

BHAGWATI AUTOCAST LIMITED



29th Annual Report 2010-2011

Board of Directors	:	Dr P N Bhagwati	Chairman & Managing Director
		Ms Reena P Bhagwati	Jt Managing Director
		Mrs M P Bhagwati	} Directors
		Mr M N Shah	
		Mr Padmin H. Buch	Additional Director
Remuneration Committee	:	Mrs M P Bhagwati	Chairperson
		Mr M N Shah	} Members
		Mr Padmin H. Buch	
Auditors	:	M/s Milin J. Jani & Co.	
		Chartered Accountants	
		Ahmedabad	
Bankers	:	Bank of Baroda	
		Ashram Road	
		Ahmedabad	
Registered Office & Works	:	Survey No 816,	
		Village Rajoda,	
		Near Bavla,	
		Dist. Ahmedabad 382 220	
Share Registrars	:	M/s M C S Limited	
		101, Shatdal Complex	
		Opp. BATA Showroom, Ashram Road,	
		Ahmedabad - 380 009.	
		Tele No. 079 26582878	Fax No. 079 26581296

Financial Highlights

	[Rs. in Lacs]										
Particulars	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
Fixed Assets (Gross)	2504.45	2317.48	1439.75	1430.75	1368.84	1267.32	1120.69	1101.30	986.80	896.44	868.71
Fixed Assets (Net)	1549.73	1394.99	560.53	619.95	627.15	593.37	492.68	504.31	441.31	458.95	481.14
Net Current Assets	867.04	738.80	1077.41	703.28	577.37	389.89	(90.04)	(101.39)	(19.02)	180.71	188.21
Misc. Exps/Deferred Revenue Exps.	0.00	0.49	4.81	9.13	17.01	22.45	10.71	14.27	0.00	0.72	1.44
Profit & Loss Account	0.00	0.00	0.00	0.00	0.00	0.00	166.34	246.36	169.28	0.00	0.00
TOTAL ASSETS (NET)	2416.77	2134.28	1642.75	1332.36	1221.53	1,005.71	579.69	663.55	591.57	640.38	670.79
Borrowings	759.53	711.51	465.13	295.56	309.41	308.50	208.89	270.06	201.35	178.97	231.37
Equity Share Capital	288.07	288.07	288.07	288.07	288.07	288.07	160.04	160.04	160.04	160.04	160.04
Reserves & Surplus	1250.76	1033.44	843.32	693.83	560.06	325.03	121.72	142.77	142.77	208.59	279.38
Deferred Tax	118.41	101.26	46.23	54.90	63.99	84.11	89.04	90.68	87.41	92.78	0.00
TOTAL CAPITAL EMPLOYED	2416.77	2134.28	1642.75	1332.36	1221.53	1005.71	579.69	663.55	591.57	640.38	670.79
DEBT EQUITY RATIO	0.39:1	0.52:1	0.12:1	0.14:1	0.17:1	0.20:1	0.82:1	0.89:1	0.66:1	0.48:1	0.53:1
Sales & Other Income	7205.83	5840.73	6567.31	5898.05	5994.64	4383.29	3921.64	2443.08	1187.46	2160.71	2009.38
Excise Duty & Cess	625.87	443.21	775.70	810.19	814.25	584.53	530.93	310.11	165.47	253.06	274.33
Sales Tax	141.82	118.10	146.72	173.68	229.97	166.49	151.33	90.14	48.13	76.89	0.00
Materials	3976.01	3151.12	3686.96	3121.76	3108.11	2141.46	2080.82	1226.75	539.54	897.09	870.91
Labour Cost	945.37	789.33	703.53	684.99	593.42	435.94	351.06	304.66	263.02	309.80	335.70
Power	790.10	736.80	671.11	623.63	695.27	528.57	493.30	378.01	239.68	414.30	433.17
Operation & Other Exps	115.28	107.83	131.80	112.85	107.15	75.86	68.42	47.91	44.51	56.71	63.43
Interest	116.21	77.73	103.77	92.63	92.00	135.19	127.88	98.94	73.48	84.23	73.64
GROSS PROFIT	495.17	416.61	347.72	273.35	354.47	315.25	117.90	(13.44)	(186.37)	68.63	(41.80)
Depreciation	125.22	68.83	72.31	69.55	72.40	58.51	56.84	54.29	46.90	54.82	46.79
Investment All. Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PROFIT BEFORE TAX	369.95	347.78	275.41	203.80	282.07	256.74	61.06	(67.73)	(233.27)	13.81	(88.59)
Provision For Taxation	119.15	120.29	98.96	68.85	47.04	15.14	(1.64)	3.27	2.80	4.93	0.00
PROFIT AFTER TAX	250.80	227.49	176.45	134.95	235.03	241.60	62.70	(71.00)	(236.07)	8.88	(88.59)
Prior period adjustments	0.00	10.50	0.00	0.00	0.00	(0.01)	(3.74)	(6.08)	0.98	0.00	0.00
Dividends	28.81	23.04	23.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Corporate Tax on Dividend	4.67	3.83	3.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Retained Earnings	217.32	190.12	149.49	134.95	235.03	241.59	58.96	(77.08)	(235.09)	8.88	(88.59)
Earning per Eq. Share Rs.	7.54	6.60	6.13	4.68	8.16	8.39	3.92	(4.44)	(14.75)	0.55	(5.54)
Dividend per Eq. Share %	1.00	8.00	8.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Worth	1538.83	1321.02	1126.58	972.77	831.12	590.65	104.71	42.18	133.53	367.91	437.98
Book value per Eq. Share Rs.	53.42	45.86	39.11	33.77	28.85	20.50	6.54	2.64	8.34	22.99	27.37

BHAGWATI AUTOCAST LIMITED

NOTICE

NOTICE is hereby given that the **TWENTY NINTH ANNUAL GENERAL MEETING** of the members of **BHAGWATI AUTOCAST LIMITED** will be held at the Registered Office of the Company at Survey No. 816, Village Rajoda, Near Bavla, Dist Ahmedabad - 382 220 on Friday, the 30th September, 2011 at 11.00 AM to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended on 31st March, 2011 and Balance Sheet as at the same date and consider the Directors' Report and Auditor's Report thereon.
2. To declare dividend for the financial year ended 31st March, 2011.
3. To appoint director in place of Mr. M. N. Shah, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT Mr. Padmin H. Buch, who has been appointed as an Additional Director of the Company by Board of Directors under the provisions of Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as Director of the Company liable to retire by rotation.

6. 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 198, 269, 309 and 310 of the Companies Act, 1956 (hereinafter referred to as the Act) read with Schedule XIII thereof as amended from time to time and other applicable provisions, if any of the Act, the consent of members be and is hereby accorded to the terms and conditions as stated in Agreement of Re appointment of Ms. Reena Bhagwati, as Jt. Managing Director of the Company with effect from 1st October 2010 for the period of 5 years ending on 30th September 2015.

Place : Ahmedabad
Date : 29/07/2011

By order of the Board of Directors

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

Dr. P. N. Bhagwati
Chairman

NOTES :

1. A member entitled to attend and vote is entitled to appoint one or more Proxies to attend and vote instead of himself/herself and that a Proxy need not be a member of the company. Proxies in order to be effective must reach the Registered Office of the Company not less than 48 hours before the commencement of Annual General Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 16th September, 2011 to Friday 30th September 2011 (both days inclusive).
3. The Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Businesses mentioned above are annexed hereto and forms part of the Notice.
4. The payment of dividend upon declaration by the shareholders at the forthcoming annual general meeting will be made on or before 30.10.2011 as under:
 - (a) To all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be made available to the Company by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the end of the day on Thursday 15th September, 2011. and
 - (b) To all those shareholders holding shares in physical form after the effect to all the valid share transfers lodged with the Company before the closing hours on Thursday 15th September, 2011.
5. Members holding shares in physical form, are advised to furnish on or before 15th September 2011, particulars of their bank account, if changed, to share Transfer Agent (MCS Limited) to incorporate the same in the dividend warrant / payment instruments.

Incase where payments to the shareholders holding shares in dematerialized form are made by dividend warrants / payment instruments, particulars of bank account registered with their depository participant will be considered by the Company for printing the same on dividend warrants / payment instruments.
6. Members, holding shares in physical form, are requested to notify change of address, if any, to the Registrars and Share Transfer Agent (MCS Limited), preferably along-with their bank / National Electronic Clearing Services (NECS) details on or before 15th September, 2011.

