR and overall consumption in last 20 years has gone

from a small base of about 20 kilo tons p.a. to 150 kilo tons p.a. in 2012-2013. This is why there is a current imbalance between domestic supply and demand. Out of four domestic players, currently there are only two including ourselves, since other two manufacturers closed their factories and your company took them over. You may be wondering as to why your company did not so far expand the capacity to meet with current level of demand. The reasons are two fold (a) Growth of specialty grades ABS market in India has been sluggish in the past (b) To compete against cheaper imports of general purpose grade it requires to have low cost of manufacturing which is possible when you have global size plant of minimum 200 kilo tons p.a. and scaling up production to such a high level for general purpose ABS grades is fraught with huge risk, especially in the context of over all global ABS plant capacity utilization hovering around 70% for the last 2 / 3 years. Moreover due to WTO conditionality, the import tariff protection has not been adequate- currently @ 5%. Despite the other competitor being an MNC, capacity enhancement of their domestic facility has not been significant. Moreover, inspite of your company being ready in every respect to enhance plant capacity, it did not venture out to do so because it would have made little economic sense to invest for manufacturing low remunerative general purpose ABS Grades. Therefore, after careful thinking and many rounds of deliberations at all levels of management, it has been decided that your company should go for phased expansion, details whereof have been provided adequately in the text of Annual Report – Directors' Report, Management Discussion and Analysis Statements. I would therefore, refrain from dwelling on the details pertaining to the expansion plan. However, I must share my profound joy as your company is re-orienting its technology and marketing strategy to focus on high value added products which heralds a new beginning to optimize gain for the benefit of all stake holders. The re- engineered strategy on niche marketing was not earlier possible because most of the consuming segments specially automotive sector were looking for specialty grades. This requirement will now be fulfilled through the JV arrangement between your company and Nippon A&L Inc. of Japan. It would not be out of context to mention that we have been so far battling with indomitable courage though not fully armed with brand and technology at par with our competition. Now we look forward to a more assured position in the market.

The JV enables us to be on the level playing field. Moreover, entrepreneurial management of Bhansali Engineering Polymers Limited vis a vis corporate bureaucracy of the MNC gives certain advantages to your company to arrive at quick decisions and combat competition equally and squarely. This is because now we have the technology and the brand to present to our customers who will welcome with open arms our products and support us as we have been supporting them despite our limitations ever since we came into being. I fervently hope that on completion of 25<sup>th</sup> year of operations of your company, we will be able to greet you with excellent results. This is despite the fact that macro economic fundamentals with high level of fiscal and current account deficits may create certain impediments. Notwithstanding this, your company is geared to meet the formidable challenge because of the re-orientation of the entire value chain due to high tech grades of ABS, AES & ASA Resins with strong brand equity. This year being 150<sup>th</sup> birth centenary of Swami Vivekananda, I would like to quote his inspiring words which has high relevance in the context of your company having entered into a Joint Venture Agreement with a reputed Japanese company of international acclaim

**RISE, AWAKE AND STOP NOT, TILL YOU ACHIEVE YOUR GOAL.... EXPANSION IS LIFE AND CONTRACTION IS DEATH."**

Let us rededicate ourselves to the country and the people of India !

I sincerely thank you, dear shareholders for your strong positive support to the company in realizing its goals.

**M. C. Gupta**  
(Chairman)

*“We do not belong to past dawn  
We belong to the noon of future”*

*-Aurobindo*



With the changing macro economic dynamics, the formidable challenge before any enterprise is to maintain, if not widen, the differential between cost and price line. Therefore, the winning edge comes from innovative approach and paradigm shift from entrepreneurial management style to Management By Objectives (MBO). With good amount of exposure to the working of Bhansali Engineering Polymers Limited (BEPL) and nurturing by my father Mr. B. M. Bhansali, MD, it is my relentless endeavour to focus on creating a vibrant and professionally empowered management practices to establish MBO.

Floodgate of opportunity is open to generate global perception in BEPL's business practices through the Joint Venture Company recently established with Nippon A&L Inc, Japan. I feel that I will be able to make a difference to create most conducive and dynamic organizational atmosphere in BEPL to reap the benefits out of the cross border alliance (Joint Venture) for I believe that world is changing fast and it is new India that we live in due to changing demography of our country.

Sixty Five percent of the country's population is below 35, hence the growth can not be stopped. I believe that the future of this nation is in the hands of the youth who will contribute to make India as an economic super power house by blending growth with stability. Hopefully our company will be able to make some modest contribution towards actualization of grand dream of India becoming the third strongest economy of the world in next two / three decades.

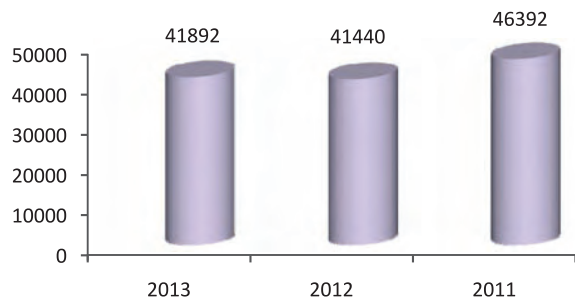
I solicit blessings from all stakeholders and associates of the company.

(Jayesh B. Bhansali)

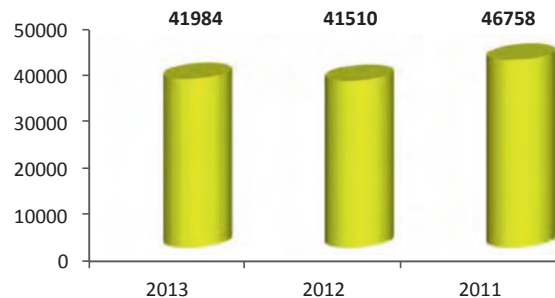


## Financial Highlights

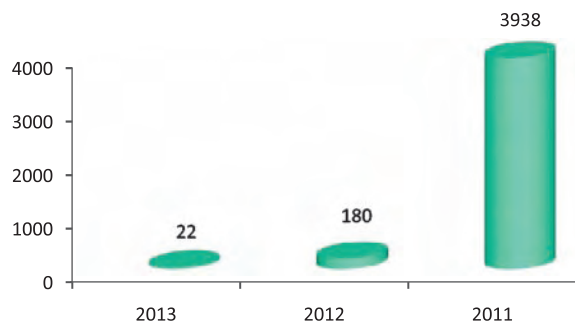
### Net Sales



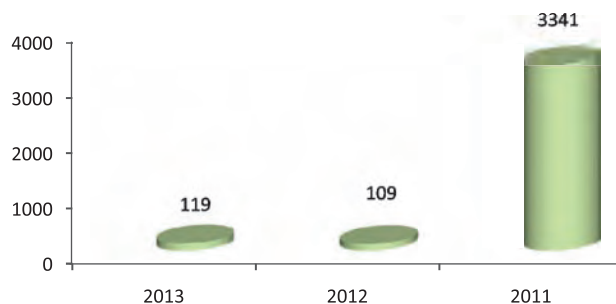
### Gross Earning



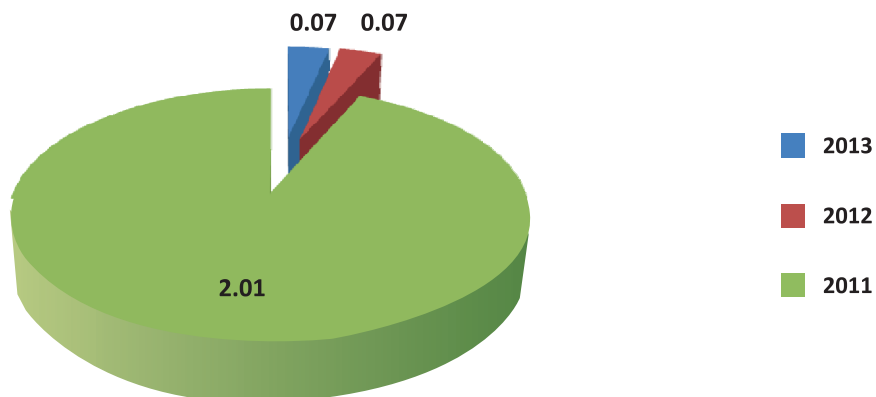
### Profit Before Tax



### Profit After Tax



### Earning Per Share ( Face Value ₹ 1/- per share)



## NOTICE

**NOTICE** is hereby given that the Twenty-Ninth Annual General Meeting of the Members of **Bhansali Engineering Polymers Limited** will be held on Saturday, 21<sup>st</sup> September, 2013 at 11.30 A.M. at Walchand Hirachand Hall, 4<sup>th</sup> Floor, Indian Merchants' Chamber, Veer Nariman Road, Churchgate, Mumbai-400020 to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of company as at 31<sup>st</sup> March, 2013, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and Reports of the Directors' and the Auditors' thereon.
2. To declare dividend on Equity Shares of the Company.
3. To appoint a Director in place of Mr. Jayesh B. Bhansali, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Dr. B. S. Bhesania, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s B. L. Dasharda & Associates, Chartered Accountants (F.R.No. 112615W), as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and 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, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to approval(s) of the Central Government and such other authorities and/or agencies as may be necessary in this regard, consent of the shareholders of the Company be and is hereby accorded to the re-appointment of Mr. B.M. Bhansali as Managing Director of the company for a period of three years i.e. from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2016 at a remuneration as stated hereunder and on such other terms and conditions as set out in the employment agreement entered into between the Company and Mr. B.M. Bhansali, subject to the limit specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendment(s) or modification(s) thereto:

<b>I) REMUNERATION:</b>	
(i) Salary	Rs. 2,05,000/- per month.
(ii) Perquisites & Allowances	<ol style="list-style-type: none"> <li>a) Free furnished accommodation, including gas and electricity, with caretaker staff or house rent allowance @ 60% of the Salary.</li> <li>b) Medical facilities for Mr. B. M. Bhansali and his family will be borne by the Company as per the Company's Rules.</li> <li>c) Leave Travel concession for Mr. B. M. Bhansali and his family once in a year in accordance with the Rules specified by the Company.</li> <li>d) Fees of clubs subject to a maximum of two clubs.</li> <li>e) Personal Accident Insurance Premium not exceeding Rs. 4,000/- per annum</li> <li>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. Babulal M Bhansali.</li> <li>g) Special Allowance of Rs. 8750/- per month in lieu of superannuation amount</li> <li>h) Contribution to Provident Fund as per Company's rule and Gratuity and Encashment of Leave at the end of the tenure.</li> </ol> <p>Subject to the total value of perquisites as specified in (b) to (f), not exceeding Rs. 22,000/- per month or Rs. 2,64,000/- per annum or any other special pay/allowance in lieu thereof.</p>



(iii) Ex - Gratia (in case of inadequate profit or no profit during any financial year during his tenure)	The amount of such Ex-Gratia being the difference between (1) the aggregate of remuneration receivable by the Managing Director for a particular financial year in accordance with the limits of Clause 1 (B) of Section II of Part II of Schedule XIII to the Companies Act, 1956 and (2) the aggregate of salary, perquisites and allowances as per clause (a) to (h) mentioned hereinabove received and / or receivable by him during such financial year.
(iv) Commission (in case of adequate profit during any financial year during his tenure)	The amount of such Commission being the difference between (1) 5% of net profit of the Company receivable by the Managing Director for a particular financial year in accordance with the limits of Section I of Part II of Schedule XIII to the Companies Act, 1956 and (2) the aggregate of salary, perquisites and allowances as mentioned in clause (a) to (h) and mentioned hereinabove received and/or receivable by him during such financial year.

**FURTHER RESOLVED THAT** in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to the Managing Director shall be governed by Clause 1(B) of Section II of Part II of Schedule XIII to the Companies Act, 1956 or any statutory modification thereof and the same shall be treated as the Minimum Remuneration payable to the said Managing Director for such financial year.

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to take all such actions and do all such things as may be required from time to time for giving effect to the above resolution and to deal with any matter pertaining to above."

