



BHAGWATI AUTOCAST LIMITED

August 28, 2021

To,
BSE Limited
Mumbai
Security Code: **504646**

Dear Sir,

Sub.: **Annual Report for FY 2020-21 and Notice of 39th Annual General Meeting**

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclosed herewith Annual Report for financial year (FY) 2020-21 along with the Notice convening 39th Annual General Meeting of the Company to be held on Thursday, September 23, 2021 at 03:00 p.m. IST through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') being sent to the members through electronic mode, as attached, in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India from time to time.

Pursuant to the provisions of Section 108 of the Companies Act, 2013 ('the Act') read with the Companies (Management and Administration) Rules, 2014, as amended, from time to time ('Rules') and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations'), the Company is pleased to provide to its members, the facility to cast their vote through electronic means on all resolutions set forth in the Notice of the AGM, whose name is in the Register of Members/ Beneficial Owners as on Cut-off date, i.e. Wednesday, September 15, 2021 only are entitled to avail the facility of remote e-voting. The remote e-voting facility commences on September 20, 2021 (09:00 a.m.) and ends on September 22, 2021 (05:00 p.m.). The Company has arranged with National Securities Depository Limited ('NSDL') to facilitate members for attending AGM and e-voting prior to and during the AGM, through their platform i.e. <https://www.evoting.nsdl.com/>.

Members are requested to refer detailed procedure for attending the AGM through VC/ OAVM, remote e-voting/ e-voting at AGM as provided in the Notice of 39th AGM. The Notice of 39th AGM and Annual Report for FY 2020-21 will be available at Company's website at www.bhagwati.com.

Kindly take the same on your record.

Thanking You.
Yours faithfully,
For, **Bhagwati Autocast Limited**

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





BHAGWATI

BHAGWATI AUTOCAST LIMITED

**39th Annual Report
2020-2021**

Board of Directors	:	Dr. Pravin N Bhagwati - Chairman & Jt. Managing Director Ms. Reena P Bhagwati - Managing Director Mr. Padmin H Buch - Independent Director Mr. Rajendraprasad J Shah - Independent Director Mr. Vimal R Ambani - Independent Director Mr. Shantanu C Mehta - Additional Director
Chief Financial Officer	:	Mr. Dinesh K Sheth
Company Secretary	:	Mr. Mehul C. Naliyadhara
Statutory Auditors	:	M/s. Mahendra N. Shah & Co. Chartered Accountants Ahmedabad
Internal Auditors	:	M/s. Mehta Sheth & Associates Chartered Accountants Ahmedabad
Secretarial Auditors	:	M/s. Chirag Shah & Associates Company Secretaries Ahmedabad
Bankers	:	Kotak Mahindra Bank Ltd. Ahmedabad
Registered Office & Works	:	CIN - L27100GJ1981PLC004718 Survey No. 816, Village : Rajoda Nr. Bavla, Dist. : Ahmedabad-382220 Tel. : +91-2714-232283, 232983, 232066 Website : www.bhagwati.com Email : autocast@bhagwati.com
Registrar & Share Transfer Agents	:	M/s MCS Share Transfer Agent Limited 101, 1st Floor, Shatdal Complex, Opp. BATA Showroom, Ashram Road, Ahmedabad - 380 009. Tele No. 079 26580461 / 62 / 63

ISIN - INE106G01014

GSTIN - 24AAACB4699K1ZD

Particulars	[Rs. in Lakhs]										
	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Production in MT	14037	13611	15932	13163	11093	9392	9306	12189	10064	8711	10586
Fixed Assets (Gross)	4181.76	4132.45	3947.02	3676.10	3584.65	3480.46	3399.60	3290.98	2894.53	2795.13	2504.45
Fixed Assets (Net)	1612.13	1617.36	1612.89	1449.64	1489.31	1609.60	1768.08	1960.53	1748.09	1747.56	1549.73
Net Current Assets	1730.06	1727.37	1831.46	1596.27	1506.80	931.92	798.07	1125.14	620.57	560.32	867.04
TOTAL ASSETS (NET)	3342.19	3344.73	3444.35	3045.91	2996.11	2541.52	2566.15	3085.67	2368.66	2307.88	2416.77
Borrowings	412.23	565.15	853.88	772.33	817.28	486.92	607.02	722.12	450.65	545.16	759.53
Equity Share Capital	288.07	288.07	288.07	288.07	288.07	288.07	288.07	288.07	288.07	288.07	288.07
Reserves & Surplus	2538.82	2383.30	2202.82	1860.80	1751.04	1637.31	1583.16	1869.89	1435.21	1311.97	1250.76
Deferred Tax	103.07	108.21	99.58	124.71	139.72	129.22	87.90	205.59	194.73	162.68	118.41
TOTAL CAPITAL EMPLOYED	3342.19	3344.73	3444.35	3045.91	2996.11	2541.52	2566.15	3085.67	2368.66	2307.88	2416.77
DEBT EQUITY RATIO	0.989:1	0.982:1	0.110:1	0.127:1	0.104:1	0.086:1	0.118:1	0.10:1	0.16:1	0.21:1	0.39:1
Sales & Other Income	10362.28	10055.18	11989.71	9237.14	8051.51	7188.20	7231.59	9325.24	7887.01	6407.74	7205.83
Excise Duty & Cess	0.00	0.00	0.00	284.27	917.62	843.81	830.67	1054.16	864.62	599.93	625.87
Sales Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	141.82
Materials	6368.25	5845.37	7440.23	5234.64	3866.40	3489.01	4071.55	5005.20	4387.73	3757.00	3976.01
Labour Cost	1810.05	1822.49	1937.73	1779.93	1500.28	1367.41	1244.20	1336.90	1196.46	913.07	945.37
Power	1377.77	1388.86	1412.29	1182.75	967.65	828.12	840.27	786.52	773.78	665.57	790.10
Operation & Other Exps	290.44	353.79	363.44	304.30	279.40	173.81	222.12	189.66	162.43	141.05	115.28
Interest	44.68	99.68	109.79	94.47	72.50	61.58	70.86	94.58	118.26	61.24	116.21
GROSS PROFIT	471.09	544.99	726.23	356.78	447.66	424.46	(48.08)	858.22	383.73	269.88	495.17
Depreciation	232.67	240.55	233.20	211.49	224.48	304.64	304.64	184.07	171.85	143.55	125.22
PROFIT BEFORE TAX	238.42	304.44	493.03	145.29	223.18	119.82	(352.72)	674.15	211.88	126.33	369.95
Provision For Taxation	76.56	91.72	118.79	48.93	86.77	41.32	(117.69)	218.87	65.05	48.37	119.15
PROFIT AFTER TAX	161.86	212.72	374.24	96.36	136.41	78.50	(235.03)	455.28	146.83	77.96	250.80
Earlier Year* adjustments of tax	10.03	3.48	(5.14)	(14.56)	(8.64)	(0.08)	(22.82)	9.74	0.00	0.00	0.00
Other Comprehensive Income	12.44	(1.00)	0.71	(1.16)	13.72	0.00	0.00	0.00	0.00	0.00	0.00
Dividends	0.00	28.80	28.80	23.05	23.05	20.16	14.40	25.93	20.16	14.40	28.81
Corporate Tax on Dividend	0.00	0.00	5.92	4.74	4.69	4.11	2.93	4.40	3.43	2.34	4.67
Retained Earnings	184.33	215.20	369.81	109.76	141.49	78.42	(257.85)	434.69	123.24	61.22	217.32
Earning per Eq. Share Rs.	5.97	7.51	12.81	3.85	4.44	2.72	(8.95)	15.80	5.10	2.71	8.71
Dividend per Eq. Share %	10.00	10.00	10.00	8.00	8.00	7.00	5.00	9.00	7.00	5.00	10.00
Net Worth	2826.89	2671.37	2490.89	2148.87	2039.11	1925.38	1871.23	2157.96	1723.28	1600.04	1538.83
Book value per Eq. Share Rs.	98.13	92.73	86.47	74.60	70.79	66.84	64.96	74.91	59.82	56.12	53.42

Above Financial data are compiled & recomputed from annual accounts for better presentation and are not part of annual report.

BHAGWATI AUTOCAST LIMITED

NOTICE

NOTICE is hereby given that the **39th Annual General Meeting** (AGM) of the members of **Bhagwati Autocast Limited** will be held on Thursday, the 23rd day of September, 2021 at 03:00 PM IST through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business.

Ordinary Business :

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2021 and the report of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year ended March 31, 2021.
3. To appoint director in place of Dr. Pravin N. Bhagwati (DIN:00096799), who retires by rotation and being eligible offered himself for re-appointment.
4. To re-appoint Statutory auditors of the Company and fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:-**

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Mahendra N. Shah & Co., Chartered Accountants (FRN No. 105775W) Ahmedabad, be and is hereby appointed as Statutory Auditors of the Company for a second term of five years starting from financial year 2021-22 and they hold office from the conclusion of this 39th annual general meeting until the conclusion of 44th annual general meeting of the Company at such remuneration and out of pocket expenses as may be mutually agreed between the Board of directors of the Company and the Statutory Auditors.”

Special Business :

5. To re-appoint Dr. Pravin N. Bhagwati (DIN:00096799) as a Jt. Managing Director

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the Act) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in-force) and pursuant to the provision of Articles of Association of Company and subject to such approvals, if any, as recommendation of Nomination and Remuneration Committee and resolution passed by Board of directors, the consent of members of the Company, be and is hereby accorded for increase in remuneration of Dr. Pravin N. Bhagwati (DIN: 00096799) effective from April 1, 2021 to September 30, 2021 and his reappointment as Jt. Managing Director of the Company, liable to retire by rotation, w.e.f. October 1, 2021 to September 30, 2022 on terms and remuneration in which there is inadequacy or absence of profits, during financial year, if any as set out in statement annexed hereto including remuneration shall provide in exceeding the limits as provided under Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 till expiry of term of such Executive director.

RESOLVED FURTHER THAT the Board of Directors of the Company on recommendation from Nomination and Remuneration Committee of the Board be and is hereby authorized and empowered to approve change and to make such improvements in the terms of remuneration to Dr. Pravin N. 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 Jt. Managing Director is not in excess of maximum permissible limits as set out in statement annexed hereto or 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 Dr. Pravin N. Bhagwati as Jt. 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 Dr. Pravin N. 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.”

6. To appoint Mr. Shantanu C. Mehta (DIN: 08930872) as an Independent Director

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

“RESOLVED THAT pursuant to provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, subject to such other laws, rules and regulations as may be applicable in this regard, Mr. Shantanu C. Mehta (DIN:08930872) who was appointed as an Additional Director (Non-Executive & Independent) of the Company w.e.f. 22nd October, 2020 by the Board of directors and who hold office as such upto the date of 39th Annual General Meeting, be and is hereby appointed as a Non-Executive and Independent Director of the Company for a term of five years with effect from 23rd September, 2021 to 22nd September, 2026.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all acts, deeds and things as may be necessary or expedient to give effect to the resolution.”

7. To approve and ratify the remuneration of Cost Auditor

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in

force), Consent of the Members of the Company be and is hereby accorded for payment of remuneration of Rs. 75,000/- (Rupees seventy five thousand only) (exclusive of taxes/ charges) plus reimbursement of out of pocket expense incurred on behalf of the Company, if any for the financial year ending on March 31, 2022 to M/s. Kiran J. Mehta & Co., Cost Accountants (FRN: 000025), who are appointed as the Cost Auditors of the Company by the Board of directors to conduct the audit of cost records of the Company for the financial year ending on March 31, 2022.”

Place : Ahmedabad
Date : 26/05/2021

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

Registered Office : **Dr. Pravin N. Bhagwati**
Survey No. 816, Village Rajoda, Chairman and Jt. MD
Near Bavla, Dist. Ahmedabad – 382 220. DIN : 00096799
CIN: L27100GJ1981PLC004718
e-mail: autocast@bhagwati.com
Website: www.bhagwati.com

NOTES :

- In view of the continuing CoVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular dated May 5, 2020 read with circular dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting (AGM) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
- Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting.
- In respect of the ordinary and special businesses at Item no. 3 and 6, a Statement giving additional information on the Directors seeking appointment/ re-appointment is provided herewith as Annexure-A, under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Explanatory statements pursuant to Section 102 of the Companies Act, 2013, in respect of the ordinary and special businesses under Item no. 4 to 7 of the Notice are annexed herewith.
- The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 16th September, 2021 to Thursday, 23rd September, 2021 (both days inclusive) for the purpose of payment of dividend.
- Subject to the provisions of the Act, dividend as recommended by the Board, if declared at the Annual General Meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as at the end of Wednesday, 15th September, 2021.
- Pursuant to the changes introduced by the Finance Act 2020, w.e.f. April 1, 2020, the Company would be required to deduct tax at source (TDS) at the prescribed rates on the dividend paid to its shareholders. Accordingly, the above referred Final Dividend will be paid after deducting the applicable tax. The shareholders are requested to update their PAN with the RTA (in case of shares held in physical mode) and with depositories (in case of shares held in demat mode).
- Members holding shares in physical form are advised to furnish their PAN and bank account details to the Company or RTA to incorporate the same in the dividend warrants/payment instruments. In respect of cases, where the payments to the shareholders holding shares in dematerialized form are made by NECS, NEFT, dividend warrants/ payment instruments, particulars of bank account registered with their depository participants will be considered by the Company for printing the same on the dividend warrants/ payment instruments.
- Members who hold shares in the dematerialized form and desire to change/correction in bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR Code of their bank to their Depository Participants. The Company, in case of such dematerialized shares, will not entertain any direct request from such members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. While making payment of dividend, Registrar is obliged to use only the data provided by the Depositories.
- The Members having multiple ledger folios in the same order of names are requested to approach MCS Share Transfer Agent Limited, R&T Agent of the Company for consolidating their entire holding in one folio for mutual convenience.
- In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as 'IEPF Rules') (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the amount of dividend remaining unclaimed or unpaid for a period of 7 (seven) years from the date of transfer to the unpaid dividend account is required to be transferred within 30 days of becoming due to IEPF maintained by the Central Government.

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

Sr. No.	Final Dividend for the Financial Year	Date of Declaration of Dividend	Last date of Claim
1.	2013-2014	24/09/2014	01/11/2021
2.	2014-2015	23/09/2015	01/11/2022
3.	2015-2016	21/09/2016	28/10/2023
4.	2016-2017	20/09/2017	27/10/2024
5.	2017-2018	12/09/2018	18/10/2025
6.	2018-2019	21/08/2019	26/09/2026
6.	2019-2020	24/09/2020	30/10/2027

Accordingly, during the financial year 2020-21, the Company has transferred unclaimed final dividend amount for the financial year ended 31st March, 2013 on 27th October, 2020 to IEPF. Further, the Company shall not be in a position to entertain the claims of Shareholders for the unclaimed dividends after the last date as mentioned in the table. In view of the same, the Shareholders are requested to send relevant un-enclosed dividend warrants/ instruments pertaining to the above years at

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registered office of the Company for revalidation or issuance of demand draft in lieu thereof and en-cash them before the due dates for transfer to the IEPF.

In accordance with the Section 124(6) of the Companies Act, 2013 read with IEPF Rules, those Members who have so far not encashed their dividend warrants from the final dividend 2013-14 onwards, may approach the Registrar and Share Transfer Agents, MCS Share Transfer Agent Limited, for making their claim without any further delay or all the shares in respect of which dividend has remained unclaimed or unpaid for 7 (seven) consecutive years or more will be transferred to the Investor Education and Protection Fund of the Central Government. With respect to the said Rules, amongst other matters, contain provisions for transfer of such shares in respect of which dividend has not been paid or claimed for seven consecutive years to the IEPF authority. The details of unpaid/ unclaimed dividend and number of shares liable to be transferred are available on our website: www.bhagwati.com. Pursuant to the said provisions read with IEPF Rules, as amended, the Company shall process to transfer all shares to IEPF authority in respect of which dividends declared for the year 2013-14 has not been claimed by members 7 (seven) consecutive years.

Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/ investors are advised to visit the weblink: <http://iepf.gov.in> or contact Company or R&T Agent for lodging claim for refund of shares and/ or dividend from the IEPF Authority.

13. In terms of the amendments to the Listing Regulations, with effect from April 1, 2019, requests for effecting transfer of securities in physical form shall not be processed unless the securities are held in dematerialized form with the depository, i.e. NSDL or CDSL. Members are, therefore, requested to demat their physical holding for any further transfer. Members can, however, continue to make request for transmission or transposition of securities held in physical form.
 14. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to MCS Share Transfer Agent Limited. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
 15. Members desiring any information as regards the accounts are requested to write to the Company at least 15 days in advance, so as to enable the Board of Directors to keep the information ready.
 16. Members seeking any information with regard to the documents referred to in the accompanying Notice to be placed at the AGM, are requested to write to the Company before the date of AGM through email on cs@bhagwati.com. The same will be replied by the Company suitably.
 17. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020 and January 15, 2021, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ RTA/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.bhagwati.com, websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com, and on the website of NSDL at www.evoting.nsdl.com
18. Members are requested to support the Green Initiative by registering/ updating their e-mail address, with the Depository Participant(s) (in case Shares held in dematerialized form) or with M/s MCS Share Transfer Agent Ltd (in case shares held in physical form) to facilitate easy and faster dispatch of Notices, Annual Report and other communications by electronic mode from time to time.
 19. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 20. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
 21. Instructions for e-voting and joining of the AGM through VC / OAVM are as follows:
 - A. Voting through electronic means**
 - I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
 - II. The remote e-voting period begins on 20th September, 2021 (09:00 am) and ends on 22nd September, 2021 (05:00 pm). The remote e-voting module shall be disabled by NSDL for voting thereafter. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15th September, 2021, may cast their vote by remote e-voting. The voting rights of members shall be in proportion to their share in paid up equity share capital of the Company as on the cut-off date, being 15th September, 2021. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
 - III. 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, 15th September, 2021 only shall be entitled to avail the facility of Remote E-voting as well as voting in the Annual General meeting. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
 - IV. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 15th September, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or cs@bhagwati.com by mentioning their

Folio No./DP Id and Client ID No.

- V. Mr. Chirag Shah, Practicing Company Secretary (Membership No. 5545) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- VI. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- VII. The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting System

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Login method for Individual shareholders holding securities in demat mode is given below:

Individual Shareholders holding securities in demat mode with NSDL

1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
2. If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select "Register Online for IDeAS" Portal or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Individual Shareholders holding securities in demat mode with CDSL

1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or www.cdslindia.com and click on New System Myeasi.
2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.
3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Individual Shareholders holding securities in demat mode with NSDL

Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 18001020990 and 1800224430.

Individual Shareholders holding securities in demat mode with CDSL

Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing

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the following URL: <https://www.evoting.nSDL.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
 3. A new screen will open. You will have to enter your User ID, your Password/OTP 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.nSDL.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.
 4. Your User ID details are 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***).
 5. Password details for shareholders other than Individual shareholders are given below:
 - (a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - (b) 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 to enter the 'initial password' and the system will force you to change your password.
 - (c) How to retrieve your 'initial password'?
 - (i) 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'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
 6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - (a) 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.
 - (b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nSDL.com.
 - (c) 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 etc.
 - (d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.
- Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system**
- How to cast your vote electronically and join General Meeting on NSDL e-Voting system?
1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
 2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
 3. Now you are ready for e-Voting as the Voting page opens.
 4. 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.
 5. Upon confirmation, the message "Vote cast successfully" will be displayed.
 6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- General Guidelines for shareholders**
1. 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 ch1118_min@yahoo.com with a copy marked to evoting@nSDL.co.in.
 2. 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.
 3. 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. 1800-1020-990 and 1800-224-430. 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.