Beneficial owner holding shares in electronic form are requested to notify any change in address, bank particulars, NECS particulars etc to their respective depository participants and make sure that such changes are recorded by them correctly on or before 15th September 2011.

Dividend will be preferably paid through ECS/NECS, wherever the facility is available. Where dividend payments are made through ECS/NECS, intimation regarding such remittances would be sent separately to the share holders. In cases where the dividend can not be paid through NECS the same will be paid by account payee / not negotiable instruments.
7. The Members having multiple ledger folios in the same order of names are requested to approach Share Department for consolidating their entire holding in one folio for mutual convenience.

8. Members desiring any information as regards the accounts are requested to write to the Company at the earliest, so as to enable the Board of Directors to keep the information ready.
9. All documents referred to the accompanying Notice and the Explanatory Statement(s) are open for inspection at the Registered Office of the Company during office hours on all working days except Saturday and Sunday between 11.00 a.m. to 1.00 p.m. up to the date of Annual General Meeting.
10. In terms of provisions of section 109A of the Companies Act, 1956, nomination facility available to individual shareholders. The shareholders who are desirous of availing this facility may kindly write to Company's share transfer agent (MCS Limited).
11. Members who hold shares in dematerialized form are requested to bring their depository account number for identification.
12. Members are requested to bring their copies of the annual report to the meeting.

Place : Ahmedabad
Date : 29/07/2011

By order of the Board of Directors

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

Dr. P. N. Bhagwati
Chairman

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 5 :

The Board of Directors of the Company had appointed Mr. Padmin Buch as Additional Director (Independent Director) of the Company with effect from 4th February 2011. As per the provisions of Section 260 of the Companies Act, 1956, Mr. Padmin Buch will hold office only upto the date of forthcoming Annual General Meeting of the Company, and is eligible for appointment as Director.

The Company has received notice in writing from a member along with deposit of Rs. 500/- for proposing the candidature of Mr. Padmin Buch for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956.

Mr. Padmin Buch is not disqualified from being appointed as Director in terms of Section 274 (1)(g) of the Act. The Company has received the requisite Form 'DD-A' from Mr. Padmin Buch in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

Mr. Padmin H. Buch, aged about 55 years. He is the Managing Director of Gujarat Industrial and Technical Consultancy Organization (GITCO), a front-ranking consultancy of Gujarat. He did his B. Pharm and followed it up with MBA from B K School of Business Management, Ahmedabad. He possesses long and varied experience in consulting domain. He continues to serve on the committees of Ahmedabad Management Association (AMA). He is a visiting faculty at many business and entrepreneurship schools. His technical experience and expertise will help the company.

Your Directors recommend the above Resolution for your approval.

Except Mr. Padmin Buch none of the Directors of the Company are in any way concerned or interested in the said resolution.

ITEM NO. 6 :

Ms. Reena Bhagwati was appointed as Jt. Managing Director by the Board in its meeting held on 30th September 2010, for a period of five years as provided in Part II, Section II A. She can be paid a remuneration not exceeding Rs. 1,25,000/- per month. Accordingly it has been proposed to pay her such remuneration not exceeding Rs. 1,25,000/- as the Board of Directors may decide in consultation with her. An approval of the Shareholders is now being obtained to pay her the remuneration as above and the Board of Directors is authorized to fix, modify or alter the amount of Remuneration within the above overall limit.

The terms and conditions of appointment of Ms. Reena Bhagwati as Joint Managing Director of the Company are as under.

REMUNERATION :

a) Salary

Rs. 1,00,000/- per month or may be decided by the Board within an overall limit of Rs. 1,25,000/- per month.

b) Leave Encashment:

The Managing Director shall be entitled to fully paid leave as per the Company's Rules. Encashment of Leave at the end of the tenure is permitted and shall not be included in the computation of the ceiling on perquisites, specified above.

c) Other Benefits

Such other benefits amenities and facilities as per the company's rules within the overall limit of Rs. 1,25,000/-.

An abstract pursuant to provisions of section 302 of the Act has already been sent to the members of the Company.

Ms. Reena Bhagwati is interested in the above resolution to the extent that the remuneration is going to be received by her.

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

The Board recommends the resolution for the approval by the members.

Place : Ahmedabad
Date : 29/07/2011

By order of the Board of Directors

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

Dr. P. N. Bhagwati
Chairman

BHAGWATI AUTOCAST LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the **TWENTY NINTH ANNUAL REPORT** and audited accounts for the year ended 31st March 2011. The performance of the Company for the year ended on March 31, 2011 is summarized below.

01. FINANCIAL HIGHLIGHTS :

	For the year Ended 31/03/2011 (Rs.)	For the year Ended 31/03/2010 (Rs.)
Profit before interest, depreciation and taxation	61,137,677	49,434,313
Less: Interest & finance charges	11,620,770	7,773,295
Profit before depreciation & taxation	49,516,907	41,661,018
Less: Depreciation	12,522,306	6,882,763
Profit before tax	36,994,601	34,778,255
Less: Provision for income tax	10,200,000	6,525,500
Less : Provision for deferred tax liability	1,715,068	5,503,215
Profit after tax	25,079,533	22,749,540
Less : Short Provision for Taxation	0	1,049,995
Profit for the Year	25,079,533	21,699,545
Add : Surplus of last year brought forward	18,848,622	14,836,380
Surplus available for appropriation	43,928,155	36,535,925
APPROPRIATIONS :		
Proposed equity dividend	28,80,684	23,04,547
Tax on dividend	4,67,319	382,756
Transfer to general reserve	20,000,000	15,000,000
Balance of profit carried to balance sheet	20,580,152	18,848,622

02. DIVIDEND :

Your Directors recommend a dividend of 10% i.e. Rs.1.00 per Equity Share of Rs. 10/- each for the year 2010-2011 (Previous year 8% i.e. Rs. 0.80/- per Equity Share) Subject to approval of shareholders at the 29th Annual General Meeting.

03. REVIEW OF OPERATIONS :

During the year under review, Your Company has achieved sales of Rs. 70.58 Crores (Previous year Rs. 57.99 Crores), resulting in an increase in sales by 22% over the previous year. The Profit before Interest, Depreciation and Taxation for the year under review stood at Rs. 6.11 Crores compared to Rs. 4.94 Crores of the previous year resulting increase of 24%.

After the modernization of moulding line during the previous year, company started to get benefit by way of quality and productivity. During the year your company is planning to start second phase of expansion so as to enhance production capacity.

04. DIRECTORS :

The Board appointed Mr. Padmin Buch as Additional Director, we seek your support in his appointment as Director. Mr. B L Dalal resigned as member of the board w.e.f 04.02.2011. We place deep sense of appreciation for the services rendered by Mr. B. L. Dalal. Mr. M. N. Shah retires by rotation in the forthcoming Annual

General Meeting and being eligible offers himself for re-appointment.

05. AUDITORS :

The Statutory Auditors of the Company M/s. Milin J Jani & Co., Chartered Accountants, Ahmedabad (Firm Registration No.106396W) will retire at conclusion of ensuing Annual General Meeting and being eligible, have offered themselves for reappointment for the year 2011-2012. You are requested to appoint Auditors for the current year to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

06. COMPLIANCE CERTIFICATE :

The Compliance Certificate received in accordance with the provisions of Section 383A read with the Companies (Compliance Certificate) Rules, 2001 being annexed to the Director's Report. The said Compliance Certificate is self-explanatory and needs no comments.

The Board has appointed M/s. Chirag Shah & Associates, Company Secretaries for the issuance of the Compliance Certificate in terms of the provisions of section 383A(1) of the Companies Act, 1956 and to hold the office until the conclusion of the forthcoming annual general meeting on such remuneration as may be determined by the Board and agreeable to them. Your directors recommend to re-appoint them for the above said work and to hold office till the date of the next annual general meeting.

07. FIXED DEPOSITS :

There are no unclaimed / unpaid deposits as on 31/03/2011.

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

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed in terms of section 217(1) (e) of the Companies Act, 1956 read with the Companies (disclosure of particulars in the report of the Board of Directors) rules, 1988 is annexed hereto and forms part of this report.

09. PARTICULARS OF EMPLOYEES :

The Details of the employees, who were in receipt of remuneration of not less than Rs. 60,00,000/- during the year ended 31st March, 2011 or not less than Rs. 5,00,000/- per month during any part of the said year is annexed herewith as part of the Directors report.

