

BHAGWATI AUTOCAST LIMITED



31st Annual Report 2012-2013

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	
		Mr R. J. Shah	
Remuneration Committee	:	Mr M N Shah	Chairman
		Mr R J 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
		E-mail : mcsahmd@gmail.com	

Financial Highlights

Particulars	[Rs. in Lacs]											
	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	
Production in MT	10064	8711	10586	10343	9729	10615	11684	8821	8065	5971	3320	
Fixed Assets (Gross)	2894.53	2795.13	2504.45	2317.48	1439.75	1430.75	1368.84	1267.32	1120.69	1101.30	986.80	
Fixed Assets (Net)	1748.09	1747.56	1549.73	1394.99	560.53	619.95	627.15	593.37	492.68	504.31	441.31	
Net Current Assets	620.57	560.32	867.04	738.80	1077.41	703.28	577.37	389.89	(90.04)	(101.39)	(19.02)	
Misc.Exps/Deferred Revenue Exps.	0.00	0.00	0.00	0.49	4.81	9.13	17.01	22.45	10.71	14.27	0.00	
Profit & Loss Account	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	166.34	246.36	169.28	
TOTAL ASSETS (NET)	2368.66	2307.88	2416.77	2134.28	1642.75	1332.36	1221.53	1,005.71	579.69	663.55	591.57	
Borrowings	450.65	545.16	759.53	711.51	465.13	295.56	309.41	308.50	208.89	270.06	201.35	
Equity Share Capital	288.07	288.07	288.07	288.07	288.07	288.07	288.07	288.07	160.04	160.04	160.04	
Reserves & Surplus	1435.21	1311.97	1250.76	1033.44	843.32	693.83	560.06	325.03	121.72	142.77	142.77	
Deferred Tax	194.73	162.68	118.41	101.26	46.23	54.90	63.99	84.11	89.04	90.68	87.41	
TOTAL CAPITAL EMPLOYED	2368.66	2307.88	2416.77	2134.28	1642.75	1332.36	1221.53	1,005.71	579.69	663.55	591.57	
DEBT EQUITY RATIO	0.25:1	0.21:1	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	
Sales & Other Income	7887.01	6407.14	7205.83	5840.73	6567.31	5898.05	5994.64	4383.29	3921.64	2443.08	1187.46	
Excise Duty & Cess	864.62	599.93	625.87	443.21	775.70	810.19	814.25	584.53	530.93	310.11	165.47	
Sales Tax	0.00	0.00	141.82	118.10	146.72	173.68	229.97	166.49	151.33	90.14	48.13	
Materials	4387.73	3757.00	3976.01	3151.12	3686.96	3121.76	3108.11	2141.46	2080.82	1226.75	539.54	
Labour Cost	1196.46	913.07	945.37	789.33	703.53	684.99	593.42	435.94	351.06	304.66	263.02	
Power	773.78	665.57	790.10	736.80	671.11	623.63	695.27	528.57	493.30	378.01	239.68	
Operation & Other Exps	162.43	141.05	115.28	107.83	131.80	112.85	107.15	75.86	68.42	47.91	44.51	
Interest	118.26	61.24	116.21	77.73	103.77	92.63	92.00	135.19	127.88	98.94	73.48	
GROSS PROFIT	383.73	269.88	495.17	416.61	347.72	273.35	354.47	315.25	117.90	(13.44)	(186.37)	
Depreciation	171.85	143.55	125.22	68.83	72.31	69.55	72.40	58.51	56.84	54.29	46.90	
PROFIT BEFORE TAX	211.88	126.33	369.95	347.78	275.41	203.80	282.07	256.74	61.06	(67.73)	(233.27)	
Provision For Taxation	65.05	48.37	119.15	120.29	98.96	68.85	47.04	15.14	(1.64)	3.27	2.80	
PROFIT AFTER TAX	146.83	77.96	250.80	227.49	176.45	134.95	235.03	241.60	62.70	(71.00)	(236.07)	
Prior period adjustments	0.00	0.00	0.00	10.50	0.00	0.00	0.00	(0.01)	(3.74)	(6.08)	0.98	
Dividends	20.16	14.40	28.81	23.04	23.04	0.00	0.00	0.00	0.00	0.00	0.00	
Corporate Tax on Dividend	3.43	2.34	4.67	3.83	3.92	0.00	0.00	0.00	0.00	0.00	0.00	
Retained Earnings	123.24	61.22	217.32	190.12	149.49	134.95	235.03	241.59	58.96	(77.08)	(235.09)	
Earning per Eq. Share Rs.	5.10	2.71	8.71	7.90	6.13	4.68	8.16	8.39	2.18	(2.46)	(8.19)	
Dividend per Eq. Share %	0.70	0.50	1.00	8.00	8.00	0.00	0.00	0.00	0.00	0.00	0.00	
Net Worth	1723.28	1616.78	1538.83	1321.02	1126.58	972.77	831.12	590.65	104.71	42.18	133.53	
Book value per Eq. Share Rs.	59.82	56.12	53.42	45.86	39.11	33.77	28.85	20.50	6.54	2.64	8.34	

BHAGWATI AUTOCAST LIMITED

NOTICE

NOTICE is hereby given that the **THIRTY FIRST 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 20th September, 2013 at 11.00 AM to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended on 31st March, 2013 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, 2013.
3. To appoint director in place of Mr. Mahendra N. Shah and Mr. Rajendraprasad J. Shah, who retires by rotation and being eligible offers themselves 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 Special Resolution:-

"RESOLVED THAT pursuant to Section 31 and other applicable provisions of the Companies Act, 1956 including any statutory modification thereto or any re-enactment thereof for the time being in force, the Articles of Association of the Company be and are hereby altered by amending the Article 92 under the heading "Remuneration of Directors" and the amended Article shall be read as under:

"92. The sitting fees payable to a Director for each meeting of the Board or Committee thereof attended by him / her shall be within the limits of the maximum sum payable under the Companies Act, 1956 and Rule 10B of the Companies (Central Governments) General Rules & Forms. The additional remuneration payable to the Directors, if any, shall be subject to the provisions of Section 198, 309, 310 and other applicable provisions of the Companies Act, 1956 and such remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine and in absence of such determination it shall be divided among the Directors equally".

