



## BHAGWATI AUTOCAST LIMITED

August 29, 2020

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

Dear Sir,

Sub.: **Annual Report for FY 2019-20 and Notice of 38<sup>th</sup> Annual General Meeting**

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclosed herewith Annual Report for financial year (FY) 2019-20 along with the Notice convening 38<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, September 24, 2020 at 03:00 p.m. IST through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') being sent to the members through electronic mode, as attached, in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India from time to time.

Pursuant to the provisions of Section 108 of the Companies Act, 2013 ('the Act') read with the Companies (Management and Administration) Rules, 2014, as amended, from time to time ('Rules') and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations'), the Company is pleased to provide to its members, the facility to cast their vote through electronic means on all resolutions set forth in the Notice of the AGM, whose name is in the Register of Members/ Beneficial Owners as on Cut-off date, i.e. Wednesday, September 16, 2020 only are entitled to avail the facility of remote e-voting. The remote e-voting facility commences on September 21, 2020 (09:00 a.m.) and ends on September 23, 2020 (05:00 p.m.). The Company has arranged with National Securities Depository Limited ('NSDL') to facilitate members for attending AGM and e-voting prior to and during the AGM, through their platform i.e. <https://www.evoting.nsdl.com/>.

Members are requested to refer detailed procedure for attending the AGM through VC/ OAVM, remote e-voting/ e-voting at AGM as provided in the Notice of 38<sup>th</sup> AGM. The Notice of 38<sup>th</sup> AGM and Annual Report for FY 2019-20 will be available at Company's website at [www.bhagwati.com](http://www.bhagwati.com).

Kindly take the same on your record.

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

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





## BHAGWATI AUTOCAST LIMITED

### 38<sup>th</sup> Annual Report 2019-2020

<b>Board of Directors</b>	:	Dr. Pravin N Bhagwati - Chairman & Managing Director Ms. Reena P Bhagwati - Jt. Managing Director Mr. Padmin H Buch - Director Mr. Rajendraprasad J Shah - Director Mr. Vimal R Ambani - Director
<b>Chief Financial Officer</b>	:	Mr. Dinesh K Sheth
<b>Company Secretary</b>	:	Mr. Mehul C. Naliyadhara
<b>Statutory Auditors</b>	:	M/s. Mahendra N. Shah & Co. Chartered Accountants Ahmedabad
<b>Internal Auditors</b>	:	M/s. Mehta Sheth & Associates Chartered Accountants Ahmedabad
<b>Secretarial Auditors</b>	:	M/s. Chirag Shah & Associates Company Secretaries Ahmedabad
<b>Bankers</b>	:	Kotak Mahindra Bank Ltd. Ahmedabad
<b>Registered Office &amp; Works</b>	:	CIN - L27100GJ1981PLC004718 Survey No. 816, Village : Rajoda Nr. Bavla, Dist. : Ahmedabad-382220 Tel. : +91-2714-232283, 232983, 232066 Website : www.bhagwati.com Email : autocast@bhagwati.com
<b>Registrar &amp; Share Transfer Agents</b>	:	M/s MCS Share Transfer Agent Limited 201, Shatdal Complex, 2nd Floor, Opp. BATA Showroom, Ashram Road, Ahmedabad - 380 009. Tele No. 079 26580461 / 62 / 63

ISIN - INE106G01014

GSTIN - 24AAACB4699K1ZD

**Financial Highlights**

Particulars	[Rs. in Lakhs]										
	20219-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
<b>Production in MT</b>	<b>13611</b>	<b>15932</b>	<b>13163</b>	<b>11093</b>	<b>9392</b>	<b>9306</b>	<b>12189</b>	<b>10064</b>	<b>8711</b>	<b>10586</b>	<b>10343</b>
Fixed Assets (Gross)	4132.45	3947.02	3676.10	3584.65	3480.46	3399.60	3290.98	2894.53	2795.13	2504.45	2317.48
Fixed Assets (Net)	1617.36	1612.89	1449.64	1489.31	1609.60	1768.08	1960.53	1748.09	1747.56	1549.73	1394.99
Net Current Assets	1727.37	1831.46	1596.27	1506.80	931.92	798.07	1125.14	620.57	560.32	867.04	738.80
Misc. Exps./Deferred Revenue Exps.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.49
<b>TOTAL ASSETS (NET)</b>	<b>3344.73</b>	<b>3444.35</b>	<b>3045.91</b>	<b>2996.11</b>	<b>2541.52</b>	<b>2566.15</b>	<b>3085.67</b>	<b>2368.66</b>	<b>2307.88</b>	<b>2416.77</b>	<b>2134.28</b>
Borrowings	565.15	853.88	772.33	817.28	486.92	607.02	722.12	450.65	545.16	759.53	711.51
Equity Share Capital	288.07	288.07	288.07	288.07	288.07	288.07	288.07	288.07	288.07	288.07	288.07
Reserves & Surplus	2383.30	2202.82	1860.80	1751.04	1637.31	1583.16	1869.89	1435.21	1311.97	1250.76	1033.44
Deferred Tax	108.21	99.58	124.71	139.72	129.22	87.90	205.59	194.73	162.68	118.41	101.26
<b>TOTAL CAPITAL EMPLOYED</b>	<b>3344.73</b>	<b>3444.35</b>	<b>3045.91</b>	<b>2996.11</b>	<b>2541.52</b>	<b>2566.15</b>	<b>3085.67</b>	<b>2368.66</b>	<b>2307.88</b>	<b>2416.77</b>	<b>2134.28</b>
<b>DEBT EQUITY RATIO</b>	<b>0.982:1</b>	<b>0.110:1</b>	<b>0.127:1</b>	<b>0.104:1</b>	<b>0.086:1</b>	<b>0.118:1</b>	<b>0.10:1</b>	<b>0.16:1</b>	<b>0.21:1</b>	<b>0.39:1</b>	<b>0.52:1</b>
<b>Sales &amp; Other Income</b>	<b>10055.18</b>	<b>11989.71</b>	<b>9237.14</b>	<b>8051.51</b>	<b>7188.20</b>	<b>7231.59</b>	<b>9325.24</b>	<b>7887.01</b>	<b>6407.74</b>	<b>7205.83</b>	<b>5840.73</b>
Excise Duty & Cess	0.00	0.00	284.27	917.62	843.81	830.67	1054.16	864.62	599.93	625.87	443.21
Sales Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	141.82	118.10
Materials	5845.37	7440.23	5234.64	3866.40	3489.01	4071.55	5005.20	4387.73	3757.00	3976.01	3151.12
Labour Cost	1822.49	1937.73	1779.93	1500.28	1367.41	1244.20	1336.90	1196.46	913.07	945.37	789.33
Power	1388.86	1412.29	1182.75	967.65	828.12	840.27	786.52	773.78	665.57	790.10	736.80
Operation & Other Exps	353.79	363.44	304.30	279.40	173.81	222.12	189.66	162.43	141.05	115.28	107.83
Interest	99.68	109.79	94.47	72.50	61.58	70.86	94.58	118.26	61.24	116.21	77.73
<b>GROSS PROFIT</b>	<b>544.99</b>	<b>726.23</b>	<b>356.78</b>	<b>447.66</b>	<b>424.46</b>	<b>(48.08)</b>	<b>858.22</b>	<b>383.73</b>	<b>269.88</b>	<b>495.17</b>	<b>416.61</b>
Depreciation	240.55	233.20	211.49	224.48	304.64	304.64	184.07	171.85	143.55	125.22	68.83
<b>PROFIT BEFORE TAX</b>	<b>304.44</b>	<b>493.03</b>	<b>145.29</b>	<b>223.18</b>	<b>119.82</b>	<b>(352.72)</b>	<b>674.15</b>	<b>211.88</b>	<b>126.33</b>	<b>369.95</b>	<b>347.78</b>
Provision For Taxation	91.72	118.79	48.93	86.77	41.32	(117.69)	218.87	65.05	48.37	119.15	120.29
<b>PROFIT AFTER TAX</b>	<b>212.72</b>	<b>374.24</b>	<b>96.36</b>	<b>136.41</b>	<b>78.50</b>	<b>(235.03)</b>	<b>455.28</b>	<b>146.83</b>	<b>77.96</b>	<b>250.80</b>	<b>227.49</b>
Prior period adjustments	3.48	(5.14)	(14.56)	(8.64)	(0.08)	(22.82)	9.74	0.00	0.00	0.00	(10.50)
Other Comprehensive Income	(1.00)	0.71	(1.16)	13.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividends	28.80	28.80	23.05	23.05	20.16	14.40	25.93	20.16	14.40	28.81	23.04
Corporate Tax on Dividend	0.00	5.92	4.74	4.69	4.11	2.93	4.40	3.43	2.34	4.67	3.83
<b>Retained Earnings</b>	<b>215.20</b>	<b>369.81</b>	<b>109.76</b>	<b>141.49</b>	<b>78.42</b>	<b>(257.85)</b>	<b>434.69</b>	<b>123.24</b>	<b>61.22</b>	<b>217.32</b>	<b>190.12</b>
<b>Earning per Eq. Share Rs.</b>	<b>7.51</b>	<b>12.81</b>	<b>3.85</b>	<b>4.44</b>	<b>2.72</b>	<b>(8.95)</b>	<b>15.80</b>	<b>5.10</b>	<b>2.71</b>	<b>8.71</b>	<b>7.53</b>
Dividend per Eq. Share %	10.00	10.00	8.00	8.00	7.00	5.00	9.00	7.00	5.00	10.00	8.00
<b>Net Worth</b>	<b>2671.37</b>	<b>2490.89</b>	<b>2148.87</b>	<b>2039.11</b>	<b>1925.38</b>	<b>1871.23</b>	<b>2157.96</b>	<b>1723.28</b>	<b>1600.04</b>	<b>1538.83</b>	<b>1321.02</b>
<b>Book value per Eq. Share Rs.</b>	<b>92.73</b>	<b>86.47</b>	<b>74.60</b>	<b>70.79</b>	<b>66.84</b>	<b>64.96</b>	<b>74.91</b>	<b>59.82</b>	<b>56.12</b>	<b>53.42</b>	<b>45.86</b>

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

## BHAGWATI AUTOCAST LIMITED

### NOTICE

**NOTICE** is hereby given that the **38TH ANNUAL GENERAL MEETING (AGM)** of the members of **BHAGWATI AUTOCAST LIMITED** will be held on Thursday, the 24th day of September, 2020 at 03:00 pm IST through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business.

#### Ordinary Business :

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2020 and the report of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year ended March 31, 2020.
3. To appoint director in place of Ms. Reena P. Bhagwati (DIN:00096280), who retires by rotation and being eligible offered herself for re-appointment.

#### Special Business:

4. Payment of Remuneration to Executive Directors who are Promoters or Member of Promoter Group

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

**“RESOLVED THAT** pursuant to the provisions of Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to Section 197 read with rules and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval of members of the Company be and is hereby accorded for payment of remuneration to the Executive Directors who are Promoters or members of Promoter Group as under:

- (a) annual remuneration to an Executive Director who is a Promoter or member of Promoter Group, exceeding 5 Crores or 2.5 per cent (2.5%) of the net profits of the Company computed in accordance with Section 198 of the Companies Act, 2013 (“Net Profit”), whichever is higher; or
- (b) aggregate annual remuneration to Executive Directors who are Promoters or members of Promoter Group, where there is more than one such Executive Director, exceeding 5 per cent (5%) of the Net Profit.

**RESOLVED FURTHER THAT** the approval herein granted for payment of remuneration to Executive Directors who are Promoters or members of Promoter Group (“such Executive Directors”) shall be effective for the Financial Year commenced from April 1, 2020 and for subsequent years till the expiry of respective term of such Executive Directors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may deem necessary and authorize executives of the Company for the purpose of giving effect to the above Resolution.”

