

## BHAGWATI AUTOCAST LIMITED



### 32<sup>nd</sup> Annual Report 2013-2014

<b>Board of Directors</b>	:	Dr P N Bhagwati	Chairman & Managing Director
		Ms Reena P Bhagwati	Jt Managing Director
		Mrs M P Bhagwati (Up to 28-4-2014)	} Directors
		Mr M N Shah	
		Mr Padmin H Buch	
		Mr R. J. Shah	
<b>Chief Financial Officer</b>	:	Mr. Dinesh K. Sheth	
<b>Company Secretary</b>	:	Mr. Nimish Sakhiya	
<b>Auditors</b>	:	M/s Milin J. Jani & Co. Chartered Accountants Ahmedabad	
<b>Bankers</b>	:	Bank of Baroda Ashram Road Ahmedabad	
<b>Registered Office &amp; Works</b>	:	Survey No 816, Village Rajoda, Near Bavla, Dist. Ahmedabad 382 220	
<b>Share Registrars</b>	:	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**

Particulars	[Rs. in Lacs]											
	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	
<b>Production in MT</b>	<b>12189</b>	<b>10064</b>	<b>8711</b>	<b>10586</b>	<b>10343</b>	<b>9729</b>	<b>10615</b>	<b>11684</b>	<b>8821</b>	<b>8065</b>	<b>5971</b>	
<b>Fixed Assets (Gross)</b>	<b>3290.98</b>	<b>2894.53</b>	<b>2795.13</b>	<b>2504.45</b>	<b>2317.48</b>	<b>1439.75</b>	<b>1430.75</b>	<b>1368.84</b>	<b>1267.32</b>	<b>1120.69</b>	<b>1101.30</b>	
Fixed Assets (Net)	1960.53	1748.09	1747.56	1549.73	1394.99	560.53	619.95	627.15	593.37	492.68	504.31	
Net Current Assets	1125.14	620.57	560.32	867.04	738.80	1077.41	703.28	577.37	389.89	(90.04)	(101.39)	
Misc Exps/Deferred Revenue Exps.	0.00	0.00	0.00	0.00	0.49	4.81	9.13	17.01	22.45	10.71	14.27	
Profit & Loss Account	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	166.34	246.36	
<b>TOTAL ASSETS (NET)</b>	<b>3085.67</b>	<b>2368.66</b>	<b>2307.88</b>	<b>2416.77</b>	<b>2134.28</b>	<b>1642.75</b>	<b>1332.36</b>	<b>1221.53</b>	<b>1,005.71</b>	<b>579.69</b>	<b>663.55</b>	
Borrowings	722.12	450.65	545.16	759.53	711.51	465.13	295.56	309.41	308.50	208.89	270.06	
Equity Share Capital	288.07	288.07	288.07	288.07	288.07	288.07	288.07	288.07	288.07	160.04	160.04	
Reserves & Surplus	1869.89	1435.21	1311.97	1250.76	1033.44	843.32	693.83	560.06	325.03	121.72	142.77	
Deferred Tax	205.59	194.73	162.68	118.41	101.26	46.23	54.90	63.99	84.11	89.04	90.68	
<b>TOTAL CAPITAL EMPLOYED</b>	<b>3085.67</b>	<b>2368.66</b>	<b>2307.88</b>	<b>2416.77</b>	<b>2134.28</b>	<b>1642.75</b>	<b>1332.36</b>	<b>1221.53</b>	<b>1,005.71</b>	<b>579.69</b>	<b>663.55</b>	
<b>DEBT EQUITY RATIO</b>	<b>0.10:1</b>	<b>0.16:1</b>	<b>0.21:1</b>	<b>0.39:1</b>	<b>0.52:1</b>	<b>0.12:1</b>	<b>0.14:1</b>	<b>0.17:1</b>	<b>0.20:1</b>	<b>0.82:1</b>	<b>0.89:1</b>	
<b>Sales &amp; Other Income</b>	<b>9325.24</b>	<b>7887.01</b>	<b>6407.74</b>	<b>7205.83</b>	<b>5840.73</b>	<b>6567.31</b>	<b>5898.05</b>	<b>5994.64</b>	<b>4383.29</b>	<b>3921.64</b>	<b>2443.08</b>	
