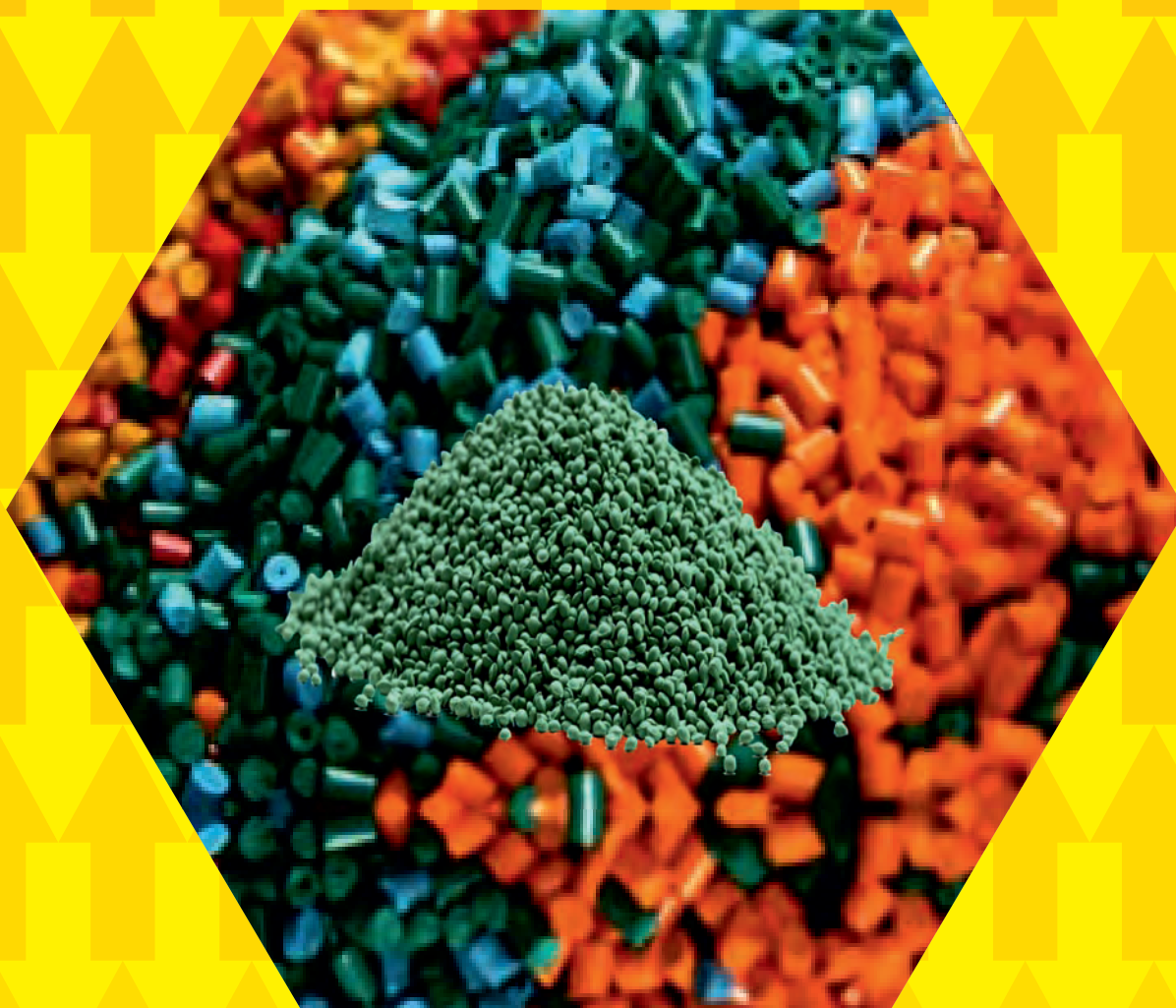


bhansali ENGINEERING polymers limited

An ISO 9001:2008 Company



**29th Annual Report
2012 - 2013**

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Board of Directors

Mr. M. C. Gupta
Chairman

Dr. B. S. Bhesania
Director

Mr. B. M. Bhansali
Managing Director

Mr. P. R. Bhansali
Director

Mr. Jayesh B. Bhansali
Executive Director

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)