5. Re-appointment of Ms. Reena P. Bhagwati (DIN: 00096280), as Jt. Managing Director the Company

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

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the Act) and Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in-force) and subject to the such other approval(s), as may be required, the consent of members of the Company, be and is hereby accorded to re-appoint Ms. Reena P. Bhagwati (DIN: 00096280), as Jt. Managing Director of the Company, liable to retire by rotation, for the period of 5 year starting with effect from 1st October, 2020 ending on 30th September, 2025 on terms and conditions as mentioned in the statement annexed hereto including remuneration shall provide in exceeding the limits as provided under Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 till expiry of term of such Executive director.

**RESOLVED FURTHER THAT** pursuant to Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in-force) and subject to such approval(s), as may be required, the Company is authorized to pay minimum remuneration to Ms. Reena P. Bhagwati (DIN: 00096280) Jt. Managing Director for the financial year, in which there is inadequacy or absence of profits, during the period of three years commencing from October 1, 2020 till September 30, 2023.

**RESOLVED FURTHER THAT** the Board of directors of the Company be and is hereby authorized to execute the agreement with Jt. Managing Director and do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto and to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.”

6. To approve and ratify the remuneration of Cost Auditor  
To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:-**

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Consent of the Members of the Company be and is hereby accorded for payment of remuneration of Rs. 75,000/- (Rupees seventy five thousand only) (exclusive of taxes/ charges) plus reimbursement of out of pocket expense incurred on behalf of the Company, if any for the financial year ending on March 31, 2021 to M/s. Kiran J. Mehta & Co., Cost Accountants (FRN: 000025), who are appointed as the Cost Auditors of the Company by the Board of directors to conduct the audit of cost records of the Company for the financial year ending on March 31, 2021.”

Place : Ahmedabad  
Date : 19/06/2020

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

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

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

**NOTES :**

1. In view of the continuing CoVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular dated May 5, 2020 read with circular dated April 8, 2020 and April 13, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting (AGM) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting.
4. In respect of the ordinary business at Item no. 3, a Statement giving additional information on the Directors seeking re-appointment is provided herewith as Annexure-A, under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. Explanatory statements pursuant to Section 102 of the Companies Act, 2013, in respect of the special business under Item no. 4 to 6 of the Notice are annexed herewith.
6. The requirements to place the matters relating to appointment of Auditors for ratification by members at every Annual General Meeting has been withdrawn vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Statutory Auditors, who were appointed for a period of 5 years in the 34th Annual General Meeting held on September 21, 2016.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 17th September 2020 to Thursday 24th September, 2020 (both days inclusive) for the purpose of payment of dividend.
8. Subject to the provisions of the Act, dividend as recommended by the Board, if declared at the Annual General Meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as at the end of Wednesday, 16th September, 2020.
9. Pursuant to the changes introduced by the Finance Act 2020, w.e.f. April 1, 2020, the Company would be required to deduct tax at source (TDS) at the prescribed rates on the dividend paid to its shareholders. Accordingly, the above referred Final Dividend will be paid after deducting the applicable tax. The shareholders are requested to update their PAN with the RTA (in case of shares held in physical mode) and with depositories (in case of shares held in demat mode).

10. Members holding shares in physical form are advised to furnish their PAN and bank account details to the Company or RTA to incorporate the same in the dividend warrants/payment instruments. In respect of cases, where the payments to the shareholders holding shares in dematerialized form are made by NECS, NEFT, dividend warrants/ payment instruments, particulars of bank account registered with their depository participants will be considered by the Company for printing the same on the dividend warrants/ payment instruments.
11. Members who hold shares in the dematerialized form and desire to change/correction in bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR Code of their bank to their Depository Participants. The Company, in case of such dematerialized shares, will not entertain any direct request from such members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. While making payment of dividend, Registrar is obliged to use only the data provided by the Depositories.
12. The Members having multiple ledger folios in the same order of names are requested to approach MCS Share Transfer Agent Limited, R&T Agent of the Company for consolidating their entire holding in one folio for mutual convenience.
13. In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as 'IEPF Rules') (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the amount of dividend remaining unclaimed or unpaid for a period of 7 (seven) years from the date of transfer to the unpaid dividend account is required to be transferred within 30 days of becoming due to IEPF maintained by the Central Government.

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

Sr. No.	Final Dividend for the Financial Year	Date of Declaration of Dividend	Last date of Claim
1.	2012-2013	20/09/2013	27/10/2020
2.	2013-2014	24/09/2014	01/11/2021
3.	2014-2015	23/09/2015	01/11/2022
4.	2015-2016	21/09/2016	28/10/2023
5.	2016-2017	20/09/2017	27/10/2024
6.	2017-2018	12/09/2018	18/10/2025
7.	2018-2019	21/08/2019	26/09/2026

Accordingly, during the financial year 2019-20, the Company has transferred unclaimed final dividend amount for the financial year ended 31st March, 2012 on 16th November, 2019 to IEPF. Further, the Company shall not be in a position to entertain the claims of Shareholders for the unclaimed dividends after the last date as mentioned in the table. In view of the same, the Shareholders are requested to send relevant un-enclosed dividend warrants pertaining to the above years at registered office of the Company for revalidation or issuance of demand draft in lieu thereof and en-cash them before the due dates for transfer to the IEPF.

In accordance with the Section 124(6) of the Companies Act, 2013 read with IEPF Rules, those Members who have so far not

## BHAGWATI AUTOCAST LIMITED

encashed their dividend warrants from the final dividend 2012-13 onwards, may approach the Registrar and Share Transfer Agents, MCS Share Transfer Agent Limited, for making their claim without any further delay or all the shares in respect of which dividend has remained unclaimed or unpaid for 7 (seven) consecutive years or more will be transferred to the Investor Education and Protection Fund of the Central Government. With respect to the said Rules, amongst other matters, contain provisions for transfer of such shares in respect of which dividend has not been paid or claimed for seven consecutive years to the IEPF authority. The details of unpaid/ unclaimed dividend and number of shares liable to be transferred are available on our website: [www.bhagwati.com](http://www.bhagwati.com). Pursuant to the said provisions read with IEPF Rules, as amended, the Company shall process to transfer all shares to IEPF authority in respect of which dividends declared for the year 2012-13 has not been claimed by members 7 (seven) consecutive years.

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

14. In terms of the amendments to the Listing Regulations, with effect from April 1, 2019, requests for effecting transfer of securities in physical form shall not be processed unless the securities are held in dematerialized form with the depository, i.e. NSDL or CDSL. Members are, therefore, requested to demat their physical holding for any further transfer. Members can, however, continue to make request for transmission or transposition of securities held in physical form.
15. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to MCS Share Transfer Agent Limited. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
16. Members desiring any information as regards the accounts are requested to write to the Company at least 15 days in advance, so as to enable the Board of Directors to keep the information ready.
17. Members seeking any information with regard to the documents referred to in the accompanying Notice to be placed at the AGM, are requested to write to the Company before the date of AGM through email on [cs@bhagwati.com](mailto:cs@bhagwati.com). The same will be replied by the Company suitably.
18. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ RTA/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.bhagwati.com](http://www.bhagwati.com), websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), and on the website of NSDL <https://www.evoting.nsdl.com>
19. Members are requested to support the Green Initiative by registering/ updating their e-mail address, with the Depository

Participant(s) (in case Shares held in dematerialized form) or with M/s MCS Share Transfer Agent Ltd (in case shares held in physical form) to facilitate easy and faster dispatch of Notices, Annual Report and other communications by electronic mode from time to time.

20. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
21. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
22. Instructions for e-voting and joining the AGM are as follows:

### A. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
- II. The remote e-voting period commences on 21st September, 2020 (09:00 am) and ends on 23rd September, 2020 (05:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16th September, 2020 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- III. Mr. Chirag Shah, Practicing Company Secretary (Membership No. 5545) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- IV. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- V. The procedure to login to e-Voting website consists of two steps as detailed hereunder:

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

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

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

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

- a) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- b) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- c) Select "EVEN" of Bhagwati Autocast Limited.
- d) Now you are ready for e-Voting as the Voting page opens.
- e) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- f) Upon confirmation, the message "Vote cast successfully" will be displayed.
- g) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- h) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

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

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

- VI. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to chi118\_min@yahoo.com with a copy marked to evoting@nsdl.co.in.
- VII. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- VIII. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories (in case of shares held in dematerialized form) as on the cut-off date i.e. Wednesday 16th September, 2020 only shall be entitled to avail the facility of Remote E-voting as well as voting in the Annual General meeting. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
- IX. The voting rights of members shall be reckoned in proportion to their shares in the total paid up equity share capital of the Company as on the cut-off date i.e. 16th September, 2020.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding

## BHAGWATI AUTOCAST LIMITED

shares as of the cut-off date i.e. 16th September, 2020, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [cs@bhagwati.com](mailto:cs@bhagwati.com) by mentioning their Folio No./DP Id and Client ID No.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders, available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800-222-990. Also further queries/grievances connected with Remote E-voting, the members may contact the Manager, NSDL at the designated email IDs: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) (Telephone No. 022-24994545) or Company Secretary & Compliance Officer at the Registered Office of the Company at Survey No. 816, Village: Rajoda, Near Bavla, Dist. Ahmedabad-382220, Gujarat Phone: 02714-232283. E-mail: [cs@bhagwati.com](mailto:cs@bhagwati.com).

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

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.

Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
3. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/ 1800-222-990 or contact Ms. Pallavi Mhatre-NSDL at [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in)/ 022-24994545 or Mr. Pratik Bhatt-NSDL at [pratikb@nsdl.co.in](mailto:pratikb@nsdl.co.in)/ 022-24994738.

4. Members who would like to express their views or ask questions during the AGM must register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [cs@bhagwati.com](mailto:cs@bhagwati.com) 3 days in advance with the Company for the general meeting. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

### **C. Other Instructions:**

1. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.bhagwati.com](http://www.bhagwati.com) and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

Place : Ahmedabad  
Date : 19/06/2020

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

Registered Office :  
Survey No. 816, Village Rajoda,  
Near Bavla, Dist. Ahmedabad - 382 220.  
CIN: L27100GJ1981PLC004718  
e-mail: [autocast@bhagwati.com](mailto:autocast@bhagwati.com)  
Website: [www.bhagwati.com](http://www.bhagwati.com)

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



**ANNEXURE - A**

**Item-3 of the Notice**

**Details of the directors seeking appointment/ re-appointment at the 38th Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Name of the Director	Mr. Reena P. Bhagwati
DIN	00096280
Date of Birth	26/08/1966
Date of Appointment/ Re Appointment	01/10/2015
Qualifications	MBA from Carnegie Mellon University, Pittsburgh, USA
Brief profile and Expertise in Specific Functional Area	<p>Ms. Reena Bhagwati holds Directorship in the engineering companies of the Bhagwati Group – Bhagwati Spherocast Pvt. Ltd., Bhagwati Autocast Ltd. and Bhagwati Filters Pvt. Ltd. She heads them by providing strategic Fiscal and Operations leadership. She is deeply involved in Philanthropy and has started and runs her own NGO.</p> <p>She has held professional positions and served as the President of the Institute of Indian Foundry men (IIF) in 2013-14, Chairperson of the Confederation of Indian Industries (CII), Gujarat State Council in 2016-17, and is a continuing Member of the Governing Body of Ahmedabad Management Association.</p>
Relationship between Directors inter se	She is a daughter of Dr. Pravin N. Bhagwati, Managing Director of the Company
No. of Board meeting attended	4 out of 4
No. of Shares held	969174
Other Directorship in Listed entities	<ul style="list-style-type: none"> <li>• EIMCO Elecon (India) Limited</li> <li>• The ANUP Engineering Limited</li> <li>• Symphony Limited</li> </ul>
Membership of Committees (Audit Committee and Stakeholder Relationship Committee in other listed entities)	<p>Member in Audit Committee :</p> <ul style="list-style-type: none"> <li>• The ANUP Engineering Limited</li> <li>• Symphony Limited</li> </ul> <p>Member in Stakeholders Relationship Committee:</p> <ul style="list-style-type: none"> <li>• Symphony Limited</li> </ul>

## BHAGWATI AUTOCAST LIMITED

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

#### Item No. 4

#### Payment of Remuneration to Executive Directors who are Promoters or Member of Promoter Group

As required under Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the fees or compensation payable to executive directors who are promoters or members of the promoter group of the listed entity, shall be subject to the approval of the shareholders by special resolution in general meeting, if:

- (i) Annual remuneration payable to such executive director exceeds 5 Crore or 2.5 per cent (2.5%) of the net profits of the listed entity, whichever is higher; or
- (ii) Where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent (5%) of the net profits of the listed entity. Further, the approval of the shareholders under the said Regulation shall be valid only till the expiry of the terms of such director.

