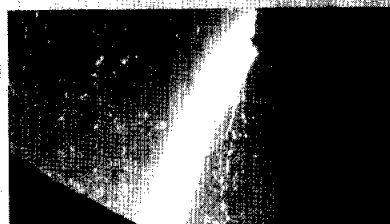
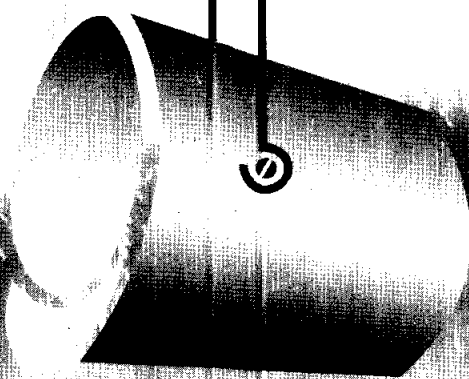


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**BHAGWATI
AUTOCAST LIMITED**



BHAGWATI AUTOCAST LIMITED



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Board of Directors	:	Dr P N Bhagwati Chairman & Managing Director Mrs M P Bhagwati Mr M N Shah Ms R P Bhagwati Mr B L Dalal Mr S R Parekh
Company Secretary	:	Mr Vijay Jani
Auditors	:	M/s R D Patel & Co. Chartered Accountants Ahmedabad
Bankers	:	Bank of Baroda Ashram Road Ahmedabad
Registered Office & Works	:	Survey No 816, Village Rajoda, Near Bavla, Dist. Ahmedabad 382 220

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BHAGWATI AUTOCAST LIMITED

FINANCIAL STATISTICS											
											[Rs. Lacs]
PARTICULARS	2001-02	2000-01	99-2000	1998-99	1997-98	1996-97	1995-96	1994-95	1993-94	1992-93	1991-92
Fixed Assets (Gross)	893.88	868.71	859.62	681.48	670.95	642.36	557.21	525.74	417.64	375.63	297.61
Fixed Assets (Net)	458.95	481.14	510.18	371.85	398.02	416.43	366.11	343.42	262.06	241.26	189.42
Net Current Assets	180.71	188.21	213.52	198.44	237.84	260.75	277.44	257.64	288.56	234.56	86.41
Misc.Exps.(Not W/off)	0.72	1.44	2.17	2.90	3.62	4.34	5.07	5.81	6.59	7.89	1.27
TOTAL ASSETS (NET)	640.38	670.79	725.87	573.19	639.48	681.52	648.62	606.87	557.21	483.71	277.10
Borrowings	187.16	231.37	197.87	120.99	215.07	270.66	247.83	207.69	164.01	90.44	87.73
Equity Share Capital	160.04	160.04	160.04	160.04	160.04	160.04	160.04	160.04	160.04	160.04	99.20
Reserves & Surplus	293.18	279.38	367.96	292.16	264.37	250.82	240.75	239.14	233.16	233.23	92.17
TOTAL CAPITAL EMPLOYED	640.38	670.79	725.87	573.19	639.48	681.52	648.62	606.87	557.21	483.71	277.10
DEBT EQUITY RATIO	0.48:1	0.53:1	0.37:1	0.27:1	0.51:1	0.67:1	0.62:1	0.52:1	0.42:1	0.23:1	0.46:1
Sales & Other Income	2083.82	2009.38	2567.54	2157.70	1962.57	1839.47	1469.27	1293.45	1123.58	1010.85	1128.50
Excise Duty	253.06	274.33	364.70	291.38	253.02	232.18	0.00	0.00	0.00	0.00	0.00
Materials	897.09	870.91	1069.10	924.92	882.47	879.45	817.49	711.05	597.24	545.62	637.38
Labour Cost	309.80	335.70	328.73	293.79	272.56	243.97	229.74	202.49	179.79	146.00	129.04
Power	414.30	433.17	452.35	385.52	348.75	307.32	257.69	238.52	205.32	175.26	172.98
Operation & Other Exps	64.18	63.43	79.35	62.01	45.76	38.69	33.70	31.47	37.98	30.59	29.87
Lease Rent	0.00	0.00	0.00	0.00	0.00	0.00	3.47	3.95	4.41	5.11	14.78
Interest	84.23	73.64	64.59	81.22	95.78	88.54	71.95	47.98	30.55	60.05	66.95
GROSS PROFIT	61.16	(41.80)	208.72	118.86	64.23	49.32	55.23	57.99	68.29	48.22	77.50
Depreciation	47.35	46.79	43.14	41.20	33.31	30.16	33.80	27.76	22.50	18.57	17.52
Investment All. Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PROFIT BEFORE TAX	13.81	(88.59)	165.58	77.66	30.92	19.16	21.43	30.23	45.79	29.65	59.98
Provision For Taxation	4.93	0.00	62.17	25.00	2.29	2.72	0.00	0.00	22.00	5.60	7.40
PROFIT AFTER TAX	8.88	(88.59)	103.41	52.66	28.63	16.44	21.43	30.23	23.79	24.05	52.58
Prior period adjustments	0.00	0.00	0.27	0.00	0.00	7.71	(0.61)	(0.24)	0.15	1.85	(0.01)
Dividends	0.00	0.00	22.41	22.41	12.80	12.80	19.20	24.01	24.01	16.00	14.88
Corporate Tax on Dividend	0.00	0.00	4.93	2.46	1.28	1.28	0.00	0.00	0.00	0.00	0.00
Retained Earnings	8.88	(88.59)	76.34	27.79	14.55	10.07	1.62	5.98	(0.07)	9.90	37.69
Earning per Eq. Share Rs.	0.55	(5.54)	6.46	3.29	1.79	1.03	1.34	1.89	1.49	1.50	5.30
Dividend per Eq. Share %	0.00	0.00	14.00	14.00	8.00	8.00	12.00	15.00	15.00	10.00	15.00
Net Worth	452.50	437.98	525.83	449.30	420.79	406.52	395.72	393.37	386.61	385.38	190.10
Book value per Eq.Share Rs	28.27	27.37	32.86	28.07	26.29	25.40	24.73	24.58	24.16	24.08	19.16



