

BHAGWATI AUTOCAST LIMITED



27th Annual Report 2008-2009

Board of Directors	:	Dr P N Bhagwati Ms Reena P Bhagwati Mrs M P Bhagwati Mr M N Shah Mr B L Dalal	Chairman & Managing Director Jt Managing Director } Directors
Remuneration Committee	:	Mrs M P Bhagwati Mr M N Shah Mr B L Dalal	Chair Person } 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 30070671	Fax No. 079 30070678

Particulars	[Rs. in Lacs]										
	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	99-2000	1998-99
Fixed Assets (Gross)	1439.75	1430.75	1368.84	1267.32	1120.69	1101.30	986.80	896.44	868.71	859.62	681.48
Fixed Assets (Net)	560.53	619.95	627.15	593.37	492.68	504.31	441.31	458.95	481.14	510.18	371.85
Net Current Assets	1077.41	703.28	577.37	389.89	(90.04)	(101.39)	(19.02)	180.71	188.21	213.52	198.44
Misc. Exps/Deferred Revenue Exps.	4.81	9.13	17.01	22.45	10.71	14.27	0.00	0.72	1.44	2.17	2.90
Profit & Loss Account	0.00	0.00	0.00	0.00	166.34	246.36	169.28	0.00	0.00	0.00	0.00
TOTAL ASSETS (NET)	1642.75	1332.36	1221.53	1005.71	579.69	663.55	591.57	640.38	670.79	725.87	573.19
Borrowings	465.13	295.56	309.41	308.50	208.89	270.06	201.35	178.97	231.37	197.87	120.99
Equity Share Capital	288.07	288.07	288.07	288.07	160.04	160.04	160.04	160.04	160.04	160.04	160.04
Reserves & Surplus	843.32	693.83	560.06	325.03	121.72	142.77	142.77	208.59	279.38	367.96	292.16
Deferred Tax	46.23	54.90	63.99	84.11	89.04	90.68	87.41	92.78	0.00	0.00	0.00
TOTAL CAPITAL EMPLOYED	1642.75	1332.36	1221.53	1005.71	579.69	663.55	591.57	640.38	670.79	725.87	573.19
DEBT EQUITY RATIO	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	0.37:1	0.27:1
Sales & Other Income	6567.31	5898.05	5994.64	4383.29	3921.64	2443.08	1187.46	2160.71	2009.38	2567.54	2157.70
Excise Duty & Cess	775.70	810.19	814.25	584.53	530.93	310.11	165.47	253.06	274.33	364.70	291.38
Sales Tax	146.72	173.68	229.97	166.49	151.33	90.14	48.13	76.89	0.00	0.00	0.00
Materials	3686.96	3121.76	3108.11	2141.46	2080.82	1226.75	539.54	897.09	870.91	1069.10	924.92
Labour Cost	703.53	684.99	593.42	435.94	351.06	304.66	263.02	309.80	335.70	328.73	293.79
Power	671.11	623.63	695.27	528.57	493.30	378.01	239.68	414.30	433.17	452.35	385.52
Operation & Other Exps	131.80	112.85	107.15	75.86	68.42	47.91	44.51	56.71	63.43	79.35	62.01
Interest	103.77	92.63	92.00	135.19	127.88	98.94	73.48	84.23	73.64	64.59	81.22
GROSS PROFIT	347.72	273.35	354.47	315.25	117.90	(13.44)	(186.37)	68.63	(41.80)	208.72	118.86
Depreciation	72.31	69.55	72.40	58.51	56.84	54.29	46.90	54.82	46.79	43.14	41.20
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	275.41	203.80	282.07	256.74	61.06	(67.73)	(233.27)	13.81	(88.59)	165.58	77.66
Provision For Taxation	98.96	68.85	47.04	15.14	(1.64)	3.27	2.80	4.93	0.00	62.17	25.00
PROFIT AFTER TAX	176.45	134.95	235.03	241.60	62.70	(71.00)	(236.07)	8.88	(88.59)	103.41	52.66
Prior period adjustments	0.00	0.00	0.00	(0.01)	(3.74)	(6.08)	0.98	0.00	0.00	0.27	0.00
Dividends	23.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.41	22.41
Corporate Tax on Dividend	3.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.93	2.46
Retained Earnings	149.49	134.95	235.03	241.59	58.96	(77.08)	(235.09)	8.88	(88.59)	76.34	27.79
Earning per Eq. Share Rs.	6.13	4.68	8.16	8.39	3.92	(4.44)	(14.75)	0.55	(5.54)	6.46	3.29
Dividend per Eq. Share %	8.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.00	14.00
Net Worth	1126.58	972.77	831.12	590.65	104.71	42.18	133.53	367.91	437.98	525.83	449.30
Book value per Eq. Share Rs.	39.11	33.77	28.85	20.50	6.54	2.64	8.34	22.99	27.37	32.86	28.07

BHAGWATI AUTOCAST LIMITED

NOTICE

NOTICE is hereby given that the **TWENTY SEVENTH 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, on Friday, the 25th September, 2009 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, 2009 and Balance Sheet as at the same date and consider the Directors' Report and Auditor's Report thereon.
2. To Declare the Dividend.
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 Director in place of Ms. Reena P. Bhagwati, who retires by rotation and being eligible offers herself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

6. **To consider and if thought fit, to pass with or without modifications the following Resolution as a "Special Resolution".**

SPECIAL 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, subject to the approval Central Government, the consent of members be and is hereby accorded to the terms and conditions as contained in Draft Agreement of reappointment of Dr. Pravin N. Bhagwati, as Managing Director of the Company with effect from 1st October, 2009 for the period of 3 years ending on 30th September, 2012."

"RESOLVED FURTHER THAT the terms and conditions including the remuneration payable as contained in the draft agreement of the re-appointment of Dr. Pravin N. Bhagwati, Managing Director was approved by Remuneration Committee and the Board of Directors in its respective meetings held on 11/6/2009 and 27/7/2009 ."

"RESOLVED FURTHER THAT the Board of directors of the Company be and is hereby authorized to execute the agreement with the Managing Director subject to the approval of the Central Government and to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto and the Board shall have absolute powers to accept any modification in the terms and conditions as may approved by the Central Government while according its approval and acceptable to Dr. Pravin N. Bhagwati. the Managing Director and to modify the same in accordance with the said approval of the Central Government and to give effect to the foregoing resolution, or as may be otherwise considered

by it to be in the best interest of the Company."

"RESOLVED FURTHER THAT till the approval from Central Government is received, Dr. Pravin N. Bhagwati, shall be paid remuneration not exceeding Rs. 2,50,000/- p.m. as permitted in Part I B, Section II of Part II of Schedule XIII, duly approved by shareholders by passing Special Resolution and that after obtaining Central Government approval, he will be paid remuneration as proposed above effective from 1st October, 2009"

"RESOLVED FURTHER THAT Dr. Pravin N. Bhagwati. Managing Director will also be entitled for the reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/amenities and other privileges, as any from time to time, is available to other Senior Executives of the Company."

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.
2. The Proxy in order to be effective must be received by the Company not less than 48 hours before the commencement of Annual General Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 11th September, 2009 to Friday 25th September 2009 (both days inclusive).
4. The payment of dividend upon declaration by the shareholders at the forthcoming annual general meeting will be made on or before 25.10.2009 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 10th September, 2009. 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 10th September, 2009.
5. Members holding shares in physical form, are advised to furnish on or before 10th September 2009, 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 / Electronic Clearing Services (ECS) details on or before 10th September, 2009.

Beneficial owner holding shares in electronic form are requested to notify any change in address, bank particulars, ECS particulars etc to their respective depository participants and make sure that such changes are recorded by them correctly on or before 10th September 2009.

Dividend will be preferably paid through ECS, wherever the facility is available. Where dividend payments are made through ECS, intimation regarding such remittances would be sent separately to the share holders. In cases where the dividend can not be paid through ECS 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. 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).
10. Members who hold shares in dematerialized form are requested to bring their depository account number for identification.
11. Members are requested to bring their copies of the annual report to the meeting.
12. The Draft Agreement of reappointment of the Managing Director is available for inspection at the registered office of the company during business hours on any working day.

BHAGWATI AUTOCAST LIMITED

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956:

ITEM NO. 6 :

Item No. 6 of the Notice relates to the re-appointment of Dr. Pravin N. Bhagwati as a Managing Director of the Company, whose present tenure will expire on 30th September, 2009. The new terms of appointment of Managing Director will be effective for 3 years from 1 October 2009 to 30th September, 2012. The new proposed remuneration is as per the limits fixed by the Central Government under Schedule XIII of the Act. The proposed remuneration will be effective, subject to the approval of the Central Government and members in the 27th Annual General Meeting of the Company.

