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Annual Report 2003-2004

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BHANSALI ENGINEERING POLYMERS LIMITED

An ISO 9001 Company



PERFORMANCE HIGHLIGHTS (10 Years)

Financial Year	Installed Capacity (MT)	Sales Volume (MT)	Sales Rs. In lacs	Profit/ (Loss) after Tax Rs. In lacs	Net Worth Rs. In lacs	Book Value Per Share 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(*)
2003-04 (15 Months)	48000	11443	9379	(282.14)	5733.25(*)	3.46(**)

(*) excluding Revaluation Reserve.

(**) Face Value of shares sub-divided from Rs.10/- to Re.1/- w.e.f. 23.02.2004.



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
 Mr. P.R.Bhansali
 Mr. Kenji Asakawa - Executive Director
 Mr. B.M.Bhansali - Managing Director

AUDITORS

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

SOLICITORS

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

BANKERS

Allahabad Bank
 UTI Bank Limited

REGISTERED OFFICE

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

WORKS

Satnoor

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

Abu Road

SP-138-144,
 Ambaji Industrial Area,
 Abu Road, Dist.: Sirohi, (Rajasthan)
 Pin - 307 026.

Vadodara

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

MANAGEMENT TEAM

B.M.Bhansali	- Managing Director
Kenji Asakawa	- Executive Director (Technical)
Kiran Bhansali	- Executive Director (Corporate)
S.S.Ladi	- Executive Director (Commercial)
S.M.Ghike	- Vice President (Projects)
D.P.Singh	- Vice President (Works)
N.Sethuraman	- Vice President (Human Resource Management)
S.S.Deshpande	- Vice President (R&D and TS)
A.V.Dharmadhikary	- Vice President (Projects)
D.B.Shrigondekar	- Vice President (Supply Chain Management)
S. Pramanik	- Vice President (Information Technology)
C.B.Bhardwaj	- Asst. Vice President (Works)
P.M.Parakh	- Asst. Vice President (Internal Audit)
A.K.Bisaria	- General Manager (Power Plant Project)

BHANSALI ENGINEERING POLYMERS LIMITED

NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of **Bhansali Engineering Polymers Limited** will be held at Walchand Hirachand Hall, Indian Merchants' Chamber, Veer Nariman Road, Mumbai - 400 020 on Saturday, the 16th October 2004 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June 2004 and Profit and Loss Account for the period ended on that date together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. M.C.Gupta, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Supriya Gupta, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Sunil Tandon, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 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.Kenji Asakawa, who was appointed as an Additional Director of the Company by the Board of Directors at their Meeting held on 5th November 2003 pursuant to the provisions of Section 260 of the Companies Act, 1956 ("the Act") read with Article 77.1 & 77.2 of the Articles of Association of the Company and who holds the said office till the date of the ensuing Twentieth Annual General Meeting of the Company and in respect of whom, the Company has received a Notice pursuant to Section 257 of the Companies Act, 1956 along with necessary deposit from a shareholder of the Company, proposing the candidature of Mr.Kenji Asakawa as a Director of the Company, be and is hereby appointed as a Director of the Company."

7. 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 Sections 198, 269, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said act and subject to the approval of the Central Government and such other approvals as may be necessary, consent of the Members of the Company be and is hereby accorded for the appointment of Mr. Kenji Asakawa as the Whole-time Director with a designation of "Executive Director" of the Company for a period of three years with effect from 6th November 2003 till 5th November 2006 on the following terms and conditions:

Period of Appointment	Three years from 6th November 2003 to 5th November 2006.
Salary	* (i) Rs. 5,00,000/- per month for the period from 6th November 2003 to 16th October 2004 subject to deduction of tax as per the Income Tax Act, 1961. ** (ii) Rs. 6,00,000/- per month for the period from 17th October 2004 to 5th November 2006 subject to deduction of tax as per the Income Tax Act, 1961.

* As approved by the Remuneration Committee at its Meeting held on 5th November 2003 and by the Board of Directors at their Meeting held on 5th November 2003 and in respect of which approval has been received from the Central Government vide their Letter No. 1/376/2003-C.L. VII dated 21st May 2004 for the period from 6th November 2003 to the date of the ensuing Twentieth Annual General Meeting of the Company.

** As enhanced by the Remuneration Committee at its Meeting held on 6th September 2004 and by the Board of Directors at their Meeting held on 6th September 2004 and in respect of which an application shall be made by the Company to the Central Government for their approval.