**By Order of the Board**

**Place: Mumbai**  
**Dated: 26<sup>th</sup> May, 2013**

**(Dr. B. S. Bhesania)**  
**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 in duly authenticated manner, authorizing their representative 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, 14<sup>th</sup> day of September, 2013 to Saturday, 21<sup>st</sup> day of September, 2013 (both days inclusive).
6. The Dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 26<sup>th</sup> September, 2013 but within the statutory time limit of 30 days, to those members whose name appear on the Register of Members on 21<sup>st</sup> September, 2013 holding physical share certificates and in respect of those shareholders who hold shares in electronic form, dividend will be paid on the basis of beneficial ownership as on 20<sup>th</sup> September, 2013, 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 for previous 7 years are requested to contact the Registrar and Share Transfer Agent, 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. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of special business under item no. 6 is annexed hereto. The relevant material facts and the Statement of particulars of Directors seeking re-appointment, as required under Clause 49 of the Listing Agreement, are also annexed herewith.
9. Members desirous of obtaining any information concerning 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 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 21<sup>st</sup> 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, 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 are requested to notify immediately any change in their address/bank mandate to their respective Depository Participant (DP) in respect of their electronic share accounts quoting client ID No. and to the Company's Registrar & Share Transfer Agent, Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai- 400 078 in respect of their physical share(s) quoting Folio Nos.
13. Members/Proxies attending the meeting are requested to bring their copy of Annual Report with them at the meeting and deliver the enclosed duly signed attendance slip 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 this facility, may fill the prescribed Form No.2B and forward the same to Registrar & Share Transfer Agent of the Company, Link Intime India Private Limited.

The brief particulars of the Directors seeking appointment / re-appointment and other information as per Clause- 49 of the Listing Agreement with Stock Exchange(s) are provided hereinbelow pursuant to requirements of Clause 49 of the Listing Agreement:

Particulars	Mr. B.M.Bhansali	Mr. Jayesh B. Bhansali	Dr. B. S. Bhesania
<b>Date of Birth</b>	05.03.1954	25.07.1983	03.11.1933
<b>Date of appointment on Company's Board</b>	08.09.1984	24.06.2006	17.05.2003
<b>No. of Equity shares held as on 31/03/2013</b>	15722848	2167624	19940
<b>Qualifications and Experience</b>	Non- Matriculate	M.Com	B.Sc., L.L.M, Ph.D. (Law), Advocate Supreme Court of India, Solicitor High Court, Mumbai, Solicitor Supreme Court of England & Wales, Solicitor Supreme Court of Hong Kong and having very long and varied experience of legal matters.



<p><b>Expertise in specific functional areas</b></p>	<p>Mr. B. M. Bhansali has dealt in Steel Industry for about 15 years and thereafter he entered into the ABS manufacturing business since 1986 by way of setting up and running Bhansali Engineering Polymers Limited as the main Promoter and Managing Director. He is pivotal to the entire operations of the Company and has been successfully spearheading almost all the fields of activities of the Company including Finance, Administration, Production etc.</p>	<p>Mr. Jayesh B. Bhansali is associated with Company since 2006 and has acquired rich 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.</p>	<p>Dr. B.S. Bhesania is an eminent Solicitor of High Court, Mumbai. He is a Senior Partner of M/s Mulla &amp; Mulla, Craigie Blunt &amp; Caroe, one of the leading law firms of the country having international recognition.</p>
<p><b>List of other Companies in which the Directorship is held as on 31/03/2013</b></p>	<ul style="list-style-type: none"> <li>• Bentley Commercial Enterprises Limited</li> <li>• Speedage Commercials Limited</li> <li>• Sheraton Properties &amp; Finance Limited</li> <li>• Bhansali Industrial Investment &amp; Finance Private Limited</li> <li>• Bhansali Engineering Industries Private Limited</li> <li>• Bhansali Innovative Finance Private Limited</li> <li>• Bhansali International Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Bentley Commercial Enterprises Limited</li> <li>• Speedage Commercials Limited</li> <li>• Sheraton Properties &amp; Finance Limited</li> <li>• Bhansali Industrial Investment &amp; Finance Private Limited</li> <li>• Bhansali Engineering Industries Private Limited</li> <li>• Bhansali Innovative Finance Private Limited</li> <li>• Bhansali International Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Bombay Rayon Fashions Limited</li> </ul>
<p><b>Chairman / Member of the Committee of the Board of Directors of the other Companies in which he is a Director as on 31/03/2013</b></p>	<p>Nil</p>	<p>Nil</p>	<p>He is a member of Audit Committee and Remuneration Committee of Bombay Rayon Fashions Limited</p>

**By Order of the Board**

**Place: Mumbai**

**Dated: 26<sup>th</sup> May, 2013.**

**(Dr. B. S. Bhesania)**

**Director**

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

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

Mr. Babulal M. Bhansali was appointed as Managing Director of the Company for a period of 3 years with effect from 1<sup>st</sup> April, 2010. Thus his employment term expired on 31<sup>st</sup> March, 2013.

Mr. Babulal M. Bhansali has voluntarily agreed to work for company at the same level of salary, perquisites and allowances etc., which he had been drawing during his last tenure, viz. Rs. 46,00,200/- per annum but not exceeding Rs. 48,00,000/- per annum pursuant to Clause 1 (B) of Part II (Section II) of Schedule XIII of the Companies Act, 1956 excluding the commission, in case of adequate profits, as agreed mutually.

The matter of his re-appointment was placed before the Remuneration Committee and post their recommendation, the Board of Directors in their meeting held on 14<sup>th</sup> February, 2013 approved the recommendation for re-appointment of Mr. B. M. Bhansali as the Managing Director of the Company for a period of 3 years i.e. from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2016 for a total remuneration of Rs. 46,00,200/- (Rupees Forty Six Lacs and Two Hundred Only) per annum (but not exceeding Rs. 48,00,000/- per annum) comprising of Fixed and Flexible Components of salary and other perquisites, if any, as per the rules of company and as agreed mutually, subject to approval of members in the ensuing Annual General Meeting of the Company. The members are informed that the proposed remuneration of Mr. B. M. 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 coupled with the terms and conditions as mentioned in his employment agreement.

Accordingly the approval of members of Company is hereby sought for re-appointment of Mr. B. M. Bhansali as stated herein above.

The Board of Directors recommend for passing of the above special resolution.

None of the Directors of Company except Mr. B. M. Bhansali and his son Mr. Jayesh B. Bhansali, Executive Director of Company, is concerned or interested in this resolution.

**THE REQUIRED DISCLOSURES AS PER CLAUSE 1 (B) OF PART II (SECTION II) OF SCHEDULE XIII OF COMPANIES ACT, 1956 ARE STATED HEREINBELOW:****I General Information**

(1)	Nature of Industry	:	Manufacturing of ABS and SAN Resins
(2)	Date or expected date of commencement of commercial production.	:	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 2012-2013 based on given indicators	:	Particulars
			Amount (₹ In Lacs)
			1. Sales Turnover
			46777.05
			2. Profit Before Tax
			21.67
			3. Profit After Tax
			118.54
			4. Gross Block
			32998.30
			5. Net Block
			14268.38
			6. Paid-up Capital
			1659.06
			7. Reserves & Surplus
			18413.23
(5)	Export performance and net foreign exchange collaborations	:	Export Sales Foreign Exchange Collaborations
			1811.83 NIL
(6)	Foreign investments or Collaborators, If any	:	NIL

**II Information about the Appointee:**

(1)	Background details	:	<p>Mr. B. M. Bhansali was appointed as the Managing Director of Company for a period of three years with effect from 1<sup>st</sup> April, 2010. His tenure expired on 31<sup>st</sup> March, 2013. He is a first generation entrepreneur to establish the company. He has the credit of making two remarkable takeovers of the ABS division of the then competitors of the company viz. M/s Polychem Limited in the year 2000 (belonging to Kilachand Group) and M/s Rajasthan Polymers &amp; Resins Limited (belonging to Thapar Group) in the year 2003. He has also envisioned expansion of the production capacity of company from existing 51000 TPA (Tonne Per annum) to 125000 TPA in due course.</p> <p>In addition to above, Mr. B.M. Bhansali through his sustained and untiring efforts, recently accomplished the execution of Joint Venture agreement with Nippon A&amp;L, Inc, Japan (jointly owned by the globally renowned giants M/s Sumitomo Chemical Co. Ltd and M/s Mitsui Chemicals, Inc) so that the Company may reap rich benefits of their Technical know how, recipes and compounds, R&amp;D, Sales Support, International Brand, New application development etc. and it can penetrate in the market of high end polymers of automotive industries and may increase its market share and overall performance. The said JV agreement with Nippon A&amp;L Inc. has been executed on 11<sup>th</sup> May, 2013 in Mumbai and is likely to contribute in the fortunes of company in long run. Mr. B. M. Bhansali made his singular contribution in the operational sphere of company and achieved the objective of enhancing the Production capacity of company from 7500 TPA to 51000 TPA.</p>
(2)	Past Remuneration	:	Total remuneration of Rs. 46,00,200/- per annum including fixed and flexible components.
(3)	Recognition or Awards	:	Mr. B. M. Bhansali has been awarded (i) "Udyog Rattan Award" from Institute of Economic Studies, (ii) "Indian Achievers Award for Quality Excellence" from All India Achievers Foundation and (iii) "International Achievers award for business excellence" from International Achievers Conference.
(4)	Job Profile and his suitability	:	Mr. B.M. Bhansali is at the Centre stage of all the operations of company since last 27 years and has acquired rich experience and success in ABS Industry. He has proven himself by keeping the company in consistent growth trajectory. He made two remarkable takeovers of the then competitors of company which enabled it to increase its market share. He also made his sustained and singular effort for expanding the production capacity of company from 7500 TPA to 51000 TPA and these all have contributed significantly in the overall performance of company.

(5)	Remuneration proposed	:	Total remuneration of Rs. 46,00,200/- per annum comprising of fixed and flexible components of Salary and other perquisites, if any, as per the rules of the company, not exceeding Rs. 48,00,000/- per annum at any point of time and commission, in case of adequate profits pursuant to schedule XIII to the Companies Act, 1956, being the difference between of (1) 5% of net profit of the Company receivable by the Managing Director for a particular financial year in accordance with the limits of Section I of Part II of Schedule XIII to the Companies Act, 1956 and (2) the aggregate of salary, perquisites and allowances received and / or receivable by him during such financial year.
(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.e.f. the country of his origin).	:	Styrolution ABS (India) Ltd. is the only one competitor of the Company in India and its Managing Director has drawn a salary of Rs. 1.80 Crore apart from other variable pay, perquisites and allowances etc during the F.Y. 2011-2012 as per its Audited Annual Report which when compared with the proposed salary of Mr. B. M. Bhansali, is higher by about 3.9 times. Hence the proposed salary of Mr. B. M. Bhansali is well justified and reasonable.
(7)	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.	:	Mr. B. M. Bhansali is the father of Mr. Jayesh B. Bhansali, Executive Director of the Company.

### III Other Information:

(1)	Reasons of loss or Inadequate profits	:	The Company's Profit for the F.Y. 2012-2013 has been inadequate basically due to unprecedented volatility in dollar exchange prices against the Indian rupee and high input cost etc.
(2)	Steps taken or proposed to be taken for improvement	:	The company has taken following major steps for the improvement of its performance (i) Proposed expansion in the production capacity of company from existing 51000 TPA to 125000 TPA in due course for which the blue print is already finalized and M/s Aker Powergas has been appointed for extending their engineering and technical support. (ii) The Company has entered into Joint Venture Agreement with Nippon A&L, Inc, Japan (jointly owned by the globally renowned giants M/s Sumitomo Chemical Co. Ltd and M/s Mitsui Chemicals, Inc) on 11.05.2013 so that the company may reap rich benefits from their Technical know how, recipe and compounds, R&D and Sales Support, International Brand, New application developments etc. and can penetrate in the market of high end polymers to meet out the demands of automotive industries and may increase its market share and overall performance etc.