In view of the above and in order to have a flexibility for payment of annual remuneration to the Executive Director(s) who are Promoter(s) or Member(s) of Promoter Group in excess of the limits as mentioned in Regulation 17(6)(e) of the Listing Regulations from April 1, 2020 and for subsequent years, till the expiry of respective term of such Executive Directors, it is necessary to obtain the approval of shareholders by way of Special Resolution.

None of the Key Managerial Personnel of the Company / their relatives, other than the Directors to the extent of remuneration which may be paid to them in accordance with the provisions of Section 197 of the Companies Act, 2013, are concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 4 of the Notice.

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

#### Item No. 5

#### Re-appointment of Ms. Reena P. Bhagwati (DIN: 00096280), as Jt. Managing Director of the Company

Item No. 5 of the Notice relates to the reappointment of Ms. Reena P. Bhagwati as Jt. Managing Director of the Company, whose present tenure will expire on 30th September, 2020. Subject to the approval of the members and on recommendation of Nomination and remuneration Committee, the Board of directors reappointed Ms. Reena P. Bhagwati, as Jt. Managing Director for a period of 5 years from 1st October, 2020 to 30th September, 2025. A brief profile of Ms. Reena P. Bhagwati and disclosures required under the Listing Regulations form parts of the Notice.

Pursuant to regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the members is being sought for the Special Resolution for payment of remuneration to executive directors who are promoters or members of the promoter group in excess of the limits as provided under the said rules. But the overall remuneration shall be provided to both the Managing directors

of the Company are in accordance with the applicable provisions of the Companies Act, 2013, if Ms. Reena P. Bhagwati appointed as Jt. Managing Director of the Company with approval of the members.

The proposed remuneration mentioned hereunder subject to the approval of members in the 38th Annual general Meeting of the Company for the period of 3 years effective from 1st October, 2020 to 30th September, 2023.

The terms and conditions of reappointment of Ms. Reena P. Bhagwati, as Jt. Managing Director of the Company are as under:-

#### REMUNERATION:

- a) Salary:  
Rs. 1,00,000/- per month or within an overall limit of Rs. 1,25,000/- per month.
- b) Leave Encashment:  
The Jt. Managing Director shall be entitled to fully paid leave as per the Company's Rules. Encashment of leave at the end of the tenure is permitted and shall not be included in the computation of the ceiling on 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/- per month.

#### Memorandum of Interest:

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

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

#### I. General Information:

##### Nature of Industry:

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

##### Financial performance based on given indicators:

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

##### Foreign Investments or collaborations:

Nil

#### II. Information about appointee:

##### 1) Background details:

Ms. Reena P. Bhagwati, Jt. Managing director of the Company is a key promoter of the Company. She is qualified MBA from Graduate School of Industrial Administration, Carnegie Mellon University, Pittsburgh. She is associated with

the Company since 2005. The Company is continuously performing well despite Global adverse & recessionary situation, the Company has performed exceptionally well and achieved new heights under his esteemed supervision and leadership.

**2) Past remuneration:**

Rs. 1 lakh per month

**3) Recognition or Awards:**

She has held professional positions and served as the President of the Institute of Indian Foundry men (IIF) in 2013-14, Chairperson of the Confederation of Indian Industries (CII), Gujarat State Council in 2016-17, and is a continuing Member of the Governing Body of Ahmedabad Management Association.

**4) Job Profile & Suitability:**

Ms. Reena P. Bhagwati, Jt. Managing Director of the Company has been appointed by the Board of Directors to look after day to day affairs of the Company including Production, Finance, Administration, Marketing and human resource development with the help of senior experts and professionals in their respective fields. Under her direction and supervision, the Company is able to enhance its sales and profitability.

**5) Remuneration Proposed:**

The details of the proposed remuneration are mentioned in Explanatory Statement as required under Section 102(1) of the Companies Act, 2013.

**6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (In case of expatriates the relevant details would be with respect to the country of his origin)**

The Nomination and remuneration committee and the Board of Directors of the Company have recognized the profit and rich, diversified experience of Ms. Reena P. Bhagwati, accordingly they have approved the remuneration. Her remuneration is comparable and level with similar in the industry.

**7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personal, if any:**

The Jt. Managing Director is promoter of the Company and she along with her family Members and group Companies holds 71.39% equity share capital of the Company. The Company had not entered into any transaction of a material nature with any of the related parties, which were in conflict with the interest of the Company. Further all transactions with the related parties were in the ordinary course of the business and arms' length. Dr. Pravin N. Bhagwati, Managing Director of the Company is relative of Ms. Reena P. Bhagwati.

**III. OTHER INFORMATION**

**1. Reasons of loss or inadequate profits:**

- a) Foundry industry is working in extreme competitive market with paper thin profit margin.
- b) Operational costs of products of the foundries located in Gujarat are substantially higher than other foundries located in other parts of the country.

c) Our customers are big & OEM, and hence sales rates are governed by market. There is very limited scope to enhance sales rate on the basis of cost plus margin formula.

d) We are utilizing full installed capacity and hence volume cannot increase, our sales are solely dependent on growth of tractor & other general automobile & engineering industries, where we operate.

**2. Steps taken for improvement:**

a) Company has 18000 MTA installed capacity and with increased capacity company's sales turnover will increase.

b) Company has generally maintained cordial and amicable relationship with its labors and employees.

c) Out of total production, almost 75% of the casting production of the Company is normally sold to 2 companies, the Management desire to reduce dependency on few customers, to implement this planning company has increase the strength of its marketing and R&D department, which will help in the search of new market, innovation of new design and maintenance of international standards quality of products.

**3. Expected increase in the productivity:**

Bhagwati Autocast Limited, is one of Certified ISO 9001:2015 Company, which itself denoted its quality and reliability of products. The productivity and profits are likely to increase well over the period of next 2-3 years.

**IV. DISCLOSURES**

Ms. Reena Bhagwati satisfies all the conditions set out in Schedule V to the Act being eligible for her reappointment. She is not disqualified from being appointed as Director in terms of Section 164 of the Act. Ms. Reena Bhagwati is not debarred from holding the office of Director pursuant to any order issued by Securities and Exchange Board of India (SEBI) or any other authority.

The above details are given along with details of his remuneration in the notice to the extent they are applicable. Your directors recommend the resolutions as they consider the same is in the interest of the Company. This may be treated as an abstract of terms of contract for the re-appointment of the Jt. Managing Director under the provisions of Section 190 of the Companies Act, 2013. The Draft Agreement to be entered in to with the Jt. Managing Director is open for inspection by Members on any working day between 3.00 p.m. to 5.00 p.m. at the Registered Office of the Company.

The Board recommends the passing of the Special resolution set forth in Item no. 5 of the Notice for approval of the members.

**Item No. 6**

**To approve and ratify the remuneration of Cost Auditor**

The Board of director of the Company has approved appointment and remuneration of M/s. Kiran J. Mehta & Co., as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2021 at a remuneration of Rs. 75,000/- (Exclusive of Taxes/charges) and re-imbursement of out of pocket expense incurred on behalf of the Company. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with rules made there under, the remuneration payable to the Cost auditor has to be determined

## BHAGWATI AUTOCAST LIMITED

or ratified by the members of the Company. Accordingly, consent of the members is sought for above purpose by passing an Ordinary Resolution.

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

The Board recommends the Ordinary resolution set forth in Item no.6 of the Notice for the approval of the members.

Place : Ahmedabad  
Date : 19/06/2020

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

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

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

**DIRECTORS' REPORT**

To the Members,

Your Directors are pleased to present the **38<sup>TH</sup> ANNUAL REPORT** for the financial year ended on March 31, 2020. The financial statements are prepared in accordance with Indian Accounting Standards ('Ind AS'). The performance of the Company is summarized as follows:

**01. FINANCIAL HIGHLIGHTS :**

(Amount Rs. in Lakhs)

	For the year Ended 31/03/2020	For the year Ended 31/03/2019
Revenue from Operations & Other Income	10062.16	12000.58
Earnings before interest, depreciation and taxation (EBIDTA)	644.68	836.02
Less: Interest & finance charges	99.68	109.79
<b>Profit/(Loss) before depreciation &amp; taxation</b>	<b>545.00</b>	<b>726.23</b>
Less: Depreciation	240.55	233.20
<b>Profit before tax</b>	<b>304.45</b>	<b>493.03</b>
Less: Provision for income tax		
[1] Current Tax	82.70	144.18
[2] Deferred Tax	9.02	(25.39)
[3] Short / (Excess) provision for earlier years	(3.48)	5.14
<b>Profit for the Year</b>	<b>216.21</b>	<b>369.10</b>
Add / (Less) : Other Comprehensive income	(1.00)	0.71
<b>Total Comprehensive Income for the year</b>	<b>215.21</b>	<b>369.81</b>
Add : Surplus of last year brought forward	1157.88	815.86
Less : Dividend Paid	28.80	23.05
Less : Corporate Tax on Dividend Paid	5.92	4.74
<b>Surplus available for appropriation</b>	<b>1338.34</b>	<b>1157.88</b>

**02. REVIEW OF OPERATIONS:**

During the year under review, Your Company's revenue decreased by 16.22% and profit before Tax decreased by 38.25%. This is due to recessionary trend across all sectors of economy from the beginning of FY 19-20 and more particularly in tractor and automobile industry where your Company is operating. It has affected to our OEM customers and affected to us throughout the year.

In the last week of Mar'20, the CoVID-19 pandemic on India and globally has been felt by all, forcing governments to enforce lockdowns of all economic activity. And therefore sales are less by 20% in last month of Mar'20. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees and stakeholders at large. All our employees have approached work from home was carried out seamlessly. This response has reinforced customer confidence and many of them have expressed their appreciation and gratitude for keeping their businesses running under most challenging conditions.

**03. DIVIDEND :**

The Board of Directors recommend dividend of Rs.1 per Equity Share (10% on the face value of Rs. 10/- each) for the year ended on March 31, 2020 (Previous year Rs. 1 per equity share, i.e. @10%) subject to the approval of shareholders at the ensuing Annual General Meeting.

**04. TRANSFER TO RESERVES :**

Your Company has not transferred any amount to General Reserves. Your Company has retained amount of Rs. 1338.34 Lakhs in the Statement of Profit and Loss.

