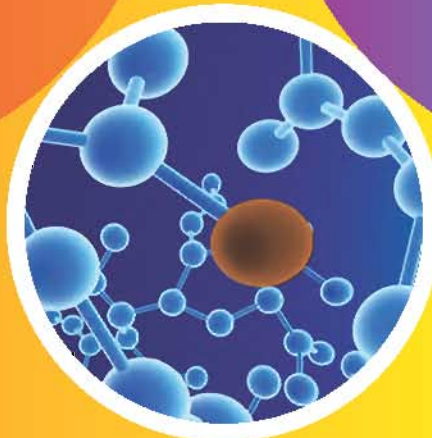




bhansali ENGINEERING polymers limited

An ISO 9001:2008 Company



32nd

ANNUAL REPORT
2015 - 2016

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Board of Directors

Mr. M. C. Gupta
Chairman

Mr. B. M. Bhansali
Managing Director

Ms. Jasmine F. Batliwalla
Director

Dr. B. S. Bhesania
Director

Mr. Dilip Kumar
Director

Mr. Jayesh B. Bhansali
Executive Director & CFO

V.P. (Legal) & Company Secretary

Mr. D. N. Mishra

Solicitors

M/s Mulla & Mulla & Craigie Blunt & Caroe

Registered Office

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

Satnoor Plant

Bhansali Nagar,
Village : Satnoor
Taluka : Sausar,
Dist.: Chhindwara, (Madhya Pradesh)
Pin - 480 108.

Statutory Auditors

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

Bankers

Allahabad Bank

Registrar & Share Transfer Agent

M/s Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai – 400 078.

Abu Road Plant

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. S. M. Ghike
Vice President (Projects)

Mr. Jayesh B. Bhansali
Executive Director & CFO

Mr. Satendra Pal
Sr. Vice President (Marketing)

Mr. D. N. Mishra
V.P. (Legal) & Company Secretary



**Delivering
excellence
all across in the
specific segment
of Polymer
Products.**

The only -
Indian Promoter
led Company
producing ABS
& SAN resins
in the country.



VISION

- ➡ To attain excellence by continuously developing and providing the best quality products and services
- ➡ Exceeding expectations of our customers with innovative products and applications
- ➡ Building value for all our stakeholders
- ➡ To be a value driven organisation



QUALITY POLICY

- ➡ We at Bhansali Engineering Polymers Ltd. are committed to customer satisfaction by way of timely supply of specified, assured quality product, prompt technical support and continuous improvement in product quality by periodically upgrading process and manufacturing practices. BEPL's effort shall be to grow through supply of quality ABS Resin always - meeting customers' requirements and giving them maximum value for money.



MISSION

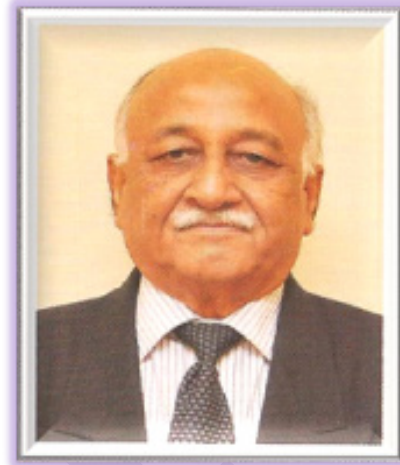
- ➡ To be a leading manufacturer of Polymer Products



Message from Chairman

Dear Stakeholders,

I am delighted to present the 32nd Annual Report of the company for the Financial Year 2015-16. Your company crossed its Silver Jubilee year in 2014-15 and has entered into 26th year of its operations last fiscal. During such a long stint, it has seen a lot of highs and lows but kept performing consistently in a growing manner. I am pleased to share that during the F.Y. 2015-16, your company came out with an impressive performance as the profit after Tax (PAT) stood at ₹ 16.69 Crore as against ₹ 5.40 Crore in the previous year registering a growth of 209.08% even in the ongoing volatile market conditions. This glaring success can be accredited to the relentless/tireless efforts of the MD and ED of the company along with their entire workforce and could be possible due to able guidance and steadfast business plannings of the core management.



