

BHAGWATI AUTOCAST LIMITED



29th Annual Report 2010-2011

Board of Directors	:	Dr P N Bhagwati	Chairman & Managing Director
		Ms Reena P Bhagwati	Jt Managing Director
		Mrs M P Bhagwati	} Directors
		Mr M N Shah	
		Mr Padmin H. Buch	Additional Director
Remuneration Committee	:	Mrs M P Bhagwati	Chairperson
		Mr M N Shah	} Members
		Mr Padmin H. Buch	
Auditors	:	M/s Milin J. Jani & 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	
Share Registrars	:	M/s M C S Limited 101, Shatdal Complex Opp. BATA Showroom, Ashram Road, Ahmedabad - 380 009. Tele No. 079 26582878	Fax No. 079 26581296

Financial Highlights

	[Rs. in Lacs]										
Particulars	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
Fixed Assets (Gross)	2504.45	2317.48	1439.75	1430.75	1368.84	1267.32	1120.69	1101.30	986.80	896.44	868.71
Fixed Assets (Net)	1549.73	1394.99	560.53	619.95	627.15	593.37	492.68	504.31	441.31	458.95	481.14
Net Current Assets	867.04	738.80	1077.41	703.28	577.37	389.89	(90.04)	(101.39)	(19.02)	180.71	188.21
Misc. Exps/Deferred Revenue Exps.	0.00	0.49	4.81	9.13	17.01	22.45	10.71	14.27	0.00	0.72	1.44
Profit & Loss Account	0.00	0.00	0.00	0.00	0.00	0.00	166.34	246.36	169.28	0.00	0.00
TOTAL ASSETS (NET)	2416.77	2134.28	1642.75	1332.36	1221.53	1,005.71	579.69	663.55	591.57	640.38	670.79
Borrowings	759.53	711.51	465.13	295.56	309.41	308.50	208.89	270.06	201.35	178.97	231.37
Equity Share Capital	288.07	288.07	288.07	288.07	288.07	288.07	160.04	160.04	160.04	160.04	160.04
Reserves & Surplus	1250.76	1033.44	843.32	693.83	560.06	325.03	121.72	142.77	142.77	208.59	279.38
Deferred Tax	118.41	101.26	46.23	54.90	63.99	84.11	89.04	90.68	87.41	92.78	0.00
TOTAL CAPITAL EMPLOYED	2416.77	2134.28	1642.75	1332.36	1221.53	1005.71	579.69	663.55	591.57	640.38	670.79
DEBT EQUITY RATIO	0.39:1	0.52:1	0.12:1	0.14:1	0.17:1	0.20:1	0.82:1	0.89:1	0.66:1	0.48:1	0.53:1
Sales & Other Income	7205.83	5840.73	6567.31	5898.05	5994.64	4383.29	3921.64	2443.08	1187.46	2160.71	2009.38
Excise Duty & Cess	625.87	443.21	775.70	810.19	814.25	584.53	530.93	310.11	165.47	253.06	274.33
Sales Tax	141.82	118.10	146.72	173.68	229.97	166.49	151.33	90.14	48.13	76.89	0.00
Materials	3976.01	3151.12	3686.96	3121.76	3108.11	2141.46	2080.82	1226.75	539.54	897.09	870.91
Labour Cost	945.37	789.33	703.53	684.99	593.42	435.94	351.06	304.66	263.02	309.80	335.70
Power	790.10	736.80	671.11	623.63	695.27	528.57	493.30	378.01	239.68	414.30	433.17
Operation & Other Exps	115.28	107.83	131.80	112.85	107.15	75.86	68.42	47.91	44.51	56.71	63.43
Interest	116.21	77.73	103.77	92.63	92.00	135.19	127.88	98.94	73.48	84.23	73.64
GROSS PROFIT	495.17	416.61	347.72	273.35	354.47	315.25	117.90	(13.44)	(186.37)	68.63	(41.80)
Depreciation	125.22	68.83	72.31	69.55	72.40	58.51	56.84	54.29	46.90	54.82	46.79
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	369.95	347.78	275.41	203.80	282.07	256.74	61.06	(67.73)	(233.27)	13.81	(88.59)
Provision For Taxation	119.15	120.29	98.96	68.85	47.04	15.14	(1.64)	3.27	2.80	4.93	0.00
PROFIT AFTER TAX	250.80	227.49	176.45	134.95	235.03	241.60	62.70	(71.00)	(236.07)	8.88	(88.59)
Prior period adjustments	0.00	10.50	0.00	0.00	0.00	(0.01)	(3.74)	(6.08)	0.98	0.00	0.00
Dividends	28.81	23.04	23.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Corporate Tax on Dividend	4.67	3.83	3.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Retained Earnings	217.32	190.12	149.49	134.95	235.03	241.59	58.96	(77.08)	(235.09)	8.88	(88.59)
Earning per Eq. Share Rs.	7.54	6.60	6.13	4.68	8.16	8.39	3.92	(4.44)	(14.75)	0.55	(5.54)
Dividend per Eq. Share %	1.00	8.00	8.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Worth	1538.83	1321.02	1126.58	972.77	831.12	590.65	104.71	42.18	133.53	367.91	437.98
Book value per Eq. Share Rs.	53.42	45.86	39.11	33.77	28.85	20.50	6.54	2.64	8.34	22.99	27.37