Process for registration of email id for obtaining Annual Report and user id/password for e-voting:

1. Send a request to the Registrar and Transfer Agents of the Company, MCS Share Transfer Agent Limited at mcstaahmd@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.
2. Please contact your Depository Participant (DP) to register your email address, as per the process advised by your DP.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

B. Instructions for Members for Attending the AGM through VC / OAVM are as under:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss

due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ 1800-1020-990 and 1800-224-430 or contact Ms. Pallavi Mhatre-NSDL at pallavid@nsdl.co.in/ 022-24994545 or Mr. Pratik Bhatt-NSDL at pratikb@nsdl.co.in/ 022-24994738.
5. Members who would like to express their views or ask questions during the AGM must register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at cs@bhagwati.com 3 days in advance with the Company for the general meeting. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

C. Other Information:

1. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
2. The result declared along with the Scrutinizer's Report shall be placed 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 immediately.

Place : Ahmedabad
Date : 26/05/2021

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

Registered Office :
Survey No. 816, Village Rajoda,
Near Bavla, Dist. Ahmedabad – 382 220.
CIN: L27100GJ1981PLC004718
e-mail: autocast@bhagwati.com
Website: www.bhagwati.com

Dr. Pravin N. Bhagwati
Chairman and Jt. MD
DIN : 00096799

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ANNEXURE - A

Item-3 of the Notice

Details of the directors seeking appointment/ re-appointment at the 39th Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of the Director	Dr. Pravin N. Bhagwati	Mr. Shantanu C. Mehta
DIN	00096799	08930872
Date of Birth	11/02/1936	31/12/1956
Date of Appointment/ Re Appointment	01/10/2021 (As a Jt. Managing Director)	23/09/2021 (As an Independent Director)
Qualifications	B.E. (Mech.) from College of Engineering, Pune, Ph.D. in Foundry Engineering from RWTH Aachen, Germany	FCA, Ph.D. (Bhavnagar University)
Brief profile and Expertise in Specific Functional Area	He possesses more than fifty four years experiences in foundry and casting industries	He has 22 years industry experience and 18 years Academics experience at postgraduate courses in business management. He has experience in area of Accounting & Control, Financial management, Financial services and Markets, Investment and Portfolio Management, Investment banking, etc. He worked with GSFC, UTI, Symphony, NSE stockbroker and a merchant banker. He is Adjunct Professor, Institute of Management, Nirma University. He is visiting faculty at IIM (Rohtak) and was faculty at IIM (Nagpur), MICA (Ahmedabad), IIM (Ahmedabad), SP JAIN (Mumbai). He was served as Dean at IOC and Professor at IOM in Nirma University, Ahmedabad, Professor at St. KIPS, Ahmedabad and faculty at SLIMS, Ahmedabad. He has completed many assignments and conducted training programme for Nirma Ltd, ONGC, BALCO, ZydusCadila, Inspiron, Adani Port, IntasPharma, Johnson Hitachi and many more. He is a member of Investors' Grievances Resolution Panel (IGRP) for western region appointed by National Stock Exchange.
Relationship between Directors inter se	He is a father of Ms. Reena P. Bhagwati, Managing Director of the Company	None
No. of Board meetings attendend during FY 2020-21	4 out of 4	2 out of 2 (After appointment)
Shareholding of non-executive directors in the listed entity including shareholding as a beneficial owner	450862 (Executive director as Individually)	0
Other Directorship in Listed entities	None	None
Membership of Committees (Audit Committee and Stakeholder Relationship Committee in other listed entities)	None	None

EXPLANATORY STATEMENT

[Pursuant to Section 102(1) of the Companies Act, 2013 in respect of Item No. 5 to Item No. 7 and Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Item No. 4]

Item No. 4

To re-appoint Statutory auditors of the Company and fix their remuneration

M/s. Mahendra N. Shah & Co., Chartered Accountants (FRN No. 105775W) was appointed as Statutory Auditors of the Company at the 34th Annual General Meeting held on 21st September, 2016 for a term of 5 years and they hold office upto the conclusion of the ensuing 39th Annual General Meeting of the Company.

The Board of directors of the Company, on the recommendation of the Audit Committee has proposes to re-appoint of M/s. Mahendra N. Shah & Co., Chartered Accountants, as the statutory auditors of the Company for second term of 5 consecutive financial years commencing from 2021-22 to 2025-26. Remuneration for the Statutory audit will be, as decided by the Board & the Auditors mutually and applicable taxes & out of pocket expenses incurred by them, if any, in connection with the statutory audit of the Company will be payable over and above remuneration. The proposed fees will be based on knowledge, expertise, industry experience during their auditing association with the Company. The proposed fees will also be in line with the industry benchmarks and volume of works.

M/s Mahendra N. Shah & Co. have given their consent letter and eligibility certificates to act as the Statutory Auditors of the Company and have confirmed that their proposed re-appointment, if made, will be in accordance with the conditions prescribed under sections 139 and other applicable provisions of the Companies Act.

Mahendra N. Shah & Co. (Firm Registration No. 105775W) is a leading firm of Chartered Accountants in Gujarat. It was established on 1/11/1962. It has a vast experience of 59 years in the field of Audit and Assurance Services, Direct and Indirect Taxation, Business Restructuring and other management consultancy services. The firm has a strong team of senior chartered accountants as partners who possess very rich experience for statutory audit of listed and non-listed corporates, bank audit, internal audit, Ind AS implementation, due diligence, management consultancy services, etc.

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

The Board of Directors recommends the passing of the Ordinary Resolution set out at item no. 4 for approval of the members.

Item No. 5

To re-appoint Dr. Pravin N. Bhagwati (DIN:00096799) as a Jt. Managing Director

Item No. 5 of the Notice relates to the change in remuneration and reappointment of Dr. Pravin N. Bhagwati (DIN: 00096799), as Jt. Managing Director of the Company. It was informed that Dr. Pravin N. Bhagwati appointed as Managing Director for the period of three years effective from 01.10.2018 to 30.09.2021. Thereafter with your approval his designation as Jt. Managing

Director and remuneration have been changed effective from 01.11.2020 to 30.09.2021.

Subject to the approval of the members and on recommendation of Nomination and remuneration Committee, the Board of directors proposed increase remuneration of Dr. Pravin N. Bhagwati (DIN: 00096799) effective from April 1, 2021 to September 30, 2021 and his reappointment as Jt. Managing Director of the Company, liable to retire by rotation, w.e.f. October 1, 2021 to September 30, 2022 on the following terms, conditions and remuneration, subject to payment of minimum remuneration, for the financial year, in which there is inadequacy or absence of profits:

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' and 'B' as below:

CATEGORY 'A'

House Rent allowance

- i) 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 Jt. Managing Director.
- ii) In case the accommodation is owned by the Company, 10% of the Salary of the Jt. Managing Director shall be deducted by the Company.
- iii) In case no accommodation is provided by the Company, the Jt. Managing Director shall be entitled to house rent allowance not exceeding 50% of the Salary.

CATEGORY 'B'

- i) **Contribution to provident fund & others:** Contribution to the Provident Fund, Superannuation, Annuity fund or Gratuity shall not be included in computation of the ceiling on perquisites as specified above.
- ii) **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 perquisites as specified above.

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: The Jt. Managing Director shall be paid the remuneration as stated above as Minimum Remuneration in the event of inadequacy of profit subject to ceiling of Minimum Remuneration as stated in section II of part II of Schedule V and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force)

Other terms of reappointment:

- i) The terms and conditions of the remuneration of the Jt. Managing Director, may be varied, altered, increased, enhanced or widened

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from time to time by the Nomination and Remuneration Committee and the Board as it may in its discretion deem fit within above limits and subject to limits laid down in Section 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

- ii) Either party may terminate this agreement by giving to the other party 3 months' notice of such termination or by surrendering 3 months' remuneration in lieu thereof.

Memorandum of Interest: Dr. Pravin N. Bhagwati, is interested in the above resolution to the extent of such remuneration and 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 or their relatives 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:

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 2020-21, the Revenue from operations of the Company was Rs. 104.38 crores and Profit Before Tax (PBT) was Rs. 2.38 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. 42.13 lakhs including all benefits, amenities and facilities paid to Dr. Pravin N. Bhagwati, as Managing Director during previous financial year 2020-21.
- 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 Nomination and Remuneration Committee and the Board of directors while considering his knowledge of various aspects relating to the Company's affairs, long business experience and present profitability of the Company have proposed to increase remuneration and reappointment of Dr. Pravin N. Bhagwati, as Jt. Managing Director of the Company. Under his 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 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 or other director, if any:** The Jt. Managing Director is promoter of the Company and he along with his family Members and group Companies holds 72.98% 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 upcoming 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 Special resolution set forth in Item no. 5 of the Notice for approval of the members.

Item No. 6

To appoint Mr. Shantanu C. Mehta (DIN: 08930872) as an Independent Director

The Board of directors on recommendation of Nomination and Remuneration Committee has appointed Mr. Shantanu C. Mehta (DIN: 08930872) as an Additional Director (Non-Executive & Independent) with effect from 22nd October, 2020 to hold office upto ensuing 39th Annual General Meeting of the Company and in terms of Section 149 and 152 of the Companies Act, 2013, read with the Rules made thereunder, being eligible, offers himself for appointment as a Non-Executive Independent Director for a period of five years from the ensuing 39th Annual General Meeting subject to approval of members. The Company has received requisite disclosure/ declarations pursuant to the Companies Act from Mr. Shantanu C. Mehta. He is FCA and Ph.D. from

Bhavnagar University. He has rich and vast experience in the field of Accounts and Finance. More particulars of Mr. Mehta are given in Annexure-A of this Notice.

The terms and conditions of the appointment of Mr. Shantanu C. Mehta as an Independent Director of the Company shall be opened for inspection at the registered office of the Company during office hours on all working days except Saturdays and Sundays between 11:00 a.m. to 01:00 p.m. upto the date of AGM.

Except, Mr. Shantanu C. Mehta, being an appointee, none of the Directors, KMPs and their relatives is concerned or interested in the resolution set out in Item no. 6 of this notice.

The Board, based on the recommendation of Nomination and Remuneration Committee, unanimously recommends the Ordinary Resolution as set out at Item No. 6 of this Notice for approval of the members.

Item No. 7

To approve and ratify the remuneration of Cost Auditor

The Board of director of the Company has approved appointment and remuneration of M/s. Kiran J. Mehta & Co., as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2022 at a remuneration of Rs. 75,000/- (Exclusive of Taxes/charges) and re-imbursment of out of pocket expense incurred on behalf of the Company. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with rules made there under, the remuneration payable to the Cost auditor has to be determined or ratified by the members of the Company. Accordingly, consent of the members is sought for above purpose by passing an Ordinary Resolution.

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

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

Place : Ahmedabad
Date : 26/05/2021

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

Registered Office :
Survey No. 816, Village Rajoda,
Near Bavla, Dist. Ahmedabad – 382 220.
CIN: L27100GJ1981PLC004718
e-mail: autocast@bhagwati.com
Website: www.bhagwati.com

Dr. Pravin N. Bhagwati
Chairman and Jt. MD
DIN : 00096799

BHAGWATI AUTOCAST LIMITED

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the **39TH ANNUAL REPORT** for the financial year ended March 31, 2021. The financial statements are prepared in accordance with Indian Accounting Standards ('Ind AS'). The performance of the Company is summarized as follows:

01. FINANCIAL HIGHLIGHTS :

	(Amount Rs. in Lakhs)	
	For the year Ended 31/03/2021	For the year Ended 31/03/2020
Revenue from Operations & Other Income	10442.50	10062.16
Earnings before interest, depreciation and taxation (EBIDTA)	515.78	644.68
Less: Interest & finance charges	44.68	99.68
Profit/(Loss) before depreciation & taxation	471.10	545.00
Less: Depreciation	232.67	240.55
Profit before tax	238.43	304.45
Less: Provision for income tax		
[1] Current Tax	86.50	82.70
[2] Deferred Tax	(9.94)	9.02
[3] Short / (Excess) provision for earlier years	(10.03)	(3.48)
Profit for the Year	171.90	216.21
Add / (Less) : Other Comprehensive income	12.44	(1.00)
Total Comprehensive Income for the year	184.34	215.21
Add : Surplus of last year brought forward	1338.34	1157.88
Less : Dividend Paid	28.81	28.81
Less : Corporate Tax on Dividend Paid	-	5.92
Surplus available for appropriation	1493.87	1338.34

02. REVIEW OF OPERATIONS:

During the year under review, Your Company has maintained revenue and profitability in this tough situation of CoVID-19 pandemic, i.e. the revenue has increased by 4% but there was slight decrease in PBDIT (as loss was incurred during first quarter) as compared to previous year. During the year, India had good monsoons, and the Indian agricultural sector was registered positive growth and hence Company able to maintain revenue and profitability growth despite the coronavirus pandemic. Due to CoVID-19 pandemic on India and globally, forcing governments to enforce lock-downs of all economic activity in the beginning of FY 2020-21 and hence almost one and half months production remain closed at our foundry. During that period, all our employees have approached work from home was carried out seamlessly. While beginning of second quarter, overall tractor industry has shown positive growth and hence your Company was grown in terms of generating revenue.

During the year, the Company has implemented all measures to comply with the CoVID-19 guidelines relating to safety, health and hygiene, social distancing, wearing of face masks, regular

cleaning of premises, and vehicles and other precautionary measures required to be taken in the prevailing situation to ensure the safety of our employees, workers and staffs at workplace.

03. DIVIDEND :

The Board of Directors have recommend dividend of Rs.1per Equity Share (10% on the face value of Rs. 10/- each) for the year ended on March 31, 2021 (Previous year Rs. 1 per equity share, i.e.@10%) subject to the approval of shareholders at the ensuing Annual General Meeting.

04. TRANSFER TO RESERVES :

During the year under review, no amount is appropriated from Profit and Loss Account and transferred to any reserve account.

05. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND :

Pursuant to the provisions of the Companies Act, 2013 read with rules made thereunder, the Company had sent individual notices to the shareholders who have not claimed their dividends for past seven consecutive years. The Company has also advertised the same in the Business Standard and Jay Hind Newspapers dated June 20, 2020 seeking action from the shareholders who have not claimed their dividends for past seven consecutive years. The Company had transferred Rs.1,20,499/- to the Investor Education and Protection Fund established by the Central Government during the financial year 2020-21, as unclaimed dividend after expiry of seven years for the year ended March 31, 2013. In accordance with Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (amended from time to time), the Company had also transferred total 10,739 equity shares held by 66 shareholders to the IEPF Authority on December 1, 2020 who have not claimed their dividends for past seven consecutive years from the date of transfer to the unpaid dividend account. The details of such shares transferred have been uploaded on the Company's website www.bhagwati.com

The Shareholders/ claimants whose shares and unclaimed dividend have been transferred to the IEPF Account may claim the shares or apply for refund by making an application to the IEPF Authority. A details of Nodal officer of the Company appointed by the Board of directors is available at Company's website www.bhagwati.com

06. PUBLIC DEPOSITS :

During the year under review, your Company has not accepted or renewed any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014 and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

07. SHARE CAPITAL :

During the year under review, the paid up capital of the Company has remained the same. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. The Company has also not purchased of its own shares by employees or by trustees for the benefit of employees. Also during the year under review, there was no change in the Authorized share capital of the Company.

08. CERTIFICATIONS:

During the year under review, the Company's quality management

system has been reviewed and confirmed as per the standard ISO 9001:2015 certification through external agency.

09. BANK/ FINANCIAL INSTITUTIONS:

Your Company is prompt in making the payment of interest and repayment of loans apart from payment of interest on working capital to the bank. During the Covid-19 pandemic period, it has not availed any moratorium on any of its payments to the bank and the Bank continues their unstinted support in all aspects and the Board records its appreciation for the same.

10. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

No change in nature of the business of the Company occurred during the year.

11. ANNUAL RETURN:

Pursuant to Section 92(3) read with section 134(3)(a) of the Companies Act, 2013, a copy of the annual return for the year ended March 31, 2021 is placed on the website of the Company at www.bhagwati.com with information available up to the date of this report and shall be further updated as soon as possible but no later than sixty days or such extended days by concerned authority, if any, from the date of the ensuing Annual General Meeting.

12. THE DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Information required to be disclosed in the report of the Board of Directors as per the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 is annexed herewith as **(Annexure-1)**.

13. DIRECTORS:**A) Changes in Directors and Key Managerial Personnel**

As per provision of the Companies Act, 2013, Dr. Pravin N. Bhagwati (DIN: 00096799) retires by rotation in the forthcoming Annual General Meeting and being eligible offered himself for re-appointment. The Board of Directors recommends his re-appointment.

During the year under review, Ms. Reena P. Bhagwati (DIN: 00096280) has been reappointed as Jt. Managing Director of the Company for a period of five years effective from October 1, 2020. Further, on recommendation of Nomination and Remuneration Committee and the Board of directors, the Members of the Company have approved the terms of appointment of Ms. Reena P. Bhagwati (DIN: 00096280) as Managing Director of the Company effective from November 1, 2020 to September 30, 2025 and Dr. Pravin N. Bhagwati (DIN: 00096799), as Jt. Managing Director of the Company effective from November 1, 2020 to September 30, 2021.

Also on recommendation of Nomination and Remuneration Committee, the Board of directors has appointed Mr. Shantanu C. Mehta (DIN: 08930872), as an Additional Director (Non-Executive & Independent) of the Company through circular resolution dated October 22, 2020 subject to approval of the members at ensuing Annual General Meeting (AGM), for appointment as an Independent director to hold office for a term upto five consecutive years from the date of ensuing AGM.

Further, the Board of directors has appointed Mr. Abhijeet V. Ratolikar, as Chief Executive Officer (KMP) of the Company in its meeting held on June 18, 2020 effective from the said date and

he resigned as Chief Executive Officer (KMP) on August 31, 2020.

B) Declaration by an Independent Director(s) and re-appointment, if any

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Also all the Independent directors of the Company have confirmed under Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 and have been registered and members of Independent Directors Databank maintained by Indian Institute of Corporate Affairs.

C) Statement regarding to Integrity, Expertise and Experience (including the proficiency) of the Independent directors:

The Board has opined that all the Independent directors of the Company has possessed relevant Integrity, Expertise and Experience in commensurate with the business of the Company. All Independent Directors of the Company are registered with the Independent Directors Databank as maintained and managed by the Indian Institute of Corporate Affairs. Also as per Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, there is provided two years period from registration for passing of online proficiency self-assessment test by all Independent directors to be conducted by such institute, as authorized by Ministry of Corporate Affairs except exempted as per said rules.

During the year under review, all Independent Directors of the Company, like Mr. Rajendraprasad J. Shah (DIN: 01982424) and Mr. Padmin H. Buch (DIN: 03411816) have successfully cleared online proficiency self-assessment test and Mr. Vimal R. Ambani (DIN: 00351512) is exempted from such test under the said rules.

Further, Mr. Shantanu C. Mehta (DIN: 08930872), Additional Director (Non-Executive & Independent) of the Company, has also been registered with such Independent Directors Databank.

