BHAGWATI AUTOCAST LIMITED

31st Annual Report
2012-2013

Board of Directors	:	Dr P N Bhagwati	Chairman & Managing Director
		Ms Reena P Bhagwati	Jt Managing Director
		Mrs M P Bhagwati, Mr M N Shah, Mr Padmin H Buch, Mr R. J. Shah	Directors
Remuneration Committee	:	Mr M N Shah	Chairman
		Mr R J Shah, Mr Padmin H. Buch	Members
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 E-mail : mcsahmd@gmail.com	

Financial Highlights

[Rs. in Lacs]

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
Production in MT	**10064**	**8711**	**10586**	**10343**	**9729**	**10615**	**11684**	**8821**	**8065**	**5971**	**3320**
Fixed Assets (Gross)	2894.53	2795.13	2504.45	2317.48	1439.75	1430.75	1368.84	1267.32	1120.69	1101.30	986.80
Fixed Assets (Net)	1748.09	1747.56	1549.73	1394.99	560.53	619.95	627.15	593.37	492.68	504.31	441.31
Net Current Assets	620.57	560.32	867.04	738.80	1077.41	703.28	577.37	389.89	(90.04)	(101.39)	(19.02)
Misc.Exps/Deferred Revenue Exps.	0.00	0.00	0.00	0.49	4.81	9.13	17.01	22.45	10.71	14.27	0.00
Profit & Loss Account	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	166.34	246.36	169.28
TOTAL ASSETS (NET)	**2368.66**	**2307.88**	**2416.77**	**2134.28**	**1642.75**	**1332.36**	**1221.53**	**1,005.71**	**579.69**	**663.55**	**591.57**
Borrowings	450.65	545.16	759.53	711.51	465.13	295.56	309.41	308.50	208.89	270.06	201.35
Equity Share Capital	288.07	288.07	288.07	288.07	288.07	288.07	288.07	288.07	160.04	160.04	160.04
Reserves & Surplus	1435.21	1311.97	1250.76	1033.44	843.32	693.83	560.06	325.03	121.72	142.77	142.77
Deferred Tax	194.73	162.68	118.41	101.26	46.23	54.90	63.99	84.11	89.04	90.68	87.41
TOTAL CAPITAL EMPLOYED	**2368.66**	**2307.88**	**2416.77**	**2134.28**	**1642.75**	**1332.36**	**1221.53**	**1005.71**	**579.69**	**663.55**	**591.57**
DEBT EQUITY RATIO	**0.25:1**	**0.21:1**	**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**
Sales & Other Income	**7887.01**	**6407.14**	**7205.83**	**5840.73**	**6567.31**	**5898.05**	**5994.64**	**4383.29**	**3921.64**	**2443.08**	**1187.46**
Excise Duty & Cess	864.62	599.93	625.87	443.21	775.70	810.19	814.25	584.53	530.93	310.11	165.47
Sales Tax	0.00	0.00	141.82	118.10	146.72	173.68	229.97	166.49	151.33	90.14	48.13
Materials	4387.73	3757.00	3976.01	3151.12	3686.96	3121.76	3108.11	2141.46	2080.82	1226.75	539.54
Labour Cost	1196.46	913.07	945.37	789.33	703.53	684.99	593.42	435.94	351.06	304.66	263.02
Power	773.78	665.57	790.10	736.80	671.11	623.63	695.27	528.57	493.30	378.01	239.68
Operation & Other Exps	162.43	141.05	115.28	107.83	131.80	112.85	107.15	75.86	68.42	47.91	44.51
Interest	118.26	61.24	116.21	77.73	103.77	92.63	92.00	135.19	127.88	98.94	73.48
GROSS PROFIT	**383.73**	**269.88**	**495.17**	**416.61**	**347.72**	**273.35**	**354.47**	**315.25**	**117.90**	**(13.44)**	**(186.37)**
Depreciation	171.85	143.55	125.22	68.83	72.31	69.55	72.40	58.51	56.84	54.29	46.90
PROFIT BEFORE TAX	**211.88**	**126.33**	**369.95**	**347.78**	**275.41**	**203.80**	**282.07**	**256.74**	**61.06**	**(67.73)**	**(233.27)**
Provision For Taxation	65.05	48.37	119.15	120.29	98.96	68.85	47.04	15.14	(1.64)	3.27	2.80
PROFIT AFTER TAX	**146.83**	**77.96**	**250.80**	**227.49**	**176.45**	**134.95**	**235.03**	**241.60**	**62.70**	**(71.00)**	**(236.07)**
Prior period adjustments	0.00	0.00	0.00	10.50	0.00	0.00	0.00	(0.01)	(3.74)	(6.08)	0.98
Dividends	20.16	14.40	28.81	23.04	23.04	0.00	0.00	0.00	0.00	0.00	0.00
Corporate Tax on Dividend	3.43	2.34	4.67	3.83	3.92	0.00	0.00	0.00	0.00	0.00	0.00
Retained Eamings	**123.24**	**61.22**	**217.32**	**190.12**	**149.49**	**134.95**	**235.03**	**241.59**	**58.96**	**(77.08)**	**(235.09)**
Earning per Eq. Share Rs.	**5.10**	**2.71**	**8.71**	**7.90**	**6.13**	**4.68**	**8.16**	**8.39**	**2.18**	**(2.46)**	**(8.19)**
Dividend per Eq. Share %	0.70	0.50	1.00	8.00	8.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Worth	**1723.28**	**1616.78**	**1538.83**	**1321.02**	**1126.58**	**972.77**	**831.12**	**590.65**	**104.71**	**42.18**	**133.53**
Book value per Eq. Share Rs.	**59.82**	**56.12**	**53.42**	**45.86**	**39.11**	**33.77**	**28.85**	**20.50**	**6.54**	**2.64**	**8.34**

