



# bhansali ENGINEERING polymers limited

An ISO 9001:2015 Company

34<sup>th</sup>

Annual Report *2017-18*





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**Welcome to  
Bhansali Engineering  
Polymers Limited**

**“Annual Report”  
2017-18**



Please login at [www.bhansaliabs.com](http://www.bhansaliabs.com)  
to get this Annual Report online.



**“BEPL - a Zero Debt Company, is well equipped to meet formidable challenge of accelerating growth with sustainable development”**

## **OUR VISION**



## **OUR MISSION**

**To be the Lowest ABS Cost Producer In India With The Quality Standard At Par With The Global Best.**

**To Intensify The HRD Efforts And Keep Strengthening The Organization To Be Ready To Respond To Ever-Growing Market Challenges.**

**To Establish Port Based Greenfield Project Of Minimum 200 KTPA ABS Capacity By 31<sup>st</sup> March 2022 Based On State Of The Art Technology And Environment-Friendly Plant Facility With The Utmost Efficient Design.**





## 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
Mr. Dilip Kumar	-	Independent Director
Ms. Jasmine F. Batliwalla	-	Independent Director

G.M. (Legal) & Company Secretary

Mr. D. N. Mishra

### Statutory Auditors

M/s. Azad Jain & Co.  
Chartered Accountants, Mumbai

### Secretarial Auditors

M/s. Rathi & Associates  
Practising Company Secretaries, Mumbai

### Cost Auditors

M/s. Joshi Apte & Associates  
Cost Accountants, Pune

### Bankers

Allahabad Bank Limited  
Axis Bank Limited

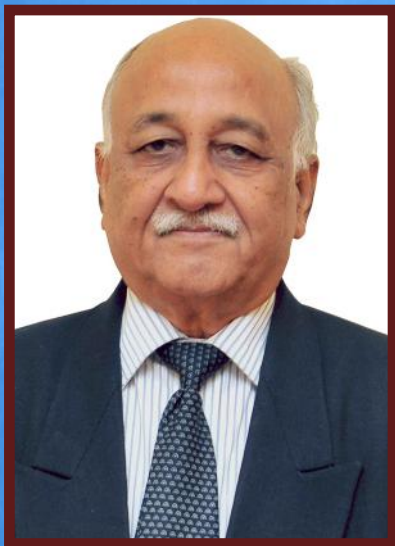
### Joint Venture Company

Bhansali Nippon A & L Pvt. Ltd.  
Regd. Office Address: 401, 4<sup>th</sup> Floor, Peninsula Heights,  
C. D. Barfiwala Road, Andheri (West)  
Mumbai - 400058

### Registrar & Share Transfer Agent

Link Intime India Private Limited  
Regd. Office Address: C-101,  
247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai,  
Maharashtra 400 083

## MESSAGE FROM THE CHAIRMAN



### *Dear Shareholders,*

I feel happy and honored in presenting the Annual Report of Company for the Fiscal 2018 which marked an extremely satisfying performance. The Company performed outstandingly in all its parameters namely capacity utilization, Turnover, PBDIT and Net Profit. The production rose by 26.38 % to approximately 65,008 tonnes, Gross turnover to Rs 1204.55 crores, PBDIT rose by 133.66 % to 168.12 Crores and the net profit to Rs. 99.64 crores, compared to net profit of Rs 35.63 Crores in F.Y. 2016-17. It has been possible because of the leadership of the Managing Director Shri B. M. Bhansali, his competent and sincere team and the encouragement received from the Shareholders. The Board of Directors also made its contribution by guiding the affairs of the company and by providing needed inputs from time to time.

The overall economic scenario in the country has been quite encouraging and with a consistent 7% or higher growth in the GDP on an annual basis, we all have reason to feel inspired. We are today world's sixth largest economy with a GDP of US \$ 2.6 Trillion. We are likely to overtake France the 5th in line shortly. It is estimated that the GDP of India will attain a level of US \$5 Trillion by 2025 and when that happens we will be the third largest economy in the world after USA and China. In terms of PPP, this GDP of US \$5 Trillion will certainly mean much more.