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

"RESOLVED THAT subject to the provisions of Section 198, 309, 310 and other applicable provisions of the Companies Act, 1956 (the "Act") and Rule 10B of the Companies (Central Government's) General Rules & Forms (the "Rules") and Article 92 of the Articles of Association of the Company, the Company hereby approves the payment of sitting fee of 3,000/- (Rupees Three Thousand) or such sum not exceeding the limits prescribed by Rule 10B of the Rules as amended from time to time, to the Directors for attending the meetings of the Board of Directors or the committees thereof.

Place : Ahmedabad
Date : 30/07/2013

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 6th September, 2013 to Friday 20th September 2013 (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 20.10.2013 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 5th September, 2013. 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 5th September, 2013.
5. Members holding shares in physical form, are advised to furnish on or before 5th September 2013, 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 5th September, 2013.

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 5th September 2013.

Dividend will be preferably paid through NECS, wherever the facility is available. Where dividend payments are made through 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 Saturdays and Sundays 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 : 30/07/2013

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 :

To update the sitting fees payable to the Directors at par with the industry, the Articles need to be amended to suit the requirement. The Board therefore recommends that the special resolution at item no. 5 of the Notice be approved.

A copy of the existing Articles of Association of the Company with a copy of the proposed alteration in the resolution at item no. 5 of the notice will be open for inspection by the members at the registered office of the Company between 10 a.m. to 12 noon on any working day of the Company until the date of the Annual General Meeting or any adjournment thereof.

The Non-executive Directors of the Company are deemed to be interested in the resolution.

ITEM NO. 6 :

The sitting fees for attending the Board and Committee meetings, is paid to the non-executive directors within the limits prescribed by the Companies Act, 1956, the applicable rules and the Articles of Association of the Company. Considering that the present fee is very low, it is proposed to increase the sitting fees within the prescribed limit of Rule 10B of the Companies (Central Government's) General Rules & Forms (the "Rules"). The members are requested to approve the proposal.

The Non-executive Directors of the Company are deemed to be interested in the resolution.

Place : Ahmedabad
Date : 30/07/2013

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 **THIRTY FIRST ANNUAL REPORT** and audited accounts for the year ended 31st March 2013. The performance of the Company for the year ended on March 31, 2013 is summarized below.

01. FINANCIAL HIGHLIGHTS :

	For the year Ended 31/03/2013 (Rs.)	For the year Ended 31/03/2012 (Rs.)
Earnings before interest, depreciation and taxation (EBIDT)	50,198,944	33,111,978
Less: Interest & finance charges	11,826,033	6,123,719
Profit before depreciation & taxation	38,372,911	26,988,259
Less: Depreciation	17,185,433	14,355,633
Profit before tax	21,187,478	12,632,626
Less: Provision for income tax		
[1] Current Tax	3,300,000	2,527,205
[2] Deferred Tax	3,204,720	4,426,687
[3] MAT Entitlement	0	(2,116,697)
Profit for the Year	14,682,758	7,795,431
Add : Surplus of last year brought forward	26,701,582	20,580,152
Surplus available for appropriation	41,384,340	28,375,583
APPROPRIATIONS :		
Proposed equity dividend	2,016,479	1,440,342
Tax on dividend	342,701	233,659
Transfer to general reserve	0	0
Balance of profit carried to balance sheet	39,025,160	26,701,582

02. DIVIDEND :

Your Directors recommend a dividend of 7% i.e. Rs. 0.70 per Equity Share of Rs. 10/- each for the year 2012-2013 (Previous year 5% i.e. Rs. 0.50/- per Equity Share) Subject to approval of shareholders at the 31st Annual General Meeting.

03. REVIEW OF OPERATIONS :

During the year under review, Your Company's sales increased by 21.56 % and operating profit increased by 51.60 %. This is due to good demand from our customers and better sales realisation. Company is in the process of expanding production capacity by extending factory building & modernising its Core Shop and other infrastructural facilities which will increase the production capacity by 30%. On completion Company can produce 16500 MT of castings per annum which will result in improvement in the profitability of the operations.

04. DIRECTORS :

Mr. M. N. Shah and Mr. Rajendraprasad J. Shah retires by rotation in the forthcoming Annual General Meeting and being eligible offers themselves 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 2013-2014. 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. APPOINTMENT OF COST AUDITOR

As per the requirements of the provisions of Section 233 B of the Companies Act, 1956, Company has appointed M/s. Kiran J. Mehta & Co. Cost Accountant Firm, Ahmedabad to audit the cost accounts for the year 2012-13 from 1st April 2012 to 31st March 2013.

07. 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.

08. FIXED DEPOSITS :

There are no unclaimed / unpaid deposits as on 31/03/2013.

09. 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.

10. PARTICULARS OF EMPLOYEES :

The Details of the employees, who were in receipt of remuneration of not less than Rs. 60,00,000/- during the year ended 31st March, 2013 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.

11. 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, 2013 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.

12. GENERAL :

1. Insurance :

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

2. Industrial Relations :

During the year under review the industrial relations were cordial.

3. Acknowledgement :

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

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

For and on behalf of the
Board of Directors

Dr. P. N. Bhagwati
Chairman

Place : Ahmedabad
Date : 28/05/2013

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 2013.

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	6,887,628	Ph.D. (Germany) 46 Years	01/04/1984	77	Managing Director- Bhagwati Spherocast Pvt. Ltd.