BHAGWATI

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NOTICE

NOTICE is hereby given that the TWENTIETH ANNUAL GENERAL MEETING of the members of BHAGWATI AUTOCAST LIMITED will be held at the Registered Office of the Company at Survey No. 816, Village Rajoda, Near Bavla, Dist Ahmedabad - 382 220 on Saturday, the 28th September, 2002 at 10-30 AM to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended on 31st March, 2002 and Balance Sheet as at the same date and consider the Directors' Report and Auditor's Report thereon.
2. To appoint Director in place of Mr. M. N. Shah who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint Director in place of Mr. B. L. Dalal who retires by rotation and being eligible offer himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

Registered Office :
Survey No 816, Village Rajoda,
Near Bavla,
Dist. Ahmedabad 382 220

By order of the
Board of Directors

Place : Ahmedabad
Date : 31/07/2002

Vijay Jani
Company Secretary

NOTES :

1. A member entitled to attend and vote is entitled to appoint one or more Proxies to attend and vote instead of himself; herself and that a Proxy need not be a member of the Company.
2. 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 16th September, 2002 to Saturday the 28th September, 2002 (both days inclusive).
4. Members are requested to notify the change in their address immediately.
5. Pursuant to Section 205 A of the Companies act, 1956, all unclaimed dividends upto the financial year ended on 31st March, 1995 (paid in 1995) have been transferred to the General Revenue Account of the Central Government.

As per Section 205 A and 205 C of the amended Companies Act, 1956, the amount of Dividend for the Financial Year 1995-96 and subsequent years remaining unclaimed over a period of seven years from the date they became due for payment, shall be transferred to the "Investor Education and Protection Fund" established by the Government of India and that no claim shall lie against the Fund or the Company in respect of the amounts so transferred.

Those shareholders who have so far not claimed their dividend upto financial year 1994-95 are requested to claim the dividend from the Registrar of Companies, Gujarat, by submitting an application in the prescribed form.

6. The Members having multiple ledger folios 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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BHAGWATI AUTOCAST LIMITED**DIRECTORS' REPORT**

To
The Members

Your Directors have pleasure in placing before you TWENTIETH ANNUAL REPORT and Audited Accounts for the year ended 31st March 2002.

01. FINANCIAL RESULTS :

	For the year Ended 31/03/2002 [Rs]	For the year Ended 31/03/2001 [Rs]
Profit before Interest, Depreciation and Taxation	14,539,337	3,183,975
Less : Interest & Finance Charges	8,422,502	7,363,904
Profit / (Loss) before Depreciation & Taxation	6,116,835	(4,179,929)
Less/(Add) : Depreciation	4,735,360	(4,678,662)
Profit/(Loss) before Tax	1,381,475	(8,858,591)
Less : Provision for Current Tax	0	0
Less : Provision for Deferred Tax	493,187	0
Profit/(Loss) After Tax	888,288	(8,858,591)
Add/(Less) : Prior Year Adjustments	0	(688)
Add : (Deficit) / Surplus of Last Year Brought forward	(6,839,440)	2,018,463
Balance Carried to Balance Sheet	(5,951,152)	(6,839,440)

02. DIVIDEND :

Considering the present financial position of the Company, your directors are of the opinion to skip the dividend for the year.