N O T I C E

NOTICE is hereby given that the **THIRTY FIRST 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 20th September, 2013 at 11.00 AM to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended on 31st March, 2013 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, 2013.

3. To appoint director in place of Mr. Mahendra N. Shah and Mr. Rajendraprasad J. Shah, who retires by rotation and being eligible offers themselves 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 Special Resolution:-

   "RESOLVED THAT pursuant to Section 31 and other applicable provisions of the Companies Act, 1956 including any statutory modification thereto or any re-enactment thereof for the time being in force, the Articles of Association of the Company be and are hereby altered by amending the Article 92 under the heading "Remuneration of Directors" and the amended Article shall be read as under:

   "92. The sitting fees payable to a Director for each meeting of the Board or Committee thereof attended by him / her shall be within the limits of the maximum sum payable under the Companies Act, 1956 and Rule 10B of the Companies (Central Governments) General Rules & Forms. The additional remuneration payable to the Directors, if any, shall be subject to the provisions of Section 198, 309, 310 and other applicable provisions of the Companies Act, 1956 and such remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine and in absence of such determination it shall be divided among the Directors equally".

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

   "RESOLVED THAT subject to the provisions of Section 198, 309, 310 and other applicable provisions of the Companies Act, 1956 (the "Act") and Rule 10B of the Companies (Central Government's) General Rules & Forms (the "Rules") and Article 92 of the Articles of Association of the Company, the Company hereby approves the payment of sitting fee of 3,000/- (Rupees Three Thousand) or such sum not exceeding the limits prescribed by Rule 10B of the Rules as amended from time to time, to the Directors for attending the meetings of the Board of Directors or the committees thereof.

Place : Ahmedabad
Date : 30/07/2013

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 6th September, 2013 to Friday 20th September 2013 (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 20.10.2013 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 5th September, 2013. 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 5th September, 2013.

5. Members holding shares in physical form, are advised to furnish on or before 5th September 2013, 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 5th September, 2013.

   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 5th September 2013.

   Dividend will be preferably paid through NECS, wherever the facility is available. Where dividend payments are made through 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 Saturdays and Sundays 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 : 30/07/2013

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 :

To update the sitting fees payable to the Directors at par with the industry, the Articles need to be amended to suit the requirement. The Board therefore recommends that the special resolution at item no. 5 of the Notice be approved.

