

bhansali ENGINEERING polymers limited

An ISO 9001:2008 Company



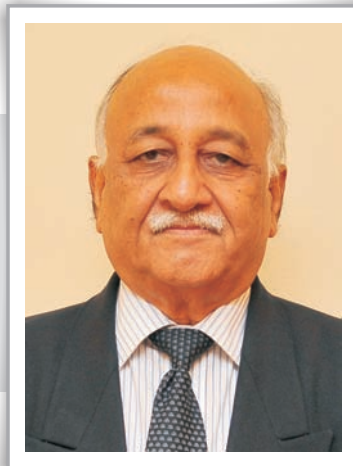
**27th Annual Report
2010 - 2011**

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Chairman's Statement



I would like to place on record my deep appreciation to all our employees for their hard work, dedication, loyalty and sincerity which is apparent from the results now placed before you.



Dear Shareholder,

As Chairman of the Board of Directors, I am pleased to present the Annual Report of Bhansali Engineering Polymers Limited (BEPL) for the F.Y. 2010-2011. It is very encouraging to note that BEPL has delivered another year of good performance, a year of activity with optimism and determination, to move forward on many fronts.

Demand of ABS in the domestic as well as global markets is increasing with massive growth opportunities in the major user segments. To keep pace with the growing demand, we currently having a manufacturing capacity of 51 KTPA have decided to undertake a mega expansion project at the Abu Road (Rajasthan) and Satnoor (Madhya Pradesh) Units for enhancing the overall production capacity to 125 KTPA by March – 2013, comprising of 120 KTPA ABS and 5 KTPA of Saleable SAN, at a total estimated cost of around Rs. 300 Cr. which when executed, will enable the company to achieve the cost and quality leadership in domestic market and will also enable us to become an international player. At present we are one of the largest manufacturers of ABS and SAN in India and are exploring further avenues also for sustainable proliferation and enhancement of business activities.

BEPL is poised to expand its aforesaid manufacturing capacity and is confident to achieve this milestone at a substantially modest cost by consolidating the manufacturing facilities and upgrading process technologies and synergizing the operations of plants within the target period which will enable the company to produce ABS and SAN at the lowest cost across the industry. The company has implemented SAP-ERP system also for effective monitoring and control on all around operations of the company.

We have witnessed a sharp upturn during current fiscal i.e. F.Y. 2010-2011 and came out with outstanding results by achieving a Turnover of over Rs. 510 Cr as against Rs. 339.63 Cr during the previous fiscal i.e. 2009-2010, an increase of about 50% ; Profit after tax (PAT) of Rs. 33.41 Cr as against Rs. 10.53 Cr last fiscal, an increase of about 217 %; EPS of Rs. 2.01 as against Rs. 0.63 last fiscal, an increase of about 219 %. The management is confident of moving on the path of progress for 2011-2012 and come out with more impressive and robust results. BEPL has set its eyes even higher and may pursue a greater capacity expansion in the years to come. Doing so, the company will be able to gain its market share in the current year by focusing on high growth market segments viz. Automobiles, Household Goods, Electronics and Telecommunications and some others.

The company looks forward to the opportunity of accomplishing its objectives of being a front, viable and innovative ABS & SAN producer in the years ahead. We need your sincere support in pursuing our growth path.

A handwritten signature in black ink, appearing to read 'M. C. Gupta'.

(M. C. Gupta)
Chairman

Board of Directors

Mr. M. C. Gupta
Chairman

Dr. B. S. Bhesania
Director

Mr. B. M. Bhansali
Managing Director

Mr. P. R. Bhansali
Director

Mr. Jayesh B. Bhansali
Executive Director

Mr. C. S. Sastry
Director

Management Team

Mr. B. M. Bhansali
Managing Director

Mr. Hitarth Vasavada
Vice President (Marketing)

Mr. Jayesh B. Bhansali
Executive Director

Mr. Hasmukh Thakkar
Vice President (Finance & Accounts)

Mr. Kenji Asakawa
Executive Director (Technical)

Mr. Venkat Gume
Vice President (H.R.)

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

Auditors

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

Solicitors

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

Bankers

Allahabad Bank,
Axis Bank Limited

Registered Office

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

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound, LBS Marg,
Bhandup (W), Mumbai - 400 078

WORKS

Satnoor

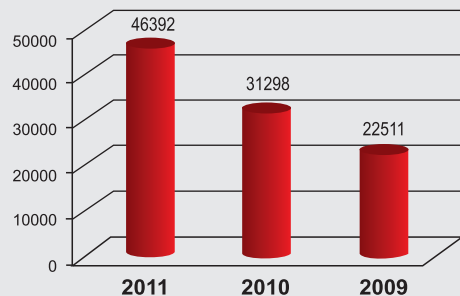
Bhansali Nagar, Taluka: Sausar
Dist: Chhindwara (M.P.)
Pin - 480 108