Notes :

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

- Furnace power consumption optimization done by setting of power level; better synchronizing between melting and moulding and cold starting of furnaces at exact required time.
- Idle running of Equipment minimized.
- GLS lamps replaced by Mercury lights.
- Better Air Pressure and Voltage Control.
- Air leakages eliminated and monitored on regular basis.
- Old motors are replaced with highly efficient and energy efficient motors.
- Power factor improved from 0.997 to 0.999 and hence losses brought down from 3% to 1.8%. Maximum demand controller is fine tuned to achieve better load factor.
- Water consumption is being daily monitored for leakages, overflowing, and misuse etc and brought down to optimum level.
- Automation introduced to core shop equipment to control excess running and optimization of equipment running.

FURTHER STEPS TO BE IMPLEMENTED

- Furnace power consumption to reduce from 570 kwh/T to 560 kwh/T by optimization of operation and charging practice.
- More Motors from 10 to 20 HP size will replaced with energy efficient motors.
- Lighting Transformer will be installed to optimize voltage regulation & ultimately saving 10 to 15% in lighting power consumption.
- Capacitor manual switching will be replaced by automatic power factor correction system to bring down losses to optimum level.
- Air Compressor operation & Utilization of compressed air will be optimized to reduce about 10 kwh/Tone of melting.
- All new Equipment/Project will be equipped with Energy efficient drives.

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	2012-13	2011-12
[A] Power & Fuels consumption :		
1. Electricity		
[a] Purchased		
- Units	11880351	10474160
- Total Amount [Rs. Lacs]	773.78	665.57
- Rate / Unit [Rs.]	6.51	6.35
[b] Own Generation		
[i] Through Diesel Generator		
- Units	4782	10224
- Units per liter of diesel oil	2.68	3.22
- Cost per unit [Rs.]	12.86	16.79
[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	1196	1220
[ii] S G I Castings	1040	1091

FORM : B

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

TECHNOLOGY ABSORPTION:

RESEARCH & DEVELOPMENT :

- Specific areas in which R & D are carried out by the Company: -
 - study and improvement in the production process parameters of ductile iron and gray iron castings (on going work).
 - After successful recertification of ISO-9001:2000 Evolving System approach to Total Quality Management (on going work).
- Benefits derived as a result of above R & D: -
 - Quality improvement
 - Cost Control
 - Energy saving by controlling grade 500/7 in as cast condition.

B. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

	2012-13	2011-12
	[Rs]	[Rs]
Total Foreign Exchange used	36,776	204,538
Total Foreign Exchange earned	Nil	Nil

For and on behalf of the
Board of Directors

Place : Ahmedabad
Date : 28/05/2013

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 31.03.2013 (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 is not required.
4. The Board of Directors duly met 5 (five) times respectively on 03.04.2012, 29.05.2012, 27.07.2012, 02.11.2012 and 01.02.2013, 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 06.09.2012 to 20.09.2012 and necessary compliance of section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31.03.2012 was held on 20.09.2012 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 complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.
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 20.09.2012, 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 appointment of Mr. Rajendraprasad J. Shah as Director has complied with the provisions of the Act.
15. The re-appointment of Dr. P.N. Bhagwati as Managing Director has been made and necessary approval of the Central Government has been obtained.
16. The company has not appointed any sole selling agents during the financial year.
17. The company has applied for approval of Central Government for re appointment of Dr. P.N. Bhagwati as Managing Director for the period from 01.10.2012 to 30.09.2015.
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.
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 04.08.2012. 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

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
BHAGWATI AUTOCAST LIMITED

We have audited the accompanying financial statements of **BHAGWATI AUTOCAST LTD** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - b) in the case of the Statement of Profit and Loss, of the profit 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.
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
 - a) 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;
 - b) 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
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection(3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Milin J Jani

Place : Ahmedabad
Date : 28/05/2013

Proprietor
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 31.03.2013 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.

BHAGWATI AUTOCAST LIMITED

- iii.) a) 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 from 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.
- 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 broadly reviewed the books of account maintained by the Company in respect of products were, pursuant to the rule made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix) a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess were in arrears.
- x) The Company does not have accumulated loss at the end of the year and the Company has not incurred cash loss during the current & preceding year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of paragraph 4 of the order are not applicable.
- xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause (xiv) of paragraph 4 of the order are not applicable.
- xv) In our opinion and according to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks/financial institutions. Therefore, the provisions of clause (xv) of paragraph 4 of the order are not applicable.
- xvi) In our opinion, the term loans obtained have been applied for the purpose for which they were taken.
- xvii) According to the information and explanations given to us, on an overall basis, funds raised on short term basis have not, prima facie, been used during the year for long-term investments.
- xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the register under section 301 of the Companies Act, 1956.
- xix) According to the information and explanations given to us the Company had not issued any Secured Debentures during the year.
- xx) During the year, the Company has not raised money by public issue(s).
- xxi) To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company, was noticed or reported during the year.

