



BHAGWATI AUTOCAST LIMITED

November 9, 2020

To,
BSE Limited
Mumbai
Security Code: 504646

Dear Sir,

Sub.: **Intimation regarding dispatch of Postal Ballot Notice**

This is to inform you that the Company has, pursuant to Sections 108 and 110 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ministry of Corporate Affairs (MCA) Circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively 'MCA Circulars'), dispatched Postal Ballot Notice for seeking approval of the Shareholders of the Company for the business to be transacted through Postal Ballot process as mentioned in such Postal Ballot Notice.

In view of the prevailing situation of CoVID-19 pandemic and in terms of the MCA circulars, the Company has dispatched Postal Ballot Notice on November 9, 2020 only to the members who have registered their e-mail addresses with the Company/ RTA/ Depository Participants and also available on the websites of the Company at www.bhagwati.com and on National Securities Depository Limited (NSDL) at www.evoting.nsdl.com and on Stock exchange at www.bseindia.com and the same is enclosed herewith. Accordingly, the communication of the assent or dissent of the members would take place through the remote e-voting system only. The Company has engaged the services of NSDL for facilitating remote e-voting to enable the shareholders to cast their votes electronically instead of physical mode.

E-voting will commence from Wednesday, November 11, 2020 (09:00 am onwards) and ends on Thursday, December 10, 2020 (till 05:00 pm). The Board has appointed Mr. Chirag Shah (Mem. No. FCS:5545), Practicing Company Secretary, Ahmedabad, as Scrutinizer for the entire Postal Ballot process and result of Postal ballot will be declared within the statutory timelines by Chairman or person authorized by him in writing and will be available at websites of the Company at www.bhagwati.com and on Stock exchange at www.bseindia.com.

Kindly take it in your record.

Thanking You.
Yours faithfully,
For, Bhagwati Autocast Limited

Mehul Naliyadhara
Company Secretary & Compliance Officer
Encl.: A/a.





BHAGWATI
BHAGWATI AUTOCAST LIMITED

(CIN: L27100GJ1981PLC004718)

Regd. Office: Survey No. 816, Village - Rajoda, Nr. Bavla, Dist. Ahmedabad - 382220, Gujarat, India

Phone: +91 2714 232283/ 232983/ 232066

E-mail: autocast@bhagwati.com, autocast@bhagwati.co.in **Website:** www.bhagwati.com

POSTAL BALLOT NOTICE

To
The Members,
Bhagwati Autocast Limited

Notice is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ('Companies Act') read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 ('Rules'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), Secretarial Standard on general Meetings ('SS-2') issued by the Institute of Company Secretaries of India (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and other applicable laws and regulations, if any, that the consent of the shareholders ('Members') of Bhagwati Autocast Limited ('Company') is sought for the resolutions appended herein below which are proposed to be passed through postal ballot only by way remote electronic voting ('e-voting' or 'remote e-voting') ('Notice').

The proposed Resolutions together with the explanatory statement pursuant to Section 102 and other applicable provisions of the Companies Act, setting out the material facts concerning each item and the reasons thereof are annexed hereto for your consideration.

In compliance with Sections 108 and 110 of the Companies Act read with Rules 20 and 22 of the Rules, the Company is pleased to provide e-voting facility to all its Members to enable them to cast their votes electronically. The Company has engaged the services of National Securities Depository Limited ('NSDL') for the purpose of providing e-voting facility to all its Members. The e-voting facility is available from Wednesday, November 11, 2020 (09:00 a.m. IST) till Thursday, December 10, 2020 (5:00 p.m. IST). For this purpose, please read carefully the "Procedure/instructions for e-voting" enumerated in the notes to this Notice. Members are requested to carefully read the instructions in this Postal Ballot Notice for remote e-voting process not later than 05:00 p.m. IST on Thursday, December 10, 2020. The assent or dissent received after such date and time shall be treated as if reply from the Member has not been received.

The Board of Directors of the Company at its Meeting held on November 4, 2020 accorded their approval for conducting the postal ballot exercise and appointed Mr. Chirag Shah, Practicing Company Secretary, Ahmedabad, C.P. No. 3498, Membership No. FCS: 5545, as the Scrutinizer ('Scrutinizer') for conducting the Postal Ballot process through remote e-voting in a fair and transparent manner.

