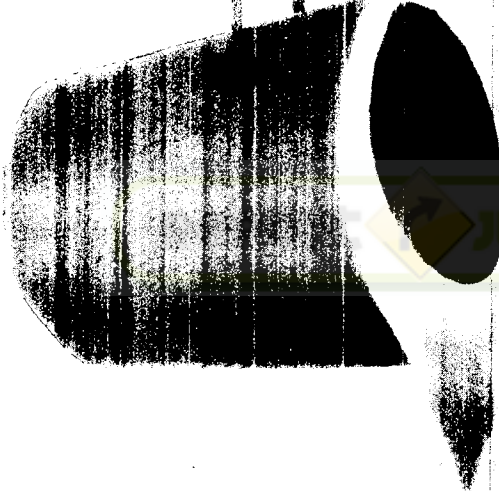


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1997-98



MD	<input checked="" type="checkbox"/>	BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>	DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>	DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>	AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>		

Bhagwati
Autocast Limited

BHAGWATI AUTOCAST LIMITED



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

BHAGWATI AUTOCAST LIMITED**FINANCIAL STATISTICS**

(Rs.Lacs)

PARTICULARS	1997-98	1996-97	1995-96	1994-95	1993-94	1992-93	1991-92	1990-91
Fixed Assets(Gross)	670.95	642.36	557.21	525.74	417.64	375.63	297.61	272.46
Fixed Assets(Net)	398.02	416.43	366.11	343.42	262.06	241.26	189.42	173.09
Net Current Assets	237.84	260.75	277.44	257.64	288.56	234.56	86.41	86.31
Misc. Exps.(Not W/off)	3.62	4.34	5.07	5.81	6.59	7.89	1.27	1.86
TOTAL ASSETS (NET)	639.48	681.52	648.62	606.87	557.21	483.71	277.10	261.26
Borrowings	215.07	270.66	247.83	207.69	164.01	90.44	87.73	107.58
Equity Share Capital	160.04	160.04	160.04	160.04	160.04	160.04	99.20	99.20
Reserves & Surplus	264.37	250.82	240.75	239.14	233.16	233.23	92.17	54.48
TOTAL CAPITAL EMPLOYED	639.48	681.52	648.62	606.87	557.21	483.71	279.10	261.26
DEBT EQUITY RATIO	0.51:1	0.67:1	0.62:1	0.52:1	0.42:1	0.23:1	0.46:1	0.70:1
Sales and other Income	*1962.57	*1839.47	1469.27	1293.45	1123.58	1010.85	1128.50	897.80
Excise Duty	253.02	232.18	0.00	0.00	0.00	0.00	0.00	0.00
Materials	882.47	879.45	817.49	711.05	597.24	545.62	637.38	508.63
Labour Cost	272.56	243.97	229.74	202.49	179.79	146.00	129.04	108.35
Power	348.75	307.32	257.69	238.52	205.32	175.26	172.98	119.92
Operation & Other Expenses	45.76	38.69	33.70	31.47	37.98	30.59	29.87	24.05
Lease Rent	0.00	0.00	3.47	3.95	4.41	5.11	11.78	12.93
Interest	95.78	88.54	71.95	47.98	30.55	60.05	66.95	54.78
Gross Profit	64.23	49.32	55.23	57.99	68.29	48.22	77.50	69.14
Depreciation	33.31	30.16	33.80	27.76	22.50	18.57	17.52	15.92
Investment Allowance Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29.72
Profit before Tax	30.92	19.16	21.43	30.23	45.79	29.65	59.98	23.50
Provision for Taxation	3.29	2.72	0.00	0.00	22.00	5.60	7.40	0.00
Profit after Tax	27.63	16.44	21.43	30.23	23.79	24.05	52.58	23.50
Prior Period Adjustments	0.00	7.71	(0.61)	(0.24)	0.15	1.85	(0.01)	0.02
Dividends	12.80	12.80	19.20	24.01	24.01	16.00	14.88	11.90
Corporate Tax on Dividend	1.28	1.28	0.00	0.00	0.00	0.00	0.00	0.00
Retained Earnings	13.55	10.07	1.62	5.98	0.07	9.90	37.69	11.62
Earning per Equity Share Rs.	1.73	1.03	1.34	1.89	1.49	1.50	5.30	2.37
Dividend on Equity Share %	8.00	8.00	12.00	15.00	15.00	10.00	15.00	12.00
Net Worth	420.79	406.52	395.72	393.37	386.61	385.38	190.10	151.82
Book value per Equity Share Rs.	26.29	25.40	24.73	24.58	24.16	24.08	19.16	15.30

* Inclusive of Excise Duty



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NOTICE

NOTICE is hereby given that the SIXTEENTH 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 Wednesday, the 30th September, 1998 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, 1998 and Balance Sheet as at the same date and consider the Directors' Report and Auditor's Report thereon.
2. To declare a Dividend on Equity Shares for the financial year 1997-98.
3. To appoint a Director in place of Mrs M P Bhagwati, who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint a Director in place of Mr M N Shah, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modifications the following Resolution as Ordinary Resolution :