BHAGWATI AUTOCAST LIMITED

NOTICE

NOTICE is hereby given that the **TWENTY NINTH 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 Friday, the 30th September, 2011 at 11.00 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, 2011 and Balance Sheet as at the same date and consider the Directors' Report and Auditor's Report thereon.
2. To declare dividend for the financial year ended 31st March, 2011.
3. To appoint director in place of Mr. M. N. Shah, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit to pass with or without modification(s), the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT Mr. Padmin H. Buch, who has been appointed as an Additional Director of the Company by Board of Directors under the provisions of Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as Director of the Company liable to retire by rotation.

6. To consider and if thought fit to pass with or without modification(s), the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 310 of the Companies Act, 1956 (hereinafter referred to as the Act) read with Schedule XIII thereof as amended from time to time and other applicable provisions, if any of the Act, the consent of members be and is hereby accorded to the terms and conditions as stated in Agreement of Re appointment of Ms. Reena Bhagwati, as Jt. Managing Director of the Company with effect from 1st October 2010 for the period of 5 years ending on 30th September 2015.

Place : Ahmedabad
Date : 29/07/2011

By order of the Board of Directors

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

Dr. P. N. Bhagwati
Chairman

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. Proxies in order to be effective must reach the Registered Office of 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 Friday, the 16th September, 2011 to Friday 30th September 2011 (both days inclusive).
3. The Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Businesses mentioned above are annexed hereto and forms part of the Notice.
4. The payment of dividend upon declaration by the shareholders at the forthcoming annual general meeting will be made on or before 30.10.2011 as under:
 - (a) To all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be made available to the Company by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the end of the day on Thursday 15th September, 2011. and
 - (b) To all those shareholders holding shares in physical form after the effect to all the valid share transfers lodged with the Company before the closing hours on Thursday 15th September, 2011.
5. Members holding shares in physical form, are advised to furnish on or before 15th September 2011, particulars of their bank account, if changed, to share Transfer Agent (MCS Limited) to incorporate the same in the dividend warrant / payment instruments.

Incase where payments to the shareholders holding shares in dematerialized form are made by dividend warrants / payment instruments, particulars of bank account registered with their depository participant will be considered by the Company for printing the same on dividend warrants / payment instruments.
6. Members, holding shares in physical form, are requested to notify change of address, if any, to the Registrars and Share Transfer Agent (MCS Limited), preferably along-with their bank / National Electronic Clearing Services (NECS) details on or before 15th September, 2011.

Beneficial owner holding shares in electronic form are requested to notify any change in address, bank particulars, NECS particulars etc to their respective depository participants and make sure that such changes are recorded by them correctly on or before 15th September 2011.

Dividend will be preferably paid through ECS/NECS, wherever the facility is available. Where dividend payments are made through ECS/NECS, intimation regarding such remittances would be sent separately to the share holders. In cases where the dividend can not be paid through NECS the same will be paid by account payee / not negotiable instruments.
7. 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.