10. DIRECTORS RESPONSIBILITY STATEMENT :

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

- a) That in the preparation of the annual accounts, the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- b) That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of affairs of the Company as on 31st March, 2011 and of the Profit of the Company for the accounting year ended on that date;
- c) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) That they have prepared the annual accounts on a going concern basis.

11. GENERAL :

1. Insurance :

The assets of the company including Plant and Machineries, Factory Building, Stocks, Stores, Vehicles etc. have been adequately insured.

2. Industrial Relations :

During the year under review the industrial relations were cordial.

3. Acknowledgement :

Your Directors wish to place on record their deep sense of appreciation of the continued co-operation and support extended by Bank of Baroda from time to time.

The Directors also wish to place on record their appreciation of the devoted services of the Workers, Staff and Executives of the Company, who have contributed to the efficient management of the Company.

For and on behalf of the
Board of Directors

Dr. P. N. Bhagwati
Chairman

Place : Ahmedabad
Date : 29/07/2011

BHAGWATI AUTOCAST LIMITED

ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March 2011.

A. Employed for whole of the year and was in receipt of remuneration aggregating to Rs. 60,00,000/- or more per annum.

Sr. No.	Name of the Employee	Designation	Gross Remuneration Rupees	Qualification/ Experience	Date of Commencement of Employment	Age Year	Last Employment held/ Organisation
1	Dr. P N Bhagwati	Managing Director	6,362,479	Ph.D. (Germany) 44 Years	01/04/1984	75	Managing Director- Bhagwati Spherocast Pvt. Ltd.

Notes :

- Dr. P N Bhagwati Managing Director of the Company is a relative of Ms. Reena P Bhagwati Jt. Managing Director and Mrs. M P Bhagwati, a director of the company. No other employees are related to any other Directors.
- Remuneration includes salary, house rent allowance, contribution towards provident fund, Contribution to superannuation fund and perquisites.

B. CONSERVATION OF ENERGY :

a) Measures Taken :

The Company has been taking various measures for conservation of energy for last few years. During the year, the Company has taken following additional measures: -

- 60w-300w GLS lamps are replaced by tube lights with electronic choke, started using mercury lamps & LED type lamps wherever possible throughout the plant.
- Air compressor pressure regulation made further stringent. Air leakages stopped, corroded air lines replaced, extra lines are removed.
- Extra running hours cut down in respect of furnace cooling tower & coil cooling pump.
- Furnace operation is optimized to reduce holding & extra running.
- Ceramic fiber lining are provided in muffle furnace for insulation.
- Inefficient motors replaced by new high efficient motors and the same being monitored on continuous basis.
- As far as possible, capacitors are being operated to maintain power factor near to 0.997.

FURTHER STEPS TO BE IMPLEMENTED

- To start using cooling tower saver.
- Automatic star to delta & delta to star converter for heavy motors to be introduced.
- Sizing of motors as per the actual average load condition (Ad hoc 10 HP) optimization of sizes of motors to be done.
- A.C. drives to introduce wherever pay back period is below 3 years.
- CFL to use in offices in place of tube lights.
- Required capacitors to install exclusively for induction furnace sintering to achieve power factor level above 0.997.

b) Additional Investment and proposals, if any, being implemented for reduction of consumption of energy :

- Induction motors between 10 to 20 HP will be replaced in phased manner.
- Distribution transformer insulation will be replaced during reconditioning of transformer, which will bring down losses to optimum 6% to 3%.

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

Satisfactory impact of measures taken as above has been observed during the current year in spite of low output however, further improvement may be possible when we reach to higher output. Total energy consumption and energy consumption per unit of production as per Form A of the ANNEXURE in respect of industries specified in the Schedule thereto.

FORM - A

Particulars	2010-11	2009-10
[A] Power & Fuels consumption :		
1. Electricity		
[a] Purchased		
- Units	13694880	12488880
- Total Amount [Rs. Lacs]	790.10	736.80
- Rate / Unit [Rs.]	5.77	5.90
[b] Own Generation		
(i) Through Diesel Generator		
- Units	6232	4564
- Units per liter of diesel oil	3.38	2.83
- Cost per unit [Rs.]	16.23	16.93
(ii) Through Steam Turbine Generator		
- Units	Nil	Nil
- Units per liter of Fuel Oil/Gas	Nil	Nil
- Cost per Unit [Rs.]	Nil	Nil
2. Coal	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Others / Internal Generation	Nil	Nil
[B] Consumption per unit of Production	Electricity per MT of Castings	Electricity per MT of Castings
(i) C I Castings	1292	1161
(ii) S G I Castings	1313	1312

FORM : B

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

TECHNOLOGY ABSORPTION :

During the year under review, The Company has introduced and increased the use of certain new technologies with a view to improve the quality of the products.

Cold Box Process :

The Cold Box technology was introduced to have better utilities resulting in low power consumption, better out-put and greater dimensional consistency. All new cores for new castings under development were made with this process and many of the shell cores were converted into Cold Box.

A second fully automated machine with higher out-puts and higher core weight capacity was commissioned resulting in over all improvement in the core quality and reduction in core cost and saving of power.

RESEARCH & DEVELOPMENT :

(i) Specific areas in which R & D are carried out by the Company: -

- Improvement in production process and waste control being continuously carried out by the company.
- Total Quality Management is being introduced with more involvement resulting in improvement in work culture.
- Upgradation of computerization in various Monitoring systems and introduction of Board Information System [BIS] to monitor and evaluate the overall performance. Analysis of Rejection and Monitoring of Energy Consumption.

(ii) Benefits derived as a result of above R & D: -

The quality of the product manufactured by the Company has further improved and the rejections both internal and after machining have been reduced.

B. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

	2010-11	2009-10
	[Rs]	[Rs]
Total Foreign Exchange used	92,749	158,923
Total Foreign Exchange earned	Nil	Nil

For and on behalf of the
Board of Directors

Place : Ahmedabad
Date : 29/07/2011

Dr. P N Bhagwati
Chairman

COMPLIANCE CERTIFICATE

Authorised Capital : 30,000,000/-

To,
The Members,
M/s. Bhagwati Autocast Limited
Survey No 816
Village Rajoda, Near Bavla,
Dist. Ahmedabad

I / We have examined the registers, records, books and papers of Messrs Bhagwati Autocast Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31.03.2011 (financial year). In my/our opinion and to the best of my/our information and according to the examinations carried out by me/us and explanations furnished to me/us by the company, its officers and agents, I/we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The company, being a public limited company, the Comments are not required.
4. The Board of Directors duly met 5 (five) times respectively on 27.04.2010, 29.07.2010, 30.09.2010, 29.10.2010 and 04.02.2011, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The company closed its Registrar of Members, from 13.09.2010 to 27.09.2010 and necessary compliance of section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31.03.2010 was held on 27.09.2010 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting(s) was/were held during the financial year.
8. The company has not advanced any loans to its directors or persons of firms or companies referred to under Section 295 of the Act.
9. The company has not entered into the Agreement falling within the purview of Section 297 of the Act.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or Central Government, as the case may be.
12. The Share Transfer Committee of directors approved the issue duplicate certificates during the financial year.
13. The Company has:
 - (A) delivered all the certificates on allotment of securities and on lodgment thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act.
 - (B) deposited the amount of dividend declared in a separate Bank Account on 23.09.2010, which is within five days from the date of declaration of such dividend.
 - (C) paid / posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed / unpaid dividend has been transferred to Unpaid Dividend Account of the Company with HDFC Bank Ltd.
 - (D) transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund – Not Applicable.
 - (E) duly complied with the requirements of Section 217 of the Act
14. The Board of Directors of the company is duly constituted and the appointment of Mr. Padmin Buch as additional director and Mr. B. L. Dalal who resigned from the directorship has complied with the provisions of the Act.
15. The re-appointment of Managing Director has been made in compliance with the provisions of section 269 read with Schedule XIII to the Act.
16. The company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain approval of the Central Government/ Registrar of Companies, Company Law Board, Regional Director, and/or any other such authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preferences share or debentures during the financial year.

