



BHAGWATI AUTOCAST LIMITED



17th Annual Report 1998-99

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

Company Secretary : Mr. B. G. Vyas

Auditors : M/s. Anil S. Gandhi & 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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BHAGWATI AUTOCAST LIMITED**NOTICE**

NOTICE is hereby given that the SEVENTEENTH 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 Thursday the 30th September, 1999 at 10.30 A.M. 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, 1999 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 1998-99.
3. To appoint a Director in place of Miss Reena P. Bhagwati, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. D. Vasudeva Rao, 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 Resolutions as Special Resolutions :

[A] SPECIAL RESOLUTION :

"RESOLVED THAT The following new Article No. 17A be inserted after the existing Article No.17 in the Articles of Association of the Company :-

17 A - Buy Back of Shares

"Notwithstanding anything contained in these Articles, in the event it is permitted by law for a Company to purchase its own Shares or securities, the Board of Directors may when and if thought fit, buy back such of the Company's own Shares and securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals as may be permitted under the law."

[B] SPECIAL RESOLUTION :

"RESOLVED THAT The following new Articles with marginal notes, as indicated, be inserted as

Article 49A and 49B after the existing article 49 :-

49A Nomination :

- i) Notwithstanding anything contained in these Articles of the Company, every shareholder or debentureholder of the Company may at any time, nominate, in the prescribed manner, a person to whom his shares in, or debentures of the Company shall vest in the event of his death.
- ii) Where the shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company, as the case may be, shall vest in the event of death of all the joint holders.
- iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debentureholder or, as the case may be, on the death of the joint holders, become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied, cancelled in the prescribed manner.

Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares in or debentures of the Company, in the event of his death, during the minority.

49B Transmission of Securities by Nominee :

A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either :-

- [i] to be registered himself as holder of the share or debenture, as the case



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may be; or to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debentureholder could have made;

- (ii) if the nominee elects to be registered as holder of the share or debenture, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debentureholder as the case may be;
- (iii) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share or debenture except that he shall not, before being registered as a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with."

[C] SPECIAL RESOLUTION :

"RESOLVED THAT The following new Article No. 140A be inserted after the existing Article No.140 in the Articles of Association of the Company :-

140A Mode of Payment of Dividend, Interest etc.

"The Company may pay dividend, interest or other moneys payable to the members and/or Security holders by a Cheque or Warrant sent to the Registered Address or by electronic transfer of funds to the Bank Account of

the members and/or Security holders entitled to the dividend, interest or other moneys according to the order of such members and/or Security holders."

[D] SPECIAL RESOLUTION :

"RESOLVED THAT in Article 122(11) of the Articles of Association of the Company, the reference to Section 370 be read as Section 372 A upon deletion of Section 370 and insertion of Section 372 A vide the Companies (Amendment) Act, 1999."

Registered Office :

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

Place : Ahmedabad
Date : 13/08/1999

By order of the
Board of Directors

B. G. Vyas
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.
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. An Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed hereto and forms part of the Notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 15th September, 1999 to Thursday, the 30th September, 1999 [Both days inclusive].
4. The Dividend, if sanctioned, at the Annual General Meeting, will be paid to the Members from 10th November, 1999.
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
UNDER SECTION 173(2) OF THE COMPANIES ACT,
1956 FORMING PART OF NOTICE**

ITEMS NO. 6A, 6B, 6C & 6D :

Items No. 6A, 6B, 6C and 6D of the Notice provides for the alteration of Articles of Association of the Company by inserting new clauses to provide Nomination facilities to Shareholders, for Payment of Dividend, Interest on Debentures etc. by Electronically Transfer of Funds directly to the credit of Payees' Account, for Buy-back of Company's own Shares, and insertion of correct section number in the Articles, in view of the amendments in the provisions of the Companies Act, 1956.

The amendments proposed in the Articles of Association of the Company is the enabling provision and to keep the provisions of the Articles of Association in line with those of the Companies Act, 1956.

None of the Directors of the Company is interested or concerned in the Resolution.

The copy of the Memorandum and Articles of Association of the Company togetherwith the draft of amendments proposed in the Articles of Association is available for inspection on any working day between 3.00 p.m. and 5.00 p.m. at the Registered Office of the Company at Survey No. 816, Village Rajoda, Near Bavla, Dist. Ahmedabad 382 220.

Registered Office :

Survey No. 816,
Village Rajoda, Near Bavla,
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Place : Ahmedabad
Date : 13/08/1999

By order of the
Board of Directors

B. G. Vyas
Company Secretary

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DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in placing before you **SEVENTEENTH ANNUAL REPORT** and Audited Accounts for the year ended 31st March, 1999.

01. FINANCIAL RESULTS :

	For the year ended 31/03/1999 (Rs.)	For the year ended 31/03/1998 (Rs.)
Profit before Interest Depreciation & Taxation	20,008,188	16,001,655
Less: Interest & Finance Chgs.	8,122,648	9,577,689
Profit before depreciation & Taxation	11,885,540	6,423,966
Less : Depreciation	4,119,890	3,331,457
Profit before Tax	7,765,650	3,092,509
Less : Provision for Tax	2,500,000	329,000
Profit after Tax	5,265,650	2,763,509
Add : Prior Period adjustments	175	270
Add : Surplus of last year brought forward	2,159,627	3,804,182
Profit available for Appropriation	7,425,452	6,567,961

APPROPRIATION :

Transfer to General Reserve	3,000,000	3,000,000
Proposed Dividend	2,240,532	1,280,304
Corporate Tax on Dividend	246,459	128,030
Balance Carried to Balance Sheet	1,938,461	2,159,627
TOTAL	7,425,452	6,567,961

02. DIVIDEND :

Your Directors recommend the following Dividend for the year ended 31st March, 1999.