Excise Duty & Cess	1054.16	864.62	599.93	625.87	443.21	775.70	810.19	814.25	584.53	530.93	310.11	
Sales Tax	0.00	0.00	0.00	141.82	118.10	146.72	173.68	229.97	166.49	151.33	90.14	
Materials	5005.20	4387.73	3757.00	3976.01	3151.12	3686.96	3121.76	3108.11	2141.46	2080.82	1226.75	
Labour Cost	1336.90	1196.46	913.07	945.37	789.33	703.53	684.99	593.42	435.94	351.06	304.66	
Power	786.52	773.78	665.57	790.10	736.80	671.11	623.63	695.27	528.57	493.30	378.01	
Operation & Other Exps	189.66	162.43	141.05	115.28	107.83	131.80	112.85	107.15	75.86	68.42	47.91	
Interest	94.58	118.26	61.24	116.21	77.73	103.77	92.63	92.00	135.19	127.88	98.94	
<b>GROSS PROFIT</b>	<b>858.22</b>	<b>383.73</b>	<b>269.88</b>	<b>495.17</b>	<b>416.61</b>	<b>347.72</b>	<b>273.35</b>	<b>354.47</b>	<b>315.25</b>	<b>117.90</b>	<b>(13.44)</b>	
Depreciation	184.07	171.85	143.55	125.22	68.83	72.31	69.55	72.40	58.51	56.84	54.29	
<b>PROFIT BEFORE TAX</b>	<b>674.15</b>	<b>211.88</b>	<b>126.33</b>	<b>369.95</b>	<b>347.78</b>	<b>275.41</b>	<b>203.80</b>	<b>282.07</b>	<b>256.74</b>	<b>61.06</b>	<b>(67.73)</b>	
Provision For Taxation	218.87	65.05	48.37	119.15	120.29	98.96	68.85	47.04	15.14	(1.64)	3.27	
<b>PROFIT AFTER TAX</b>	<b>455.28</b>	<b>146.83</b>	<b>77.96</b>	<b>250.80</b>	<b>227.49</b>	<b>176.45</b>	<b>134.95</b>	<b>235.03</b>	<b>241.60</b>	<b>62.70</b>	<b>(71.00)</b>	
Prior period adjustments	9.74	0.00	0.00	0.00	10.50	0.00	0.00	0.00	(0.01)	(3.74)	(6.08)	
Dividends	25.93	20.16	14.40	28.81	23.04	23.04	0.00	0.00	0.00	0.00	0.00	
Corporate Tax on Dividend	4.40	3.43	2.34	4.67	3.83	3.92	0.00	0.00	0.00	0.00	0.00	
<b>Retained Earnings</b>	<b>434.69</b>	<b>123.24</b>	<b>61.22</b>	<b>217.32</b>	<b>190.12</b>	<b>149.49</b>	<b>134.95</b>	<b>235.03</b>	<b>241.59</b>	<b>58.96</b>	<b>(77.08)</b>	
<b>Earning per Eq. Share Rs.</b>	<b>15.80</b>	<b>5.10</b>	<b>2.71</b>	<b>8.71</b>	<b>7.90</b>	<b>6.13</b>	<b>4.68</b>	<b>8.16</b>	<b>8.39</b>	<b>2.18</b>	<b>(2.46)</b>	
Dividend per Eq. Share %	9.00	7.00	5.00	10.00	8.00	8.00	0.00	0.00	0.00	0.00	0.00	
<b>Net Worth</b>	<b>2157.96</b>	<b>1723.28</b>	<b>1600.04</b>	<b>1538.83</b>	<b>1321.02</b>	<b>1126.58</b>	<b>972.77</b>	<b>831.12</b>	<b>590.65</b>	<b>104.71</b>	<b>42.18</b>	
<b>Book value per Eq. Share Rs.</b>	<b>74.91</b>	<b>59.82</b>	<b>56.12</b>	<b>53.42</b>	<b>45.86</b>	<b>39.11</b>	<b>33.77</b>	<b>28.85</b>	<b>20.50</b>	<b>6.54</b>	<b>2.64</b>	

## BHAGWATI AUTOCAST LIMITED

### NOTICE

**NOTICE** is hereby given that the **THIRTY SECOND 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, 24th September, 2014 at 11.00 AM to transact the following business.

#### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2014, including Balance Sheet as at March 31, 2014, Statement of Profit and Loss for the year ended on that date and report of Board of Directors and Auditors thereon.
2. To declare dividend on equity shares for the Financial Year ended March 31, 2014.
3. To appoint Director in place of Ms. Reena Bhagwati (DIN: 00096280), who retires by rotation and being eligible offers herself for re-appointment.
4. To re-appoint Auditor and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s. Milin J. Jani & Co., Chartered Accountants (FRN No.106396W), Ahmedabad be and is hereby appointed as Auditor of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

#### SPECIAL BUSINESS :

5. To appoint Mr. Padmin H Buch (DIN: 03411816), as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provision of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for time being in force), Mr. Padmin H Buch (DIN: 03411816), Director of the Company who retire by rotation at the ensuing AGM and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Padmin H Buch as a candidate for the office of the director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to September 23, 2019.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorised to do all acts, and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To appoint Mr. Rajendraprasad J Shah (DIN: 01982424), as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provision of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for time being in force), Mr. Rajendraprasad J Shah (DIN: 01982424), Director of the

Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Rajendraprasad J Shah as a candidate for the office of the director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to September 23, 2019.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorised to do all acts, and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To approve modification in terms of appointment of Dr. Pravin N Bhagwati (DIN:00096799) and in this regards to consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modifications or re-enactment thereof), the period of office of Dr. Pravin N Bhagwati, (DIN: 00096799) Managing Director of the Company who is non retiring Director in term of provisions of erstwhile Companies Act, 1956 shall henceforth be made liable to retire by rotation."

8. To approve modification in terms of appointment of Ms. Reena P Bhagwati (DIN: 00096280) and in this regards to consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modifications or re-enactment thereof), the period of office of Ms. Reena P Bhagwati (DIN: 00096280) Managing Director of the Company who is non retiring Director in term of provisions of erstwhile Companies Act, 1956 shall henceforth be made liable to retire by rotation."

9. To adopt new Articles of Association and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for time being in force), draft regulation contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulation contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorised to do all acts, and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. To give permission/power to Board of Directors for related party transaction and in this regards to consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for time being in force), subject such other

approval, if required, Consent of the Company be and is hereby accorded to the Board of Directors to enter into various related party transactions for the period of 5 (five) years with effect from 1st April, 2015 to 31st March, 2020 up to maximum amount per annum as prescribed below:

Name of Related Party	Type of Transactions	Maximum Amount per annum
Bhagwati Spherocast Private Limited	<ul style="list-style-type: none"> <li>- Sale, Purchase or supply of Capital goods</li> <li>- Sale, Purchase or supply of Raw material/spares</li> <li>- Availing or rendering of any service</li> </ul>	Rs. 350/- Lakh

RESOLVED FURTHER THAT the Board of Directors and/or committee thereof be and is hereby authorised to do all acts, and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

11. To give power to Board for creation of charge over assets and in this regards to consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:-

"RESOLVED that in supersession of the Resolution passed by the Members of the Company for granting power under provisions of section 293 (1) (a) of erstwhile Companies Act, 1956; Pursuant to provisions of Section 180(1) (a) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to create mortgage/ hypothecation and/or charge in addition to the existing mortgages/ charges/hypothecations created/to be created by the Company in such form and manner and with such ranking and on such terms as the Board may determine on all or any of the movable and/or immovable properties, both present and future or substantially the whole of the undertaking(s) or the undertaking(s) of the Company for securing any loan / credit facility obtained or as may be obtained from any lender, financial institution or person or persons from time to time together with interest, costs, charges, expenses and any other money payable by the Company.

RESOLVED FURTHER THAT the Board of Directors and/or committee thereof be and is hereby authorised to finalise, settle, and execute such documents /deeds/ writings/ papers/ agreements as may be required and do all acts, and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

12. To give power to Board for borrowing fund and in this regards to consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereunder, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to borrow money, from time to time, at its discretion either from the Company's existing bank(s) or any other bank(s), financial institution(s) or any other lending institution or persons on such terms and conditions as may be considered suitable by the Board of Directors and remaining un-discharged at any given time up to a limit not exceeding Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) notwithstanding that the money to be borrowed together with the moneys already borrowed by the

Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say reserves not set for any specific purpose.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to sign and execute all such documents, deeds and writings and to do all such acts, deeds, matters and things as may be necessary, expedient and incidental thereto for giving effect to this resolution."