BHAGWATI AUTOCAST LIMITED

22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has complied with the provisions of section 58A and 58AA read with Companies (Acceptance of Deposits) Rules, 1975/ the applicable directions issued by the Reserve Bank of India / any other authority in respect of deposits accepted including unsecured loans taken, by the company during the year and the company and has filed the Statement in lieu of Advertisement with the Registrar of Companies, Gujarat on 16.08.2010. The company has also filed return of deposits with the Registrar of Companies.
24. The amount borrowed by the Company from directors, member, public, financial institutions, banks and other during the financial year ending 31.03.2011 is / are within the borrowing limits of the company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened annual / extraordinary general meeting.
25. The company has not made any loans or advances or given guarantee or provided securities to other bodies corporate and consequently no entries have been made in the register for the purpose.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its articles of association during the financial year.
31. There was no prosecution initiated against and no fines or penalties or any other punishment was imposed on the company during the financial year for offences under the Act. Except that the Company has preferred suo moto compounding of offences under section 621 of the companies Act, 1956 and paid the fees as ordered by the Company Law Board.
32. The company has not received any money as security from its employees during the financial year.
33. The Company has not constituted provident fund for its employees under the provisions of Section 418 of the Act.

Chirag Shah

Place : Ahmedabad
Date : 29/07/2011

Name of Company Secretary:
Chirag Shah
C. P. No. : 3498

ANNEXURE-A

Registers as maintained by the Company.

1. Register of Deposits under Rule 7 of the Companies (Acceptance of Deposits) Rules, 1975.
2. Register of Charges under section 143/ Copies of instruments creating charge under section 136.
3. Register of Members under section 150 and Index of Members under section 151 in electronic form with the Registrar and Transfer Agent of the Company.
5. Register and Return under section 163.
6. Books of accounts and other cost records under section 209.
7. Register of particulars of contracts in which directors are interested under section 301.
8. Register of Directors, Managing Director, Manager and Secretary under section 303.
9. Register of Directors' Shareholdings under section 307.
10. Register of Investments or loans made, guarantee given or security provided under section 372 A (w.e.f 31/10/98)
11. Register of Renewed and Duplicate Certificates under Rule 7 of the Companies (Issue of Share Certificates) Rules, 1960.
12. Register of Director's attendance.

ANNEXURE-B

List of Forms>Returns filed

Si.No. Form No./Returns

- (1) Form 62 - Return of deposit was filed on 28.06.2010
- (2) Form 62 - St. in lieu of Advertisement was filed on 16.08.2010
- (3) Form 23 AC and Form 23 ACA were filed on 12.10.2010 for the year 2009-10.
- (4) Form 66 were filed on 07.10.2010 for the year 2009-10
- (5) Form 20 B -Annual Return was filed for the year 2009-10 on 12.10.2010
- (6) Form 23 was filed on 12.10.2010
- (7) Form 25 C was filed on 12.10.2010
- (8) Form 21 was filed on 26.08.2010
- (9) Form 32 was filed on 11.02.2011

Chirag Shah

Place : Ahmedabad
Date : 29/07/2011

Name of Company Secretary:
Chirag Shah
C. P. No. : 3498

AUDITORS' REPORT

To,
The Members,
BHAGWATI AUTOCAST LIMITED

1. We have audited the attached balance sheet of BHAGWATI AUTOCAST LIMITED as at 31st March 2011 and also the profit and loss account and the cash flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (referred to as "the Act") we enclose in the Annexure, a statement on the matters specified in the paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that :-
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - iii. The Balance Sheet, Profit & Loss account and Cash Flow statement dealt with by this report are in agreement with the books of account.
 - iv. In our opinion, the Balance Sheet, Profit & Loss account and Cash Flow statement dealt with by this report complies with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - v. Based on the written representations made by all the directors of the Company as on 31st March 2011 and according to the information and explanations as made available and taken on record by Board of Directors, We report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of section 274 (1) of the Act.
 - a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011,
 - b. In the case of the Profit and Loss Account of the Profit of the Company for the year ended on that date and,

- c. In the case of the Cash Flow statement of the cash flows for the year ended on that date.

For Milin J Jani & Co.
Chartered Accountants
Firm Regn. No. 106396W

Milin J Jani
Proprietor

Place : Ahmedabad
Date : 29/07/2011

Membership No. 44077

ANNEXURE TO AUDITORS' REPORT

Re: Bhagwati Autocast Limited

Referred to in paragraph 3 of our report of even date

- i.) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Fixed Assets have been physically verified by the Management during the year ended 31.03.2011 in a phased periodical manner, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on verification.
- c) During the year, the Company has not disposed of major part of the fixed assets.
- ii.) a) The inventory (except stock lying with the third parties for which confirmation received from them) have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) The company is maintaining proper records of inventory. No material discrepancies were noticed on verification of stocks as compared to book records.
- iii.) a) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act. 1956. Consequently, requirement of clauses iii(b), iii(c), iii(d), of paragraph 4 of the order are not applicable.
- b) The Company has not taken any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act. 1956. Consequently, requirement of clauses iii(f), iii(g) of paragraph 4 of the order are not applicable.
- iv.) In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of Inventory, fixed assets and with regard to sale of goods. Further on the basis of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, We have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.

BHAGWATI AUTOCAST LIMITED

- v) a) According to the information and the explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Act, have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts, arrangements entered in the register maintained under Section 301 of the Act, and exceeding the value of Rs. 5.00 (Five) Lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A and 58AA of the Companies (Acceptance of Deposits) Rules 1975 with regard to the deposits accepted from the public. According to information and explanations given to us no order under the aforesaid sections has been passed by the Company Law Board on the Company.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) We have been informed by the management that the maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Act, for the products of the Company.
- ix) a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess were in arrears except as under;

Year	Act	Amount Rs.	Forum
2008-09	Income Tax	4,50,020/-	Before Commissioner of Income Tax (Appeals)

- x) The Company does not have accumulated loss at the end of the year and the Company has not incurred cash loss during the current & preceding year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of paragraph 4 of the order are not applicable.
- xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause (xiv) of paragraph 4 of the order are not applicable.
- xv) In our opinion and according to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks/financial institutions. Therefore, the provisions of clause (xv) of paragraph 4 of the order are not applicable.
- xvi) In our opinion, the term loans obtained have been applied for the purpose for which they were taken.
- xvii) According to the information and explanations given to us, on an overall basis, funds raised on short term basis have not, prima facie, been used during the year for long-term investments.
- xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the register under section 301 of the Companies Act, 1956.
- xix) According to the information and explanations given to us the Company had not issued any Secured Debentures during the year.
- xx) During the year, the Company has not raised money by public issue(s).
- xxi) To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company, was noticed or reported during the year.

For **Milin J Jani & Co.**
Chartered Accountants
Firm Regn. No. 106396W

Milin J Jani
Proprietor
Membership No. 44077

Place : Ahmedabad
Date : 29/07/2011

BALANCE SHEET AS AT 31st MARCH, 2011

	Schedule No.	31 st March, 2011 Rs.	As at 31 st March, 2011 Rs.	As at 31 st March, 2010 Rs.
SOURCES OF FUNDS				
i) Shareholders' Funds				
- Share Capital	1	28,806,840	28,806,840	
- Reserves & Surplus	2	125,075,611	103,344,081	
			153,882,451	132,150,921
ii) Loan Funds				
- Secured Loans	3	62,409,119	57,607,780	
- Unsecured Loans	4	13,544,387	13,543,013	
			75,953,506	71,150,793
iii) Deferred Tax Liabilities	5	11,841,151		10,126,083
T O T A L ...		241,677,108	241,677,108	213,427,797
APPLICATION OF FUNDS				
i) Fixed Assets	6			
- Gross Block		249,774,526	231,747,988	
- Less : Depreciation		95,471,775	92,248,750	
		154,302,751	139,499,238	
- Capital Work in progress		670,421	0	
Net Block			154,973,172	139,499,238
ii) Current Assets, Loans & Advances				
- Inventories	7	41,859,030	26,263,160	
- Sundry Debtors	8	176,418,222	143,918,352	
- Cash & Bank Balances	9	4,848,223	9,182,024	
- Loans & Advances	10	52,530,578	46,263,074	
		275,656,053	225,626,610	
Less : Current Liabilities & Provisions	11	188,952,117	151,747,123	
Net Current Assets			86,703,936	73,879,487
iii) Miscellaneous Expenditure	12		0	49,072
T O T A L ...		241,677,108	241,677,108	213,427,797
Significant Accounting Policies and Notes Forming part of the accounts	18			