# Perquisites	(i) Free furnished accommodation. (ii) Provision for use of Company car and telephone at residence. (iii) Premium for Personal Accident Insurance and Health Policy in accordance with the rules of the Company from time to time. (iv) To and fro air passage for Mr. Kenji Asakawa and his dependent family members to visit his home country once in a year.
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The total expenditure of the items from (i) to (iv) shall not exceed Rs. 15,00,000/- per annum.



- # (a) In respect of perquisites for the period from 6th November 2003 to 5th November 2006 which have been approved by Remuneration Committee & Board of Directors in their meeting held on 5th November 2003.
- (b) Approval of the Central Government in respect of said perquisites has been received vide their letter no. 1/376/2003-C.L. VII dated 21st May 2004 for the period from 6th November 2003 to the date of the ensuing Annual General Meeting.
- (c) The Company shall make an application to the Central Government in respect of said perquisites from 17th October 2004 to 5th November 2006.

Minimum Remuneration

In the event of absence or inadequacy of profits in any financial year during his tenure, Mr. Kenji Asakawa shall be paid the same remuneration as stated hereinabove including perquisites as minimum remuneration."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary, abrogate or modify the terms and conditions of the appointment of and payment of remuneration to Mr. Kenji Asakawa, Whole-Time Director with a designation of "Executive Director" of the Company, as may be considered appropriate and necessary by the Board of Directors in mutual consultation with Mr. Kenji Asakawa, Whole-time Director with a designation of "Executive Director" and further authorise to take all such actions and do all such things as may be deemed necessary, desirable and expedient for giving effect to the above resolution."

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT as per the recommendation of Remuneration Committee and pursuant to the provisions of Sections 198, 269, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said act and subject to such other approvals as may be necessary, consent of the Members of the Company be and is hereby accorded for the re-appointment of Shri Babulal M. Bhansali as the Managing Director of the Company for a period of five years with effect from 1st April, 2005 to 31st March 2010 subject to the terms and conditions as set out hereunder, with further liberty to the Board of Directors of the Company to alter and vary the said terms and conditions including remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any other amendments thereto, as may be agreed to between the Board of Directors and Shri Babulal M. Bhansali:

REMUNERATION:

- | | |
|---|---|
| (i) Salary | Rs. 75,000/- per month. |
| (ii) Perquisites & allowances | <p>(a) Free furnished accommodation, including gas and electricity, with caretaker staff or house rent allowance @ 60% of the Salary.</p> <p>(b) Medical facilities for Shri Babulal M. Bhansali and his family will be borne by the Company as per the Company's Rules.</p> <p>(c) Leave Travel concession for Shri Babulal M. Bhansali and his family once in a year in accordance with the Rules specified by the Company.</p> <p>(d) Fees of clubs subject to a maximum of two clubs.</p> <p>(e) Personal Accident Insurance Premium not exceeding Rs. 4,000/- per annum.</p> <p>(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 Shri Babulal M. Bhansali.</p> <p>(g) Contribution to Provident Fund, Super Annuation Fund or Annuity Fund and Gratuity and Encashment of Leave at the end of the tenure.</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 (A) of Section II 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 (f) above 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 (f) above received and / or receivable by him during such financial year." |

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"RESOLVED FURTHER 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 (A) 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."

"RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby authorised to take such actions and do all such things as may be necessary or desirable to give effect to this resolution."

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

"RESOLVED THAT subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactments thereof for the time being in force), Securities Contracts (Regulations) Act, 1956 and the Rules framed there under, Listing Agreements, Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary, the consent of the Company be and is hereby accorded to the Board to delist the equity shares from the following Stock Exchanges:

- (i) The Stock Exchange, Ahmedabad.
- (ii) The Delhi Stock Exchange Association Limited, New Delhi.
- (iii) The Calcutta Stock Exchange Association Limited, Kolkata.
- (iv) Madhya Pradesh Stock Exchange, Indore."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all necessary steps in this regard in order to comply with all the legal and procedural formalities and further to authorise any of its Committee(s)/ Director(s) or any Officer(s) of the Company to do all such acts, deeds or things as may be required from time to time to give effect to the aforesaid resolution and matters related thereto."

