



bhansali ENGINEERING polymers limited

CIN : L27100MH1984PLC032637

Registered Office : 401, 4th Floor, Peninsula Heights, C. D. Barfiwala Road, Andheri (West), Mumbai - 400 058.

Tel. : (91-22) 2621 6060/61/62/63/64 • Fax : (91-22) 2621 6077 • E-mail : abstron@bhansaliabs.com • Website : www.bhansaliabs.com

Detailed disclosure on expansion project/capacity addition

Sr. No.	Particulars	Details
1.	Existing actual capacity	a. HRG – 15,000 TPA at Satnoor Plant b. Captive / Saleable SAN – 50,000 TPA at Abu Road Plant c. ABS Compounding – 130,000 TPA at Abu Road Plant
2.	Existing actual capacity utilization	90% of (a) and (b) above for FY 2020-21. ABS compounding capacity is utilized based on actual availability of HRG and captive SAN. Company has installed additional compounding capacity envisaging import of additional HRG and SAN. However, due to Covid-19 pandemic, the Company was unable to import HRG and SAN for utilizing additional compounding capacity.
3.	Proposed expansion capacity at Company's existing plants.	Proposed Additional capacity a. HRG – 35,000 TPA at Satnoor Plant b. Captive SAN – 100,000 TPA at Abu Road Plant c. ABS Compounding – 70,000 TPA at Abu Road Plant Overall capacity post expansion a. HRG – 50,000 TPA b. Captive SAN – 1,50,000 TPA c. ABS Compounding – 2,00,000 TPA The above will lead to overall ABS production capacity to 200,000 TPA.
4.	Period within which the proposed capacity is to be added	Tentatively by December 2024.
5.	Investment required	Approximately Rs.500 crores.
6.	Mode of financing	Through Reserves and Surplus.
7.	Rationale	To cater to the future growth in domestic and/or international market.



Satnoor Plant : Bhansali Nagar, Taluka - Sausar, Dist. Chhindwara, Madhya Pradesh - 480 108.

Tel. : (07165) 226376-79 • Fax : (07165) 226380 / 81 • E-mail : bepichw@bhansaliabs.com

Abu Road Plant : Plot No. SP-138-143, Ambaji Industrial Area, Abu Road, Dist. Sirohi (Rajasthan) - 307 026

Tel. : (02974) 226781/82/83/84 • Fax : (02974) 226737 • E-mail : beplabr@bhansaliabs.com



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Board Note for enhancing the overall ABS production capacity to 200,000 TPA at Company's existing plants at Abu Road (Rajasthan) & Satnoor (Madhya Pradesh).

The Company's Management has continuously endeavored its best efforts to find the suitable land parcel for port based Green Field ABS Expansion Project, as it has its own advantages, *inter alia*, handling of the key raw materials through pipelines from liquid jetty to plant. The Management studied and visited various port locations and one such suitable land parcel was shortlisted at Pipavav Port, but the same had issues, so far as 'Clear Title' was concerned.

The Company Management has been simultaneously evaluating the Brown Field ABS Expansion Project at its existing locations. The Company has received proposals from various ABS Technology providers, one of them being Toyo Engineering (Toyo), an Engineering Consultancy & Contracting Company, which is a perfect blend of Japanese technology and management practices with Indian expertise and ingenuity. Toyo has its own 'Continuous Bulk SAN Line Licensed technology' which has been applied in various plants around the World (capacity exceeding approximately 1200,000 TPA). The proposal received from Toyo is based on the biggest Bulk San line set-up in China, being steady and operational for last more than 12 years. Further, the Company is also in receipt of the proposal from Nippon A&L Inc, (Joint Venture capitalized by Sumitomo Chemical Co Ltd. and Mitsui Chemicals, Inc.) for Ultra-Modern latest High Rubber Graft (HRG) technology with full automation. The Company's Satnoor plant was set up in 1990, based on ABS technology from Nippon A&L Inc. (Sumitomo Chemical Group).

The Environmental Clearance for 50,000 TPA HRG (for captive consumption to manufacture 200,000 TPA ABS) at Satnoor Plant and 130,000 TPA ABS Production at Abu Road Plant has already been received. The Company is in the process of obtaining Environmental Clearance for increasing the ABS capacity from 130,000 TPA to 200,000 TPA at Abu Road Plant (Rajasthan), which shall be received shortly.

Following are the points, summarized post in-depth analysis and critical evaluation of the Port based Green Field ABS Expansion Project viz-a-viz Brown Field ABS Expansion Project at existing plants:

[1] Green Field ABS Expansion Project:

- Finding suitable land parcel with Clear Title within a radius of 5 to 10 Kms. from the Port liquid jetty in itself is a challenge and time consuming;
- Project cost to be approx. between Rs.1500 to Rs.2000 Crores;
- Project implementation may take approx. 5 to 6 years.

[2] Brown Field ABS Expansion Project:

- Sufficient land already available at existing locations (Expansion up to 400,000 TPA can be easily carried out in future, without new land acquisition);
- Requisite Infrastructure facilities already available at both the existing locations (i.e. full-fledged Research and Development Centre, Utilities, Tank Farm Area, Employee Colony, School Facilities, Road & Transportation etc.) which will play an important role in low Capex of Brown Field ABS Expansion;
- Environmental Clearance at existing plants are in place which will help in expediting the Project implementation tentatively by December 2024;
- Capex requirement will be approx. Rs.500 Crores.

Abhishek

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Considering above, the management is of strong belief that opting for Brown Field ABS Expansion Project would be in the best interest of the Company, as the same will be funded through Reserves & Surplus and the Company will continue maintaining its "**Zero Debt Status**" in future as well.

Accordingly, the Management proposes to the Board of Directors, to consider and accord its approval for the Brown Field ABS Expansion Project at the Company's existing plants at Abu Road (Rajasthan) & Satnoor (Madhya Pradesh) for enhancing overall ABS production capacity to 200,000 TPA with approx. Capex of Rs.500 Crore, to be funded through Reserves & Surplus which shall be implemented tentatively by December 2024.

