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Annual Report 2002-2003

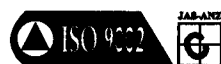
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bhansali ENGINEERING polymers limited

BHANSALI ENGINEERING POLYMERS LIMITED

PERFORMANCE HIGHLIGHTS (9 Years)

Financial Year	Installed Capacity	Sales Volume	Sales	Profit/ (Loss) after Tax	Net worth	Book Value Per Share
	(MT)	(MT)	Rs. In lacs	Rs. In lacs	Rs. In lacs	Rs.
1994-95	7500	5715	4312	1600.41	1793.22	15.82
1995-96	15000	6645	5674	504.79	2498.77	18.73
1996-97	15000	8161	5995	2.99	2501.76	18.75
1997-98	15000	8669	5756	146.58	2648.34	19.85
1998-99	15000	11307	6710	244.92	2893.26	21.69
1999-00	15000	12147	8435	198.49	3056.55	22.91
2000-01	15000	12159	9197	(442.66)	2477.71	18.62
2001-02 (15 Months)	27000	20048	12638	326.80	2558.06 (*)	19.18 (*)
2002-03 (9 Months)	30000	10221	8386	207.33	2765.39 (*)	20.73 (*)

(*) excluding Revaluation Reserve



bhansali ENGINEERING polymers limited

BOARD OF DIRECTORS

Mr. A. S. Gupta	- Chairman
Mr. C. S. Sastry	
Dr. Pravin P. Shah	
Dr. W. R. Correa	
Mr. M. C. Gupta	
Mr. Sunil Tandon	
Mr. Supriya Gupta	
Mr. B. S. Bhesania	- Additional Director
Mr. P. R. Bhansali	
Mr. B. M. Bhansali	- Managing Director

PRESIDENT & COMPANY SECRETARY

Mr. A. R. Mundra

AUDITORS

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

SOLICITORS

M/s. Mulla & Mulla & Craigie Blunt & Caroe

BANKERS

UTI Bank Limited

REGISTERED OFFICE

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

WORKS

Unit-I

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

Unit-II

14, P. C. C. Area,
Post – Petrofils,
Vadodara (Gujarat),
Pin – 391 347.

MANAGEMENT TEAM

B. M. Bhansali	- Managing Director
A. R. Mundra	- President
S. S. Ladi	- Vice President (Marketing)
S. M. Ghike	- Vice President (Technical)
D. P. Singh	- Vice President (Works) Unit-I
A. V. Dharmadhikary	- Vice President (Works) Unit-II
S. S. Deshpande	- Vice President (R & D and QA)
N. Sethuraman	- Vice President (Planning & Co-ordination)
N. G. Anand	- Vice President (Exports)
S. Pramanik	- Vice President (Information Technology)

BHANSALI ENGINEERING POLYMERS LIMITED

NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the members of Bhansali Engineering Polymers Limited will be held at the Indian Merchants' Chamber, Walchand Hirachand Hall, Veer Nariman Road, Mumbai – 400020 on Saturday, 26th day of July, 2003 at 4.30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003, Profit & Loss Account for the period ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. A.S.Gupta who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. W.R.Correa who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. P. R. Bhansali who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to authorise 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 an Ordinary Resolution:

“RESOLVED THAT Mr. B.S.Bhesania who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 read with Article 77.1 & 77.2 of the Articles of Association of the Company and who would vacate his office at the ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 along with necessary deposit from a shareholder proposing the candidature of Mr. B.S.Bhesania as a Director of the Company, be and is hereby appointed as a Director of the Company whose office shall be liable to retirement by rotation.”