D) Annual evaluation by the board of its own performance, its committees and individual directors

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors of the Company has initiated and put in place evaluation of its own performance, its committees and individual directors. The Nomination and Remuneration Committee has also reviewed the performance of the Board, Committee and all the directors of the Company. The board of directors expressed their satisfaction with the evaluation process.

E) Policy on appointment and remuneration of Directors, KMPs and Senior Management

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The said policy is available on the website of the Company at www.bhagwati.com.

F) Familiarization Programme for Independent Directors

The Independent directors are regularly informed during meeting of the Board and Committees on the business strategy, business activities, manufacturing operations and issues faced by the

BHAGWATI AUTOCAST LIMITED

foundry. Also the independent directors have been updated with their roles, rights and responsibilities in the Company by specifying it in their appointment letter along with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The details of familiarization programs are available on the website of the Company at www.bhagwati.com.

14. MEETINGS OF THE BOARD OF DIRECTORS:

Four meetings of the Board of directors of the Company were held during the year under review. The intervening gap between two consecutive meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the extended/relaxation in time limit given by Ministry of Corporate Affairs and SEBI due to CoVID-19 pandemic.

The details of composition, meetings, attendance and other details of the Board are reported under Corporate Governance Report which is annexed to this Directors report. Your Company has complied with the Secretarial Standard as applicable to the Company pursuant to the provisions of the Companies Act, 2013.

15. AUDIT COMMITTEE:

The Audit Committee comprises Mr. R. J. Shah, Chairman and Ms. R. P. Bhagwati, Mr. P. H. Buch, Mr. V. R. Ambani, and Mr. S. C. Mehta as Members. In accordance with provisions of Section 177(8) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has accepted all the recommendations of the Audit Committee during the financial year 2020-21.

The details of composition, meetings, attendance and other details of the Audit Committee and other committees are reported under Corporate Governance Report which is annexed to this Directors report.

16. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Company has Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company at www.bhagwati.com.

17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

Your Company has not given any loan, investment made, guarantee given or security provided by the Company to any entity under Section 186 of the Companies Act, 2013.

18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of every contract or arrangements entered into by the Company with related parties referred to in section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in Form No. AOC -2 is annexed herewith as **(Annexure-2)**.

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and the same were placed before the Audit Committee and also to the Board for their review and approval on a quarterly basis. The Company has also formulated related party transaction policy and the same is available on the website of the Company at www.bhagwati.com.

19. PARTICULAR OF SUBSIDIARY/JOINT VENTURE/ ASSOCIATE COMPANY:

During the year under review, Your Company does not have any subsidiary/Joint Venture/ Associate Company.

20. DISCLOSURES ON MANAGERIAL REMUNERATION AND PARTICULAR OF EMPLOYEES:

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed herewith as **(Annexure-3)**.

During the year under review, there were no employees drawing remuneration which is in excess of the limit as prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (amended from time to time) and holds two percent of the equity share capital of the Company.

21. MANAGEMENT DISCUSSION AND ANALYSIS:

Pursuant to the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management discussion and analysis report for the financial year ended March 31, 2021 is forming part of this Annual report is annexed herewith as **(Annexure-4)**.

22. CORPORATE GOVERNANCE:

As required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the financial year ended March 31, 2021 along with requisite certificate confirming compliance with the conditions of Corporate Governance are annexed herewith as **(Annexure-5)**.

23. BUSINESS RESPONSIBILITY REPORT:

A provision relevant to submission of Business Responsibility Report as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, was not applicable to your Company during the year under review.

24. AUDITORS :

A) STATUTORY AUDITORS:

M/s. Mahendra N. Shah & Co., Chartered Accountants(FRN: 105775W) Ahmedabad were appointed as Statutory Auditor of the Company for a term of 5 (five) consecutive years, at the 34th Annual General Meeting held on September 21, 2016 upto the conclusion of the 39th Annual General Meeting (AGM) at a remuneration as may be mutually agreed between the Board of directors of the Company and the Auditors.

As recommended by Audit Committee, the Board of directors has proposed M/s. Mahendra N. Shah & Co., Chartered Accountants firm (FRN: 105775W) Ahmedabad for reappointment of second term of five years effective from 39th AGM to 44th AGM (i.e. FY 2021-22 to 2025-26) for approval of the members at ensuing 39th AGM.

The Company has received consent letters along with certificate from the Auditor under the provisions of the Companies Act, 2013, stating that they are not disqualified from continuing as Statutory Auditors of the Company.

The report given by the Statutory Auditors is part of the Annual Report. There has been no adverse qualification, observations, adverse remark or disclaimer given by the Auditor in their report.

B) INTERNAL AUDITORS:

Pursuant to the provisions of Section 138 of the Companies Act, 2013, the Board of directors of the Company has appointed M/s. Mehta Sheth & Associates, Chartered Accountants (FRN:106238W) Ahmedabad as an Internal auditor of the Company for the financial year 2021-22.

C) SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of directors has appointed M/s. Chirag Shah & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2020-21. Secretarial Audit Report for financial year 2020-21 is annexed herewith as **(Annexure-6)** and the Secretarial auditor has not made any adverse comments or given qualification, reservation or adverse remarks or disclaimer in their report.

The Board has appointed M/s. Chirag Shah & Associates, Company Secretaries, Ahmedabad as Secretarial auditor of the Company for the financial year 2021-22.

D) COST AUDITOR:

As per Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. In this connection, the Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of M/s. Kiran J. Mehta & Co. (FRN: 000025), Cost Accountants, Ahmedabad as the cost auditor of the Company for the financial year ending March 31, 2022. The remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking member's ratification for the remuneration payable to M/s. Kiran J. Mehta & Co., Cost Accountants placed in the notice convening the ensuing Annual General Meeting.

During the year under review, your Company has maintained cost accounts and records as prescribed under Section 148 of the Companies Act, 2013 and rules made thereunder. Cost audit report for the financial year ended 31st March, 2020 was filed with the Central Government within the stipulated time on 16th July, 2020.

E) REPORTING OF FRAUD BY AUDITORS:

During the year under review, the auditors have not reported any instances of frauds committed in the Company by its officers or employees to the Audit Committee under section 143(12) of the Companies Act, 2013.

25. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(3) of the Companies Act, 2013, in relation to the Financial Statements for FY 2020-21, your Directors, to the best of their knowledge and belief, confirm that:

- (a) in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors 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 at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the

maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

26. RISK MANAGEMENT:

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company periodically assesses risks in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in its strategy, business and operational plans.

Your Company, through its risk management process, strives to contain impact and likelihood of the risks within the risk appetite as agreed from time to time with the Board of Directors.

There are no risks which in the opinion of the Board threaten the existence of your Company.

27. HUMAN RESOURCES:

Many initiatives have been taken to support business through organizational efficiency, process change support and various employee engagement programmes which has helped the Organization to achieve higher productivity levels. A significant effort has also been undertaken to develop leadership as well as technical/ functional capabilities in order to meet future talent requirement.

28. PROHIBITION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prohibition of Insider Trading which regulates trading in securities by the Directors and designated employee of the Company. The Board is responsible for implementation of the Code. The code requires preclearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employee while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading window is closed. The relevant policy is available on the Company's website.

29. DEMATERIALIZATION OF SHARES:

The shares of your Company are being traded in electronic form and the Company has established connectivity with both the depositories, i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository system, members are requested to avail the facility of dematerialization of shares with either of the Depositories as aforesaid.

30. CORPORATE SOCIAL RESPONSIBILITY:

A provision relevant to Corporate Social Responsibility (CSR) as provided under Section 135 of the Companies Act, 2013, was not applicable to your Company during the year under review and hence the Board has not constituted CSR Committee and relevant Policy thereof.

BHAGWATI AUTOCAST LIMITED

31. THE NUMBER OF COMPLAINTS RELATING TO CHILD LABOUR, FORCED LABOUR, INVOLUNTARY LABOUR, SEXUAL HARASSMENT CASES TO INTERNAL COMPLAINTS COMMITTEE IN THE LAST FINANCIAL YEAR AND THOSE PENDING AS ON THE END OF THE FINANCIAL YEAR:

Sr. No.	Category	No. of Complaints filed during the financial year	No. of Complaints disposed of during the financial year	No. of Complainants pending as on end of the financial year
1.	Child labour/ forced labour/ Involuntary labour	NIL	None	NIL
2.	Sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.	NIL	None	NIL

32. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. To maintain its objectives and independence, the internal Audit reports to the chairman of the Audit Committee of the Board. The Internal Auditor monitors and evaluates the efficiency and adequacy of Internal Control System of the Company, its compliance with operating system, accounting procedures and policy of the Company. Based on the report of internal audit function, process owners undertake corrective action and thereby strengthen the controls. Significant audit observation and corrective actions thereon are presented to the audit committee of the board.

33. DISCLOSURES:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- (i) No significant or material orders were passed by any regulator or court or tribunal which impacts the going concern status and Company's operations in future.
- (ii) No material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.
- (iii) the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith the ir status as at the end of the financial year.
- (iv) the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

34. ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the banks, government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

Place : Ahmedabad
Date : 26/05/2021

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

Dr. Pravin N. Bhagwati
Chairman & Jt. Managing Director
DIN : 00096799

ANNEXURE "1" of the Directors Report
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.
[A] CONSERVATION OF ENERGY:
a) Steps taken on conservation of energy:

The Company has taken various measures for conservation of energy for last few years.

- [1] LED & induction light more than sixty percent are replaced.
- [2] Started operating all air compressors in auto mode.
- [3] Majority of the motors are replaced/ new purchases are of energy efficient type.
- [4] Air Compressor air leakage arrested and practice developed to switch off during recess & Non-production hours.
- [5] Lighting, HPP, Fans Cooling towers etc. Practice developed to switch off during recess & Non-production hours. Idle Running is also prevented.
- [6] Optimizing done in Furnaces operation
 1. To operate three Furnaces
 2. Cold start only one hour before start of the shift.
 3. Controlling of power to avoid holding of Furnaces at pouring temperature by better synchronizing between melting and holding

During the year, the Company has taken following measures: -

- [1]. HT capacitors installed to bring down harmonics level. Transformer losses are reduced by 2 KWH/T of melting.
- [2]. Few core boxes transferred from shell core to cold box machines, it has reduced 1 KWH/T of melting.
- [3]. Furnace electrical room Air cooling device installed. Furnace electrical losses reduced.
- [4]. Reverse torque losses in induction motors eliminated by low harmonious level.
- [5]. Disa cooler dust collector Ac drives installed and 1.5 KWH /T saving observed.

FURTHER STEPS TO BE IMPLEMENTED

- [1] Old Air pipe replacement.
- [2] Furnace power consumption scope of reduction by better co-ordination among all concerned department
- [3] Balance old motors replacement
- [4] Cooling tower saver will be introduced.
- [5] Incandescent lamp, ordinary tube lights to be replaced by LEDs.

b) Steps taken by the Company for utilizing alternate sources of energy: None
c) Additional capital investment and proposals, if any, being implemented for reduction of consumption of energy:

- [1] Induction motors between 10 to 20 HP will be replaced in phased manner and it is a continuous process.
- [2] Distribution transformer insulation will be replaced during reconditioning of transformer, which will bring down losses to optimum 6% to 3%.

d) Impact of the measures taken at (a) & (c) above for reduction of energy consumption:

Satisfactory impact of measures taken as above has been observed during the current year. However, further improvement may be possible when we reach to higher output. Maintained the average power factor of whole plant at 0.999.

Total energy consumption and consumption per unit of production are as follows:

Particulars	2020-21	2019-20
[I] Power & Fuels consumption :		
1. Electricity		
[a] Purchased		
- Units	17854720	17299120
- Total Amount [Rs. Lacs]	1377.77	1388.86
- Rate / Unit [Rs.]	7.72	8.03
[b] Own Generation		
(i) Through Diesel Generator		
- Units	5841	6087
- Units per liter of diesel oil	3.25	3.20
- Cost per unit [Rs.]	25.23	22.81
(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
[II] Consumption per unit of Production	Electricity per MT of Castings	Electricity per MT of Castings
(i) C I Castings	1218	1271
(ii) S G I Castings	1049	1248

[B] TECHNOLOGY ABSORPTION:
i. The efforts made towards technology absorption

Updation of Technology is a continuous process, absorption implemented and adapted by the Company for innovation. Efforts are continuously made to adopt new technology required in the foundry.

ii. The benefits derived like product improvement, cost reduction, product development or import substitution

Updation of systems in machineries is continuous process for better control over quality and cost and continues to monitor the same.

iii. Information regarding imported technology (Imported during last three years):

Category	FY 2020-21	FY 2019-20	FY 2018-19
Technology imported	None	None	The Company has purchased Solaris CCD plus (5CP) optical Emission Spectrometer with nitrogen channel from GNR S.r.l., Italy amounting to Rs. 14.67 Lakhs for testing of raw materials.
Has technology fully absorbed?	Not applicable	Not applicable	Yes
If not fully absorbed, areas where absorption has taken place, and the reason thereof	Not applicable	Not applicable	Not applicable

BHAGWATI AUTOCAST LIMITED

iv. The expenditures incurred on Research and Development:

- [i] Specific areas in which R & D are carried out by the Company:-
 - [a] Study and improvement in the production process parameters of ductile iron and gray iron castings.
 - [b] After successful recertification of ISO-9001:2015 evolving system approach to total quality management.
- [ii] Benefits derived as a result of above R & D:-
 - [a] Quality improvement
 - [b] Cost Control
 - [c] Energy saving by controlling grade 500/7 in as cast condition.

[C] FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

	<u>2020-21</u>	<u>2019-20</u>
	[Rs in Lakhs]	[Rs in Lakhs]
Total Foreign Exchange used	Nil	1.60
Total Foreign Exchange earned	Nil	Nil

**By Order of the Board of Directors
For, BHAGWATI AUTOCAST LIMITED**

Place : Ahmedabad
Date : 26/05/2021

Dr. Pravin N. Bhagwati
Chairman & Jt. Managing Director
DIN : 00096799

Annexure “2” to the Directors Report
Form No. AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2021 which were not at arms' length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis-

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements /transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	Bhagwati Spherocast Pvt. Ltd. – it is a related party within meaning of section 2(76) of the Companies Act, 2013.	Job work, supply of goods & availing or rendering of Services.	5 (Five) years with effect from 1st April, 2020 to 31st March, 2025	<ul style="list-style-type: none"> Sales, Purchase or supply of Capital goods, Raw Materials/ Spares & availing or rendering of any services up to Maximum amount of Rs. 500/-laks for each year. Contract shall be valid for 5 years however, if either of the party desires to terminate the agreement, it can be terminated by either party by giving 60 days' notice. No party shall transfer or assign its rights, obligations or liabilities under this agreement or any part thereof to any third party. 	29.05.2019	Nil
2.	Bhagwati Filters Pvt. Ltd. – it is a related party within meaning of section 2(76) of the Companies Act, 2013.	Purchase/ sales of Material or other related party transactions, if any	1 (One) year with effect from 1st April, 2020 to 31st March, 2021.	All the related party transactions including purchase/ sales of materials are at arms' length basis up to Rs. 5 lakhs(exclusive of taxes).	18.06.2020	Nil

**By Order of the Board of Directors
For, BHAGWATI AUTOCAST LIMITED**

Dr. Pravin N. Bhagwati
Chairman & Jt. Managing Director
DIN : 00096799

Place : Ahmedabad
Date : 26/05/2021

Annexure “3” to the Directors Report
DISCLOSURES ON MANAGERIAL REMUNERATION:

[Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

A. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any during the financial year 2020-21, and ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21:

Sr.No.	Name	Designation	Ratio of remuneration of each Director to median remuneration of employees	% Increase in Remuneration in the FY2020-21
1.	Dr. P. N. Bhagwati (DIN: 00096799)	Chairman & Jt. Managing Director	8.72	-
2.	Ms. R. P. Bhagwati (DIN: 00096280)	Managing Director	7.38	-
3.	Mr. P. H. Buch (DIN: 03411816)	Independent Director	0.09	-
4.	Mr. R. J. Shah (DIN: 01982424)	Independent Director	0.09	-
5.	Mr. V. R. Ambani (DIN: 00351512)	Independent Director	0.09	-
6.	Mr. S. C. Mehta* (DIN: 08930872)	Additional Director (Non-Executive & Independent)	0.04	-
7.	Mr. D. K. Sheth	Chief Financial Officer	N.A.	2.78%
8.	Mr. M. C. Naliyadhara	Company Secretary	N.A.	6.62%

BHAGWATI AUTOCAST LIMITED

Notes :

1. The remuneration of Independent Directors/ Additional Director (Non-Executive & Independent) includes only sitting fees paid to them for the financial year 2020-21.
 2. *Mr. S. C. Mehta (DIN: 08930872) has appointed as Additional Director (Non-Executive & Independent) by the Board of directors effective from October 22, 2020.
 3. Details not applicable for Mr. Abhijeet V. Ratolikar, who was appointed as Chief Executive Officer (KMP) of the Company by the Board of directors effective from June 18, 2020 and he resigned as Chief Executive Officer (KMP) on August 31, 2020.
 4. % increase in remuneration for FY 2020-21 was applicable w.e.f. 1st September, 2020.
 5. Median remuneration of the Company of its staff employees Rs. 4,83,006/- for financial year 2020-21.
- B. Percentage increase in the median remuneration of staff employees in the financial year: 5.73%
- C. Number of permanent employees (staff) on the rolls of the Company : 70 as on 31st March, 2021
- D. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
On an average, employees received an annual increase of 6.53%. The individual increments varied from 5% to 15%, based on individual performance. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.
- E. Affirmation that the remuneration is as per the Remuneration policy of the Company:
It is affirmed that the remuneration is as per the Remuneration policy of the Company.

**By Order of the Board of Directors
For, BHAGWATI AUTOCAST LIMITED**

Dr. Pravin N. Bhagwati
Chairman & Jt. Managing Director
DIN : 00096799

Place : Ahmedabad
Date : 26/05/2021

Annexure "4" to the Directors Report

MANAGEMENT DISCUSSION AND ANALYSIS

(Pursuant to Regulation 34 of the SEBI (LODR) Regulation, 2015)

COMPANY PROFILE

Bhagwati Autocast Limited (BAL) is manufacturing Cast Iron (CI) & Spheroidal Graphite Iron (SGI) Castings having plant located at near Bavla, Ahmedabad. The Company is ISO 9001:2015 certified (BUREAU VERITAS).

OVERALL REVIEW

The Company's production was increased by 3.13% during the year ended March 31, 2021, i.e.14037 (MT) as compared to the previous year production of 13611 (MT). In terms of total Revenue generated during the year are highlighted as follows:

(Rs. in Crores)

	2020-21	2018-19
Sale of CI Castings	104.32	98.85
Sale of SGI Castings	0.00	0.01
Sale of Patterns	0.06	1.64
Revenue from Operations	104.38	100.50
Other Operating Revenue	-	-
Other Income	0.04	0.12
Total Revenue	104.42	100.62

While detailed financial position and performance are available in the Balance Sheet, Statement of Profit & Loss, along with related notes forming part of the financial statements for the year 2020-21.

INDUSTRY STRUCTURE AND DEVELOPMENTS

As the Company's product range can be categorized in various tractor, compressor industry manufacturers. It would be appropriate to take a look at the trends that are prevailing in relevant automobile sectors.

OUTLOOK, OPPORTUNITIES AND DEVELOPMENTS

The entire country is under a severe impact of CoVID-19 pandemic. Our Company is closely dependent on the growth of tractor industries and demand for tractors is highly dependent on the agriculture activity in the country and farmers income by way of minimum support price (MSP).