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

Milin J Jani
Proprietor
Membership No. 44077

Place : Ahmedabad
Date : 28/05/2013

BALANCE SHEET AS AT 31ST MARCH, 2013

	Note No.	As at 31 st March, 2013 Rupees	As at 31 st March, 2012 Rupees
I EQUITY AND LIABILITIES			
1) Shareholders' Funds			
(a) Share Capital	1	28,806,840	28,806,840
(b) Reserves & Surplus	2	143,520,619	131,197,041
2) Non-current liabilities			
(a) Long-term borrowings	3	17,499,200	19,999,468
(b) Deferred tax liabilities (Net)		19,472,558	16,267,838
(c) Other Long term liabilities	4	1,450,000	1,150,000
(d) Long-term provisions	5	11,570,713	10,762,810
3) Current liabilities			
(a) Short-term borrowings	6	27,566,220	34,517,087
(b) Trade payables		133,250,146	138,070,986
(c) Other current liabilities	7	25,208,312	21,246,126
(d) Short-term provisions	8	39,559,786	34,810,067
T O T A L ...		<u>447,904,394</u>	<u>436,828,263</u>
II ASSETS			
1) Non-current Assets			
(a) Fixed Assets	9		
(i) Tangible assets		171,204,763	174,606,562
(ii) Intangible assets		2,389,884	149,341
(iii) Capital work-in-progress		1,214,127	0
(b) Long-term loans and advances	10	10,060,715	9,293,195
2) Current Assets			
(a) Inventories	11	53,196,890	51,645,584
(b) Trade receivables	12	149,971,264	139,056,460
(c) Cash and cash equivalents	13	10,461,974	14,144,221
(d) Short-term loans and advances	14	49,404,777	47,932,900
T O T A L ...		<u>447,904,394</u>	<u>436,828,263</u>

Significant Accounting Policies 21
The notes are an integral part of these financial statements

As per our separate report of even date

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

M. N. Shah

R. J. Shah

D. K. Sheth
Financial controller

P. H. Buch
Directors

Place : Ahmedabad
Dated : 28/05/2013

Place : Ahmedabad
Dated : 28/05/2013

BHAGWATI AUTOCAST LIMITED**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

	Note No.	2012-13 Rupees	2011-12 Rupees
I INCOME			
Revenue from operations	15	691,621,035	580,064,281
II Other Income	16	11,095,679	525,636
III TOTAL REVENUE (I+II)		702,716,714	580,589,917
IV EXPENDITURE			
Cost of materials consumed	17	351,457,876	296,010,397
Purchases of Stock-in-Trade		0	1,020,243
Changes in inventories of finished goods, work-in progress and Stock-in Trade		478,070	(191,027)
Employee benefits expense	18	79,196,888	60,632,352
Finance costs	19	11,826,033	6,123,719
Depreciation and amortization expense		17,185,433	14,355,633
Other expenses	20	221,384,936	190,005,974
TOTAL EXPENDITURE		681,529,236	567,957,291
V PROFIT BEFORE TAX (III-IV)		21,187,478	12,632,626
VI TAX EXPENSE :			
(1) Current tax		3,300,000	2,527,205
(2) Deferred tax		3,204,720	4,426,687
(3) MAT Entitlement		0	(2,116,697)
VII PROFIT FOR THE YEAR (V-VI)		14,682,758	7,795,431
VIII Earnings per equity share of face value of Rs. 10/- each Basic & Diluted		5.10	2.71
Significant Accounting Policies	21		
The notes are an integral part of these financial statements			

As per our separate report of even date

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

M. N. Shah**R. J. Shah**

D. K. Sheth
Financial controller

P. H. Buch
Directors

Place : Ahmedabad
Dated : 28/05/2013

Place : Ahmedabad
Dated : 28/05/2013

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2013

NOTE NO. 1 SHARE CAPITAL	As at 31 st March 2013		As at 31 st March 2012	
	Number	Rupees	Number	Rupees
Authorised				
Equity shares of Rs. 10/- each	3,000,000	30,000,000	3,000,000	30,000,000
Issued				
Equity shares of Rs. 10/- each	2,933,637	29,336,370	2,933,637	29,336,370
Subscribed & Paid up				
Equity shares of Rs. 10/- each fully paid up	2,880,684	28,806,840	2,880,684	28,806,840
T O T A L . . .	2,880,684	28,806,840	2,880,684	28,806,840

NOTE NO. 1.1

Particulars	Equity Shares As at 31 st March 2013		Equity Shares As at 31 st March 2012	
	Number	Rupees	Number	Rupees
Share outstanding at the beginning of the year	2,880,684	28,806,840	2,880,684	28,806,840
Shares Issued during the year	0	0	0	0
Shares bought back during the year	0	0	0	0
Shares outstanding at the end of the year	2,880,684	28,806,840	2,880,684	28,806,840

NOTE NO. 1.2

Name of Shareholder	As at 31 st March 2013		As at 31 st March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ms. Reena P. Bhagwati	391,570	13.59	372,486	12.93
Mrs. Mandakini P. Bhagwati	296,990	10.31	289,004	10.03
M/s. Bhagwati Spherocast Pvt. Ltd.	611,246	21.22	611,246	21.22

NOTE NO. 1.3

During last 5 years the Company has not issued any shares as bonus shares or for payment received otherwise than cash or bought back any share.

NOTE NO. 1.4

There are no unpaid calls from Directors or officers.

NOTE NO. 1.5

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each equity shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2013, the amount of dividend, per share, recognised as distributions to equity shareholders is Rs. 0.70 (Year ended 31st March 2012 Rs. 0.50)

NOTE NO. 2
RESERVES & SURPLUS

	As at 31 st March, 2013	As at 31 st March, 2012
	Rupees	Rupees
(a) Capital reserves		
As per last Balance Sheet	4,500	4,500
(b) Securities premium account		
As per Last Balance Sheet	24,970,640	4,970,640
(c) General reserve		
Opening Balance	79,520,319	79,520,319
(+) Current year transfer	0	0
Closing Balance	79,520,319	79,520,319
(d) Surplus in Statement of profit and loss		
Opening Balance	26,701,582	20,580,152
(+) Net Profit for the year	14,682,758	7,795,431
(-) Proposed dividends	2,016,479	1,440,342
(-) Corporate Tax on Dividend	342,701	233,659
	39,025,160	26,701,582
T O T A L . . .	143,520,619	131,197,041