As per our separate report of even date attached

For Milin J. Jani & Co.
Chartered Accountants
Firm Regn. No. 106396W

Dr. P. N. Bhagwati
Chairman & Managing Director

Mrs. M. P. Bhagwati

Milin J Jani
Proprietor
Membership No. 44077

Ms. Reena P. Bhagwati
Jt. Managing Director

P. H. Buch

D. K. Sheth
Financial controller

M. N. Shah
Directors

Place : Ahmedabad
Dated : 29/07/2011

Place : Ahmedabad
Dated : 29/07/2011

BHAGWATI AUTOCAST LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	Schedule No.	Rs.	2010-11 Rs.	Rs.	2009-10 Rs.
INCOME					
Sales : [Gross]		705,776,288		579,851,485	
Lsss : Excise Duty		62,586,757		44,320,686	
Less : Sales Tax		14,182,217		11,810,060	
			629,007,314		523,720,739
Miscellaneous Income	13		1,229,259		1,038,419
Increase / (Decrease) in stocks	14		13,577,801		3,183,204
			643,814,374		527,942,362
EXPENDITURE					
Purchase of Materials for resale		401,893		1,057,196	
Raw Materials consumed	15		307,590,504		247,276,487
Manufacturing, administrative & Other expenses	16		274,684,300		230,174,366
Interest & Finance Charges	17		11,620,770		7,773,295
Depreciation			12,522,306		6,882,763
			606,819,773		493,164,107
PROFIT BEFORE TAX			36,994,601		34,778,255
Provision for Taxation					
Less : Income Tax		10,200,000		6,525,500	
Less / (Add) : Deferred Tax Credit		1,715,068		5,503,215	
			11,915,068		12,028,715
Less : Short Provision for Taxation			0		1,049,995
PROFIT FOR THE YEAR			25,079,533		21,699,545
Add : Balance of profit brought forward from previous year			18,848,622		14,836,380
PROFIT AVAILABLE FOR APPROPRIATION			43,928,155		36,535,925
APPROPRIATIONS:					
Proposed Equity Dividend			2,880,684		2,304,547
Corporate Tax on Dividend			467,319		382,756
Transfer to General Reserve			20,000,000		15,000,000
Balance carried to Balance sheet			20,580,152		18,848,622
			43,928,155		36,535,925
Basic & Diluted Earning per share			8.71		7.53
Significant Accounting Policies and Notes Forming part of the accounts	18				

As per our separate report of even date attached

For Milin J. Jani & Co.
Chartered Accountants
Firm Regn. No. 106396W

Dr. P. N. Bhagwati
Chairman & Managing Director

Mrs. M. P. Bhagwati

Milin J Jani
Proprietor
Membership No. 44077

Ms. Reena P. Bhagwati
Jt. Managing Director

P. H. Buch

D. K. Sheth
Financial controller

M. N. Shah
Directors

Place : Ahmedabad
Dated : 29/07/2011

Place : Ahmedabad
Dated : 29/07/2011

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31 st March, 2011 Rs.	As at 31 st March, 2010 Rs.
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED :-		
3,000,000 (previous year 3,000,000) Equity shares of Rs. 10/- each	<u>30,000,000</u>	<u>30,000,000</u>
ISSUED :-		
2,933,637 (previous year 2,933,637) Equity shares of Rs. 10/- each	29,336,370	29,336,370
SUBSCRIBED & PAID UP :-		
2,880,684 (previous year 2,880,684) Equity shares of Rs. 10/- each fully paid up	28,806,840	28,806,840
T O T A L . . .	<u>28,806,840</u>	<u>28,806,840</u>
 SCHEDULE - 2		
RESERVES & SURPLUS		
Capital reserves		
On re-issue of forfeited shares	4,500	4,500
Share premium account	24,970,640	24,970,640
General reserve		
Balance as per last Year	59,520,319	44,520,319
Add : Transfer from Profit & Loss Account	<u>20,000,000</u>	<u>15,000,000</u>
	79,520,319	59,520,319
Profit & Loss Account	20,580,152	18,848,622
T O T A L . . .	<u>125,075,611</u>	<u>103,344,081</u>

BHAGWATI AUTOCAST LIMITED**SCHEDULES FORMING PART OF THE ACCOUNTS**

	Rs.	As at 31 st March, 2011 Rs.	Rs.	As at 31 st March, 2010 Rs.
SCHEDULE - 3				
SECURED LOANS				
(i) From Bank of Baroda				
- Term Loan		46,666,400		56,983,217
(Repayable within one years Rs. 13,333,332)				
- Cash Credit Facilities		15,742,719		624,563
(Both are Secured against hypothecation of stock of raw materials, consumable stores, stock in process, finished goods & book debts, plant & machinery and equitable mortgage of the land [bearing survey No. 816] & factory building and further guaranteed by Managing Director and partly guaranteed up to Rs. 225.00 Lacs by the promoter Company)				
TOTAL . . .		<u>62,409,119</u>		<u>57,607,780</u>
SCHEDULE - 4				
UNSECURED LOANS				
Deposits :-				
- From Directors		4,070,000		4,070,000
- From Company		6,450,000		6,450,000
[in which Directors are interested as Directors]				
- From others		2,250,000		2,250,000
- Interest accrued & due on deposits		774,387		773,013
TOTAL . . .		<u>13,544,387</u>		<u>13,543,013</u>
SCHEDULE - 5				
DEFERRED TAX LIABILITIES				
Opening Balance		10,126,083		4,622,868
Add/(Less) : Provision / (Reversal) for the current year		1,715,068		5,503,215
Balance Carried Forward...		<u>11,841,151</u>		<u>10,126,083</u>

SCHEDULES FORMING PART OF THE ACCOUNTS SCHEDULE 6 FIXED ASSETS												
Particulars	GROSS BLOCK						DEPRECIATION			NET BLOCK		
	As on	Additions	Deductions	As on	Provided	Provided	Deductions	Provided	As on	As on	As on	
	01-04-10	during	during	31-03-11	up to	during	during	up to	31-03-11	31-03-11	31-03-10	
	Rs.	the year	the year	Rs.	31-03-10	the year	the year	31-03-11	Rs.	Rs.	Rs.	
Land (free hold)	1,354,143	0	0	1,354,143	0	0	0	0	1,354,143	1,354,143	1,354,143	
Office building	3,245,779	0	0	3,245,779	524,785	52,905	0	577,690	2,668,089	2,668,089	2,720,994	
Factory building	18,699,143	5,695,598	0	24,394,741	9,953,917	696,586	0	10,650,503	13,744,238	13,744,238	8,745,226	
Plant & machineries	166,448,310	9,086,533	8,564,762	166,970,081	63,130,816	7,646,003	8,003,571	62,773,248	104,196,833	104,196,833	103,317,494	
Electrical installation	4,531,494	335,042	83,974	4,782,562	2,039,385	132,915	52,514	2,119,786	2,662,776	2,662,776	2,492,109	
Laboratory equipments	1,024,970	101,720	0	1,126,690	277,480	49,135	0	326,615	800,075	800,075	747,490	
Furniture & fixtures	2,175,904	1,674,131	0	3,850,035	1,233,824	150,054	0	1,383,878	2,466,157	2,466,157	942,080	
Vehicles	2,358,271	0	0	2,358,271	394,605	223,695	0	618,300	1,739,971	1,739,971	1,963,666	
Office equipments	1,102,136	230,371	0	1,332,507	487,001	45,627	0	532,628	799,879	799,879	615,135	
Computer	3,342,195	225,430	0	3,567,625	2,414,191	323,529	0	2,737,720	829,905	829,905	928,004	
Moulding boxes, patterns & pattern plates	27,465,643	12,071,784	2,745,335	36,792,092	11,792,746	3,201,857	1,243,196	13,751,407	23,040,685	23,040,685	15,672,897	
TOTAL	231,747,988	29,420,609	11,394,071	249,774,526	92,248,750	12,522,306	9,299,281	95,471,775	154,302,751	154,302,751	139,499,238	
PREVIOUS YEAR	143,974,546	90,476,048	2,702,606	231,747,988	87,921,986	6,882,763	2,555,999	92,248,750	139,499,238	139,499,238	56,052,560	
Capital work in Progress									670,421	670,421	0	