8. Members desiring any information as regards the accounts are requested to write to the Company at the earliest, so as to enable the Board of Directors to keep the information ready.
9. All documents referred to the accompanying Notice and the Explanatory Statement(s) are open for inspection at the Registered Office of the Company during office hours on all working days except Saturday and Sunday between 11.00 a.m. to 1.00 p.m. up to the date of Annual General Meeting.
10. In terms of provisions of section 109A of the Companies Act, 1956, nomination facility available to individual shareholders. The shareholders who are desirous of availing this facility may kindly write to Company's share transfer agent (MCS Limited).
11. Members who hold shares in dematerialized form are requested to bring their depository account number for identification.
12. Members are requested to bring their copies of the annual report to the meeting.

Place : Ahmedabad
Date : 29/07/2011

By order of the Board of Directors

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

Dr. P. N. Bhagwati
Chairman

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 5 :

The Board of Directors of the Company had appointed Mr. Padmin Buch as Additional Director (Independent Director) of the Company with effect from 4th February 2011. As per the provisions of Section 260 of the Companies Act, 1956, Mr. Padmin Buch will hold office only upto the date of forthcoming Annual General Meeting of the Company, and is eligible for appointment as Director.

The Company has received notice in writing from a member along with deposit of Rs. 500/- for proposing the candidature of Mr. Padmin Buch for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956.

Mr. Padmin Buch is not disqualified from being appointed as Director in terms of Section 274 (1)(g) of the Act. The Company has received the requisite Form 'DD-A' from Mr. Padmin Buch in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

Mr. Padmin H. Buch, aged about 55 years. He is the Managing Director of Gujarat Industrial and Technical Consultancy Organization (GITCO), a front-ranking consultancy of Gujarat. He did his B. Pharm and followed it up with MBA from B K School of Business Management, Ahmedabad. He possesses long and varied experience in consulting domain. He continues to serve on the committees of Ahmedabad Management Association (AMA). He is a visiting faculty at many business and entrepreneurship schools. His technical experience and expertise will help the company.

Your Directors recommend the above Resolution for your approval.

Except Mr. Padmin Buch none of the Directors of the Company are in any way concerned or interested in the said resolution.

ITEM NO. 6 :

Ms. Reena Bhagwati was appointed as Jt. Managing Director by the Board in its meeting held on 30th September 2010, for a period of five years as provided in Part II, Section II A. She can be paid a remuneration not exceeding Rs. 1,25,000/- per month. Accordingly it has been proposed to pay her such remuneration not exceeding Rs. 1,25,000/- as the Board of Directors may decide in consultation with her. An approval of the Shareholders is now being obtained to pay her the remuneration as above and the Board of Directors is authorized to fix, modify or alter the amount of Remuneration within the above overall limit.

The terms and conditions of appointment of Ms. Reena Bhagwati as Joint Managing Director of the Company are as under.

REMUNERATION :

a) Salary

Rs. 1,00,000/- per month or may be decided by the Board within an overall limit of Rs. 1,25,000/- per month.

b) 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.

c) Other Benefits

Such other benefits amenities and facilities as per the company's rules within the overall limit of Rs. 1,25,000/-.

An abstract pursuant to provisions of section 302 of the Act has already been sent to the members of the Company.

Ms. Reena Bhagwati is interested in the above resolution to the extent that the remuneration is going to be received by her.

Dr. Pravin Bhagwati and Mrs. Mandakini Bhagwati are concerned or interested in the above resolution as being relatives of Ms. Reena P. Bhagwati, None of the other Directors is concerned or interested in the above resolution.

The Board recommends the resolution for the approval by the members.

Place : Ahmedabad
Date : 29/07/2011

By order of the Board of Directors

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

Dr. P. N. Bhagwati
Chairman

BHAGWATI AUTOCAST LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the **TWENTY NINTH ANNUAL REPORT** and audited accounts for the year ended 31st March 2011. The performance of the Company for the year ended on March 31, 2011 is summarized below.