At present, there appears to be congenial business environment as GDP growth of country which was slow hitherto, has started improving and grew 7.3% in the month of January, 2016 as against 7.1% in the month of January, 2015, reflecting nation's growth momentum and positive sentiments of the industry. Availability of loans at cheaper rates is also appearing as a propelling factor to all sectors including business houses and individuals. The contribution of RBI in this respect is significant as it reduced the key rates viz. repo rate to 6.5% and reverse repo rate to 6% in the month of April-16 as against repo rate of 7.5% and reverse repo rate of 6.5% in the month of March-15 and also keeping the CRR stable at 4% in 2015 and 2016 both; which released substantial amount in the banking system for providing loans.

It gives me immense pleasure to state that the first phase of expansion has been completed in the month of Mar-16 augmenting the installed capacity of company from 51KTPA to 80 KTPA. This will enable the company to meet the ever growing demand of ABS in India, which grew strongly at a CAGR of 10%, owing to the growth in the Indian middle class expenditure in home appliances and automobiles, which will drive the core demand for ABS. Both ABS and SAN have been witnessing healthy growth due to their wide ranging usage in consumer electronics, appliances and automotive sectors. In current market scenario, almost all the Refrigerator manufacturers are likely to shift to ABS from HIPS for refrigerator Liners, hence the demand for ABS is likely to remain vibrant witnessing phenomenal jump therein. Thus the enhanced production capacity of company is a major step in capturing the Indian ABS market.

On the Joint Venture front with Nippon A & L, Inc, Japan, a Sumitomo Group Company, I would like to state that your company has started producing almost all the licensed products of JV Grades at our Abu Road plant. The product development and marketing strategy of Nippon A&L, Inc focuses on automotive sector, for which company is now concentrating on deepening market penetration in this segment by effectively positioning all the Licensed Products of Nippon A&L thereto. The company has started production of latest grades like ASA, AES, Transparent ABS and alloys like ABS PMMA and ABS PC enabling the company to have entire range of "product basket" for catering the pervasive requirement of clients.

With all the humility at my command, I must admit that whatever we have achieved, we couldn't have without your unflinching faith in our company's leadership and co-operation that we have received from all the stakeholders. Our colleagues including everyone in the company and JV partner deserve credit. Everyone has shown dedication and determination in meeting the company objectives holistically, while working in a team spirit. Despite all odds, we are committed to taking the steps necessary to deliver true value to all stakeholders.

I would like to state further that the innovation and continuous improvement in our products permeated every corner of our business. At Bhansali it is no longer enough to simply meet the expectations – we have to exceed it every time and in every way. Our company is focusing on capability enhancing programme which is crucial for the industry's firm standing in the long



run considering extant market conditions as well as to gain consumer insights for launching new products or variety which requires constant analysis of consumer sentiments and is underway. In this environment, it is easy to focus on big picture, and miss the minor things seeing the multi dimensional manner in which transformation is taking place at present, so we need to have alacrity for all the respective business activities happening around us. In order to hold leadership of market, we need to look into every facet of business and bring about changes and improvements that addresses the new reality of a pervasively polymer segment. We see this in the renewal of ourselves internally, to drive innovation and create value for our stakeholders on every count. We have embarked upon our expansion upto 200 KTPA consisting of 80 KTPA existing installed capacity at Abu Road plant of company and 120 KTPA proposed at some port based location with a view to save a lot on transportation expenses etc and come out with cost-effective products. We must massively scale our innovation and research programme and derive our strategy in every aspect of our company to make it consistently successful. All of you, our stakeholders, some of whom have been with us for many years and are an integral part of our journey, in empowering our company and its people at best and some would have associated with us recently whose co-operation and patronage is also solicited in the times to come. If we can execute our strategy and do the things in desired direction in the years ahead of us, it could be deeply rewarding and I look forward to a great journey ahead together. The phenomenal growth in the operational results of company this fiscal reflects an enormous upsurge in client and employee engagement and their enthusiasm. This has helped us in achieving better financial performances. We are powered by the ambition and driven by values in every facet of our activities. The MD of the Company has been extra ordinarily helpful in mentoring the employees of the company at every level and I look forward to his dynamic leadership in the times to come.