The terms and conditions of re-appointment of Dr. Pravin N. Bhagwati, as a Managing Director of the Company are as under:-

REMUNERATION :

a) Salary

Rs. 2,80,000/- per month. (However restricted to Rs. 1,50,000/- per month till the Central Government approval received)

b) Perquisites

Maximum up to Rs.1,70,000 per month (However restricted to Rs. 1,00,000/- per month till the Central Government approval received) which shall include perquisites of Categories 'A', 'B' and 'C' as below:

CATEGORY 'A'

i) House Rent allowance

- The expenditure by the Company on hiring furnished accommodation will be subject to ceiling of 50% of the Salary over and above 10% payable by the Managing Director.
- In case the accommodation is owned by the Company, 10% of the Salary of the Managing Director shall be deducted by the Company.
- In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance not exceeding 50% of the Salary.
- The expenditure incurred by the Company on Gas, Electricity, Water etc. will be valued as per Rule No. 3(d) (ii) of the Income Tax Rules, 1962.
- The perquisites for Furnishings shall be worked out at the rate of ten percent of the actual cost of the furnishings.

ii) Medical Reimbursement :

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

iii) Leave Travel Concession :

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

iv) Club Fees :

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

v) Personal Accident Insurance :

Premium not to exceed Rs. 40,000/- per annum.

vi) Mediclaim Insurance :

Premium not to exceed Rs. 20,000/- per annum or such amount as may be prescribed in Section 80D of the Income Tax Act, 1961.

CATEGORY ' B'

i) Contribution to Provident Fund & Other Funds :

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

ii) Gratuity :

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

iii) Leave Encashment :

The Managing Director shall be entitled to fully paid leave as per the Company's Rules. Encasement 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.

CATEGORY 'C'

i) Provision of a Car and Telephone :

The Company shall provide a car for use on Company's business and also for personal purposes and telephone at the residence of the Managing Director. The Managing Director shall be billed by the Company for personal long distance calls on telephone and perks for the use of car for personal purposes shall be evaluated as per Income Tax Rules.

ii) Other Benefits :

Such other benefits, amenities and facilities as per the company rules.

The terms and conditions of the remuneration of the Managing Director, may be varied, altered, increased, enhanced or widened from time to time by the Remuneration Committee and the Board as it may in its discretion deem fit with in above limits and subject to limits laid down in Section 198, 309 and all other applicable provisions of the Companies Act, 1956 and Rules framed there under and subject to the requisite approvals from Central Government or any other authority, if any, being obtained.

Memorandum of Interest:-

Dr. Pravin N. Bhagwati, is interested in the above resolution to the extent that the remuneration received by him.

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

Information required to be disclosed in terms of Notification No. GSR 36(E) stated 16th January, 2002

issued by Government of India under the provisions of Schedule XIII of the Companies Act, 1956.

Contribution to Superannuation Fund	253800	475200	414000
Perquisites	84979	87948	83267
TOTAL	2995819	5506308	4830467

Last remuneration was revised in the 24th Annual General Meeting of the Company.

I. General Information:

1) Nature Of Industry :

The Company is engaged in manufacturing of highly specialized casting for the automobile, tractor, compressor, and hydraulic industries. The Company was incorporated in the year 1982 and the commercial production began in respect of all items since 1984.

2) Date or expected date of commencement of commercial production :

Unit is already in production since the year 1982.

3) Incase of new Companies, Expected date of commencement activities as per project approved by financial institution appearing in the prospectus :

Not applicable.

4) Financial performance based on given indicators

Sr. No.	Particulars	2006-07 (Rs. In)	2007-08 (Rs. In)	2008-09 (Rs. In)
1	Net Sales	4932.23	4899.33	5674.61
2	Other Income	3.86	27.60	1.44
3	Effect of Closing stock	14.32	(17.71)	(31.17)
4	Total Expenses	4503.96	4543.22	5193.39
5	Interest	91.99	92.64	103.77
6	Depreciation	72.40	69.55	72.31
7	Profit / (Loss)	282.06	203.81	275.41
8	Provision for Taxation	47.03	68.86	98.96
9	Net Profit	235.03	134.95	176.45
10	Paid up Share Capital @ Rs. 10/- each.	288.07	288.07	288.07
11	Reserve & Surplus	560.06	693.83	843.32

5) Export Performance:

Not applicable.

6) Foreign Investments or collaborations if any:

No foreign investments or collaborations.

II. Information about appointee:

1) Background details

Dr. P. N. Bhagwati, Managing director of the company is a key promoter of the Company. He is qualified technocrat and Ph. D. in Foundry Engineering from Aachen, Germany. He is associated with the Company since 1982. He is in-charge of entire unit. The company is continuously performing well despite Global adverse & recessionary situation, the Company has performed exceptionally well and achieved new heights under his esteemed supervision and leadership.

2) Past Remuneration :

Remuneration Paid to Dr. Pravin N. Bhagwati, as a Managing Director during the last three Years:-

Particulars	2006-07	2007-08	2008-09
Salary	1692000	3168000	2760000
House Rent Allowance	762000	1425000	1242000
P. F. Contribution	203040	380160	331200

3) Recognition Or Awards :

Dr. P.N. Bhagwati, is associated with various organizations at state, national and international level. Presently he is the president of World Foundrymen Organization (WFO), Co-ordinator and Chairman of WFO's International Commission on Vocational Training, and Ex-Chairman of Confederation of Indian Industry (CII) (Western region)

He is on the Board of various institutions like:-

- Governing Council of Indo German Tool Room, Ahmedabad.
- Chairman, Academic Advisory Committee of NIRMA Institute of Diploma Studies, Ahmedabad.
- Member, Board of Governance Nirma University, Ahmedabad and Member, Governing Council, Nirma Institute of Management, Ahmedabad.

4) Job Profile & His Suitability :

Dr. P. N. Bhagwati, the Managing Director of the Company has been appointed by the Board of Directors to look after the day to day affairs of the Company. He looks after the affairs of Production, Finance, Administration, Marketing and human resource development with the help of Ms. Reena P. Bhagwati, Jt. Managing Director, senior experts and professionals in their respective fields.

Under his direction and supervision Company has enhanced its sales and profitability.

5) Remuneration Proposed :

The details of the proposed remuneration are mentioned in Explanatory Statement as required under Section 173 (2) of Companies Act, 1956 as item No 5.

6) Comparative Remuneration Profile With Respect To Industry, Size of the Company, Profile Of The Position And Person (In case of expatriates the relevant details would be with respect to the country of his origin)

The remuneration committee and the Board of Directors of the company have recognized the profit and rich, diversified experience of Dr. P. N. Bhagwati, and the increased job responsibilities, accordingly the remuneration committee and the Board of Director have approved the remuneration of Dr. P. N. Bhagwati. His remuneration is comparable and level with similar in the industry.

7) Pecuniary Relationship Directly Or Indirectly With The Company, Or Relationship With The Managerial Personal, If Any :

The Managing Director is also the promoters of the Company and he along with his family Members holds 47.33% Equity Share Capital of the Company.

The Company had not entered into any transaction of a material nature with any of the related parties, which were in conflict with the interest of the Company. Further all transactions with the related parties were in the ordinary course of the business and arms length. Ms. Reena P. Bhagwati, The Jt. Managing Director of the Company and Mrs. Mandakini P. Bhagwati are related to Dr. P. N. Bhagwati.

BHAGWATI AUTOCAST LIMITED

III. OTHER INFORMATION

1. Reasons of Loss or Inadequate Profits:

- a) Foundry industry is working in extreme competitive market with very thin profit margin.
- b) Operational costs of products of the foundries located in Gujarat are substantially higher than other foundries located in other parts of the country.
- c) Our customers are big & OEM, and hence sales rates are governed by market. There is no scope to enhance sales rate on the basis of cost plus margin formula.
- d) We are utilizing full installed capacity and hence volume can not increase, our sales are solely dependent on growth of tractor & other general automobile & engineering industries, where we operate.

In view of the above position, our profit is optimum.

2. Steps taken for improvement :

- a) Company has diversified into new range of products i.e. "Hand Moulding Castings" division. Hand moulded casting, which are high margin product has its applications in general engineering industry which would eventually reduce the dependency on the tractor industry.
- b) Company has generally maintained cordial and amicable relationship with its labours and employees.
- c) Out of total production, almost 75% of the casting production of the Company is normally sold to 2 companies, now your Management wants to reduce dependency on few customers, to implement this planning company has increase the strength of its marketing and R&D department, which will help in the search of new market, innovation of new design and maintenance of international standards quality of products.