10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which shall include any Committee(s) thereof), to create mortgage(s), charge(s), hypothecation and/or floating charge(s) on all or any of the immovable and/or movable assets/properties of the Company, present and future, of every nature and kind whatsoever, and the undertaking of the Company in certain events, to secure Term Loans, Working Capital Facilities, External Commercial Borrowings etc. from Financial Institutions, Banks, other agencies including foreign lending sources etc. with interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges already created or to be created in future by the Company in such manner and in such form as may be deemed prudent, desirable and necessary by the Board of Directors."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all necessary steps and do all necessary things in this regard in order to comply with all the legal and procedural formalities and further to authorise any of its Committee(s) / Director(s) or any Officer(s) of the Company to do all such acts, deeds or things as may be necessary to give effect to the aforesaid resolution and matters related thereto."

11. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which shall include any Committee(s) thereof), to borrow from time to time on long term basis all such sum(s) of money from Financial Institutions, Banks, other agencies including foreign lending sources etc. by way of term loans (secured and/or unsecured) and other debt instruments etc. as the Board may deem fit for the purpose of the Company, notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by the Company and outstanding (apart from the temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company i.e. reserve not set apart for any specific purpose, and provided that the total amount borrowed / to be borrowed by the Board of Directors shall not, at any time, exceed the limit of Rs. 2,50,00,00,000/- (Rupees Two Hundred Fifty Crores only)."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all necessary steps and do all necessary things in this regard in order to comply with all the legal and procedural formalities and further to authorise any of its Committee(s) / Director(s) or any Officer(s) of the Company to do all such acts, deeds or things as may be necessary to give effect to the aforesaid resolution and matters related thereto."

By order of the Board
For Bhansali Engineering Polymers Ltd.

Place : Mumbai
Dated: 6th September 2004

B. M. Bhansali
Managing Director

**NOTES:**

1. 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.
2. Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 (fortyeight) hours before the time fixed for holding the meeting.
3. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Share Department, so as to reach the registered office of the Company at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
4. The Register of Members and Share Transfer Books will remain closed from Thursday, 7th October 2004 to Saturday, 16th October 2004 (both days inclusive).
5. 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 and to the Company's Registrar & Share Transfer Agent at M/s. Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai- 400 078 in respect of their physical share folios.
6. Members are requested to bring their copy of Annual Report to the Meeting.
7. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.
8. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Item Nos. 6 to 11 is appended hereto.

ADDITIONAL INFORMATION:

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

Particulars	Mr. M.C.Gupta	Mr. Supriya Gupta	Mr. Sunil Tandon
Date of Birth	23.07.1938	21.09.1936	26.09.1957
Date of Appointment	30.09.2002	30.09.2002	30.09.2002
Qualification	M.A.(English)	B.A.(Hons.) CAIIB	B.Sc., M.A.(Political Science & Public Administration), M.B.A. (Finance) from U.K.
Expertise in specific functional areas	I.A.S. (1960 batch), served the Union & State Governments on various administrative posts including Industries Secretary, Govt. of India, Advisor, Industries Planning Commission. Retired as Chief Secretary, Govt. of Haryana in 1997. Currently, Advisor to United Nations Industrial Development Organization. (UNIDO)	An eminent Banker, held top positions in State Bank of India and UTI Bank Ltd.	I.A.S. during 1983 to 1997, has held key senior positions in the Union & State Governments. Since 1997, serving the private sector. He is an expert in finance management and implementation of projects. Presently, he is Chairman of Capital Partners, a flagship Advisory Services Firm in India. Conferred with 'The President of India's Medal in 1992 and awarded The British Council Award in 1995-96.
Directorship of other Companies	Vardhaman Acrylies Limited	1) Kanoria Chemicals & Industries Ltd. 2) Bengal Tea & Fabrics Ltd. 3) Taj (Asia) Ltd. 4) Vivekananda Sky Road Ltd. 5) Kirtivardhan Finvest Ltd. 6) GIS Limited 7) Hindustan National Glass & Industries Ltd. 8) NABIL Bank Ltd. Kathamandu 9) Upper Ganges Sugar & Industries Ltd.	1) Pipavav Railway Corporation Ltd. 2) GMR Tambaram-Tindivanam Expressways Pvt. Ltd. 3) GMR Tuni -Anakapalli Expressways Pvt.Ltd. 4) Hyderabad International Airport Ltd.