03. OPERATIONS :

As already mentioned earlier, due to sluggish demand in tractor & automotive Industries, Who are our major customers, Your Company has not shown any growth in production as well as in Sales for the year under review. It was further badly affected by long strike of 91 days in Escorts Limited during the year, who is our major customer. At the same time, fixed cost like Power, Labour and interest remained same, which affected our profitability. We hope to increase our volume in Production and Sales during the second quarter of the current Year.

04. DIRECTORS :

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

Ms. R. P. Bhagwati resigned from the office of Director on 31/7/2002. The Board placed on record it's Appreciation for the valuable services rendered by her during the tenure of her office as Director.

05. AUDITORS :

You are requested to appoint Auditors for the current year to hold office from the conclusion of this Annual General Meeting until the next Annual General Meeting and to fix their remuneration.

06. FIXED DEPOSITS:

There are no unclaimed / unpaid deposits as on 31/03/2002.

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

Additional Information on Conservation of energy, technology absorption, Foreign exchange earning 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 the Board of Directors) Rules, 1988 is annexed hereto and forms part of this report.

08. PARTICULARS OF EMPLOYEES :

There is no employee of the Company who is in receipt of remuneration in excess of limits specified u/s. 217 (2A) read with Companies (Particulars of employees) Rules, 1975.

09. RESPONSIBILITY STATEMENT :

As required u/s 217(2AA) of the Companies Act, 1956 the Directors confirm:

- That in the preparation of the annual accounts, the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- That they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the State Of Affairs of the Company as on 31st March, 2002 and of the Profit of the Company for the accounting year ended on that date;
- That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That they have prepared the annual accounts on a going concern basis.

10. GENERAL :**1. Insurance :**

The assets of the company including Plant and Machineries, Factory Building, Stocks, Stores, Vehicles etc. have been adequately insured.

2. Industrial Relations :

During the year under review the industrial relations were cordial.

3. Acknowledgement :

Your Directors wish to place on record their deep sense of appreciation of the continued co-operation and support extended by Bank of Baroda and other financial institutions, 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 the Company.

For and on behalf of the
Board of Directors

Place : Ahmedabad
Date : 31/07/2002

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 (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2002.

A. CONSERVATION OF ENERGY :

a) Measures Taken :

The Company has been taking various measures for conservation of energy for last few years. During the year, the Company has taken following additional measures: -

- [1] Additional L.T. Capacitors are installed to improve power factor to 0.985.
- [2] Load factor strategy is changed to utilise optimum compressed air, which ultimately reduces power consumption. [i.e. for running only Shot Blasting Machine, compressor was operated which is now stopped. Compressors are operated if minimum 100 CFM load is there.]
- [3] Transformer Tap reduced from 3 to 2 to prevent extra power consumption during off load hours due to high voltage.
- [4] Minimum operations of Core shooters are planned to prevent heating consumption for core production.
- [5] Awareness brought to switch off lights, fans & Machinery during idle running period.
- [6] Energy meters are provided in Air Compressors, Sand Plant, and Core shooters to monitor and control power consumption.

FURTHER STEPS TO BE IMPLEMENTED

- [1] Reactive power & Harmonic measurement are being planned during Energy Audit to minimise electrical losses & reactive power.
- [2] APFC is planned to install to achieve power factor near to unity. This will help in getting maximum benefit for power factor rebate in GEB Bills.

b) Additional Investment and proposals, if any, being implemented for reduction of consumption of energy :

- [1] Induction motors between 10 to 20 HP will be replaced which are 10 years or more older and rewound more than 10 times to reduce losses in motors.
- [2] Distribution transformer insulation will be replaced during reconditioning of transformer, which will bring down losses to optimum 6% to 3%.

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

Satisfactory impact of measures taken as above has not been observed during the current year due to low output however, in the current year positive impact is observed by reduction of energy consumption.

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.

Particulars	2001-2002	2000-2001
[A] Power & Fuels consumption :		
1. Electricity		
[a] Purchased		
- Units	7706400	8069990
- Total Amount [Rs. Lacs]	414.00	432.30
- Rate / Unit [Rs.]	5.37	5.36
[b] Own Generation		
(i) Through Diesel Generator		
- Units	3124	3588
- Units per liter of diesel oil	1.80	1.38
- Cost per unit [Rs.]	9.58	8.55
(ii) Through Steam Turbine Generator		
- Units	Nil	Nil
- Units per liter of Fuel Oil/Gas	Nil	Nil
- Cost per Unit [Rs.]	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	Electricity per MT of Castings
(i) C I Castings	1307	1367
(ii) S G I Castings	1724	1588

FORM B

B. DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT (R & D) :

TECHNOLOGY ABSORPTION:

During the year under review, The Company has introduced and increased the use of certain new technologies with a view to improve the quality of the products.