3. Expected increase in the productivity.

Bhagwati Autocast Limited, is one of Certified ISO 9001 company, which itself denoted its quality and reliability of products.

The productivity and profits are likely to increase well over the period of next 2-3 years. The expectations of increase of productivities in forthcoming three financial years are as

under:-

Particulars	Rs. In Lacs		
	2008-09	2009-10	2010-11
Net Sales	5674.61	5800.00	6300.00
Other income	1.44	3.20	4.50
Effect of closing stock	(31.17)	6.76	5.25
Total expenses	5193.39	5306.00	5742.75
Interest	103.77	110.00	130.00
Depreciation	72.31	85.00	85.00
Profit (Loss)	275.41	308.96	352.00
Provision for taxation	98.96	104.36	110.00
Net profit	176.45	204.60	242.00
Paid-up share capital @ Rs. 10 each	288.07	288.07	288.07
Reserve & surplus	843.32	1047.92	1289.92

4. DISCLOSURE :

- (1) The remuneration package of Dr. Pravin N. Bhagwati, Managing Director is given in the Notice of 27th Annual General Meeting of the Company.

- (2) (i) Element of remuneration package

(ii) Details of fixed components and performance linked incentive

(iii) Service contract, Notice period Severance fees etc.

The above details are given along with details of his remuneration in the Notice to the extent they are applicable.

Your directors recommend the resolution as they consider the same is in the interest of the Company.

Dr. Pravin N. Bhagwati is interested in the above resolution to the extent that the appointment pertains to him. Ms. Reena P. Bhagwati and Mrs. M. P. Bhagwati are concerned or interested in the above resolution as being relatives of Dr. P. N. Bhagwati.

No other Directors are interested in the proposed resolution.

The Draft Agreement to be entered in to with the Managing Director is open for inspection by Members on any working day between 3.00 p.m. to 5.00 p.m. at the Registered Office of the Company.

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

By order of the
Board of Directors

Place : Ahmedabad
Date : 27/07/2009

Dr. P. N. Bhagwati
Managing Director

DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in placing before you **TWENTY SEVENTH ANNUAL REPORT** and audited accounts for the year ended 31st March 2009.

01. FINANCIAL RESULTS:	For the year Ended 31/03/2009 (Rs.)	For the year Ended 31/03/2008 (Rs.)
Profit before interest, depreciation and taxation	45,149,083	37,095,304
Less: Interest & finance charges	10,377,173	9,760,310
Profit before depreciation & taxation	34,771,910	27,334,994
Less: Depreciation	7,230,896	6,954,604
Profit before tax	27,541,014	20,380,390
Less: Provision for income tax & Fringe Benefit Tax	10,763,000	7,795,000
Less (Add): Reversal of deferred tax liability	(866,857)	(909,226)
Profit after tax	17,644,871	13,494,616
Add : Surplus of last year brought forward	14,887,790	16,393,174
Surplus available for appropriation	32,532,661	29,887,790
APPROPRIATIONS :		
Proposed equity dividend	23,04,547	0
Tax on dividend	3,91,734	0
Transfer to general reserve	15,000,000	15,000,000
Balance of profit carried to balance sheet	14,836,380	14,887,790

02. DIVIDEND :

Your Directors are pleased to recommend the dividend of 8 % on 2,880,684 Equity shares of Rs. 10/- each fully paid up and for the purpose appropriated sum of Rs. 2,304,547 from the profits for the year. In accordance with the amended provision of the Income Tax Act, 1961 no tax will be deducted at source. Your Company will absorb Corporate Dividend Tax of Rs. 391,734

03. OPERATIONS :

During the year under review, Your Company achieved gross sales of Rs. 6,597.04 lacs as compared to earlier years gross sales of Rs. 5,883.20 lacs showing increase of 12.14%.

During the year due to sluggish economy & lower demand of automobile industry the sales in terms of quantity is marginally reduced. Despite volatile raw material prices, increase in labour cost and power costs the net profit has improved due to better sales realisation and strict control over operational costs.

Your Company has decided to modernise by replacing its existing moulding line with a high pressure moulding line namely "DISAFLEX 70". Total cost of the project is estimated at Rs. 800.00 lacs approximately. This will result in improvement of quality, reduction of manpower & improve productivity in the coming years.

04. DIRECTORS :

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

05. AUDITORS :

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. FIXED DEPOSITS :

There are no unclaimed / unpaid deposits as on 31/03/2009.

07. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed in terms of section 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.

08. PARTICULARS OF EMPLOYEES :

The Details of the employees, who were in receipt of remuneration of not less than Rs. 2,400,000 /- during the year ended 31st March, 2009 or not less than Rs. 200,000/- per month during any part of the said year is annexed herewith as part of the Directors report.

09. 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, 2009 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;
- That they have prepared the annual accounts on a going concern basis.

10. 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 : 27/07/2009

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 2009.

A. Employed for whole of the year and was in receipt of remuneration aggregating to Rs. 2,400,000/- 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	4,830,467	PhD. (Germany) 42 Years	01/04/1984	73	Organisation Managing Director- Bhagwati Spherocast Pvt. Ltd.

Notes :

- Dr. P N Bhagwati Managing Director of the Company is a relative of Miss R P Bhagwati Jt. Managing Director and Mrs. Mandakini 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, 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 tubelights 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 are optimised to reduce holding & extra rining.
- Ceramic fibre lining are provided in muffle furnace for insulation.
- Inefficient motors replaced by new high efficient motors and the same being monitored on contineous 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 (Adhoc 10 HP) optimisation 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 tubelights.
- 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 pleased 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	2008-09	2007-08
[A] Power & Fuels consumption :		
1. Electricity		
[a] Purchased		
- Units	11325400	12027480
- Total Amount [Rs. Lacs]	671.11	623.63
- Rate / Unit [Rs.]	5.93	5.19
[b] Own Generation		
[i] Through Diesel Generator		
- Units	4394	8884
- Units per liter of diesel oil	3.00	3.00
- Cost per unit [Rs.]	39.47	38.96
[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	Electricity
	perMT of Castings	MT of Castings
[i] C I Castings	1153	1129
[ii] S G I Castings	1309	1307

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 :

- 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 computerisation 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.
- 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 ARNINGS AND OUTGO:

There is no export of Castings during the year under review

	2008-09	2007-08
	[Rs]	[Rs]
Total Foreign Exchange used	152,458	106,893
Total Foreign Exchange earned	Nil	Nil

For and on behalf of the
Board of Directors
Dr. P N Bhagwati
Chairman

Place : Ahmedabad
Date : 27/07/2009

AUDITORS' REPORT

To,
The Members,
BHAGWATI AUTOCAST LIMITED

1. We have audited the attached balance sheet of **BHAGWATI AUTOCAST LIMITED** as at 31st March 2009 and also the profit and loss account and the cash flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (referred to as "the Act") we enclose in the Annexure, a statement on the matters specified in the paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that :-
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - iii. The Balance Sheet, Profit & Loss account and Cash Flow statement dealt with by this report are in agreement with the books of account.
 - iv. In our opinion, the Balance Sheet, Profit & Loss account and Cash Flow statement dealt with by this report complies with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - v. Based on the written representations made by all the directors of the Company as on 31st March 2009 and according to the information and explanations as made available and taken on record by Board of Directors, We report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of section 274 (1) of the Act.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with note No. 05 regarding non payment of Gratuity contribution of Rs. 46.52 lacs and Superannuation contribution of Rs. 8.89 lacs and other

notes thereon give the information required by the Act, in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009,
- b. In the case of the Profit and Loss Account of the Profit of the Company for the year ended on that date and,
- c. In the case of the Cash Flow statement of the cash flows for the year ended on that date.

