



BHAGWATI AUTOCAST LIMITED



BHAGWATI AUTOCAST LIMITED



15th Annual Report 1996-97

Board of Directors : Dr P N Bhagwati Chairman & Managing Director
Mrs M P Bhagwati
Mr M N Shah
Mr M H Gandhi
Mr N A Shah
Miss R P Bhagwati
Mr D Vasudeva Rao

Company Secretary : Mr B G Vyas

Auditors : M/s Pravin M Shah & Co.
Chartered Accountants
Ahmedabad

Bankers : Bank of Baroda
Ashram Road
Ahmedabad

**Registered Office
and Works** : Survey No. 816
Village Rajoda
Near Bavla
Dist. Ahmedabad 382 220



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FINANCIAL STATISTICS

(Rs.Lacs)

PARTICULARS	1996-97	1995-96	1994-95	1993-94	1992-93	1991-92	1990-91	1989-90
Fixed Assets(Gross)	642.36	557.21	525.74	417.64	375.63	297.61	272.46	262.96
Fixed Assets(Net)	416.43	366.11	343.42	262.06	241.26	189.42	173.09	177.79
Net Current Assets	260.75	277.44	257.64	288.56	234.56	86.41	86.31	102.27
Misc. Exps.(Not W/off)	4.34	5.07	5.81	6.59	7.89	1.27	1.86	2.46
TOTAL ASSETS (NET)	681.52	648.62	606.87	557.21	483.71	277.10	261.26	282.52
Borrowings	270.66	247.83	207.69	164.01	90.44	87.73	107.58	170.17
Equity Share Capital	160.04	160.04	160.04	160.04	160.04	99.20	99.20	99.20
Reserves & Surplus	250.82	240.75	239.14	233.16	233.23	92.17	54.48	13.15
TOTAL CAPITAL EMPLOYED	681.52	648.62	606.87	557.21	483.71	279.10	261.26	282.52
DEBT EQUITY RATIO	0.66:1	0.62:1	0.52:1	0.42:1	0.23:1	0.46:1	0.70:1	1.51:1
Sales and other Income	1607.29	1469.27	1293.45	1123.58	1010.85	1128.50	897.80	730.95
Materials	879.45	817.49	711.05	597.24	545.62	637.38	508.63	417.44
Labour Cost	243.97	229.74	202.49	179.79	146.00	129.04	108.35	84.12
Power	307.32	257.69	238.52	205.32	175.26	172.98	119.92	112.97
Operation & Other Expenses	38.69	33.70	31.47	37.98	30.59	29.87	24.05	19.77
Lease Rent	0.00	3.47	3.95	4.41	5.11	14.78	12.93	13.37
Interest	88.54	71.95	47.98	30.55	60.05	66.95	54.78	50.95
Gross Profit	49.32	55.23	57.99	68.29	48.22	77.50	69.14	32.33
Depreciation	30.16	33.80	27.76	22.50	18.57	17.52	15.92	15.58
Investment Allowance Reserve	0.00	0.00	0.00	0.00	0.00	0.00	29.72	0.00
Profit before Tax	19.16	21.43	30.23	45.79	29.65	59.98	23.50	16.75
Provision for Taxation	2.72	0.00	0.00	22.00	5.60	7.40	0.00	0.24
Profit after Tax	16.44	21.43	30.23	23.79	24.05	52.58	23.50	16.51
Prior Period Adjustments	7.71	(0.61)	(0.24)	0.15	1.85	(0.01)	0.02	0.00
Dividends	12.80	19.20	24.01	24.01	16.00	14.88	11.90	0.00
Corporate Tax on Dividend	1.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Retained Earnings	10.07	1.62	5.98	0.00	9.90	37.69	11.62	16.51
Earning per Equity Share Rs.	1.03	1.34	1.89	1.49	1.50	5.30	2.37	1.66
Dividend on Equity Share %	8.00	12.00	15.00	15.00	10.00	15.00	12.00	0.00
Net Worth	406.52	395.72	393.37	386.61	385.38	190.10	151.82	109.89
Book value per Equity Share Rs	25.40	24.73	24.58	24.16	24.08	10.45	15.30	11.07

BHAGWATI AUTOCAST LIMITED**NOTICE**

NOTICE is hereby given that the Fifteenth Annual General Meeting of the members of the company will be held at the Registered Office of the company at Survey No.816, Village Rajoda, Near Bavla, Dist. Ahmedabad 382 220 on Thursday, the 25th September, 1997 at 10.30 A.M. to transact the following business.

