



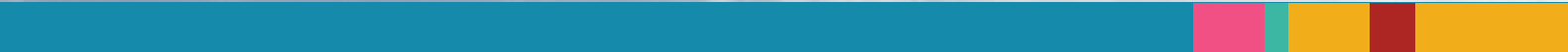
bhansali ENGINEERING polymers limited

An ISO 9001:2015 Company

33rd

ANNUAL REPORT

2016 - 2017



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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.



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



MISSION

- ➡ To be the lowest cost ABS producer in India with quality standard at par with the Global best
- ➡ To attain numero uno position as a domestic ABS producer in India by F.Y. 2018-19
- ➡ To achieve 90% plus capacity utilization year after year beginning from fiscal 2017-18 and generate adequate surplus to internally fund the future expansion projects without resorting to any funded borrowing
- ➡ To ramp up ABS manufacturing capacity to 137 KTPA by 31st December, 2018, to be financed through internal accruals
- ➡ To intensify the HRD efforts and keep strengthening the organization to be ready to respond to ever growing market challenges
- ➡ To establish port based green field project of minimum 200 KTPA ABS capacity by 31st March, 2022 based on state of the art technology and environment friendly plant facility with utmost energy efficient design

Message From The Managing Director



I thank all the stakeholders of the company from the bottom of my heart as they have exhibited monumental patience and withstood a long period of trials and tribulation which enabled your company to face formidable challenge over a couple of decades and now your company has come out as a bright star in the field of ABS manufacturing in India. Having consolidated our position well, we are fervently looking forward to grow from strength to strength and create new record of achievement by raising the bar of performance year after year.

I am indeed inspired by the saying of Swami Vivekanand “**RISE, AWAKE, STOP-NOT, TILL YOU ACHIEVE YOUR GOAL**”

B. M. Bhansali

Corporate Information:-

Board of Directors

Mr. M. C. Gupta	-	Chairman & Independent Director
Mr. B. M. Bhansali	-	Managing Director
Mr. Jayesh B. Bhansali	-	Executive Director & CFO
Dr. B. S. Bhesania	-	Independent Director
Ms. Jasmine F. Batliwalla	-	Independent Director
Mr. Dilip Kumar	-	Independent Director

G.M. (Legal) & Company Secretary

Mr. D. N. Mishra

Statutory Auditor

B. L. Dasharda & Associates
Chartered Accountants, Mumbai

Secretarial Auditor

Rathi & Associates
Practicing Company Secretaries, Mumbai

Cost Auditor

Joshi Apte & Associates
Cost Accountants, Pune

Banker

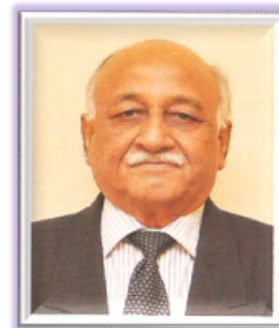
Allahabad Bank

Joint Venture Company

Bhansali Nippon A & L Pvt. Ltd.
Unit No. 302, 3rd Floor, Palm Court,
Commercial Complex, 20/4, Sukhrali Chowk,
Sector 14, Opp. Huda Park, Gurgaon,
Haryana - 122 001

Registrar & Share Transfer Agent

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West),
Mumbai – 400 083

Statement from the Chairman

Dear Shareholders,

I am delighted to present the 33rd Annual Report of your company for Financial Year 2016-17. The year gone by was indeed heartening in terms of its overall performance. When your company came into being, the size of operations and spectrum of its activities, were not so significant. However, in a span of about three decades it has now gained profound strength, reputation and esteem as being one of the only two domestic manufacturers of ABS resins in India- the other being an MNC. I recall, that in the beginning of nineties your company was the first to introduce foreign technology from a Sumitomo group company of Japan, which is presently functioning under the name and style of Nippon A&L, INC., for manufacture of ABS in India having established and integrated emulsion polymerization based ABS manufacturing plant at Satnoor, MP which commenced its operations on 22nd January, 1990. Incidentally, Nippon A&L and your company established a Joint Venture marketing and technical support company in May 2013. I must add that at that point in time, it was a formidable challenge for a first generation entrepreneur - Mr B. M. Bhansali to inspire confidence in the minds of Japanese company to collaborate with BEPL for establishing a green field project. I also recollect that import of ABS technology in the eighties was banned under the technology policy and it took considerable efforts to convince the Department of Science & Technology, Government of India to allow the import of foreign technology for manufacture of ABS. Further, you are well acquainted with the fact that initial plant capacity of your company was only 6 KTPA which was subsequently expanded in a phased manner and today the company's plant capacity to manufacture ABS stands at 80 KTPA with two locations. This was possible because the company not only absorbed Japanese technology but adapted it with the changing requirement of new grades with wide ranging product specifications to cater to the emerging new market segments. Moreover, your company took over the two other ABS manufacturing units one located at Baroda and the other at Abu Road in the year 1999 and 2003 respectively. Thereafter, we transferred the Baroda plant to Abu Road in order to rationalize the manufacturing pattern based on adapted technology to produce HRG at Satnoor and at ABU Road continue to manufacture SAN and ABS through mass polymerization and extrusion compounding processes.