A copy of the existing Articles of Association of the Company with a copy of the proposed alteration in the resolution at item no. 5 of the notice will be open for inspection by the members at the registered office of the Company between 10 a.m. to 12 noon on any working day of the Company until the date of the Annual General Meeting or any adjournment thereof.

The Non-executive Directors of the Company are deemed to be interested in the resolution.

ITEM NO. 6 :

The sitting fees for attending the Board and Committee meetings, is paid to the non-executive directors within the limits prescribed by the Companies Act, 1956, the applicable rules and the Articles of Association of the Company. Considering that the present fee is very low, it is proposed to increase the sitting fees within the prescribed limit of Rule 10B of the Companies (Central Government's) General Rules & Forms (the ''Rules''). The members are requested to approve the proposal.

The Non-executive Directors of the Company are deemed to be interested in the resolution.

Place : Ahmedabad
Date : 30/07/2013

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

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the **THIRTY FIRST ANNUAL REPORT** and audited accounts for the year ended 31st March 2013. The performance of the Company for the year ended on March 31, 2013 is summarized below.

01. FINANCIAL HIGHLIGHTS :

	For the year Ended 31/03/2013 (Rs.)	For the year Ended 31/03/2012 (Rs.)
Earnings before interest, depreciation and taxation (EBIDT)	**50,198,944**	33,111,978
Less: Interest & finance charges	**11,826,033**	6,123,719
Profit before depreciation & taxation	**38,372,911**	26,988,259
Less: Depreciation	**17,185,433**	14,355,633
Profit before tax	**21,187,478**	12,632,626
Less: Provision for income tax		
[1] Current Tax	**3,300,000**	2,527,205
[2] Deferred Tax	**3,204,720**	4,426,687
[3] MAT Entitlement	**0**	(2,116,697)
Profit for the Year	**14,682,758**	7,795,431
Add : Surplus of last year brought forward	**26,701,582**	20,580,152
Surplus available for appropriation	**41,384,340**	28,375,583
APPROPRIATIONS :		
Proposed equity dividend	**2,016,479**	1,440,342
Tax on dividend	**342,701**	233,659
Transfer to general reserve	**0**	0
Balance of profit carried to balance sheet	**39,025,160**	26,701,582

02. DIVIDEND :

Your Directors recommend a dividend of 7% i.e. Rs.0.70 per Equity Share of Rs. 10/- each for the year 2012-2013 (Previous year 5% i.e. Rs. 0.50/- per Equity Share) Subject to approval of shareholders at the 31st Annual General Meeting.

03. REVIEW OF OPERATIONS :

During the year under review, Your Company's sales increased by 21.56 % and operating profit increased by 51.60 %. This is due to good demand from our customers and better sales realisation. Company is in the process of expanding production capacity by extending factory building & modernising its Core Shop and other infrastructural facilities which will increase the production capacity by 30%. On completion Company can produce 16500 MT of castings per annum which will result in improvement in the profitability of the operations.

04. DIRECTORS :

Mr. M. N. Shah and Mr. Rajendraprasad J. Shah retires by rotation in the forthcoming Annual General Meeting and being eligible offers themselves 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 2013-2014. 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. APPOINTMENT OF COST AUDITOR

As per the requirements of the provisions of Section 233 B of the Companies Act, 1956, Company has appointed M/s. Kiran J. Mehta & Co. Cost Accountant Firm, Ahmedabad to audit the cost accounts for the year 2012-13 from 1st April 2012 to 31st March 2013.

07. 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.

08. FIXED DEPOSITS :

There are no unclaimed / unpaid deposits as on 31/03/2013.

09. 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.

10. 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, 2013 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.

11. DIRECTORS RESPONSIBILITY STATEMENT:

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

a) 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;

b) 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, 2013 and of the Profit of the Company for the accounting year ended on that date;

c) 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.

12. 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

Place : Ahmedabad
Date : 28/05/ 2013

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 2013.