In view of the prevailing situation of Covid-19 pandemic and pursuant to the circulars issued by the Ministry of Corporate Affairs ('MCA'), Government of India in terms of the General Circular No.14/2020 dated 8th April 2020 and General Circular No. 17/2020 dated 13th April 2020 (collectively, 'MCA Circulars'), MCA has advised the companies to take all decisions requiring members' approval (other than items of ordinary business or business where any person has a right to be heard) through the mechanism of postal ballot / e-voting in accordance with the provisions of the Companies Act and rules made thereunder, without holding a general meeting that requires physical presence of members at a common venue. The MCA has further clarified that for companies that are required to provide e-voting facility under the Companies Act, while they are transacting any business(es) only by postal ballot upto

31st December 2020 or till further orders, whichever is earlier, the requirements provided in Rule 20 of the Rules as well as the framework provided in the MCA Circulars will be applicable mutatis mutandis. Further, the company should send the postal ballot notice only by email to all its shareholders who have registered their email addresses with the company or RTA or depository participant and the communication of assent / dissent of the members will only take place through the remote e-voting system only. This postal ballot is accordingly being initiated in compliance with the MCA Circulars. The Company has engaged the services of National Securities Depository Limited ('NSDL') to provide remote e-voting facility to the Members of the Company through their platform.

In compliance with the requirements of the MCA Circulars, hard copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope will not be sent to the Members for this Postal Ballot. Members are requested to follow the procedure as stated in the notes and instructions for casting of votes by remote e-voting only.

The proposed resolutions and explanatory statement pertaining to the said resolutions setting out all material facts concerning thereto as required in terms of Section 102 of the Act read with the Rules and the MCA Circulars are appended below seeking consent of the Members of the Company through remote e-voting.

The Scrutinizer, after completion of scrutiny of remote e-voting, will submit his report to the Chairman or a person authorized by him in writing upon completion of scrutiny of postal ballots in a fair and transparent manner and the result of postal ballot through remote e-voting will be announced within the statutory timelines. The result of the postal ballot along with the Scrutinizers report will be posted on the website of the Company at www.bhagwati.com and also to BSE Limited ('stock exchange') where the Equity Shares of the Company is listed at www.bseindia.com.

In accordance with SS-2, if approved with requisite majority, the Resolutions shall be deemed to have been passed on the last date for the voting period i.e., Thursday, December 10, 2020.

The Resolutions proposed to be passed through Postal Ballot together with the Explanatory Statement setting out the material facts are as follows:

1. Change in Designation and Remuneration of Dr. Pravin N. Bhagwati (DIN: 00096799) as Jt. Managing Director of the Company:

To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 197 read with Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('Companies Act') and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in-force) and recommendation of Nomination and Remuneration Committee and resolutions passed by Board of Directors of the Company in their meeting held on November 4, 2020 and subject to the such other approval(s), as may be required, the consent of members of the Company, be and is hereby accorded for change in designation of Dr. Pravin N. Bhagwati (DIN: 00096799) from Managing Director to Jt. Managing Director of the Company, liable to retire by rotation, w.e.f. November 1, 2020 to September 30, 2021, on terms and conditions as mentioned in the statement annexed hereto.

RESOLVED FURTHER THAT the Board of directors of the Company be and is hereby authorized to execute the agreement with Jt. Managing Director and 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 to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company."