01. FINANCIAL HIGHLIGHTS :

	For the year Ended 31/03/2011 (Rs.)	For the year Ended 31/03/2010 (Rs.)
Profit before interest, depreciation and taxation	61,137,677	49,434,313
Less: Interest & finance charges	11,620,770	7,773,295
Profit before depreciation & taxation	49,516,907	41,661,018
Less: Depreciation	12,522,306	6,882,763
Profit before tax	36,994,601	34,778,255
Less: Provision for income tax	10,200,000	6,525,500
Less : Provision for deferred tax liability	1,715,068	5,503,215
Profit after tax	25,079,533	22,749,540
Less : Short Provision for Taxation	0	1,049,995
Profit for the Year	25,079,533	21,699,545
Add : Surplus of last year brought forward	18,848,622	14,836,380
Surplus available for appropriation	43,928,155	36,535,925
APPROPRIATIONS :		
Proposed equity dividend	28,80,684	23,04,547
Tax on dividend	4,67,319	382,756
Transfer to general reserve	20,000,000	15,000,000
Balance of profit carried to balance sheet	20,580,152	18,848,622

02. DIVIDEND :

Your Directors recommend a dividend of 10% i.e. Rs.1.00 per Equity Share of Rs. 10/- each for the year 2010-2011 (Previous year 8% i.e. Rs. 0.80/- per Equity Share) Subject to approval of shareholders at the 29th Annual General Meeting.

03. REVIEW OF OPERATIONS :

During the year under review, Your Company has achieved sales of Rs. 70.58 Crores (Previous year Rs. 57.99 Crores), resulting in an increase in sales by 22% over the previous year. The Profit before Interest, Depreciation and Taxation for the year under review stood at Rs. 6.11 Crores compared to Rs. 4.94 Crores of the previous year resulting increase of 24%.

After the modernization of moulding line during the previous year, company started to get benefit by way of quality and productivity. During the year your company is planning to start second phase of expansion so as to enhance production capacity.

04. DIRECTORS :

The Board appointed Mr. Padmin Buch as Additional Director, we seek your support in his appointment as Director. Mr. B.L. Dalal resigned as member of the board w.e.f 04.02.2011. We place deep sense of appreciation for the services rendered by Mr. B. L. Dalal. Mr. M. N. Shah retires by rotation in the forthcoming Annual

General Meeting and being eligible offers himself for re-appointment.

05. AUDITORS :

The Statutory Auditors of the Company M/s. Milin J Jani & Co., Chartered Accountants, Ahmedabad (Firm Registration No.106396W) will retire at conclusion of ensuing Annual General Meeting and being eligible, have offered themselves for reappointment for the year 2011-2012. You are requested to appoint Auditors for the current year to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

06. COMPLIANCE CERTIFICATE :

The Compliance Certificate received in accordance with the provisions of Section 383A read with the Companies (Compliance Certificate) Rules, 2001 being annexed to the Director's Report. The said Compliance Certificate is self-explanatory and needs no comments.

The Board has appointed M/s. Chirag Shah & Associates, Company Secretaries for the issuance of the Compliance Certificate in terms of the provisions of section 383A(1) of the Companies Act, 1956 and to hold the office until the conclusion of the forthcoming annual general meeting on such remuneration as may be determined by the Board and agreeable to them. Your directors recommend to re-appoint them for the above said work and to hold office till the date of the next annual general meeting.

07. FIXED DEPOSITS :

There are no unclaimed / unpaid deposits as on 31/03/2011.

08. 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 the Board of Directors) rules, 1988 is annexed hereto and forms part of this report.

09. PARTICULARS OF EMPLOYEES :

The Details of the employees, who were in receipt of remuneration of not less than Rs. 60,00,000/- during the year ended 31st March, 2011 or not less than Rs. 5,00,000/- per month during any part of the said year is annexed herewith as part of the Directors report.

10. DIRECTORS 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 judgments 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, 2011 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;

- d) That they have prepared the annual accounts on a going concern basis.

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.

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

Dr. P. N. Bhagwati
Chairman

Place : Ahmedabad
Date : 29/07/ 2011

BHAGWATI AUTOCAST LIMITED

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 2011.