By order of the Board
For BHANSALI ENGINEERING POLYMERS LIMITED

Place : Mumbai
Dated : 17th May, 2003

A. R. MUNDRA
PRESIDENT & COMPANY SECRETARY

**NOTES:**

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.
- The instrument of proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 15th July, 2003 to Saturday, 26th July, 2003 (both days inclusive).
- Pursuant to SEBI's directive, the Company has appointed Intime Spectrum Registry Limited, Registrar & Transfer Agents as Common Agency for handling shares in physical form as well as in demat mode.
- Members are requested to bring their copy of Annual Report to the Meeting.
- Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.

g. ADDITIONAL INFORMATION:

Profile of Directors retiring by rotation and seeking re-appointment (in pursuant to clause 49 of the Listing Agreement)

Particulars	Mr. A. S. Gupta	Dr. W. R. Correa	Mr. P. R. Bhansali
Date of Birth	01.12.1926	09.12.1923	12.11.1946
Date of Appointment	25.06.1987	18.03.1989	07.02.1986
Qualifications	M.A., F.I.A., (London)	B.E. (Electrical), University of Bombay. M.E. (Electrical), University of Michigan, USA. Ph.D.(Electronics), University of Michigan, USA.	B.Com., L.L.B.
Expertise in specific functional areas	Mr. A.S.Gupta, aged 77 years, is retired Chairman of Life Insurance Corporation of India. Mr. A. S. Gupta is the Chairman of the Company and has been associated with the Company since approx.16 years. The Company has immensely benefited from Mr.Gupta's rich experience in the fields of Administration, Risk Management and looks forward to continue the same.	Dr. W. R. Correa, aged 79 years has been associated with the Company for more than 14 years. He is a retired senior Corporate Executive with varied experience. He is also associated as trustee with public service institutions like Breach Candy Hospital and Medical Research Centre, Cheshire Homes India Foundation, etc. The Company has immensely benefited from Dr. Correa's expertise in the fields of Production, Marketing and Resources Management and looks forward to continue the same.	Mr. P. R. Bhansali is an eminent Industrialist and a leading exporter of readymade garments. Mr. P. R. Bhansali was the President of the Metal & Stainless Steel Merchants Association, Mumbai and Vice President of All India Garments Exporters & Manufacturers Association. Mr. P. R. Bhansali has been associated with the Company since incorporation. The Company has immensely benefited from Mr.P.R.Bhansali's expertise in various fields and looks forward to continue the same.
Directorship of other Companies	1) K.E.C. International Ltd. 2) Mangalam Cement Ltd. 3) Gujrat Carbon and Industries Ltd. 4) Asahi Sango Won Dyechem Colours Ltd.	1) Birla Kennametal Ltd. 2) Goa Carbon Ltd.	1) Bhansali Ferromet Pvt. Ltd. 2) Bhansali Bright Bars Pvt. Ltd.
Chairman/Member of Committees of the Board of Companies of which he is a Director	1) K.E.C. International Ltd. - Chairman, Audit & Finance Committee 2) Mangalam Cement Ltd. - Member, Audit Committee	1) Birla Kennametal Ltd. - Member, Shareholders' Committee 2) Goa Carbon Ltd. - Member, Remuneration Committee	-

By order of the Board
For BHANSALI ENGINEERING POLYMERS LIMITED

Place : Mumbai
Dated : 17th May, 2003

A. R. MUNDRA
PRESIDENT & COMPANY SECRETARY

BHANSALI ENGINEERING POLYMERS LIMITED

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

Mr. B. S. Bhesania was appointed as an Additional Director of the Company with effect from 17th May, 2003 pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article No. 77.1 & 77.2 of the Articles of Association of the Company. Pursuant to the provisions of the said section, the term of the office of the said Director expires at the ensuing Annual General Meeting of the Company. In the mean time, the Company has received a notice under Section 257 of the said Act along with the necessary deposit from a shareholder proposing the candidature of Mr. B.S.Bhesania for the office of Director of the Company. The details as required pursuant to clause 49 of Listing Agreement are as under:

Date of Birth	03.11.1933
Date of Appointment	17.05.2003
Qualifications	B.Sc., L.L.M., Solicitor High Court, Mumbai Solicitor Supreme Court of England & Wales Solicitor Supreme Court of Hong Kong.
Expertise in specific functional area	Mr. B.S. Bhesania is an eminent Solicitor of High Court, Mumbai. He is a partner of M/s. Mulla & Mulla & Craigie Blunt & Caroe, one of the leading law firms of the country having international recognition.
Directorship of other Companies	1. Trent Ltd. 2. D.G.P. Hinoday Ltd. 3. Gilt Edge Finance & Investments Ltd. 4. Jamyad Investments Pvt. Ltd. 5. India Overland Pvt. Ltd.
Chairman/Member of Committees of the Board of Companies of which he is Director	Trent Ltd. - Member of Audit Committee & Investors Grievance Committee

The Board recommends the appointment of Mr. B. S. Bhesania as a Director of the Company.

The resolution vide serial No. 6 is therefore proposed for approval of the Members.

Mr. B. S. Bhesania is concerned or interested in the above resolution for his appointment. No other Director is interested or concerned in the said resolution.

By order of the Board
For BHANSALI ENGINEERING POLYMERS LIMITED

Place : Mumbai
Dated : 17th May, 2003

A. R. MUNDRA
PRESIDENT & COMPANY SECRETARY



DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Nineteenth Annual Report and the Audited Accounts for the period ended 31st March, 2003.

CHANGE IN ACCOUNTING PERIOD

The Company has changed its Accounting Year ending from 30th June, to 31st March, consequently the current accounting period is of 9 months from 1st July, 2002 to 31st March, 2003. Therefore, the figures for the period ended on 31st March, 2003 are not comparable with the figures of previous period ended 30th June, 2002.

FINANCIAL RESULTS

	Current Accounting Period ended 31.03.2003 (9 months) (Rs. in lacs)	Previous Accounting Period ended 30.06.2002 (15 months) (Rs. in lacs)
Sales	8386.36	12638.18
Profit before Tax	262.04	77.06
Provision for Taxation		
Current Year	(11.56)	-
Deferred Tax	(26.06)	249.74
Earlier Years	(17.09)	-
Profit after Tax	207.33	326.80
Add : Balance brought forward	902.10	821.75
Less : Deferred Tax Liability related to earlier years	-	246.45
Balance carried to Balance Sheet	1109.43	902.10

OPERATIONS

The sales have increased by 10.60% on an annualized basis in comparison with the previous period.

The prices of major raw materials and consequently those of our products fluctuated during the period resulting in lower sales quantities. However, the Company could get higher margins resulting in improved profitability.

During the period under review, the capacity of ABS/SAN was expanded from 27000 TPA to 30000 TPA by adding balancing equipments. The Company is in the process of finalizing the plans to expand total ABS/SAN manufacturing capacity to 45000 TPA by the next year.

FINANCE

Your Company has achieved a milestone by repaying all the secured loans of Financial Institutions and State Bank of India and freed its assets (fixed and current) of all charges as on 31st March, 2003.

DIVIDEND

With a view to conserve financial resources for the Company's future operations, your Directors deem it prudent not to recommend dividend on the paid-up share capital of the Company for the period ended 31st March, 2003.

SAFETY AND ENVIRONMENT PROTECTION

Your Company continues to accord high priority to the areas of Safety and Environment Protection. Compliance with safety norms and regular training programs to employees for various safety measures and to increase the safety standards and awareness are an integral part of the Company's operating systems.

FIXED DEPOSITS

There are no deposits remaining unpaid/unclaimed in terms of section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975 at the end of the period.

BHANSALI ENGINEERING POLYMERS LIMITED

DIRECTORS

Mr. B. S. Bhesania has been appointed as an Additional Director of the Company on 17th May, 2003. In accordance with the provisions of section 260 of the Companies Act, 1956, read with Article nos. 77.1 and 77.2 of the Articles of Association of the Company, he would hold office till the date of the ensuing Annual General Meeting of the Company. In the meantime, the Company has received notice pursuant to section 257 of the Companies Act, 1956 along with necessary deposit from a shareholder proposing the candidature of Mr. B. S. Bhesania as a Director of the Company.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. A. S. Gupta, Dr. W. R. Correa and Mr. P. R. Bhansali, Directors of the Company, retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment and offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors to the best of their knowledge and belief hereby confirm that:

- i) The applicable standards have been followed in the preparation of the Annual Accounts.
- ii) Your Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2003 and of the Profit of the Company for the period ended on that date.
- iii) Your Directors have taken appropriate and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) Your Directors have prepared the attached Statement of Accounts for the period ended 31st March, 2003 on a going concern basis.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Stock Exchange Listing Agreement, a report on Corporate Governance and Management Discussion and Analysis and Certificate from the Auditors on compliance thereof is given in the Annexure-B and Annexure-C respectively, which form a part of this Report.

AUDITORS

M/s. B. L. Dasharda & Associates, Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. The retiring Auditors have furnished a certificate of their eligibility for re-appointment under Section 224(1B) of the Companies Act, 1956 and have indicated their willingness to continue in the said office.

PARTICULARS OF CONSERVATION OF ENERGY, ETC.

The information prescribed under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are given in Annexure-A which forms part of this Report.

PARTICULARS OF EMPLOYEES

There are no employees covered under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended and hence no particulars are required to be furnished.

ACKNOWLEDGEMENTS

Your Directors appreciate the valuable co-operation extended by the various departments of the Central and State Governments, the Company's Bankers, Financial Institutions, Customers, Suppliers and the Shareholders during the period under review. Your Directors also take pleasure in commending the valuable contributions made by the Company's employees at all levels during the period under review.

For and on behalf of the Board

Mumbai
Dated : 17th May, 2003

A. S. GUPTA
Chairman

**ANNEXURE - A**

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

A. CONSERVATION OF ENERGY:

- (a) The equipments producing energy have been designed considering the factors of conservation and optimum utilisation of energy.
- (b) Following Energy Conservation measures were taken during the period:
- (i) The installation of low capacity cooling tower in utility section for continuous running of plant, working on natural draft, has reduced the running hours of main unit, & thus, resulted in saving of electrical energy.
- (ii) Providing the motor of appropriate capacity for chilling water circulation pump has resulted in electrical energy saving.
- (c) Total energy consumption and consumption of energy per unit of production are given in the prescribed Form 'A' hereunder.

B. TECHNOLOGY ABSORPTION:

Details of efforts made in Technology Absorption are given in prescribed Form 'B' hereunder.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- a) Activities relating to exports, initiatives taken to increase export, development of new export market for products & services and export plans:

Total export during the period under review was 468 MT valued at US\$ 0.51 million i.e. about Rs. 245.02 lacs.

- b) Total foreign exchange used and earned:

(Rs.in lacs)

Total foreign exchange used 457.34

Total foreign exchange earned 245.02
(CIF value)

FORM - A

(See Rule 2)

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

	Period ended 31.03.2003	Period ended 30.06.2002
A) Power and Fuel Consumption		
1. Electricity		
a) Purchased:		
Units (KWH) in lacs	105.36	152.28
Total Amount (Rs.in lacs)	511.64	692.93
Rate per KWH (Rs.)	4.86	4.55
b) Own Generation:		
Through Diesel Generator		
Units (KWH) in lacs	11.90	36.62
Units per ltr. of diesel oil	3.22	5.02
Cost per unit (Rs.)	6.18	5.33
2. Coal used in Boiler:		
Quantity (MT)	6285	8074
Total cost (Rs. in lacs)	93.81	129.43
Rate per MT (Rs.)	1492.60	1603.05
3. L.D.O.:		
Quantity (Ltrs)	162676	292852
Total amount (Rs. in lacs)	21.37	37.30
Average Rate (per Ltr.)	13.14	12.74

B) Consumption per unit of**Production:**

Electricity (KWH/MT of		
ABS & SAN Resins)	1141.20	960.15
Coal (MT/MT of ABS Resin)	0.62	0.43
L.D.O.		
(Ltrs/MT of SAN Resin)	51.14	56.11