2. Change in Designation and Remuneration of Ms. Reena P. Bhagwati (DIN: 00096280) as Managing Director of the Company:

To consider and, if thought fit, to pass, the following Resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Section II of Part II of Schedule V (‘Companies Act’) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in-force) and recommendation of Nomination and Remuneration Committee and resolutions passed by Board of Directors of the Company in their meeting held on November 4, 2020 and subject to the such other approval(s), as may be required, the consent of members of the Company, be and is hereby accorded for change in designation of Ms. Reena P. Bhagwati (DIN: 00096280) from Jt. Managing Director to Managing Director of the Company, liable to retire by rotation, w.e.f. November 1, 2020 to September 30, 2025, with payment of minimum remuneration, for the financial year, in which there is inadequacy or absence of profits, during the period of November 1, 2020 to September 30, 2023 on terms and conditions as mentioned in the statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors of the Company on recommendation from Nomination & Remuneration Committee of the Board be and is hereby authorized and empowered to approve annual increments and to make such improvements in the terms of remuneration to Ms. Reena P. Bhagwati as may be permissible under Schedule V of the Companies Act, 2013 (as may be amended from time to time) or by way of any government guidelines or instructions, the intention being that no further approval of the Company would be required so long as remuneration of the Managing Director is not in excess of maximum permissible limits under relevant laws, rules, regulations, guidelines or instructions as may be promulgated or issued after the date of this meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to execute an agreement with Ms. Reena P. Bhagwati as Managing Director 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 be approved by the shareholders and as acceptable to Ms. Reena P. Bhagwati 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 the Board of Directors be and is hereby authorized 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: 04.11.2020

**By order of the Board of Directors
For, Bhagwati Autocast Limited**

Registered Office:

Survey No. 816,
Village Rajoda, Nr. Bavla,
Dist. Ahmedabad-382220

Dr. Pravin N Bhagwati
Chairman and Managing Director
DIN: 00096799

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts and reasons for the resolutions in respect of the businesses set out above is annexed hereto. A copy of the Postal Ballot Notice is also available on the Company’s website www.bhagwati.com.

2. The MCA by way of the MCA Circulars has provided certain relaxations/exemptions in view of threat posed by Covid-19 pandemic for facilitating the passing of ordinary and special resolutions by companies. Accordingly, this Notice containing the relevant instructions is being sent by email to all the Members of the Company whose names appear on the Register of Members/list of Beneficial Owners as received from the Depositories on Wednesday, November 4, 2020 ('Cut-off Date') and who have registered their email addresses in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Company's RTA.
3. Due to postal and courier services not normalized, on account of the threat posed by Covid-19 pandemic situation, and in terms of the MCA Circulars, the Company will send this postal ballot notice in electronic form only. The hard copy of this Postal Ballot Notice along with postal ballot forms and pre-paid business envelope will not be sent to the members for the postal ballot in accordance with the requirements specified under the MCA Circulars. Accordingly, the communication of the assent or dissent of the members would take place through the remote e-voting system only. To facilitate such members to receive this notice electronically and cast their vote electronically, the Company has made arrangement for registration of email addresses in terms of the General Circular No. 17/2020 issued by Ministry of Corporate Affairs dated April 13, 2020. The Notice has also been placed on website of the Company at www.bhagwati.com and e-voting website at www.evoting.nsdl.com and will also available on the website of stock exchange at www.bseindia.com.
4. Members whose name appearing on the Register of Members / List of Beneficial Owners as on the Cut-off Date shall be eligible for e-voting. A person who is not member on Cut-off Date should treat this Notice for information purpose only.
5. The Company will issue necessary advertisements in the newspaper having wide circulation and the newspaper circulating in the District where registered office of the Company is situated for the information of Members whose e-mail addresses are not available in the records of RTA and Depositories.
6. The Communication of the assent / dissent to the resolutions proposed in the Notice would take place only through remote e-voting.
7. The Board at their meeting held on Wednesday, November 4, 2020 have appointed Mr. Chirag Shah, Practicing Company Secretary, Ahmedabad, C.P. No. 3498, Membership No. FCS: 5545, as the Scrutinizer for conducting the postal ballot process by e-voting in a fair and transparent manner.
8. In compliance with provisions of Sections 108 and Section 110 of the Companies Act read with Rule 20 and Rule 22 of the Rules and SS-2, the Company is providing e-voting facility to enable members to cast their votes electronically on the matters included in this Notice. The Company has engaged the services of National Securities Depository Limited (NSDL) for facilitating e-voting to enable the shareholders to cast their votes electronically instead of physical mode. In terms of the MCA Circulars, voting can be done only by remote e-voting. The members are strongly advised to use the remote e-voting procedure by themselves and not through any other person / proxies.
9. The Scrutinizer will submit his report after completion of the scrutiny and the results of the postal ballot will be posted on the Company's website www.bhagwati.com, and also to BSE Limited ('stock exchange') where the Equity Shares of the Company is listed at www.bseindia.com.
10. E-voting will commence from Wednesday, November 11, 2020 (09:00 am onwards) and ends on Thursday, December 10, 2020 (till 05:00 pm) and e-voting shall not be allowed beyond the said date and time. The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled thereafter.