Abu Road

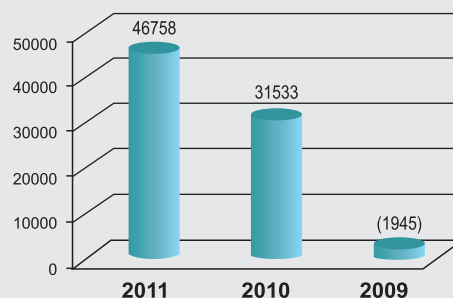
SP - 138-144
Ambaji Industrial Area, Abu Road
Dist: Sironi (Rajasthan)
Pin - 307 026

Financial Highlights

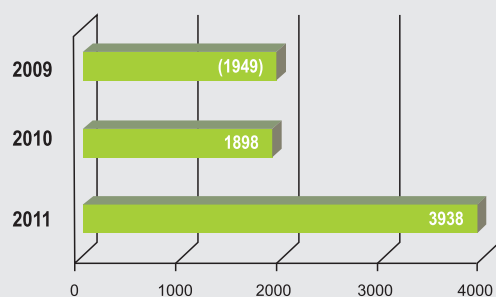
Net Sales



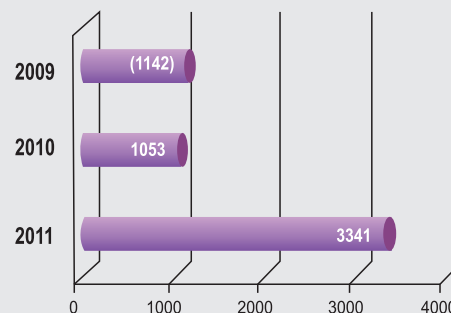
Gross Earning



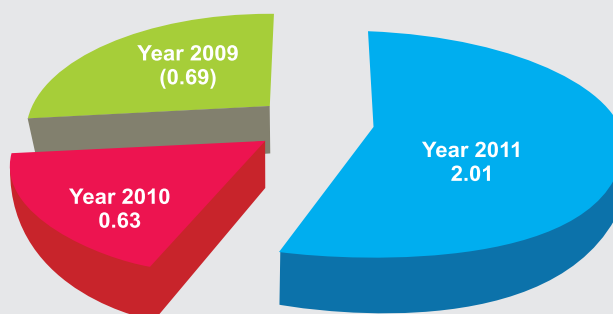
Profit Before Tax



Profit After Tax



Earning Per Share (Face Value Re.1/- Per Share)



Performance Highlights (10 Years)

Financial Year / Period	Installed Capacity (12 months basis)	Sales Volume	Sales	Profit/ (Loss) after Tax	Net worth	Book Value per Share
	(MT)	(MT)	₹ In lacs	₹ In lacs	₹ In lacs	₹
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 (**)
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 (**)

(*) Excluding Revaluation Reserve.

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

(#) Excluding Trading Sales.

NOTICE

NOTICE is hereby given that the Twenty-Seventh Annual General Meeting of the Members of **Bhansali Engineering Polymers Limited** will be held at Walchand Hirachand Hall, Indian Merchants' Chamber, Veer Nariman Road, Churchgate, Mumbai - 400 020 on Friday, 30th September 2011, at 11.45 A.M. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March 2011 and the Balance Sheet as at that date together with Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares of the Company.
3. To appoint a Director in place of Mr. Jayesh B. Bhansali, Whole-time Director of the Company, 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 Dr. B. S. Bhesania, who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
5. To appoint M/s B. L. Dasharda & Associates, Chartered Accountants, Mumbai to hold office as Statutory Auditors of company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

For and on behalf of the Board of Directors

Place : Mumbai
Dated : 23rd July, 2011

Jayesh B. Bhansali
Executive Director

Registered Office:

Bhansali House,
A-5, 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.**
2. Proxies, in order to be effective, must be received at the Company's Registered office not later than 48 (forty eight) hours before the time fixed for holding the meeting. Corporate members are requested to send a certified copy of the Board Resolution, authorizing their representative to attend and vote at the meeting.
3. 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.
4. The Register of Members and Share Transfer Books will remain closed from Friday, 23rd September, 2011 to Friday, 30th September, 2011 (both days inclusive).
5. The Dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 30th September, 2011 but within the statutory time limit of 30 days, to those members whose name appear on the Register of Members on 30th September, 2011 holding physical share certificates and in respect to those shareholders who hold shares in electronic form, dividend will be paid on the basis of beneficial ownership as on 23rd September, 2011, as per the details to be furnished for the said purpose by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).



REQUEST TO MEMBERS:

1. Members desirous of obtaining any information concerning to 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 working days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent practicable.
2. Pursuant to amendment brought in by the Ministry of Corporate Affairs in provisions of Section 53 of the Companies Act, 1956 vide circular bearing no. 17 dated 21st April, 2011, those Members who are desirous to receive Annual Report, Notices and service of other documents through electronic mode are requested to update email ID's with their respective Depository Participant (DP) and also furnish same to 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 a copy marked to the Company.
3. Members holding Shares in dematerialized form are requested to mention their Client ID and DP ID and those holding Shares in physical form are requested to mention their folio number in the attendance slip.
4. Members are requested to notify immediately any change in their address/bank mandate to their respective Depository Participant (DP) in respect to their electronic share accounts 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 to their physical share folios.
5. Members/Proxies attending the meeting are requested to bring their copy of Annual Report with them at the meeting and deliver the enclosed attendance slip at the entrance of the meeting hall.