We can further look for better days ahead as the Indian Economy is likely to grow at nearly 8% in the current fiscal as against 7.6% in the previous fiscal provided global economic situation does not deteriorate and our country receives normal monsoon.

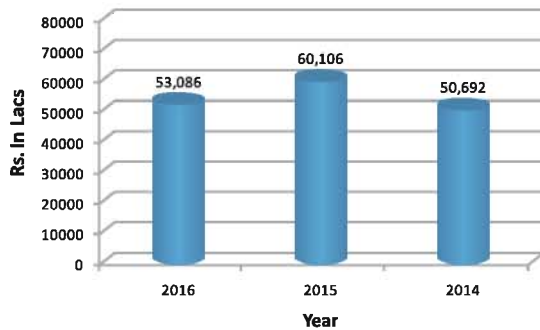
I thank you from the core of my heart and fervently look forward to receive your continued support, patronage and blessings in our endeavor.

With Best Wishes

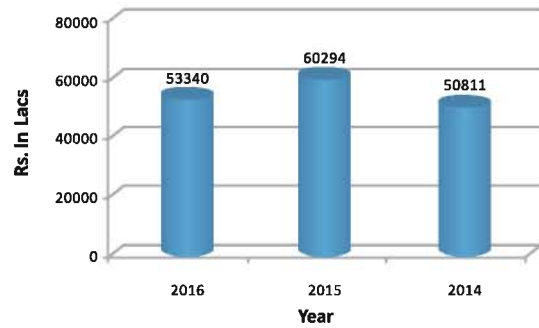
M. C. Gupta
Chairman

Financial Highlights

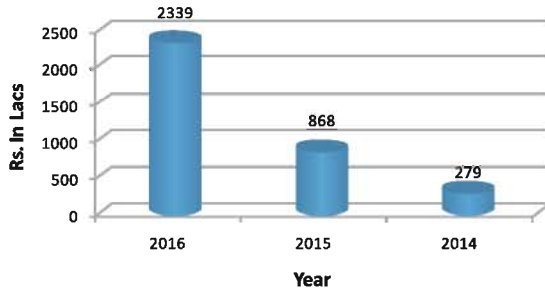
Net Sales



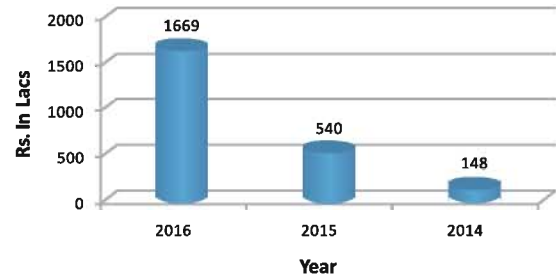
Gross Earnings



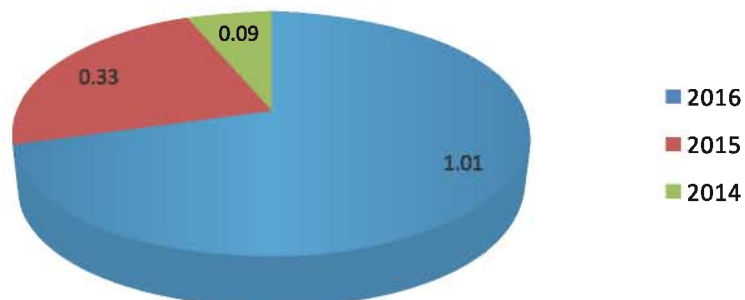
Profit Before Tax



Profit After Tax



Earning Per Share (Face Value Rs. 1/- per Share)





NOTICE

NOTICE is hereby given that the Thirty Second Annual General Meeting (AGM) of the Members of **Bhansali Engineering Polymers Limited** will be held on Saturday, 24th September, 2016 at 11:00 A.M. at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber, Veer Nariman Road, Churchgate, Mumbai – 400 020 to transact the following businesses:

ORDINARY BUSINESS:

1. ADOPTION OF ACCOUNTS:

- (i) To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2016 together with the Report of the Board of Directors and the Auditors thereon.
- (ii) To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2016 together with the Report of the Auditors thereon.