**05. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND :**

Pursuant to the provisions of the Companies Act, 2013 read with rules made thereunder, the Company had sent individual notices to the shareholders who have not claimed their dividends for past seven consecutive years. The Company has also advertised the same in the Business Standard and Jay Hind Newspapers dated May 31, 2019 seeking action from the shareholders who have not claimed their dividends for past seven consecutive years. The Company had transferred Rs. 78,771/- to the Investor Education and Protection Fund established by the Central Government during the financial year 2019-20, as unclaimed dividend after expiry of seven years for the year ended March 31, 2012. In accordance with Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (amended from time to time), the Company had also transferred total 1595 equity shares held by 14 shareholders to the IEPF Authority in the month of November 2019 who have not claimed their dividends for past seven consecutive years from the date of transfer to the unpaid dividend account. The details of such shares transferred have been uploaded in the Company's website [www.bhagwati.com](http://www.bhagwati.com)

The Shareholders/ claimants whose shares and unclaimed dividend have been transferred to the IEPF Account may claim the shares or apply for refund by making an application to the IEPF Authority. Details of Nodal officer of the Company appointed by the Board of directors has been published at Company's website [www.bhagwati.com](http://www.bhagwati.com)

**06. PUBLIC DEPOSITS :**

During the financial year 2019-20, your Company has not accepted or renewed any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014 and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

**07. SHARE CAPITAL :**

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

**08. LISTING :**

The Equity shares of the Company continue to be listed on BSE Limited (Security Code: 504646) and required Listing fees for the year 2019-20 has been paid.

## BHAGWATI AUTOCAST LIMITED

### 09. CREDIT RATING :

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

### 10. CERTIFICATIONS:

During the year under review, the Company's quality management system has been reviewed and confirmed as per the standard ISO 9001:2015 certification for quality management system through external agency.

### 11. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

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

### 12. EXTRACT OF THE ANNUAL RETURN :

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013, the details forming part of the extract of the Annual Return for the financial year ended March 31, 2020 in form MGT-9 is annexed herewith as (Annexure-1) and is also available on the Company's website, i.e. www.bhagwati.com.

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

The Information required to be disclosed in the report of the Board of Directors as per the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 is annexed herewith as (Annexure-2).

### 14. DIRECTORS :

#### A) Changes in Directors and Key Managerial Personnel

As per provision of the Companies Act, 2013, Ms. Reena P. Bhagwati (DIN: 00096280) retires by rotation in the forthcoming Annual General Meeting and being eligible offered herself for re-appointment. The Board of Directors recommends her re-appointment.

During the year under review, Mr. Padmin H. Buch (DIN: 03411816) and Mr. Rajendraprasad J. Shah (DIN: 01982424) has been reappointed as Independent directors of the Company for a second term of 5 (five) years effective from September 24, 2019.

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

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

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

#### C) Statement regarding to Integrity, Expertise and Experience (including the proficiency) of the

### Independent directors:

During the year under review, there is no any fresh appointment of Independent directors in the Board of directors of the Company. But two Independent directors have been reappointed during the year. The Board has opined that all the Independent directors of the Company has possessed relevant Integrity, Expertise and Experience in commensurate with the business of the Company. Also as per Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, there is provided one year period from registration for passing of such proficiency test by all Independent directors to be conducted by such institute, as authorized by Ministry of Corporate Affairs except exempted as per said rules.

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

The Board of Directors of the Company has initiated and put in place evaluation of its own performance, its committees and individual directors. The result of the evaluation is satisfactory and adequate and meets the requirement of the Company.

#### D) Policy on Directors' appointment and remuneration

(Including criteria for determining qualification, positive attributes, independence of a Director, policy relating to remuneration for Directors, Key Managerial Personnel and other employees)

#### Policy on Directors' appointment

Policy on Directors' appointment is to follow the criteria as laid down under the Companies Act, 2013, the Listing Agreement with Stock Exchanges and good corporate practices. Emphasis is given to persons from diverse fields or professions.

#### Policy on Remuneration

Guiding Policy on remuneration of Directors, Key Managerial Personnel and employees of the Company is that –

- Remuneration to unionised workmen is based on the periodical settlement with the workmen union.
- Remuneration to Key Managerial Personnel, Senior Executives, Managers, Staff and Workmen (non Unionised) is industry driven in which it is operating taking into account the performance leverage and factors such as to attract and retain quality talent.
- For Directors, it is based on the shareholders resolutions, provisions of the Companies Act, 2013 and Rules framed therein, circulars and guidelines issued by Central Government and other authorities from time to time.

### 15. MEETINGS OF THE BOARD OF DIRECTORS:

During the financial year under review, the Board of directors of the Company, met 4 (four) times on May 29, 2019, August 13, 2019, November 7, 2019 and February 7, 2020. Your Company has complied with the Secretarial Standard as applicable to the Company pursuant to the provisions of the Companies Act, 2013.

### 16. INDEPENDENT DIRECTORS MEETING:

A separate Meeting of the Independent Directors of the Company was also held on February 7, 2020, where at the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were discussed.

### 17. AUDIT COMMITTEE :

The Committee comprises Mr. R. J. Shah, Chairman and Ms. R.

P. Bhagwati, Mr. P. H. Buch, Mr. V. R. Ambani, Members. In accordance with provisions of Section 177(8) of the Companies Act, 2013 and Listing Regulations, the Board has accepted all the recommendations of the Audit Committee during the financial year 2019-20.

**18. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES :**

The Company has formulated Vigil Mechanism named Whistle Blower Policy with a view to report concern about unethical behavior, actual or suspected fraud. This policy provides mechanism for employee of the Company of any violation and to approach the chairman of the Audit Committee of the Company who shall investigate into the same and recommend suitable action to the management.

**19. NOMINATION AND REMUNERATION COMMITTEE :**

The Board has on recommendation of nomination and remuneration committee, framed a policy for selection and appointment of Director, senior management and their remuneration.

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

There is no loan given, investment made, guarantee given or security provided by the Company to any entity under Section 186 of the Companies Act, 2013.

**21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The particulars of every contract or arrangements entered into by the Company with related parties referred to in section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in Form No. AOC -2 is annexed herewith as (Annexure-3).

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and the same were placed before the Audit Committee and also to the Board for their review and approval on a quarterly basis.

**22. PARTICULAR OF SUBSIDIARY/JOINT VENTURE/ ASSOCIATE COMPANY :**

The Company does not have any subsidiary/Joint Venture/ Associate Company.

**23. RISK MANAGEMENT :**

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

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

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

**24. CORPORATE GOVERNANCE :**

As per the provisions of Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporate Governance requirements are not applicable to

your Company. The net worth of the Company exceeded the prescribed limit during the year ended March 31, 2020 but as provided in the said regulation, the Company is required to comply within six months of applicability (prescribed limit of audited net worth). Accordingly, a separate report on Corporate Governance is not provided in this Report.

**25. DISCLOSURES ON MANAGERIAL REMUNERATION:**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report as (Annexure-4).

**26. PARTICULAR OF EMPLOYEES:**

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

**27. MANAGEMENT DISCUSSION AND ANALYSIS:**

Pursuant to the Regulation 34(2) of the SEBI (LODR) Regulations, 2015, the report relevant to Management discussion and analysis forming part of the Annual report for the year under review is annexed herewith as (Annexure-5).

**28. AUDITORS:**

**1. STATUTORY AUDITORS:**

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

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

**EXPLANATION OR COMMENTS ON AUDITORS' REPORT:**

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

**2. INTERNAL AUDITORS:**

Pursuant to the provisions of Section 138 of the Companies Act, 2013, the Board of directors of the Company has appointed M/s. Mehta Sheth & Associates, Chartered Accountants (FRN:106238W) Ahmedabad as an Internal auditor of the Company for the financial year 2020-21.

**3. SECRETARIAL AUDITOR:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of directors has appointed M/s. Chirag Shah & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year

## BHAGWATI AUTOCAST LIMITED

2019-20. Secretarial Audit Report for financial year 2019-20 is annexed herewith as **(Annexure-6)** and the Secretarial auditor has not made any adverse comments or given qualification, reservation or adverse remarks or disclaimer in their report.

The Board has appointed M/s. Chirag Shah & Associates, Company Secretaries, Ahmedabad as Secretarial auditor of the Company for the financial year 2020-21.

#### 4. COST AUDITOR :

As per Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. In this connection, the Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of M/s. Kiran J. Mehta & Co. (FRN: 000025), Cost Accountants, Ahmedabad as the cost auditor of the Company for the year ending March 31, 2021.

During the year under review, your Company has maintained cost accounts and records as prescribed under Section 148 of the Companies Act, 2013 and rules made thereunder.

#### 29. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(3) of the Companies Act, 2013, in relation to the Financial Statements for FY 2019-20, the Board of Directors states that:

- (a) in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 30. HUMAN RESOURCES:

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

#### 31. PROHIBITION OF INSIDER TRADING :

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

#### 32. DEMATERIALISATION OF SHARES:

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

#### 33. CORPORATE SOCIAL RESPONSIBILITY:

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

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

Sr. No.	Category	No. of Complaints filed during the financial year	No. of Complainants pending as on end of the financial year
1.	Child labour/forced labour/ Involuntary labour	NIL	NIL
2.	Sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.	NIL	NIL

#### 35. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No other material changes have taken place after completion of the financial period up to the date of this report which may have substantial effect on business and finances of the company and which are required to be disclosed in this Report.

#### 36. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

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

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. To maintain its



objectives and independence, the internal Audit reports to the chairman of the Audit Committee of the Board.

The Internal Auditor monitors and evaluates the efficiency and adequacy of Internal Control System of the Company, its compliance with operating system, accounting procedures and policy of the Company. Based on the report of internal audit function, process owners undertake corrective action and thereby strengthen the controls. Significant audit observation and corrective actions thereon are presented to the audit committee of the board.

**38. General:**

**(i). Insurance :**

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

**(ii). Industrial Relations :**

During the year under review, your Company enjoyed cordial relationship with the workers and employees at all the levels.