For Milin J Jani & Co.
Chartered Accountants

Milin J Jani
Proprietor

Place : Ahmedabad
Date : 27/07/2009

Membership No. 44077

ANNEXURE TO AUDITORS' REPORT

Re: Bhagwati Autocast Limited

Referred to in paragraph 3 of our report of even date

- i.) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Fixed Assets have been physically verified by the Management during the year ended 31.03.2009 in a phased periodical manner, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on verification.
- c) During the year, the Company has not disposed of major part of the fixed assets.
- ii.) a) The inventory (except stock lying with the third parties for which confirmation received from them) have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) The company is maintaining proper records of inventory. No material discrepancies were noticed on verification of stocks as compared to book records.
- iii.) a) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act. 1956. Consequently, requirement of clauses (iii,b), (iii,c), (iii,d), of paragraph 4 of the order are not applicable.
- b) The Company has taken loans/deposits from

BHAGWATI AUTOCAST LIMITED

- companies, firms or other parties listed in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year was Rs. 64,50,000/- and the year-end Balance of loans taken from such parties was Rs. 64,50,000/-.
- c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions are not prima-facie prejudicial to the interest of the company.
- d) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interests.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of Inventory, fixed assets and with regard to sale of goods. Further on the basis of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, We have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- v) a) According to the information and the explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Act, have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts, arrangements entered in the register maintained under Section 301 of the Act, and exceeding the value of Rs. 5.00 (Five) Lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A and 58AA of the Companies (Acceptance of Deposits) Rules 1975 with regard to the deposits accepted from the public. According to information and explanations given to us no order under the aforesaid sections has been passed by the Company Law Board on the Company.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) We have been informed by the management that the maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Act, for the products of the Company.
- ix) a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess were in arrears.
- x) The Company does not have accumulated loss at the end of the year and the Company has not incurred cash loss during the current & preceding year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of paragraph 4 of the order are not applicable.
- xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause (xiv) of paragraph 4 of the order are not applicable.
- xv) In our opinion and according to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks/financial institutions. Therefore. The provisions of clause (xv) of paragraph 4 of the order are not applicable.
- xvi) In our opinion, the term loans obtained have been applied for the purpose for which they were taken.
- xvii) According to the information and explanations given to us, on an overall basis, funds raised on short term basis have not, prima facie, been used during the year for long-term investments.
- xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the register under section 301 of the Companies Act, 1956.
- xix) According to the information and explanations given to us the Company had not issued any Secured Debentures during the year.
- xx) During the year, the Company has not raised money by public issue(s).
- xxi) To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company, was noticed or reported during the year.

For **Milin J Jani & Co.**
Chartered Accountants

Milin J Jani
Proprietor

Place : Ahmedabad

Date : 27/07/2009

Membership No. 44077

BALANCE SHEET AS AT 31st MARCH, 2009

	Schedule No.	As at 31 st March, 2009		As at 31 st March, 2008	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
i) Shareholders' Funds					
- Share Capital	1	28,806,840		28,806,840	
- Reserves & Surplus	2	84,331,839		69,383,249	
			113,138,679		98,190,089
ii) Loan Funds					
- Secured Loans	3	33,786,653		17,883,658	
- Unsecured Loans	4	12,726,420		11,671,699	
			46,513,073		29,555,357
iii) Deferred Tax Liabilities	5		4,622,868		5,489,725
T O T A L ...			164,274,620		133,235,171
APPLICATION OF FUNDS					
i) Fixed Assets	6				
- Gross Block		143,974,546		143,074,633	
- Less : Depreciation		87,921,986		81,080,036	
Net Block			56,052,560		61,994,597
ii) Current Assets, Loans & Advances					
- Inventories	7	17,556,369		27,455,258	
- Sundry Debtors	8	172,794,459		154,777,067	
- Cash & Bank Balances	9	5,001,167		2,621,806	
- Loans & Advances	10	39,160,272		31,660,522	
		234,512,267		216,514,653	
Less : Current Liabilities & Provisions	11	126,771,086		146,186,765	
Net Current Assets			107,741,181		70,327,888
iii) Miscellaneous Expenditure	12		480,879		912,686
T O T A L ...			164,274,620		133,235,171
Significant Accounting Policies and Notes Forming part of the accounts	18				

As per our separate report of even date attached

For Milin J. Jani & Co.
Chartered Accountants

Dr. P. N. Bhagwati
Chairman & Managing Director

Mrs. M. P. Bhagwati
Director

Milin J Jani
Proprietor
Membership No. 44077

Ms. R.P. Bhagawati
Jt. Managing Director

M. N. Shah
Director

D.K. Sheth
Financial Controller

B. L. Dalal
Director

Place : Ahmedabad
Dated : 27/07/2009

Place : Ahmedabad
Dated : 27/07/2009

BHAGWATI AUTOCAST LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

	Schedule No.	Rs.	2008-09 Rs.	Rs.	2007-08 Rs.
INCOME					
Sales : [Gross]		659,703,716		588,319,594	
Less : Excise Duty		77,570,154		81,018,996	
Less : Sales Tax		14,672,361		<u>17,367,690</u>	
			567,461,201		489,932,908
Miscellaneous Income	13		144,395		2,760,370
(Decrease) / Increase in stocks	14		(3,116,819)		<u>(1,771,426)</u>
			564,488,777		490,921,852
EXPENDITURE					
Purchase of Materials for resale		631,071		432,463	
Raw Materials consumed	15		298,621,471		242,117,383
Manufacturing, Administrative, Selling and Distribution Expenses	16		220,087,152		211,773,138
Interest & Finance Charges	17		10,377,173		9,263,874
Depreciation			7,230,896		<u>6,954,604</u>
			536,947,763		470,541,462
PROFIT BEFORE TAX			27,541,014		20,380,390
Provisions for Taxation					
Less : Income Tax			10,500,000		7,500,000
Less : Fringe Benefit Tax			263,000		295,000
Add : Deferred Tax Credit			866,857		<u>909,226</u>
PROFIT AFTER TAX			17,644,871		13,494,616
Add : Balance of profit brought forward from previous year			14,887,790		<u>16,393,174</u>
PROFIT AVAILABLE FOR APPROPRIATION			32,532,661		<u>29,887,790</u>
APPROPRIATIONS:					
Proposed Equity Dividend			2,304,547		0
Corporate Tax on Dividend			391,734		0
Transfer to General Reserve			15,000,000		15,000,000
Balance carried to Balance sheet			14,836,380		<u>14,887,790</u>
			32,532,661		29,887,790
Basic & Diluted Earning per share			6.13		4.68
Significant Accounting Policies and Notes Forming part of the accounts	18				

As per our separate report of even date attached to the Balance Sheet

For Milin J. Jani & Co.
Chartered Accountants

Dr. P. N. Bhagwati
Chairman & Managing Director

Mrs. M. P. Bhagwati
Director

Milin J Jani
Proprietor
Membership No. 44077

Ms. R.P. Bhagawati
Jt. Managing Director

M. N. Shah
Director

D.K. Sheth
Financial Controller

B. L. Dalal
Director

Place : Ahmedabad
Dated : 27/07/2009

Place : Ahmedabad
Dated : 27/07/2009

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31 st March, 2009	As at 31 st March, 2008
	Rs.	Rs.
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED :-		
3,000,000 (previous year 3,000,000) Equity shares of Rs. 10/- each	<u>30,000,000</u>	<u>30,000,000</u>
ISSUED :-		
2,933,637 (previous year 2,933,637) Equity shares of Rs. 10/- each	29,336,370	29,336,370
SUBSCRIBED & PAID UP :-		
2,880,684 (previous year 2,880,684) Equity shares of Rs. 10/- each fully paid up	28,806,840	28,806,840
T O T A L . . .	<u>28,806,840</u>	<u>28,806,840</u>

SCHEDULE - 2
RESERVES & SURPLUS

Capital reserves		
On re-issue of forfeited shares	4,500	4,500
Share premium account	24,970,640	24,970,640
General reserve		
Balance as per last Year	29,520,319	14,638,038
Less: Provision for Gratuity of earlier years	0	117,719
Add : Transfer from Profit & Loss Account	<u>15,000,000</u>	<u>15,000,000</u>
	44,520,319	29,520,319
Profit & Loss Account	14,836,380	14,887,790
T O T A L . . .	<u>84,331,839</u>	<u>69,383,249</u>

BHAGWATI AUTOCAST LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

	Rs.	As at 31st March, 2009 Rs.	Rs.	As at 31st March, 2008 Rs.
SCHEDULE - 3				
SECURED LOANS				
(i) From Bank of Baroda				
- Terms Loan		1,200,000		2,300,000
(Repayable within one years Rs. 1,200,000)				
- Cash Credit Facilities		32,410,903		15,207,384
(Both are Secured against hypothecation of stock of raw materials, consumable stores, stock in process, finished goods & book debts, plant & machinery and equitable mortgage of the land [bearing survey No. 816] & factory building and further guaranteed by Managing Director and partly guaranteed up to Rs. 225.00 Lacs by the promoter Company)				
(ii) From Others		175,750		376,274
(Secured by hypothecation of a vehicle)				
TOTAL . . .		<u>33,786,653</u>		<u>17,883,658</u>
 SCHEDULE - 4				
UNSECURED LOANS				
Deposits :-				
- From Directors		3,570,000		3,070,000
- From Company		6,450,000		6,450,000
[in which directors are interested as Director]				
- From others		2,000,000		1,500,000
- Interest accrued & due on deposits		706,420		651,699
TOTAL . . .		<u>12,726,420</u>		<u>11,671,699</u>
 SCHEDULE - 5				
DEFERRED TAX LIABILITIES				
Opening Balance		5,489,725		6,398,951
Less : Credit for the current year		866,857		909,226
Balance Carried Forward...		<u>4,622,868</u>		<u>5,489,725</u>