ORDINARY RESOLUTION :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the Act, the Company hereby approves the re-appointment of Dr. Pravin N Bhagwati, as Managing Director of the Company, for a further period of 5 years with effect from 1st September, 1998 on the remuneration and other terms and conditions as contained in the Explanatory Statement and the draft of the agreement placed before the meeting and intialled by the Chairman for identification with power to the Board of Directors to alter or vary the said terms and conditions of re-appointment and remuneration in such manner as the Board in their discretion deem fit and as acceptable to Dr P N Bhagwati"

"RESOLVED FURTHER THAT the Board of Directors are, hereby, authorised to enter into the said agreement with such modifications or amendments as the Board may think fit. "

Registered Office :

Survey No. 816
Village Rajoda
Near Bavla
Dist. Ahmedabad 382 220

By Order of the
Board of Directors

Place : Ahmedabad

Date : 13/08/1998

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 a 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 15th September, 1998 to Wednesday, the 30th September, 1998 (both days inclusive).
3. The Dividend, if sanctioned, at the Annual General Meeting will be paid to members from 10/11/1998.
4. The members are hereby informed that the unclaimed Dividend for the financial year 1993-94 has been transferred to the credit of General Revenue Account of the Central Government and the unclaimed Dividend for the financial year 1994-95 will be transferred to General Revenue Account of the Central Government in the month of October, 1998 in terms of the provisions of Section 205 A of the Companies Act, 1956.
5. Members are requested to notify the change in their address immediately.
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.

BHAGWATI AUTOCAST LIMITED**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956.****ITEM NO. 6 :**

This item relates to the re-appointment of Dr. Pravin N. Bhagwati as the Managing Director of the Company with effect from 1st September, 1998. Terms of Payments have been fixed within the limits laid down in Schedule XIII as amended by Notification dated 14th July, 1993 as stated hereunder ;

1. PERIOD OF RE-APPOINTMENT :

5 Years with effect from 01/09/1998 as Managing Director.

2. REMUNERATION :**(a) SALARY :**

Rs. 45,000/- per month.

(b) COMMISSION :

Commission to be determined by the Board from time to time in addition to the Salary and perquisites, based on the net profits of the Company in any particular year subject to the overall ceilings laid down in Sections 198 and 309 so as not to exceed 5% of the Profit including salary and perquisites, to Dr. P. N. Bhagwati.

(c) PERQUISITES :

Perquisites to him shall be as classified into three categories 'A', 'B' and 'C' below:

PART 'A' :**i) HOUSING**

- a) The expenditure by the Company on hiring furnished accommodation will be subject to ceiling of 50% of the Salary over and above 10% payable by the Managing Director.
- b) In case the accommodation is owned by the Company, 10% of the Salary of the Managing Director shall be deducted by the Company.
- c) In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance @ 50% of the Salary.

d) The expenditure incurred by the Company on Gas, Electricity, Water etc. will be valued as per Rule No. 3(d) (ii) of the Income Tax Rules, 1962.

e) The perquisites for Furnishings shall be worked out at the rate of ten percent of the actual cost of the furnishings.

ii) MEDICAL REIMBURSEMENT

Expenses incurred for self and his family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years. He shall also be entitled to the benefit of Medical Treatment referred to in Proviso to Section 17(2) of the Income Tax Act, 1961 or to such modifications as may be made therein from time to time.

iii) LEAVE TRAVEL CONCESSION

For self and family once in a year incurred in accordance with any rules specified by the Company.

iv) CLUB FEES

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

v) PERSONAL ACCIDENT INSURANCE

Premium not to exceed Rs. 10,000/- per annum.

For the purpose of this part family means the spouse, dependent children and dependent parents of the Managing Director.

PART 'B' :**vi) CONTRIBUTION TO PROVIDENT FUND & OTHER FUNDS**

Contribution to the Provident Fund, Superannuation or Annuity Fund shall not be included in computation of the ceiling on perquisites and shall be payable to the extent these either singly or put together are not taxable under the Income-tax Act.



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vii) GRATUITY

As per the rules not exceeding half a month's salary for each completed year of service and shall not be included in the computation of the ceiling on perquisites, specified above.

viii) LEAVE ENCASHMENT

The Managing Director shall be entitled to fully paid leave as per the Company's Rules. Encashment of Leave at the end of the tenure is permitted and shall not be included in the computation of the ceiling on perquisites, specified above.

PART 'C' :

- ix) The Company shall provide a Car for use on Company's business and also for personal purposes and telephone at the residence of the Managing Director. The Managing Director shall be billed by the Company for personal long distance calls on telephone and perks for the use of car for personal purposes shall be evaluated as per I.T. Rules.
- x) The Managing Director shall be entitled to such other benefits or amounts as may be approved by the Board and permissible under Schedule XIII of the Companies Act, 1956.

In the event of loss or inadequacy of profits, the Managing Director shall be entitled to receive the same remuneration, perquisites and benefits referred to hereinabove.

The above remuneration is the minimum remuneration that could be paid to the Managing Director in the event of loss or inadequacy of profit.