BHAGWATI AUTOCAST LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2013

	As at 31 st March, 2013 Rupees	As at 31 st March, 2012 Rupees
NOTE NO. 3		
LONG TERM BORROWINGS		
SECURED		
Term Loan		
From Bank	17,499,200	19,999,468
(Secured against hypothecation of Plant & Machinery and equitable mortgage of the Land [being survey No. 816] & factory building and further guaranteed by Managing Director of the Company)		
(Rs. 6.00 Crores repayable in 18 quarterly installments starting from 22-05-10 and Rs. 1.50 Crores repayable in 18 quarterly installments starting from 31-03-13)		
(There is no continuing default in repayment of loans and interest.)		
TOTAL . . .	<u>17,499,200</u>	<u>19,999,468</u>
NOTE NO. 4		
OTHER LONG TERM LIABILITIES		
Retention money	1,450,000	1,150,000
TOTAL . . .	<u>1,450,000</u>	<u>1,150,000</u>
NOTE NO. 5		
LONG TERM PROVISIONS		
(a) Provision for employee benefits		
Leave encashment (unfunded)	3,775,713	2,967,810
(b) Others		
Provision for income tax	7,795,000	7,795,000
TOTAL . . .	<u>11,570,713</u>	<u>10,762,810</u>
NOTE NO. 6		
SHORT TERM BORROWINGS		
Secured		
(a) Loans repayable on demand		
Working capital loan from bank	18,296,220	21,747,087
(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)		
(There is no default as on the balance sheet date in repayment of loans and interest.)		
TOTAL . . .	<u>18,296,220</u>	<u>21,747,087</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2013

	As at 31 st March, 2013 Rupees	As at 31 st March, 2012 Rupees
NOTE NO. 6 (Contd.)		
Unsecured		
Loans and advances (fixed deposits)		
(a) From related parties		
From Directors	4,070,000	4,070,000
From Company	2,950,000	6,450,000
From relatives of Directors	1,250,000	1,250,000
(b) From others	<u>1,000,000</u>	<u>1,000,000</u>
(There is no default as on the balance sheet date in repayment of loans and interest.)	9,270,000	12,770,000
T O T A L . . .	<u>27,566,220</u>	<u>34,517,087</u>

NOTE NO. 7
OTHER CURRENT LIABILITIES

(a) Current maturities of long-term debt	16,666,665	13,333,332
(b) Interest accrued and due on borrowings	0	822,762
(c) Unpaid dividends	363,092	309,759
(d) Application money received for allotment of securities and due for refund	34,555	34,555
(e) Other payables		
Advances from customers	0	940,000
Employees benefits	4,264,411	3,070,370
TDS payable	1,323,152	572,906
Others	<u>2,556,437</u>	<u>2,162,442</u>
T O T A L . . .	<u>25,208,312</u>	<u>21,246,126</u>

NOTE NO. 8
SHORT TERM PROVISIONS

(a) Provision for employee benefits		
Salary & reimbursements	1,460,814	1,603,992
Gratuity (funded)	2,621,699	902,394
Leave encashment (funded)	140,269	613,975
(b) Provision for taxation	32,977,824	30,015,705
(c) Others		
Provision for dividend	2,016,479	1,440,342
Provision for corporate tax on dividend	342,701	233,659
T O T A L . . .	<u>39,559,786</u>	<u>34,810,067</u>

BHAGWATI AUTOCAST LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2013
NOTE NO. 9
FIXED ASSETS

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
	Balance as at 1 April 2012 Rupees	Additions Rupees	Disposals Rupees	Balance as at 31 March 2013 Rupees	Balance as at 1 April 2012 Rupees	Depreciation charge for the year Rupees	On disposals Rupees	Balance as at 31 March 2013 Rupees	Balance as at 31 March 2012 Rupees
(a) Tangible Assets									
Land	1,654,143	0	0	1,654,143	0	0	0	1,654,143	1,654,143
Office buildings	5,617,872	0	0	5,617,872	652,248	91,571	0	4,874,053	4,965,624
Guest house building	1,072,000	0	0	1,072,000	4,395	17,474	0	1,050,131	1,067,605
Factory buildings	27,012,308	3,379,689	0	30,391,997	11,471,431	805,610	0	18,114,956	15,540,877
Plant and equipment	187,053,615	7,451,559	9,982,424	184,522,750	67,623,484	10,653,522	7,294,198	113,539,942	119,430,131
Electrical installations	6,372,112	753,031	13,960	7,111,183	2,239,273	233,725	3,777	4,641,962	4,132,839
Laboratory equipments	1,119,991	0	0	1,119,991	372,663	49,517	0	697,811	747,328
Furniture and fixtures	4,008,628	212,307	0	4,220,935	1,262,247	235,981	0	2,722,707	2,746,381
Vehicles	2,356,771	0	0	2,356,771	840,495	223,695	0	1,292,581	1,516,276
Office equipment	1,623,096	243,717	0	1,866,813	566,218	77,088	0	1,223,507	1,056,878
Computers	1,624,536	1,040,246	0	2,664,782	910,533	193,848	0	1,560,401	714,003
Moulding boxes, patterns & pattern plates	39,102,743	3,352,500	0	42,455,243	18,068,266	4,554,408	0	19,832,569	21,034,477
Total	278,617,815	16,433,049	9,996,384	285,054,480	104,011,253	17,136,439	7,297,975	171,204,763	174,606,562
(b) Intangible Assets									
(i) Computer Softwares	895,258	2,289,537	0	3,184,795	745,917	48,994	0	2,389,884	149,341
Total	279,513,073	18,722,586	9,996,384	288,239,275	104,757,170	17,185,433	7,297,975	173,594,647	174,755,903
(c) Capital work in progress	0	1,214,127	0	1,214,127	0	0	0	1,214,127	0
Total	279,513,073	19,936,713	9,996,384	289,453,402	104,757,170	17,185,433	7,297,975	174,808,774	174,755,903
PREVIOUS YEAR	249,774,526	35,174,558	5,436,011	279,513,073	95,471,775	14,355,633	5,070,238	174,755,903	154,302,751

Note No. 9.1

There is no impairment/revaluation during the year under review.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2013

	As at 31 st March, 2013 Rupees	As at 31 st March, 2012 Rupees
NOTE NO. 10		
LONG TERM LOANS AND ADVANCES		
(a) Capital Advances		
Considered good	337,500	20,000
(b) Security deposits		
Considered good	278,195	278,195
(b) Advance payment of taxes		
Advance income tax paid	9,445,020	8,995,000
TOTAL . . .	<u>10,060,715</u>	<u>9,293,195</u>

NOTE NO. 10.1

There is no advance or deposits due from Directors, officers or Company in which Directors are member.