11. All the documents referred to in the Explanatory Statement are available for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all working days until last date of E-voting of this Postal Ballot i.e. Thursday, December 10, 2020 and any shareholder who wants to avail the same be provided with a soft copy.
12. On account of threat posed by Covid-19 pandemic and in terms of the MCA Circulars, the Company will send this Notice in electronic form only and hard copy of this Notice along with Postal Ballot Forms and pre-paid business reply envelope will not be sent to the shareholders for this postal ballot. Accordingly, the communication of the assent or dissent of the members would take place through the remote e-voting system only. Therefore, those shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below for obtaining this Postal Ballot notice and user id/password for e-voting:

Physical Holding	Send a request to the Registrar and Transfer Agents of the Company, MCS Share Transfer Agent Limited at mcsstaahmd@gmail.com providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) for registering email address.
Demat Holding	Please contact your Depository Participant (DP) to register your email address, as per the process advised by your DP.

13. Instructions for remote e-voting is as follows:

A. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Postal Ballot Notice. The instructions for e-voting are given herein below.
- II. The remote e-voting period commences on Wednesday, November 11, 2020 (09:00 am) and ends on Thursday, December 10, 2020 (05:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, November 4, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.
- III. The procedure to login to e-Voting website consists of two steps as detailed hereunder:

Step 1: Log-in to NSDL e-Voting System

- a) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/>.
- b) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- c) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- d) Your User ID details will be as per details given below :
- i) **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).
 - ii) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).
 - iii) **For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).
- e) Your password details are given below:
- i) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - ii) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
 - iii) How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
- f) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- i) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - ii) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - iii) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - iv) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- g) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- h) Now, you will have to click on "Login" button.
- i) After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting System

- a) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- b) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- c) Select "EVEN" of Bhagwati Autocast Limited.
- d) Now you are ready for e-Voting as the Voting page opens.

- e) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
 - f) Upon confirmation, the message “Vote cast successfully” will be displayed.
 - g) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 - h) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- IV. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to chi118_min@yahoo.com with a copy marked to evoting@nsdl.co.in.
- V. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
- VI. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories (in case of shares held in dematerialized form) as on the cut-off date i.e. Wednesday, November 4, 2020 only shall be entitled to avail the facility of Remote E-voting. The voting rights of members shall be reckoned in proportion to their shares in the total paid up equity share capital of the Company as on the cut-off date i.e. Wednesday, November 4, 2020. Members cannot exercise his/her vote by proxy on postal ballot.
- VII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders, available at the download section of www.evoting.nsdl.com or call on toll free no. 1800-222-990. Also further queries/grievances connected with Remote E-voting, the members may contact the Manager, NSDL at the designated email IDs: evoting@nsdl.co.in or pallavid@nsdl.co.in (Telephone No. 022-24994545) or Company Secretary & Compliance Officer at the Registered Office of the Company at Survey No. 816, Village: Rajoda, Near Bavla, Dist. Ahmedabad-382220, Gujarat Phone: 02714-232283. E-mail: cs@bhagwati.com.
- VIII. The proposed resolutions, if passed by the requisite majority of the members through Postal Ballot by electronic means shall be deemed to have been passed on the last date specified by the Company for remote e-voting, i.e. Thursday, December 10, 2020.
- IX. The Scrutinizer, after completion of scrutiny of remote e-voting, will submit his report to the Chairman or a person authorized by him in writing upon completion of scrutiny of postal ballots in a fair and transparent manner and the result of postal ballot through remote e-voting will be announced within the statutory timelines. The result of the postal ballot along with the Scrutinizers report will be posted on the website of the Company at www.bhagwati.com and also to BSE Limited (‘stock exchange’) where the Equity Shares of the Company is listed at www.bseindia.com.