SCHEDULES FORMING PART OF THE ACCOUNTS												
SCHEDULE 6 FIXED ASSETS	GROSS BLOCK						DEPRECIATION				NET BLOCK	
	As on 01-04-08 Rs.	Additions during the year Rs.	Deductions during the year Rs.	As on 31-03-09 Rs.	Provided up to 31-03-08 Rs.	Provided during the year Rs.	Deductions during the year Rs.	Provided up to 31-03-09 Rs.	As on 31-03-09 Rs.	As on 31-03-08 Rs.		
	Particulars	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
Land (Free hold)	1,354,143	0	0	1,354,143	0	0	0	0	1,354,143	1,354,143		
Office Building	3,245,779	0	0	3,245,779	418,973	52,906	0	471,879	2,773,900	2,826,806		
Factory Building	18,699,143	0	0	18,699,143	8,698,655	627,631	0	9,326,286	9,372,857	10,000,488		
Plant & Machineries	93,837,279	625,540	409,416	94,053,403	55,741,398	4,938,918	388,946	60,291,370	33,762,033	38,095,881		
Electrical Installation	2,396,946	0	0	2,396,946	1,970,442	32,360	0	2,002,802	394,144	426,504		
Laboratory Equipments	1,024,970	0	0	1,024,970	180,292	48,706	0	228,998	795,972	844,678		
Furniture & Fixtures	1,943,760	0	0	1,943,760	1,064,977	81,736	0	1,146,713	797,047	878,783		
Vehicles	1,989,617	49,437	0	2,039,054	1,182,585	147,973	0	1,330,558	708,496	807,032		
Office Equipments	991,487	40,499	0	1,031,986	407,809	44,852	0	452,661	579,325	583,678		
Computer	2,962,694	247,354	0	3,210,048	1,792,494	303,175	0	2,095,669	1,114,379	1,170,200		
Moulding Boxes, Patterns & Pattern Plates	14,628,815	346,499	0	14,975,314	9,622,411	952,639	0	10,575,050	4,400,264	5,006,404		
TOTAL	143,074,633	1,309,329	409,416	143,974,546	81,080,036	7,230,896	388,946	87,921,986	56,052,560	61,994,597		
PREVIOUS YEAR ..	136,884,206	6,599,842	409,415	143,074,633	74,514,374	6,954,604	388,942	81,080,036	61,994,597	62,369,832		

BHAGWATI AUTOCAST LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

	Rs.	As at 31 st March, 2009 Rs.	Rs.	As at 31 st March, 2008 Rs.
SCHEDULE - 7				
INVENTORIES				
[As taken, valued & certified by the management]				
(i) Stores, spares etc.		7,049,503		7,237,842
(ii) Raw materials		3,101,573		9,695,304
(iii) Stock in transit		0		201,328
(iv) Trading Goods [Patterns & Moulding Boxes]		46,000		46,000
(v) Work in process		3,582,273		1,407,312
(vi) Finished goods		3,777,020		8,867,472
TOTAL ...		<u>17,556,369</u>		<u>27,455,258</u>
SCHEDULE - 8				
SUNDRY DEBTORS				
[Unsecured, considered good]				
(i) Debts outstanding for a period exceeding six months		18,795,457		8,243,358
(ii) Other debts		153,999,002		146,533,709
TOTAL ...		<u>172,794,459</u>		<u>154,777,067</u>
SCHEDULE - 9				
CASH AND BANK BALANCES				
(i) Cash on hand		147,642		219,599
(ii) Balance with scheduled banks				
- In current accounts		2,085,054		288,224
- In deposits/margin accounts		<u>532,758</u>		<u>350,000</u>
		2,617,812		638,224
(iii) Balance in Current Account with The Bavla Nagrik Co-Operative Bank Ltd. [Maximum Balance during the year Rs. 9,380,245/- (Previous Year Rs. 9,851,001)]		2,235,713		1,763,983
TOTAL ...		<u>5,001,167</u>		<u>2,621,806</u>

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31 st March, 2009 Rs.	As at 31 st March, 2008 Rs.
SCHEDULE - 10		
LOANS AND ADVANCES		
[Unsecured, considered good]		
(i) Advances recoverable in cash or in kind or for value to be received [including Rs. 26,000/- from officers of the Company(Previous year Rs. 44,000)]	4,946,448	4,504,330
(ii) Advance Payment of Taxes	24,055,640	13,322,108
(iii) Balance with Excise Department	1,733,995	5,565,260
(iv) Sundry deposits	8,424,189	8,268,824
TOTAL . . .	39,160,272	31,660,522

SCHEDULE - 11
CURRENT LIABILITIES & PROVISIONS
[A] Current Liabilities :

(i) Sundry creditors for Materials	67,727,218	99,873,402	
(ii) Sundry creditors for Expenses	11,132,941	9,462,519	
(iii) Sundry creditors for Capital Goods	11,730	749,682	
(iv) Other liabilities	5,581,244	4,649,864	
(v) Bills Payable	2,553,027	5,687,644	
	87,006,160	120,423,111	

[B] Provisions:

(i) Proposed Dividend	2,304,547	0	
(ii) Corporate Tax on Dividend	391,734	0	
(iii) Provision for Income Tax	27,280,580	16,517,580	
(iv) Provision for accrued leave salary	2,739,843	2,649,931	
(v) Provision for Bonus	1,506,964	1,548,747	
(vi) Provision for Gratuity Contribution	4,652,058	4,138,396	
(vii) Provision for Superannuation Contribution	889,200	909,000	
	39,764,926	25,763,654	

TOTAL . . .
126,771,086
146,186,765
SCHEDULE - 12
MISCELLANEOUS EXPENDITURE

[To the extent not written off or adjusted]

Preliminary Expenses

Rights Issue Expenses			
Balance as per Last Balance sheet	912,686	1,344,493	
Less: 1/5th Written off	431,807	431,807	
	480,879	912,686	

TOTAL . . .
480,879
912,686

BHAGWATI AUTOCAST LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

	Rs.	2008-09 Rs.	Rs.	2007-08 Rs.
SCHEDULE - 13				
MISCELLANEOUS INCOME				
(i) Insurance Claim Receipts		0		51,000
(ii) Sundry Balances Written Back		96,866		5,426
(iii) Profit on sale of Fixed Assets		44,529		39,529
(iv) Sundry Income		3,000		2,664,415
TOTAL . . .		<u>144,395</u>		<u>2,760,370</u>

SCHEDULE - 14

(DECREASE) / INCREASE IN STOCK

Opening Stock	- Finished goods	8,867,472		6,576,858
	- Work in process	1,407,312		2,645,725
	- Trading goods	46,000		2,165,123
	- In transit	<u>201,328</u>		<u>905,832</u>
			10,522,112	12,293,538
Less:				
Closing Stock	- Finished goods	3,777,020		8,867,472
	- Work in process	3,582,273		1,407,312
	- Trading goods	46,000		46,000
	- In transit	<u>0</u>		<u>201,328</u>
			7,405,293	10,522,112
TOTAL . . .		<u>(3,116,819)</u>		<u>(1,771,426)</u>

SCHEDULE - 15

RAW MATERIALS CONSUMED

Opening Stock		9,695,304		5,431,590
Add: Purchases		292,027,740		246,381,097
Less: Closing Stock		<u>3,101,573</u>		<u>9,695,304</u>
			298,621,471	242,117,383
TOTAL . . .		<u>298,621,471</u>		<u>242,117,383</u>

SCHEDULES FORMING PART OF THE ACCOUNTS

	2008-09	2007-08
	Rs.	Rs.
SCHEDULE - 16		
MANUFACTURING, ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES		
Payments to & Provisions for Employees :		
Salary & Wages	39,897,165	40,185,920
Contribution to Provident & Other Funds	1,814,158	1,834,005
Staff Welfare	939,738	922,850
	42,651,061	42,942,775
Stores, Spares & Tools consumed	69,443,585	69,625,582
Power and fuel		67,110,786
62,362,902		
Processing Charges	21,671,988	19,449,882
Repairs to :-		
Building	4,891,689	1,986,445
Machinery	411,759	515,975
Others	1,022,175	1,248,307
	6,325,623	3,750,727
Managerial Remuneration	6,030,467	6,106,308
Postage & Telephone	432,234	529,574
Stationery & Printing	350,770	390,472
Rent, Rates & Taxes	17,500	16,000
Insurance	121,523	305,410
Traveling & Conveyance [*]	855,203	1,434,954
Vehicle Expenses		532,791
588,044		
Legal & Professional Charges	1,108,088	576,989
Selling Expenses	2,236,943	2,312,841
General Charges	764,283	948,871
Rights Issue Expenses Written Off	431,807	431,807
Donation	2,500	0
TOTAL . . .	220,087,152	211,773,138

[*] Including Managing Director's Traveling expenses Rs. 91,998/- (Previous year Rs. 353,936/-) and Managing Director's Foreign Tour Expenses Rs. 253,069/- (Previous Year Rs. 471,730/-).