NOTE NO. 11
INVENTORIES (Valued at lower of cost or net realisable value)

(a) Raw materials	11,958,530	12,390,851
(b) Work-in progress	8,239,715	10,972,040
(c) Finished goods	15,639,540	13,385,285
(d) Stores and spares	17,359,105	14,897,408
TOTAL . . .	<u>53,196,890</u>	<u>51,645,584</u>

NOTE NO. 12
TRADE RECEIVABLES

(a) Trade receivables outstanding for a period less than six months from the date they are due for payment considered good	129,269,607	120,864,669
(b) Trade receivables outstanding for a period exceeding six months from the date they are due for payment considered good	20,404,622	18,191,791
(c) Trade receivables outstanding and considered to be doubtful for recovery considered doubtful	297,035	0
TOTAL . . .	<u>149,971,264</u>	<u>139,056,460</u>

NOTE NO. 12.1

There is no trade receivable due from Directors, officers or Company in which Directors are member.

NOTE NO. 13
CASH AND CASH EQUIVALENTS

(a) Balances with banks		
Earmarked balances (unpaid dividend accounts)	399,647	345,314
Margin money	1,050,000	1,050,000
Balances in current accounts	8,744,116	12,351,989
	<u>10,193,763</u>	<u>13,747,303</u>
(b) Cash on hand	268,211	396,918
TOTAL . . .	<u>10,461,974</u>	<u>14,144,221</u>

BHAGWATI AUTOCAST LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2013

	As at 31 st March, 2013 Rupees	As at 31 st March, 2012 Rupees
NOTE NO. 14		
SHORT-TERM LOANS AND ADVANCES		
(a) Others		
Unsecured, considered good		
Advances recoverable in cash or in kind	4,946,535	5,264,604
Advance payment of taxes	38,761,732	34,504,660
Balance with excise department	3,443,579	5,444,629
VAT receivable	2,252,931	2,719,007
TOTAL . . .	<u>49,404,777</u>	<u>47,932,900</u>
NOTE NO. 14.1		
There is no loans / advances due from Directors, officers or Company in which Directors are member.		
NOTE NO. 15		
REVENUE FROM OPERATIONS		
Sale of products	778,082,658	640,057,198
Less : Excise duty	86,461,623	59,992,917
TOTAL . . .	<u>691,621,035</u>	<u>580,064,281</u>
NOTE NO. 16		
OTHER INCOME		
Interest income	212,160	502,437
Sales tax refund for earlier years	6,579,635	0
Profit on sale of fixed assets	1,854,752	0
Insurance claim receipt	2,058,888	0
Sundry credit balances written back	390,244	23,199
TOTAL . . .	<u>11,095,679</u>	<u>525,636</u>
NOTE NO. 17		
COST OF MATERIAL CONSUMED		
Opening stock	12,390,851	7,061,471
Add : Purchases	351,025,555	301,339,777
Less : Closing stock	11,958,530	12,390,851
TOTAL . . .	<u>351,457,876</u>	<u>296,010,397</u>
NOTE NO. 17.1		
RAW MATERIAL CONSUMED		
(i) Scraps	280,340,077	226,799,030
(ii) Pig iron	33,623,624	35,917,993
(iii) Ferro silicon lumps/granules, ferro silicon mg. master and ferro manganese	23,190,023	19,424,960
(iv) Others	14,304,152	13,868,414
TOTAL . . .	<u>351,457,876</u>	<u>296,010,397</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2013

NOTE NO. 17.2	2012-13	2011-12
VALUE OF RAW MATERIAL CONSUMED	Rupees	Rupees
i) Imported	0	0
% of total consumptions	0%	0%
ii) Indigenous	351,457,876	296,010,397
% of total consumptions	100%	100%

NOTE NO. 17.3

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.

NOTE NO. 18
EMPLOYEES BENEFIT EXPENSES

a) Salaries and incentives	64,234,698	46,808,845
b) Contributions to provident fund	2,962,948	2,336,024
c) Gratuity fund contributions	2,621,699	2,688,933
d) Staff welfare expenses	1,289,915	1,383,673
e) Managerial Remuneration	8,087,628	7,414,877
TOTAL . . .	79,196,888	<u>60,632,352</u>

NOTE NO. 18.1
THE MANAGERIAL REMUNERATION CONSISTS OF :

a) Salary	5,280,000	4,560,000
b) House rent allowance	1,605,000	1,860,000
c) Contribution to provident funds	489,600	403,200
d) Contribution to superannuation funds	612,000	504,000
e) Reimbursement of expenses	101,028	87,677
TOTAL . . .	8,087,628	<u>7,414,877</u>

NOTE NO. 18.2

Company has received approval of Central Government vide letter No. SRN B61403025 /4 / 2012 - CL.VII dated 18-02-2013 for payment of Managerial Remuneration.

NOTE NO. 18.3

Salaries & Incentives of Rs. 64,234,698 includes Rs. 6,220,259 being settlement of workers dues of earlier years.