**(iii). Acknowledgement :**

Your Directors expresses sincere thanks to various Central and State Government Departments, Organizations and Agencies for the continued co-operation and support extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

Place : Ahmedabad  
Date : 19/06/2020

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

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

**ANNEXURE "1" TO THE DIRECTORS REPORT  
FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on March 31, 2020**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

**I. Registration and Other Details :**

CIN	L27100GJ1981PLC004718
Registration Date	20th October, 1981
Name of the Company	BHAGWATI AUTOCAST LIMITED
Category of Sub Category of the Company	Company Limited by Share
Address of the Registered office and Contact details	Survey No. 816, Village Rajoda, Near Bavla , Ahmedabad- 382 220 Gujarat Tel No. (02714) 232283 / 232983 / 232066
Whether Listed Company	Yes
Name, address and Contact details of Registrar and Transfer Agent , if Any	MCS Share Transfer Agent Limited 201, 2 <sup>nd</sup> Floor, Shatdal Complex, Opp Bata Show Room, Ashram Road, Ahmedabad, Gujarat, 380 009 Tel No. 079 26580461/62/63

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / Services	NIC code of the product/service	% to total turnover of the company
1	Iron casting	24319	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-**

Sr. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of Shares Held	Applicable Section
			----- N.A. -----		

## BHAGWATI AUTOCAST LIMITED

### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PER CENTAGE OF TOTAL EQUITY)

#### i) Category-wise share holding

Category of Share holders	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1409878	-	1409878	48.94	1466639	-	1466639	50.91	01.97
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	589315	-	589315	20.46	589315	-	589315	20.46	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>1999193</b>	<b>-</b>	<b>1999193</b>	<b>69.40</b>	<b>2055954</b>	<b>-</b>	<b>2055954</b>	<b>71.37</b>	<b>01.97</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>1999193</b>	<b>-</b>	<b>1999193</b>	<b>69.40</b>	<b>2055954</b>	<b>-</b>	<b>2055954</b>	<b>71.37</b>	<b>01.97</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	300	300	0.01	-	300	300	0.01	0.00
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>300</b>	<b>300</b>	<b>0.01</b>	<b>-</b>	<b>300</b>	<b>300</b>	<b>0.01</b>	<b>0.00</b>
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	30194	3238	33432	01.16	29247	3238	32485	01.13	(0.03)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	493809	115700	609509	21.16	447883	107819	555702	19.29	(01.87)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	95509	-	95509	03.32	95509	-	95509	03.32	0.00
c) Others i) HUFs	23591	-	23591	0.82	20684	-	20684	0.72	(0.10)
ii) NRI	13838	46192	60030	02.08	13834	46061	59895	02.07	(0.01)
iii) IEPF authority MCA	59120	-	59120	02.05	60155	-	60155	02.09	0.04
<b>Sub-total (B)(2):-</b>	<b>716060</b>	<b>165130</b>	<b>881191</b>	<b>34.59</b>	<b>667312</b>	<b>157118</b>	<b>824430</b>	<b>28.62</b>	<b>(01.97)</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>716061</b>	<b>165430</b>	<b>881491</b>	<b>30.60</b>	<b>667312</b>	<b>157418</b>	<b>824730</b>	<b>28.63</b>	<b>(01.97)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>2715254</b>	<b>165430</b>	<b>2880684</b>	<b>100</b>	<b>2723266</b>	<b>157418</b>	<b>2880684</b>	<b>100</b>	<b>-</b>

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019			Share holding at the end of the year 31.03.2020			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	
1	Bhagwati Spherocast Pvt. Ltd.	574746	19.95	0.00	574746	19.95	0.00	0.00
2	Ms. Reena P. Bhagwati	911825	31.65	0.00	968586	33.62	0.00	1.97
3	Dr. Pravin N. Bhagwati	450862	15.65	0.00	450862	15.65	0.00	0.00
4	Mrs. Aanal P. Bhagwati	47191	01.64	0.00	47191	01.64	0.00	0.00
5	Bhagwati Filters Pvt. Ltd.	14569	0.51	0.00	14569	0.51	0.00	0.00
	<b>Total</b>	<b>1999193</b>	<b>69.40</b>	<b>0.00</b>	<b>2055954</b>	<b>71.37</b>	<b>0.00</b>	<b>01.97</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. No.	Name of the Promoters/ Promoters Group	Shareholding at the beginning of the year		Increase/ decrease during the year	Date wise increase/ decrease*	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the company				No. of Shares	% of Total Shares of the company
1.	Dr. Pravin N. Bhagwati	450862	15.65	-	-	-	450862	15.65
2.	Ms. Reena P. Bhagwati	911825	31.65	20	07.06.2019	Buy	911845	31.65
				2750	14.06.2019	Buy	914595	31.75
				3161	21.06.2019	Buy	917756	31.86
				225	30.06.2019	Buy	917981	31.87
				153	15.11.2019	Buy	918134	31.87
				614	22.11.2019	Buy	918748	31.89
				608	29.11.2019	Buy	919356	31.91
				1300	06.12.2019	Buy	920656	31.96
				1470	13.12.2019	Buy	922126	32.01
				220	20.12.2019	Buy	922346	32.02
				16486	14.02.2020	Buy	938832	32.59
				3076	21.02.2020	Buy	941908	32.70
				3212	28.02.2020	Buy	945120	32.81
				5468	06.03.2020	Buy	950588	33.00
				5595	13.03.2020	Buy	956183	33.19
				6928	20.03.2020	Buy	963111	33.43
				4676	27.03.2020	Buy	967787	33.60
				799	31.03.2020	Buy	968586	33.62
3.	Mrs. Aanal P. Bhagwati	47191	01.64	-	-	-	47191	01.64
4.	Bhagwati Spherocast Pvt. Ltd.	574746	19.95	-	-	-	574746	19.95
5.	Bhagwati Filters Pvt. Ltd.	14569	0.51	-	-	-	14569	0.51

\* Date of transfer has been considered as the date on which the beneficiary position was provided by the Depositories to the Company.

## BHAGWATI AUTOCAST LIMITED

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Change in Shareholding (No. of shares)		Shareholding at the end of the year	
		No. of Shares	% of Total Shares of the company	Increase	Decrease	No. of Shares	% of Total Shares of the company
1.	Mahendra Girdharilal	69572	02.42	-	-	69572	02.42
2.	IEPF Authority MCA	59120	02.05	1035	-	60155	02.05
3.	Linco In P Coelho	25937	0.90	-	-	25937	0.90
4.	Chanchalben Raajibhai Patel	20424	0.71	-	-	20424	0.71
5.	Atul Prabhulal Ghiya	11692	0.41	-	-	11692	0.41
6.	Mili Consultants & Investments Pvt Ltd	10426	0.36	-	-	10426	0.36
7.	Shashi Rani Gupta	10353	0.36	250	-	10353	0.36
8.	Shyamsunder Gupta	8097	0.28	745	-	8097	0.28
9.	Yasin Lukamanbhai Gadhia	7537	0.26	7537	-	7537	0.26
10.	Aruna Bhailal Mehta	7492	0.26	-	-	7492	0.26

### (v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Change in Shareholding (No. of shares)*		Shareholding at the end of the year	
		Name of the Directors/KMP	No. of Shares	% of Total Shares of the company	Increase	Decrease	No. of Shares
1.	Dr. Pravin N. Bhagwati	450862	15.65	-	-	450862	15.65
2.	Ms. Reena P. Bhagwati	911825	31.65	56761	-	968586	33.62
3.	Mr. Padmin H. Buch	-	-	-	-	-	-
4.	Mr. Rajendraprasad J. Shah	-	-	-	-	-	-
5.	Mr. Vimal R. Ambani	-	-	-	-	-	-
6.	Mr. D. K. Sheth	10	0.003	-	-	10	0.003
7.	Mr. M. C. Naliyadhara	-	-	-	-	-	-

\*Change in shareholding of Ms. Reena P. Bhagwati is given in change in Promoter's shareholding Point No. [IV (iii)] above.

### V. INDEBTEDNESS

#### Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount Rs. in lakhs)

	Secured Loans excluding deposits ^	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	603.65	273.70	-	877.35
ii) Interest due but not paid	0.57	-	-	0.57
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	604.22	273.70	-	877.92
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	38.25	200.00	-	238.25
Net Change	38.25	200.00	-	238.25
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	565.62	73.70	-	639.32
ii) Interest due but not paid	0.35	-	-	0.35
iii) Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	<b>565.97</b>	<b>73.70</b>	<b>-</b>	<b>639.67</b>

^ An amount of working capital facilities was included in secured loans.

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount Rs. in lakhs)

Sr. No.	Particulars of remuneration	Name of MD		Total Amount
		Dr. P. N. Bhagwati (MD)	Ms. R. P Bhagwati (Jt. M.D.)	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	64.56	12.00	76.56
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.45	-	0.45
2.	Stock Option	-	-	-
3.	Sweet Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify (Contribution to provident Funds, Contribution to Superannuation Fund and Medical Reimbursement, Reimbursement of Expenses)	06.13	-	06.13
	<b>Total (A)</b>	<b>71.14</b>	<b>12.00</b>	<b>83.14</b>

**Ceiling as per the Act :** The total managerial remuneration payable shall not exceed ten percent of net profit of the Company or if the same exceeds, it shall be within the limits of Schedule V Part II of the Companies Act, 2013. The remuneration paid to managing directors during the year is within the statutory limit as specified above.

**B. Remuneration to other directors :**

(Amount Rs. in lakhs)

S. No.	Particulars of Remuneration	Name of Directors			Total
		Mr. P.H. Buch (ID)	Mr. R. J. Shah (ID)	Mr. V.R. Ambani (ID)	
1.	Sitting fees- Board/ Committee	0.41	0.41	0.41	1.23
	<b>Total (B)</b>	<b>0.41</b>	<b>0.41</b>	<b>0.41</b>	<b>1.23</b>

**C. Remuneration to key managerial personnel other than MD/Manager/WTD**

(Amount Rs. in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel's		Total
		D. K. Sheth (CFO)	M. C. Naliyadhara (CS)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	42.78	4.35	47.13
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify (Provident Fund)	1.81	0.19	2.00
	<b>Total</b>	<b>44.59</b>	<b>4.54</b>	<b>49.13</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There were no penalties/ punishment / compounding of offences for breach of any section of the Companies Act, 2013 against the Company or its Directors or other Officer in default during the financial year 2019-20.

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

Place : Ahmedabad  
Date : 19/06/2020

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

## BHAGWATI AUTOCAST LIMITED

### ANNEXURE “2” of the Directors Report

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

##### [A] CONSERVATION OF ENERGY:

###### a) Steps taken on conservation of energy:

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

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

##### FURTHER STEPS TO BE IMPLEMENTED

- [1] Air Compressors will be shifted near to equipment and all old pipe line with more resistance will be replaced by better quality having minimum resistance. Saving potential is 400 kwh/day minimum.
- [2] A.C. Drive will be installed in mixture and compressor motors.
- [3] Cooling tower saver will be introduced.

##### b) Steps taken by the Company for utilizing alternate sources of energy: None

##### c) Additional capital investment and proposals, if any, being implemented for reduction of consumption of energy:

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

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

Satisfactory impact of measures taken as above has been observed during the current year. However, further improvement may be possible when we reach to higher output.

Maintained the average power factor of whole plant at 0.99.

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

Particulars	2019-20	2018-19
<b>[I] Power &amp; Fuels consumption :</b>		
1. Electricity		
<b>[a] Purchased</b>		
- Units	17299120	18612510
- Total Amount [Rs. Lacs]	1388.86	1412.29
- Rate/ Unit [Rs.]	8.03	7.59
<b>[b] Own Generation</b>		
[i] Through Diesel Generator		
- Units	6087	8115
- Units per liter of diesel oil	3.20	3.75
- Cost per unit [Rs.]	22.81	19.47
[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>[II] Consumption per unit of Production</b>	<b>Electricity per MT of Castings</b>	<b>Electricity per MT of Castings</b>
[i] CI Castings	1271	1168
[ii] SGI Castings	1248	1049

##### [B] TECHNOLOGY ABSORPTION:

###### i. The efforts made towards technology absorption

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

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

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

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

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

###### iv. The expenditures incurred on Research and Development:

- [i] Specific areas in which R & D are carried out by the Company:-
  - [a] Study and improvement in the production process parameters of ductile iron and gray iron castings.
  - [b] After successful recertification of ISO-9001:2015 Evolving System approach to Total Quality Management.

- (ii) Benefits derived as a result of above R & D:-
- [a] Quality improvement
  - [b] Cost Control
  - [c] Energy saving by controlling grade 500/7 in as cast condition.

**[C] FOREIGN EXCHANGE EARNINGS AND OUTGO:**

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

	<u>2019-20</u>	<u>2018-19</u>
	[Rs in Lakhs]	[Rs in Lakhs]
Total Foreign Exchange used	<b>1.60</b>	14.67
Total Foreign Exchange earned	<b>Nil</b>	Nil

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

Place : Ahmedabad  
Date : 19/06/2020

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

## BHAGWATI AUTOCAST LIMITED

### Annexure “3” to the Board Report

**Form No. AOC-2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

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

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2020 which were not at arms' length basis.