SCHEDULE - 17
INTEREST & FINANCE CHARGES

Interest Paid		
On term loans to Bank	289,526	499,935
Bills discounting charges	7,360,229	5,869,573
Interest & Bank charges to Banks	1,547,520	1,265,041
Intrest others	1,796,473	2,125,761
	10,993,748	9,760,310
[Including Rs. 480,185/- (Previous Year Rs. 4,86,842/-) being interest paid to the Managing Director & Directors on Fixed Deposit]		
Less : Interest received [Gross]		
From Banks	55,063	1,030
From Others	561,512	495,406
(TDS deducted Rs. 108,573/- previous year Rs. 23,149/-)	616,575	496,436
20 TOTAL . . .	10,377,173	9,263,874

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SCHEDULE – 18

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS

[A] SIGNIFICANT ACCOUNTING POLICIES

01. Basis of accounting :

The financial statements have been prepared on historical cost convention in accordance with the generally accepted accounting Principles, the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent they are applicable to the Company and the provisions of the Companies Act, 1956.

02. Use of estimates :

The presentation of financial statements in conformity with the generally accepted accounting principles requires, the management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets & liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/materialised.

03. Fixed assets :

Fixed assets are stated at cost net of CENVAT / VAT to the extent applicable, less accumulated depreciation. Direct costs related to acquisition of fixed assets are capitalised when the assets are put to use. These costs include freight, installation cost, duties & taxes and other allocated expenses, including finance cost relating to specific borrowing incurred during the construction period. Moulding boxes, patterns / pattern plates & dies are considered as fixed assets.

04. Depreciation :

Depreciation on all the fixed assets installed and/or acquired up to 31st December, 1986 is provided on straight line method in accordance with Section-205 (2)(b) of the Companies Act, 1956, read with circular No.1/86 CL.V.No.15 (50)-84 CL.VI dated 21/05/86 issued by the department of Company affairs.

Depreciation on all the fixed assets, installed and/or acquired, after 31st December, 1986 but up to 15th December, 1993 are provided on straight line method, at the rates prescribed in the schedule-XIV to the Companies (Amendment) Act, 1988, and those installed and/or acquired after 15th December, 1993 are provided on straight line method at revised rates amended by Notification No. 756 E Dated 16th December, 1993 to the Schedule-XIV of the Company's Act, 1956. Depreciation is charged on a pro-rata basis for assets put to use/sold during the year. Individual assets costing less than Rs. 5000/- are depreciated in full in the year in which it is acquired. The management has estimated useful lives of following items of fixed assets and rates of depreciation are arrived at accordingly as follows which are more than prescribed rates.

Category of assets	Rate of depreciation
Moulding boxes, patterns/pattern plates & dies	15 %

05. Inventories :

[a] Stores & spares	:	At cost [on FIFO method]
[b] Raw materials	:	At cost or net realisable value, whichever is lower
[c] Work in process	:	At cost or net realisable value, whichever is lower
[d] Finished goods	:	At cost or net realisable value, whichever is lower
[e] Stock in Transit	:	At cost
[f] Trading Goods	:	At cost
[g] Sales returns & Runners / Risers	:	At estimated cost

06. Employees Retirement benefit :

Short term employee benefits (which are payable within 12 months after the end of the period in which the employees render service) are measured at cost.

Long term employee benefits (which are payable after the end of 12 months from the end of the period in which the employees render service) and post employment benefits (benefits which are payable after completion of employment) are measured on a discounted basis by the Projected Unit Credit Method on the basis of Actuarial Valuation.

Contribution to provident fund a defined contribution plan are made in accordance with the statute.

The cost of providing leave encashment and gratuity defined benefit plans are determined using Projected Unit Credit Method on the basis of Actuarial valuation.

07. Borrowing cost :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

08. Revenue recognition:

Income and Expenditure are recognized and accounted on Accrual Basis. Revenue from Sale of goods is recognized on delivery of the goods, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to customers & no effective ownership is retained However;

- [a] Revenue in respect of insurance / other claims etc., is recognised only when it is reasonably certain that the ultimate collection will be made.
- [b] Export Incentives in respect of exports made under the Duty Entitlement Pass Book Scheme is being accounted for on transfer.
- [c] Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

09. Research and development:

Revenue expenditure on research and development is charged to Profit and loss account in the year in which it is incurred. Capital expenditure on assets acquired for research and development is added to the fixed assets.

10. Accounting of CENVAT:

CENVAT credit of Excise duty is accounted on the basis of materials including capital goods purchased. CENVAT credit on capital goods, spares etc is accounted on the basis of their date of purchase. CENVAT Credit of service tax is accounted on the payment basis of services obtained.

11. Excise duty:

Excise duty payable on finished goods is being accounted for on basis of clearance of goods.

12. Earning per share:

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax (and includes the post tax effect of extra ordinary items.) The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

13. Taxation:

Tax expense for the year, comprising current tax and deferred tax is included in determining the net profit for the year.

A Provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted tax rates.

Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

14. Segment reporting:

The Company deals in only one product segment i.e. "Manufacturing of castings" and hence requirements of AS-17 "Segment reporting" issued by ICAI are not applicable.

15. Contingent liabilities & Provisions:

A Provision is recognised when the Company has a legal & constructive obligations as results of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not possible that an outflow of resources will be required to settle it, contingent assets are neither recognised nor disclosed.

16. Impairment of Assets:

The Company on an annual basis make an assessment of any indicator that may lead to impairment of assets. If any such indication exists, the Company estimates recoverable amount of the assets. If such recoverable amount is less than the carrying amount, than the carrying amount is reduced to its recoverable amount by treating the difference between them as impairment loss and is charged to the profit & loss account.

17. Foreign currency transactions:

- [a] Initial recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the

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exchange rate between the reporting currency and the foreign currency of the date of the transaction.

[b] Conversion:

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate of the date of the transaction; and non-monetary items which are carried of fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

[c] Exchange differences:

Exchange difference arising on the settlement of monetary items or on reporting Company's monetary items of rates different from those of which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

[d] Forward Exchange Contracts not intended for trading:

The premium or discount arising of the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

18. Preliminary Expenditure :

Rights issue expenses are written off over a period of Five years.

B] NOTES FORMING PART OF THE ACCOUNTS

01. Related party transaction:

Disclosures in respect of transaction with related parties, as defined in Accounting Standard 18 issued by the Institute of Chartered Accountants of India, which have taken place during the year under review are given below:

A List of related parties:

I) Parties where control Exists :

1. Bhagwati Spherocast Pvt Ltd
2. Bhagwati Filters Pvt Ltd
3. Bhagwati Pyrotech Pvt Ltd
4. Bhagwati Human Capital Management Pvt Ltd
5. Bhagwati Associates Pvt Ltd

II) Other parties with whom Company entered in to transaction during the year

- | | | |
|-------------------|---|-----|
| i) Joint ventures | : | Nil |
| ii) Associate | : | Nil |

III) Key management personnel and enterprises having common key management personnel or their relative

Key management personnel

- | | | |
|---------------------|---|-----------------------|
| 1) Dr. P N Bhagwati | - | Managing Director |
| 2) Ms. R P Bhagwati | - | Jt. Managing Director |

Relatives of key management personnel :

Mrs. M P Bhagwati, wife of Dr. P N Bhagwati

B During the year following transaction were carried out with related parties in the ordinary course of business and at arms length.

Sr.Nature of Transaction No.	Associates	Key Management personnel	Enterprises/ Relatives of Key Management personnel
	(Rupees)	(Rupees)	(Rupees)
1 Managerial remuneration	0	6,030,467	0
2 Interest paid / Provided on fixed deposit	0	355,500	94,685
3 Fixed deposit received	0	2,370,000	7,650,000
4 Services obtained [Incl. of Service Tax]	96,275	0	0

Note : No amount has been provided as doubtful debt or advance/written off or written back in the year in respect of debts due from/to above related parties.

02. Previous year's figures have been regrouped/rearranged/recast wherever necessary so as to make them comparable with

current year's figures.