NOTE NO. 18.4
Employee defined benefits: Defined benefit plans-as per actuarial valuation on 31st March, 2013
I The amounts recognised in the balance sheet

1 Present value of funded obligations	20,070,390	20,543,795
2 Fair value of plan assets	20,070,390	17,854,862
3 Present value of unfunded obligations	2,621,699	2,688,933
4 Net liability	2,621,699	2,688,933
5 Amount in the balance sheet	2,621,699	2,688,933

BHAGWATI AUTOCAST LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2013

	2012-13	2011-12
	Rupees	Rupees
II The amount recognised in the statement of profit & loss account		
1 Current service cost	953,866	892,930
2 Interest on obligation	1,618,715	1,515,874
3 Expected return on plan assets	(1,685,185)	(1,552,265)
4 Actuarial losses (gains) recognised	2,303,926	578,401
5 Total, included in " employee benefit expense"	2,621,699	1,334,940
6 Actual return on plan assets	(569,623)	941,137
III Changes in the recent value of the benefit obligation representing reconciliation of opening and closing balance thereof		
1 Opening defined benefit obligation	200,543,795	18,374,226
2 Service cost	953,866	892,930
3 Interest cost	1,618,715	1,515,874
4 Actuarial losses (gains)	2,107,552	132,727
5 Benefits paid	(1,846,010)	(106,508)
6 Closing defined benefit obligation	22,808,295	20,543,795
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	17,854,862	15,707,629
2 Expected return	1,685,185	1,552,265
3 Actuarial gains and (losses)	(196,374)	(611,128)
4 Contribution by employer	902,394	1,312,604
5 Benefits paid	(1,846,010)	(106,508)
6 Closing balance of fair value of plan assets	20,070,390	17,854,862
V Principal actuarial assumption at the balance sheet date		
1 Discount rate	8.00%	8.12%
2 Expected return on plan assets	9.25%	9.00%
3 Annual increase in salary cost	6.00%	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.

**NOTE NO. 19
FINANCE COST**

Interest expense	5,357,939	1,059,763
Other borrowing costs	6,468,094	5,063,956
TOTAL . . .	11,826,033	6,123,719

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2013

	2012-13	2011-12
	Rupees	Rupees
NOTE NO. 20		
OTHER EXPENSES		
Stores & spares consumed	87,315,351	78,669,577
Power & fuel	77,378,205	66,556,668
Processing charges	40,448,692	30,674,597
Repair to machinery	1,373,773	727,106
Repair to building	906,092	1,679,010
Rates & taxes	8,075	59,021
Travelling & conveyance	983,606	1,328,083
Vehicle expenses	943,746	768,370
Legal & professional charges	2,517,923	2,582,270
Sales expenses	2,486,374	2,532,625
Loss on sale of Fixed Assets	1,131,579	365,772
General charges	5,891,520	4,062,875
TOTAL . . .	<u>221,384,936</u>	<u>190,005,974</u>

NOTE NO. 20.1
PAYMENTS TO THE AUDITORS (INCLUDING SERVICE TAX)

(a) As Auditor	13,483	11,236
(b) For taxation matters	3,371	2,809
(c) For reimbursement of expenses	6,290	7,047
TOTAL . . .	<u>23,144</u>	<u>21,092</u>

NOTE NO. 20.2
EXPENDITURE IN FOREIGN CURRENCY

Foreign travelling	36,776	204,538
TOTAL . . .	<u>36,776</u>	<u>204,538</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2013

NOTE NO. 21

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: (Valued at lower of cost or net realisable value)

[a] Stores & spares	:	Valued on FIFO method
[b] Raw materials	:	Valued on FIFO method
[c] Work in process	:	Valued on FIFO method
[d] Finished goods	:	Valued on FIFO method
[e] Stock in transit	:	Valued on FIFO method
[f] Trading goods	:	Valued on FIFO method
[g] Sales returns & Runners / Risers	:	Valued on FIFO method

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.
- [c] Interest subsidy is accounted for on accrual basis and prima facie when there is no uncertainty of final claim.

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.

BHAGWATI AUTOCAST LIMITED

[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.

[B] NOTES FORMING PART OF THE ACCOUNTS

- 1 Previous year's figures have been regrouped/rearranged/recast wherever necessary so as to make them comparable with current year's figures.
- 2 Letters of balance confirmation have been sent to various parties, and are subject to confirmation and reconciliation if any.
- 3 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.
- 4 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.
- 5 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.
- 6 Interest cost for the year is after netting of interest subsidy received / receivable of Rs. 1,354,131/- (Previous Year Rs. 5,354,690/-)

7 Earnings per share :	2012-13	2011-12
Net profit attributable to shareholders (in Rupees)	14,682,758	7,795,431
Number of equity shares	2,880,684	2,880,684
Basic earnings per share of Rs. 10/- each (in Rupees)	5.10	2.71
8 Contingent liabilities and Commitments (to the extent not provided for)	2012-13	2011-12
	Rupees	Rupees
i Contingent Liabilities		
(a) Claims against the company not acknowledged as debt	76,500	76,500
(b) Guarantees	10,500,000	10,500,000
(c) Other money for which the company is contingently liable	1,153,239	1,153,239
	11,729,739	11,729,739
ii Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	3,535,150	47,610
TOTAL ...	15,264,889	11,777,349

9 **RELATED PARTY TRANSECTIONS**

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 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	8,087,628 (7,414,877)	0 (0)
2	Interest paid / Provided on fixed deposit	355,500 (355,500)	812,500 (1,337,500)
3	Fixed deposit received	2,370,000 (2,370,000)	5,900,000 (9,400,000)
4	Services obtained [Incl. of Service Tax]	0 (0)	1,869,553 (208,710)

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.