(3)	Expected increase in productivity and profits in measurable terms.	:	The proposed expansion, when materialized, will increase the production capacity of company upto 125000 TPA and will enable the company to penetrate in the market of high end polymers to meet out the demands of automotive industries and may increase its market share and overall performance etc.
-----	--	---	---

**IV Disclosures:**

- (1) Apart from Mr. B. M. Bhansali the only other managerial person of Company is, Mr. Jayesh B. Bhansali, Executive Director, who received remuneration of Rs. 34.45 Lacs during Financial Year 2012-2013.
- (2) The other required disclosures have been given in the "Corporate Governance" Report, attached to this Annual Report.

The Employment Agreement referred to in the resolution under Item No. 6 of the Notice will remain open for inspection by the members at the Registered Office of the Company on all working days between 2.00 p.m. and 4.00 p.m. up to the date of Annual General Meeting.

The Board recommends the resolution for approval of members.

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

**By Order of the Board**

**Place: Mumbai**  
**Dated: 26th May, 2013**

**(Dr. B. S. Bhesania)**  
**Director**

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 Ninth Annual Report on the business and operations of Company together with the Audited Statement of accounts for the year ended on 31<sup>st</sup> March 2013.

### **FINANCIAL AND OPERATIONAL RESULTS:**

Financial and Operational Results of company for the year ended on 31<sup>st</sup> March 2013 are as mentioned hereunder:

(₹ in Lacs)

	<b>Current Financial Year 31.03.2013</b>	<b>Previous Financial Year 31.03.2012</b>
Gross Sales	46777.05	45650.79
Profit before Interest and Depreciation	1583.82	2093.10
Less: (i) Finance Cost	1125.73	1342.80
(ii) Depreciation (Net)	436.42	570.29
Profit before Tax	21.67	180.01
Provision for Taxation including Deferred Tax	96.87	(71.18)
Profit after Tax	118.54	108.83
Amount proposed to be utilized out of Accumulated Reserves of company for distribution of Dividend	74.28	83.99

### **APPROPRIATIONS:**

Dividend	165.91	165.91
Dividend Tax	26.91	26.91
Transfer to General Reserve	0.00	0.00

### **OPERATIONS AND FUTURE PLAN:**

#### **OPERATIONS:**

During the year under review, the performance of your company was severely affected by two major factors viz. High Input Cost of Raw Material and upsurge in the Dollar exchange rates against rupee. Moreover Styrene Monomer which is a major raw material continues to be imported as there is no indigenous manufacturer so far. Price of Styrene monomer wildly fluctuated in the year under review. Despite prudent procurement policy pursued by the management, the cost could not be controlled nor the sales price increase could fully absorb the same. Foreign Exchange loss during the year under review was lower at ₹ 12.52 Crore against ₹ 13.06 Crore in the previous year. This was despite the fact that foreign exchange out-flow per unit volume increased by around 14% but due to relatively lower volume of import, loss could be pegged at the aforesaid level.

In the wake of such formidable challenge, due to pragmatic business policy, it was possible to arrest the substantial erosion of contribution which declined marginally by ₹ 1.06 per Kg.

Furthermore, due to prudent financial planning and stringent cost control measures adopted by your company, decrease in overall financial cost by around 16.00 % when compared to previous year, was possible.

#### **FUTURE PLAN:**

Although your company had already formulated three years back the expansion plan for augmenting its production capacity from existing 51 KTPA to 125KTPA, this could not be implemented due to uncertain business environment. To survive in competition against the competitor, a MNC Company, engaged in domestic market, for manufacturing and marketing of ABS with large resource base and enjoying high brand equity for their products, is no less an achievement for your company. Last two years financial results vindicate this phenomenal, hence earnings in the Financial Years 2011-2012 and 2012-2013 was relatively lower in comparison to F.Y. 2010-2011. Your company is relentlessly endeavoring to formulate appropriate business strategy to combat this adverse situation. Hopefully, it will succeed in finding appropriate solution in the F.Y. 2013-2014 so as to embark upon the capacity expansion plan and optimize earning level.

#### **DIVIDEND:**

Your Directors have recommended a dividend of 10% on the nominal value of the paid-up share capital of Company consisting of 16,59,05,640 equity shares of ₹ 1/- each for the year ended 31<sup>st</sup> March 2013 (viz dividend



of ten paise per equity share). The aforesaid dividend, if approved by members, will be distributed out of the Net Profit and accumulated reserves of company to the extent required.

## **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 programs 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 (F.R.No. 112615W), 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, Chartered Accountants, as Statutory Auditors of company for the current year as set out in accompanying notice of the Annual General Meeting.

## **AUDITORS' REPORT:**

The observations made by the Auditors in their Report read with the relevant notes as given in the Notes to the Financial Statement for the year ended 31<sup>st</sup> March, 2013 are self explanatory and being devoid of any reservation, qualification or adverse remarks, does not call for any further information/explanation under Section 217(3) of the Companies Act, 1956.

## **COST AUDITORS:**

The Board has re-appointed M/s. Joshi Apte & Associates, ICWA, Pune as Cost Auditors of the company for conducting its cost audit for F.Y. 2013-2014.

## **DIRECTORS:**

Mr. Jayesh B. Bhansali and Dr. B. S. Bhesania, Directors of the Company will retire by rotation at the ensuing Annual General Meeting of the Company and are eligible for re-appointment.

Approval of shareholders is also being sought for re-appointment of Mr. B. M. Bhansali as Managing Director for a period of three years w.e.f 1<sup>st</sup> April, 2013 at the ensuing Annual General Meeting.

A brief profile of Mr. B.M.Bhansali, Mr. Jayesh B. Bhansali and Dr.B.S.Bhesania,pursuant to the requirements of Clause 49 of the Listing Agreement with the Stock Exchange(s) is annexed with the notice of Annual General Meeting and forms part of this Annual Report.

## **COMMITTEES OF DIRECTORS:**

The Nomenclature of Existing Investor Grievance Cum Share Transfer Committee has been changed to Shareholders / Investors Grievance Committee w.e.f 14.02.2013 pursuant to the requirement of Clause 49(IV)(G) (III) of Listing Agreement

## **GREEN INITIATIVES IN CORPORATE GOVERNANCE:**

The Ministry of Corporate Affairs, Government of India, has permitted companies to send electronic copies of Annual Reports, 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 shareholder(s) would like to receive physical copies of Annual Report, the same shall be forwarded to member(s) on their written request to the company at its Registered Office.

The company's policy to protect environment lays great emphasis on implementation of strict pollution control measures and maintenance of green belts requiring cyclic afforestation. In the year under review activity of new plantation in the green belt was intensified. Besides this, conscious efforts have been directed to make the operations less dependent on usage of paper. In this connection, placement of order on suppliers and execution of documents for effecting supply to the customers are being carried out through electronic medium.

## **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:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures / deviations have been observed;
- (ii) 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 31<sup>st</sup> March, 2013 and of the profit of the Company for that year;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts for the year ended 31<sup>st</sup> March, 2013 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 Annual Report.

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 Annual Report.

Certificate issued by Managing Director and Executive Director of company with regard to certification on Financial Statements of the company is also annexed vide Annexure - D and forms integral part of this Annual 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 – E and forms an integral part of this Annual Report.

**PARTICULARS OF EMPLOYEES:**

During the year ended 31<sup>st</sup> March, 2013, 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 regard.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Management Discussion and Analysis Report on the operations of company is annexed hereto vide Annexure – F 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 all spheres of the operations of Company.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**M.C. GUPTA  
CHAIRMAN**

**PLACE: MUMBAI**

**DATED: 26<sup>TH</sup> MAY, 2013**



**ANNEXURE-A**

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

**FORM – A  
(See Rule – 2)**

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

**A) Conservation of Energy:**

Following measures have been taken during the year for power and fuel conservation

**(i) Power conservation measures::**

- (a) Reduced overall power consumption by Optimizing plant shutdowns and by operation at higher throughput rate in both the plants.
- (b) Installed energy efficient VFD control system to motors to reduce power consumption.
- (c) Auto loading/unloading to more compressors was applied resulting in synchronising the operations and reduced runtime of individual compressors and hence energy saving.
- (d) Low efficient lighting facilities was replaced with energy efficient lighting facilities resulting in energy saving.
- (e) Old and low efficient air conditioners were replaced resulting in energy saving.
- (f) Continuous running mode for pumps was changed to ON-OFF operation mode by providing suitable sensors resulting in reduction in running hours and thereby energy saving
- (g) Further improvement in power factor was achieved by installing auto-control system and Improved design of capacitor banks.

**(ii) Fuel conservation measures:**

- (a) Proper scheduling of plant shutdown and higher rate of throughput reduced steam consumption
- (b) Fuel consumption reduced by reduced utilization of DGs for motors outside plant premises and increased utilization of power supplied by state authority by installing voltage stabilizer.
- (c) Continued Work to maintain steam trap condition to reduce steam losses.
- (d) Minimized steam passing problem for automatic or manual valves to increase overall efficiency and fuel conservation (Coal)s.

**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	<b>20979.21</b>
Total foreign exchange earned (FOB Value)	<b>1811.83</b>

<b>Year Ended</b>	<b>Year Ended</b>
<b>31.03.2013</b>	<b>31.03.2012</b>

**A. Power and Fuel Consumption:**

1) Electricity		
a) Purchased:		
Units (KWH) in lacs	201.03	208.02
Total Amount (₹ in lacs)	1122.69	1069.59
Rate per KWH (₹)	5.58	5.14
b) Own Generation:		
Through Diesel Generator		
Units (KWH) in lacs	3.23	2.17
Unit per litre of diesel oil	3.12	2.99
Cost per unit (₹)	13.34	13.73
2) Coal used in Boiler:		
Quantity (MT)	5613.00	5838.00
Total cost (₹ in lacs)	214.09	193.78
Rate per MT (₹)	3814.00	3319.00
3) <b>HSD and FO</b>		
Used in SAN PLANT		
Quantity (Ltrs.)	1061567	1075826
Total Amount (₹ in lacs)	421.02	395.79
Average Rate (per Ltr.)	39.66	36.79
<b>B. Consumption per Unit of Production:</b>		
Electricity (KWH/MT of		
ABS & SAN Resins)	645.58	606.57
Coal (MT/MT)	0.18	0.17
L.D.O./FO		
(Ltrs./MT of SAN Resins)	43.76	41.14

**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) Developments of :

- a) Paintable grades
- b) High heat and super high heat resistant grades
- c) Weather resistant grades
- d) Alloys
- e) New high toughness grades
- f) Chemical resistant SAN grades

(ii) New flocculation recipe was developed to improve colour and to reduce input raw-material consumption.

**2. 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 comply with the principles of Corporate Governance and continues to practice the same in its business practices. The Company believes that proper Corporate Governance generates goodwill and trust among the stakeholders of company viz. business partners, customers and investors and facilitates effective management and control of business and generates optimum 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 out of two remaining directors one is Managing Director and another is Whole Time Director designated as Executive Director. The Chairman of the Board is a Non Executive Independent Director. All the members of the Board are competent and have the expertise in their respective disciplines to deal with the management functions of the company.

The composition of the Board of Directors, category and details of other Directorships and Membership / Chairmanship of Committees of the respective directors as on 31<sup>st</sup> March, 2013 are as under:

Sr. No	Name of Directors	Category	Number of other Companies		
			Directorship(s)	Committee Member Ship(s)	Committee Chairman ship(s)
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:**

- a. The above Directorships exclude the Directorships held in Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956.
- b. The above Committees of Directors include the Audit Committee and Shareholders/Investors Grievance Committee only.
- c. Mr. B.M. Bhansali is father of Mr. Jayesh B. Bhansali and cousin of Mr. P. R. Bhansali and non executive Directors are Independent to each other.

**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 2012-2013, 5 Board Meetings were held i.e. on 29<sup>th</sup> May, 2012, 12<sup>th</sup> August, 2012, 22<sup>nd</sup> September, 2012, 26<sup>th</sup> October, 2012 and 14<sup>th</sup> February, 2013. The Twenty Eighth Annual General Meeting of the Shareholders of the Company was held on 22<sup>nd</sup> September, 2012, however, the same was adjourned for holding on 23<sup>rd</sup> September, 2012 for voting by Poll.