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Chairman/Member of Committees of the Board of Companies of which he is a Director	Vardhaman Acrylics Limited- Chairman of Shareholders/ Investors Grievance Committee	1) Kanoria Chemicals & Industries Ltd. - Chairman of Audit Committee. - Member of Finance Committee. 2) Bengal Tea & Fabrics Ltd. - Chairman of Audit & Remuneration Committee. - Member of Shareholders Investors Grievance Committee & Share Transfer Committee. 3) NABIL Bank Limited, Kathmandu - Member of Audit Committee, Performance Monitoring & Planning Committee, Credit Committee.	-
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By order of the Board
For Bhansali Engineering Polymers Ltd.

Place : Mumbai
Dated: 6th September 2004

B. M. Bhansali
Managing Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 6 & 7:

Mr. Kenji Asakawa

Mr. Kenji Asakawa was appointed as an Additional Director of the Company by the Board of Directors at their Meeting held on 5th November 2003 pursuant to the provisions of Section 260 of the Companies Act, 1956 ("the Act") read with Article 77.1 & 77.2 of the Articles of Association of the Company. Mr. Kenji Asakawa holds the said office till the date of the ensuing Twentieth Annual General Meeting of the Company. In respect of the said Additional Director, the Company has received a Notice pursuant to Section 257 of the Companies Act, 1956 along with necessary deposit from a shareholder of the Company, proposing the candidature of Mr. Kenji Asakawa as a Director of the Company at the ensuing Twentieth Annual General Meeting.

As per the recommendation made by the Remuneration Committee at its Meeting held on 5th November 2003, the Board of Directors of the Company in their meeting held on the same date i.e. 5th November 2003, has appointed Mr. Kenji Asakawa as the Whole-time Director with a designation of "Executive Director" of the Company with effect from 6th November 2003.

Mr. Kenji Asakawa, a citizen of Japan having qualification of B.E. and M.E. (Chemical Engineering) from Kyoto University, has 33 years of experience in ABS manufacturing technology. He has retired as "Manager - Technology" of Nippon A & L Co. Ltd., Japan, a joint venture between Sumitomo Chemical and Mitsui Chemical to produce ABS and SBR Latex. Considering his qualification and experience, it is in the Company's Long term interest to induct him as a Whole-Time Director with a designation of "Executive Director" on the Board of the Company.

As Mr. Kenji Asakawa is not a resident of India and will be drawing remuneration exceeding the limits prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956, an application was made to the Central Government under Section 269, 198(4), 309(3) and 637AA of the Companies Act, 1956, whereby the Central Government has accorded their approval under Section 269 of the Companies Act, 1956 for the said appointment with effect from 6th November 2003 till the ensuing Twentieth Annual General Meeting of the Company subject to certain terms and conditions.



The terms and conditions of the appointment of and payment of remuneration to Mr. Kenji Asakawa, Wholetime Director of the Company shall be governed by the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said act and the approval of the Central Government.

The Company is in the process of making necessary application to the Central Government seeking approval for appointment of and payment of remuneration to Mr. Kenji Asakawa, Whole-Time Director with a designation of "Executive Director" in accordance with the details provided in the proposed Special Resolution vide Item No. 7 above, for the period from the date of the ensuing Twentieth Annual General Meeting to 5th November 2006.

However, prior to such application to the Central Government, pursuant to the provisions of Section 198, 269, 309, 310 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said act, it is necessary to obtain approval of Members of the Company by way of a Special Resolution for appointment of and payment of remuneration to Mr. Kenji Asakawa, Wholetime Director with a designation of "Executive Director" for the above mentioned period.

Your Directors therefore recommend the resolutions proposed vide item nos.6 & 7 for approval of the Members.

The information as furnished in the above resolution containing terms and conditions of appointment of and payment of remuneration to Mr. Kenji Asakawa, Wholetime Director with a designation of "Executive Director", shall be deemed as the abstract of the terms and conditions of such appointment and remuneration to the said Wholetime Director in terms of Section 302 of the Companies Act, 1956.

Except Mr. Kenji Asakawa, no other Directors of the Company are concerned or interested in the said resolution.

Item No. 8:

Shri Babulal M. Bhansali:

Shri Babulal M. Bhansali was appointed as Managing Director of the Company pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 and Schedule XIII to the said act for a period of five years with effect from 1st April 2000, vide resolution passed by the Board of Directors at their Meeting held on 29th May 1999 and duly approved by the Shareholders at the Annual General Meeting of the Company held on 21st August, 1999. However, Section 317 of the Companies Act, 1956 allows the re-appointment before 2 years of the expiry of the term and the Company is desirous of re-appointing Shri Babulal M. Bhansali as Managing Director on revised terms and conditions considering his varied experience and the long association with the Company.