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements /transactions	Duration of the contracts/arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	Bhagwati Spherocast Pvt. Ltd.-it is a related party within meaning of section 2(76) of the Companies Act, 2013	Job work, supply of goods & availing or rendering of Services.	5 (Five) years with effect from 1 st April, 2015 to 31 st March, 2020.	- Job work, supply of goods & rendering services up to Maximum amount of Rs. 350/-laks for each year. - Contract shall be valid for 5 years however, if either of the party desires to terminate the agreement, it can be terminated by either party by giving 60 days notice. - No party shall transfer or assign its rights, obligations or liabilities under this agreement or any part thereof to any third party.	25.07.2014	Nil
2.	Bhagwati Filters Pvt. Ltd. - it is a related party within meaning of section 2(76) of the Companies Act, 2013.	Purchase of Material	1 (One) year with effect from 1 st April, 2019 to 31 st March, 2020.	All the related party transactions including purchase of materials are at arms' length basis up to Rs. 5 lakhs.	29.05.2019	Nil

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

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

Place : Ahmedabad  
Date : 19/06/2020

### Annexure “4” to the Board Report

#### DISCLOSURES ON MANAGERIAL REMUNERATION:

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

A. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary or Manager, if any during the financial year 2019-20, and ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20:

Sr.No.	Name	Designation	Ratio of remuneration of each Director to median remuneration of employees	% Increase in Remuneration in the FY2019-20
1.	Dr. P. N. Bhagwati	Chairman & Managing Director	15.57	-
2.	Ms. R. P. Bhagwati	Jr. Managing Director	02.63	-
3.	Mr. P. H. Buch	Independent Director	0.09	-
4.	Mr. R. J. Shah	Independent Director	0.09	-
5.	Mr. V. R. Ambani	Independent Director	0.09	-
6.	Mr. D. K. Sheth	Chief Financial Officer	N.A.	7.55%
7.	Mr. M. C. Naliyadhara	Company Secretary	N.A.	7.08%

#### Notes :

1. The remuneration of Independent Directors includes only sitting fees paid to them for the financial year 2019-20.
2. Median remuneration of the Company for all its employee is Rs. 4,56,828/- for financial year 2019-20.
- B. Percentage increase in the median remuneration of employees in the financial year : 3.57%
- C. Number of permanent employees (staff) on the rolls of the Company : 75 as on 31st March, 2020
- D. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
On an average, employees received an annual increase of 8%. The individual increments varied from 5% to 20%, based on individual performance. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.



- E. Affirmation that the remuneration is as per the Remuneration policy of the Company:  
It is affirmed that the remuneration is as per the Remuneration policy of the Company.

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

Place : Ahmedabad  
Date : 19/06/2020

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

**Annexure "5" to the Board Report**

**MANAGEMENT DISCUSSION AND ANALYSIS**

(Pursuant to Regulation 34(2) of the SEBI (LODR) Regulation, 2015)

**COMPANY PROFILE**

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

**OVERALL REVIEW**

The Company's production decreased by 14.57% during the year 13611 (MT) as compared to the previous year production of 15932 (MT). In terms of total Revenue generated during the year is highlighted as follows:

(Rs. in Crores)

	<b>2019-20</b>	<b>2018-19</b>
Sale of CI Castings	98.85	119.23
Sale of SGI Castings	0.01	0.24
Sale of Patterns	1.64	0.49
<b>Revenue from Operations</b>	<b>100.50</b>	<b>119.96</b>
Other Operating Revenue	-	-
Other Income	0.12	0.04
<b>Total Revenue</b>	<b>100.62</b>	<b>120.00</b>

While detailed financial position and performance are available in the Balance Sheet, Statement of Profit & Loss, along with related notes forming part of the financial statements for the year 2019-20.

**INDUSTRY STRUCTURE AND DEVELOPMENTS**

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

**OUTLOOK, OPPORTUNITIES AND DEVELOPMENTS**

As the rural sector not too much affected by CoVID-19 pandemic and good crops better minimum support price (MSP) and also the government initiative for much income not affected. Our Company is closely dependent on the growth of tractor industries and demand for tractors is highly dependent on the agriculture activity in the country and that invariably dependent on the monsoon season.

Factors like infrastructure development, and launch of new models by vehicle manufacturers, changing buying pattern, replacement demand etc. overall improvement in economic fundamentals will be the positive drivers for tractor and automobile industries in the medium to long term. The optimistic outlook of tractor industries will give boost to the demand for auto components as well and as a component supplier, the prospects of Company's business also looks good.

**THREATS, RISKS & CONCERNS**

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

**INTERNAL CONTROL SYSTEM AND ADEQUACY**

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

**HUMAN RESOURCES**

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

## BHAGWATI AUTOCAST LIMITED

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

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

Sr.No.	Particulars	FY 2019-20	FY 2018-19	Change in %	Explanation
1	Debtor Turnover	3.42	4.07	-15.86	N.A.
2	Inventory Turnover	16.35	19.25	-15.03	N.A.
3	Interest Coverage Ratio	4.49	6.28	-28.48	Interest coverage decreased because profit before interest and tax lower as compared to previous year.
4	Current Ratio	1.53	1.38	11.41	N.A.
5	Debt Equity Ratio	0.98	1.13	-13.40	N.A.
6	Operating Profit Margin (%)	3.90	4.89	-20.27	N.A.
7	Net Profit Margin (%)	2.14	3.08	-30.54	Net profit margin decreased because of the reduction in profit before tax and deferred tax and decrease in turnover around 19.46 Crs.
8	Return on Net Worth	8.06	14.85	-45.74	Return on net worth decreased because there is low profit margin and Net profit has also gone down during the year.

### CAUTIONARY STATEMENT

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

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

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

Place : Ahmedabad  
Date : 19/06/ 2020

### Annexure "6" to the Board Report

#### Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2020

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

To,  
The Members,  
Bhagwati Autocast Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit by using appropriate Information technology tools like virtual data sharing by way of data room and remote desktop access tools, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein after. The physical Inspection or Verification of documents and records were taken to the extent possible:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

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

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the audit period):-
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the audit period):-
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company during the audit period):-
- (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015:-
- (j) Other laws specifically applicable to the company, as per the representation made by the company.
- (vi) Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
  - 1. Factories Act, 1948
  - 2. Gujarat Pollution Control Board (Environment Pollution Act)

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

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

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

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

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

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

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

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

**We further report that** during the year Company has passed following special resolutions in Annual general Meeting held on 21st day of August, 2019.

1. To re-appoint Mr. Padmin H. Buch (DIN: 03411816) as an Independent Director.
2. To re-appoint Mr. Rajendraprasad J. Shah (DIN:01982424) as an Independent Director

Place: Ahmedabad  
Date: 18/06/2020

**Chirag Shah**  
Partner  
Chirag Shah & Associates  
FCS No. 5545  
C P No.: 3498  
UDIN : F005545B000351979

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

**'Annexure A'**

To,  
The Members,  
Bhagwati Autocast Limited

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

**Management's Responsibility**

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

**Auditor's Responsibility**

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

**Disclaimer**

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

Place: Ahmedabad  
Date: 18/06/2020

**Chirag Shah**  
Partner  
Chirag Shah & Associates  
FCS No. 5545  
C P No.: 3498  
UDIN : F005545B000351979

## BHAGWATI AUTOCAST LIMITED

### Independent Auditor's Report

**To**  
**The Members of**  
**Bhagwati Autocast Limited**  
**Report on the Audit of the Standalone Financial Statements**  
**Opinion**

We have audited the accompanying financial statements of **Bhagwati Autocast Limited** (the 'Company') which comprise the Balance Sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, the changes in equity and its cash flows for the year then ended on that date.

#### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further

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

#### **Emphasis of Matter**

We draw attention to note no. 5 of the financial results, wherein management while concluding no significant impact due to COVID-19 on the current year's financial results, has considered internal and external source of information relating to economic forecasts and estimates on realizability of various classes of assets and expects to recover the carrying amounts of these assets. However, the assessment of Impact of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The company will continue to monitor any material changes to future economic condition. Our opinion is not modified in respect of the above matter.

#### **Key Audit Matters**

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

Key Audit Matter	Response to Key Audit Matter
<p><b>Fair Value Assessment of Trade Receivables</b></p> <p>The company has trade receivables amounting to Rs. 2902.97 Lakhs (i.e. 54.84% of total assets) at the Balance Sheet Date 31/3/2020.</p> <p>The increasing challenges over the economy and operating environment in the auto industry during the year have increased the risks of default on receivables from the company's customers. In particular, in the event of insolvency of customers, the company is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations in accordance with the requirements of the agreements.</p> <p>Based on historic default rates and overall credit worthiness of customers, the company adopted a policy for assessing credit risk as per expected credit loss model for outstanding balances as on balance sheet date as per their ageing bucket and impairment allowance of Rs. 4.78 Lakh made in respect of outstanding trade receivables as on 31st March, 2020.</p>	<p>We have performed the following procedures in relation to the recoverability of trade receivables:</p> <ul style="list-style-type: none"> <li>❖ Tested the accuracy of aging of trade receivables at year end on a sample basis;</li> <li>❖ Obtained a list of outstanding receivables and assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers, publicly available information and latest correspondence with customers.</li> <li>❖ Tested subsequent settlement of trade receivables after the balance sheet date on sample basis.</li> </ul> <p>We found the key judgements and assumptions used by management in the recoverability assessment of trade receivables to be supportable based on the available evidence.</p>
<p><b>Physical Verification of Inventories</b></p> <p>The company's inventories include raw materials, work in progress, finished goods and stores &amp; spares. The company has adequate inventory records and system as also internal controls over inventory movements and records. The company has established procedures to carry out physical inventory during the year as also at the year-end. However, due to various restrictions imposed under COVID 19 outbreak, physical verification could not be carried out at the year-end, but the same was carried out subsequent to the year-end. At the time of such subsequent verification, it was impracticable for us auditors to physically attend the inventory counting and hence, alternative audit procedures were performed.</p>	<p>Since it was impracticable for us as auditors to attend in the physical verification of inventories, our alternative audit procedures to obtain sufficient appropriate audit evidence regarding the existence and condition of inventories include the following :</p> <ul style="list-style-type: none"> <li>❖ Evaluated the control design in respect of inventory process and testing whether such controls have operated effectively during the period of audit.</li> <li>❖ Obtained details/documents of existence and condition of physical inventories as carried out by the management during the year and subsequent to the year-end, as the case may be.</li> <li>❖ Rollback procedures were applied to arrive the inventories as verified by the company as at the year-end.</li> </ul>

**Information other than Financial Statements & Auditors Report thereon.**

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

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

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

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

**Management's Responsibility for the Financial Statements**

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

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

## BHAGWATI AUTOCAST LIMITED

### Report on Other Legal and Regulatory Requirements

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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Company has disclosed the impact of pending litigations on the financial position of its financial statements (Refer Note 34 to the financial statements);
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Company.