BHAGWATI AUTOCAST LIMITED**SCHEDULES FORMING PART OF THE ACCOUNTS**

	As at 31 st March, 2011 Rs.	As at 31 st March, 2010 Rs.
SCHEDULE - 7		
INVENTORIES [As taken, valued & certified by the management]		
(i) Stores, spares etc.	10,631,261	8,260,748
(ii) Raw materials	7,061,471	7,413,915
(iii) Trading Goods [Patterns & Moulding Boxes]	79,648	0
(iv) Work in process	8,516,017	2,247,675
(v) Finished goods	15,570,633	8,340,822
TOTAL . . .	41,859,030	26,263,160
 SCHEDULE - 8		
SUNDRY DEBTORS [Unsecured, considered good]		
(i) Debts outstanding for a period exceeding six months	6,730,930	7,864,366
(ii) Other debts	169,687,292	136,053,986
TOTAL . . .	176,418,222	143,918,352
 SCHEDULE - 9		
CASH AND BANK BALANCES		
(i) Cash on hand	340,676	229,771
(ii) Balance with scheduled banks		
- In current accounts	3,908,766	5,095,524
- In deposits/margin accounts	0	350,000
	3,908,766	5,445,524
(iii) Balance in Current Account with The Bavla Nagrik Sahakari Co-Operative Bank Ltd. [Maximum Balance during the year Rs. 11,012,072/- (Previous Year Rs. 15,268,253/-)]	598,781	3,506,729
TOTAL . . .	4,848,223	9,182,024

SCHEDULES FORMING PART OF THE ACCOUNTS

	Rs.	As at 31 st March, 2011 Rs.	Rs.	As at 31 st March, 2010 Rs.
SCHEDULE - 10				
LOANS AND ADVANCES				
[Unsecured, considered good]				
(i) Advances recoverable in cash or in kind or for value to be received [including Rs. Nil from a employee of the Company (Previous year Rs. 58,610)]		5,641,859		8,117,532
(ii) Advance Payment of Taxes		34,899,183		26,768,638
(iii) Balance with Excise Department		2,469,581		3,113,080
(iv) Sundry deposits		9,519,955		8,263,824
TOTAL . . .		<u>52,530,578</u>		<u>46,263,074</u>

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

(i) Sundry creditors for Materials	108,766,862		89,450,918	
(ii) Sundry creditors for Expenses	12,848,512		10,780,375	
(iii) Sundry creditors for Capital Goods	6,109,209		5,339,175	
(iv) Other liabilities	6,131,633		6,759,340	
(v) Bills Payable	10,005,760		7,347,647	
		143,861,976		119,677,455

[B] Provisions:

(i) Proposed Dividend	2,880,684		2,304,547	
(ii) Corporate Tax on Dividend	467,319		382,756	
(iii) Provision for Income Tax	35,283,500		25,083,500	
(iv) Provision for accrued leave salary	2,975,052		2,793,739	
(v) Provision for Bonus	1,549,982		1,505,126	
(vi) Provision for Gratuity Contribution	1,312,604		0	
(vii) Provision for Superannuation Contribution	621,000		0	
		45,090,141		32,069,668
TOTAL . . .		<u>188,952,117</u>		<u>151,747,123</u>

SCHEDULE - 12
MISCELLANEOUS EXPENDITURE

[To the extent not written off or adjusted]

Preliminary Expenses

Rights Issue Expenses				
Balance as per Last Balance sheet		49,072		480,879
Less: 1/5th Written off		49,072		431,807
			0	49,072
TOTAL . . .			<u>0</u>	<u>49,072</u>

BHAGWATI AUTOCAST LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

	Rs.	2010-11 Rs.	Rs.	2009-10 Rs.
SCHEDULE - 13				
MISCELLANEOUS INCOME				
(i) Sundry Balances Written Back		3,048		2,276
(ii) Profit on sale of Fixed Assets		1,225,211		127,120
(iii) Sundry Income		1,000		909,023
TOTAL . . .		<u>1,229,259</u>		<u>1,038,419</u>

SCHEDULE - 14

INCREASE / (DECREASE) IN STOCK

Opening Stock	- Finished goods	8,340,822		3,777,020
	- Work in process	2,247,675		3,582,273
	- Trading goods	0		46,000
			10,588,497	7,405,293
Less:				
Closing Stock	- Finished goods	15,570,633		8,340,822
	- Work in process	8,516,017		2,247,675
	- Trading goods	79,648		0
			24,166,298	10,588,497
TOTAL . . .		<u>13,577,801</u>		<u>3,183,204</u>

SCHEDULE - 15

RAW MATERIALS CONSUMED

Opening Stock		7,413,915		3,101,573
Add: Purchases		307,238,060		251,588,829
Less: Closing Stock		7,061,471		7,413,915
			307,590,504	247,276,487
TOTAL . . .		<u>307,590,504</u>		<u>247,276,487</u>

SCHEDULES FORMING PART OF THE ACCOUNTS

	2010-11	2009-10
	Rs.	Rs.
SCHEDULE - 16		
MANUFACTURING, ADMINISTRATIVE & OTHER EXPENSES		
Payments to & Provisions for Employees :		
Salary & Wages	51,421,225	44,302,423
Contribution to Provident & Other Funds	2,352,012	2,127,668
Staff Welfare	<u>1,449,475</u>	<u>1,114,665</u>
	55,222,712	47,544,756
Stores, Spares & Tools consumed	89,608,007	66,778,094
Power and fuel	79,009,889	73,680,024
Processing Charges	31,752,232	25,115,276
Repairs to :		
Building	795,099	1,647,780
Machinery	592,815	361,152
Others	<u>1,655,245</u>	<u>1,440,269</u>
	3,043,159	3,449,201
Managerial Remuneration	7,562,479	6,272,844
Postage & Telephone	468,263	488,740
Stationery & Printing	415,156	380,093
Rent, Rates & Taxes	2,500	19,293
Insurance	155,107	107,322
Traveling & Conveyance [*]	1,050,986	1,013,275
Vehicle Expenses	719,468	570,098
Legal & Professional Charges	1,293,993	1,200,093
Selling & Distribution Expenses	2,224,014	1,524,260
General Charges	2,097,263	1,594,190
Rights Issue Expenses Written Off	49,072	431,807
Donation	10,000	5,000
TOTAL . . .	<u>274,684,300</u>	<u>230,174,366</u>

[*] Including Managing Director's traveling expenses Rs. 132,070/- (previous year Rs. 185,410/-) and foreign tour expenses Rs. 325,944/- (previous year Rs. 311,734/-)

SCHEDULE - 17
INTEREST & FINANCE CHARGES

Interest Paid		
On term loans to Bank	6,101,929	157,398
Bills discounting charges	3,938,838	6,381,322
Interest & Bank charges to Banks	955,447	3,991
Interest others	<u>1,866,891</u>	<u>1,805,808</u>
[Including Rs. 588,000/- (Previous Year Rs. 581,435/-) being interest paid to the Managing Director & Directors on Fixed Deposit]	12,863,105	8,348,519
Less : Interest received [Gross]		
From Banks	2,984	26,145
From Others	<u>1,239,351</u>	<u>549,079</u>
[TDS deducted Rs. 52,793/- (previous year Rs. 47,914/-)]	1,242,335	575,224
TOTAL . . .	<u>11,620,770</u>	<u>7,773,295</u>

SCHEDULE – 18

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS

[A] SIGNIFICANT ACCOUNTING POLICIES

01. Basis of accounting :

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

02. Use of estimates :

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

03. Fixed assets :

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

04. Depreciation :

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

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

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

05. Inventories :

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

06. Employees Retirement benefit :

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

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

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

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

07. Borrowing cost :

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

08. Revenue recognition:

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

- [a] Revenue in respect of insurance / other claims etc., is recognised only when it is reasonably certain that the ultimate collection will be made.
- [b] Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

09. Research and development:

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

10. Accounting of CENVAT:

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

11. Excise duty:

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

12. Earning per share:

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

13. Taxation:

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

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

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

14. Segment reporting:

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

15. Contingent liabilities & Provisions:

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

16. Impairment of Assets:

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

17. Foreign currency transactions:

- [a] Initial recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency of the date of the transaction.