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

Item No. 1

Item No. 1 of the Notice relates to the changes in designation and remuneration of Dr. Pravin N. Bhagwati (DIN: 00096799), as Jt. Managing Director of the Company. The Company has appointed Dr. Pravin N. Bhagwati as Managing Director of the Company for the period of three years effective from October 1, 2018 to September 30, 2021 at thirty sixth Annual General Meeting held on September 12, 2018. Subject to the approval of the members and on recommendation of Nomination and remuneration Committee, the Board of directors proposed changes in designation of Dr. Pravin N. Bhagwati, as Jt. Managing Director with payment of remuneration for the financial year, in which there is inadequacy or absence of profits, during the period from November 1, 2020 to September 30, 2021.

The proposed remuneration of Dr. Pravin N. Bhagwati, as Jt. Managing Director, mentioned hereunder subject to the approval of members by way postal ballot notice for a period from November 1, 2020 to September 30, 2021.

REMUNERATION:

- a) **Salary:** Rs. 50,000/- per month but not exceeding Rs. 1,00,000/- per month with authority to the Board to fix the salary with in the scale from time to time.
- b) **Leave Encashment:** The Jt. Managing Director shall be entitled to fully paid leave as per the Company's Rules. Encashment of leave at the end of the tenure is permitted and shall not be included in the computation of the ceiling on salary as specified above.
- c) **Other Benefits:** Such other benefits, amenities and facilities as per the Company's rules within the overall limit laid down in Section 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

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, is concerned or interested in the above resolution as being relative of Dr. Pravin N. Bhagwati, none of other Directors or KMPs is concerned or interested in the above resolution.

Information required to be given as per item (iv) of third proviso of Section II of Part II of Schedule V to the Companies Act, 2013 are as follows:

I. General Information:

Nature of Industry: The Company is engaged in manufacturing of highly specialized casting for the automobile, tractor, compressor, and hydraulic industries.

Financial performance based on given indicators: During the financial year 2019-20, the Revenue from operations of the Company was Rs. 100.62 crores and Profit Before Tax (PBT) was Rs. 3.04 crores on standalone basis.

Foreign Investments or collaborations: Nil

II. Information about Dr. Pravin N. Bhagwati (DIN: 00096799) Jt. Managing Director:

- 1) **Background details:** Dr. Pravin N. Bhagwati, Jt. Managing director and 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. 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 of Rs. 71.14 lakhs including all benefits, amenities and facilities paid to Dr. Pravin N. Bhagwati, as Managing Director during previous financial year 2019-20.
- 3) **Recognition or Awards:** Dr. Pravin N. Bhagwati is Past President of the Institute of Indian Foundrymen, Past President of World Foundry Organization (WFO), Past Coordinator and Chairman of WFO's International Commission on Vocational Training, Past National Chairman of Technical Education & Training of Confederation of Indian Industry (CII), Past Chairman of Confederation of Indian Industry (CII) (Western Region). He is recipient of Life Time Achievement award presented by The Institute of Indian Foundrymen at the World Foundry Congress held in Chennai in February 2008. He is on the Board of various institutions like:-
 - Governing Body of Centre for Entrepreneurship Development, Govt. of Gujarat.
 - Member, Board of Governance Nirma University, Ahmedabad and Member, Governing Council, Nirma Institute of Management, Ahmedabad.
 - Founder President of Society for Promotion of Foundry Education and Research Ahmedabad.
- 4) **Job Profile & Suitability:** The Board of directors has changed the designation of Dr. Pravin N. Bhagwati, as Jt. Managing Director of the Company while reducing some responsibilities to look on the affairs of the Company with the help of senior experts and professionals in their respective fields.
- 5) **Remuneration Proposed:** The details of the proposed remuneration are mentioned in Explanatory Statement as required under Section 102(1) of the Companies Act, 2013.
- 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 Nomination and remuneration committee and the Board of Directors of the Company have recognized the profit and rich, diversified experience of Dr. Pravin N. Bhagwati, accordingly they have approved the remuneration. 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 Jt. Managing Director is promoter of the Company and he along with his family Members and group Companies holds 71.90% 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. Dr. Pravin N. Bhagwati, Jt. Managing Director of the Company is relative of Ms. Reena P. Bhagwati.