The next Lok Sabha elections are due in May 2019. One speculation is that these may be advanced by a couple of months. One thing is for sure that the next union budget would be last budget of the present government. That being so, it is quite likely that certain measures may be announced through the budget which would improve the ease of business like further rationalization of GST, reduction in Tariffs, easing Inter-State movement of Goods and Services, Impetus to exports and imports and encouragement to new start ups. These likely incentives coupled with the growth in the automobile sector and the government's commitment to double the farmers income by 2022, augurs well for the Petro Chemical sectors, particularly ABS manufacturers.

In this background, the proposed green field project with a capacity of 200 KTPA is both timely and essential. The management team is already scouting for suitable land for the project and other details have been worked out.

Before closing, I would like to refer to an unfortunate incident which occurred in the Satnoor plant of the company on 29th April 2018 when fire broke out in the F&D section where HRG powder is produced. Investigation revealed that it was an unfortunate accidental fire which has resulted in some damage to the equipment and two workmen also perished in the fire. This happened in spite of the precautions taken by the management. Nonetheless a team of Managers, Technicians and Experts led by the Managing Director have been checking each segment so that there is no recurrence. Naturally, we have filed a claim with the Insurance Company. There has been a temporary setback but we would recover quickly. The results of the first quarter have been rather subdued but things are looking up and the management is confident of a good performance during the current year. The Managing Director Shri B. M. Bhansali believes in leading the company from the front and I would like to place on record our deep appreciation for the efforts put in by him, his management team, the workers of the Company and above all, the moral support and encouragement received from our esteemed shareholders in managing the affairs of the Company.

I wish all of you, a great time ahead.

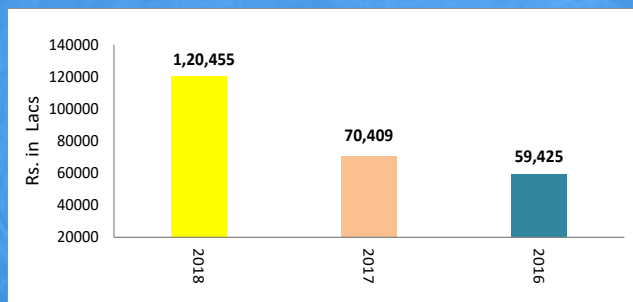
With Best Wishes  
**M. C. Gupta**  
 Chairman