Factors like infrastructure development, and launch of new models by vehicle manufactures, changing buying pattern, replacement demand etc. overall improvement in economic fundamentals will be the positive drivers for tractor and automobile industries in the medium to long term. The second wave of Covid and the various restrictions are expected to weigh on demand. This time around, rural areas are also getting impacted, which would affect in tractor industry. The optimistic outlook of tractor industries will give boost to the demand for auto components as well and as a component supplier, the prospects of Company's business also looks good.

THREATS, RISKS & CONCERNS

As your Company supplies components to tractor OE manufacturers, the Company would be directly affected by the factors impacting tractor industry. These would include issues like quantum of rains spread, Government policy on procurement, enforcement of safety / emission regulations, availability of credit, change in interest rates, commodity price trends, increasing intensity of competition etc.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has established procedures in place for internal control. The policies and procedures have been laid down with an objective to provide reasonable assurance that assets of the Company are safeguarded from risks of unauthorized use / disposition and the transactions are recorded and reported with propriety, accuracy and speed. These aspects are regularly reviewed during internal audit and statutory audit. The Company has also laid down adequate internal financial controls. Internal Audit Reports are reviewed by the Audit Committee of the Board from time to time. During the year, such controls were tested and no material weakness in their operating effectiveness was observed.

HUMAN RESOURCES

The Company has a highly committed, loyal and dedicated team. Many initiatives have been taken to support business through organizational efficiency, process change support and various employee engagement programmes which has helped the Organization achieve higher productivity levels. A significant effort has also been undertaken to develop leadership as well as technical/ functional capabilities in order to meet future talent requirement. The Company promotes an atmosphere which encourages learning and informal communication within the organization. Industrial relations were cordial throughout the year under review.

DETAILS OF SIGNIFICANT CHANGES IN THE KEY FINANCIAL RATIOS & RETURN ON NET WORTH

As per Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), details of significant changes i.e. change of 25% or more as compared to the immediately previous financial year in Key Financial Ratios and any changes in Return on Net Worth of the Company including explanations therefore are given below:

Sr.No.	Particulars	FY 2020-21	FY 2019-20	Change in %	Explanation
1	Debtor Turnover	3.36	3.42	-1.83	N.A.
2	Inventory Turnover	17.35	16.35	6.12	N.A.
3	Interest Coverage Ratio	7.43	4.49	65.55	Due to fast realization from customers, it has resulted in lower utilization of cash credit facilities.
4	Current Ratio	1.52	1.53	-0.94	N.A.
5	Debt Equity Ratio	0.99	0.98	0.78	N.A.
6	Operating Profit Margin (%)	2.64	3.90	-32.28	Due to lock down during first quarter of 2020-21 the company has made loss Rs. 96.79 lakhs. Hence overall profit is after adjustment of this loss.
7	Net Profit Margin (%)	1.77	2.14	-17.53	N.A.
8	Return on Net Worth	6.52	8.06	-19.06	N.A.

CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis Report describing company's objectives and expectations may constitute "forward looking statements" based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized by the Company. Actual results might differ materially from those either expressed or implied.

**By Order of the Board of Directors
For, BHAGWATI AUTOCAST LIMITED**

Place : Ahmedabad
Date : 26/05/2021

Dr. Pravin N. Bhagwati
Chairman & Jt. Managing Director
DIN : 00096799

Annexure "5" to the Directors Report
CORPORATE GOVERNANCE REPORT
COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE CODE:

The Good Corporate Governance is creation and enhancing long-term sustainable value for the stakeholders through ethically driven business process stipulated by Securities and Exchange Board of India (SEBI). It is a process or a set of systems to ensure that Company is managed to suit the best interest of all Stakeholders. At your company, the Board is at the core of its Corporate Governance Practice and considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creating and safeguarding their wealth. The Concept of Corporate Governance hinges on total transparency, integrity, accountability of the management and the Board of Directors. The Company has strong legacy of fair, transparent and ethical governance practices.

The Corporate Governance is first time applicable to your Company, as per the criteria mentioned in Listing Regulations. We take pleasure in reporting that your Company's existing policies and procedures are in conformity with the requirements stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – "Listing Regulations" and the Company is committed to maintain the highest Standard of Corporate Governance to maintain proper Compliance with all the applicable legal and regulatory requirements under which the Company is carrying out its activities.

BHAGWATI AUTOCAST LIMITED

1. BOARD OF DIRECTORS

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. It conducts the overall strategic supervision and control by setting policies, reporting mechanism and accountability and decision making process to be followed. The company has an optimum composition mix of Non-Executive and Independent directors including Woman Director. All the Members of the Board are competent and are persons of repute with strength of character, professional eminence, having the expertise in their respective disciplines to deal with the management functions of the Company.

1.1 Details of the composition of the Board, attendance of Directors at Board meetings and other related matters as at March 31, 2021 are as under:

Sr. No.	Name of Directors	DIN	Category of Directorship #	Attendance Particulars			No. of Shares held as on 31st March, 2021	No. of Directorship and Committee Membership/ Chairmanship in other Companies (Including the Company)*		
				No. of board meeting held	No. of board meeting attended	Attendance at last AGM		Director	Number (Committee)	Chairman (Committee)
1.	Dr. Pravin N. Bhagwati	00096799	CJMD-Executive	4	4	Yes	450862	0	0	0
2.	Ms. Reena P Bhagwati	00096280	MD-Executive	4	4	Yes	980158	4	5	0
3.	Mr. Rajendraprasad J. Shah	01982424	NED (I)	4	4	Yes	0	3	1	2
4.	Mr. Padmin H. Buch	03411816	NED (I)	4	4	Yes	0	3	2	1
5.	Mr. Vimal R. Ambani	00351512	NED (I)	4	4	Yes	0	4	5	0
6.	Mr. Shantanu C. Mehta ^	08930872	ANED (I)	4	2	NA	0	1	2	0

Notes:

- a) #CJMD - Chairman & Jt. Managing Director, MD - Managing Director, NED (I) - Non Executive Director (Independent), ANED (I) – Additional Non-Executive Director (Independent).
- b) *Excludes Directorship in Private/Foreign Companies, One Person Companies/LLP and Companies incorporated Under Section 8 of the Companies Act, 2013 including not for profit Company.
- c) *Only Chairmanship/Membership of the Audit Committee and Stakeholders Relationship Committee has been considered as per Regulation 26 of Listing Regulations.
- d) ^ Mr. Shantanu C. Mehta has been appointed as an Additional Non-Executive Director (Independent) by the Board of directors effective from October 22, 2020 and after such appointment he has attended all the board meetings.

1.2 Except Dr. Pravin N. Bhagwati and Ms. Reena P Bhagwati, who are related to each other as father and daughter respectively, none of the other Directors are related to any other Director on the Board in term of definition of 'relative' as per the Companies Act, 2013.

1.3 The Independent directors are regularly informed during meeting of the Board and Committees on the business strategy, business activities, manufacturing operations and issues faced by the foundry. Details of familiarization programs are part of the Directors report and available on the website of the Company at www.bhagwati.com.

1.4 The Board met at regular intervals and minimum four Board Meetings are required to be held in each year. The intervening gap between two consecutive board meetings was within the period prescribed under the Companies Act, 2013 and Listing Regulations and as per the extended/ relaxation in time limit given by Ministry of Corporate Affairs and SEBI due to CoVID-19 pandemic.

During the financial year ended 31st March, 2021, 4 (Four) meetings of the Board of Directors were held on 18th June 2020, 2nd September 2020, 4th November 2020 and 9th February 2021. The attendance of each director at these Board meetings as hereunder:

Sr. No.	Name of Directors	Board Meetings	
		No. of meetings held	No. of meetings attended
1.	Dr. Pravin N. Bhagwati	4	4
2.	Ms. Reena P. Bhagwati	4	4
3.	Mr. Rajendraprasad J. Shah	4	4
4.	Mr. Padmin H. Buch	4	4
5.	Mr. Vimal R. Ambani	4	4
6.	Mr. Shantanu C. Mehta	4	2

1.5 Independent directors play an important role in the governance process of the Board. They bring their expertise and experience on the deliberation of the Board. This enriches the decision making process at the Board with different points of view and experiences and prevents conflict of interest in the decision making process.

None of the Independent Director serves as an Independent Director in more than seven listed companies (in case if any independent director serve as whole time director/ managing director in any listed company then he can only remain as an Independent Director not more than three listed companies - not applicable in our Company as at March 31, 2021). No person has been appointed or continuing as an Alternate Director for an Independent Director of the Company.

Based on the disclosures received from Independent Directors and also in the opinion of the Board, the Independent directors fulfill the conditions as per Section 149(6) of the Companies Act, 2013 and Listing Regulations and independent of the management.

During the year, one meeting of the Independent Directors was held on 9th February 2021. All independent directors attended the meeting. At the meeting, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company, management and the Board that is necessary for effectively and reasonably perform their duties.

During the year under review, none of the Independent directors of the Company had resigned before the expiry of their respective tenure(s).

1.6 Name of other listed entities where Directors of the Company are Directors and category of Directorship:

Sr. No.	Name of Directors	Name of other listed entities in which the concerned Director is a Director	Category of Directorship*
1.	Dr. Pravin N. Bhagwati	None	Not Applicable
2.	Ms. Reena P. Bhagwati	Eimco Elecon (India) Limited	NED (I)
		The Anup Engineering Limited	NED (I)
		Symphony Limited	NED (I)
3.	Mr. Rajendraprasad J. Shah	Archit Organosys Limited	NED (I)
4.	Mr. Padmin H. Buch	Shilp Gravures Limited	NED (I)
5.	Mr. Vimal R. Ambani	Sanrhea Technical Textiles Limited	NED (I)
		Investment & Precision Castings Limited	NED (I)
6.	Mr. Shantanu C. Mehta	None	Not Applicable

*Non-Executive Director (Independent).

1.7 Skills, expertise and competencies that are identified and available with the Board

The identified skills/ expertise/ competencies required for effective functioning of the Company, which are currently available with the Board of the Company:

Core Skills/ Expertise/ Competencies	Dr. Pravin N. Bhagwati	Mr. Reena P. Bhagwati	Mr. Rajendraprasad J. Shah	Mr. Padmin H. Buch	Mr. Vimal R. Ambani	Mr. Shantanu C. Mehta
Experience and Knowledge in Finance, Taxation, Risk Management, Compliance and Corporate Governance	✓	✓	✓	✓	✓	✓
Leadership experience in managing the Company's business	✓	✓	✓	✓	✓	✓
Expertise in Strategic Business Planning and Corporate Management	✓	✓	✓	✓	✓	✓
Experience and knowledge of Industry	✓	✓	✓	Knowledge - ✓	×	✓
Expertise in the field of Technology, Research & Development	✓	✓	✓	✓	✓	✓
Legal or Regulatory knowledge in the field of business of the Company	✓	✓	✓	✓	×	✓

2. AUDIT COMMITTEE

As on 31st March 2021, the Audit Committee of the Company comprises of five directors viz. Mr. R. J. Shah, Ms. R. P. Bhagwati, Mr. P. H. Buch, Mr. V. R. Ambani and Mr. S. C. Mehta. All the Members of the Committee are Non-Executive and Independent Directors except one Managing Director. Mr. R. J. Shah, Independent Director act as Chairman of the Committee. The Committee members are having requisite experience in the fields of Finance, Accounts and Management. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Listing Regulations.

2.1 Terms of reference:

The terms of reference of Audit Committee is wide enough to cover the matters specified for Audit Committee under Listing Regulations, as well as in Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee are broadly as under:

- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (c) of Sub-Section 3 of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions; and
 - g. modified opinion(s) in the draft Audit Report.
- reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the Company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the Structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with Internal Auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of non-payment of declared dividends) and Creditors;
- to review the functioning of the Whistle Blower mechanism;
- approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- reviewing the utilization of loans and/or advances from/ investment by the holding company in the subsidiary exceeding rupees one hundred crore or ten percent of the total asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments.
- to carry out any other function as is mentioned in terms of reference of the Audit Committee and/or enforced by any statutory notification, amendment or modification, as may be applicable.

Review of information by Audit Committee:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the Statutory Auditors;

- internal audit reports relating to internal control weaknesses; and
- appointment/ re-appointment and terms of remuneration of the Internal auditor shall be subject to review by the Audit Committee;
- to grant omnibus approval for related party transactions which are in the ordinary course of business and on an Arm's Length pricing basis and to review and approve such transactions subject to the approval of the Board;

2.2 Composition of the Audit Committee, number of Meetings held and attended by its members during the year:

During the year, 4 (Four) Audit Committee meetings were held on 18th June 2020, 2nd September 2020, 4th November 2020 and 9th February 2021. The intervening gap between two consecutive Audit committee meetings was within the period prescribed under the Companies Act, 2013 and Listing Regulations and as per the extended/ relaxation in time limit given by Ministry of Corporate Affairs and SEBI due to CoVID-19 pandemic.

Name	Category*	Designation	No. of Meetings held	No. of Meeting attended
Mr. Rajendraprasad J. Shah	NED (I)	Chairman	4	4
Ms. Reena P. Bhagwati	MD-Executive	Member	4	4
Mr. Padmin H. Buch	NED (I)	Member	4	4
Mr. Vimal R. Ambani	NED (I)	Member	4	4
Mr. Shantanu C. Mehta ^	ANED (I)	Member	4	1

The Company Secretary acts as Secretary to the Committee.

Notes:

- a. *NED (I)-Non-Executive Director (Independent), MD-Managing Director, ANED (I)-Additional Non-Executive Director (Independent).
- b. ^ Mr. Shantanu C. Mehta has been appointed as Member in Audit Committee by the Board of directors on November 4, 2020 and after such appointment he has attended all the Audit committee meeting.
- c. A composition of the Audit Committee is available on Company's website in Investor column at www.bhagwati.com
- d. Mr. R. J. Shah, Chairman of the Audit committee was present at the last Annual general meeting held on 24th September, 2020.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE

As on 31st March 2021, the Stakeholders Relation Committee (SRC) of the Company comprises of five directors viz. Mr. R. J. Shah, Ms. R. P. Bhagwati, Mr. P. H. Buch, Mr. V. R. Ambani and Mr. S. C. Mehta. All the Members of the Committee are Non-Executive and Independent Directors except one Managing Director. Mr. R. J. Shah, Non-Executive and Independent Director act as Chairman of the Committee.

3.1 Terms of reference:

- resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, dematerialization/rematerialization of Shares, general meetings, etc.
- review of measures taken for effective exercise of voting rights by shareholders.
- review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.
- review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company
- carry out any other function as is mentioned in terms of reference of the SRC and/or enforced by any statutory notification, amendment or modification, as may be applicable.

3.2 Composition of the SRC, number of Meetings held and attended by its members during the year:

During the year, SRC meeting was held on 9th February 2021. The details of meetings attended by its members are given below:

Name	Category*	Designation	No. of Meetings held	No. of Meeting attended
Mr. Rajendraprasad J. Shah	NED (I)	Chairman	1	1
Ms. Reena P. Bhagwati	MD-Executive	Member	1	1
Mr. Padmin H. Buch	NED (I)	Member	1	1
Mr. Vimal R. Ambani	NED (I)	Member	1	1
Mr. Shantanu C. Mehta	ANED (I)	Member	1	1

The Company Secretary acts as Secretary to the Committee.

Mr. Mehul Naliyadhara is a Company Secretary and Compliance Officer of the Company

BHAGWATI AUTOCAST LIMITED

Notes:

- a. *NED (I)-Non-Executive Director (Independent), MD-Managing Director, ANED (I)-Additional Non-Executive Director (Independent).
- b. A composition of the Stakeholders Relationship Committee is available on Company's website in Investor column at www.bhagwati.com
- c. Mr. R. J. Shah, Chairman of the Stakeholders Relationship committee was present at the last Annual general meeting held on 24th September, 2020.

During the year under review, the Company has not received any Complaint from Shareholders and all the service related answers has been provided to the shareholders in time. There is no outstanding complaint as on 31st March, 2021.

4. NOMINATION AND REMUNERATION COMMITTEE

As on 31st March 2021, the Nomination and Remuneration Committee (NRC) of the comprises of four directors viz. Mr. R. J. Shah, Mr. P. H. Buch, Mr. V. R. Ambani and Mr. S. C. Mehta. All the Members of the Committee are Non-Executive and Independent Directors. Mr. R. J. Shah, Non-Executive and Independent Director act as Chairman of the Committee. The constitution and terms of reference of NRC of the Company are in compliance with provisions of Section 178 of the Companies Act, 2013 and Listing Regulations.

4.1 Terms of reference:

- a. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of directors a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b. formulation of criteria for evaluation of performance of Independent Directors and the Board of directors;
- c. devising a policy on diversity of Board of directors;
- d. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of directors their appointment and removal and shall carry out evaluation of every directors' performance;
- e. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- f. Recommend to the board, all remuneration, in whatever form, payable to senior management;
- g. to carry out any other function as is mentioned in terms of reference of the NRC and/or enforced by any statutory notification, amendment or modification, as may be applicable.

4.2 Composition of the NRC, number of Meetings held and attended by its members during the year:

During the year, 2 Nomination and Remuneration Committee meeting was held on 18th June 2020 and 4th November 2020. The details of meetings attended by its members are given below:

Name	Category*	Designation	No. of Meetings held	No. of Meeting attended
Mr. Rajendraprasad J. Shah	NED (I)	Chairman	2	2
Mr. Padmin H. Buch	NED (I)	Member	2	2
Mr. Vimal R. Ambani	NED (I)	Member	2	2
Mr. Shantanu C. Mehta	ANED (I)	Member	2	0

The Company Secretary acts as Secretary to the Committee.

Notes:

- a. *NED (I)-Non-Executive Director (Independent), ANED (I)-Additional Non-Executive Director (Independent).
- b. ^ Mr. Shantanu C. Mehta has been appointed as Member in Nomination and Remuneration Committee by the Board of directors on November 4, 2020 and after such appointment there is not held any NRC meeting.
- c. A composition of the Nomination and Remuneration Committee is available on Company's website in Investor column at www.bhagwati.com
- d. Mr. R. J. Shah, Chairman of the Nomination and Remuneration committee was present at the last Annual general meeting held on 24th September, 2020.

4.3 Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors of the Company has initiated and put in place evaluation of its own performance, its committees and individual directors. The Nomination and Remuneration Committee has also reviewed the performance of the Board, Committee and all the directors of the Company. An evaluation was based on parameters such as meetings and its procedures, board and managerial relation, skills and experience to perform the role, level of participation, chairman relationships and stakeholder value and responsibility.

5. REMUNERATION OF DIRECTORS
5.1 A detail of remuneration paid to Executive Directors & Non-Executive Directors

The Executive Directors are not being paid sitting fees for attending meetings of the Board of Directors and its committees.

Sr. No.	Name of Directors*	Business relationship with the company	Remuneration during FY 2020-21* (Rs. in Lakhs)
1.	Dr. Pravin N. Bhagwati	Chairman & Jt. Managing Director	42.13
2.	Ms. Reena P. Bhagwati	Managing Director	35.63

Notes:

- *Remuneration during FY 2020-21 inclusive of value of perquisites, PF contribution, medical reimbursement and reimbursement of expenses.
- Dr. Pravin N. Bhagwati and Ms. Reena P. Bhagwati have been appointed as Jt. Managing Director and Managing Director respectively effective from 1st November, 2020.