13. To approve remuneration of the Cost Auditor and in this regards to consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditor) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for time being in force), M/s. Kiran J Mehta & Co (FRN- 000025), Cost Accountants appointed by the Board of Directors, to conduct the audit of the cost records of the Company for the Financial year ending march 31, 2015, be paid the remuneration of Rs.50,000/- (Exclusive of Taxes/charges) and re-imbursement of out of pocket expense incurred on behalf of the Company.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorised to do all acts, and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Place : Ahmedabad  
Date : 25/07/2014

By order of the Board of Directors

Registered Office :  
Survey No. 816, Village Rajoda,  
Near Bavla, Dist. Ahmedabad – 382 220.  
Phone: +91-2714-232283,  
Fax: +91-2714-232383  
CIN: L27100GJ1981PLC004718  
e-mail: cs@bhagwati.com  
Website: www.bhagwati.com

**Dr. Pravin N. Bhagwati**  
Chairman

#### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT AGM IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED, STAMPED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE TIME FOR COMMENCEMENT OF THE MEETING.
2. The Statement pursuant to Section 102 (1) of the Companies Act, 2013, with respect to the Special Businesses set out in Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 10th September, 2014 to Wednesday, 24th September, 2014 (both days inclusive) for the purpose of payment of dividend.

## BHAGWATI AUTOCAST LIMITED

4. The payment of dividend upon declaration by the shareholders at the forthcoming Annual General Meeting, will be made within 30 days from the date of declaration 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 Tuesday, 9th September, 2014. 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 Tuesday, 9th September, 2014.
5. Members holding shares in physical form are advised to furnish particulars of their bank account, if not done already or if it is changed, to the Company to incorporate the same in the dividend warrants/payment instruments. In respect of cases, where the payments to the shareholders holding shares in dematerialized form are made by NECS, NEFT, dividend warrants/ payment instruments, particulars of bank account registered with their depository participants will be considered by the Company for printing the same on the dividend warrants/ payment instruments.
6. Members who hold shares in the dematerialized form and want to change/correct the bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR Code of their bank to their Depository Participants. The Company, in case of such dematerialized of shares, will not entertain any direct request from such members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. While making payment of dividend, Registrar is obliged to use only the data provided by the Depositories.
7. Mr. Chirag Shah, Company Secretary (Membership No. 5545) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
8. The Members having multiple ledger folios in the same order of names are requested to approach MCS Ltd. for consolidating their entire holding in one folio for mutual convenience.
9. Pursuant to provisions of Section 205A(5) of the Companies Act, 1956, dividends which remain unpaid/ unclaimed for a period of 7 years from the date of transfer of the same to the Company's unpaid dividend account will be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government.

The following are the details of the dividends paid by the Company and respective due dates for claim by the shareholders:

Further, the Company shall not be in a position to entertain the claims of Shareholders for the unclaimed dividends after the last date as mentioned in the table.

Sr. No.	Dividend for the Financial Year	Date of Declaration of Dividend	Last date of Claim (due date for transfer to IEPF)
1.	2008-2009	25/09/2009	02/11/2016
2.	2009-2010	27/09/2010	04/11/2017
3.	2010-2011	30/09/2011	07/11/2018
4.	2011-2012	20/09/2012	27/10/2019
5.	2012-2013	20/09/2013	27/10/2020

In view of the above, the Shareholders are advised to send all the un-encashed dividend warrants pertaining to the above years to Registered Office of the Company for revalidation or issuance of Demand Draft in lieu thereof and en-cash them before the due dates for transfer to the IEPF.

10. Members desiring any information as regards the accounts are requested to write to the Company at least 15 days in advance, so as to enable the Board of Directors to keep the information ready.
11. 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.
12. Members/ Proxy holders are requested to produce at the entrance, the attached Admission Slip for admission to the meeting hall.
13. As per the provisions of the Companies Act, 2013, facility for making nominations is available to the shareholders in respect of the shares held by them in physical form. Nomination forms can be obtained from the Registrar and Share Transfer Agents of the Company. The shareholders holding shares in dematerialized form may approach their respective Depository Participants to avail and/or effect any change to the nomination facility.
14. Pursuant to Rule 18(3) of The Companies (Management and Administration) Rules, 2014, you are requested to provide your e-mail id to facilitate easy and faster dispatch of Notices of the general meetings and other communications by electronic mode from time to time.
15. Members are requested to bring their copies of the annual report at the meeting.

Place : Ahmedabad  
Date : 25/07/2014

By order of the Board of Directors

Registered Office :  
Survey No. 816, Village Rajoda,  
Near Bavla, Dist. Ahmedabad - 382 220.  
Phone: +91-2714-232283,  
Fax: +91-2714-232383  
CIN: L27100GJ1981PLC004718  
e-mail: cs@bhagwati.com  
Website: www.bhagwati.com

**Dr. Pravin N. Bhagwati**  
Chairman

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013.