Accordingly, it is proposed to re-appoint Shri Babulal M. Bhansali as Managing Director of the Company for a period of five years from 1st April 2005 to 31st March 2010. The terms and conditions of re-appointment of and payment of remuneration to Shri Babulal M. Bhansali, Managing Director of the Company are specified in an ordinary resolution proposed vide Item No. 8 of the Notice.

Your Directors therefore recommend a resolution proposed vide item no.8 for approval of the Members.

The information as furnished in the above resolution containing terms and conditions of re-appointment of and payment of remuneration to Shri Babulal M. Bhansali, Managing Director, shall be deemed as the abstract of the terms and conditions of such appointment and remuneration to the said Managing Director in terms of Section 302 of the Companies Act, 1956.

Except Shri Babulal M. Bhansali, no other Directors of the Company are interested in resolution vide Item No. 8 of the Notice.

Item No. 9:

Presently, the equity shares of the Company are listed on the following Stock Exchanges:

- 1) The Stock Exchange, Mumbai (BSE).
- 2) The Stock Exchange, Ahmedabad.
- 3) The Delhi Stock Exchange Association Limited, New Delhi.
- 4) The Calcutta Stock Exchange Association Limited, Kolkata.
- 5) Madhya Pradesh Stock Exchange, Indore.

Equity Shares of the Company are listed on The Stock Exchange, Mumbai (BSE) which has extensive networking through its terminals in other cities as well. The investors have therefore access to online dealings in the Company's securities across the country. The bulk of the trading in the Company's equity shares takes place only on BSE, and the depth and liquidity of trading in the Company's equity shares on all other above mentioned stock exchanges is absent with virtually no trading.

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In line with the SEBI regulations and guidelines stated above, the members' approval is being sought by a Special Resolution for enabling the voluntary delisting of the Company's equity shares from four Stock Exchanges viz., The Stock Exchange, Ahmedabad, The Delhi Stock Exchange Association Limited, New Delhi, The Calcutta Stock Exchange Association Limited, Kolkata and Madhya Pradesh Stock Exchange, Indore.

The proposed delisting of the equity shares of the Company from the said Stock Exchanges have/ will not adversely affect the investors.

Your Directors therefore recommend a resolution proposed vide item no.9 for approval of the Members.

None of the Directors of the Company is concerned or interested in said resolution.

Item No. 10:

With a view to augment financial resources for the Company's long term fixed capital requirements and/or working capital requirements, the Company may resort to borrowings from Financial Institutions / Banks and other agencies including foreign lending sources which in aggregate shall not exceed Rs. 2,50,00,00,000/- (Rupees Two Hundred Fifty Crores only). For securing the loans and borrowings, together with interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and all other monies payable by the Company, the Company may be required to create mortgages, charges, hypothecations and floating charges on all or any of the immovable and movable assets / properties of the Company, both present and future.

The said borrowing(s) may be required to be secured by way of mortgage(s) /charge(s) on the Company's assets in favour of the lender(s) with respect to borrowing(s). The documents executed and/or to be executed between the lender(s) and the Company. Hence, it is necessary to pass a resolution under section 293(1)(a) of the Companies Act, 1956 with respect to creation of said mortgage(s)/charge(s).

Your Directors therefore recommend a resolution proposed vide item no.10 for approval of the Members.

None of the Directors of the Company is in any way concerned or interested in the said resolution.

Item No. 11:

For augmenting long term financial resources, the Company, may resort to borrowings from Financial Institutions, Banks, other agencies including foreign lending sources which in aggregate shall not exceed Rs. 2,50,00,00,000/- (Rupees Two Hundred Fifty Crores only).

Section 293(1)(d) of the Companies Act, 1956 provides interalia that the Board of Directors of Public Company shall not borrow in excess of the paid up capital and free reserves of the Company except with the consent of the Company in General Meeting.

Your Directors therefore recommend a resolution proposed vide item no.11 for approval of the Members.

None of the Directors of the Company is in any way concerned or interested in the said resolution.

By order of the Board
For Bhansali Engineering Polymers Ltd.

Place: Mumbai
Dated: 6th September 2004

B. M. Bhansali
Managing Director

REGISTERED OFFICE:

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