The Non-Executive and Independent Directors are being paid only sitting fees for attending meetings of the Board of Directors and its committees. None of the Non-executive directors had any pecuniary relationship with the Company during the year. The Company has disclosed the criteria of making payment to Non-Executive directors and the same is posted on the website of the Company at www.bhagwati.com.

Sr. No.	Name of Directors*	Designation in the Company*	Sitting fees for Board/Committee meetings during FY 2020-21 (Rs. in Lakhs)
1.	Mr. Rajendraprasad J. Shah	NED (I)	0.44
2.	Mr. Padmin H. Buch	NED (I)	0.44
3.	Mr. Vimal R. Ambani	NED (I)	0.44
4.	Mr. Shantanu C. Mehta ^	ANED (I)	0.18

Notes:

- *NED (I)-Non-Executive Director (Independent), ANED (I)-Additional Non-Executive Director (Independent).
- ^ Mr. Shantanu C. Mehta have been appointed as Additional Director (Non-Executive & independent) by the Board effective from October 22, 2020

5.2 Service contract, Severance fees and Notice period

The appointment of the Managing Director, Executive or Non-Executive Director is governed by Articles of Association of the Company and the resolution passed by Board of Directors and the members of the Company. These cover terms and condition of such appointment. A service agreement/ contract is entered into by the Company with Dr. Pravin N. Bhagwati, Jt. Managing Director effective from 01.11.2020 to 30.09.2021 (old contract as Managing Director from 01.10.2018 to 30.09.2021) and Ms. Reena P. Bhagwati, Managing Director effective from 01.11.2020 to 30.09.2025 (old contract as Jt. Managing Director effective from 01.10.2020 to 30.09.2025) in accordance with the resolution passed by the Board of directors and Members of the Company. There is no separate provision for payment of Severance fees under the resolution governing the appointment of the Managing Directors, Executive or Non-Executive Director.

5.3 Stock option details, if any

The Company does not have any stock option scheme.

6. GENERAL BODY MEETING
6.1 Details of last three Annual General Meetings:

Year	AGM/EGM	Date	Time	Venue	No. of Special Resolution Passed
2019-20	38th AGM	24/09/2020	03:00 pm	Through video conferencing/ other audio visual means	2
2018-19	37th AGM	21/08/2019	11:00 am	Survey No. 816, Village Rajoda, Near Bavla, Dist. Ahmedabad-382220, Gujarat	2
2017-18	36th AGM	12/09/2018	11:00 am	Survey No. 816, Village Rajoda, Near Bavla, Dist. Ahmedabad-382220, Gujarat	1

Details of Special Resolution passed in the immediately preceding three AGMs

AGM/EGM	Particulars of Special Resolution Passed
38th AGM	- Payment of remuneration to executive directors who are promoters or member of the promoter group - Re-appointment of Ms. Reena P. Bhagwati (DIN: 00096280) as Jt. Managing Director of the Company
37th AGM	- To re-appoint Mr. Padmin H. Buch (DIN: 03411816) as an Independent Director - To re-appoint Mr. Rajendraprasad J. Shah (DIN: 01982424) as an Independent Director
36th AGM	- To re-appoint Dr. Pravin N. Bhagwati (DIN: 00096799) as a Managing Director

BHAGWATI AUTOCAST LIMITED

6.2 Postal Ballot

During the year, one special resolution was passed by way of postal ballot (remote e-voting) on 10th December, 2020.

Mr. Chirag Shah (Mem. No. FCS:5545) was appointed as the scrutinizer for the entire postal ballot process. The details of special resolution and voting result thereof are as follows:

Resolution: Special resolution for change in designation and remuneration of Ms. Reena P. Bhagwati (DIN: 00096280) as Managing Director of the Company

Total No. of shareholders on cut-off date							2480
Total No. of Shares							2880684
Particulars	No. of Shares held	No. of votes polled	% of votes polled	No. of votes in favour	No. of votes against	% of votes in favour	% of votes against
Promoters and Promoter group	2071277	0	0.00	0	0	0.00	0.00
Public institutions	300	0	0.00	0	0	0.00	0.00
Public non-institutions	809107	5758	0.71	5735	23	99.60	0.40

Above postal ballot detailed voting result is available on the website of the Company at www.bhagwati.com. There is no any other immediate proposal for passing any resolution through Postal Ballot.

7. MEANS OF COMMUNICATION

The quarterly, half - yearly and annual financial results of the Company are uploaded on BSE Listing Centre in accordance with the requirements of Listing Regulations. The financial results are displayed on BSE website. The financial results are also published in 'Business Standard' (English) and 'Jai Hind' (Gujarati) newspapers and posted on the Company's website at www.bhagwati.com. In terms of the Listing Regulations, the Company has a designated email ID for dealing with Investors' complaints viz. cs@bhagwati.com.

8. GENERAL SHAREHOLDER INFORMATION

8.1 39th Annual General Meeting

Day, Date, Time & Venue	Thursday, September 23, 2021 at 03:00 pm (IST) through video conferencing/ other audio visual means
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8.2 Financial Year Calendar 2021-22 (Tentative)

Financial Year	April 1, 2021 to March 31, 2022
First Quarter Results	On or before 14th August 2021
Half Yearly Results	On or before 14th November, 2021
Third Quarter Results	On or before 14th February, 2022
Audited Annual Results for FY 2021-22	On or before 30th May, 2022

8.3 Dividend payment

Book Closure: Thursday, September 16, 2021 to Thursday, September 23, 2021

Subject to the provisions of the Act, dividend as recommended by the Board, if declared at the 39th Annual General Meeting, will be paid within a period of 30 days from the date of declaration.

8.4 Listing on Stock Exchange along with stock code

Equity shares of the Company are listed on following stock exchange:

Name & Address of Stock Exchange	BSE Limited 25th Floor, P. J. Towers, Dalal Street, Fort, Mumbai-400001, Maharashtra, India
Security Code	504646

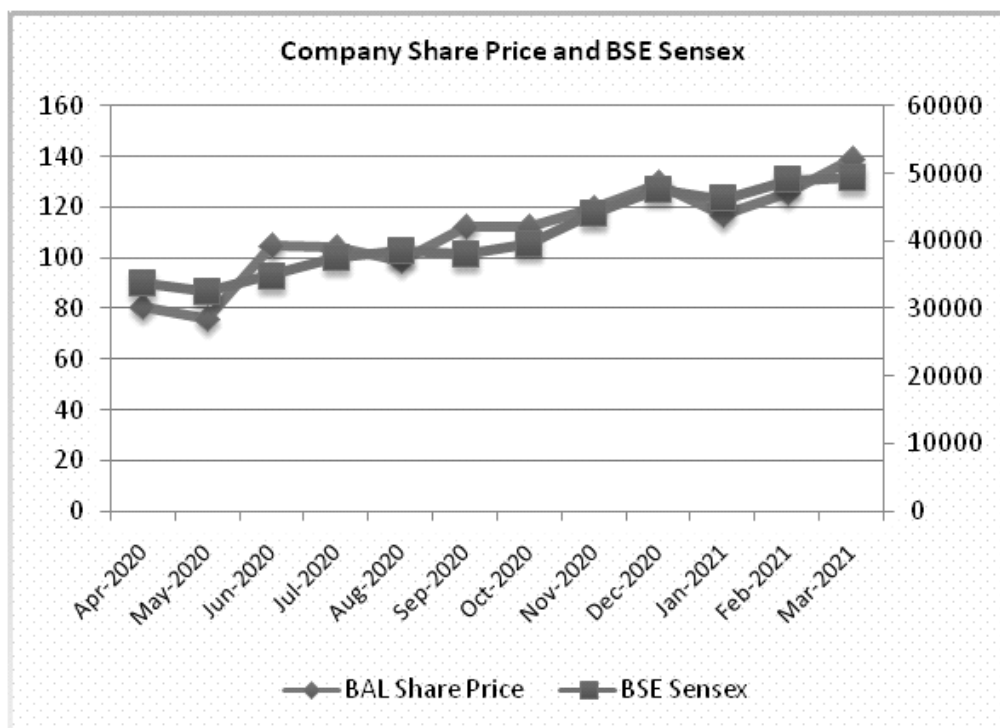
The Company has paid Annual Listing fees for the financial year 2020-21 to BSE Limited within the stipulated time and the shares of the Company have been neither delisted nor suspended during the year under review.

8.5 Market Price Data – High, low and close during last financial year

The monthly High, Low and Close prices of equity shares during each month in last financial year 2020-21 on BSE Limited are as given below:

Month	Share Price on BSE			BSE Sensex		
	High (Rs.)	Low (Rs.)	Close (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)
April, 2020	117.70	72.50	81.00	33887.25	27500.79	33717.62
May, 2020	84.95	73.05	76.00	32845.48	29968.45	32424.10
June, 2020	105.00	78.45	105.00	35706.55	32348.10	34915.80
July, 2020	110.95	98.00	104.50	38617.03	34927.20	37606.89
August, 2020	109.00	91.15	98.95	40010.17	36911.23	38628.29
September, 2020	112.10	95.00	112.10	39359.51	36495.98	38067.93
October, 2020	117.60	95.75	112.40	41048.05	38410.20	39614.07
November, 2020	121.00	108.00	119.90	44825.37	39334.92	44149.72
December, 2020	134.80	114.80	129.40	47896.97	44118.10	47751.33
January, 2021	134.90	117.00	117.05	50184.01	46160.46	46285.77
February, 2021	132.65	114.60	126.00	52516.76	46433.65	49099.99
March, 2021	145.00	117.50	139.25	51821.84	48236.35	49509.15

(Source: www.bseindia.com)

8.6 Performance of the Company's equity shares in comparison to BSE Sensex (closing prices):


(Source: www.bseindia.com)

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8.7 Registrar and Share Transfer Agent

MCS Share Transfer Agent Limited, Address: 101, 1st Floor, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad-380009 Tel. No.: +91 79 26580461/62/63 E-mail id:mcsstaahmd@gmail.com, Website:www.mcsregistrars.com

8.8 Share Transfer System:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Company has regularly obtained half-yearly certificates from Company Secretary in Practice regarding compliance with the share transfer formalities including other matters as required under Regulation 40(9) of the Listing Regulations and files a copy of the certificate with the Stock Exchange in time.

8.9 Distribution of Shareholding as on 31st March, 2021

No. of Shares	No. of Holders	% of Holders	No. of Shares	% of Holding
1 to 500	2131	91.14	259575	9.01
501 to 1000	115	4.92	89919	3.12
1001 to 2000	43	1.84	61413	2.13
2001 to 3000	15	0.64	36541	1.27
3001 to 4000	6	0.26	21805	0.76
4001 to 5000	7	0.30	31781	1.11
5001 to 10000	9	0.38	59446	2.06
10001 to 50000	6	0.26	93401	3.24
50001 to 100000	3	0.13	221037	7.67
100001 and above	3	0.13	2005766	69.63
TOTAL	2338	100.00	2880684	100.00

8.10 Shareholding Pattern as at March 31, 2021

Sr. No.	Category	No. of Shares held	% of shareholding
A.	Promoters & Promoter Group		
1.	Indian		
(a)	Individuals	1511591	52.47
(b)	Bodies corporates	589315	20.46
	Sub Total (A)	2100906	72.93
B.	Public Shareholding		
1.	Institutions		
(a)	Mutual funds/ UTI	0	0.00
2.	Non-Institutions		
(a)	Bodies corporates	25074	0.87
(b)	Individuals	607930	21.10
(c)	HUFs	18691	0.65
(d)	NRI	57189	1.99
(e)	IEPF Authority MCA	70894	2.46
	Sub Total (B)	779778	27.07
	Total (A+B)	2880684	100.00

8.11 Dematerialization of Shares & Liquidity

Equity shares of the Company can be traded only in dematerialized form by the investors. The Company has established connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company is 'INE106G01014'. As on March 31, 2021, 94.92% of the total equity share capital of the Company are in dematerialized form. The shares of the Company are actively traded at BSE Limited.

8.12 Outstanding GDRs/ ADRs/ Warrants or any other convertible instruments

Not Applicable.

8.13 Commodity price risk or Foreign exchange risk and hedging activities

During the year, the Company is not exposed to commodity price risk and does not have any foreign exchange transaction and/or hedging activities.

8.14 Plant Location

Survey No. 816, Village: Rajoda, Near Bavla, Dist. Ahmedabad-382220, Gujarat, India

8.15 Address for correspondence with the Company

Chief Financial Officer/ Company Secretary & Compliance Officer

Bhagwati Autocast Limited

Survey No. 816, Village: Rajoda, Near Bavla, Dist. Ahmedabad-382220, Gujarat

Phone: +91 2714 232283/ 232983/ 232066,

Email Id: dksheth@bhagwati.com , cs@bhagwati.com

8.16 Credit Rating

The CRISIL Limited has reviewed the ratings on the bank facilities of the Company and reaffirmed the rating of the Company as "CRISIL BBB/-Stable" (outlook revised from 'Negative') assigned to the long term bank facilities and "CRISIL A3" (reaffirmed) assigned to the short term bank facilities.

9 OTHER DISCLOSURES
9.1 Related Party Transaction

All transactions entered into by the Company with related parties as defined under the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), during the financial year 2020-21 were in the ordinary course of business and on arm's length basis. Transactions with related parties are disclosed in detail in Notes forming part of the Accounts annexed to the financial statements for the year. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of Company. The policy on dealing with related party transactions is available on website of the company www.bhagwati.com.

9.2 Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to the Capital Markets during the last three years:

There were no instances of non-compliance, penalty or strictures imposed on the Company by the Stock Exchange or Securities Exchange Board of India (SEBI) or any statutory authority, on any matter related to capital markets, during the last three years.

9.3 Details of establishment of vigil mechanism

The Company has established a Whistle Blower policy (Vigil mechanism) and has established necessary mechanism to enable directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Companies code of conduct. The policy offer appropriate protection to the whistle blowers from victimization, harassment or disciplinary proceedings. No personnel of the Company has been denied access to Audit Committee. A copy of the Whistle Blower Policy is also available on the website of the Company at www.bhagwati.com.

9.4 The policy for determining Material subsidiaries is available on website of the company: www.bhagwati.com.

9.5 The Company does not deal in commodities and hence the disclosure pursuant to SEBI circular dated 15th November, 2018 is not required to be given.

9.6 There were no instances of raising of funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations.

9.7 The Board of directors confirms that during the year, it has accepted all recommendations received from its mandatory committees.

9.8 Total fees for all services paid by the Company, on consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of statutory auditor is a part is given below:

Auditors remuneration	FY 2020-21
Audit fees*	1.70
Tax audit fees*	0.30
Reimbursement of expenses	0.11
Total	2.11

*Net of GST

BHAGWATI AUTOCAST LIMITED

- 9.9** A detail/ disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are given in Directors report.
- 9.10** There are no instances of non-compliance of any requirement of Corporate Governance Report as mentioned in sub-paras (2) to (10) of Para (C) of Schedule V of Listing Regulations. The Company has been regularly submitting the quarterly compliance report to the Stock Exchanges as required under Regulation 27 of the Listing Regulations.
- 9.11** Details of compliance with mandatory requirements and adoption of the non-mandatory requirements: The Company has fully complied with the mandatory requirements of Listing Regulations. The status of compliance with discretionary recommendation and adoption of the non-mandatory requirements as specified in Regulation 27(1) of the Listing Regulations, are provided below:
1. The Chairman of the Company is Executive Director.
 2. Half-yearly and other Quarterly financial statements are published in newspapers, uploaded on Company's website www.bhagwati.com and same are not being sent to the shareholders.
 3. The Company already has a regime of un-qualified financial statement. Auditors have raised no qualification on the financial statements.
 4. The internal auditor has direct access to the Audit Committee.
- 9.12** The Company has complied Corporate Governance requirements specified in regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of regulation 46 of the Listing Regulations. As provided in Regulation 17(1)(c) of the Listing regulations, the Board of directors should comprise six directors for top 2000 listed companies as per market capitalization as at the end of immediate previous financial year and the Board has appointed Additional Director (Non-Executive & Independent) effective from October 22, 2020. As per Regulation 15(2)(a) of the Listing Regulations, the Company have first time applicable Corporate Governance effective from April 1, 2020 and there is six months cooling off period given for compliance of provisions relevant to Corporate governance.
- 9.13** Disclosure with respect to demat suspense account/ unclaimed suspense account: Not applicable.
- 9.14** Reconciliation of share capital audit: A qualified Practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL, is placed before the Board on a quarterly basis and also submitted to the Stock exchange where the shares of the Company are listed.
- 9.15** The Certificate from the Practicing Company Secretary that none of the directors of the Company have been debarred or disqualified from being appointed or continuing as directors of the Companies by the board/Ministry of Corporate Affairs or any such statutory authority is annexed with the Directors' Report and forms an integral part of the Annual Report.
- 9.16 Code of Conduct**
The Code of Conduct for the Board Members and Senior Management Personnel of the Company has been laid down by the Board and the same is posted on the website of the Company at www.bhagwati.com. The Members of the Board and senior management of the Company have submitted their affirmation on compliance with the Code of Conduct for the effective period. A declaration to this effect forms part of this Annual Report.
- 9.17 CEO/CFO Certification**
The Jt. Managing Director and Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations.
- 9.18 Certificate on Corporate Governance**
A compliance certificate from Practicing Company Secretary pursuant to the requirements of Schedule V of Listing regulations regarding compliance of conditions of Corporate Governance is part of this report.

Place : Ahmedabad
Date : 26/05/2021

**By Order of the Board of Directors
For, BHAGWATI AUTOCAST LIMITED**

Dr. Pravin N. Bhagwati
Chairman & Jt. Managing Director
DIN : 00096799

Declaration Regarding Compliance by Board of Directors and Senior Management Personnel having affirmed Compliance with the Code of Conduct of Board of Directors and Senior Management

I, Pravin N. Bhagwati, Chairman & Jt. Managing Director of Bhagwati Autocast Limited, declare that all the members of the Board of Directors and Senior Management have, for the year ended March 31, 2021 affirmed their compliance with the Code of Conduct laid down by the Board of Directors and Senior Management in terms of Regulation 26(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year March 31, 2021.