#### ITEM NO. 5 :

Mr. Padmin H Buch (DIN: 03411816) is Non executive (Independent) Director of the company. He joined the Board of Director in February, 2011. Mr. Padmin H Buch retires by rotation at the ensuing AGM under the provisions of the erstwhile Companies Act, 1956. In term of Section 149 and any other applicable provisions of the Companies Act, 2013 ("the Act"), Mr. Padmin Buch being eligible and seeking re-appointment, is proposed to be appointed as Independent Director for the period of Five Years ending on September 23, 2019.



The Company has received notice in writing under provisions of the Section 160 of the Act, from a member along with a deposit of Rs. 1,00,000/- proposing candidature of Mr. Padmin Buch for the office of Independent Director, to be appointed as such under provisions of the Section 160 of the Act.

Mr. Padmin H Buch (DIN: 03411816) 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 is a visiting faculty at many business and entrepreneurship schools. His technical experience and expertise will help the company.

The company has received from Mr. Padmin H Buch (i) consent to act as a Director (ii) Declaration to the effect that he is not disqualified under section 164 of the Act (iii) declaration to the effect that he meets the criteria of Independence as provided in Section 149 of the Act.

A copy of draft letter of appointment of Mr. Padmin H Buch setting out terms and conditions is available for inspection without any fees by the members at the registered office of the Company during normal business hours on working days up to the date of the AGM.

The Board considers that his continued association would be of immense benefit to the company and its desirable to continue to avail the service of Mr. Padmin H Buch as an Independent Director.

Except Mr. Padmin H Buch, to whom the resolution relates, none of the Directors, Key Managerial Personnel or their relative is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 5 of the Notice for the approval of the members.

#### **ITEM NO. 6 :**

Mr. Rajendraprasad J Shah (DIN: 01982424) is Non executive (Independent) Director of the company. He joined the Board of Director as on 22nd October, 2011. Mr. Rajendraprasad J Shah, whose period of office is liable to determination by retirement of directors by rotation under the provisions of the erstwhile Companies Act, 1956. In term of Section 149 and any other applicable provisions of the Companies Act, 2013 ("the Act"), Mr. Rajendraprasad J Shah being eligible and seeking re-appointment, is proposed to be appointed as Independent Director for the period of Five Years ending on September 23, 2019.

The Company has received notice in writing under provisions of the Section 160 of the Act, from a member along with a deposit of Rs. 1,00,000/- proposing candidature of Mr. Rajendraprasad J Shah for the office of Independent Director, to be appointed as such under provisions of the Section 160 of the Act.

Mr. Rajendraprasad J Shah (DIN: 01982424) is post-graduate in Mechanical Engineering and having 38 years of experience out of which 30 years in promotion of industries in Gujarat. He was Principal Chief Industrial Advisor to Government of Gujarat from 1991 to 2009. As part of his activities in various capacities, he was associated in preparing Industrial Policy of Gujarat for 1990, 1995, 2000, 2003 and 2009. Five Years Plan Programmes, introduction of specific programmes like monitoring of industrial approvals for implementation of projects; promoting innovations, R & D Projects, and R & D institutions; Cluster Development Programmes for SMEs; promotion of Special Economic Zones and bringing out legislation for SEZs; organizing Vibrant Gujarat – Global Investment Summits – 2003, 2005, 2007 and 2009 and promotion of large number of industrial projects in the State. His technical experience and expertise will help the company.

The company has received from Mr. Rajendraprasad J Shah (i) consent to act as a Director (ii) Declaration to the effect that he is not disqualified under section 164 of the Act (iii) declaration to the effect

that he meets the criteria of Independence as provided in Section 149 of the Act.

A copy of draft letter of appointment of Mr. Rajendraprasad J Shah setting out terms and conditions is available for inspection without any fees by the members at the registered office of the Company during normal business hours on working days up to the date of the AGM.

The Board considers that his continued association would be of immense benefit to the company and its desirable to continue to avail the service of Mr. Rajendraprasad J Shah as an Independent Director.

Except Mr. Rajendraprasad J Shah, to whom the resolution relates, none of the Directors, Key Managerial Personnel or their relative is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 6 of the Notice for the approval of the members.

#### **ITEM NO. 7 & 8 :**

Dr. Pravin N Bhagwati (DIN:00096799) , Managing Director of the Company was re-appointed pursuant to the provisions of Sections 269 and other applicable provisions, if any, of the erstwhile Companies Act, 1956, by the shareholders at the Annual General Meeting held on 20th September, 2012 for a period of 3 years with effect from 1st October, 2012.