- [b] Conversion:

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

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[c] Exchange differences:

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

[d] Forward Exchange Contracts not intended for trading:

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

18. Preliminary Expenditure :

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

(B) NOTES FORMING PART OF THE ACCOUNTS

01. Related party transaction:

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

A List of related parties:

I) Parties where control Exists :

- i) Bhagwati Spherocast Pvt Ltd
- ii) Bhagwati Filters Pvt Ltd
- iii) Bhagwati Pyrotech Pvt Ltd
- iv) Bhagwati Human Capital Management Pvt Ltd

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

- i) Joint ventures : Nil
- ii) Associate : Nil
- iii) Firm in which Director is a Partner
 - a) Mahendra N Shah & Co.
- iv) Firms in which Director's relative is proprietor
 - a) Harish N Shah & Co.
 - b) Chirag M Shah & Co.

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

Key management personnel

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

Relatives of key management personnel :

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

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

Sr. No.	Nature of Transaction	Key Management personnel (Rupees)	Enterprises/ Relatives of Key Management personnel & Other Directors (Rupees)
1	Managerial remuneration	7,562,479	0
2	Interest paid / Provided on fixed deposit	355,500	1,337,500
3	Fixed deposit received	2,370,000	9,400,000
4	Services obtained [Incl. of Service Tax]	0	248,208

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

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

03. Contingent liabilities not provided for :

	2010-11 (Rupees)	2009-10 (Rupees)
- Excise Duty in respect of which appeal have been filed	1,153,239	1,153,239
- Claims against the Company not acknowledged as Debts	76,500	76,500

04. Letters of balance confirmation have been sent to various parties, and are subject to confirmation and reconciliation if any.
05. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated in the balance sheet, if realised in the ordinary course of the business. Provision for depreciation and all known liabilities have been made in accounts.
06. In terms of Accounting Standard 28 – Impairment of Assets issued by ICAI, the management has reviewed its fixed assets and arrived at the conclusion that impairment loss which is difference between the carrying amount and recoverable value of assets, was not material and hence no provision is required to be made.
07. Earnings per share:
- | | 2010-11 | 2009-10 |
|--|-------------------|------------|
| - Net profit attributable to Shareholders (in Rupees) | 25,079,533 | 21,699,545 |
| - Number of equity shares | 2,880,684 | 2,880,684 |
| - Basic earnings per share of Rs.10/- each (in Rupees) | 8.71 | 7.53 |
- Note :- The company does not have any outstanding dilutive potential equity shares, Consequently the basic and diluted earning per share of the Company remain the same.
08. Estimated amount of contracts remaining to be executed on capital account not provided for Rs. 11.64 lacs excluding taxes & levies [previous year Rs. 8.50 Lacs].
09. The Company has preferred appeal before sales tax authorities for claim of set-off on purchase of metal scrap in past several years, and it will account for the same in the year of actual receipt or when it is ascertained actionable claim.
10. The Company has received demand for excise duty on sale of patterns & moulding boxes for financial years 2001-02, 2002-03, 2003-04, 2004-05 & 2005-06 against which the Company has preferred appeals before Commissioner of excise as well as CESTAT and also paid Rs. 1,153,239 under protest which has been shown as balance with excise department in the accounts.
11. Employee defined benefits: Defined benefit plans-as per actuarial valuation on 31st March, 2011

Particulars	Gratuity Plan (Rupees)
I. The amounts recognised in the balance sheet	
1. Present value of funded obligations	15,707,629
2. Fair value of plan assets	15,707,629
3. Present value of unfunded obligations	2,666,597
4. Unrecognised past service cost	0
5. Net Liability	2,666,597
6. Amount in the balance sheet	2,666,597
II. The amount recognised in the Statement of Profit & Loss Account	
1. Current service cost	799,684
2. Interest on obligation	1,241,866
3. Expected return on plan assets	(1,335,223)
4. Actuarial losses (gains) recognised	630,344
5. Total, included in "employee benefit expense"	1,336,671
6. Actual return on plan assets	2,216,277
III. Changes in the resent value of the defined benefit obligation representing reconciliation of opening and closing balances thereof	
1. Opening defined benefit obligation	15,293,920
2. Service cost	799,684
3. Interest cost	1,241,866
4. Actuarial losses (gains)	1,511,398
5. Losses(gain) on curtailments	0
6. Liabilities extinguished on settlements	0
7. Liabilities assumed in an amalgamation in the nature of purchase	0
8. Exchange difference on foreign plans	0
9. Benefits paid	(472,642)
10. Closing defined benefit obligation	18,374,226

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

1. Opening fair value of plan assets	13,963,994
2. Expected return	1,335,223
3. Actuarial gains and (losses)	881,054
4. Assets distributed on settlements	0
5. Contribution by employer	0
6. Assets acquired in an amalgamation in the nature of purchase	0
7. Exchange differences on foreign plans	0
8. Benefits paid	(472,642)
9. Closing balance of fair value of plan assets	15,707,629

V. Principal actuarial assumption at the balance sheet date

1. Discount rate	8.12%
2. Expected return on plan assets	9.00%
3. Annual increase in salary cost	6.00%

General Description of the Defined Benefit plan:

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

12. Amount due to Micro and small Enterprises are disclosed on the basis of information available with the Company regarding status of the suppliers is as follows and No interest has been provided by the Company on the same.

Sr. No.	Particulars	2010-11		2009-10	
		Principal	Interest	Principal	Interest
1	Principal Amount and interest thereon due, remaining unpaid at the end of the year	11,081,697	NIL	7,786,021	NIL
2	Interest paid during the year	NIL	NIL	NIL	NIL
3	Interest due and payable (on the amount which have been paid beyond the appointed date during the year)	N.A.	NIL	N.A.	NIL
4	Interest remaining accrued and unpaid at the end of the year	N.A.	NIL	N.A.	NIL
5	Interest due of the previous year	N.A.	NIL	N.A.	NIL

13. Transit insurance are shown net after recovery of Rs. 113,354/- (previous year Rs. 91,135/-).

14. (a) The computation of net profit for the purpose of Directors' remuneration under section 349 of the Companies Act, 1956 is as under:-

Particulars	2010-11 (Rs.)	2009-10 (Rs.)
Balance as per Profit & Loss account	25,079,533	21,699,545
Add 1) Managing Director's Remuneration	7,562,479	6,272,844
2) Depreciation as per Books	12,522,306	6,882,763
Sub Total	45,164,318	34,855,152
Less 1) Depreciation u/s 350 of the Companies Act, 1956	12,522,306	6,882,763
2) Profit on sale of Fixed Assets	1,225,211	127,120
Net Profit for the purpose of Managerial Remuneration	31,416,801	27,845,269
10% of the Profit	3,141,680	2,784,527
Hence paid minimum	7,562,479	6,272,844

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

Particulars	2010-11 (Rs.)	2009-10 (Rs.)
- Salary	4,440,000	4,380,000
- House rent allowance	1,920,000	1,221,000
- P F contribution	496,800	273,600
- Contribution to superannuation fund	621,000	342,000
- Perquisites	84,679	56,244
Total :-	7,562,479	6,272,844

*The Company obtained permission from Central Government vide its letter No. A75204537/2010 - CL.VII dated 16-09-2010 for payment of Managerial Remuneration to Dr. P N Bhagwati as provided in Section II part II of Schedule XIII of the Companies Act.

15. Payment made to auditors of the Company :-

Particulars	2010-11 (Rs.)	2009-10 (Rs.)
- For Audit Fees	10,000	10,000
- For Tax Audit Fees	2,500	2,500
- Out of pocket Expenses	3,315	4,810
Total :-	15,815	17,310

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

Particulars	Unit of Measurement	2010-11 Quantity	2009-10 Quantity
A Capacities & Production			
I) Licensed Capacity		N.A.	N.A.
II) Installed Capacity	MT	14,400	14,400
III) Actual Production			
a) S G iron Castings	MT	1054	404
b) C I Castings	MT	9,532	9,939

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

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

- Out of above production 64 MT (Previous year 109 MT) is used for captive use.