**By Order of the Board of Directors
For, BHAGWATI AUTOCAST LIMITED**

Place : Ahmedabad
Date : 26/05/2021

Dr. Pravin N. Bhagwati
Chairman & Jt. Managing Director
DIN : 00096799

CEO / CFO Certificate

(Regulation 17(8) and Para B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Board of Directors
Bhagwati Autocast Limited
Ahmedabad

As required under the Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [the Listing Regulations] read with Schedule II part B of the Listing Regulations, we hereby certify that;

- [A] We have reviewed financial statements and the cash flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief;
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable Laws & Regulations.
- [B] We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Companies Code of Conduct.
- [C] We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control system of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control system, if any, and that we have taken the required steps to rectify these deficiencies.
- [D] We have indicated, based on our evaluation, wherever applicable, to the Auditors' and the Audit Committee:
- (i) significant changes, if any, in internal control over financial reporting during the year, if any;
 - (ii) significant changes, if any, in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) instances of fraud which we have become aware and the involvement therein, if any, of management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Ahmedabad
Date: 26/05/2021

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

Dinesh K. Sheth
Chief Financial Officer

BHAGWATI AUTOCAST LIMITED

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Board of Directors
Bhagwati Autocast Limited

We have examined the compliance of conditions of Corporate Governance by **Bhagwati Autocast Limited** ("the Company") for the year ended on **March 31, 2021** as stipulated in the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, pursuant to the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the Efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad
Date: May 26, 2021

CS Chirag Shah
Partner
Chirag Shah and Associates
Membership No.: 5545
C P No.: 3498
UDIN : F005545C000380469

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Board of Directors
Bhagwati Autocast Limited
Survey No. 816, Village Rajoda,
Nr. Bavla Ahmedabad-382220.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Bhagwati Autocast Limited** having CIN **L27100GJ1981PLC004718** and having registered office at Survey No. 816, Village Rajoda, Nr. Bavla Ahmedabad-382220. (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in company
1.	Mr. Pravin Natvarlal Bhagwati	00096799	01/10/2015
2.	Ms. Reena Pravin Bhagwati	00096280	01/10/2015
3.	Mr. Vimal Ramniklal Ambani	00351512	12/12/2017
4.	Mr. Rajendraprasad Jethalal Shah	01982424	22/10/2011
5.	Mr. Padmin Hasitkant Buch	03411816	04/02/2011
6.	Mr. Shantanu Chitranjan Mehta	08930872	22/10/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, Chirag Shah and Associates

Date: May 26, 2021
Place : Ahmedabad

CS Chirag Shah
Partner
Membership No.: 5545
CP No.: 3498
UDIN : F005545C000380447

BHAGWATI AUTOCAST LIMITED

Annexure "6" to the Directors Report

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,

Bhagwati Autocast Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bhagwati Autocast Limited (CIN:L27100GJ1981PLC004718)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit by using appropriate Information technology tools like virtual data sharing by way of data room and remote desktop access tools, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2021**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein after. The physical Inspection or Verification of documents and records were taken to the extent possible:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2021** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made There under: -
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings: -
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011: -
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015: -
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: -
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the audit period): -
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the audit period): -

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the audit period): -
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company during the audit period): -
- i. SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015: -
- (vi) Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
 1. Factories Act, 1948
 2. Gujarat Pollution Control Board (Environment Pollution Act)

We have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards issued by the Institute of Company Secretaries of India;
- b. The Listing Agreements entered into by the Company with Stock Exchange(s):-

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

We further report that during the year Company has passed following special resolutions in Annual general Meeting held on **24th Day of September, 2020**.

1. Payment of remuneration to executive directors who are promoters or members of the promoter group.
2. Re-appointment of Ms. Reena P. Bhagwati (DIN: 00096280), as Jt. Managing Director of the Company

And following Special Resolution passed by Shareholder Through Postal Ballot (Remote E-Voting) held on **10th December, 2020**.

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

Place: Ahmedabad
Date: May 26, 2021

Chirag Shah
Partner
Chirag Shah and Associates
FCS No. 5545
C P No.: 3498
UDIN : F005545C000380471

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
Bhagwati Autocast Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtain from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad
Date: May 26, 2021

Chirag Shah
Partner
Chirag Shah and Associates
FCS No. 5545
C P No.: 3498

BHAGWATI AUTOCAST LIMITED

Independent Auditor's Report

To
The Members of
Bhagwati Autocast Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Bhagwati Autocast Limited** (the 'Company') which comprise the Balance Sheet as at March 31, 2021, and the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, the changes in equity and its cash flows for the year then ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of Matter

We draw attention to note no. 42 of the financial statements regarding pending confirmation/ reconciliation and consequential adjustments in respect of trade receivables, creditors and advances.

Our opinion is not modified in respect of above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Response to Key Audit Matter
<p>Fair Value Assessment of Trade Receivables</p> <p>The company has trade receivables amounting to Rs. 3295.19 Lakhs (i.e. 58.59% of total assets) at the Balance Sheet Date 31/3/2021.</p> <p>All trade receivables of the company are pertaining to tractor industry (OEM). The increasing challenges over the economy and operating environment in the auto industry during the year have increased the risks of default on receivables from the company's customers. In particular, in the event of insolvency of customers, the company is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations in accordance with the requirements of the agreements.</p> <p>Based on historic default rates and overall credit worthiness of customers, the company adopted a policy for assessing credit risk as per expected credit loss model for outstanding balances as on balance sheet date as per their ageing bucket and impairment allowance of Rs. 7.92 Lakhs made in respect of outstanding trade receivables as on 31st March, 2021.</p>	<p>We have performed the following procedures in relation to the recoverability of trade receivables:</p> <ul style="list-style-type: none"> ❖ Tested the accuracy of aging of trade receivables at year end on a sample basis; ❖ Obtained a list of outstanding receivables and assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers, publicly available information and latest correspondence with Customers ❖ Tested subsequent settlement of trade receivables after the balance sheet date on sample basis. <p>We found the key judgements and assumptions used by management in the recoverability assessment of trade receivables to be supportable based on the available evidence.</p> <p>We have drawn attention in Emphasis of Matters on trade receivables which, in our judgement, are fundamental to the users' understanding of the financial statements.</p>

Information other than Financial Statements & Auditors Report thereon

The Company's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in the Directors' Report including Annexures thereto and Management Discussion and Analysis (but does not include the financial statements and our auditor's reports thereon).

Our opinion on the financial statements does not cover the Other Information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and design, implementation and

maintenance of adequate internal financial controls, that were operating effectively or ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

BHAGWATI AUTOCAST LIMITED

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i. The Company has disclosed the impact of pending litigations on the financial position of its financial statements (Refer Note 35) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Company.

Mahendra N. Shah & Co.
Chartered Accountants
Firm's registration No. : 105775W

CA Chirag M. Shah
Partner
Membership No. : 045706
UDIN: 21045706AAAAHA2516

Place : Ahmedabad
Date : 26/05/2021

Annexure "A" to the Independent Auditors' Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the financial statements of the Company for the year ended March 31, 2021)

1. In respect of Fixed Assets :
 - (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 in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. According to information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The title deeds of immovable properties are in the name of the Company.
2. In respect of Inventories:

According to information and explanation given to us, physical verification of inventories has been conducted in reasonable interval by the management and no material discrepancies were noticed on physical verification during the year.
3. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under Section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the Company has not granted loan or made investment or given guarantee or provided security as provided in the Section 185 and 186 of the Companies Act, 2013.
5. According to information and explanation given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. The Central Government has prescribed maintenance of Cost Records under section 148(1) of the Companies Act, 2013 in respect of manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
7. According to information and explanations given to us in respect of statutory dues and on the basis of our examination of the books of accounts and records of the Company,
 - a) the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods & Service Tax, Duty of Customs, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at March 31, 2021 for a period of more than six months from the date on when they become payable.
 - b) According to the information and explanations given to us, there are no material dues of Income Tax, Sales Tax, Service Tax, Goods & Service Tax and Customs Duty which have

not been deposited with the appropriate authorities on account of any dispute, except demand for excise duty and service tax as mentioned below:

Name of the Statute	Nature of dues	Amount Rs in (lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise	11.53	FY 2002-03 to FY 2005-06	CESTAT
Central Excise Act, 1944	Service Tax	47.22	FY 2012-13 to FY 2013-14	Commissioner (Appeals) CGST

8. In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. According to the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.
10. According to the information and explanations given by the management, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. In our opinion and according to information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
14. According to the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.
15. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion and according to information and explanations given to us, the Company is not required to be registered under section 451A of the Reserve Bank of India Act, 1934.

Mahendra N. Shah & Co.

Chartered Accountants
Firm's registration No. : 105775W

CA Chirag M. Shah

Partner
Membership No. : 045706
UDIN: 21045706AAAAHA2516

Date : 26/05/2021
Place : Ahmedabad

**Annexure 'B' to the
Independent Auditors report****Report on the Internal Financial Controls under Clause (i)
of Sub-section 3 of Section 143 of the Companies Act,
2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Bhagwati Autocast Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's Judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting.

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company. (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies of procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reports issued by the Institute of Chartered Accountants of India.

Mahendra N. Shah & Co.Chartered Accountants
Firm's registration No. : 105775W**CA Chirag M. Shah**Partner
Membership No. : 045706
UDIN: 21045706AAAAHA2516Date : 26/05/2021
Place : Ahmedabad

BALANCE SHEET AS AT 31ST MARCH, 2021

		(Rs. in Lakhs)
	Note Nos.	As at 31 st March, 2021
		As at 31 st March, 2020
I ASSETS		
1) Non-current assets		
(a) Property, Plant and Equipment	3	1,535.31
(b) Capital work-in-progress		75.19
(c) Intangible assets	4	1.64
(d) Financial Assets		
Loans	5	5.08
(e) Other non-current assets	6	18.61
Total Non-current Assets		1,635.83
2) Current assets		
(a) Inventories	7	568.56
(b) Financial Assets		
(i) Trade receivables	8	3,295.19
(ii) Cash and cash equivalents	9	7.19
(iii) Bank balances other than (ii) above	10	26.32
(iv) Loans	11	0.29
(v) Other Financial Assets	12	0.25
(c) Current Tax Assets (Net)	13	21.52
(d) Other Current Assets	14	68.67
Total Current Assets		3,987.99
TOTAL ASSETS		5,623.82
II EQUITY AND LIABILITIES		
1) Equity		
(a) Equity Share capital	15	288.07
(b) Other Equity	16	2,538.82
Total Equity		2,826.89
2) LIABILITIES		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	17	27.31
(b) Provisions	18	40.03
(c) Deferred tax liabilities (Net)	19	103.07
Total Non-current Liabilities		170.41
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	20	384.92
(ii) Trade payables	21	
- Total outstanding dues of micro and small enterprise		51.95
- Total outstanding dues of creditors other than micro and small enterprises		1,822.61
(iii) Other financial liabilities	22	207.37
(b) Other current liabilities	23	120.14
(c) Provisions	24	39.53
(d) Current Tax Liabilities (Net)	25	0.00
Total Current Liabilities		2,626.52
TOTAL EQUITY AND LIABILITIES		5,623.82
Significant Accounting Policies and Notes to the Financial Statements	1-46	

As per our report of even date attached

For Mahendra N. Shah & Co.
 Chartered Accountants
 Firm Regn. No. 105775W

Chirag M. Shah
 Partner
 Membership No. 045706

 Place : Ahmedabad
 Date : 26-05-2021

Dr. P. N. Bhagwati
 Chairman & Jt. Managing Director
 (DIN : 00096799)

Reena P. Bhagwati
 Managing Director
 (DIN : 00096280)

D. K. Sheth
 Chief Financial Officer

Mehul Naliyadhara
 Company Secretary

P. H. Buch (Director)
 (DIN : 03411816)

R. J. Shah (Director)
 (DIN : 01982424)

V R Ambani (Director)
 (DIN : 00351512)

S C Mehta (Director)
 (DIN : 08930872)

 Place : Ahmedabad
 Date : 26-05-2021

BHAGWATI AUTOCAST LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

		2020-21	(Rs. in Lakhs) 2019-20
I INCOME	Note No.		
Revenue from operations	26	10,438.00	10,050.03
II Other Income	27	4.50	12.13
III Total Income (I+II)		10,442.50	10,062.16
IV EXPENSES			
Cost of materials consumed	28	4,768.02	4,339.69
Purchases of Stock-in-Trade		4.75	73.52
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	29	80.22	6.98
Employee benefits expense	30	1,208.41	1,222.60
Finance costs	31	44.68	99.68
Depreciation and amortization expense	32	232.67	240.55
Other expenses	33	3,865.32	3,774.69
Total Expenses (IV)		10,204.07	9,757.71
V Profit before exceptional items and tax		238.43	304.45
VI Exceptional Items		0.00	0.00
VII Profit before tax (V - VI)		238.43	304.45
VIII Tax Expense			
(1) Current Tax		86.50	82.70
(2) Deferred Tax Provision / (Reversal)		(9.94)	9.02
(3) Short/(Excess) Provision of tax for earlier years		(10.03)	(3.48)
Total Tax Expenses		66.53	88.24
IX Profit for the year (VII - VIII)		171.90	216.21
X Other Comprehensive Income			
(A) Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit plans		17.23	(1.39)
(ii) Tax impact on above items		(4.79)	0.39
Total Comprehensive Income/(Loss) for the year (net of tax)		12.44	(1.00)
XI Total Comprehensive Income for the Year (IX + X)		184.34	215.21
XII Earning per Equity Shares of Rs. 10 each			
(1) Basic	34	5.97	7.51
(2) Diluted	34	5.97	7.51
Significant Accounting Policies and Notes to the Financial Statements	1 - 46		

As per our report of even date attached
For Mahendra N. Shah & Co.
 Chartered Accountants
 Firm Regn. No. 105775W

Chirag M. Shah
 Partner
 Membership No. 045706

Dr. P. N. Bhagwati
 Chairman & Jt. Managing Director
 (DIN : 00096799)

Reena P. Bhagwati
 Managing Director
 (DIN : 00096280)

D. K. Sheth
 Chief Financial Officer

Mehul Naliyadhara
 Company Secretary

P. H. Buch (Director)
 (DIN : 03411816)

R. J. Shah (Director)
 (DIN : 01982424)

V R Ambani (Director)
 (DIN : 00351512)

S C Mehta (Director)
 (DIN : 08930872)

Place : Ahmedabad
 Date : 26-05-2021

Place : Ahmedabad
 Date : 26-05-2021

CASHFLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2021

Particulars	(Rs. in Lakhs)	
	2020-21	2019-20
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per Statement of Profit & Loss	238.43	304.45
Adjustments for :		
Depreciation and Amortization	232.67	240.55
Interest Income	(1.23)	(1.82)
Actuarial gains/ (losses) on post employment defined benefit plans	17.23	(1.39)
Loss/(Profit) on Sale / Discard of Fixed Assets	8.10	(7.61)
Finance Costs	44.68	99.68
Provision for Expected Credit Loss (ECL)	3.14	4.78
Sundry Balance written off/(Written back)	(0.44)	(0.07)
Operating Profit before working capital	304.15	334.12
Adjusted for :		
Trade & other Receivables	(389.45)	68.35
Inventories	65.88	(39.69)
Trade Payable & other liabilities	335.33	23.36
	11.76	52.02
Cash generated from operations	554.34	690.59
Direct Tax Paid	(103.54)	(77.54)
NET CASH FROM OPERATING ACTIVITIES	450.80	613.05
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & Equipment and Intangible assets	(237.69)	(253.22)
Interest Income	1.31	1.49
Proceeds from property, plant & Equipment	2.17	15.80
NET CASH USED IN INVESTING ACTIVITIES	(234.21)	(235.93)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (Net of repayment)	(60.71)	96.84
Increase/(Decrease) in short term borrowings	(91.68)	(334.88)
Interest Paid	(42.57)	(96.64)
Dividend and Dividend Distribution Tax	(28.23)	(34.22)
NET CASH FROM FINANCING ACTIVITIES	(223.19)	(368.90)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(6.60)	8.22
Opening Balance of Cash and Cash Equivalents	13.79	5.57
Closing Balance of Cash and Cash Equivalents	7.19	13.79
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(6.60)	8.22

As per our report of even date attached

For Mahendra N. Shah & Co.
Chartered Accountants
Firm Regn. No. 105775W

Chirag M. Shah
Partner
Membership No. 045706

Dr. P. N. Bhagwati
Chairman & Jt. Managing Director
(DIN : 00096799)

Reena P. Bhagwati
Managing Director
(DIN : 00096280)

D. K. Sheth
Chief Financial Officer

Mehul Naliyadhara
Company Secretary

P. H. Buch (Director)
(DIN : 03411816)

R. J. Shah (Director)
(DIN : 01982424)

V R Ambani (Director)
(DIN : 00351512)

S C Mehta (Director)
(DIN : 08930872)

Place : Ahmedabad
Date : 26-05-2021

Place : Ahmedabad
Date : 26-05-2021

BHAGWATI AUTOCAST LIMITED

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021

A. Equity Share Capital	As at 31/03/2021		As at 31/03/2020	
	Nos.	Rs. in Lakhs	Nos.	Rs. in Lakhs
Equity shares of Rs. 10 each				
Fully Paid up	2,880,684	288.07	2,880,684	288.07
	<u>2,880,684</u>	<u>288.07</u>	<u>2,880,684</u>	<u>288.07</u>
 B. Other Equity	Reserve and Surplus			(Rs. in Lakhs)
	Securities Premium	General Reserve	Retained Earnings	Total
Balance as at 1st April, 2019	249.71	795.25	1,157.86	2,202.82
Profit for the year	0.00	0.00	216.21	216.21
Other Comprehensive Income for the year	0.00	0.00	(1.00)	(1.00)
Total Comprehensive income for the year	<u>0.00</u>	<u>0.00</u>	<u>215.21</u>	<u>215.21</u>
Dividend	0.00	0.00	(28.81)	(28.81)
Corporate Tax on Dividend	<u>0.00</u>	<u>0.00</u>	<u>(5.92)</u>	<u>(5.92)</u>
Balance as at 31st March, 2020	249.71	795.25	1,338.34	2,383.30
 Balance as at 1st April, 2020	249.71	795.25	1,338.34	2,383.30
Profit for the year	0.00	0.00	171.90	171.90
Other Comprehensive Income for the Year	0.00	0.00	12.44	12.44
Total Comprehensive income for the year	<u>0.00</u>	<u>0.00</u>	<u>184.34</u>	<u>184.34</u>
Dividend	0.00	0.00	(28.81)	(28.81)
Corporate Tax on Dividend	0.00	0.00	-	-
Balance as at 31st March, 2021	<u>249.71</u>	<u>795.25</u>	<u>1,493.87</u>	<u>2,538.82</u>

As per our report of even date attached
For Mahendra N. Shah & Co.
 Chartered Accountants
 Firm Regn. No. 105775W

Chirag M. Shah
 Partner
 Membership No. 045706

Place : Ahmedabad
 Date : 26-05-2021

Dr. P. N. Bhagwati
 Chairman & Jt. Managing Director
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 (DIN : 00351512)

S C Mehta (Director)
 (DIN : 08930872)

Place : Ahmedabad
 Date : 26-05-2021

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31ST MARCH
2021**
NOTE NO. 1 - Corporate Information:

Bhagwati Autocast Limited ("The Company") is a leading producer of CI & SGI Castings in Gujarat having a plant at Bavla, Ahmedabad. We are an ISO 9002 unit, having manufacturing capacity of 18000 MT p.a. of highly specialized Cast Iron(SI) & Spheroidal Graphitelron (SGI) Castings. The wide range of castings is from 40 kg. to 140 kg. for the automobile and tractor OEM in the country.

The Company is a public company domiciled in India and is incorporated under the provisions of Companies Act applicable in India. Its shares are listed on Bombay Stock Exchange (BSE). The registered office of the company is located at Bavla, Ahmedabad. At present, the Company caters to domestic market only.

The financial statements were authorized for issue in accordance with a resolution of the directors on May 26, 2021.

NOTE NO. 2 – Significant Accounting Policies
2.1 Basis of Preparation:
Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

Historical cost convention

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. The accounting policies are applied consistently to all the periods presented in the financial statements.

Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

Functional currency

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

2.2 Key accounting estimates & Judgments:

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

2.3 Property, Plant & Equipment:

Property, plant and equipment are stated at cost, net of recoverable taxes, less depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and other cost directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method over the estimated useful lives of assets.

The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and management believe that useful life of assets are same as those prescribed in Schedule II to the Act.

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

2.4 Intangible Assets

Computer software are stated at cost, less accumulated amortisation and impairments, if any.