Besides the above, your company is now poised to launch a mega expansion project to set up a port based 200 KTPA green-field plant in the state of Gujarat. Board Report of FY 2016-17 of your company throws adequate light on this subject. While the project has begun in right earnest, it is likely that it would take about 5 years to commence its operations. In the interlude, your company has an ambitious growth plan to ramp up its production and sales from 80 KTPA to 137 KTPA. In this respect, the Board Report and Management Discussion and Analysis Report (MDAR) highlight pertinent details thereof as to how your company is geared up to achieve the year on year targeted performance.

Little glimpse of the past and vision of the future, can not cloud over the spectacular performance achieved by your company in the year 2016-17. I am tempted to share my happiness with you by touching upon the key financial performance data of your company as enunciated hereunder:

- (i) Gross Turnover stood at Rs. 704.09 Crore as against Rs. 594.25 Crore in the previous year registering a growth of 18.48% .
- (ii) Profit before Tax (PBT) Rs. 55.88 Crore registered a growth of 138.91% as in the previous FY 2015-16, PBT stood at Rs. 23.39 Crore. Likewise Profit after tax (PAT) at Rs. 34.77 Crore witnessed a growth of 108.33% as in the previous year PAT was Rs. 16.69 Crore. Consequent upon the impressive performance, EPS doubled up to Rs. 2.10 as against Rs. 1.01 during the previous fiscal and the book value per equity share of face value of Re. 1/- each as on 31st March, 2017 stands enhanced by 24.03 % at Rs. 9.55 per share as against Rs. 7.70 per share as on 31st March, 2016.



While dwelling on the amazing performance of your company, I must say that the Promoter and the Managing Director of your company Shri B. M. Bhansali with his strategic thinking, visionary approach and dynamic leadership could establish such a wonderful performance. I wish him the very best for continuing with his progressive journey and am confident that under his matchless leadership, your company will achieve the performance year after year as envisioned.

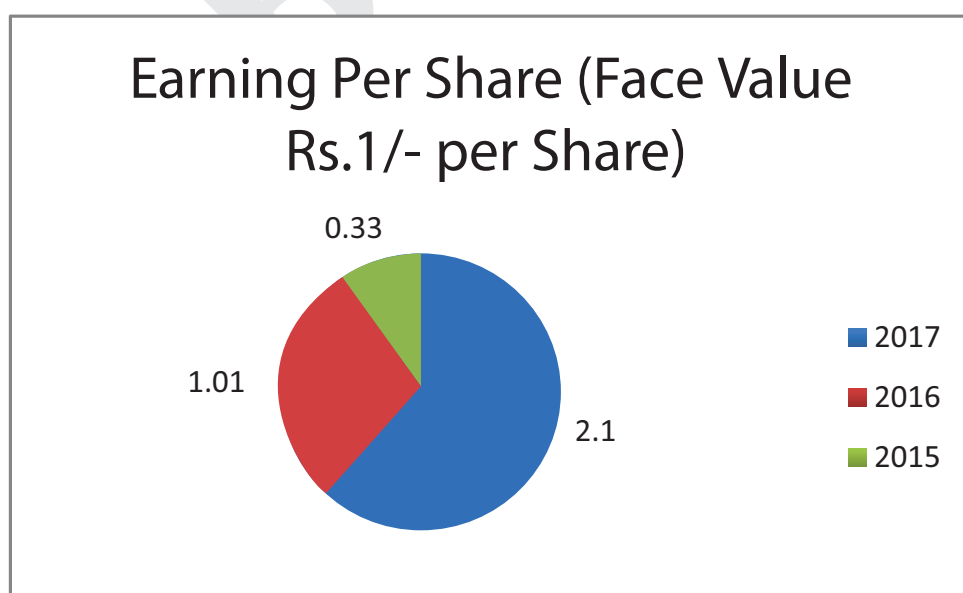
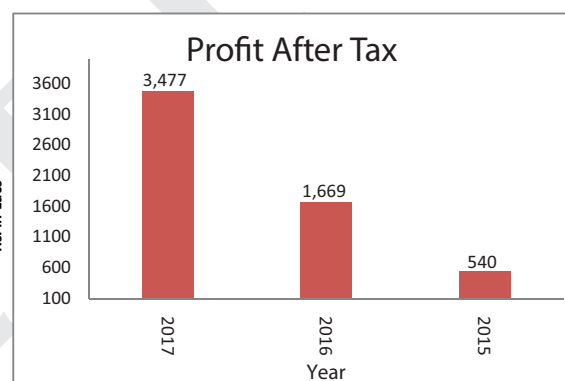
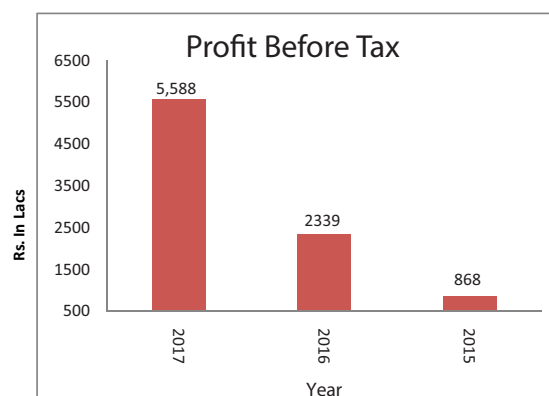
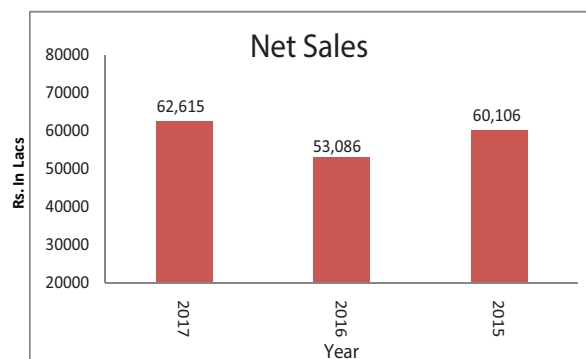
It is pertinent to touch upon the key aspects of the Indian economy as it influences each one of us including your Company. Hence let me share my views on the Indian economy which is not only exhibiting resilience against the effect of relatively global slowdown but is able to maintain the buoyancy of growth rate of GDP @ 7.1% in fiscal 2017 against 7.6% in the previous fiscal. The robust growth rate of GDP of Indian economy shines as the bright spot on the map of world economy as it has surpassed in terms of GDP growth rate of all countries including China. The macro economic fundamentals are strong in terms of Inflation control, revenue deficit, fiscal deficit, current account deficit and Forex reserves etc. Demonetization has cleansed the economy to a large extent and GST will further strengthen it. The economic reform process has picked up velocity as 2017 is a landmark year in terms of introduction of GST by the Union Government and having implemented demonetization of Rs. 500 and Rs. 1000 currency notes to augment higher revenue through indirect tax collection. It is predicted by many economists that effect of implementation of GST will add 1% to 2% in the GDP growth rate and your company will surely gain in the process.