**Mahendra N. Shah & Co.**

Chartered Accountants  
Firm's registration No. : 105775W

**CA Chirag M. Shah**

Partner  
Membership No. : 45706  
UDIN: 20045706AAAADW6215

Place : Ahmedabad  
Date : 19/06/2020

### Annexure “A” to the Independent Auditors’ Report

(Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirements’ of our report of even date to the financial statements of the Company for the year ended March 31, 2020)

1. In respect of Fixed Assets :
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. According to information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The title deeds of immovable properties are in the name of the Company.
2. In respect of Inventories:
 

According to information and explanation given to us, physical verification of inventories has been conducted in reasonable interval by the management and no material discrepancies were noticed on physical verification during the year.
3. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under Section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the Company has not granted loan or made investment or given guarantee or provided security as provided in the Section 185 and 186 of the Companies Act, 2013.
5. According to information and explanation given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. The Central Government has prescribed maintenance of Cost Records under section 148(1) of the Companies Act, 2013 in respect of manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
7. According to information and explanations given to us in respect of statutory dues and on the basis of our examination of the books of accounts and records of the Company,
  - (a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods & Service Tax, Duty of Customs, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.
  - (b) According to the information and explanations given to us, there are no material dues of Income Tax, Sales Tax, Service Tax, Goods & Service Tax and Customs Duty which have

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

Name of the Statute	Nature of dues	Amount Rs in (lakhs)	Period to which the amount relates	Forum where the dispute is pending
Excise	Demand	3.92	FY. 02-03	CESTAT
Excise	Demand	3.39	FY. 03-04	CESTAT
Excise	Demand	2.35	FY. 04-05	CESTAT
Excise	Demand	1.87	FY. 05-06	CESTAT

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

**Mahendra N. Shah & Co.**

Chartered Accountants

Firm’s registration No. : 105775W

**CA Chirag M. Shah**

Partner

Membership No. : 045706

UDIN: 20045706AAAADW6215

Date : 19/06/2020

Place : Ahmedabad

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

We have audited the internal financial controls over financial reporting of Bhagwati Autocast Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting.**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting was operating effectively as on March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reports issued by the Institute of Chartered Accountants of India.

**Mahendra N. Shah & Co.**Chartered Accountants  
Firm's registration No. : 105775W**CA Chirag M. Shah**Partner  
Membership No. : 045706

UDIN: 20045706AAAADW6215

Date : 19/06/2020

Place : Ahmedabad



**BALANCE SHEET AS AT 31ST MARCH, 2020**

	Note Nos.	As at 31 <sup>st</sup> March, 2020	(Rs. in Lakhs) As at 31 <sup>st</sup> March, 2019
<b>I ASSETS</b>			
<b>1) Non-current assets</b>			
(a) Property, Plant and Equipment	3	<b>1,616.56</b>	1,527.45
(b) Capital work-in-progress		<b>0.00</b>	82.71
(c) Intangible assets	4	<b>0.82</b>	2.73
(d) Financial Assets			
Loans	5	<b>0.30</b>	0.30
(e) Other non-current assets	6	<b>19.27</b>	65.48
<b>Total Non-current Assets</b>		<b>1,636.95</b>	1,678.67
<b>2) Current assets</b>			
(a) Inventories	7	<b>634.44</b>	594.75
(b) Financial Assets			
(i) Trade receivables	8	<b>2,902.97</b>	2,962.55
(ii) Cash and cash equivalents	9	<b>13.79</b>	5.57
(iii) Bank balances other than (ii) above	10	<b>46.39</b>	28.66
(iv) Loans	11	<b>1.03</b>	0.57
(v) Other Financial Assets	12	<b>0.33</b>	0.00
(d) Other current assets	13	<b>58.11</b>	43.98
<b>Total Current Assets</b>		<b>3,657.06</b>	3,636.08
<b>TOTAL ASSETS</b>		<b>5,294.01</b>	5,314.75
<b>II EQUITY AND LIABILITIES</b>			
<b>1) Equity</b>			
(a) Equity Share capital	14	<b>288.07</b>	288.07
(b) Other Equity	15	<b>2,383.30</b>	2,202.82
<b>Total Equity</b>		<b>2,671.37</b>	2,490.89
<b>2) LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
Borrowings	16	<b>88.56</b>	42.40
(b) Provisions	17	<b>41.44</b>	40.60
(c) Deferred tax liabilities (Net)	18	<b>108.22</b>	99.58
<b>Total Non-current Liabilities</b>		<b>238.22</b>	182.58
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	<b>476.60</b>	811.48
(ii) Trade payables	20		
- Total outstanding dues of micro and small enterprise		<b>33.89</b>	192.35
- Total outstanding dues of creditors other than micro and small enterprises		<b>1,601.77</b>	1,386.68
(iii) Other financial liabilities	21	<b>148.19</b>	146.41
(b) Other current liabilities	22	<b>76.02</b>	48.46
(c) Provisions	23	<b>42.42</b>	52.04
(d) Current Tax Liabilities (Net)	24	<b>5.53</b>	3.86
<b>Total Current Liabilities</b>		<b>2,384.42</b>	2,641.28
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,294.01</b>	5,314.75

**Significant Accounting Policies and Notes to the Financial Statements** 1-44

As per our report of even date attached

**For Mahendra N. Shah & Co.**

Chartered Accountants  
Firm Regn. No. 105775W

**Chirag M. Shah**

Partner  
Membership No. 045706

**Dr. P. N. Bhagwati**

Chairman & Managing Director  
(DIN : 00096799)

**Reena P. Bhagwati**

Jt. Managing Director  
(DIN : 00096280)

**D. K. Sheth**

Chief Financial Officer

**Mehul Naliyadhara**

Company Secretary

**P. H. Buch**

Director  
(DIN : 03411816)

**R. J. Shah**

Director  
(DIN : 01982424)

**V R Ambani**

Director  
(DIN : 00351512)

Place : Ahmedabad  
Date : 19-06-2020

Place : Ahmedabad  
Date : 18-6-2020

## BHAGWATI AUTOCAST LIMITED

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

	Note No.	<u>2019-20</u>	<u>2018-19</u>
<b>(Rs. in Lakhs)</b>			
<b>I INCOME</b>			
Revenue from operations	25	10,050.03	11,996.24
<b>II Other Income</b>	26	<u>12.13</u>	<u>4.34</u>
<b>III Total Income (I+II)</b>		<b>10,062.16</b>	12,000.58
<b>IV EXPENSES</b>			
Cost of materials consumed	27	4,339.69	5,823.70
Purchases of Stock-in-Trade		73.52	68.15
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	28	6.98	10.87
Employee benefits expense	29	1,222.60	1,243.30
Finance costs	30	99.68	109.79
Depreciation and amortization expense	31	240.55	233.20
Other expenses	32	3,774.69	4,018.54
<b>Total Expenses (IV)</b>		<u>9,757.71</u>	<u>11,507.55</u>
<b>V Profit before exceptional items and tax</b>		<b>304.45</b>	493.03
<b>VI Exceptional Items</b>		<u>0.00</u>	<u>0.00</u>
<b>VII Profit before tax (V - VI)</b>		<b>304.45</b>	493.03
<b>VIII Tax Expense</b>			
(1) Current Tax		82.70	144.18
(2) Deferred Tax Provision / (Reversal)		9.02	(25.39)
(3) Short/(Excess) Provision of tax for earlier years		<u>(3.48)</u>	<u>5.14</u>
<b>Total Tax Expenses</b>		<u>88.24</u>	<u>123.93</u>
<b>IX Profit for the year (VII - VIII)</b>		<b>216.21</b>	369.10
<b>X Other Comprehensive Income</b>			
(A) Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit plans		(1.39)	0.98
(ii) Tax impact on above items		<u>0.39</u>	<u>(0.27)</u>
<b>Total Comprehensive Income/(Loss) for the year (net of tax)</b>		<u>(1.00)</u>	<u>0.71</u>
<b>XI Total Comprehensive Income for the Year (IX + X)</b>		<b>215.21</b>	369.81
<b>XII Earning per Equity Shares of Rs. 10 each</b>			
(1) Basic	33	7.51	12.81
(2) Diluted	33	7.51	12.81
<b>Significant Accounting Policies and Notes to the Financial Statements</b>	1 - 44		

As per our report of even date attached

**For Mahendra N. Shah & Co.**

Chartered Accountants  
Firm Regn. No. 105775W

**Chirag M. Shah**

Partner  
Membership No. 045706

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

**Reena P. Bhagwati**  
Jt. Managing Director  
(DIN : 00096280)

**D. K. Sheth**  
Chief Financial Officer

**Mehul Naliyadhara**  
Company Secretary

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

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

**V R Ambani**  
Director  
(DIN : 00351512)

Place : Ahmedabad  
Date : 18-6-2020

Place : Ahmedabad  
Date : 19-06-2020

**CASHFLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2020**

Particulars	(Rs. in Lakhs)	
	<u>2019-20</u>	<u>2018-19</u>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax as per Statement of Profit & Loss	304.45	493.03
Adjustments for :		
Depreciation and Amortization	240.55	233.20
Interest Income	(1.82)	(2.21)
Actuarial gains/ (losses) on post employment defined benefit plans	(1.39)	0.98
Loss/(Profit) on Sale / Discard of Fixed Assets	(7.61)	(1.84)
Finance Costs	99.68	109.79
Provision for Expected Credit Loss (ECL)	4.78	0.00
Sundry Balance written off/(Written back)	(0.07)	(0.23)
Operating Profit before working capital	<u>638.57</u>	<u>832.72</u>
Adjusted for :		
Trade & other Receivables	68.35	(28.06)
Inventories	(39.69)	57.17
Trade Payable & other liabilities	<u>23.36</u>	<u>(356.62)</u>
	<u>52.02</u>	<u>(327.51)</u>
Cash generated from operations	<u>690.59</u>	<u>505.21</u>
Direct Tax Paid	<u>(77.54)</u>	<u>(137.17)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>613.05</u>	<u>368.04</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(253.22)	(398.79)
Interest Income	1.49	2.21
Sale of Fixed Assets	<u>15.80</u>	<u>4.18</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(235.93)</u>	<u>(392.40)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (Net of repayment)	96.84	65.87
Increase/(Decrease) in short term borrowings	(334.88)	39.16
Interest Paid	(96.64)	(103.83)
Dividend and Dividend Distribution Tax	<u>(34.22)</u>	<u>(27.08)</u>
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<u>(368.90)</u>	<u>(25.88)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<u>8.22</u>	<u>(50.26)</u>
Opening Balance of Cash and Cash Equivalents	5.57	55.83
Closing Balance of Cash and Cash Equivalents	<u>13.79</u>	<u>5.57</u>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<u>8.22</u>	<u>(50.26)</u>

As per our report of even date attached

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

**Chirag M. Shah**  
Partner  
Membership No. 045706

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

**Reena P. Bhagwati**  
Jt. Managing Director  
(DIN : 00096280)

**D. K. Sheth**  
Chief Financial Officer

**Mehul Naliyadhara**  
Company Secretary

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

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

**V R Ambani**  
Director  
(DIN : 00351512)

Place : Ahmedabad  
Date : 19-06-2020

Place : Ahmedabad  
Date : 18-6-2020

## BHAGWATI AUTOCAST LIMITED

### STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

A. Equity Share Capital	<u>As at 31/03/2020</u>		<u>As at 31/03/2019</u>	
Equity shares of Rs. 10 each	Nos.	Rs. in Lakhs	Nos.	Rs. in Lakhs
Fully Paid up	<b>2,880,684</b>	<b>288.07</b>	2,880,684	288.07
	<u><b>2,880,684</b></u>	<u><b>288.07</b></u>	<u>2,880,684</u>	<u>288.07</u>
<b>B. Other Equity</b>	<b>Reserve and Surplus</b>			<b>(Rs. in Lakhs)</b>
	<b>Securities</b>			
	<b>Premium</b>	<b>General</b>	<b>Retained</b>	<b>Total</b>
	<b>Reserve</b>	<b>Reserve</b>	<b>Earnings</b>	
<b>Balance as at 1st April, 2018</b>	249.71	795.25	815.84	1,860.80
Profit for the year	0.00	0.00	369.10	369.10
Other Comprehensive Income for the year	0.00	0.00	0.71	0.71
<b>Total Comprehensive income for the year</b>	<u>0.00</u>	<u>0.00</u>	<u>369.81</u>	<u>369.81</u>
Dividend	0.00	0.00	(23.05)	(23.05)
Corporate Tax on Dividend	0.00	0.00	(4.74)	(4.74)
<b>Balance as at 31st March, 2019</b>	249.71	795.25	1,157.86	2,202.82
<b>Balance as at 1st April, 2019</b>	<b>249.71</b>	<b>795.25</b>	<b>1,157.86</b>	<b>2,202.82</b>
Profit for the year	<b>0.00</b>	<b>0.00</b>	<b>216.21</b>	<b>216.21</b>
Other Comprehensive Income for the Year	<b>0.00</b>	<b>0.00</b>	<b>(1.00)</b>	<b>(1.00)</b>
<b>Total Comprehensive income for the year</b>	<u><b>0.00</b></u>	<u><b>0.00</b></u>	<u><b>215.21</b></u>	<u><b>215.21</b></u>
Dividend	<b>0.00</b>	<b>0.00</b>	<b>(28.81)</b>	<b>(28.81)</b>
Corporate Tax on Dividend	<b>0.00</b>	<b>0.00</b>	<b>(5.92)</b>	<b>(5.92)</b>
<b>Balance as at 31st March, 2020</b>	<u><b>249.71</b></u>	<u><b>795.25</b></u>	<u><b>1,338.34</b></u>	<u><b>2,383.30</b></u>