A. Employed for whole of the year and was in receipt of remuneration aggregating to Rs. 60,00,000/- or more per annum.

Sr. No.	Name of the Employee	Designation	Gross Remuneration Rupees	Qualification/ Experience	Date of Commencement of Employment	Age Year	Last Employment held/ Organisation
1	Dr. P N Bhagwati	Managing Director	6,362,479	Ph.D. (Germany) 44 Years	01/04/1984	75	Managing Director- Bhagwati Spherocast Pvt. Ltd.

Notes :

- Dr. P N Bhagwati Managing Director of the Company is a relative of Ms. Reena P Bhagwati Jt. Managing Director and Mrs. M P Bhagwati, a director of the company. No other employees are related to any other Directors.
- Remuneration includes salary, house rent allowance, contribution towards provident fund, Contribution to superannuation fund and perquisites.

B. 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: -

- 60w-300w GLS lamps are replaced by tube lights with electronic choke, started using mercury lamps & LED type lamps wherever possible throughout the plant.
- Air compressor pressure regulation made further stringent. Air leakages stopped, corroded air lines replaced, extra lines are removed.
- Extra running hours cut down in respect of furnace cooling tower & coil cooling pump.
- Furnace operation is optimized to reduce holding & extra running.
- Ceramic fiber lining are provided in muffle furnace for insulation.
- Inefficient motors replaced by new high efficient motors and the same being monitored on continuous basis.
- As far as possible, capacitors are being operated to maintain power factor near to 0.997.

FURTHER STEPS TO BE IMPLEMENTED

- To start using cooling tower saver.
- Automatic star to delta & delta to star converter for heavy motors to be introduced.
- Sizing of motors as per the actual average load condition (Ad hoc 10 HP) optimization of sizes of motors to be done.
- A.C. drives to introduce wherever pay back period is below 3 years.
- CFL to use in offices in place of tube lights.
- Required capacitors to install exclusively for induction furnace sintering to achieve power factor level above 0.997.

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

- Induction motors between 10 to 20 HP will be replaced in phased manner.
- 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 been observed during the current year in spite of low output however, further improvement may be possible when we reach to higher output. 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	2010-11	2009-10
[A] Power & Fuels consumption :		
1. Electricity		
[a] Purchased		
- Units	13694880	12488880
- Total Amount [Rs. Lacs]	790.10	736.80
- Rate / Unit [Rs.]	5.77	5.90
[b] Own Generation		
[i] Through Diesel Generator		
- Units	6232	4564
- Units per liter of diesel oil	3.38	2.83
- Cost per unit [Rs.]	16.23	16.93
[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	1292	1161
[ii] S G I Castings	1313	1312

FORM : B

A. 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.

RESEARCH & DEVELOPMENT :

[i] Specific areas in which R & D are carried out by the Company: -

- Improvement in production process and waste control being continuously carried out by the company.
- Total Quality Management is being introduced with more involvement resulting in improvement in work culture.
- Upgradation of computerization 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.

B. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

	2010-11	2009-10
	[Rs]	[Rs]
Total Foreign Exchange used	92,749	158,923
Total Foreign Exchange earned	Nil	Nil

For and on behalf of the
Board of Directors

Place : Ahmedabad
Date : 29/07/2011

Dr. P N Bhagwati
Chairman

COMPLIANCE CERTIFICATE
Authorised Capital : 30,000,000/-

To,
The Members,
M/s. Bhagwati Autocast Limited
Survey No 816
Village Rajoda, Near Bavla,
Dist. Ahmedabad