III. OTHER INFORMATION

1. Reasons of loss or inadequate profits:

- a) Foundry industry is working in extreme competitive market with paper 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 very limited scope to enhance sales rate on the basis of cost plus margin formula.
- d) We are utilizing full installed capacity and hence volume cannot increase, our sales are solely dependent on growth of tractor & other general automobile & engineering industries, where we operate.

2. Steps taken for improvement:

- a) Company has 18000 MTA installed capacity and with increased capacity company's sales turnover will increase.
- b) Company has generally maintained cordial and amicable relationship with its labors and employees.
- c) Out of total production, almost 75% of the casting production of the Company is normally sold to 2 companies, the Management desire 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 9001:2015 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.

IV. DISCLOSURES

Dr. Pravin Bhagwati satisfies all the conditions set out in Schedule V to the Act being eligible for remuneration. He is not debarred from holding the office of Director pursuant to any order issued by Securities and Exchange Board of India (SEBI) or any other authority.

The above details are given along with details of his remuneration in the notice to the extent they are applicable. Your directors recommend the resolutions as they consider the same is in the interest of the Company. This may be treated as an abstract of terms of contract for the remuneration of the Jt. Managing Director under the provisions of Section 190 of the Companies Act, 2013. The Draft Agreement to be entered in to with the Jt. Managing Director is open for inspection by Members on any working day between 11:00 a.m. to 01:00 p.m. at the registered office of the Company.

The Board recommends the passing of the Ordinary resolution set forth in Item no. 1 of the Notice for approval of the members.

Item No. 2

Item No. 2 of the Notice relates to the changes in designation and remuneration of Ms. Reena P. Bhagwati (DIN: 00096280), as Managing Director of the Company. The Company has appointed Ms. Reena P. Bhagwati as Jt. Managing Director of the Company for the period of five years effective from October 1, 2020 to September 30, 2025 at thirty eighth Annual General Meeting held on September 24, 2020. Subject to the approval of the members and on recommendation of Nomination and

remuneration Committee, the Board of directors proposed changes in designation of Ms. Reena P. Bhagwati, as Managing Director for a period from November 1, 2020 to September 30, 2025 with payment of remuneration for the financial year, in which there is inadequacy or absence of profits, during the period from November 1, 2020 to September 30, 2023.

The proposed remuneration of Ms. Reena P. Bhagwati, as Managing Director, mentioned hereunder subject to the approval of members by way postal ballot notice for a period from November 1, 2020 to September 30, 2023.

REMUNERATION:

Salary: Rs. 4,00,000/- per month but not exceeding Rs. 8,00,000/- per month with authority to the Board to fix the salary with in the scale from time to time.

Perquisites: Maximum up to Rs. 2,00,000/- per month but not exceeding Rs. 4,00,000/- per month with authority to the Board to fix the salary with in the scale from time to time which shall include perquisites of Categories 'A', 'B' and 'C' as below:

CATEGORY 'A'

i) House Rent allowance

- a) 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.
- b) In case the accommodation is owned by the Company, 10% of the Salary of the Managing Director shall be deducted by the Company.
- c) 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.
- d) 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.
- e) 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 her family subject to a ceiling of one month's salary in a year or three months' Salary over a period of three years. She 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. 25,000/- 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 or 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. Encashment of Leave at the end of the tenure is permitted and shall not be included in the computation of the ceiling on perquisites, specified above.

CATEGORY 'C'

Provision for chauffeur driven car and telephone expenses: 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.

The Managing Director will also be entitled for the reimbursement of actual entertainment, travelling, 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.

Other Benefits: Such other benefits, amenities and facilities as per the Company's rules within the overall limit laid down in Section 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

Minimum Remuneration:

In the event of loss or inadequacy of profits, the Managing Director shall be entitled to receive the above remuneration, perquisites and benefits as Minimum Remuneration.

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 Nomination and Remuneration Committee and the Board of directors as it may in its discretion deem fit within above limits and subject to limits laid down in Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

Memorandum of Interest: Ms. Reena P. Bhagwati, is interested in the above resolution to the extent that the remuneration received by her. Dr. Pravin N. Bhagwati, is concerned or interested in the above resolution as being relative of Ms. Reena P. Bhagwati, none of other Directors or KMPs is concerned or interested in the above resolution.