Particulars	Unit of Measurement	Quantity	2010-11 (Rupees)	Quantity	2009-10 (Rupees)
B Sales					
I) S G Iron Castings	MT	1018	81,565,555	400	30,801,949
II) C I Castings	MT	9,401	626,077,842	9,755	548,050,840
Sub Total ... [A]	MT	10,419	707,643,397	10,155	578,852,789
Less : Sales Returns [Re-used as raw materials]					
I) S G Iron Castings	MT	0	0	10	872,564
II) C I Castings	MT	255	16,554,039	198	11,239,236
Sub Total ... [B]	MT	255	16,554,039	208	12,111,800
Net Sales of Castings [A-B]					
I) S G Iron Castings	MT	1018	81,565,555	390	29,929,385
II) C I Castings	MT	9,146	609,523,803	9,557	536,811,604
Sub Total ... [C]	MT	10,164	691,089,358	9,947	566,740,989
Add : Other Sales					
III) Patterns & Moulding boxes	Nos.	2	504,713	4	1,300,437
Total Net Sales			691,594,071		568,041,426

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

C Stocks of Finished Products

[I] S G Iron Castings					
- Opening Stock	MT	30	1,437,532	7	376,437
- Closing Stock	MT	25	1,321,930	30	1,437,532
[II] C I Castings					
- Opening Stock	MT	154	6,903,290	66	3,400,583
- Closing Stock	MT	265	14,248,703	154	6,903,290

BHAGWATI AUTOCAST LIMITED

	Unit of Measurement	Quantity	2010-11 (Rupees)	Quantity	2009-10 (Rupees)
D. Trading Goods [Patterns & Moulding Boxes]					
Opening Stock	Nos.	0	0	1	46,000
Purchases	Nos.	2	401,893	4	1,057,196
Sales / Consumed	Nos.	2	504,713	5	1,300,437
Closing Stock	Nos.	0	79,648	0	0
E Raw Materials Consumed					
(i) Scraps	MT	9,061	226,854,513	8,591	181,942,778
(ii) Pig Iron	MT	1,569	42,436,327	1,718	36,592,200
(iii) Ferro Silicon Lumps/Granules, Ferro Silicon Mg Master and Ferro Manganese	MT	288	23,371,976	263	17,384,860
(iv) Others			14,927,688		11,356,649
Total ...			307,590,504		247,276,487
- All quantitative details are as certified by the Management and verified by internal Auditors, Quantity of sales are based on standard weight basis and further test checked by Internal Auditors.					
F C.I.F. Value of Imports			NIL	NIL	
G. Expenditure in Foreign Currency					
- Foreign Travelling	Rs.		92,749		158,923
- Others	Rs.		0		0
H F.O.B. Value of Goods Exported			NIL	NIL	
I Remittances in foreign currencies for Dividend					
i) Number of non resident Shareholders			74		80
ii) Number of shares held			46,791		49,441
iii) Net amount of Dividend - Current			37,432		39,552
- Arrears			N.A.		N.A.
J Value of Raw Materials, Stores & Spares Consumed					
		[Rupees]	2010-11 [%] of Total Consumption	[Rupees]	2009-10 [%] of Total Consumption
a) Raw Materials					
i) Imported		0	NIL	0	NIL
ii) Indigenous		307,590,504	100%	247,276,487	100%
b) Stores & Spares					
i) Imported		0	NIL	75,313	NIL
ii) Indigenous		89,608,007	100%	66,702,781	100%

Signatures to Schedules 1 to 18

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

For Milin J. Jani & Co.
Chartered Accountants
Firm Regn. No. 106396W

Dr. P. N. Bhagwati
Chairman & Managing Director

Mrs. M. P. Bhagwati

Milin J Jani
Proprietor
Membership No. 44077

Ms. Reena P. Bhagwati
Jt. Managing Director

P. H. Buch

D. K. Sheth
Financial controller

M. N. Shah
Directors

Place : Ahmedabad
Dated : 29/07/2011

Place : Ahmedabad
Dated : 29/07/2011

CASHFLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2011

Particulars	[RS]	2010-11 [RS]	[RS]	2009-10 [RS]
[A] CASH FLOW FROM OPERATING ACTIVITIES :				
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		36,994,601		34,778,255
ADJUSTMENTS FOR :				
- Depreciation	12,522,306		6,882,763	
- Depreciation Reserve written back	(9,299,281)		(2,555,999)	
- Provision for Income Tax & Fringe benefit Tax	(10,200,000)		(6,525,500)	
- Interest / Dividend (Net)	11,620,770		7,773,295	
		<u>4,643,795</u>		<u>5,574,559</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		41,638,396		40,352,814
ADJUSTMENTS FOR :				
- Trade And Other Receivables	(30,636,829)		24,486,303	
- Inventories	(15,595,870)		(8,706,791)	
- Preliminary Deferred Expenses W/Off	49,072		431,807	
- Trade Payables	26,153,290		27,182,095	
		<u>(20,030,337)</u>		<u>43,393,414</u>
CASH GENERATED FROM OPERATIONS		21,608,059		83,746,228
- Interest Paid		(11,620,770)		(7,773,295)
- Direct Taxes Paid		2,069,455		(4,910,078)
CASH FLOW BEFORE EXTRAORDINARY ITEMS		12,056,744		71,062,855
EXTRAORDINARY ITEMS				
- Prior Period Adjustments		-		(1,049,995)
NET CASH FROM OPERATING ACTIVITIES		<u>12,056,744</u>		<u>70,012,860</u>
[B] CASH FLOW FROM INVESTING ACTIVITIES :				
- Purchase of Fixed Assets		(30,091,030)		(90,476,048)
- Sale of Fixed Assets		11,394,071		2,702,606
NET CASH USED IN INVESTING ACTIVITIES		<u>(18,696,959)</u>		<u>(87,773,442)</u>
[C] CASH FLOW FROM FINANCING ACTIVITIES :				
- Proceeds From Long Term/Short Term Borrowings		15,119,530		56,599,810
- Repayment of Long Term/Short Term Borrowings		(10,316,817)		(31,962,090)
- Dividend Paid		(2,496,299)		(2,696,281)
NET CASH USED IN FINANCING ACTIVITIES		<u>2,306,414</u>		<u>21,941,439</u>
NET CASH INCREASE IN CASH AND CASH EQUIVALENTS		(4,333,801)		4,180,857
CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE YEAR		9,182,024		5,001,167
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR		<u>4,848,223</u>		<u>9,182,024</u>

Dr. P. N. Bhagwati
Chairman & Managing Director

D. K. Sheth
Financial Controller

Mrs. M. P. Bhagwati

Ms. Reena P. Bhagwati
Jt. Managing Director

P. H. Buch

Place : Ahmedabad
Dated : 29/07/2011

M. N. Shah
Directors

BHAGWATI AUTOCAST LIMITED

MILIN J JANI & CO.
Chartered Accountants

306, Shital Varsha Arcade
3rd Floor, Girish Cold Drink Cross Road
C. G. Road, Ahmedabad – 380 009

AUDITOR'S CERTIFICATE

We have verified the attached Cash Flow statement of M/s BHAGWATI AUTOCAST LIMITED for the year ended 31st March, 2011. The statement has been prepared by the Company in accordance with the requirements of clause 32 of the listing agreement with the Stock Exchanges, which is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

For Milin J Jani & Co.
Chartered Accountants
Firm Regn. No. 106396W

Place: Ahmedabad
Date : 29/07/2011

Milin J Jani
Proprietor
Membership No. 44077

Dear Shareholder,

As a responsible corporate citizen, your Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India (MCA), by its recent Circulars, enabling electronic delivery of documents including the Annual Report, Quarterly, Half-yearly results etc. to shareholders at their e-mail addresses previously registered with the Depository Participants (DPs)/ Company/Registrars & Share Transfer Agents.

Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Members holding shares in demat form can register their e-mail addresses with their concerned DPs. Members who hold shares in physical form are requested to register their e-mail addresses with MCS Limited, by sending a letter, duly signed by the first/sole holder to the following address, quoting details of Folio No.;

MCS Limited
Unit: Bhagwati Autocast Limited
101, Shatdal Complex,
1st Floor, Opp. Bata Show Room,
Ashram Road,
Ahmedabad – 380 009.

You can also send your request letter to the Company at its Registered Office or e-mail your request on cs@bhagwati.com.

The Annual Report and other communication sent electronically will be displayed on the Company's website www.bhagwati.com and will also be available for inspection at the Registered Office of the Company during the office hours.

We request you to support this 'Green Initiative' and opt for electronic mode of communication by advising your e-mail id, if you have not already done so. Your pro-active step in this direction will go a long way in saving trees and also result in substantial cost savings to the Company.

Thanking you.

Yours Faithfully
For Bhagwati Autocast Ltd.
Dr. P. N. Bhagwati
Chairman & Managing Director