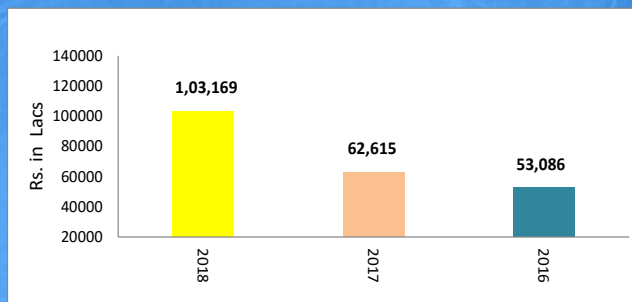
## FINANCIAL HIGHLIGHTS

### GROSS SALES



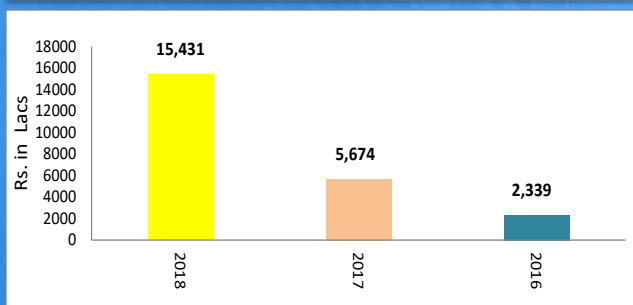
Year

### NET SALES (EXCLUDING GST & EXCISE)



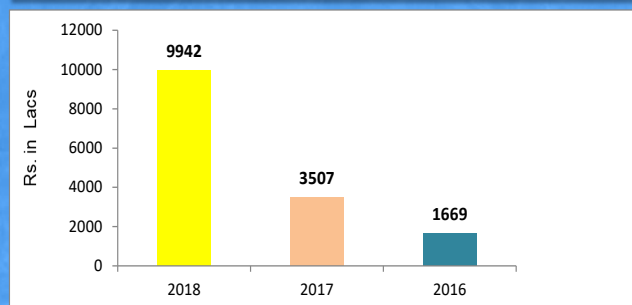
Year

### PROFIT BEFORE TAX



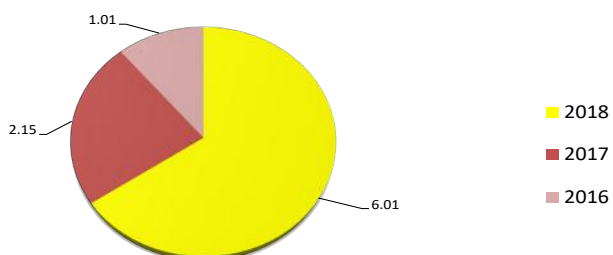
Year

### PROFIT AFTER TAX



Year

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



## MESSAGE FROM THE MANAGING DIRECTOR



### *Dear Shareholders,*

The untiring journey of last 33 years as a first generation entrepreneur has come to a new turning point. I say this because by 31<sup>st</sup> March, 2018, Bhansali Engineering Polymers Ltd has attained the position of being a Numero Uno ABS manufacturer in India and has achieved the status of zero debt Company.

The times have changed and new challenges are staring at us to grow and maintain the position as a number one ABS player in India. This will require re-energizing ourselves to set up a port based green field project of minimum 200 KTPA capacity by 2022 as has been envisioned and embodied in the Mission Statement.

In the wake of the clarion call given by our Hon'ble Prime Minister Shri Narendra Modi to create a new India, BEPL will also respond and be a meaningful participant in this process. This will be through introduction of state of the art energy efficient and environment friendly technology to be adopted in the design and the implementation of the aforesaid project. We will do it in a time bound manner as this is our commitment, hence I solicit blessings and co-operation from all stakeholders who have passively or actively contributed magnificently in the past and hopefully will continue to do so to give us much needed strength to commission the port based project within the envisaged time and cost schedule.

Warm Regards,

**B. M. Bhansali**  
Managing Director



## NOTICE

NOTICE is hereby given that the Thirty Fourth Annual General Meeting (AGM) of the Members of Bhansali Engineering Polymers Limited will be held on Saturday, 29<sup>th</sup> September, 2018 at 11:30 A.M. at Walchand Hirachand Hall, 4<sup>th</sup> Floor, Indian Merchants' Chamber, Veer Nariman Road, Churchgate, Mumbai – 400 020 to transact the following business:

### ORDINARY BUSINESS:

#### 1. ADOPTION OF ACCOUNTS:

- (i) To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2018 together with the Report of the Board of Directors and Auditors thereon.
- (ii) To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2018 together with the Report of Auditors thereon.

#### 2. DECLARATION OF DIVIDEND:

To declare final dividend on equity shares of the Company for the Financial Year ended 31<sup>st</sup> March, 2018.

#### 3. RE-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. RATIFICATION OF THE APPOINTMENT OF AUDITORS:

To ratify the appointment of Auditors and in this regard 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, 142 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), the appointment of M/s Azad Jain & Co., Chartered Accountants (Firm Registration No. 006251C), who were appointed as Statutory Auditors of Company for a period of 5 years at the Annual General Meeting of the Company held on 15<sup>th</sup> July, 2017, be and is hereby ratified for F.Y. 2018-19 viz. to hold office as Statutory Auditors 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 be and is hereby authorized to fix their remuneration for the said period 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. JAYESH B. BHANSALI AS AN EXECUTIVE DIRECTOR CUM CHIEF FINANCIAL OFFICER (CFO) OF THE COMPANY FOR A FURTHER PERIOD OF 3 YEARS VIZ. 01-04-2018 TO 31-03-2021:

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, 198 and 203 of the Companies Act, 2013 read with Schedule V thereto, and all other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and rules made there under and subject to approval(s) of authorities and/or agency(ies) etc as may be necessary, if any, in this regard and as per recommendation of Nomination and Remuneration Committee of the Company accorded to Board on 10-03-2018, the consent of the members be and are hereby accorded for re-appointment of Mr. Jayesh B. Bhansali as Executive Director Cum Chief Financial Officer (CFO) of the company for a further period of three years i.e. from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2021 at existing remuneration viz. ₹ 5 lacs per month and commission, both not exceeding 5% of the total net profits of the Company, in the manner and limits as stated hereinbelow and on such other terms and conditions as set out in his employment agreement and approved by the board.