10 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	2012-13 Rupees	2011-12 Rupees
1.	Principal amount due, remaining unpaid at the end of the year	8,444,842	5,842,388
2.	Interest thereon due, remaining unpaid at the end of the year	0	0

12. Additional Information

Particulars	2012-13 Rupees	2011-12 Rupees
A SALES		
I) S G Iron Castings	89,176,175	104,306,830
II) C I Castings	709,276,549	554,732,307
Sub Total ... [A]	798,452,724	659,039,137
Less : Sales Returns [Re-used as raw materials]		
I) S G Iron Castings	0	0
II) C I Castings	20,370,066	20,273,885
Sub Total [B]	20,370,066	20,273,885
Net Sale of Castings [A-B]		
I) S G Iron Castings	89,176,175	104,306,830
II) C I Castings	688,906,483	534,458,422
Sub Total [C]	778,082,658	638,765,252
Add: Other Sales		
III) Patterns & Moulding Boxes	0	1,291,946
Total Net Sales	778,082,658	640,057,198

(Sales includes excise duty, education cess & higher secondary education cess)

BHAGWATI AUTOCAST LIMITED

	2012-13 Rupees	2011-12 Rupees
B STOCK OF FINISHED PRODUCTS		
I) S G Iron Castings		
Opening Stock	543,092	1,321,930
Closing Stock	521,890	543,092
II) C I Castings		
Opening Stock	12,842,193	14,248,703
Closing Stock	15,117,650	12,842,193
C TRADING GOODS (PATTERNS & MOULDING BOXES)		
Opening Stock	0	79,648
Purchases	0	1,020,243
Sales / Consumed	0	1,291,946
Closing Stock	0	0
D C.I.F. VALUE OF IMPORTS	0	0
E DIVIDENDS		
(a) Dividends proposed to be distributed to equity shareholders	2,016,479	1,440,342
(Rupees per share)	0.70	0.50
F REMITANCES IN FOREIGN CURRENCIES FOR DIVIDEND		
I) Number of non resident share holders	67	69
II) Number of shares held	42,791	43,291
III) Net amount of dividend - Current	21,396	43,291
Arrears	N.A.	N.A.

Signature to Notes 1 to 21

As per our separate report of even date

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

Milin J Jani
Proprietor
Membership No. 44077

Place : Ahmedabad
Dated : 28/05/2013

Dr. P. N. Bhagwati
Chairman & Managing Director

Ms. Reena P. Bhagwati
Jt. Managing Director

D. K. Sheth
Financial controller

Mrs. M. P. Bhagwati

M. N. Shah

R. J. Shah

P. H. Buch
Directors

Place : Ahmedabad
Dated : 28/05/2013

CASHFLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

Particulars	2012-13	2011-12
	[RS]	[RS]
[A] CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	21,187,478	12,632,626
ADJUSTMENTS FOR :		
- Depreciation	17,185,433	14,355,633
- Depreciation Reserve written back	(7,297,975)	(5,070,238)
- Provision for Income Tax	(3,300,000)	(410,508)
- Interest / Dividend (Net)	11,613,873	5,621,282
	<u>18,201,331</u>	<u>14,496,169</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	39,388,809	27,128,795
ADJUSTMENTS FOR :		
- Trade And Other Receivables	(12,704,181)	6,762,062
- Inventories	(1,551,306)	(9,786,554)
- Trade Payables	(2,034,996)	2,782,582
	<u>(16,290,483)</u>	<u>(241,910)</u>
CASH GENERATED FROM OPERATIONS	<u>23,098,326</u>	<u>26,886,885</u>
- Interest Paid	(11,826,033)	(6,123,719)
- Direct Taxes Paid	2,512,099	28,431,388
CASH FLOW BEFORE EXTRAORDINARY ITEMS	<u>13,784,392</u>	<u>49,194,554</u>
EXTRAORDINARY ITEMS		
Prior Period Adjustments	-	-
NET CASH FROM OPERATING ACTIVITIES	<u>13,784,392</u>	<u>49,194,554</u>
[B] CASH FLOW FROM INVESTING ACTIVITIES :		
- Purchase of Fixed Assets	(19,936,714)	(34,504,136)
- Sale of Fixed Assets	9,996,384	5,436,011
- Interest Received	212,160	502,437
NET CASH USED IN INVESTING ACTIVITIES	<u>(9,728,170)</u>	<u>(28,565,688)</u>
[C] CASH FLOW FROM FINANCING ACTIVITIES :		
- Proceeds From Long Term/Short Term Borrowings	833,065	6,004,368
- Repayment of Long Term/Short Term Borrowings	(6,950,867)	(14,107,987)
- Dividend Paid	(1,620,668)	(3,229,248)
NET CASH USED IN FINANCING ACTIVITIES	<u>(7,738,470)</u>	<u>(11,332,867)</u>
NET CASH INCREASE IN CASH AND CASH EQUIVALENTS	(3,682,248)	9,295,999
CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE YEAR	14,144,221	4,848,222
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	<u>10,461,974</u>	<u>14,144,221</u>

Dr. P. N. Bhagwati
Chairman & Managing Director

D. K. Sheth
Financial Controller

Mrs. M. P. Bhagwati

Ms. Reena P. Bhagwati
Jt. Managing Director

M. N. Shah

Mr. R. J. Shah

Place : Ahmedabad
Dated : 28/05/2013

P. H. Buch
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, 2013. 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 statement of Profit & Loss 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 : 28/05/2013

Milin J Jani
Proprietor
Membership No. 44077



BHAGWATI

BHAGWATI AUTOCAST LTD.

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the company	Bhagwati Autocast Ltd
2	Annual financial statements for the year ended	31.03.2013
3	Type of Audit observation	Un Qualified
4	Frequency of observation	NA
5	To be signed by- ❖ CEO/Managing Director ❖ CFO ❖ Auditor of the company ❖ Audit Committee Chairman	<i>P.H. Dhanraj</i> <i>Dhanraj</i> <i>M. J. Dhanraj</i>

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CIN : L27100 GJ1981 PLC 004718