The draft agreement to be entered into with the Managing Director, is open for inspection by members on any working day between 3-00 PM and 5-00 PM at the Registered Office of the company.

The above details may be considered as an abstract of the terms of the contract with the Managing Director in terms of the provisions contained in section 302 of the Companies Act, 1956.

Mrs M P Bhagwati and Miss R P Bhagwati, the Directors of the Company are concerned or interested in the Resolution proposed under item no. 6 in as much as they are related to Dr P N Bhagwati.

Registered Office :

Survey No. 816
Village Rajoda
Near Bavla
Dist. Ahmedabad 382 220

By Order of the
Board of Directors

Place : Ahmedabad
Date : 13/08/1998

B. G. Vyas
Company Secretary

BHAGWATI AUTOCAST LIMITED**DIRECTORS' REPORT**

To
The Members,

Your Directors have pleasure in placing before you **SIXTEENTH ANNUAL REPORT** and Audited Accounts for the year ended 31st March, 1998.

01. FINANCIAL RESULTS :

	For the year ended 31/03/1998 (Rs.)	For the year ended 31/03/1997 (Rs.)
Profit before Interest	16,001,655	13,785,961
Depreciation & Taxation		
Less : Interest & Finance Chgs.	9,577,689	8,854,428
Profit before depreciation & Taxation	6,423,966	4,931,533
Less : Depreciation	3,331,457	3,015,852
Profit before Tax	3,092,509	1,915,681
Less : Provision for Tax	329,000	272,000
Profit after Tax	2,763,509	1,643,681
Prior Period adjustments	270	771,214
Add : Surplus of last year brought forward	3,804,182	2,797,621
Profit available for Appropriation	6,567,961	5,212,516
APPROPRIATION		
Transfer to General Reserve	3,000,000	0
Proposed Dividend	1,280,304	1,280,304
Corporate Tax on Dividend	128,030	128,030
Surplus carried to next year's account	2,159,627	3,804,182
TOTAL	6,567,961	5,212,516

02. DIVIDEND :

Your Directors recommend the following Dividend for the year ended 31st March, 1998.

	Current year (Rs. Lacs)	Previous Year (Rs. Lacs)
Rs. 0.80 (Previous year Rs.0.80) per Share, on 1,600,380 Equity Shares of Rs.10/- each fully Paid-up.	12.80	12.80

03. OPERATIONS :

As mentioned in the earlier report, the company has concentrated on high value products to increase profitability. This has shown good results during the year by way of higher sales realisation. However, due to recessionary trends, company could not utilise full production capacity which was expanded during 1996-97. Due to long term finance charges and other fixed overheads, expected results could not be achieved. However, this has improved as compared to last year. Your Directors consider the performance of the company as satisfactory.

04. DIRECTORS :

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

05. AUDITORS :

M/s Pravin M Shah & Co., Chartered Accountants, retire at the ensuing Annual General Meeting. You are requested to appoint Auditors for the year 1998-99 and to fix their remuneration.

06. FIXED DEPOSITS :

There are no unclaimed/unpaid deposits as on 31/03/1998.

07. 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



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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.

08. 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.

09. 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 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, 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 : 13/08/1998

Dr P N Bhagwati
Chairman

ANNEXURE TO DIRECTORS' REPORT

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, 1998.

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] Calibration is being done of all temperature controllers to prevent over heating of cores and castings.
- [2] Maximum Demand Controller is being used to control Maximum Demand, which was procured for observing power-cut.
- [3] Circuit breakers at some plant, core shooters and compressors have been installed to avoid overheating which were having more power losses.
- [4] Intensive speed mixer is replaced in which 15 HP power consumption is reduced.

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 :

Satisfactory positive impact of measures taken as above has resulted in reduction of energy consumption.

BHAGWATI AUTOCAST LIMITED

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.

FORM - A

Particulars	1997-98	1996-97
-------------	---------	---------

**A) Power & Fuels
Consumption :**

1. Electricity

a) Purchased

Units	8238440	8948900
Total Amt. (Rs. Lacs)	348.33	306.26
Rate/Unit (Rs.)	4.23	3.42

b) Own Generation

1) Through Diesel Generator

Units	5404	13268
Units per liter of Diesel Oil	1.36	0.83
Cost/Unit(Rs.)	7.70	8.00

2) Through Steam Turbine Generator

Units	NIL	NIL
Units per liter 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 1997-98	Electricity per MT of Castings 1996-97
C. I. Casting(Units/MT)	1446	1501
S. G. I. Casting(Units/MT)	1554	1789

FORM - B

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

The Company has commissioned RHINO make Hydraulic Moulding Pusher System for smooth and speedy shifting of moulding boxes, as also to avoid damages, in replacement of manual operations.

**C. FOREIGN EXCHANGE EARNINGS AND
OUTGO:**

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

	1997-98	1996-97
Total Foreign Exchange used (Rs.)	102,686	13,283
Total Foreign Exchange earned (Rs.)	NIL	NIL

For and on behalf of the
Board of Directors

Place : Ahmedabad
Date : 13/08/1998

Dr P N Bhagwati
Chairman