03. Contingent liabilities not provided for :	2008-09	2007-08
	(Rupees)	(Rupees)
- Bills / cheques purchased	0	20,048,553
- Excise Duty in respect of which appeal have been filed	1,153,239	1,153,239
-Claims against the Company not acknowledged as Debts	76,500	288,000
04. Letters of balance confirmation have been sent to various parties, and are subject to confirmation and reconciliation if any.		
05. The contribution of gratuity outstanding Rs. 46.52 Lacs (Previous year Rs. 41.38 Lacs) and of superannuation outstanding Rs. 8.89 lacs (Previous year Rs. 9.09 Lacs) and interest if any, payable thereon.		
06. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated in the balance sheet, if realised in the ordinary course of the business. Provision for depreciation and all known liabilities have been made in accounts.		
07. In terms of Accounting Standard 28 – Impairment of Assets issued by ICAI, the management has reviewed its fixed Assets and arrived at the conclusion that Impairment loss which is difference between the carrying amount and recoverable value of Assets, was not material and hence no provision is required to be made.		
08. Earnings per share:	2008-09	2007-08
- Net profit attributable to Shareholders (in Rupees)	17,644,871	13,494,616
- Weighted average number of equity shares	2,880,684	2,880,684
- Basic earnings per share of Rs.10/- each (in Rupees)	6.13	4.68

Note :- The company does not have any outstanding dilutive potential equity shares, Consequently the basic and diluted earning per share of the company remain the same.

09. Estimated amount of contracts remaining to be executed on capital account not provided for Rs. 15.63 lacs excluding taxes & levies [previous year RS. Nil].
10. The Company has preferred appeal before Sales tax Authorities for claim of set-off on purchase of metal scrap in past several years, and it will account for the same in the year of actual receipt or when it is ascertained actionable claim.
11. The Company has received demand for Excise Duty on sale of patterns & moulding boxes for financial years 2001-02, 2002-03, 2003-04, 2004-05 & 2005-06 against which the Company has preferred appeals before Commissioner of Excise as well as CESTAT and also paid Rs. 1,153,239 under protest which has been shown as balance with Excise Department in the accounts.
12. Employee Defined Benefits: Defined benefit plans-as per Actuarial Valuation on 31st March, 2009

Particulars

Gratuity Plan (Rupees)

I. The amounts recognised in the balance sheet

1. Present value of funded obligations	8,499,971
2. Fair value of plan assets	8,499,971
3. Present value of unfunded obligations	5,981,984
4. Unrecognised past service cost	0
5. Net Liability	5,981,984
6. Amount in the balance sheet	5,981,984

II. The amount recognised in the Statement of Profit & Loss Account

1. Current service cost	703,493
2. Interest on obligation	877,296
3. Expected return on plan assets	(676,759)
4. Actuarial losses (gains) recognised	964,153
5. Total, included in " employee benefit expense"	1,868,183
6. Actual return on plan assets	306,732

III. Changes in the resent value of the defined benefit obligation representing reconciliation of opening and closing balances thereof

1. Opening defined benefit obligation	12,532,799
2. Service cost	703,493

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3. Interest cost	877,296
4. Actuarial losses (gains)	594,126
5. Losses(gain) on curtailments	0
6. Liabilities extinguished on settlements	0
7. Liabilities assumed in an amalgamation in the nature of purchase	0
8. Exchange difference on foreign plans	0
9. Benefits paid	(225,759)
10. Closing defined benefit obligation	14,481,955

IV. Change in the fair value of plan assets representing reconciliation of the opening and closing balances thereof

1. Opening fair value of plan assets	8,418,998
2. Expected return	676,759
3. Actuarial gains and (losses)	(370,027)
4. Assets distributed on settlements	0
5. Contribution by employer	0
6. Assets acquired in an amalgamation in the nature of purchase	0
7. Exchange differences on foreign plans	0
8. Benefits paid	(225,759)
9. Closing balance of fair value of plan assets	8,499,971

V. Principal actuarial assumption at the balance sheet date

1. Discount rate	7.00%
2. Expected return on plan assets	8.00%
3. Annual increase in salary cost	6.00%

General Description of the Defined Benefit plan:

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service, or retirement, whichever is earlier. The benefit vests after five years of continuous service.

13. Sundry creditors include Rs. 5,969,127/- [previous year Rs. 8,458,245/-] due to Micro & Small Enterprises as defined under the MSMED Act, 2006. Further no interest during the year has been provided on the same.
14. Transit insurance are shown net after recovery of Rs. 157,659/- (Previous year Rs. 46,509).
15. (a) The computation of net profit for the purpose of Directors' remuneration under Section-349 of the Companies Act, 1956 is as under:-

Particulars	2008-09 (Rs.)	2007-08 (Rs.)
Balance as per Profit & Loss account	17,644,871	13,494,616
Add 1) Managing Director's Remuneration	6,030,467	6,106,308
2) Depreciation as per Books	7,230,896	6,954,604
Sub Total	30,906,234	26,555,528
Less 1) Depreciation u/s 350 of the Companies Act, 1956	7,230,896	7,230,896
6,954,604		
2) Profit on sale of Fixed Assets	44,529	39,529
Net Profit for the purpose of Managerial Remuneration	23,630,809	19,561,395
10% of the Profit	2,363,081	1,956,140
Hence paid minimum	6,030,467	6,106,308

- (b) The Managing Director's Remuneration consists of:

Particulars	2008-09 (Rs.)	2007-08 (Rs.)
- Salary	3,960,000	3,768,000
- House rent allowance	1,242,000	1,425,000
- P F contribution	331,200	380,160
- Contribution to superannuation fund	414,000	475,200
- Perquisites	83,267	57,948
Total :-	6,030,467	6,106,308

16. Payment made to auditors of the Company :-

Particulars	2008-09 (Rs.)	2007-08 (Rs.)
- For Audit Fees	10,000	10,000
- For Tax Audit Fees	2,500	2,500
- Out of pocket Expenses	4,490	4,350
Total :-	16,990	16,850

17. Additional information pursuant to the provisions of paragraphs 3, 4c & 4d of part-II of schedule VI to the Companies Act, 1956.

Particulars	Unit of Measurement	2008-09 Quantity	2007-08 Quantity
A Capacities & Production			
I) Licensed Capacity		N.A.	N.A.
II) Installed Capacity	MT	13,500	13,500
III) Actual Production			
a) S G Iron Castings	MT	267	256
b) C I Castings	MT	9,462	10,359

Notes : - Installed Capacity is mentioned on the basis of melting capacity on 3 shift basis.

- Licensed Capacity is not applicable in terms of Government of India's notification no. 477(e) dated 25/07/1991.

Particulars	Unit of Measurement	Quantity	2008-09 (Rupees)	Quantity	2007-08 (Rupees)
B Sales					
I) S G Iron Castings	MT	272	21,379,430	258	17,497,739
II) C I Castings	MT	9,560	635,850,822	10,361	559,934,871
Sub Total ... [A]	MT	9,832	657,230,252	10,619	577,432,610
Less : Sales Returns [Re-used as Raw Materials]					
I) S G Iron Castings	MT	0	0	7	461,974
II) C I Castings	MT	189	13,018,120	199	9,522,450
Sub Total ... [B]	MT	189	13,018,120	206	9,984,424
Net Sales of Castings [A-B]					
I) S G Iron Castings	MT	272	21,379,430	251	17,035,765
II) C I Castings	MT	9,371	622,832,702	10,162	550,412,421
Sub Total ... [C]	MT	9,643	644,212,132	10,413	567,448,186
Add : Other Sales					
III) Patterns & Moulding boxes	Nos.	6	819,223	4	3,503,718
Total Net Sales			645,031,355		570,951,904

- Sales includes Excise duty, Education cess & Higher Secondary Education cess.