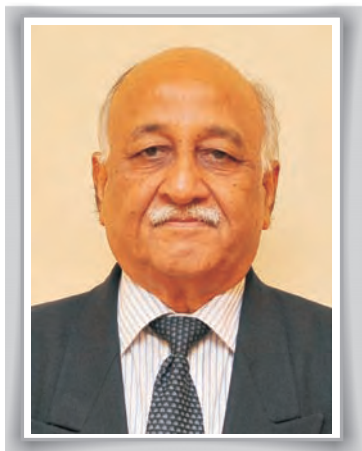
Mr. Hitarth Vasavada
Vice President (Marketing)

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 11th 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 Xth and XIth 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 25th 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 150th 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.

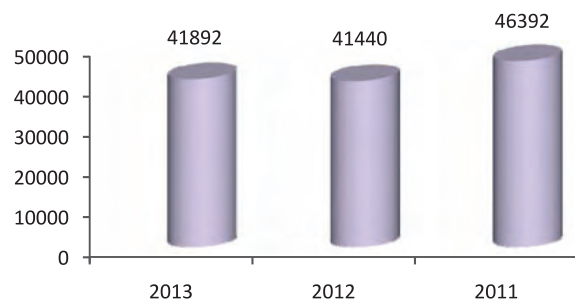
Sixty Five percent of the country's population is below 35, hence the growth can not be stopped. I believe that the future of this nation is in the hands of the youth who will contribute to make India as an economic super power house by blending growth with stability. Hopefully our company will be able 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.

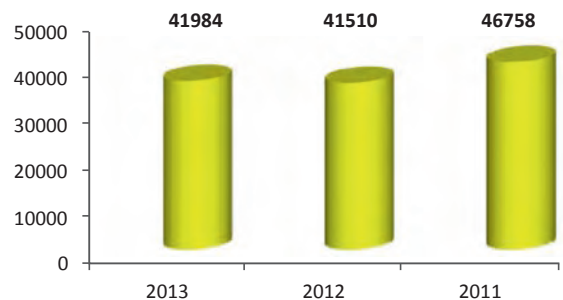
(Jayesh B. Bhansali)