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 22.09.2012
1	Mr. M. C .Gupta	5	5	Yes
2	Mr. B. M. Bhansali	5	5	Yes
3	Mr. P. R. Bhansali	5	3	No
4	Dr. B.S. Bhesania	5	5	Yes
5	Mr. Jayesh B. Bhansali	5	5	Yes

**(C) Details of Remuneration paid to the Directors during the year ended 31<sup>st</sup> March 2013:**

**(i) Non – Managerial Persons:**

The Non-executive Directors of the Company are paid sitting fees of Rs. 10,000/- for attending each meeting of the Board of Directors and Committees thereof viz. Audit Committee and Remuneration Committee etc. as given below and apart from it no other payments have been made to Non-Executive Directors:

(₹ in lacs)

Sr. No.	Name of the Directors	Sitting fees Paid for Board and Committee Meetings (including TDS)
1.	Mr. M. C. Gupta	0.95
2.	Mr. P. R. Bhansali	0.40
3.	Dr. B. S. Bhesania	0.95

**(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 0.31 Special Allowances 3.38 Total Earning (in Lacs) 46.00	Basic 17.97 HRA 8.01 PF 2.16 Superannuation 2.69 Other Allowances and Arrears 3.62 Total Earning (in Lacs) 34.45
2.	Details of fixed component and performance linked incentives alongwith the performance criteria	5 % Commission on Net Profit of the Company in case of adequate profit as per Schedule XIII to Companies Act, 1956. The commission will include his salary drawn from company during the relevant Financial Year. Fixed component of salary is ₹ 46,00,200/- per annum.	N.A.



Sr. No.	Components	Mr. B. M. Bhansali (Managing Director)	Mr. Jayesh B. Bhansali (Executive Director)
3.	Service Contracts, notice period, severance fees.	Service Contract - 1 <sup>st</sup> April, 2013 to 31 <sup>st</sup> March, 2016. Notice Period – NIL Severance Fees - NIL	Service Contract - 23 <sup>rd</sup> June, 2012 to 22 <sup>nd</sup> June, 2015. 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 31<sup>st</sup> March 2013 is under:**

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	19940

**(D) Committees of the Board:**

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

- (i) Audit Committee
- (ii) Shareholders'/Investors Grievance Committee
- (iii) 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	Promoter and Managing 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 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 main terms of reference of Audit Committee is as hereunder;

**Terms of Reference:**

The functioning and terms of reference of the Audit Committee including the role, powers and duties, quorum for meetings and frequency of meetings, have been devised keeping in view the requirements of Section 292A of the Companies Act, 1956 and the Listing Agreement with the Stock Exchanges. The terms of reference of the Audit Committee include:

1. Oversight in the Company's financial reporting and its disclosure
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

3. Approval of payment to statutory auditors for their any other services rendered to the company.
4. Reviewing, with the management, the Annual Financial Statements and Quarterly Financial Statements before submission to the Board for approval.
5. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
6. Discussion with internal auditors on any significant findings and follow up thereon.
7. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
8. Discussion with statutory auditors about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
9. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
10. The Audit Committee mandatorily reviews the following information:
  - (a) Management discussion and analysis of financial condition and results of operations;
  - (b) Statement of significant related party transactions submitted by management;
  - (c) Management letters / letters of internal control weaknesses issued by the statutory auditors, if any;
  - (d) Internal audit reports relating to internal control weaknesses; and
  - (e) Reviewing the appointment, removal and terms of remuneration of the Chief internal auditor / internal auditors.

The other 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.

Mr. D. N. Mishra, VP (Legal) & Company Secretary, functions as secretary to Audit Committee.

During the year under review, four meetings of the Audit Committee were held i.e. 29<sup>th</sup> May, 2012, 12<sup>th</sup> August, 2012, 26<sup>th</sup> October, 2012 and 14<sup>th</sup> February, 2013. 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	4
2	Mr. P. R. Bhansali	4	3
3	Dr. B. S. Bhesania	4	4
4	Mr. B. M. Bhansali	4	4

**(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, VP (Legal) & 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 so as to recruit and retain suitable individual(s) 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 Remuneration Committee and the Board of Directors and Shareholders of the Company, which covers terms of such appointments, read 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, two meetings of the Remuneration Committee were held i.e on 29<sup>th</sup> May, 2012 and 14<sup>th</sup> February, 2013 which were attended by the members as hereunder:

Sr. No.	Name of the Directors	No. of Meetings held	No. of Meetings Attended
1	Mr. M. C. Gupta	2	2
2	Mr. P. R. Bhansali	2	0
3	Dr. B. S. Bhesania	2	2

**(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	Non Executive and Managing Director

Dr. B. S. Bhesania is the Chairman of the Shareholders/Investors Grievance Committee. The Committee is authorized to look into share transfer matters, review & record shareholders grievances, if any, and monitor the work of the Registrar and Share Transfer Agents with regard to the Authorisation activities given to them for various transfer of shares, and issue of duplicate share certificate etc. The Members of Shareholders/Investors Grievance Committee met 4 times during the year under review i.e. 16<sup>th</sup> April, 2012, 16<sup>th</sup> July, 2012, 23<sup>rd</sup> October, 2012 and 24<sup>th</sup> January, 2013.

Mr. D. N. Mishra, VP (Legal) & Company Secretary, functions as secretary to Shareholders/Investors Grievance Committee.

During the year under review, the Company had received 49 Investors' Grievances and all of these have been resolved. No grievances are pending as at 31<sup>st</sup> March, 2013.

**(E) General Body Meetings:**

Details of last three Annual General Meetings are given hereunder:

AGM	For the year	Venue	Date	Time
*28 <sup>th</sup>	2011-12	Walchand Hirachand Hall Indian Merchants' Chamber Veer Nariman Road, Churchgate, Mumbai- 400 020	22.09.2012	11.00 A.M
27 <sup>th</sup>	2010-11	-do-	30.09.2011	11.45 A.M
26 <sup>th</sup>	2009-10	-do-	27.07.2010	11.30 A.M

\* The aforesaid 28<sup>th</sup> Annual General Meeting (AGM) of Company was adjourned to hold on 23<sup>rd</sup> September, 2012 at 11.00 A.M. at Bhansali House, A-5, Off Veera Desai Road, Andheri (W), Mumbai - 400 053 for conducting voting by Poll on all the six resolutions contained in the AGM Notice.

**Special Resolution:**

At the 26<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> July, 2010 the following Resolution was passed by the shareholders as a special resolution:

- 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 27<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2011.

At the 28<sup>th</sup> Annual General Meeting held on 22<sup>nd</sup> September, 2012 which was adjourned to 23<sup>rd</sup> day of September, 2012, the following Resolution was passed by the shareholders as a special resolution:

- Appointment of Mr. Jayesh B. Bhansali as the Whole-time Director, designated as Executive Director of the Company.

**Resolution by Postal ballot :**

No Resolution has been passed through Postal Ballot Process during the year 2011-2012 and 2012-2013.

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

Pursuant to the provisions of Sections 255 and 256 of the Companies Act, 1956, Mr. Jayesh B. Bhansali, Executive Director and Dr. B. S. Bhesania, Non-Executive Director of the Company, are due to retire by rotation at the ensuing Annual General Meeting and offer themselves for re-appointment. A brief profile of both the Directors has been provided along with Notice of the ensuing Annual General Meeting.

**(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. 26 to the Financial Statement in 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/period.

**(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 Clause of Listing Agreement. The Company has not implemented the non-mandatory requirements enlisted by way of annexure to Clause 49 of the listing agreement excepting 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) and Navshakti Marathi (Mumbai). These results were also placed on the Company's website [www.bhansaliabs.com](http://www.bhansaliabs.com)
- (ii) No presentations were made to the institutional investors or to analysts during the Financial Year 2012-13.
- (iii) The Management Discussion and Analysis Report is separately attached and forms integral part of this Annual Report.



**(I) Certificate on Corporate Governance :**

As required by Clause 49 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 of the Listing Agreement, the CEO i.e. the Managing Director's certification for compliance with code of conduct is attached as an annexure 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, 21 <sup>st</sup> day of September, 2013 at 11:30 A.M
Venue	Walachand Hirachand Hall, 4 <sup>th</sup> Floor, Indian Merchants' Chamber, Veer Nariman Road, Churchgate, Mumbai- 400 020.

**(ii) Financial Calendar:**

Calendar of events for the year ending 31<sup>st</sup> March 2014:  
(Tentative and subject to change)

Un-audited Financial Results for the quarter ending 30 <sup>th</sup> June 2013 together with the Limited Review Report.	By 14 <sup>th</sup> August 2013
Un-audited Financial Results for the quarter ending 30 <sup>th</sup> September 2013 together with the Limited Review Report.	By 14 <sup>th</sup> November 2013
Un-audited Financial Results for the quarter ending 31 <sup>st</sup> December 2013 together with the Limited Review Report.	By 14 <sup>th</sup> February 2014
Audited Financial Results for the year ending 31 <sup>st</sup> March 2014 together with the Auditors' Report thereon.	By 30 <sup>th</sup> May 2014
Annual General Meeting for the year ending 31 <sup>st</sup> March 2014.	By 30 <sup>th</sup> September 2014

**(iii) Date of Book Closure:**

The Company's Register of Members and Share Transfer Books shall remain closed from Saturday, 14<sup>th</sup> day of September, 2013 to Saturday, 21<sup>st</sup> day of September 2013 (both days inclusive).

**(iv) Payment of Dividend:**

The Directors recommend a final dividend of 10% on the nominal value of the Paid up equity share capital of Company consisted of 16,59,05,640 equity shares of ₹ 1/- each viz. Dividend of ten paise per equity share. The said dividend if approved in the Annual General Meeting will be paid on Thursday, 26<sup>th</sup> day of September, 2013 onwards 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 20<sup>th</sup> October, 2013 (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 Board of Directors of the Company is empowered to approve transfer of shares and other investor related matters. Grievances received from investors and other miscellaneous correspondence on change of address, mandates etc. are processed by the Registrar & Share Transfer Agents within 15 days.

Total number of shares transferred in physical form during the year 1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2013.

Number of Transfer Deeds	28
Number of Shares Transferred	34000

**(vi) Investor Services - queries/complaints during the year ended 31<sup>st</sup> March 2013:**

The correspondence identified as Investor complaints are letters received from Shareholder(s) and / or through statutory/regulatory bodies in relation to their shareholding in company including loss of



shares, court / consumer forum matters and also 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 1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2013 are as under:

Total no. of complaints received	49
Total no. of complaints attended	49

No complaint 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:

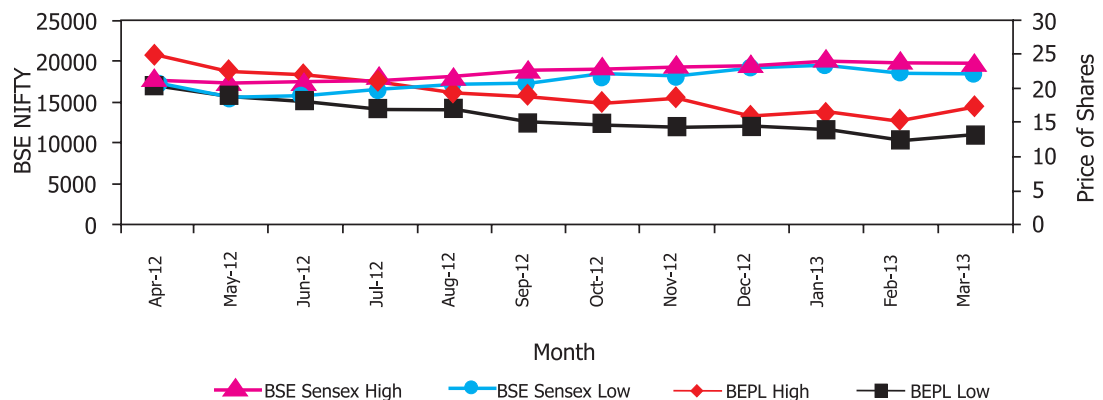
Sr. No.	Name of the Stock Exchange	Stock Codes
1.	Bombay Stock Exchange Limited (BSE)	500052
2.	National Stock Exchange of India Limited (NSE)	BEPL-EQ

The Listing Fees for the Stock Exchanges, where the Company's equity shares are listed have been paid.