	Current year (Rs. Lacs)	Previous Year (Rs. Lacs)
Rs. 1.40 (Previous year Rs.0.80) per Share, on 1,600,380 Equity Shares of Rs.10/- each fully Paid-up.	22.41	12.80

03. OPERATIONS :

As mentioned earlier, the company continued to concentrate on high value products to increase profitability. During the year the company vigorously implemented cost effective measures chalked out by a team of management consultant. All these yielded significant benefits to the company in terms of optimum utilisation of Man, Materials & Power, Reduction in Interest and Improvement in Quality of castings manufactured. These contributed substantially to the improvement in operating results of the year under report.

04. YEAR IN PROSPECT :

The knowledge and experience gained by the company would continue to provide constructive feedback during the current year. Our "Vision & Values" have been harmonised through tangible improvement in quality and cost of goods produced. The company hopes to continue to achieve still better results in the months to follow provided there are no unforeseen adverse development in the climate of engineering industries.

05. Y2K STATUS :

The Company has taken adequate steps to ensure that all computer equipments and applications are Y2K compliant before end of 1999.

06. DIRECTORS :

Miss R. P. Bhagwati and Mr. D. Vasudeva Rao, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

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Mr. N. A. Shah resigned during the year due to his pre-occupations. The company puts on record the valuable guidance provided by him during the tenure of his association with the company.

07. AUDITORS :

M/s. Anil S. Gandhi & Co., Chartered Accountants, retire at the ensuing Annual General Meeting. You are requested to re-appoint Auditors for the year 1999-2000 and to fix their remuneration.

08. FIXED DEPOSITS :

There are no unclaimed/unpaid deposits as on 31/03/1999.

09. 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.

10. 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, is annexed hereto and forms part of this report.

11. 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, 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:13/08/1999

Dr. P. N. Bhagwati
Chairman

Statement of particulars of Employees pursuant to provision of Section 217(2A) of the Companies Act, 1956 and forming part of the Directors' Report, for the year ended on 31st March, 1999.

Sr. No.	Name of the employee	Designation	Gross Remuneration	Qualification and experience	Date of Commencement of employment	Age[Years]	Last employment held (designation & organisation)
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Particulars of the employees employed throughout the year under review and were in receipt of the remuneration at a rate in aggregate not less than Rs.600,000/- per annum.

01	Dr P N Bhagwati	Chairman and Managing Director	Rs.913,529/-	B.E., Ph.D. (West Germany) 37 Years	01-09-1983	62	Managing Director Bhagwati Spherocast Ltd
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- Notes : 01 Remuneration as above includes salary, company's contribution to provident fund and superannuation fund, leave travel assistance, house rent allowance, personal accident insurance and other perquisites.
02 The conditions of employment, in case of the above employee, is contractual.
03 Dr. P. N. Bhagwati is related to Mrs. M. P. Bhagwati and Miss R. P. Bhagwati, Directors of the Company.

For and on behalf of the
Board of Directors

Place : Ahmedabad
Date : 13/08/1999

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, 1999.

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 regularly done of all temperature controllers to prevent over heating of cores and castings.
- [2] Maximum Demand Controller monitoring is being observed on continuous basis to control Maximum Demand to actual requirement of maximum 2050 KVA which was going up to 2150 KVA. This has given saving of Demand charges of 100 KVA per month.
- [3] Circuit breakers at various control points, core shooters and compressors have been installed to avoid overheating which were having more power losses.
- [4] Medium Frequency Furnace operations are improved. Foundry returns are used after shot blasting. D.C. Choke also reconditioned. As a result power consumption per tone of melting is reduced.

- [5] Induction Furnace Natural Draft Cooling tower is replaced by induced draft FRP Cooling Tower. Water consumption is reduced from 40000 liters per day to 15000 liters per day.

- [6] Drum Cooler modification is done and reduction in power consumption is achieved from 60 HP to 40 HP. Saving is 10 to 15 units per hour.

FURTHER STEPS TO BE IMPLEMENTED

- [1] Power factor to be improved from 0.955 to 0.985. This will reduce losses and maximum demand to around 1.00% to 1.50%.
- [2] Auto Transformer or Magnetic Controller will be provided for lighting equipment. This will reduce lighting power consumption to around 7.5% to 10.00%.

b) Additional Investment 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 is observed and it has resulted in reduction of energy consumption.

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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	1998-99	1997-98
[A] Power & Fuels consumption :		
1. Electricity		
[a] Purchased		
- Units	8523080	8238440
- Total Amount [Rs. Lacs]	384.62	348.33
- Rate / Unit [Rs.]	4.51	4.23
[b] Own Generation		
(i) Through Diesel Generator		
- Units	4124	5404
- Units per liter of diesel oil	2.06	1.36
- Cost per unit [Rs.]	5.82	7.70
(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	1377	1446
(ii) S G I Castings	1428	1554

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

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.

RESEARCH & DEVELOPMENT :

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

- (a) Study for improvement in the production process parameters of castings is continuously carried out by the Company.
- (b) Evolving System approach to Total Quality Management is introduced.
- (c) Use of computerisation in Production Monitoring, Analysis of Rejection and Monitoring of Energy Consumption.

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

- (a) The quality of the product manufactured by the Company has been accepted by our buyers. There is sizeable reduction in sales rejections.
- (b) Substantial reduction in cost of goods produced.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

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

	1998-99	1997-98
Total Foreign Exchange used [Rs.]	119,063	102,686
Total Foreign Exchange earned [Rs.]	Nil	Nil

For and on behalf of the
Board of Directors

Place : Ahmedabad
Date : 13/08/1999

Dr. P. N. Bhagwati
Chairman