Ms. Reena P Bhagwati (DIN: 00096280), Managing Director of the Company was re-appointed pursuant to the provisions of Sections 269 and other applicable provisions, if any, of the erstwhile Companies Act, 1956, by the shareholders at the Annual General Meeting held on 30th September, 2011 for a period of 5 years with effect from 1st October, 2010.

The period of office of Dr. Pravin N Bhagwati (DIN: 00096799) and Ms. Reena P Bhagwati (DIN: 00096280) being the Managing Director was not liable to determination by retirement of directors by rotation in terms of the erstwhile provisions of the Companies Act, 1956.

The Board of Directors of your Company at present consists of five members, with whom three of them being Independent Directors and remaining two being Managing Directors.

The provisions of Section 152 of the Companies Act, 2013 provide that not less than two-thirds of the total number of directors of a public Company shall be persons whose period of office is liable to determination by retirement of directors by rotation, where the term "total number of directors" does not include Independent Directors whether appointed under the Companies Act, 2013 or any other law for the time being in force.

In the light of above-referred provisions of the Companies Act, 2013, it is desirable that the period of office of Dr. Pravin N Bhagwati (DIN: 00096799) and Ms. Reena P Bhagwati (DIN: 00096280), Managing Directors is made liable to retire by rotation.

Except Dr. Pravin N Bhagwati (DIN: 00096799) and Ms. Reena P Bhagwati (DIN: 00096280), to whom the resolution relates, none of the Directors, Key Managerial Personnel or their relative is interested or concerned in the resolutions.

The Board recommends the Special resolution set forth in Item no. 7 and 8 of the Notice for the approval of the members.

#### **ITEM NO. 9 :**

Ministry of Corporate Affairs (MCA) has so far notified almost provisions of the Companies Act, 2013 ("the New Act") to replace the corresponding provisions of the Companies Act, 1956 ("the Old Act"). The present Articles of Association ("AOA") of the Company contains reference to various Section and Schedule of the Companies Act, 1956

## BHAGWATI AUTOCAST LIMITED

which requires alteration or deletions in several articles. However, in given position it is considered expedient to wholly replace the existing AOA by a new set of Articles.

Pursuant to the provisions of section 14 of the New Act, Alteration of AOA would require approval of shareholders by way of special resolution. Accordingly, this matter has been placed before the members for approval.

The proposed new draft AOA is being uploaded on the Company's website for perusal by the members.

None of the Directors, Key Managerial Personnel or their relative is interested or concerned in the resolution.

The Board recommends the Special resolution set forth in Item no. 9 of the Notice for the approval of the members.

### ITEM NO. 10 :

According to section 188 and other applicable provision of the Companies Act, 2013 rules made there under and provision of Listing Agreement with Stock Exchange, the consent of the member are required by Special Resolution for entering into various transactions with related party subject to such other conditions prescribed thereunder.

Bhagwati Spherocast Private Limited is a 'related party' within meaning of Section 2(76) of the Companies Act, 2013, and thus approval of members by Special resolution required under Section 188 of the Companies Act, 2013

The particular of transaction pursuant to rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

1. Name of Related Party: Bhagwati Spherocast Private Limited
2. Name of Director or KMP: Dr. Pravin N Bhagwati, Ms. Reena P Bhagwati and Mr. Mahendrabhai N Shah.
3. Nature of relation: Dr. Pravin N Bhagwati and Ms. Reena P Bhagwati are Common Board member and member of Bhagwati Spherocast and; Mr. Mahendra N Shah is member of Bhagwati Spherocast.
4. Monetary Value: Nature, Monetary Value, Material terms and particular of contract or arrangement:
  - Estimated Consideration up to Rs. 350 Lakh for each year. (Exclusive of Taxes/charges)
  - Contract shall be valid for five years. However if either of party desires to terminate the agreement, it can be terminated by either party by giving 60 days notice to other.
  - No party shall transfer or assigns its rights, obligations or liabilities under this Agreement or any part thereof to any third party.
5. Any other information relevant or important for the members to take a decision on the proposed resolution:
  - As our company is engaged in production of high duty grey iron and ductile iron castings and for finishing process of casting on some of the components, The Company need to avail or render some of auxiliary or supplementary service of machining, job work or other services, Sale or Purchase or supply of Capital goods, Sale or Purchase or supply of Raw material/spares for proving quality production to customers of our company at a very low cost of production.