**(viii) Monthly high and low Market Prices and Volumes of Equity shares of Bhansali Engineering Polymers Ltd. transacted at BSE for the F.Y. ended March 31, 2013:**

Month	As per BSE Quote		Volume (in no. of shares)
	High (Rs.)	Low (Rs.)	
April – 2012	25.00	20.25	66079
May – 2012	22.70	19.10	34385
June – 2012	22.00	18.10	16681
July – 2012	21.00	17.05	453350
August – 2012	19.50	16.95	50064
September – 2012	18.95	15.00	40106
October – 2012	18.00	14.90	209565
November – 2012	18.70	14.30	43684
December – 2012	16.00	14.45	144292
January – 2013	16.50	14.00	17206
February – 2013	15.25	12.50	89801
March – 2013	17.20	13.15	72836

Monthly High-Low Share Price / BSE Sensex

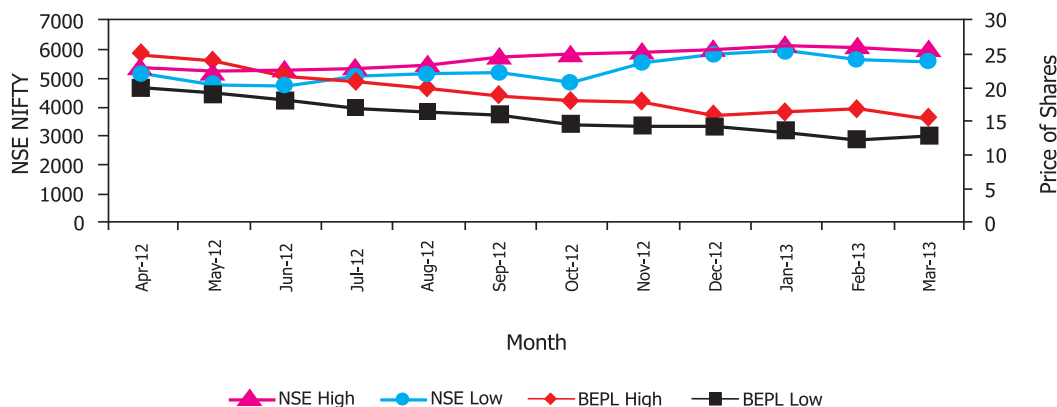




**(ix) Monthly high and low Market Prices and Volumes of Equity shares of Bhansali Engineering Polymers Ltd. transacted at NSE for the F.Y. ended March 31, 2013:**

Month	As per NSE Quote		Volume (in no. of shares)
	High (Rs.)	Low (Rs.)	
April – 2012	25.00	20.00	1623140
May – 2012	24.00	19.20	1287382
June – 2012	21.90	18.20	374601
July – 2012	20.95	17.10	233451
August – 2012	20.00	16.50	46552
September – 2012	18.90	16.10	288493
October – 2012	18.15	14.75	134755
November – 2012	18.00	14.50	574134
December – 2012	16.10	14.40	368055
January – 2013	16.45	13.80	42518
February – 2013	16.85	12.50	1057965
March – 2013	15.60	13.00	1059331

**Monthly High-Low Share Price / NSE Nifty**



**(x) Distribution of Shareholding as on 31<sup>st</sup> March 2013:**

No. of Equity Shares held	Shareholders		Shares	
	Number	% to total Shareholders	Amount (in Rs.)	% to total Capital
1 - 500	6200	50.1456	2094345	1.2624
501 - 1000	3820	30.8962	3660109	2.2061
1001 - 2000	1438	11.6305	2534942	1.5279
2001 - 3000	315	2.5477	875062	0.5274
3001 - 4000	101	0.8169	388843	0.2344
4001 - 5000	151	1.2213	735073	0.4431
5001 - 10000	124	1.0029	963536	0.5808
10001 & above	215	1.7389	154653730	93.2179
<b>Total</b>	<b>12364</b>	<b>100.00</b>	<b>165905640</b>	<b>100.00</b>

**(xi) Categories of Shareholding as on 31<sup>st</sup> March 2013:**

Category	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
Promoters & Promoter Group	23	0.19	82667483	49.8280
Banks, Financial Institutions, FIs, Mutual Funds, NRI, Insurance Companies/ Foreign Nationals	32	0.26	216538	0.1305
Private Corporate Bodies	193	1.56	57482506	34.6477
Indian Public	12116	97.99	25539113	15.3938
<b>Total</b>	<b>12364</b>	<b>100.00</b>	<b>165905640</b>	<b>100.00</b>

**(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 31<sup>st</sup> March 2013, 158,275,670 Equity Shares representing 95.4% had been dematerialized.

**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 Rs.10/- each of the Company are requested to surrender their original Share certificate(s) to Link Intime India Pvt. Ltd., Registrar & Share Transfer agent of the Company to obtain new share certificate(s) of Re. 1/- each (pursuant to the Sub-division of Equity Shares of the Company on 23<sup>rd</sup> 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 16<sup>th</sup> 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 <sup>st</sup> April 2012		Details of Shareholders approached during the Financial Year 2012-13 for the claiming of shares		Details of Shareholders to whom the shares have been transferred during the Financial Year 2012-13		Unclaimed Shares as on 31 <sup>st</sup> March 2013 (including shares which are transferred but return unclaimed or undelivered)	
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
48	49300	03	6500	03	6500	52	54000

Shareholders may please note that Voting Rights on the aforesaid unclaimed shares shall remain frozen until and unless the rightful owner of such share(s) claims the same.

**(xiii) 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.

**(xiv) Plant Locations:**

- (i) **Works - Satnoor:** Bhansali Nagar, Taluka Sausar, Dist.: Chhindwara, Madhya Pradesh-480108.
- (ii) **Works - Abu Road:** Plot No. SP-138-143, Ambaji Industrial Area, Abu Road, Dist.: Sirohi, Rajasthan-307026.



**(xv) Address for Shareholders' Correspondence:**

**A) Company's Registrar & Share Transfer Agent Address:  
Link Intime India Pvt. Ltd.**

Unit: Bhansali Engineering Polymers Limited  
C-13, Pannalal Silk Mills Compound,  
L. B. S. Marg, Bhandup (West),  
Mumbai - 400 078  
Tel.: 25963838, Fax : 2594 6969  
Web Site : www.linkintime.co.in  
Email : helpdesk@linkintime.co.in

**B) Company's Registered Office Address:  
Bhansali Engineering Polymers Limited**

Bhansali House, A-5,  
Off Veera Desai Road,  
Andheri (West),  
Mumbai - 400 053.  
Tel.: 26731779-85, Fax : 26731796  
Email : abstron@bhansaliabs.com

---

**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, 2013, 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.

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  
F.R.No: 112615W

Place: Mumbai  
Dated: 26<sup>th</sup> May, 2013

Sushant Mehta  
Partner  
M.No - 112489

**ANNEXURE - D****CERTIFICATION ON FINANCIAL STATEMENTS OF THE COMPANY**

We, B. M. Bhansali, Managing Director and Jayesh B. Bhansali, Executive Director certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended on 31<sup>st</sup> March, 2013 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee
- (i) Significant changes in internal control during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

**B. M. Bhansali**  
**(Managing Director)**

**Jayesh B. Bhansali**  
**(Executive Director)**

**Place: Mumbai**  
**Date: 26<sup>th</sup> May, 2013**

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

This is to confirm 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 all the Directors and Senior Management Personnel of the company have complied with the Code of Conduct of company in respect to Financial Year ended on 31<sup>st</sup> March, 2013.

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

**Place: Mumbai**  
**Date: 26<sup>th</sup> May, 2013**

**B.M. Bhansali**  
**(Managing Director)**



## **Annexure-F**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Pursuant to provisions of clause 49 of the Listing Agreement, Management Discussion and Analysis Report covering performance and outlook of company is stated hereinbelow:

#### **Economic Outlook:**

The macro economic scenario though did not dampen the ABS consumption in India in a significant way, nevertheless weakening of rupee against dollar had a major impact in company's performance. This is due to the fact that 60% of the main raw material being Styrene Polymer is imported and its cost of procurement severely affected the fortunes of the company during F.Y. 2012-2013. Despite prudent procurement policy, the raw material cost registered an increase of around 21% and such increase could not be passed on fully to the customers by increasing sales price.

#### **Industry Structure and Development:**

ABS consumption in India has grown from 12362 TPA during 1992-93 to about 140000 TPA during F. Y. 2012-2013 depicting compounded annual growth rate (CAGR) of about 12.25%. The current year scenario is somewhat sluggish due to decline in sales of automobile and consumer durables. Notwithstanding this, the consumption of ABS is likely to hover around 150000 TPA (7.14%). However, on medium to long term basis with better fiscal consolidation and reduction in Current Account Deficit (CAD) through effective policy prescription by Union Government and Reserve Bank of India (RBI), Indian economy is likely to return to the path of GDP growth rate of around 8%. This will significantly boost consumption of consumer durables and lifestyle goods viz. Home Appliances, Telecommunication, Automobiles, Electrical goods and Luggage etc., consequent whereupon ABS consumption is likely to grow at around 15% CAGR during 12<sup>th</sup> Plan period.

Demand Supply disbalance presents growth opportunity to the ABS manufacturers in India. There being only two companies engaged in ABS manufacturing, both should reap benefits due to surge in demand and also on account of import substitution. Moreover, India with strong macro economic fundamentals has been able to maintain high GDP growth rate during 10<sup>th</sup> and 11<sup>th</sup> plan period barring last two years when fiscal and current account deficit (CAD) have been presenting a sluggish picture. Due to several initiatives taken by Union Government and Reserve Bank of India, Indian economy will rebound to return to the trajectory of high GDP growth rate in due course. BEPL can deeply penetrate into automobile market for supply of various ABS, AES and ASA components as it has entered into a Joint Venture Agreement on 11<sup>th</sup> May, 2013 with Nippon A&L, INC, Japan (jointly owned by the globally renowned giants M/s Sumitomo Chemicals Co. Ltd. and Mitsui Chemicals Inc). This will enable BEPL to obtain technology, brands and licenses of numerous specialized grades of ABS, AES and ASA resins and their respective alloys with other polymers. Nippon A&L, INC, Japan mainly focuses on polymerization of styrenics and enjoys high reputation in the field of manufacturing and marketing of specialized grades of ABS, AES and ASA resins and their respective alloys to the automotive and electrical appliances industries.

Considering the growth trajectory of automotive industry in India which in time to come, will become a global hub and the revolution taking place in telecommunication Industry, exponential growth in demand of aforesaid specialized products is expected in 12<sup>th</sup> Plan period.

The product development and marketing strategy of Nippon A&L, Inc focuses on automotive sector. The JV company between BEPL and Nippon A&L will be concentrating on deepening market penetration in this segment by effectively positioning the License Products of Nippon A&L, Inc viz. Kralastic, Techniace and Unibrite.

Due to the aforesaid phenomenon Bhansali Engineering Polymers Ltd will be in a position to sell its products at price parity with its sole domestic competitor which will result in optimizing profit and contribute towards import substitution significantly.

#### **Opportunities and Threats:**

With unsaturated domestic demand of ABS, BEPL's growth outlook gets considerably brightened as the company will be in a position to expand its production capacity planned in two phases viz. upto 70000 TPA in first phase and upto 125000 TPA in second phase. The first phase of expansion will be completed by BEPL in a relatively shorter duration, hence it is expected that financial performance will start improving from 2013-14 onwards on account of cost reduction and improved sales realization.

Uncertain foreign exchange scenario is the biggest risk BEPL carries due to its dependence on principal raw material import and conditions prevailing in the global market which are not congenial for exports to hedge such risks.

**Segment Wise Performance:**

The company operates into only one business segment of products comprised of ABS and SAN Polymers. During the Fiscal 2012-13, the total sales of ABS resins amounted to Rs.398.95 Crore as against Rs. 401.42 Crore during last fiscal and the sale of SAN Resins amounted to Rs. 56.74 Crore as against Rs. 55.09 Crore in last fiscal.