While concluding, I must appreciate the efforts put in by each and every employee of the company to have contributed towards achieving the impressive results for F.Y. 2016-17. And I also take this opportunity to express my gratitude to colleague Directors for their unflinching support and co-operation as ever.

With Best Wishes

M. C. Gupta
Chairman

Financial Highlights





NOTICE

NOTICE is hereby given that the Thirty Third Annual General Meeting (AGM) of **Bhansali Engineering Polymers Limited** will be held on Saturday, 15th July, 2017 at 12:30 P.M. at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber, Veer Nariman Road, Churchgate, Mumbai – 400 020 to transact the following business(es):

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, 2017 together with the Report of the Board of Directors and the Auditor thereon.
- (ii) To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2017 together with the Report of the Auditor thereon.

2. DECLARATION OF DIVIDEND:

To declare dividend on Equity Shares of the Company for the financial year ended 31st March, 2017.

3. RE-APPOINTMENT OF MR. JAYESH B. BHANSALI, THE RETIRING DIRECTOR:

To appoint a Director in place of Mr. Jayesh B. Bhansali (DIN: 01062853), who retires by rotation and being eligible, offers himself for re-appointment.

4. APPOINTMENT OF STATUTORY AUDITOR:

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 Azad Jain & Co., Chartered Accountants, Mumbai (FRN - 006251C), be and are hereby appointed as Statutory Auditor of the Company, in place of the existing Statutory Auditor M/s B. L. Dasharda & Associates, Chartered Accountants, Mumbai (FRN - 112615W) to hold office for a period of 5 years viz. from the conclusion of ensuing 33rd AGM of Company till the conclusion of its 38th AGM; subject to approval/ratification of their appointment by the members in ensuing AGM and subsequent AGMs of the Company till the expiry of their term, as may be applicable and the Board of Directors of the Company be and is hereby authorized to fix their remuneration for the respective period(s) on mutually agreed terms and reimbursement of actual out of pocket expenses etc, as may be incurred in the performance of their duties."

SPECIAL BUSINESS:

5. REVISION/ PARTIAL MODIFICATION IN THE REMUNERATION OF MR. JAYESH B. BHANSALI, EXECUTIVE DIRECTOR & CFO OF THE 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 197 read with Part II, Section I of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) and in partial modification of the Ordinary Resolution passed in the 31st Annual General Meeting of Company held on 26th September, 2015, with respect to remuneration of Mr. Jayesh B. Bhansali, Executive Director & CFO of the Company and considering the recommendation of the Board, approval of the Members be and is hereby accorded for revision in the existing remuneration of Mr. Jayesh B. Bhansali, Executive Director & CFO of the Company, for the remaining period of his extant services viz. upto 31st March, 2018, by way of payment of commission based on the annual Net Profit of Company of such amount which together with the existing remuneration being paid to him (viz. Rs. 5 Lakh per month) shall not exceed 5% of the Net Profit of the Company computed in accordance with the provisions of section 198 of Companies Act, 2013.

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."