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	6,887,628	PhD. (Germany) 46 Years	01/04/1984	77	Managing Director-Bhagwati Spherocast Pvt. Ltd.

Notes :

1. Dr. Pravin N Bhagwati Managing Director of the Company is a relative of Ms. Reena P Bhagwati Jt. Managing Director and Mrs. Mandakini P Bhagwati, a director of the company. No other employees are related to any other Directors.
2. 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: -

[1] Furnace power consumption optimization done by setting of power level; better synchronizing between melting and moulding and cold starting of furnaces at exact required time.
[2] Idle running of Equipment minimized.
[3] GLS lamps replaced by Mercury lights.
[4] Better Air Pressure and Voltage Control.
[5] Air leakages eliminated and monitored on regular basis.
[6] Old motors are replaced with highly efficient and energy efficient motors.
[7] Power factor improved from 0.997 to 0.999 and hence losses brought down from 3% to 1.8%. Maximum demand controller is fine tuned to achieve better load factor.
[8] Water consumption is being daily monitored for leakages, overflowing, and misuse etc and brought down to optimum level.
[9] Automation introduced to core shop equipment to control excess running and optimization of equipment running.

FURTHER STEPS TO BE IMPLEMENTED

[1] Furnace power consumption to reduce from 570 kwh/T to 560 kwh/T by optimization of operation and charging practice.
[2] More Motors from 10 to 20 HP size will replaced with energy efficient motors.
[3] Lighting Transformer will be installed to optimize voltage regulation & ultimately saving 10 to 15% in lighting power consumption.
[4] Capacitor manual switching will be replaced by automatic power factor correction system to bring down losses to optimum level.
[5] Air Compressor operation & Utilization of compressed air will be optimized to reduce about 10 kwh/Tone of melting.
[6] All new Equipment/Project will be equipped with Energy efficient drives.

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 in phased manner.
[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 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	**2012-13**	2011-12
[A]	**Power & Fuels consumption :**		
1.	Electricity		
	[a] Purchased		
	- Units	**11880351**	10474160
	- Total Amount [Rs. Lacs]	**773.78**	665.57
	- Rate / Unit [Rs.]	**6.51**	6.35
	[b] Own Generation		
	[I] Through Diesel Generator		
	- Units	**4782**	10224
	- Units per liter of diesel oil	**2.68**	3.22
	- Cost per unit [Rs.]	**12.86**	16.79
	[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	**1196**	1220
	[ii] S G I Castings	**1040**	1091

FORM : B

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

TECHNOLOGY ABSORPTION:

-

RESEARCH & DEVELOPMENT :

[i] Specific areas in which R & D are carried out by the Company: -
  [a] study and improvement in the production process parameters of ductile iron and gray iron castings (on going work).
  [b] After successful recertification of ISO-9001:2000 Evolving System approach to Total Quality Management (on going work).
[ii] Benefits derived as a result of above R & D: -
  [a] Quality improvement
  [b] Cost Control
  [c] Energy saving by controlling grade 500/7 in as cast condition.

B. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

	2012-13 [Rs]	2011-12 [Rs]
Total Foreign Exchange used	**36,776**	204,538
Total Foreign Exchange earned	**Nil**	Nil

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : 28/05/2013

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 31.03.2013 (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 is not required.
4. The Board of Directors duly met 5 (five) times respectively on 03.04.2012, 29.05.2012, 27.07.2012, 02.11.2012 and 01.02.2013, 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 06.09.2012 to 20.09.2012 and necessary compliance of section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31.03.2012 was held on 20.09.2012 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 complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.
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 20.09.2012, 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 appointment of Mr. Rajendraprasad J. Shah as Director has complied with the provisions of the Act.
15. The re-appointment of Dr. P. N. Bhagwati as Managing Director has been made and necessary approval of the Central Government has been obtained.
16. The company has not appointed any sole selling agents during the financial year.
17. The company has applied for approval of Central Government for re appointment of Dr. P. N. Bhagwati as Managing Director for the period from 01.10.2012 to 30.09.2015.
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.
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 04.08.2012. 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