**Risk and Concerns:**

It is reiterated that foreign exchange fluctuations and import dependence for main raw material viz. styrene monomer are the main risk and concern.

**Internal Control Systems and their Adequacy:**

The company has an adequate system of internal controls considering the size of its operations with a view to ensure that transactions are properly recorded, authorized and reported apart from adequate safeguarding of its assets. The Internal control system is supplemented by well-documented standard operating procedures, policies and guidelines and review carried out by the company's internal audit functions. All significant audit observations made by auditors and follow up actions thereon are reported to the management which reviews the adequacy and effectiveness of the internal control environment and monitors the implementation of the audit recommendations including those relating to the strengthening the company's risk management policies and systems.

The company has full fledged Internal Audit team of professionals/competent persons who function consistently as In-house Internal Auditors. They are vested with the responsibility of ensuring that the transactions taking place in the company are duly authorized, recorded and reported correctly and are in accordance with the established standards/rules of company and do not flout any norms thereof.

**Discussions on Financial Performance with respect to operational performance:**

The total turnover of the company stood at Rs. 467.78 Crore as compared to Rs. 456.51 Crore last fiscal witnessing an increase of about 2.46% in sales. PAT increased from Rs. 1.09 Crore in F.Y. 2011-12 to Rs. 1.19 Crore in F.Y. 2012-13.

**Human Resource:**

Your company is of the firm view that an able, disciplined, motivated and properly trained workforce is the key factor of sustained growth for any company. Considering same, the company always strives upon imparting training to its employees internally and externally through properly structured training programmes and in addition thereto, various other conducive and encouraging initiatives are also taken by the Company depending upon the requirements. Regular and Detailed performance appraisal system on periodical basis is in place to evaluate the performance of all the employees. Industrial Relations had been cordial during the year. The company employed about 490 persons as on 31<sup>st</sup> March, 2013. Your company believes that the skills, versatility and diversity of its employees would give it adequate leeway to adapt to the future needs of our organization with respect to its proposed expansion programme of production capacity to 125 KTPA, anticipated increase in Sales and Joint Venture Agreement entered into with Nippon A&L, INC, Japan.

**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 effected by structure of industry, substantive changes in political and economic environment in India and overseas, tax laws, labor relations and other allied factors etc.





## **INDEPENDENT AUDITORS' REPORT**

To,

The Members of

**Bhansali Engineering Polymers Limited**

### **Report on the Financial Statements**

1. We have audited the accompanying financial statements of Bhansali Engineering Polymers Limited ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March, 2013, the Statement of Profit and Loss Account and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

### **Management's Responsibility for the Financial Statements**

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

6. In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements 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 31<sup>st</sup> March, 2013;
  - 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.

### **Report on Other Legal and Regulatory Requirements**

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the order.
8. As required by Section 227(3) of the Act, 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 comply 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 31<sup>st</sup> March, 2013 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2013 from being appointed as a Director in terms of Section 274(1) (g) of the Act.

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

**Sushant Mehta**  
Partner  
M.No - 112489

Place : Mumbai  
Dated : 26th May, 2013

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 7 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- 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 neither granted nor taken any loans, secured or unsecured to or from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, requirements of clauses (iii.a) to (iii.g) of paragraph 4 of the Order are not applicable and hence not commented upon.
4. 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.
- 5
  - 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, there are no transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lacs in respect of any party during the year, which have been made at prices which are not reasonable having regard to the prevailing market prices at the relevant date. .
6. 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.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of business.
8. We have broadly reviewed the books of account maintained by the company in respect of products, pursuant to the rules made by the Central Government of India for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that, prima facie, the cost records and accounts 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.
- 9
  - 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, Service Tax and any other statutory dues on account of any dispute other than the following:-

Name of the Statute	Nature of the Dues	Amount (Rs 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 of Central Excise, Bhopal



The Income Tax Act, 1961	Income Tax	240.51	2006-2007 and 2007-2008	Commissioner of Income Tax, Appeals
Customs Act, 1962	Custom Duty	295.78	2005	Supreme Court

10. 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.
11. 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.
12. 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.
13. 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.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
15. 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.
16. In our opinion and according to the information and explanations given to us, the company has not raised any term loans during the year.
17. 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.
18. 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.
19. The Company has not issued any debentures during the year.
20. 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.
21. During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

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

**Sushant Mehta**  
**Partner**  
**M.No - 112489**

**Place : Mumbai**  
**Dated : 26th May, 2013**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2013**

	Note	As At 31.03.2013 (₹ in lacs)		As At 31.03.2012 (₹ in lacs)	
<b>I EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds :</b>					
Share Capital	3	1659.06		1659.06	
Reserves and Surplus	4	18413.23	20072.29	19447.91	21106.97
<b>(2) Non-Current Liabilities</b>					
Long-Term Borrowings	5	417.91		584.30	
Long-Term Provisions	6	247.95	665.86	221.29	805.59
<b>(3) Current Liabilities</b>					
Short-Term Borrowings	7	2558.58		5015.33	
Trade Payable	8	13405.35		11327.15	
Other Current Liabilities	9	472.10		491.37	
Short-Term Provisions	10	235.74		247.41	
			16671.77		17081.26
<b>TOTAL</b>			<b>37409.92</b>		<b>38993.82</b>
<b>II ASSETS</b>					
<b>(1) Non-current assets</b>					
<b>Fixed assets</b>					
Tangible Assets	11	14257.95		15541.15	
Intangible Assets		10.43		14.85	
		14268.38		15556.00	
Deferred Tax Assets (Net )	12	170.41		27.71	
Long term Loans and Advances	13	169.55		185.35	
<b>(2) Current assets</b>					
Inventories	14	6061.40		3876.63	
Trade Receivables	15	12873.91		15617.03	
Cash and Cash Equivalents & Other Bank Balances	16	1041.33		775.12	
Short-Term Loans and Advances	17	2818.90		2529.41	
Other Current Assets	18	6.04	22801.58	426.57	23224.76
<b>TOTAL</b>			<b>37409.92</b>		<b>38993.82</b>
Significant Accounting Policies Notes on financial Statements	1 to 42				

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 : 26th May, 2013

For and on behalf of the Board

**M.C. Gupta**

Chairman

**B.M. Bhansali**

Managing Director

**D.N. Mishra**

Company Secretary


**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013**

	Note	As At 31.03.2013 (₹ in lacs)		As At 31.03.2012 (₹ in lacs)	
<b>(1) INCOME:</b>					
Revenue from operations (Gross)	19	46777.05		45650.79	
Less : Excise Duty		<u>4885.21</u>	41891.84	<u>4210.74</u>	41440.05
Other Income	20		91.77		70.09
Total Income			<u>41983.61</u>		<u>41510.14</u>
<b>(2) EXPENSES:</b>					
Cost of Materials Consumed	21		35404.04		34386.13
Changes in Inventories of Finished Goods and Stock in Process	22		(745.75)		(459.76)
Employee Benefit Expenses	23		1591.59		1302.16
Financial Costs	24		1125.73		1342.80
Depreciation		1396.82		1544.53	
Less: Transferred from Revaluation Reserve		<u>960.40</u>	436.42	<u>974.24</u>	570.29
Other Expenses	25		4149.91		4188.51
Total Expenses			<u>41961.94</u>		<u>41330.13</u>
<b>(3) Profit before Tax</b>			21.67		180.01
Tax Expense					
- Current Tax			7.50		30.00
- Earlier Tax			38.33		14.18
- Deferred Tax			<u>(142.70)</u>		<u>27.00</u>
			(96.87)		71.18
<b>(4) Profit for the year</b>			<u>118.54</u>		<u>108.83</u>
Earning Per Share of ₹ 1/- each fully paid up (in ₹)					
Basic			0.07		0.07
Diluted			0.07		0.07
<b>Significant Accounting Policies</b>	1 to 42				
<b>Notes on financial Statements</b>					

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 : 26th May, 2013

For and on behalf of the Board

**M.C. Gupta**

Chairman

**B.M. Bhansali**

Managing Director

**D.N. Mishra**

Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013**

	Year Ended 31.03.2013 (₹ in lacs)	Year Ended 31.03.2012 (₹ in lacs)
Cash flow from operating activities :		
Net (Loss)/Profit before tax and Extraordinary Items:	21.67	180.01
Non-cash adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	436.42	570.29
Profit on disposal/write off of fixed assets (net)	(0.12)	8.04
Finance Cost	1125.73	1342.80
Interest Income	(73.01)	(56.63)
Unrealised (Gain)/Loss	<u>675.83</u>	<u>270.28</u>
Operating profit before working capital changes	2186.52	2314.79
Movements in working capital:		
Decrease/(increase) in inventories	(2184.77)	313.59
Decrease/(increase) in trade receivables	2743.12	2989.29
Decrease/(increase) in short-term loans & advances	(289.49)	(975.11)
Decrease/(increase) in other current assets	419.71	(377.08)
Decrease/(increase) in long-term loans & advances	23.44	(34.00)
Increase/(decrease) in other current liabilities	(19.27)	(327.56)
Increase/(decrease) in long-term provisions	26.66	29.54
Increase/(decrease) in trade payable	1402.37	(2471.26)
Increase/(decrease) in short-term provisions	10.83	(1.80)
Cash Generated / (used in) for Operations before taxes	<u>4319.12</u>	<u>1460.40</u>
Taxes paid		
Income Tax Paid	<u>(75.97)</u>	<u>(23.96)</u>
Net cash generated / (used in) for operating activities	A <u>4243.15</u>	<u>1436.44</u>
Cash flow from Investing Activities		
Purchase of Fixed Assets, including Capital Advances	(109.59)	(562.49)
Decrease/(Increase) in Fixed Deposits	(103.14)	185.93
Interest received	73.01	56.63
Sale of Fixed Assets	0.51	6.74
Net cash generated/ (used in) investing activities	B <u>(139.21)</u>	<u>(313.19)</u>
Cash flow from Financing Activities		
Increase/(Decrease) in Long-Term borrowings	(166.39)	503.30
Increase/(Decrease) in Short-Term borrowings	(2456.75)	(490.02)
Finance Cost	(1125.73)	(1342.80)
Dividend paid including dividend tax thereon	(192.82)	(193.46)
Net cash generated/ (used in) financing activities	C <u>(3941.69)</u>	<u>(1522.98)</u>
Net Increase/(Decrease) in Cash and Cash equivalents	(A+B+C) 162.25	(399.73)
Cash and Cash equivalents (Opening Balance)	152.11	551.84
Cash and Cash equivalents (Closing Balance)	<u>314.36</u>	<u>152.11</u>
(Refer Note no 16)		

As per our report of even date attached

For and on behalf of

**B. L. Dasharda & Associates**  
Chartered Accountants  
F.R. No: 112615W

For and on behalf of Board of Directors

**M.C. Gupta**

Chairman

**Sushant Mehta**  
Partner  
M. No. 112489

**B.M. Bhansali**

Managing Director

**D.N. Mishra**

Company Secretary

Place: Mumbai

Dated : 26th May, 2013



## **Notes to the Financial Statements**

### **Notes to Account**

#### **1. Corporate Information:**

Bhansali Engineering Polymers Limited is a Public Listed company registered in India, incorporated under the provisions of the Companies Act, 1956 and its shares are listed with NSE and BSE.

The company is engaged in manufacturing of ABS and SAN resins which is classified under the category of Highly Specialized Engineering Thermoplastics. The manufacturing facilities of the company is located at Abu Road, Rajasthan and Satnoor in Madhya Pradesh.

#### **2. 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, wherever assets are revalued, 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, non refundable 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 is determined on weighted average basis.



## Notes to the Financial Statements

(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.

### (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.

### (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, up to 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.

### (j) 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, if any, 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.