Information required to be given as per item (iv) of third proviso of Section II of Part II of Schedule V to the Companies Act, 2013 are as follows:

I. General Information:

Nature of Industry: The Company is engaged in manufacturing of highly specialized casting for the automobile, tractor, compressor, and hydraulic industries.

Financial performance based on given indicators: During the financial year 2019-20, the Revenue from operations of the Company was Rs. 100.62 crores and Profit Before Tax (PBT) was Rs. 3.04 crores on standalone basis.

Foreign Investments or collaborations: Nil

II. Information about Ms. Reena P. Bhagwati (DIN: 00096280) Managing Director:

- 1) Background details:** Ms. Reena P. Bhagwati, Managing director and a key promoter of the Company. She is qualified MBA from Graduate School of Industrial Administration, Carnegie Mellon University, Pittsburgh. She is associated with the Company since 2005. The Company is continuously performing well despite Global adverse & recessionary situation, the Company has performed exceptionally well and achieved new heights under her esteemed supervision and leadership.
- 2) Past remuneration:** Rs. 1 lakh per month
- 3) Recognition or Awards:** She has held professional positions and served as the President of the Institute of Indian Foundry men (IIF) in 2013-14, Chairperson of the Confederation of Indian Industries (CII), Gujarat State Council in 2016-17, and is a continuing Member of the Governing Body of Ahmedabad Management Association.
- 4) Job Profile & Suitability:** The Board of directors has changed the designation of Ms. Reena P. Bhagwati, as Managing Director of the Company while increasing some responsibilities to look after day to day affairs of the Company including Production, Finance, Administration, Marketing and human resource development with the help of senior experts and professionals in their respective fields. Under her direction and supervision, the Company is able to enhance its sales and profitability.
- 5) Remuneration Proposed:** The details of the proposed remuneration are mentioned in Explanatory Statement as required under Section 102(1) of the Companies Act, 2013.
- 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 Nomination and remuneration committee and the Board of Directors of the Company have recognized the profit and rich, diversified experience of Ms. Reena P. Bhagwati, accordingly they have approved the remuneration. Her 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 promoter of the Company and she along with her family Members and group Companies holds 71.90% 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, Managing Director of the Company is relative of Dr. Pravin N. Bhagwati.

III. OTHER INFORMATION

1. Reasons of loss or inadequate profits:

- a) Foundry industry is working in extreme competitive market with paper 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 very limited scope to enhance sales rate on the basis of cost plus margin formula.
- d) We are utilizing full installed capacity and hence volume cannot increase, our sales are solely dependent on growth of tractor & other general automobile & engineering industries, where we operate.

2. Steps taken for improvement:

- a) Company has 18000 MTA installed capacity and with increased capacity company's sales turnover will increase.
- b) Company has generally maintained cordial and amicable relationship with its labors and employees.
- c) Out of total production, almost 75% of the casting production of the Company is normally sold to 2 companies, the Management desire 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 9001:2015 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.

IV. DISCLOSURES

Ms. Reena Bhagwati satisfies all the conditions set out in Schedule V to the Act being eligible for remuneration. She is not debarred from holding the office of Director pursuant to any order issued by Securities and Exchange Board of India (SEBI) or any other authority.

The above details are given along with details of her remuneration in the notice to the extent they are applicable. Your directors recommend the resolutions as they consider the same is in the interest of the Company. This may be treated as an abstract of terms of contract for the remuneration of the Managing Director under the provisions of Section 190 of the Companies Act, 2013. The Draft Agreement to be entered in to with the Managing Director is open for inspection by Members on any working day between 11:00 a.m. to 01:00 p.m. at the registered office of the Company.

The Board recommends the passing of the Special resolution set forth in Item no. 2 of the Notice for approval of the members.

Place: Ahmedabad

Date: 04.11.2020

**By order of the Board of Directors
For, Bhagwati Autocast Limited**

Registered Office:

Survey No. 816,
Village Rajoda, Nr. Bavla,
Dist. Ahmedabad-382220

Dr. Pravin N Bhagwati
Chairman and Managing Director
DIN: 00096799