Financial Highlights

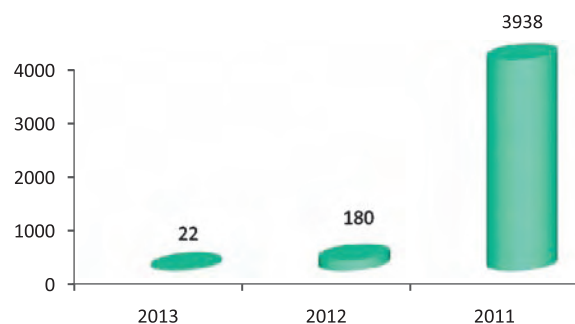
Net Sales



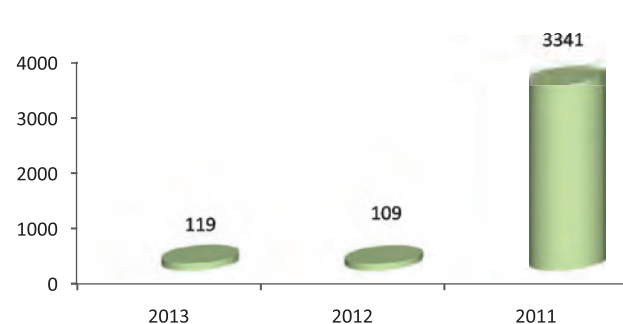
Gross Earning



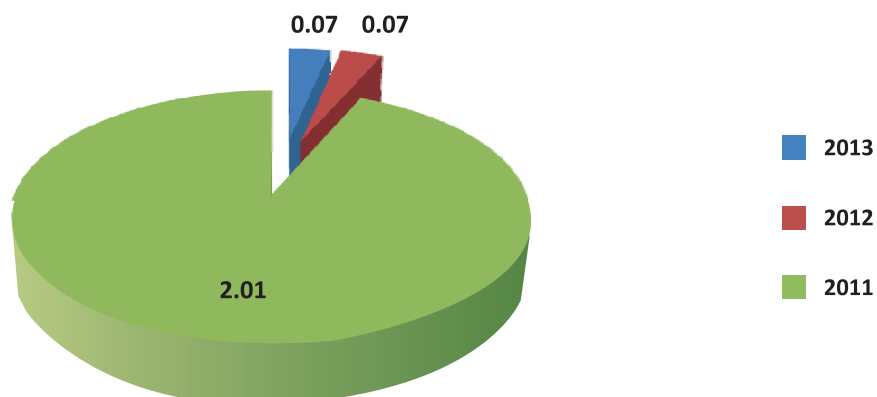
Profit Before Tax



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, 21st September, 2013 at 11.30 A.M. at Walchand Hirachand Hall, 4th 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 31st 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 1st April, 2013 to 31st 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:

I) REMUNERATION:

(i) Salary	Rs. 2,05,000/- per month.
(ii) Perquisites & Allowances	<ol style="list-style-type: none"> a) Free furnished accommodation, including gas and electricity, with caretaker staff or house rent allowance @ 60% of the Salary. b) Medical facilities for Mr. B. M. Bhansali and his family will be borne by the Company as per the Company's Rules. 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. d) Fees of clubs subject to a maximum of two clubs. e) Personal Accident Insurance Premium not exceeding Rs. 4,000/- per annum f) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Mr. Babulal M Bhansali. g) Special Allowance of Rs. 8750/- per month in lieu of superannuation amount h) Contribution to Provident Fund as per Company's rule and Gratuity and Encashment of Leave at the end of the tenure. <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: 26th 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.**
- 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.
- 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.
- 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.
- The Register of Members and the Share Transfer Books will remain closed from Saturday, 14th day of September, 2013 to Saturday, 21st day of September, 2013 (both days inclusive).
- The Dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 26th September, 2013 but within the statutory time limit of 30 days, to those members whose name appear on the Register of Members on 21st 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 20th 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 21st April, 2011, those Members who are desirous to receive Annual Report, Notices and service of other documents through electronic mode are requested to furnish their e-mail address to the Company's Registrar & Share Transfer Agent, 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 to 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
Date of Birth	05.03.1954	25.07.1983	03.11.1933
Date of appointment on Company's Board	08.09.1984	24.06.2006	17.05.2003
No. of Equity shares held as on 31/03/2013	15722848	2167624	19940
Qualifications and Experience	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.



Expertise in specific functional areas	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.	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.	Dr. B.S. Bhesania 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 31/03/2013	<ul style="list-style-type: none"> • Bentley Commercial Enterprises Limited • Speedage Commercials Limited • Sheraton Properties & Finance Limited • Bhansali Industrial Investment & Finance Private Limited • Bhansali Engineering Industries Private Limited • Bhansali Innovative Finance Private Limited • Bhansali International Private Limited 	<ul style="list-style-type: none"> • Bentley Commercial Enterprises Limited • Speedage Commercials Limited • Sheraton Properties & Finance Limited • Bhansali Industrial Investment & Finance Private Limited • Bhansali Engineering Industries Private Limited • Bhansali Innovative Finance Private Limited • Bhansali International Private Limited 	• 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 31/03/2013	Nil	Nil	He is a member of Audit Committee and Remuneration Committee of Bombay Rayon Fashions Limited

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.