2. DECLARATION OF DIVIDEND:

To declare dividend on Equity Shares of the Company for the financial year ended 31st March, 2016.

3. APPOINTMENT OF MR. BABULAL M. BHANSALI, THE RETIRING DIRECTOR:

To appoint a Director in place of Mr. Babulal M. Bhansali (DIN: 00102930), who retires by rotation and being eligible, offers himself for re-appointment.

4. APPOINTMENT OF AUDITORS:

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

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s B. L. Dasharda & Associates, Chartered Accountants, Mumbai, (Firm Registration No. 112615W), the retiring Auditors, be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and the Board of Directors of the Company be and is hereby authorized to fix their remuneration for the said period, post recommendation by the Audit Committee and on mutually agreed terms and reimbursement of actual out of pocket expenses, as may be incurred in the performance of their duties."

SPECIAL BUSINESS:

5. RE-APPOINTMENT OF MR. BABULAL M. BHANSALI AS MANAGING DIRECTOR OF COMPANY:

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 of Companies Act, 2013 read with Schedule V thereto, Articles of Association of Company and other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the requisite approval of the Central Government, if required, the approval of shareholders of the Company be and is hereby accorded for the re-appointment of Mr. Babulal M. Bhansali (DIN 00102930) as the Managing Director of Company; being liable to retire by rotation, for a period of three years w.e.f. 1st April, 2016 i.e. upto 31st March, 2019 for a gross remuneration/CTC of ₹ 60 Lacs per annum viz. ₹ 5 Lacs per month, as per the details mentioned hereinbelow, with further liberty to the Board of Directors of the Company to alter and vary the terms and conditions of said employment of Mr. Babulal M. Bhansali, on the recommendations made by the Nomination and Remuneration Committee from time to time and as may be deemed fit & suitable, without further reference to the shareholders of the Company, in such manner as may be agreed to between the Board of Directors and Mr. Babulal M. Bhansali, however subject to the applicable provisions and limits contained in Schedule V to the Companies Act, 2013:

(Amount in ₹)

Particulars	Remuneration (per month)
Basic	2,50,000
HRA	1,10,000
Medical Allowance	1,250
TPT Allowance	1,600
Special Allowance	1,37,150
Total Monthly Remuneration	5,00,000

RESOLVED FURTHER THAT other statutory payments like Leave encashment at the end of tenure, contribution to annuity and gratuity etc. due and payable to Mr. Babulal M. Bhansali for his aforesaid employment with company will be payable as per provisions of respective enactment(s), as may prevail from time to time.

RESOLVED FURTHER THAT in the event of inadequacy of net profit or in case of loss in any financial year, Mr. Babulal M. Bhansali, Managing Director shall be paid Remuneration at the same substantive level as specified hereinabove and the same shall be treated as the minimum remuneration payable to him.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as in their absolute discretion they may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to this resolution or otherwise considered by them in the best interest of the Company."

6. RATIFICATION OF REMUNERATION OF COST AUDITORS:

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), post recommendation of Audit Committee, the remuneration payable to M/s Joshi Apte & Associates, Cost Accountants [having Firm Registration No. 000240] appointed by the Board of Directors of the Company as its Cost Auditors, for conducting audit of the cost records of the Company for the financial year 2016-17, for an annual audit fee/ remuneration of ₹ 75,000/- (Seventy Five Thousand Only) plus applicable Government Taxes and reimbursement of travelling and actual out of pocket expenses incurred in relation to performance of their duties, be and is hereby ratified and approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and deeds and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. ALTERATION OF ARTICLE 98(iv) OF THE ARTICLES OF ASSOCIATION OF COMPANY:

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 5 and Section 14 of the Companies Act, 2013 (read with Schedule I thereto), the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the members be and is hereby accorded for substitution/ replacement of the Article 98(iv) of the Articles of Association of the Company and the same be substituted/ replaced with the paragraph/ Article as stated hereunder:



- 98(iv) If the Company is willing to use its Common Seal on any document(s), it shall not be affixed to any instrument except by the authority of a resolution of the Board or of respective committee(s) of the Board authorised by it in that behalf, and except in the presence of at least two directors or one Director and the Company Secretary of the Company or such one other person as the Board may authorize or appoint for the purpose and such persons, not less than two persons in any case, shall sign every instrument, to which the common seal of the company is so affixed in their presence, for witnessing the same.

RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary of the Company be and are hereby severally authorized to take all such steps and actions for the purposes of making all such filings and registrations as may be required in relation to the aforesaid alteration of the Article 98(iv) of the Articles of Association of Company and further to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

8. ALTERATION OF ARTICLE 3 OF THE ARTICLES OF ASSOCIATION OF COMPANY:

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 5 and Section 14 of the Companies Act, 2013 (read with Schedule I thereto), the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the members be and is hereby accorded to insert a new Article after Article 3(i) in the existing Articles of Association of the Company viz 3(i)(a), as stated hereunder:

- 3(i)(a) Notwithstanding above, the Company Management is at liberty to grant waiver of newspaper publication for issue of Duplicate Share Certificate(s), for any suitable reason whatsoever, if the total face value of such shares do not exceed Rs. 10,000/- or as may be prescribed by SEBI Regulations or other respective enactments/regulations as may be applicable from time to time in this regard.

RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary of the Company be and are hereby severally authorized to take all such steps and actions for the purposes of making all such filings and registrations as may be required in relation to the aforesaid alteration of the Article 3 of the Articles of Association of Company and further to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

By Order of the Board of Directors

Place : Mumbai
Date : 28th May, 2016

Registered Office Address:
Bhansali House,
A-5, Off Veera Desai Road,
Andheri (West),
Mumbai – 400 053.

Jayesh B. Bhansali
Executive Director & CFO
(DIN: 01062853)

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A PROXY/ PROXIES SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.**

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company carrying Voting Rights. A member holding more than ten percent of the total share capital of the Company carrying Voting Rights may appoint a single person as proxy for his entire shareholding and such person cannot act as a proxy for any other person or shareholder. If a person is appointed as proxy for more than fifty Members, then such proxy should choose any fifty Members out of total such members who have given him proxy and confirm the same to company before commencement of specified period for inspection. Proxies in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Meeting i.e. on or before 11:00 A.M on 22nd September, 2016. A Proxy Form (viz. Form MGT-11) is attached with this Annual Report. Proxies submitted on behalf of the Companies, Societies, Body Corporates, Institutions etc., must be supported by an appropriate resolution/authority, as applicable.

2. Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, concerning the Special Businesses in the Notice of this Annual General Meeting is annexed hereto and forms part of this Notice.
3. Statement giving details of the Directors seeking appointment/ re-appointment is also annexed with this Notice pursuant to the requirement of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule V to the Companies Act, 2013.
4. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signature(s) duly attested and authorizing their representative(s) to attend and vote on their behalf at the Meeting.
5. 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.
6. Members holding Shares in demat/electronic 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 and deliver duly signed attendance slip at the entrance of the meeting hall.
7. The Register of Directors and Key Managerial personnel (KMPs) and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements, in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 shall be available for inspection by the Members at the Annual General Meeting (AGM).
8. Members may also note that the Notice of the Thirty Second Annual General Meeting and the Company's Annual Report 2015-16 will be available on the Company's website, www.bhansaliabs.com. All the relevant documents referred to in this AGM Notice and Explanatory Statement etc. shall remain open for inspection purpose at the Registered Office of the Company during its business hours on all working days up to the date of AGM.
9. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 17th September, 2016 to Saturday, 24th September, 2016 (both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013 and also as per the provisions of Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for determining the names of members/ shareholders eligible for dividend on Equity Shares, if declared at the Meeting.
10. Pursuant to the Provisions of Companies Act, 2013, 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 are advised to avail this facility, and fill the prescribed Nomination Form and forward the same to Registrar and Share Transfer Agent of the Company M/s Link Intime India Private Limited. In case of shares held in dematerialized form, the nomination has to be lodged with the Depository Participant (DP) with whom the member is maintaining their demat account.