Amortisation method and useful life

The Company amortizes computer software using the straight-line method over the period of 6 years.

2.5 Inventories:

Items of inventories of Raw Material, Finished goods, Spares and Stores, Packing Material, etc. are valued at lower of cost or net realizable value except waste which is valued at estimated net realizable value. Cost of inventories comprise of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. The net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

2.6 Financial Instruments
i. Recognition and initial measurement

All financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement
Financial assets

On initial recognition, a financial asset is classified as measured at

BHAGWATI AUTOCAST LIMITED

- amortized cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

De-recognition

Financial assets

The company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The company also de-recognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished

and the new financial liability with modified terms is recognized in profit or loss.

Off-setting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.7 Revenue recognition

Revenue is measured at the value of the consideration received or receivable, after deduction of any trade discount, volume rebates and any taxes or duties collected on behalf of Government such as Goods and Services Tax, etc.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

Sale of goods

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customers and there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Other revenue

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

Revenue in respect of insurance/other claims etc, is recognized only when it is reasonably certain that the ultimate collection will be made.

2.8 Income tax

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

(a) Current Tax

Current tax includes provision for Income Tax computed under Special provision (i.e., Minimum alternate tax) or normal provision of Income Tax Act. Tax on Income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

(b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(c) Minimum Alternate Tax (MAT):

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Statement of Profit and Loss and is considered as (MAT Credit Entitlement). The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

2.09 Provisions, contingent liabilities and contingent assets:

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised till the realisation of the income is virtually certain. However the same are disclosed in the financial statements where an inflow of economic benefit is possible.

2.10 Employee benefits :

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period

and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Gratuity liability of employees is funded with the approved gratuity trusts.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund, etc., are charged to the Statement of Profit and Loss as incurred.

2.11 Borrowing costs :

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

2.12 Earnings Per Share :

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

BHAGWATI AUTOCAST LIMITED

- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.13 Impairment of Assets :

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable Value. An impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.14 Cash Flow Statements :

The Cash Flow statement is prepared by the "Indirect method" set out in Ind AS-7 on "Cash Flow Statement" and presents the cash flows by operating, investing and financing activities of the Company. Cash and cash Equivalent presented in the cash flow statement consist of cash on hand and demand deposits with banks.

2.15 Foreign currency transactions :

Foreign currency transactions are translated into the functional currency using exchange rate at the date of the transaction. Foreign exchange gains and losses from the settlement of these transactions are recognized in the statement of profit and loss. Foreign currency

denominated monetary assets and liabilities are translated into functional currency at the exchange rates in effect at the balance sheet date, the gain or loss arising on such translations are recognized in the statement of profit and loss.

2.16 Exceptional items :

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. These are material items of income or expense that have to be shown separately due to their nature or incidence.

2.17 Events occurring after the balance sheet date :

Assets and liabilities are adjusted for events occurring after the reporting period that provides additional evidence to assist the estimation of amounts relating to conditions existing at the end of the reporting period.

Dividends declared by the Company after the reporting period are not recognized as liability at the end of the reporting period. Dividends declared after the reporting period but before the issue of financial statements are not recognized as liability since no obligation exists at that time. Such dividends are disclosed in the notes to the financial statements.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2021

Note No. 3 Property, Plant and equipment

Particulars	(Rs in Lakhs)									
	Freehold Land	Building	Plant and Equipment	Electric Installation	Furniture and fixtures	Vehicle	Office equipment	Computer	Total	
Gross Carrying Value										
Balance as at 1st April, 2019	16.54	580.52	2,950.60	157.81	88.26	52.00	28.02	38.59	3,912.34	
Additions	0.00	0.00	332.82	0.00	0.20	0.00	1.35	1.56	335.93	
Disposals/Adjustments	0.00	0.00	150.20	0.00	0.00	0.00	0.30	0.00	150.50	
Balance as at 31st March, 2020	16.54	580.52	3,133.22	157.81	88.46	52.00	29.07	40.15	4,097.77	
Additions	0.00	0.00	113.83	24.11	0.32	16.57	3.87	2.61	161.31	
Disposals/Adjustment	0.00	0.00	97.77	1.63	8.10	0.02	3.87	1.81	113.20	
Balance as at 31st March, 2021	16.54	580.52	3,149.28	180.29	80.68	68.55	29.07	40.95	4,145.88	
Accumulated Depreciation										
Balance as at 1st April, 2019	0.00	241.89	1,931.77	78.23	55.71	19.42	22.42	35.46	2,384.90	
Deduction & Adjustment	0.00	0.00	142.03	0.00	0.00	0.00	0.29	0.00	142.32	
Depreciation for the year	0.00	18.60	191.58	13.61	7.08	5.15	1.57	1.05	238.64	
Balance as at 31st March, 2020	0.00	260.49	1,981.32	91.84	62.79	24.57	23.70	36.51	2,481.22	
Deduction & Adjustment	0.00	0.00	88.27	1.55	7.69	0.02	3.67	1.72	102.93	
Depreciation for the year	0.00	18.08	188.07	11.79	5.98	5.42	1.69	1.27	232.30	
Balance as at 31st March, 2021	0.00	278.57	2,081.12	102.08	61.08	29.97	21.72	36.06	2,610.60	
Net Carrying amount										
Balance as at 31st March, 2020	16.54	320.03	1,151.90	65.97	25.67	27.43	5.37	3.64	1,616.56	
Balance as at 31st March, 2021	16.54	301.95	1,068.16	78.21	19.60	38.58	7.35	4.89	1,535.31	

Note No. 4- Intangible Assets - Computer Software

Particulars	Gross Amount		Amortization		Net Carrying amount	
	20-21	19-20	20-21	19-20	Balance as at 31/03/20	
Opening Balance	34.68	34.68	33.87	31.96	0.82	
Additions	1.20	0.00	0.37	1.91	0.64	
Deduction & Adjustment	0.00	0.00	-	-		
Closing Balance	35.88	34.68	34.24	33.87		

BHAGWATI AUTOCAST LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2021		
	As at	(Rs. in Lakhs)
	<u>31/03/2021</u>	<u>31/03/2020</u>
NOTE NO. 5		
Loans (Non Current)		
Security Deposits (Unsecured)		
Considered good	5.08	0.30
TOTAL . . .	<u>5.08</u>	<u>0.30</u>
NOTE NO. 6		
Other Non Current Assets		
Capital Advances (unsecured, considered good)	5.24	0.00
Balance with Govt. Authorities	13.37	19.27
TOTAL . . .	<u>18.61</u>	<u>19.27</u>
NOTE NO. 7		
Inventories		
Raw Materials	116.06	113.45
Work-in-Process	75.49	56.56
Finished Goods	69.41	168.56
Stores & Spares	307.60	295.87
TOTAL . . .	<u>568.56</u>	<u>634.44</u>
NOTE NO. 8		
Trade receivables (current)		
Unsecured		
Considered good	3,295.19	2,902.97
Doubtful	7.92	4.78
	<u>3,303.11</u>	<u>2,907.75</u>
Allowance for expected credit loss	(7.92)	(4.78)
TOTAL . . .	<u>3,295.19</u>	<u>2,902.97</u>
NOTE NO. 9		
Cash and cash equivalents		
Balance with banks - In Current Accounts	5.21	12.48
Cash on hand	1.98	1.31
TOTAL . . .	<u>7.19</u>	<u>13.79</u>
NOTE NO. 10		
Bank balances other than mentioned in cash and cash equivalents		
Other Balance with Banks		
In Dividend Accounts	7.81	7.24
Fixed Deposits with Banks (under lien against bank guarantees / LC)	18.51	39.15
TOTAL . . .	<u>26.32</u>	<u>46.39</u>
NOTE NO. 11		
Loans (Current)		
Unsecured, Considered Good		
Loans & Advance to Employees	0.29	1.03
TOTAL . . .	<u>0.29</u>	<u>1.03</u>
NOTE NO. 12		
Other financial assets (Current)		
Interest receivable	0.25	0.33
TOTAL . . .	<u>0.25</u>	<u>0.33</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2021

	As at <u>31/03/2021</u>	(Rs. in Lakhs) As at <u>31/03/2020</u>
NOTE NO. 13		
Current Tax Assets		
Advance Tax (net of Provision)	21.52	0.00
TOTAL . . .	21.52	0.00
NOTE NO. 14		
Other Current Assets		
Advance to suppliers (other than capital advances)	8.61	5.20
Balance with Govt. Authorities	28.85	37.92
Prepaid Expenses	8.71	12.02
Other Receivable	22.50	2.97
TOTAL . . .	68.67	58.11
NOTE NO. 15		
Share Capital		
Authorised Share Capital :		
Equity Shares of Rs. 10 each - Nos.	3,000,000	3,000,000
Equity Shares of Rs. 10 each	300.00	300.00
Issued :		
Equity Shares of Rs. 10 each - Nos.	2,933,637	2,933,637
Equity Shares of Rs. 10 each	293.36	293.36
Subscribed & Paid Up :		
Fully paid up - Nos.	2,880,684	2,880,684
Fully paid up	288.07	288.07
TOTAL . . .	288.07	288.07
NOTE NO. 15.1		
The reconciliation of the no. of shares outstanding is set out below :		
Equity shares		
At the beginning of the year	2,880,684	2,880,684
Add : Issued during the year	0	0
Less : Bought back during the year	0	0
TOTAL . . .	2,880,684	2,880,684
NOTE NO. 15.2		
Details of shareholders holding more than 5% shares		
Ms. Reena P. Bhagwati		
- in Nos.	980,158	968,586
- in Percentage	34.03%	33.62%
Dr. Pravin N. Bhagwati		
- in Nos.	450,862	450,862
- in Percentage	15.65%	15.65%
M/s. Bhagwati Spherocast Pvt. Ltd.		
- in Nos.	574,746	574,746
- in Percentage	19.95%	19.95%
Note No. 15.3		
The Company has only one class of shares i.e. equity shares. All equity shares carry equal rights with respect to voting and dividend.		
Note No. 15.4		
In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.		
Note No. 15.5		
Subsequent to Balance Sheet date, the Board of Directors has recommended a dividend of Rs. 1 per share to be paid on fully paid equity shares in respect of the Financial year ended on March 31, 2021. This equity dividend is subject to approval by shareholders at the ensuing Annual General Meeting and has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is Rs. 28.81 Lakhs.		

BHAGWATI AUTOCAST LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2021

	As at <u>31/03/2021</u>	(Rs. in Lakhs) As at <u>31/03/2020</u>
NOTE NO. 16		
Other Equity		
Securities Premium	249.71	249.71
General Reserve	795.25	795.25
Surplus in statement of Profit and Loss		
Balance at the beginning of the year	1,338.35	1,157.88
Add : Total comprehensive income for the Year	<u>184.34</u>	<u>215.21</u>
Amount available for Appropriation	1,522.68	1,373.08
Less : Appropriations		
Dividend	28.81	28.81
Dividend Distribution Tax	<u>0.00</u>	<u>5.92</u>
Total Appropriation	28.81	34.73
Balance at the end of the Year	<u>1,493.87</u>	<u>1,338.35</u>
T O T A L . . .	<u>2,538.82</u>	<u>2,383.30</u>

Securities Premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium. The reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

General Reserve

General Reserve has been created by transfer out of profit generated by the Company and is available for distribution to shareholders. Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

Retained Earnings

Retained earnings are the profits that the Company has earned till date including effect of remeasurement of defined benefit obligations less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained Earnings is a free reserve available to the Company.

NOTE NO. 17

Borrowings (Non Current)

Secured		
Term Loan from Bank	27.31	88.56
T O T A L . . .	<u>27.31</u>	<u>88.56</u>

NOTE NO. 17.1

Details of Security and Repayment Terms

Nature of Security

Term loan from Kotak Mahindra Bank Ltd. having outstanding balance as on 31st March 2021 amounting to Rs. 20.81 Lakhs & Rs. 81.20 (31st March 2020 - Rs. 42.28 Lakhs & Rs. 120.44 Lakhs respectively) were secured by first and exclusive charge on all existing and future current and movable fixed assets and equitable mortgage of land at survey no. 259 (old survey no. 816) at Village Rajoda, Taluka Bavla, Dist. Ahmedabad and construction thereon.

Terms of Repayment & Interest

Repayable in 36 monthly installments starting from November 2018 / August 2019

Rate of interest - MCLR (3 Months/6 Months) plus 1.50%

NOTE NO. 18

Provisions (Non Current)

Accrued Leave Salary	40.03	41.44
T O T A L . . .	<u>40.03</u>	<u>41.44</u>

NOTE NO. 19

Deferred Tax Liabilities (Net)

Liability Relating to earlier years	108.22	99.58
Add/(Less): Liability/(Assets) for the year		
- Charged/(Credited) to P & L	(9.94)	9.02
- Charged/(Credited) to OCI	<u>4.79</u>	<u>(0.39)</u>
T O T A L . . .	<u>103.07</u>	<u>108.22</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2021

(Rs. in Lakhs)

NOTE NO. 19.1

	As at <u>31/03/2021</u>	As at <u>31/03/2020</u>
Component of Deferred Tax Liabilities (Net)		
Depreciation	119.27	131.36
Employee Benefits	(14.00)	(21.81)
Other Timing Differences	(2.20)	(1.33)
TOTAL . . .	<u>103.07</u>	<u>108.22</u>

NOTE NO. 20
Borrowings (Current)

Secured		
-Working capital facilities from banks	311.22	402.90
Unsecured (Fixed deposits)		
- From Directors	73.70	73.70
TOTAL . . .	<u>384.92</u>	<u>476.60</u>

NOTE NO. 20.1
Details of Security and Interest of working capital facilities from banks
Nature of Security

Working capital facilities from Kotak Mahindra Bank Ltd. having outstanding balance as on 31st March 2021 amounting to Rs. 311.22 Lakhs (31st March 2020 - Rs. 402.90 Lakhs) is secured by first and exclusive charge on all existing and future current and movable fixed assets and equitable mortgage of land at survey no. 259 (old survey no. 816) at Village Rajoda, Taluka Bavla, Dist. Ahmedabad and construction thereon.

Terms of Interest

Rate of interest - MCLR (6 months)
plus 0.60%

NOTE NO. 20.2

Rate of interest for deposits from directors and companies - 9.50% p.a. (13.50% p.a. upto September' 20)

NOTE NO. 21
Trade Payables (Current)

Due to Micro & Small Enterprise	51.95	33.89
Others	1,822.61	1,601.77
TOTAL . . .	<u>1,874.56</u>	<u>1,635.66</u>

NOTE NO. 21.1 Details as required under MSMED Act are given below :

Particulars	As at <u>31/03/2021</u>	As at <u>31/03/2020</u>
Principal amount remaining unpaid to any supplier as at the end of accounting year	51.95	33.89
Interest due remaining unpaid to any supplier as at the end of accounting year	10.84	8.66
Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	0.00	0.00
The amount of the payment made to the supplier beyond the appointed day during the accounting year	187.54	233.70
Amount of interest due and payable for the reporting period of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act	2.11	3.22
Amount of interest accrued and remaining unpaid at the end of the accounting year	0.08	0.05
Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	10.84	8.66

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

NOTE NO. 22
Other Financial Liabilities (Current)

Current maturities of long-term debt	74.69	74.16
Interest accrued	0.27	0.35
Unpaid dividends	7.81	7.24
Trade Payable - Capital Goods	33.92	6.37
Dues to Employees and others	90.68	90.07
TOTAL . . .	<u>207.37</u>	<u>148.19</u>

BHAGWATI AUTOCAST LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2021

	(Rs. in Lakhs)	
	As at	As at
	<u>31/03/2021</u>	<u>31/03/2020</u>
NOTE 23		
Other Current Liabilities	6.87	0.00
Credit balance of Trade Receivable	6.87	0.00
Statutory Dues	110.96	69.77
Contractor's Retention Money	2.31	6.25
TOTAL . . .	120.14	76.02
NOTE NO. 24		
Provisions (Current)		
Employee Benefits		
- Accrued Leave Salary	3.50	3.89
- Bonus	25.19	27.34
- Gratuity Contribution	0.00	2.53
Others		
- Interest under MSMED Act	10.84	8.66
TOTAL . . .	39.53	42.42
NOTE NO. 25		
Current Tax Liabilities		
Provision for Taxation (Net of Advance Tax)	0.00	5.53
TOTAL . . .	0.00	5.53
NOTE NO. 26	2020-21	2019-20
Revenue from operations		
Sale of products	10,438.00	10,050.03
TOTAL . . .	10,438.00	10,050.03
NOTE NO. 26.1		
Sale of Products		
Name of Products		
CI Castings	10,432.31	9,884.72
SGI Castings	0.00	1.51
Patterns	5.69	163.80
TOTAL . . .	10,438.00	10,050.03
NOTE NO. 27		
Other income		
Interest income	1.23	1.82
Profit on Sale of Fixed Assets (Net)	0.00	7.61
Insurance Claim Receipt	2.50	0.00
Sundry balances written back	0.64	0.41
Miscellaneous Income	0.13	2.29
TOTAL . . .	4.50	12.13
NOTE NO. 28		
Cost of materials consumed		
Opening Stock	113.45	79.74
Add : Purchases	4,770.63	4,373.40
Less : Closing Stock	116.06	113.45
TOTAL . . .	4,768.02	4,339.69

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2021

	<u>2020-21</u>	<u>(Rs. in Lakhs)</u> 2019-20
NOTE NO. 29		
Changes in Inventories of Finished goods, Stock-in-Trade and Work in-Progress		
Closing Stock		
Finished Goods	69.41	168.56
Work in Progress	75.49	56.56
Stock-in-trade	0.00	0.00
Sub Total	144.90	225.12
Opening Stock		
Finished Goods	168.56	120.65
Work in Progress	56.56	64.60
Stock-in-trade	0.00	46.85
Sub Total	225.12	232.10
Total (Increase) / Decrease In Stock	80.22	6.98
NOTE NO. 30		
Employee benefit expense		
Salaries and wages	1,052.71	1,060.48
Contribution to provident and other funds	37.60	39.55
Gratuity	14.43	17.14
Managerial Remuneration		
- Salary, Allowances & Perks	74.10	77.38
- Provident Fund	3.66	5.76
Staff welfare expenses	25.91	22.29
TOTAL . . .	1,208.41	1,222.60
NOTE NO. 31		
Finance Costs		
Interest Expenses	37.06	87.24
Other Borrowing Costs	7.62	12.44
TOTAL . . .	44.68	99.68
NOTE NO. 32		
Depreciation and Amortisation expense		
Depreciation on Tangible Assets	232.30	238.64
Amortization of Intangible Assets	0.37	1.91
TOTAL . . .	232.67	240.55
NOTE NO. 33		
Other expenses		
Consumption of stores and spares	1,600.23	1,505.68
Power and fuel	1,377.77	1,388.86
Processing Charges	601.64	599.88
Repairs to Buildings	16.47	9.83
Repairs to Machinery	39.14	41.22
Other Repair & Maintenance	54.78	49.10
Legal & Professional Fees	41.83	37.42
Recruitment Expenses	0.79	13.35
Sales and Distribution Expenses	42.58	49.24
Travelling and conveyance	8.59	17.04
Directors' Sitting Fees	1.50	1.23
Auditors' Remuneration	2.11	2.07
Loss on Sale/Discard of Fixed Assets (Net)	8.10	0.00
Provision for Expected Credit Loss (ECL)	3.14	4.78
Sundry Balances Written off	0.19	0.34
Miscellaneous Expenses	66.46	54.65
TOTAL . . .	3,865.32	3,774.69

BHAGWATI AUTOCAST LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2021

NOTE NO. 33.1	(Rs. in Lakhs)	
Auditor's Remuneration	<u>2020-21</u>	<u>2019-20</u>
Audit fees*	1.70	1.70
Tax audit fees*	0.30	0.30
Reimbursement of expenses	0.11	0.07
TOTAL . . .	2.11	2.07

*Net of GST

NOTE NO. 34 - Earning per Share

Earning Per share is calculated by dividing the Profit / (Loss) attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. The numbers used in calculating basic and diluted earning per Equity Share as stated below:

Particulars		
Profit for the year	171.90	216.21
Net Profit attributable to Equity Shareholders	171.90	216.21
Number of Equity Shares for Basic EPS	2,880,684	2,880,684
Add : Diluted Potential Equity Shares	0.00	0.00
Number of Equity Shares for Diluted EPS	2,880,684	2,880,684
Basic Earning Per Share in Rupees	5.97	7.51
Diluted Earning Per Share in Rupees	5.97	7.51
Nominal Value Per Share in Rupees	10.00	10.00

NOTE NO. 35

Contingent Liabilities and Commitments

Contingent Liabilities

Demands for excise duty in respect of different years against which company has preferred appeals before appropriate authorities [Refer Note No. 35.1]	11.53	11.53
Demands for wrong availment of CENVAT credit for service tax in respect of different years against which company has preferred appeals before appropriate authorities [Refer Note No. 35.2]	49.06	0.00
Outstanding bank guarantees & letter of credit	175.00	175.00

Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	203.06	0.00
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NOTE NO. 35.1

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. 11.53 lakhs under protest which has been shown as balance with excise department in the accounts.