**Notes to the Financial Statements**

	<b>As At 31.03.2013 (₹ in lacs)</b>	<b>As At 31.03.2012 (₹ in lacs)</b>
<b>3 SHARE CAPITAL</b>		
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>

**3.1 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 31<sup>st</sup> March, 2013 the amount of dividend, per share, recognised as distribution to equity shareholders is Re 0.10/- per share (year ended 31<sup>st</sup> March, 2012 Re 0.10/- per share)

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

Equity Shares of ₹ 1/- each fully paid up <b>Name</b>	<b>31st March 2013</b>		<b>31st March 2012</b>	
	<b>Nos.</b>	<b>% holding</b>	<b>Nos.</b>	<b>% holding</b>
B.M. Bhansali	15,722,848	9.48%	15,475,490	9.33%
Bhansali International Private Limited	13,333,500	8.04%	13,333,500	8.04%
Sheraton Properties & Finance Limited	11,709,000	7.06%	11,709,000	7.06%
Bentley Commercial Enterprises Limited	8,708,043	5.25%	8,708,043	5.25%
MKJ Enterprises Limited	8,883,152	5.35%	7,857,152	4.74%

	<b>As At 31.03.2013 (₹ in lacs)</b>	<b>As At 31.03.2013 (₹ in lacs)</b>	<b>As At 31.03.2012 (₹ in lacs)</b>	<b>As At 31.03.2012 (₹ in lacs)</b>
<b>4 RESERVES &amp; SURPLUS</b>				
Revaluation Reserve :				
Opening Balance	10033.17		11007.41	
Less : Adjustment towards assets sold / discarded	-		-	
Less: Transferred to Depreciation Account	<u>960.40</u>	9072.77	<u>974.24</u>	10033.17
Capital Reserve: Capital Subsidy		44.90		44.90
Share Premium Account		2977.00		2977.00
General Reserve		225.00		225.00
Profit & Loss Account				
Balance as per last Balance Sheet	6167.84		6251.83	
Add: Profit for the year	<u>118.54</u>		<u>108.83</u>	
	6286.38		6360.66	
Less: Appropriations				
Proposed Dividend on Equity Shares (Dividend per share ₹ 0.10/- (Previous year ₹ 0.10/-)	165.91		165.91	
Corporate Dividend Tax	<u>26.91</u>		<u>26.91</u>	
		<u>6093.56</u>		<u>6167.84</u>
		<b>18413.23</b>		<b>19447.91</b>

**5 LONG TERM BORROWINGS**

	<b>Non-Current Portion</b>		<b>Current Maturities</b>	
	<b>As At 31.03.2013 (₹ in lacs)</b>	<b>As At 31.03.2012 (₹ in lacs)</b>	<b>As At 31.03.2013 (₹ in lacs)</b>	<b>As At 31.03.2012 (₹ in lacs)</b>
<b>Secured</b>				
Loan against purchase of Vehicles From Banks (See Note 9)	17.91	84.30	37.75	-
Unsecured Loans from Corporate Bodies	<u>400.00</u>	<u>500.00</u>	-	-
	<b>417.91</b>	<b>584.30</b>	<b>37.75</b>	<b>0.00</b>

5.1 Vehicle loans are secured by hypothecation and average term ranges from 3-6 years.

## Notes to the Financial Statements

	<b>As At</b>	<b>As At</b>
	<b>31.03.2013</b>	<b>31.03.2012</b>
	(₹ in lacs)	(₹ in lacs)
<b>6 LONG TERM PROVISIONS</b>		
(See Note 30 )		
Provisions for:		
Gratuity	212.54	185.03
Leave Encashment	35.41	36.26
	<u><b>247.95</b></u>	<u><b>221.29</b></u>
<b>7 SHORT-TERM BORROWINGS</b>		
Secured Cash Credit Limit from Allahabad Bank	2558.58	5015.33
	<u><b>2558.58</b></u>	<u><b>5015.33</b></u>
7.1 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 guaranteed by Managing director.		
<b>8 TRADE PAYABLE</b>		
Sundry Creditors		
- Micro and Small Enterprises	-	-
- Others	13405.35	11327.15
	<u><b>13405.35</b></u>	<u><b>11327.15</b></u>
8.1 The Company has identified Micro, Small and Medium Enterprises on the basis of information made available. As at 31st March, 2013 there are no dues to Micro, Small and Medium Enterprises that are reportable under the MSMED Act, 2006		
<b>9 OTHER CURRENT LIABILITIES</b>		
Deposits	0.50	0.76
Current maturities of Long term Secured Borrowings ( See Note 5 )	37.75	-
Other Payable		
- Employee Related	125.17	120.25
- Statutory dues payable (Including PF and TDS)	36.53	70.62
- Unclaimed Dividend	19.08	18.26
- Others	253.07	281.48
	<u><b>472.10</b></u>	<u><b>491.37</b></u>
9.1 During the year ₹ 3,42,584/- was transferred to Investor Education and Protection Fund. There is no further amount due and outstanding to be credited to Investor Education and Protection Fund as on 31st March,2013.		
<b>10 SHORT TERM PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
Gratuity	23.62	20.56
Leave Encashment	11.80	4.03
	<u><b>35.42</b></u>	<u><b>24.59</b></u>
<b>Provision for:</b>		
Taxation	7.50	30.00
Proposed Dividend	165.91	165.91
Tax on Proposed Dividend	26.91	26.91
	<u><b>200.32</b></u>	<u><b>222.82</b></u>
	<u><b>235.74</b></u>	<u><b>247.41</b></u>


**Notes to the Financial Statement**

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01.04.12	Additions	Deductions	As at 31.03.2013	For the Period	on Revalued Assets	Adjustment in respect of assets sold / discarded	As at 31.03.2013	As at 31.03.2013	As at 31.03.12
TANGIBLE ASSETS:										
OWN ASSETS:										
Land [Free hold]	125.80	-	-	125.80	-	-	-	-	125.80	125.80
Land [Lease hold]	140.99	-	-	140.99	-	-	-	-	140.99	140.99
Buildings	2995.00	16.10	-	3011.10	39.33	50.65	-	896.84	2114.26	2188.14
Plant & Machinery	28332.26	51.58	-	28383.84	336.87	909.75	-	16881.38	11502.46	12697.50
Furniture, Fixtures & Office Equipments	787.49	22.34	-	809.83	28.03	-	-	618.02	191.81	197.50
Vehicles	299.54	19.56	3.48	315.62	27.77	-	3.11	132.99	182.63	191.21
<b>Total (A)</b>	<b>32681.08</b>	<b>109.58</b>	<b>3.48</b>	<b>32787.18</b>	<b>432.00</b>	<b>960.40</b>	<b>3.11</b>	<b>18529.23</b>	<b>14257.95</b>	<b>15541.14</b>
INTANGIBLE ASSETS :										
Computer Software & Licenses	211.12	-	-	211.12	4.42	-	-	200.69	10.43	14.85
<b>Total (B)</b>	<b>211.12</b>	<b>-</b>	<b>-</b>	<b>211.12</b>	<b>4.42</b>	<b>-</b>	<b>-</b>	<b>200.69</b>	<b>10.43</b>	<b>14.85</b>
<b>Total (A) + (B)</b>	<b>32892.21</b>	<b>109.58</b>	<b>3.48</b>	<b>32998.30</b>	<b>436.42</b>	<b>960.40</b>	<b>3.11</b>	<b>18729.92</b>	<b>14268.38</b>	<b>15555.99</b>
PREVIOUS YEAR	32378.16	562.50	48.46	32892.21	570.05	974.24	33.42	17336.21	15555.99	

**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 ₹ 960.40 lacs (Previous Year ₹974.24 lacs) has been appropriated from the Revaluation Reserve.
- (ii) Borrowing cost capitalised during the year is ₹NIL (Previous Year ₹36.48 lacs)

### Notes to the Financial Statements

	As At 31.03.2013 (₹in lacs)	As At 31.03.2012 (₹in lacs)
<b>12 DEFERRED TAX ASSETS (NET )</b>		
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	495.46	251.42
Deferred Tax Liability		
Depreciation & Amortisation	325.05	223.71
	<u>170.41</u>	<u>27.71</u>
<b>13 LONG TERM LOANS &amp; ADVANCES</b>		
(Unsecured, considered good unless stated otherwise)		
Security Deposits	129.51	147.17
Advance Income Tax	40.04	32.40
Loans & Advances to Employee	-	5.78
	<u>169.55</u>	<u>185.35</u>
13.1 Deposits include deposits with related parties ₹ NIL (previous year ₹ 18 lacs)		
<b>14 INVENTORIES</b>		
(See Note 37)		
Finished Goods	94.60	178.33
Work-in-Process	1775.99	946.51
Raw Materials (including Goods in Transit)	3856.43	2424.46
Packing Materials	19.21	21.27
Stores & Spares	315.17	306.06
	<u>6061.40</u>	<u>3876.63</u>
<b>15 TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, Considered Good		
Over six months	337.85	228.62
Other Trade receivables		
Unsecured, Considered good	12536.06	15388.41
	<u>12873.91</u>	<u>15617.03</u>
<b>16 CASH &amp; CASH EQUIVALENTS &amp; OTHER BANK BALANCES</b>		
Cash and Cash Equivalents		
Cash in Hand	12.06	9.74
Balances with Scheduled Banks:		
On Current Accounts	302.30	142.37
	<u>314.36</u>	<u>152.11</u>
Other Bank Balances		
Earmarked Accounts		
- Balances held as margin money (Fixed Deposits)	707.89	604.75
- Unclaimed Dividend Account	19.08	18.26
	<u>726.97</u>	<u>623.01</u>
<b>TOTAL</b>	<u>1041.33</u>	<u>775.12</u>

16.1 Fixed Deposit with Banks in margin accounts include deposits of ₹ 707.89 lacs (Previous year ₹ 604.75 lacs ) with maturity of more than 12 months.



**Notes to the Financial Statements**

**17 SHORT TERM LOANS & ADVANCES**

(Unsecured, Considered good)

Balances with Government Authorities	1799.25		1349.66	
Loans & Advances to Employee	0.65		-	
Prepaid expenses	39.04		68.55	
Other Receivables	979.96		1111.20	
	<b>2818.90</b>		<b>2529.41</b>	

**18 OTHER CURRENT ASSETS**

Interest Accrued but not due on Bank Deposits	6.04		3.43	
Other Current Assets	-		423.14	
	<b>6.04</b>		<b>426.57</b>	

**19 SALE OF GOODS**

Finished Goods (See Note No 35)	45,569.11		45,650.79	
Less: Excise Duty	4,885.21		4,210.74	
Net Sales	40,683.90		41,440.05	
Export of Raw Materials	1,207.94		-	
	<b>41,891.84</b>		<b>41,440.05</b>	

**20 OTHER INCOME**

Interest Income				
From Banks	60.21		46.18	
Others	12.80	73.01	10.45	56.63
Miscellaneous Income	18.64		12.61	
Profit on Sales of Assets	0.12	18.76	0.85	13.46
		<b>91.77</b>		<b>70.09</b>

**21 COST OF MATERIALS CONSUMED**

(See Note 36)

Raw Material				
Opening Stock	2424.46		3193.28	
Purchases*	36836.01		33617.31	
	39260.47		36810.59	
Less: Closing Stock	3856.43		2424.46	
		<b>35404.04</b>		<b>34386.13</b>

(\* Includes Cost of Material Sold ₹1208.63 (P.Y. ₹NIL)

**22 CHANGES IN INVENTORIES**

Closing Stocks:

Finished Goods	94.60		178.33	
Work-in-Process	1775.99	1870.59	946.51	1124.84
Less: Opening Stocks:				
Finished Goods	178.33		20.73	
Work-in-Process	946.51	1124.84	644.35	665.08
		<b>745.75</b>		<b>459.76</b>

## Notes to the Financial Statements

### 23 EMPLOYEE BENEFIT EXPENSES

Salaries, Wages & Bonus	1455.49	1172.67
Contributions to Provident Fund etc.	83.68	69.50
Employee welfare expenses	52.42	59.99
	1591.59	1302.16

### 24 FINANCIAL COSTS

Interest on Cash Credit Limits to Bank	743.11	988.47
Finance Charges	49.51	89.29
Bank Charges	55.17	17.83
Interest On Others	277.94	247.21
	<b>1125.73</b>	<b>1342.80</b>

### 25 OTHER EXPENSES

Stores and Spares Consumed	205.48	187.22
Packing Materials Consumed	247.25	252.12
Power & Fuel	1796.47	1683.84
Rent, Rates & Taxes	47.45	32.76
Insurance	34.76	31.90
Travelling & Conveyance	158.25	137.43
Repairs & Maintenance :		
Buildings	2.43	1.95
Machinery	41.94	33.09
Others	16.00	28.16
Printing & Stationery	11.90	13.29
Postage, Telephone, Fax etc.	39.22	38.22
Miscellaneous Expenses*	162.18	222.62
Legal & Professional Charges	35.59	39.40
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	1.16	3.13
Directors' Sitting Fees	2.30	1.05
Foreign Exchange Fluctuation	1252.43	1,305.73
Loss on Sale of Assets	-	8.89
Commission	2.31	6.19
Freight & Forwarding	86.03	107.81
Cash discount	2.01	48.96
	<b>4149.91</b>	<b>4188.51</b>

\*Excise duty of ₹ 11.89 lacs. (Previous year ₹ 16.41 lacs) included in Miscellaneous Expenditure represents mainly the difference in amount of excise duty on closing stock and opening stock of finished goods.