Cold Box Process: -

The Cold Box technology was introduced to have better utilities resulting in low power consumption, better out-put and greater dimensional consistency. All new cores for new castings under development were made with this process and many of the shell cores were converted into Cold Box.

A second fully automated machine with higher out-puts and higher core weight capacity was commissioned resulting in over all improvement in the core quality and reduction in core cost and saving of power.

BHAGWATI AUTOCAST LIMITED**RESEARCH & DEVELOPMENT:**

(i) Specific areas in which R & D is carried out by the Company :

(a) Improvement in production process and waste control being continuously carried out by the company.

(b) Total Quality Management is being introduced with more involvement resulting in improvement in work culture.

(c) Upgradation of computerisation in various Monitoring systems and introduction of Board Information System (BIS) to monitor and evaluate the overall performance. Analysis of Rejection and Monitoring of Energy Consumption.

(ii) Benefits derived as a result of above R & D :-

The quality of the product manufactured by the Company has further improved and the rejections both internal and after machining have been reduced.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

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

	2001-2002 [Rs]	2000-2001 [Rs]
Total Foreign Exchange used	106,703	340,517
Total Foreign Exchange earned	Nil	Nil

For and on behalf of the
Board of Directors

Dr. P N Bhagwati
Chairman

Place : Ahmedabad
Date : 31/07/2002

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AUDITORS' REPORT

To,
The Shareholders,
Bhagwati Autocast Limited

We have audited attached Balance Sheet of BHAGWATI AUTOCAST LIMITED as at 31st March, 2002 and also the Profit and Loss Account of the Company for the year ended on that date, annexed thereto and report that:

These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, we believe that our audit provides a reasonable basis for our opinion.

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books;
3. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
4. In our opinion, the Profit & Loss Account and Balance Sheet of the Company, comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 (the 'Act').
5. Based on the representations made by all the directors of the Company and according to the information and explanations as made available and taken on record by the Board of Directors, We report that none of the Director is disqualified as on 31st March, 2002 from being appointed as a Director in terms of clause (g) of section 274(1) of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Act, in the manner so required and give a true and fair view;
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2002

A N D

- (ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.
7. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Act, we further report as under on the matters specified in paragraphs 4 & 5 of the said order;

- (i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The assets have been physically verified by the Management at the year end, and as informed to us, no material discrepancies were noticed on such verification.
- (ii) The fixed assets have not been revalued during the year.
- (iii) The stocks of finished goods, stores, spare parts, Work in Process, Moulding Boxes, Patterns, Dies and raw materials (except stock in Transit and lying with third party for process) have been physically verified by the Management at regular intervals during the year.
- (iv) The procedures of physical verification of stocks, followed by the Management, are reasonable and adequate in relation to the size of the company and nature of its business.
- (v) The discrepancies noticed during the physical verification of stocks as compared to book records were not material and they have been properly dealt with in the books of account.
- (vi) In our opinion, the valuation of the stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the previous year.
- (vii) The company has taken unsecured loans, from parties, as listed in the register maintained under Section 301 of the Companies Act, 1956 and rates & terms and conditions of the same are prima-facie not prejudicial to the interest of the Company.
- (viii) The company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (ix) In respect of loans and advances in the nature of interest free loans given to the employees of the Company, they are repaying stipulated installments of principal amount regularly.
- (x) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchases of stores, raw materials including components, plant and machineries, equipments and other assets, and for the sale of goods.
- (xi) In our opinion and according to the information and explanations given to us, the purchases of goods and materials and sale of goods, materials & services aggregating to Rs.50, 000/- or more in respect of each party made in pursuance of contracts or arrangements entered in the register maintained by the Company under Section 301 of the Companies Act, 1956, have been made at prices which are reasonable having regard to the prevailing market prices for such goods, materials or services.
- (xii) As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provisions

BHAGWATI AUTOCAST LIMITED

have been made in the account for the loss if any arising on the items so determined.

[xiii] In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptances of Deposits) Rules, 1975 with regards to the deposits accepted from the public.

[xiv] Productions of scrap have been reutilised by the Company as raw materials for which the company maintains separate records. The Company has no by-products.

[xv] In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

[xvi] We have been informed that the maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956.

[xvii] According to the records of the Company, Provident Fund dues have been regularly deposited during the year with the appropriate Authorities. We have been informed that Employees State Insurance Act is not applicable to the Company.

[xviii] According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Wealth-tax, Sales-tax, Customs duty and Excise duty were outstanding as on 31st March, 2002 for a period of more than six months from the date they became payable.

[xix] According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations.

[xx] The Company is not a sick industrial company within the meaning of clause (o) of Sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

[xxi] In respect of trading activities, we are informed that there were no damaged goods.

For R D Patel & Company
Chartered Accountants

Place : Ahmedabad
Dated : 31/07/2002

K D Parekh
Proprietor

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