ORDINARY BUSINESS :-

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March, 1997 and the Balance Sheet as at the same date and consider the Directors' and Auditor's Report thereon.
2. To declare a dividend on Equity Shares for the Financial year 1996-97.
3. To appoint a Director in place of Mr N A Shah, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr M H Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

Registered Office

Survey No.816,
Village Rajoda, Near Bavla
Dist. Ahmedabad 382 220.
Date : 14/08/1997

**By order of the
Board of Directors**

B. G. Vyas
Company Secretary

Notes :-

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his/her Proxy to attend and vote, instead of himself/herself and that the Proxy need not be a member of the Company.

The Proxy in order to be effective, must be received by the company not less than 48 hours before the commencement of Annual General Meeting.

2. The Register of Members and Share Transfer books of the company will remain closed from Tuesday the 16th September, 1997 to Tuesday the 30th September, 1997 (both days inclusive).
3. The dividend, if sanctioned at the Annual General meeting will be paid to members from 04/11/1997.
4. The members are hereby informed that the unclaimed dividend for the financial year 1992-93 has been transferred to the credit of General Revenue Account of the Central Government and the unclaimed dividend for the financial year 1993-94 will be transferred to General Revenue Account of the Central Government in the month of October, 1997 in terms of the provisions of Section 205A of the Companies Act, 1956.
5. Members are requested to notify the change in their address immediately.
6. The members having multiple ledgerfolios in the same order of names, are requested to approach Share Department for consolidating their entire holding in one folio for mutual convenience.



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DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in placing before you **FIFTEENTH ANNUAL REPORT** and Audited Accounts for the year ended 31st March, 1997.

I. FINANCIAL RESULTS :

	For the Year ended 31/03/97 (Rs.)	For the Year ended 31/03/96 (Rs.)
Profit before interest, Depreciation & taxation	13,785,961	12,717,791
Less : Interest & Finance charges	8,854,428	7,195,329
Profit before depreciation & taxation	4,931,533	5,522,462
Less: Depreciation	3,015,852	3,379,597
Profit before tax	1,915,681	2,142,865
Less : Provision for tax	272,000	0
Profit after tax	1,643,681	2,142,865
Prior period adjustments	771,214	(61,116)
Add : Surplus of last year brought forward.	2,797,621	3,136,328
Profit available for appropriation	5,212,516	5,218,077

APPROPRIATION

Transfer to General Reserve	0	500,000
Proposed Dividend [Previous Year Subject to deduction of Tax]	1,280,304	1,920,456
Corporate Tax on Dividend	128,030	0
Surplus Carried to next Year's account	3,804,182	2,797,621
TOTAL ...	5,212,516	5,218,077

II. DIVIDEND

Your Directors recommend the following Dividend for the year ended 31st March, 1997.

	Current Year (Rs Lacs)	Previous Year (Rs Lacs)
Rs. 0.80 per share on 1,600,380 Equity shares of Rs.10/- each fully paid-up (Previous year Rs. 1.20 per share on 1,600,380 Equity shares of Rs.10/- each fully paid-up, subject to deduction of tax)	12.80	19.20

III. OPERATIONS

During the year under review, the Company has maintained level of operations as per last year. However, due to installation of ARPA-900 Moulding Machines, from December, 1996, the company has concentrated on production of high value items. This has resulted in an ideal product mix and high sales realisation. The financial results could have been much better if company had not lost production during November, 1996 due to a strike which lasted for almost the whole month. The severe power-cut imposed by the Gujarat Electricity Board throughout the year and the hike in power tariff has also affected the profitability substantially.

In spite of all these odds, your company could maintain the performance at par with the previous year. The Company hopes to yield better results in the current year.

IV. MODERNISATION

As stated in the last report, the company has successfully commissioned the new Moulding Line with advanced technology and the same is working satisfactorily from December, 1996. The Company has plans to further modernise few manual processes to achieve better productivity and optimum advantage of the installed capacity.

BHAGWATI AUTOCAST LIMITED**V. DIRECTORS**

During the year under review, Dr M R Dixit, has resigned from the Directorship of the Company due to heavy engagements elsewhere. The Board places on record its appreciation of the valuable guidance and advice given by him to the company during his association with the company.