C Stocks of Finished Products

[I] S G Iron Castings					
- Opening Stock	MT	13	555,730	10	395,539
- Closing Stock	MT	7	376,437	13	555,730
[II] C I Castings					
- Opening Stock	MT	199	8,311,742	164	6,181,319
- Closing Stock	MT	66	3,400,583	199	8,311,742

D. Trading Goods [Patterns & Moulding Boxes]

Opening Stock	Nos.	1	46,000	2	2,165,123
Purchases	Nos.	6	631,071	3	432,463
Sales / Consumed	Nos.	6	819,223	4	3,503,718
Closing Stock	Nos.	1	46,000	1	46,000

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	Unit of Measurement	Quantity	2008-09 (Rupees)	Quantity	2007-08 (Rupees)
E Raw Materials Consumed					
(i) Scraps	MT	8,252	224,772,436	8,879	185,488,626
(ii) Pig Iron	MT	1,566	43,670,237	1,643	33,131,920
(iii) Ferro Silicon Lumps/Granules, Ferro Silicon Mg Master and Ferro Manganese	MT	250	18,972,334	283	14,335,406
(iv) Others			11,206,464		9,161,432
Total ...			298,621,471		242,117,384
- All quantitative details are as certified by the Management and verified by internal Auditors, Quantity of sales are based on standard weight basis and further test checked by Internal Auditors.					
F C.I.F. Value of Imports			NIL		NIL
G. Expenditure in Foreign Currency					
- Foreign Travelling	Rs.		152,458		106,893
- Others	Rs.		0		21,478
H F.O.B. Value of Goods Exported			NIL		NIL
I Remittances in foreign currencies for Dividend					
i) Number of non resident Shareholders			33		33
ii) Number of shares held			39,856		39,856
iii) Net amount of Dividend - Current			N.A.		N.A.
- Arrears			N.A.		N.A.
J Value of Raw Materials, Stores & Spares Consumed [Rupees] [%] of Total Consumption					
a) Raw Materials				[Rupees]	[%] of Total Consumption
i) Imported		0	NIL	0	NIL
ii) Indigenous		298,621,471	100%	242,117,383	100%
b) Stores & Spares					
i) Imported		0	NIL	0	NIL
ii) Indigenous		69,443,585	100%	69,625,582	100%

Signatures to Schedules 1 to 18

As per our separate report of even date attached to the Balance Sheet

For Milin J. Jani & Co.
Chartered Accountants

Dr. P. N. Bhagwati
Chairman & Managing Director

Mrs. M. P. Bhagwati
Director

Milin J. Jani
Proprietor
Membership No. 44077

Ms. R.P. Bhagawati
Jt. Managing Director

M. N. Shah
Director

D.K. Sheth
Financial Controller

B. L. Dalal
Director

Place : Ahmedabad
Dated : 27/07/2009

Place : Ahmedabad
Dated : 27/07/2009 **27**

CASHFLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2009

Particulars	[RS]	2008-09 [RS]	2007-08 [RS]
[A] CASH FLOW FROM OPERATING ACTIVITIES :			
NET PROFIT/(LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS		27,541,014	
20,380,390			
ADJUSTMENTS FOR :			
- Depreciation	7,230,896	6,954,604	
- Depreciation Reserve written back	(388,946)	(388,942)	
- Provision for Income Tax & Fringe benefit Tax	(10,763,000)	(7,795,000)	
- Interest / Dividend (Net)	10,377,173	9,263,374	
		<u>6,456,123</u>	<u>8,034,536</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		33,997,137	28,414,926
ADJUSTMENTS FOR :			
- Trade And Other Receivables	(14,783,610)	(7,611,194)	
- Inventories	(9,898,889)	(2,652,795)	
- Preliminary Deferred Expenses W/Off	431,807	788,669	
- Trade Payables	(32,874,960)	(3,044,841)	
		<u>(37,327,874)</u>	<u>(12,520,161)</u>
CASH GENERATED FROM OPERATIONS		(3,330,737)	15,894,765
- Interest Paid		(10,377,173)	(9,760,310)
- Direct Taxes Paid		<u>29,468</u>	<u>(962,150)</u>
CASH FLOW BEFORE EXTRAORDINARY ITEMS		(13,678,442)	(5,172,305)
EXTRAORDINARY ITEMS			
- Prior Period Adjustments		-	(117,719)
NET CASH FROM OPERATING ACTIVITIES		(13,678,442)	5,054,586
[B] CASH FLOW FROM INVESTING ACTIVITIES :			
- Purchase of Fixed Assets		(899,913)	(5,845,703)
- Interest Received		-	496,436
NET CASH USED IN INVESTING ACTIVITIES		(899,913)	(5,349,267)
[C] CASH FLOW FROM FINANCING ACTIVITIES :			
- Proceeds From Long Term/Short Term Borrowings		18,258,240	616,699
- Repayment of Long Term/Short Term Borrowings		(1,300,524)	(2,001,957)
- Dividend Paid		-	(76,636)
NET CASH USED IN FINANCING ACTIVITIES		16,957,716	(1,461,894)
NET CASH INCREASE IN CASH AND CASH EQUIVALENTS		2,379,361	
(1,756,579)			
CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE YEAR		<u>2,621,806</u>	<u>4,378,385</u>
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR		5,001,167	2,621,806

Dr. P. N. Bhagwati
Chairman & Managing Director

D. K. Sheth
Financial Controller

Mrs. M. P. Bhagwati
Director

Ms. R. P. Bhagwati
Jt. Managing Director

B. L. Dalal
Director

Place : Ahmedabad
Dated : 27/07/2009

M. N. Shah
Director

BHAGWATI AUTOCAST LIMITED

MILIN J JANI & CO.
Chartered Accountants
306, Shital Varsha Arcade
3rd Floor,
Girish Cold Drink Cross Road
C. G. Road, Ahmedabad – 380 009

AUDITOR'S CERTIFICATE

We have verified the attached Cash Flow statement of M/s BHAGWATI AUTOCAST LIMITED for the year ended 31st March, 2009. The statement has been prepared by the Company in accordance with the requirements of clause 32 of the listing agreement with the Stock Exchanges, which is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

For Milin J Jani & Co.
Chartered Accountants

Place: Ahmedabad
Date : 27/07/2009

Milin J Jani
Proprietor
Membership No. 44077

**ADDITIONAL INFORMATION AS REQUIRED UNDER PART-IV OF
SCHEDULE-VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

[A] Registration Details

- Registration No. - State Code
 - Balance Sheet Date - CIN L27100GJ1981PCL004718

[B] Capital Raised during the year [Amount Rupees in Thousand]

- Public Issue - Private Placement
 - Right Issue - Bonus Issue

[C] Position of Mobilisation and Deployment of Funds [Amount Rupees in Thousand]

Total Liabilities Total Assets

Sources of Funds
Applications of Funds

Paid up Capital	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="7"/>	Net Fixed Assets	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="3"/>
Reserves & Surplus	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="2"/>	Net Current Assets	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="1"/>
Secured Loans	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="8"/> <input type="text" value="7"/>	Deferred Revenue Exps.	<input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="1"/>
Unsecured Loans	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="6"/>		
Deferred Tax	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="3"/>		

[D] Performance of the Company [Amount Rupees in Thousand]

Turnover [Incl. Other Income]	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="6"/>	Total Expenditure	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="8"/>
Profit Before Tax	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="1"/>	Profit After Tax	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="4"/> <input type="text" value="5"/>
Earning per Share	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="."/> <input type="text" value="1"/> <input type="text" value="3"/>	Dividend Rate [%]	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="."/> <input type="text" value="0"/> <input type="text" value="0"/>

[E] Generic Names of Principal Products/Services of the Company [As per Monetary Terms]

<u>Item Code No.</u>	<u>Product Description</u>
<input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="1"/>	Ferrous Castings



BHAGWATI

BHAGWATI AUTOCAST LIMITED

Regd. Office & Works : Survey No. 816,
Village Rajoda, Near Bavla, Dist. Ahmedabad-382 220.

PROXY

I/We

.....
of being a member (s) of BHAGWATI AUTOCAST LIMITED,
hereby appoint of
..... or failing him/her
of as my/our Proxy to vote for me/us and on my/our behalf at the
TWENTY SEVENTH ANNUAL GENERAL MEETING of the Company to be held on 25th September 2009
and at any adjournment thereof.

As Witness my/our hand(s) this day of 2009

Signature(s).....

Ledger Folio No.

1 Rupee
Revenue
stamp

Note : The proxy must be returned so as to reach the Registered Office of the Company, not less than 48 hours before the time for holding the aforesaid meeting.

IMPORTANT

It has been decided to make transport arrangement from Ahmedabad to Bavla & back for convenience of Shareholders. The special buses shall leave Ahmedabad from Opp. Saurashtra Dinning Hall, near Town Hall, Ellisbridge, Ahmedabad-380 006 at 10.00 A.M. on the day of meeting i.e. 25th September, 2009 and return back to Ahmedabad after AGM is over.

Members desirous to avail this facility are requested to fill in the following tear off slip and mail it to the Company so as to reach it atleast by 20th September, 2009. This will help the Company in making adequate arrangements and to avoid last moment rush.

To,
Company Secretary

Date/...../2009

BHAGWATI AUTOCAST LIMITED

Regd. Office & Works : Survey No. 816
Village Rajoda, Near Bavla, Dist. Ahmedabad-382220.

Dear Sir,

I wish to avail of the transport arrangements made by you for the purpose of AGM on 25th September, 2009

Yours faithfully

Signature

L/F No. :

Name :