**I) REMUNERATION**

- (i) Salary : ₹ 5,00,000/- (Five Lakh) per month.
- (ii) Perquisites & Allowances : a) Leave Travel Concession (LTC) – Return Passage for Mr. Jayesh B. Bhansali and his family once in a year in India, in accordance with the Rules of the Company.
- b) 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. Jayesh B. Bhansali.
- c) Statutory contribution to Provident Fund, Superannuation/Annuity Fund and Gratuity payable as per respective legal provisions and as may be applicable to the Company.
- d) Encashment of Leave at the end of the tenure in accordance with the Rules of the Company.
- (iii) Commission (in case of adequate profit in any financial year during his tenure) : The amount of such Commission being the difference between following two items:-
- a) 5% of Net Profits of the Company receivable by Mr. Jayesh B. Bhansali, Executive Director Cum CFO for a particular financial year in accordance with the limits specified in Section I of Part II of Schedule V to the Companies Act, 2013 and
- b) The aggregate of salary, perquisites and allowances paid or payable to Mr. Jayesh B Bhansali during such financial year as per clause (i) & (ii) mentioned hereinabove.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to Mr. Jayesh B. Bhansali shall be governed by Section II of Part II of Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof and the amount so computed shall be treated as the Minimum Remuneration payable to him for such financial year in any case, whatsoever.

**RESOLVED FURTHER THAT** Mr. M. C. Gupta, Chairman and/or Dr. B.S. Bhesania, Director be and are hereby jointly/severally authorized for and on behalf of the Company to undertake all other activities as may be incidental, pertinent or expedient in this regard"

**6. RATIFICATION OF REMUNERATION OF COST AUDITORS:**

To ratify remuneration of Cost Auditors and in this regard 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 all other applicable provisions of the Companies Act, 2013, Companies (Cost Records and Audit) Rules 2014 (including statutory modifications or re-enactment thereof, for the time being in force), the appointment of M/s Joshi Apte & Associates, Cost Accountants, Pune [having Firm Registration No. 000240] as the Cost Auditors of the Company for the financial year 2018-19, at an annual cost audit fee/remuneration of ₹ 75,000/- (Seventy Five Thousand Only) plus applicable Government Taxes thereon and reimbursement of travelling and actual out of pocket expenses incurred in relation to performance of their duties, be and is hereby ratified.



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

**By Order of the Board of Directors**

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

**Place :** Mumbai  
**Date :** 13<sup>th</sup> April, 2018

**Registered Office Address:**

401, 4<sup>th</sup> Floor, Peninsula Heights,  
C.D. Barfiwala Road, Andheri (West)  
Mumbai - 400058

**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 paid up share capital of the Company carrying Voting Rights, however a member holding more than ten percent shares may appoint a single person as proxy for his entire shareholding and such person can not act as a proxy for any other shareholder. If a person is appointed as proxy for more than fifty Member, then such proxy should choose any fifty Member out of total such members who have given him proxy and confirm the same to company before commencement of specified period for inspection of Proxy Register. Proxies in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed at any time during business hours but not less than 48 hours before the commencement of the Meeting i.e. upto 11:30 A.M. on 27<sup>th</sup> September, 2018. 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, along with signature(s) of such authorized Proxy(ies) duly attested.

2. Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, concerning the Special Business(es) in the Notice of this Annual General Meeting is annexed hereto and forms integral part of this Notice.
3. Corporate Members intending to send their authorised representatives (ARs) to attend and / or vote at the Annual General Meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company a certified true copy of the relevant Board Resolution together with specimen signature(s) of such (ARs) duly attested.
4. 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.
5. 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.
6. 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 venue of Annual General Meeting (AGM).