Mr N A Shah and Mr M H Gandhi, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

VI. AUDITORS

The Auditors of the Company M/s Pravin M Shah & Co., Chartered Accountants, retire at the ensuing Annual General Meeting, and being eligible members are requested to appoint them for the current year.

VII. FIXED DEPOSITS

There are no unclaimed/unpaid deposits as on 31-03-1997.

VIII. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and forms part of this Report.

IX. PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, are set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956 the Report and the Accounts is being sent to all shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the secretary at the Registered Office of the Company.

X. DISCLOSURE AS PER CLAUSE 43 OF THE LISTING AGREEMENT

Actual performance vis-a-vis projections

Description	Projections (Rs Lacs)	Actual (Rs Lacs)
Utilisation of Funds	120.00	131.27
Sales and other Income	1735.00	1607.29
Profit before Interest, depreciation and Tax	268.00	137.86
Profit after tax	102.00	16.44

XI. GENERAL

1. **INSURANCE** : The assets of the Company including Machineries, Factory Building, Stocks, Stores, Vehicles etc., have been adequately insured.

2. **INDUSTRIAL RELATIONS** : During the year under review the industrial relations were on the whole cordial.

3. **ACKNOWLEDGMENT** : Your Directors wish to place on record their deep sense of appreciation of the continued co-operation and support extended by Bank of Baroda, from time to time during the year.

The Directors also wish to place on record their appreciation of the devoted services of the Workers, Staff and Executives of the Company, who have contributed to the efficient management of your Company.

**For and on behalf of the
Board of Directors**

Place : Ahmedabad.

Date : 14/08/1997

**Dr P N Bhagwati
Chairman**



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ANNEXURE TO DIRECTORS' REPORT :

FORM - A

Information as per Section 217(1) (e) of the companies Act, 1956 read with the companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 1997.

A. CONSERVATION OF ENERGY :

a) Measures Taken :

The Company has been taking various measures for conservation of energy in past. Some of the important energy saving devices had been installed during last few years including replacement of Mains Frequency Induction Furnace with Medium Frequency Induction Furnace, 200 CFM Air Compressors with 540 CFM Air Compressor, and installation of Automatic Temperature Controllers and 300 KVAR LT Capacitors.

b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy.

At present, the company does not envisage any further investment proposals for reduction of energy consumption.

c) Impact of the measures taken at (a) & (b) above for reduction of energy consumption :

Expected positive impact of measures taken as above has not resulted in reduction of energy consumption on account of frequent additional staggered holidays and severe power-cut.

Total energy consumption and energy consumption per unit of production as per Form A of the ANNEXURE in respect of industries specified in the Schedule thereto.

A) Power & Fuels Consumption

[1] Electricity

a) Purchased

	1996-97	1995-96
Units	8948900	9265880
Total amt (Rs.Lacs)	306.26	256.76
Rate / Unit (Rs.)	3.42	2.77

b) Own Generation

1) Through Diesel Generator

Units	13268	17700
Units per liter of Diesel Oil	0.83	1.94
Cost/ Unit.(Rs.)	8.00	3.29

2) Through Steam turbine generator

Units	NIL	NIL
Units per litre of fuel oil/gas	NIL	NIL
Cost/ Unit.	NIL	NIL

[2] Coal NIL NIL

[3] Furnace Oil NIL NIL

[4] Others/ internal generation NIL NIL

B) Consumption per unit of production :

	Electricity per MT of Castings 1996-97	Electricity per MT of Castings 1995-96
C.I.CASTING (Units/MT)	1501	1495
S.G.I.CASTING (Units/MT)	1789	1816

BHAGWATI AUTOCAST LIMITED**FORM - B****B. FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT (R & D)**

The company has commissioned a pair of new Moulding Machine with advanced technology in the year under review, which has added to the past years installation of Drum Homogenizer cum cooler for effective separation and cooling of sand and Shell Core Shooters to improve the quality of Castings.

C FOREIGN EXCHANGE EARNINGS & OUTGO :

There is no Export of Castings during the year under review.

	1996-97	1995-96
Total Foreign Exchange used (Rs.)	13,283	110,960
Total Foreign Exchange earned (Rs.)	NIL	NIL

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For and on behalf of the
Board of Directors

Place : Ahmedabad.

Date : 14/08/1997

Dr P N Bhagwati
Chairman