NOTE NO. 35.2

The Company has received demand towards wrong availment of CENVAT credit for Service Tax for the financial years 20012-13, 2013-14 & 2014-15 against which the Company has preferred appeals before Commissioner of Central Excise (Appeals) and also paid Rs. 1.84 lakhs under protest which has been shown as balance with excise department in the accounts.

NOTE NO. 36 - Segment Information

The company manufactures and deals in single product, i.e. manufacturing of casting and therefore, no separate disclosure as per IND AS 108 "Operating Segments" is given.

NOTE NO. 37

Reconciliation of income tax expense for the year with accounting profit

Profit before tax	238.43	304.45
Enacted income tax rate in India applicable to the company	27.82%	27.82%
Adjustments for :		
Current tax expenses on profit before tax expenses at the enacted income tax rate in india	66.33	84.70
Permanent disallowances	0.70	0.91
Short/(Excess) provision for current tax of earlier years	(10.03)	(3.48)
Tax effect on OCI	4.79	0.00
Others	9.53	5.73
Total Income Tax Expenses	71.32	87.86

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2021

	<u>2020-21</u>	<u>(Rs. in Lakhs)</u> <u>2019-20</u>
NOTE NO. 38 - DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 "EMPLOYEE BENEFITS"		
(a) Defined contribution plans		
Contribution to defined contribution plans, recognised as expense for the year is as under :		
Particulars		
Employe's contribution to Provident Fund	41.26	45.31
(b) Defined benefit plan		
Details of defined benefit obligation and plan assets in respect of retiring gratuity are given below :		
i) Reconciliation of opening and closing balances of defined benefit obligation		
Particulars		
Present value of obligation as at the beginning of the year	378.76	373.83
Interest Cost	20.83	25.04
Current Service Cost	13.69	15.55
Benefits Paid	(42.98)	(49.35)
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	0.00	18.41
Actuarial (Gain)/Loss on arising from Experience Adjustment	(16.67)	(4.72)
Present value of obligation as at the end of the year	353.63	378.76
ii) Reconciliation of opening and closing balances of fair value of plan assets		
Particulars		
Fair Value of plan assets at the beginning of the year	376.23	359.61
Interest Income	20.09	23.45
Contributions by the employer	21.00	30.22
Benefits paid	(42.98)	(49.35)
Return on plan assets excluding amount included in net interest on the net defined benefit liability/(assets)	0.56	12.30
Fair Value of plan assets at the end of the year	374.90	376.23
iii) Reconciliation of fair value of assets and obligations		
Particulars		
Fair Value of plan assets	374.90	392.85
Present value of obligation	353.63	39.52
Amount recognised in Balance Sheet [Surplus/(Deficit)]	21.27	353.33
iv) Expenses recognised during the year		
Particulars		
(A) In the Statement of Profit & Loss		
Current Service Cost	13.69	15.55
Net interest on the net defined benefit liability/(assets)	0.74	1.59
Net Cost	14.43	17.14
(B) In Other Comprehensive Income		
Actuarial (Gain)/Loss	(16.67)	(4.72)
Return on plan assets excluding amount included in net interest on the net defined benefit liability/(assets)	(0.56)	(12.30)
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	0.00	18.41
Net Expense/(Income) recognized in Other Comprehensive Income	(17.23)	1.39
v) Investment Details :		
Particulars		
GOI Securities	39%	51%
Bank Balance & Fixed Deposits	44%	43%
Others	14%	6%

BHAGWATI AUTOCAST LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2021

	(Rs. in Lakhs)	
	<u>2020-21</u>	<u>2019-20</u>
vi) Actuarial Assumptions		
Particulars		
Mortality Table	IALM 2012-14 Ult.	IALM 2012-14 Ult.
Discount Rate	5.50%	5.50%
Expected rate of return on plan assets	5.50%	6.70%
Withdrawal Rate	1.00%	1.00%
Rate of escalation in salary	6.00%	6.00%

vii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis on defined benefit obligation is given below:

Particulars		
Sensitivity Level - Discount Rate		
1% Increase	(13.75)	(15.60)
1% Decrease	15.16	17.18
Sensitivity Level - Salary Escalation		
1% Increase	14.94	16.93
1% Decrease	(13.81)	(15.68)
Sensitivity Level - Employee Turnover		
1% Increase	(0.37)	(0.44)
1% Decrease	0.41	0.48

viii) Expected contribution to the defined benefit plan for the next reporting period - Nil

NOTE NO. 39 - Related Party Disclosures as per Indian Accounting Standard-24

(a) Related Parties

Entities controlled by Directors or their relatives	Bhagwati Spherocast Pvt. Ltd. Bhagwati Filters Pvt. Ltd.
Key Management Personnel	Dr. P. N. Bhagwati (Jt. Managing Director) Ms. Reena P. Bhagwati (Managing Director) Mr. Abhijeet Ratolikar (Chief Executive Officer) (18/06/20 to 31/8/20) Mr. D. K. Sheth (Chief Financial Officer) Mr. Mehul Naliyadhara (Company Secretary)

(b) Transactions with related parties :

Sr. Particulars	Key Management Personnel and their relatives		Entities Controlled by Directors or their relatives		Total	
	<u>2020-21</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2019-20</u>
A Transactions during the year						
i. Purchase of services (net of GST)						
-Bhagwati Spherocast Pvt. Ltd.	0.00	0.00	203.50	196.32	203.50	196.32
ii. Purchase of material / capital goods (net of GST)						
-Bhagwati Spherocast Pvt. Ltd.	0.00	0.00	0.17	6.36	0.17	6.36
-Bhagwati Filters Pvt. Ltd.	0.00	0.00	0.56	0.78	0.56	0.78
iii. Interest on Fixed Deposits						
-Bhagwati Spherocast Pvt. Ltd.	0.00	0.00	0.00	13.50	0.00	13.50
-Dr. Pravin N Bhagwati	2.73	3.20	0.00	0.00	2.73	3.20
-Ms. Reena P Bhagwati	5.75	6.75	0.00	0.00	5.75	6.75
iv. Managerial Remuneration (MD & Jt. MD)						
-Dr. Pravin N Bhagwati	42.13	71.14	0.00	0.00	42.13	71.14
-Ms. Reena P Bhagwati	35.63	12.00	0.00	0.00	35.63	12.00
v. Remuneration to KMP (other than MD & Jt. MD)						
-Mr. D K Sheth	43.78	44.59	0.00	0.00	43.78	44.59

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2021

(Rs. in Lakhs)

	<u>2020-21</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2019-20</u>
-Mr. Abhijeet Ratolikar	14.86	0.00	0.00	0.00	14.86	0.00
-Mr. Mehul Naliyadhara	4.64	4.54	0.00	0.00	4.64	4.54
vi. Fixed Deposits received/renewed						
-Dr. Pravin N. Bhagwati	23.70	23.70	0.00	0.00	23.70	23.70
-Ms. Reena P Bhagwati	50.00	50.00	0.00	0.00	50.00	50.00
vii. Fixed Deposits repaid						
-Bhagwati Spherocast Pvt. Ltd.	0.00	0.00	0.00	200.00	0.00	200.00
B Outstanding balance						
i. Payable						
-Bhagwati Spherocast Pvt. Ltd.	0.00	0.00	156.36	123.05	156.36	123.05
-Bhagwati Filters Pvt. Ltd.	0.00	0.00	0.12	0.05	0.12	0.05
-Dr. Pravin N Bhagwati	0.44	3.30	0.00	0.00	0.44	3.30
-Ms. Reena P Bhagwati	4.19	0.00	0.00	0.00	4.19	0.00
-Mr. D K Sheth	2.31	0.00	0.00	0.00	2.31	0.00
-Mr. Mehul Naliyadhara	0.35	0.00	0.00	0.00	0.35	0.00
ii. Fixed Deposits						
-Dr. Pravin N Bhagwati	23.70	23.70	0.00	0.00	23.70	23.70
-Ms. Reena P Bhagwati	50.00	50.00	0.00	0.00	50.00	50.00

* Post employment benefits are actuarially determined on overall basis and hence not separately provided.

The above related party transactions have been reviewed periodically by the Board of Directors of the Company vis-à-vis the applicable provisions of the Companies Act, 2013, and justification of the rates being charged/ terms thereof and approved the same.

Note No. 40 - Financial Instruments - Fair Values & Risk Management
Note No. 40.1 - Accounting Classifications & Fair Value Measurements

The fair values of the financial assets and liabilities are measured at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

All financial instruments are initially recognized and subsequently re-measured at fair value as described below :

1. Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

I Figures as at March 31, 2020

	Carrying Amount	Fair value	
		Level 1	Level 2
Financial assets at amortised cost:			
Trade Receivables	2,902.97	0.00	2,902.97
Cash and Cash Equivalents	13.79	0.00	13.79
Bank Balances Other than Cash and Cash Equivalents	46.39	0.00	46.39
Other Current & Non Current Financial Assets	1.66	0.00	1.66
Sub-total	2,964.81	0.00	2,964.81
Financial assets at fair value through profit or loss	0.00	0.00	0.00
Financial assets at fair value through OCI	0.00	0.00	0.00
Total	2,964.81	0.00	2,964.81

BHAGWATI AUTOCAST LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2021

(Rs. in Lakhs)

Financial liabilities at amortised cost:			
Borrowings (Non-Current)	88.56	0.00	88.56
Borrowings (Current)	476.60	0.00	476.60
Trade Payables	1,635.66	0.00	1,635.66
Other financial liabilities	148.19	0.00	148.19
Sub-total	<u>2,349.01</u>	<u>0.00</u>	<u>2,349.01</u>
Financial liabilities at fair value through profit or loss	0.00	0.00	0.00
Financial liabilities at fair value through OCI	0.00	0.00	0.00
Total	<u>2,349.01</u>	<u>0.00</u>	<u>2,349.01</u>

II Figures as at March 31, 2021

	Carrying Amount	Level 1	Fair value Level 2
Financial assets at amortised cost:			
Trade Receivables	3,295.19	0.00	3,295.19
Cash and Cash Equivalents	7.19	0.00	7.19
Bank Balances Other than Cash and Cash Equivalents	26.32	0.00	26.32
Other Current & Non Current Financial Assets	5.62	0.00	5.62
Sub-total	<u>3,334.32</u>	<u>0.00</u>	<u>3,334.32</u>
Financial assets at fair value through profit or loss	0.00	0.00	0.00
Financial assets at fair value through OCI	0.00	0.00	0.00
Total	<u>3,334.32</u>	<u>0.00</u>	<u>3,334.32</u>
Financial liabilities at amortised cost:			
Borrowings (Non-Current)	27.31	0.00	27.31
Borrowings (Current)	384.92	0.00	384.92
Trade Payables	1,874.56	0.00	1,874.56
Other financial liabilities	207.37	0.00	207.37
Sub-total	<u>2,494.16</u>	<u>0.00</u>	<u>2,494.16</u>
Financial liabilities at fair value through profit or loss	0.00	0.00	0.00
Financial liabilities at fair value through OCI	0.00	0.00	0.00
Total	<u>2,494.16</u>	<u>0.00</u>	<u>2,494.16</u>

Note No. 40.2 - Financial Risk Management

The company's Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

Note No. 40.2.1 - Credit Risk Management

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable. Individual risk limits are set accordingly. The aging analysis and break-up thereto is prepared, which is subject to pending settlement of claims and reconciliation of accounts.

(a) The ageing analysis of trade receivables from the date the invoice falls due is given below :

Particulars	<u>As at 31-03-2021</u>	<u>As at 31-03-2020</u>
Up to 3 months	3,041.91	2,327.17
3 to 6 months	101.22	457.88
6 to 12 months	2.49	45.26
Beyond 12 months	157.49	77.44
Total	<u>3,303.11</u>	<u>2,907.75</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2021
(Rs. in Lakhs)

(b) Details of single customer accounted for more than 10% of the accounts receivable as at 31st March 2021 and 31st March 2020 :

Name of Customer	As at 31-03-2021	As at 31-03-2020
Escorts Ltd.	1,378.41	1,497.07
Swaraj Engines Ltd.	1,325.05	724.01
Mahindra & Mahindra Limited	253.73	301.72
Mita India Pvt. Ltd.	340.37	370.84

(c) Details of single customer accounted for more than 10% of revenue for the year ended at 31st March 2021 and 31st March 2020 :

Name of Customer	As at 31-03-2020	As at 31-03-2019
Escorts Ltd.	2,919.21	3,411.27
Swaraj Engines Ltd.	5,893.84	4,256.71
Mahindra & Mahindra Ltd.	1,361.62	1,372.40
Mita India Pvt. Ltd.	1,024.06	1,493.35

(d) Based on historic default rates and overall credit worthiness of customers, the company adopted a policy for assessing credit risk as per expected credit loss model for outstanding balances as on balance sheet date as per their ageing bucket :

Age of Receivables	% of Provision	Provision for ECL
Upto 6 Months	0%	0.00
6 to 12 Months	2%	0.05
More than 12 Months	5%	7.87
Total		7.92

 (e) **Movement in the expected credit allowance**

Particulars	
ECL Allowance as on 31/3/2020	4.78
Provided during the year	3.14
ECL Allowance as at 31/3/2021	7.92

Note No. 40.2.2 - Liquidity Risk

Liquidity Risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecast on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	Borrowings including interest obligations	Trade Payables	Other Financial Liabilities	Total
As at 31-03-2021				
Less than 1 year	459.88	1,874.56	132.41	2,466.85
1 to 5 years	27.31	0.00	0.00	27.31
Total	487.19	1,874.56	132.41	2,494.16
As at 31-03-2020				
Less than 1 year	551.11	1,635.66	73.68	2,260.45
1 to 5 years	88.55	0.00	0.00	88.55
Total	639.66	1,635.66	73.68	2,349.00

BHAGWATI AUTOCAST LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2021

(Rs. in Lakhs)

Note No. 40.2.3 - Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loan borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies.

a) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings and excluding loans on which interest rate swaps are taken.

Nature of Borrowing	Change in basis points	Impact on PAT	
		As at	As at
		<u>31-03-2021</u>	<u>31-03-2020</u>
Working capital Facilities from Facilities from Bank	(0.50)	<u>1.49</u>	<u>2.04</u>
TOTAL	<u>0.50</u>	(1.49)	(2.04)

b) Foreign currency risk

The company does not operate internationally and hence not exposed to currency risk on account of its receivables or payables in foreign currency.

c) Commodity Price Risk

Principal Raw Material for company's products is scrap and pig iron. Company sources its raw material requirements from domestic markets. Domestic market price generally remains in line with international market prices. Volatility in metal prices, currency fluctuation of rupee vis a vis other prominent currencies coupled with demand-supply scenario in the world market affect the effective price of scrap and pig iron. Company effectively manages availability of material as well as price volatility through well planned procurement and inventory strategy and also through appropriate contracts and commitments.

Sensitivity Analysis

The table below summarises the impact of increase/(decrease) in prices of scrap and pig iron by Rs. 0.50 per kg on profit for the period.

Particulars	Impact on PAT	
	<u>2020-21</u>	<u>2019-20</u>
Rs. 0.50 increase in price of scrap	(44.43)	(42.97)
Rs. 0.50 decrease in price of scrap	44.43	42.97
Rs. 0.50 increase in price of pig iron	(5.15)	(5.79)
Rs. 0.50 decrease in price of pig iron	5.15	5.79

Note No. 41 - Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

The company monitors capital using gearing ratio, which is net debt divided by total equity plus debt.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2021

Particulars	(Rs. in Lakhs)	
	As at 31-03-2021	As at 31-03-2020
Borrowings	486.92	639.31
Less : Cash & Cash Equivalents	7.19	13.79
Net Debt (A)	479.73	625.52
Total Equity	2,826.89	2,671.36
Equity and Net Debt (B)	3,306.62	3,296.88
Gearing Ratio (A/B)	0.15	0.19

Note No. 42

Balances of trade receivables, creditors, advances, etc. are subject to confirmation / reconciliation and consequential adjustments thereof. Adjustments in this respect, if any required, would be accounted for as and when ascertained.

Note No. 43

In the opinion of the Management, there are no indications, internal or external, which could have the effect of impairing the value of assets to any material extent as at the balance sheet date requiring recognition in terms of AS-36.

Note No. 44

The Company has assessed the probable impact of COVID-19 pandemic. It has considered internal and external information available up to the date of approval of these financial statements and expects that the carrying amounts of inventories, trade receivables and other assets are recoverable. However, the impact of COVID-19, including the current wave, may be different from that estimated as at the approval of these financial statements. The company will continue to monitor any material changes to future economic condition.

Note No. 45

The Parliament of India has approved the Code on Social Security, 2020 (the Code) which may impact the contributions by the Company towards provident fund, gratuity and ESIC. The Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. Final rules are yet to be notified. The Company will assess the impact of the Code when it comes into effect and will record related impact, if any.

Note No. 46

Previous year's figures have been re-grouped/re-arranged/re-casted, wherever necessary, so as to make them comparable with current year's figures.

As per our report of even date attached

For Mahendra N. Shah & Co.

Chartered Accountants
Firm Regn. No. 105775W

Chirag M. Shah

Partner
Membership No. 045706

Place : Ahmedabad
Date : 26-05-2021

Dr. P. N. Bhagwati

Chairman & Jt. Managing Director
(DIN : 00096799)

Reena P. Bhagwati

Managing Director
(DIN : 00096280)

D. K. Sheth

Chief Financial Officer

Mehul Naliyadhara

Company Secretary

P. H. Buch (Director)

(DIN : 03411816)

R. J. Shah (Director)

(DIN : 01982424)

V R Ambani (Director)

(DIN : 00351512)

S C Mehta (Director)

(DIN : 08930872)

Place : Ahmedabad

Date : 26-05-2021

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