Except Dr. Pravin N Bhagwati, Ms. Reena P Bhagwati and Mr. Mahendrabhai N Shah, to whom the resolution relates, none of the Directors, Key Managerial Personnel or their relative is interested or concerned in the resolution.

Interested members would not be eligible to vote on the set out resolution at item no. 10 of the Notice in term of Section 188 of the Companies Act, 2013 and Listing Agreement.

The Board recommends the Special resolution set forth in Item no. 10 of the Notice for the approval of the members.

### ITEM NO. 11 :

As mentioned in statement to Item No. 9, MCA has notified almost provisions of the Companies Act, 2013 ("the New Act") to replace the corresponding provisions of the Companies Act, 1956 ("the Old Act"). Consequent to notification of Section 180 (1) (a) of the Companies Act, 2013 consent of the Company is required by way of a Special Resolution to create mortgage and/or charge on the movable/ immovable properties of the Company.

Accordingly, the approval of the members of the Company by way of Special Resolution is sought to authorise the Board of Directors to create mortgage/ hypothecation and/or charge (in addition to the existing mortgages/ charges/hypothecations created by the Company) on all or any of the movable and/or immovable properties, both present and future or substantially the whole of the undertaking(s) or the undertaking(s) of the Company.

None of the Directors, Key Managerial Personnel or their relative is interested or concerned in the resolution.

The Board recommends the Special resolution set forth in Item no. 11 of the Notice for the approval of the members.

### ITEM NO. 12 :

The Company in order to execute various projects has to borrow money from banks and other financial institutions as a means of finance. The Board of Directors can borrow money upto paid up share capital and free reserves in terms of the provisions of Section 180 (1)(c) of the Companies Act, 2013. Section 180(1)(c) of the Companies Act, 2013 supersedes Section 293(1)(d) of the Companies Act, 1956 and as per General Circular No. 04/2014 dated March 25, 2014 issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293(1)(d) of the Companies Act, 1956 will be valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013, i.e. up to 11th September, 2014.

In view of the notification of the Companies Act, 2013 and aforesaid clarification issued by the Ministry of Corporate Affairs, it is necessary to obtain fresh consent of the members of the Company to enable the Board of Directors of the Company to borrow moneys [excluding temporary loans obtained from the Company's Bankers in the ordinary course of business] in excess of the aggregate of paid-up share capital and free reserves of the Company. The Board of Directors proposes to keep the borrowing limit up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only).

None of the Directors, Key Managerial Personnel or their relative is interested or concerned in the resolution.

The Board recommends the Special resolution set forth in Item no. 12 of the Notice for the approval of the members.

**ITEM NO. 13 :**

The Board of director of the company has approved appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2015 at a remuneration of Rs. 50,000/- (Exclusive of Taxes/charges) and re-imbursement of out of pocket expense incurred on behalf of the Company.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with rules made there under, the remuneration payable to the Cost auditor has to be determined or ratified by the members of the Company. Accordingly, consent of the members is sought for above purpose by passing Ordinary Resolution.

None of the Directors, Key Managerial Personnel or their relative is interested or concerned in the resolution.

The Board recommends the Ordinary resolution set forth in Item no. 13 of the Notice for the approval of the members.

Place : Ahmedabad  
Date : 25/07/2014

By order of the Board of Directors

Registered Office :  
Survey No. 816, Village Rajoda,  
Near Bavla, Dist. Ahmedabad – 382 220.  
Phone: +91-2714-232283,  
Fax: +91-2714-232383  
CIN: L27100GJ1981PLC004718  
e-mail: cs@bhagwati.com  
Website: www.bhagwati.com

**Dr. Pravin N. Bhagwati**  
Chairman



## BHAGWATI AUTOCAST LIMITED

### DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the **THIRTY SECOND ANNUAL REPORT** and audited accounts for the year ended 31st March 2014. The performance of the Company for the year ended on March 31, 2014 is summarized below.