## Notes to the Financial Statements

### 26. 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 nature of transactions (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 Rent Paid	NIL NIL	NIL NIL	NIL (18.00) 3.00 (6.00)
(ii) Remuneration Mr. B.M. Bhansali (Managing Director)	Managerial Remuneration	NIL	46.00 (46.00)	NIL
Mr. Kenji Asakawa (Executive Director – Technical)	Remuneration	NIL	48.00 (42.00)	NIL
Mr. Jayesh Bhansali (Executive Director - Corporate)	Remuneration & Perquisites	NIL	34.45 (28.84)	NIL
(iii) Sundry Creditors				
Balance as on 31 <sup>st</sup> March 2013.			2.99 (5.30)	0.27

27. The Company manufactures and sells ABS and SAN 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.

### 28. 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	118.54	108.83
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	0.07
Basic & Diluted EPS after Extraordinary item (Face Value ₹1/- per share)	0.07	0.07

### 29. 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	2,42,70,039	USD	13,202.90	24,214,814	USD	12318.08
Assets Receivable	NIL	USD	NIL	NIL	USD	NIL

### 30. 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.

## Notes to the Financial Statements

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 ₹ in lacs	Previous Year ₹ in lacs
Employer's Contribution to Provident Fund & Other Funds (Included in Contribution to Provident Fund etc (Note 23 )	83.68	69.50
Employer's Contribution to Superannuation Fund and ESIC (Included in Salaries, Wages and Bonus (Note 23)	19.39	14.91

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

In accordance with Accounting Standard 15 (R), actuarial valuation was done as on 31<sup>st</sup> March 2013 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 23).

**(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, 2012	205.58	187.62	40.28	30.51
Current Service Cost	19.57	18.38	12.42	11.41
Benefits Paid	20.10	10.36	21.05	19.52
Interest Cost	16.45	15.01	3.22	2.44
Actuarial (gain)/loss on obligation	14.66	( 5.06)	12.35	15.44
Present value of Obligation as at March 31, 2013	236.16	205.58	47.22	40.28

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

	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
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, 2013	236.16	205.58	47.22	40.28
Fair Value of Plan Assets as at March 31, 2013	Nil	Nil	Nil	Nil
Liability Recognized in the Balance Sheet	236.16	205.58	47.22	40.28



**Notes to the Financial Statements**

**(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	19.57	18.38	12.42	11.41
Interest Cost	16.45	15.01	3.22	2.44
Expected Return on Plan Assets	Nil	Nil	Nil	Nil
Actuarial (gain)/loss	14.66	(5.06)	12.35	15.44
Net Cost	50.68	28.33	27.99	29.29

**(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% per annum	4% per annum	4% 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.

**31.** The Income Tax assessments of the company have been completed upto Assessment Year 2010-11. The disputed outstanding demand up to the said Assessment year is ₹ 240.51 lacs (PY ₹ 240.51 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.

**32.** 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	25.77	27.78
Later than one year but not later than five years	-	-
Later than five years	-	-

### Notes to the Financial Statements

**33.** A group of shareholders of Company owning around 23.16% stake in the company as on 31st March, 2013 had 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.

**34. 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 31st March,2013	Year ended 31st March,2012
Year to which Dividend relates	<b>2011-12</b>	<b>2010-11</b>
Number of non-resident shareholders	23	25
Number of shares held by them on which dividend is due.	71197	75272
Amount remitted to bank accounts in India of non-residents shareholders- ₹ in lacs	0.07	0.07

	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
<b>35. Sales</b>		
ABS Resins	39895.36	40142.10
SAN Resins	5673.75	5508.69
Sale of Raw Materials	1207.94	NIL
	<b><u>46777.05</u></b>	<b><u>45650.79</u></b>

	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
<b>36. Raw Material Consumed</b>		
Acrylonitrile	7824.56	8777.53
Butadiene	5304.96	6190.45
Styrene*	17904.86	15893.66
Others	4369.66	3524.49
	<b><u>35404.04</u></b>	<b><u>34386.13</u></b>

(\* Includes Cost of Raw Material sold )

**37. Details of Stock**

Finished Goods		
ABS and SAN Granules	94.60	178.33
	<b><u>94.60</u></b>	<b><u>178.33</u></b>



**Notes to the Financial Statements**

**38. Consumption of Raw Materials and Stores & Spares and Components:**

	Current Year		Previous Year	
	(₹ in lacs)	%	(₹ in lacs)	%
Value of Raw Materials, Stores & Spares and Components consumed				
(i) Raw materials:				
Imported	20748.18	58.60	15570.97	45.28
Indigenous	14655.86	41.40	18815.16	54.72
	<u>35404.04</u>	<u>100.00</u>	<u>34386.13</u>	<u>100.00</u>
(ii) Stores & Spare parts & Components				
Imported	0.50	0.24	1.54	0.82
Indigenous	204.98	99.76	185.68	99.18
	<u>205.48</u>	<u>100.00</u>	<u>187.22</u>	<u>100.00</u>

**39. Expenditure in Foreign Currency:**

	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
(i) Interest and Finance Charges	178.32	113.22
(ii) Others	52.21	9.18

**40. Earning in Foreign Exchange**

(i) Exports on F.O.B. Basis	1811.83	696.88
-----------------------------	---------	--------

**41. Contingent Liabilities and Commitments:**

	As at 31.03.2013 (₹ in lacs)	As at 31.03.2012 (₹ in lacs)
(a) Bills Discounted.	230.48	628.01
(b) Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances).	NIL	NIL
(c) Service tax and Customs demands under appeal	415.78	415.78
(d) Income tax demands under appeal	240.51	240.51

**42.** Figures for the Previous Year have been regrouped and rearranged 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

Place: Mumbai  
Dated : 26th May, 2013

For and on behalf of the Board

**M.C. Gupta** Chairman

**B.M. Bhansali** Managing Director

**D.N. Mishra** Company Secretary

**PERFORMANCE HIGHLIGHTS (10 Years)**

<b>Financial Year / Period</b>	<b>Installed Capacity (12 months Basis)</b>	<b>Sales Volume</b>	<b>Sales</b>	<b>Profit / (Loss) After Tax</b>	<b>Net Worth</b>	<b>Book Value Per Share</b>
	(TPA)	(TPA)	₹ In lacs	₹ In lacs	₹ In lacs	₹
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 (**)
2012-13 (12 Months)	51000	31711	46777.05	118.53	10999.51(*)	6.63(**)

(\*) Excluding Revaluation Reserve.

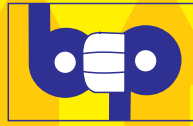
(\*\*) Face Value of Shares sub-divided from ₹ 10/- to ₹ 1/- w.e.f. 23.02.2004

(#) Excluding Trading Sales

# 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](mailto:abstron@bhansaliabs.com)

## **WORKS - Satnoor**

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

**WORKS - Abu Road** :Plot no. SP-138-143, Ambaji Industrial Area, Abu Road, Dist.: Sirohi, (Raj.) - 307026.  
Tel : (02974) 226781-82, 226862, 226213 Fax : (02974) 226737 E-mail : [rpsraghav@bhansaliabs.com](mailto:rpsraghav@bhansaliabs.com)

## MARKETING OFFICES

### **1) EAST BRANCH**

137 / 3, R.B.C Road  
**KOLKATA – 700 028**

Mob.09007721362  
E-mail: [hiralal@bhansaliabs.com](mailto:hiralal@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  
Mob. 09773333504  
E-mail: [hitarth@bhansaliabs.com](mailto:hitarth@bhansaliabs.com)

### **3) NORTH BRANCH**

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

Tel : 011- 45137368  
E-mail : [mksharma@bhansaliabs.com](mailto:mksharma@bhansaliabs.com)

### **4) PUNE BRANCH**

Meera Classic, Shop No.B-7,  
Opp. Santosh Mangal Karyalay,  
Belthika Nagar, Thergaon,  
Chinchwad,  
**PUNE – 411 033**

Mob : 9773333527  
E-mail : [santosh@bhansaliabs.com](mailto:santosh@bhansaliabs.com)

### **5) SOUTH BRANCHES**

No.3113/A, 18<sup>th</sup> Cross, 2<sup>nd</sup> Main Road,  
Banashankari, 2nd Stage, Off K.R. Road  
**BANGALORE – 560 078.**

Tel: 080 - 26769902  
Tel-Fax: 080- 26769903  
E-mail: [cksrinivas@bhansaliabs.com](mailto:cksrinivas@bhansaliabs.com)

29, Upstairs, Balasundaram Road,  
(R.T.O.Office),  
**COMIBATORE – 641 018.**

Tel/Fax:0422-2244119  
E-mail: [marees@bhansaliabs.com](mailto:marees@bhansaliabs.com)

J – 104, Gandhi Street  
Pari Nagar, Jaffer Kharipet,  
Behind Indian Bank  
**CHENNAI – 600 083**

Tel: 044-24742405  
Mob : 09789990891/09840847150  
E-mail : [suniljacob@bhansaliabs.com](mailto:suniljacob@bhansaliabs.com)

### **6) BARODA BRANCH**

10-F, Aditya Complex, Mahavir Hall,  
Char Rasta, Ajwa Road,  
Baroda - 390 019

Mob : 99041 99917  
E-mail : [vyas@bhansaliabs.com](mailto:vyas@bhansaliabs.com)

Visit us on [www.bhansaliabs.com](http://www.bhansaliabs.com)






# BHANSALI ENGINEERING POLYMERS LIMITED

Registered Office : Bhansali House, A-5, Off Veera Desai Road, Andheri (West), Mumbai - 400 053.  
Tel. : +91-22-2673 1779 - 83 & 85 • Fax : (91-22) 2673 1796  
E-mail : abstron@bhansaliabs.com • Website : www.bhansaliabs.com

## FORM A

### (Pursuant to Clause 31 of Listing Agreement)

1.	Name of Company	Bhansali Engineering Polymers Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2013
3.	Type of Audit Observation	Unqualified Report (viz No Observation/Emphasis/Qualification in Audit Report for F.Y. 2012-2013)
4.	Frequency of observation	N/A
5.	Signed by- <ul style="list-style-type: none"><li>• Mr. M.C. Gupta (Audit Committee Chairman)</li><li>• Mr. B.M. Bhansali (Managing Director)</li><li>• Mr. Sushant Mehta (Statutory Auditor)</li></ul>	 <hr/>  <hr/>  <hr/>

### WORKS :

**Satnoor Works** : Bhansali Nagar, Taluka - Sausar, Dist. Chhindwara, Madhya Pradesh - 480 108.  
Tel. : (07165) 226376-79 • Fax : (07165) 226380 / 81 • E-mail : beplchw@bhansaliabs.com

**Abu Road Works** : Plot No. SP-138-143, Ambaji Industrial Area, Abu Road, Dist. Sirohi (Rajasthan) - 307 026  
Tel. : (02974) 226781/82/83/84 • Fax : (02974) 226737 • E-mail : beplabr@bhansaliabs.com