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting (pursuant to requirements of Clause 49 of the Listing Agreement):

Particulars	Mr. Jayesh B. Bhansali	Dr. B.S. Bhesania
Date of Birth	25.07.1983	03.11.1933
Date of appointment on Company's Board	24.06.2006	17.05.2003
No. of shares held	21,12,125 Equity Shares	5,000 Equity Shares
Qualifications and Experience	M. Com. (Experience 5 Yrs)	B.Sc., L.L.M., Solicitor High Court, Mumbai, Solicitor Supreme Court of England & Wales, Solicitor Supreme Court of Hong Kong and hold distinction of having very long experience
Expertise in specific functional areas	He is a young and dynamic person focusing in the general management and day to day affairs of the Company.	He is an eminent Solicitor of High Court, Mumbai. He is a senior partner of M/s Mulla & Mulla, Craigie Blunt & Caroe, one of the leading law firms of the country having international recognition.
List of other Companies in which the Directorship is held as on 31/03/2011	<ul style="list-style-type: none"> • Bentley Commercial Enterprises Limited • Speedage Commercials Limited • Sheraton Properties & Finance Limited • Bhansali International Private Limited • Bhansali Innovative Finance Private Limited • Bhansali Engineering Industries Private Limited • Bhansali Industrial Investment & Finance Private Limited 	<ul style="list-style-type: none"> • Jamyad Investments Pvt.Ltd • Bombay Rayon Fashions Limited
Chairman / Member of the Committee of the Board of Directors of the other Companies in which he is a Director as on 31/03/2011	He is not member or chairman of any committee of the Board of directors of the other companies in which he is a director.	He is member of Audit Committee and Remuneration Committee of Bombay Rayon Fashions Limited.

For and on behalf of the Board of Directors

Place : Mumbai
Dated : 23rd July, 2011

Jayesh B. Bhansali
Executive Director

REGISTERED OFFICE:

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



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Seventh Annual Report on the business and operations of Company together with the Audited Statement of accounts for the year ended on 31st March 2011.

FINANCIAL AND OPERATIONAL RESULTS:

Financial and Operational Results of company for the year ended 31st March 2011 are as mentioned hereunder:

(₹ in lacs)

	Current Financial Year 31.03.2011	Previous Financial Year 31.03.2010
Gross Sales	51005.53	33963.15
Profit before Interest and Depreciation	5755.44	3941.45
Less: Interest	1212.72	1465.00
Depreciation (Net)	605.10	578.90
Profit before Tax	3937.62	1897.55
Provision for Taxation including Deferred Tax	(596.65)	(844.64)
Profit after Tax	3340.97	1052.91
Balance brought forward from previous year	3104.32	2051.41
APPROPRIATIONS:		
Dividend	165.91	0.00
Dividend Tax	27.55	0.00
Transfer to General Reserve	0.00	0.00
Balance carried to Balance Sheet	6251.83	3104.32

OVERVIEW OF THE ECONOMY:

Indian Economy has shown a strong resilience against the severe adverse factors like rising inflation, political disruptions and global economic shock of recession in developed countries. The most crucial extant macroeconomic problem which is likely to roadblock the growth of nation is INFLATION which was hovering around 9.8% in April 2011 being highest in last two years followed by CORE CONSUMER PRICES hovering around 15% primarily caused by high domestic demand and high fuel cost, inter alia other factors.

The global investing community has reposed a strong measure of confidence in Indian growth story and improved the country's positioning as an international investment hub. The International Monetary Fund (IMF) has ranked India at 5th position in the world in terms of the GDP growth rate in 2010.

Infrastructure Development is the key to the economic growth of any nation for which our government has already committed an investment of \$498 Billion in the Infrastructure sector alone during 11th Five Year Plan and this is bound to expand and strengthen the economy by sustained growth.

OPERATIONS AND FUTURE PLAN:

A record turnover of ₹ 510.05 Crores was achieved during the year under review as compared to ₹ 339.63 Crores in the previous year, an increase of more than 50%.

The financial performance of the company also witnessed a significant turnaround with the Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) at ₹ 57.55 Crores an increase of 46% as compared to ₹ 39.41 Crores in the previous year. On similar lines the profit before tax (PBT) was ₹ 39.38 Crores an increase of 107% as compared to the PBT of ₹ 18.98 Crores last fiscal. Consequently the Profit after tax (PAT) stood at ₹ 33.41 Crores reflecting an increase of 217.28% as compared to ₹ 10.53 Crores reported last year.

The company was also able to optimally utilize the production facilities and achieve significant growth in production and sales quantities as stated below.