I / We have examined the registers, records, books and papers of Messrs Bhagwati Autocast Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31.03.2011 (financial year). In my/our opinion and to the best of my/our information and according to the examinations carried out by me/us and explanations furnished to me/us by the company, its officers and agents, I/we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The company, being a public limited company, the Comments are not required.
4. The Board of Directors duly met 5 (five) times respectively on 27.04.2010, 29.07.2010, 30.09.2010, 29.10.2010 and 04.02.2011, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The company closed its Registrar of Members, from 13.09.2010 to 27.09.2010 and necessary compliance of section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31.03.2010 was held on 27.09.2010 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting(s) was/were held during the financial year.
8. The company has not advanced any loans to its directors or persons of firms or companies referred to under Section 295 of the Act.
9. The company has not entered into the Agreement falling within the purview of Section 297 of the Act.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or Central Government, as the case may be.
12. The Share Transfer Committee of directors approved the issue duplicate certificates during the financial year.
13. The Company has:
 - (A) delivered all the certificates on allotment of securities and on lodgment thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act.
 - (B) deposited the amount of dividend declared in a separate Bank Account on 23.09.2010, which is within five days from the date of declaration of such dividend.
 - (C) paid / posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed / unpaid dividend has been transferred to Unpaid Dividend Account of the Company with HDFC Bank Ltd.
 - (D) transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund – Not Applicable.
 - (E) duly complied with the requirements of Section 217 of the Act
14. The Board of Directors of the company is duly constituted and the appointment of Mr. Padmin Buch as additional director and Mr. B. L. Dalal who resigned from the directorship has complied with the provisions of the Act.
15. The re-appointment of Managing Director has been made in compliance with the provisions of section 269 read with Schedule XIII to the Act.
16. The company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain approval of the Central Government/ Registrar of Companies, Company Law Board, Regional Director, and/or any other such authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preferences share or debentures during the financial year.

BHAGWATI AUTOCAST LIMITED

22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has complied with the provisions of section 58A and 58AA read with Companies (Acceptance of Deposits) Rules, 1975/ the applicable directions issued by the Reserve Bank of India / any other authority in respect of deposits accepted including unsecured loans taken, by the company during the year and the company and has filed the Statement in lieu of Advertisement with the Registrar of Companies, Gujarat on 16.08.2010. The company has also filed return of deposits with the Registrar of Companies.
24. The amount borrowed by the Company from directors, member, public, financial institutions, banks and other during the financial year ending 31.03.2011 is / are within the borrowing limits of the company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened annual / extraordinary general meeting.
25. The company has not made any loans or advances or given guarantee or provided securities to other bodies corporate and consequently no entries have been made in the register for the purpose.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its articles of association during the financial year.
31. There was no prosecution initiated against and no fines or penalties or any other punishment was imposed on the company during the financial year for offences under the Act. Except that the Company has preferred suo moto compounding of offences under section 621 of the companies Act, 1956 and paid the fees as ordered by the Company Law Board.
32. The company has not received any money as security from its employees during the financial year.
33. The Company has not constituted provident fund for its employees under the provisions of Section 418 of the Act.

Chirag Shah

Place : Ahmedabad
Date : 29/07/2011

Name of Company Secretary:
Chirag Shah
C. P. No. : 3498

ANNEXURE-A

Registers as maintained by the Company.

1. Register of Deposits under Rule 7 of the Companies (Acceptance of Deposits) Rules, 1975.
2. Register of Charges under section 143/ Copies of instruments creating charge under section 136.
3. Register of Members under section 150 and Index of Members under section 151 in electronic form with the Registrar and Transfer Agent of the Company.
5. Register and Return under section 163.
6. Books of accounts and other cost records under section 209.
7. Register of particulars of contracts in which directors are interested under section 301.
8. Register of Directors, Managing Director, Manager and Secretary under section 303.
9. Register of Directors' Shareholdings under section 307.
10. Register of Investments or loans made, guarantee given or security provided under section 372 A (w.e.f 31/10/98)
11. Register of Renewed and Duplicate Certificates under Rule 7 of the Companies (Issue of Share Certificates) Rules, 1960.
12. Register of Director's attendance.

ANNEXURE-B

List of Forms>Returns filed

Sl.No. Form No./Returns

- (1) Form 62 - Return of deposit was filed on 28.06.2010
- (2) Form 62 - St. in lieu of Advertisement was filed on 16.08.2010
- (3) Form 23 AC and Form 23 ACA were filed on 12.10.2010 for the year 2009-10.
- (4) Form 66 were filed on 07.10.2010 for the year 2009-10
- (5) Form 20 B -Annual Return was filed for the year 2009-10 on 12.10.2010
- (6) Form 23 was filed on 12.10.2010
- (7) Form 25 C was filed on 12.10.2010
- (8) Form 21 was filed on 26.08.2010
- (9) Form 32 was filed on 11.02.2011

Chirag Shah

Place : Ahmedabad
Date : 29/07/2011

Name of Company Secretary:
Chirag Shah
C. P. No. : 3498