#### 01. FINANCIAL HIGHLIGHTS :

	For the year Ended 31/03/2014 (Rs.)	For the year Ended 31/03/2013 (Rs.)
<b>Earnings before interest, depreciation and taxation (EBIDTA)</b>	<b>95,279,055</b>	50,198,944
Less: Interest & finance charges	<b>9,458,240</b>	11,826,033
<b>Profit before depreciation &amp; taxation</b>	<b>85,820,815</b>	38,372,911
Less: Depreciation	<b>18,406,923</b>	17,185,433
<b>Profit before tax</b>	<b>67,413,892</b>	21,187,478
Less: Provision for income tax		
[1] Current Tax	<b>20,800,000</b>	3,300,000
[2] Deferred Tax	<b>10,86,667</b>	3,204,720
<b>Profit for the Year</b>	<b>45,527,225</b>	14,682,758
Short/Excess Provision for Tax for earlier year	<b>974,318</b>	0
Add : Surplus of last year brought forward	<b>39,025,160</b>	26,701,582
Surplus available for appropriation	<b>85,526,703</b>	41,384,340
<b>APPROPRIATIONS :</b>		
Proposed equity dividend	<b>2,592,616</b>	2,016,479
Tax on dividend	<b>440,615</b>	342,701
<b>Balance of profit carried to balance sheet</b>	<b>82,493,472</b>	39,025,160

#### 02. REVIEW OF OPERATIONS:

During the year under review, Your Company's sales increased by 16.63 % and operating profit increased by 89.80 %. This is due to good demand from our customers and better sales realisation. The company in this year planning for expansion of factory building & modernization of its Core Shop and other infrastructural facilities.

#### 03. DIVIDEND:

Your Directors recommend a dividend of 9 % i.e. Rs.0.90 per Equity Share of Rs. 10/- each for the year 2013-2014 (Previous year 7 % i.e. Rs. 0.70/- per Equity Share) Subject to approval of shareholders at the 32nd Annual General Meeting.

#### 04. DIRECTORS

Mrs. Mandakini P. Bhagwati been ceased to be a Director of the Company w.e.f. 28th April, 2014 due to her sad demise which has been taken on record in the Board Meeting held on 23rd May 2014. The Board of Directors condole the untimely demise of Mrs. Mandakini P. Bhagwati and took on record of the invaluable contributions made by her towards the progress of the Company.

As per provision of the Companies Act, 2013, Ms. Reena Bhagwati retires by rotation in the forthcoming Annual General Meeting and being eligible offers herself for re-appointment. The Board of Directors recommends their re-appointment.

The Companies Act, 2013 provides for appointment of independent directors. Sub-section (10) of Section 149 of the Companies Act, 2013 ("the Act") (effective from April 1, 2014) provides that independent directors shall hold office for the term of up to five consecutive years on the Board of the company; and shall be eligible for re-appointment on passing a Special resolution by the shareholders of the company.

Sub-section (11) states that no independent director shall be eligible for more than two consecutive term of five years. Sub-section (13) states that the provision of retirement by rotation as defined in sub-section (6) and (7) of section 152 of the Act shall not apply to such independent directors.

Our Independent directors were appointed as directors liable to retire by rotation as per provision of the erstwhile Companies Act 1956. The Board of Directors has been advised that Independent Directors so appointed would continue to serve the term that was ascertained at the time of appointment as per the resolution pursuant to which they were appointed. Therefore, it stands to the reason only those independent directors who will complete their present term at the ensuing AGM, being eligible for re-appointment, be considered by the Share holder for the reappointment for the term of up to five consecutive years.

Independent Directors, who do not complete their term at ensuing AGM, will continue to hold office till expiry of his term (based on retirement period calculation) and thereafter would be eligible for re-appointment for a term fixed in accordance with Companies Act, 2013.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013.

#### 05. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to requirement under Section 217(2AA) of the Companies Act, 1956, Directors hereby confirmed 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;
- 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, 2014 and of the Profit of the Company for the accounting year ended on that date;
- 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;
- they have prepared the annual accounts on a going concern basis.

#### 06. AUDITORS AND AUDITORS' REPORT

M/s. Milin J Jani & Co., Chartered Accountants, Ahmedabad (Firm Registration No.106396W) Statutory Auditor of the Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible for re-appointment.

The Company has received letters from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

**07. APPOINTMENT OF COST AUDITOR**

The Company has appointed the M/s. Kiran J. Mehta & Co. Cost Accountant Firm, Ahmedabad for conducting the audit of cost records of the Company for the financial year 2014-15.

**08. 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 and forming part of the Director's Report. The said Compliance Certificate is self-explanatory and do not call for any comments.

**09. FIXED DEPOSITS:**

We have not received any fixed deposit and, as such, no amount of principal or interest was outstanding as on Balance Sheet date.

**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, 2014 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 of the said year is annexed herewith as part of the Directors report.

**11. 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.

**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

**Dr. Pravin N. Bhagwati**  
Chairman

Place : Ahmedabad  
Date : 23/05/ 2014