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

**Chirag M. Shah**  
 Partner  
 Membership No. 045706

Place : Ahmedabad  
 Date : 19-06-2020

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

**Reena P. Bhagwati**  
 Jt. Managing Director  
 (DIN : 00096280)

**D. K. Sheth**  
 Chief Financial Officer

**Mehul Naliyadhara**  
 Company Secretary

**P. H. Buch**  
 Director  
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**R. J. Shah**  
 Director  
 (DIN : 01982424)

**V R Ambani**  
 Director  
 (DIN : 00351512)

Place : Ahmedabad  
 Date : 18-6-2020

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED ON 31ST MARCH  
2020**
**NOTE NO. 1 - Corporate Information:**

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

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

The financial statements were authorized for issue in accordance with a resolution of the directors on June 18, 2020.

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

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

**Historical cost convention**

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

**Current and non-current classification**

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

**Functional currency:**

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

**Rounding of amounts**

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

**2.2 Key accounting estimates & Judgments:**

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

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

**2.3 Property, Plant & Equipment:**

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

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

**Depreciation methods, estimated useful lives and residual value**

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

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

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

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

**2.4 Intangible Assets**

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

**Amortisation method and useful life**

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

**2.5 Inventories:**

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

**2.6 Financial Instruments**
**i. Recognition and initial measurement**

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

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

**ii. Classification and subsequent measurement**
**Financial assets**

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

## BHAGWATI AUTOCAST LIMITED

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

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

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

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

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

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

### Financial liabilities

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

### De-recognition

#### Financial assets

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

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

#### Financial liabilities

The company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The company also de-recognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based

on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

### Off-setting

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

### 2.7 Revenue recognition

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

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

#### Sale of goods

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

#### Other revenue:

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

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

### 2.8 Income tax

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

#### (a) Current Tax

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

#### (b) Deferred Tax

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

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that

sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

**(c) Minimum Alternate Tax (MAT):**

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

**2.09 Provisions, contingent liabilities and contingent assets:**

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

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

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

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

**2.10 Employee benefits :**

**Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the

period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

**Other long-term employee benefit obligations**

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

**Post-employment obligations**

The Company operates the following post-employment schemes:

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

**Gratuity obligations**

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

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

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

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

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

**Defined Contribution Plans**

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

**2.11 Borrowing costs :**

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

**2.12 Earnings Per Share :**

**Basic earnings per share**

Basic earnings per share is calculated by dividing:

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

**Diluted earnings per share**

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

- the after income tax effect of interest and other financing costs

associated with dilutive potential equity shares, and

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

**2.13 Impairment of Assets :**

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

**2.14 Cash Flow Statements :**

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

**2.15 Foreign currency transactions :**

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

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

**2.16 Exceptional items :**

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

**2.17 Events occurring after the balance sheet date :**

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

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



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020**  
**Note No. 3 Property, Plant and equipment**

Particulars	(Rs in Lakhs)									
	Freehold Land	Building	Plant and Equipment	Electric Installation	Furniture and fixtures	Vehicle	Office equipment	Computer	Total	
<b>Gross Carrying Value</b>										
Balance as at 1st April, 2018	16.54	565.98	2,731.56	142.14	87.23	34.95	25.01	38.01	<b>3,641.42</b>	
Additions	0.00	14.54	257.28	15.67	1.03	25.59	3.01	0.58	317.70	
Disposals/Adjustments	0.00	0.00	38.24	0.00	0.00	8.54	0.00	0.00	46.78	
<b>Balance as at 31st March, 2019</b>	<b>16.54</b>	<b>580.52</b>	<b>2,950.60</b>	<b>157.81</b>	<b>88.26</b>	<b>52.00</b>	<b>28.02</b>	<b>38.59</b>	<b>3,912.34</b>	
Additions	0.00	0.00	332.82	0.00	0.20	0.00	1.35	1.56	335.93	
Disposals/Adjustment	0.00	0.00	150.20	0.00	0.00	0.00	0.30	0.00	150.50	
<b>Balance as at 31st March, 2020</b>	<b>16.54</b>	<b>580.52</b>	<b>3,133.22</b>	<b>157.81</b>	<b>88.46</b>	<b>52.00</b>	<b>29.07</b>	<b>40.15</b>	<b>4,097.77</b>	
<b>Accumulated Depreciation</b>										
Balance as at 1st April, 2018	0.00	217.40	1,792.45	65.21	48.56	23.23	21.13	35.74	<b>2,203.72</b>	
Deduction & Adjustment	0.00	0.00	36.33	0.00	0.00	8.11	0.00	3.34	47.78	
Depreciation for the year	0.00	24.49	175.65	13.02	7.15	4.30	1.29	3.06	228.96	
<b>Balance as at 31st March, 2019</b>	<b>0.00</b>	<b>241.89</b>	<b>1,931.77</b>	<b>78.23</b>	<b>55.71</b>	<b>19.42</b>	<b>22.42</b>	<b>35.46</b>	<b>2,384.90</b>	
Deduction & Adjustment	0.00	0.00	142.03	0.00	0.00	0.00	0.29	0.00	142.32	
Depreciation for the year	0.00	18.60	191.58	13.61	7.08	5.15	1.57	1.05	238.64	
<b>Balance as at 31st March, 2020</b>	<b>0.00</b>	<b>260.49</b>	<b>1,981.32</b>	<b>91.84</b>	<b>62.79</b>	<b>24.57</b>	<b>23.70</b>	<b>36.51</b>	<b>2,481.22</b>	
<b>Net Carrying amount</b>										
Balance as at 31st March, 2019	16.54	338.63	1,018.83	79.58	32.55	32.58	5.60	3.13	1,527.45	
<b>Balance as at 31st March, 2020</b>	<b>16.54</b>	<b>320.03</b>	<b>1,151.90</b>	<b>65.97</b>	<b>25.67</b>	<b>27.43</b>	<b>5.37</b>	<b>3.64</b>	<b>1,616.56</b>	

**Note No. 4 - Intangible Assets - Computer Software**

Particulars	Gross Amount		Amortization		Net Carrying amount	
	19-20	18-19	19-20	18-19		
<b>Opening Balance</b>	<b>34.68</b>	34.68	<b>31.96</b>	24.38	Balance as at 31/03/19 2.73	
Additions	0.00	0.00	1.91	4.24	Balance as at 31/03/20 <b>0.82</b>	
Deduction & Adjustment	0.00	0.00	-	(3.34)		
<b>Closing Balance</b>	<b>34.68</b>	34.68	<b>33.87</b>	31.96		

## BHAGWATI AUTOCAST LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

	As at <u>31/03/2020</u>	(Rs. in Lakhs) As at <u>31/03/2019</u>
<b>NOTE NO. 5</b>		
<b>Loans (Non Current)</b>		
Security Deposits (Unsecured)		
Considered good	<u>0.30</u>	0.30
<b>TOTAL . . .</b>	<u><b>0.30</b></u>	<u>0.30</u>
<b>NOTE NO. 6</b>		
<b>Other Non Current Assets</b>		
Capital Advances (unsecured, considered good)	<u>0.00</u>	46.21
Balance with Govt. Authorities	<u>19.27</u>	19.27
<b>TOTAL . . .</b>	<u><b>19.27</b></u>	<u>65.48</u>
<b>NOTE NO. 7</b>		
<b>Inventories</b>		
Raw Materials	<u>113.45</u>	79.74
Work-in-Process	<u>56.56</u>	64.60
Finished Goods	<u>168.56</u>	120.65
Stock-in-trade	<u>0.00</u>	46.84
Stores & Spares	<u>295.87</u>	282.92
<b>TOTAL . . .</b>	<u><b>634.44</b></u>	<u>594.75</u>
<b>NOTE NO. 8</b>		
<b>Trade receivables (current)</b>		
<b>Unsecured</b>		
Considered good	<u>2,902.97</u>	2,962.55
Doubtful	<u>4.78</u>	0.00
	<u>2,907.75</u>	2,962.55
Allowance for expected credit loss	<u>(4.78)</u>	0.00
<b>TOTAL . . .</b>	<u><b>2,902.97</b></u>	<u>2,962.55</u>
<b>NOTE NO. 9</b>		
<b>Cash and cash equivalents</b>		
Balance with banks - In Current Accounts	<u>12.48</u>	4.30
Cash on hand	<u>1.31</u>	1.27
<b>TOTAL . . .</b>	<u><b>13.79</b></u>	<u>5.57</u>
<b>NOTE NO. 10</b>		
<b>Bank balances other than mentioned in cash and cash equivalents</b>		
<b>Other Balance with Banks</b>		
In Dividend Accounts	<u>7.24</u>	6.74
Fixed Deposits with Banks (under lien against bank guarantees / LC)	<u>39.15</u>	21.92
<b>TOTAL . . .</b>	<u><b>46.39</b></u>	<u>28.66</u>
<b>NOTE NO. 11</b>		
<b>Loans (Current)</b>		
Unsecured, Considered Good		
Loans & Advance to Employee	<u>1.03</u>	0.57
<b>TOTAL . . .</b>	<u><b>1.03</b></u>	<u>0.57</u>
<b>NOTE NO. 12</b>		
<b>Other financial assets (Current)</b>		
Interest receivable	<u>0.33</u>	0.00
<b>TOTAL . . .</b>	<u><b>0.33</b></u>	<u>0.00</u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020**

	As at <u>31/03/2020</u>	(Rs. in Lakhs) As at <u>31/03/2019</u>
<b>NOTE NO. 13</b>		
<b>Other Current Assets</b>		
Advance to suppliers (other than capital advances)	5.20	6.52
Balance with Govt. Authorities	37.92	20.19
Prepaid Expenses	12.02	13.25
Other Receivable	2.97	4.02
<b>TOTAL . . .</b>	<b>58.11</b>	<b>43.98</b>

**NOTE NO. 14**
**Share Capital**
**Authorised Share Capital :**

Equity Shares of Rs. 10 each - Nos.	3,000,000	3,000,000
Equity Shares of Rs. 10 each	300.00	300.00

**Issued :**

Equity Shares of Rs. 10 each - Nos.	2,933,637	2,933,637
Equity Shares of Rs. 10 each	293.36	293.36

**Subscribed & Paid Up :**

Fully paid up - Nos.	2,880,684	2,880,684
Fully paid up	288.07	288.07

**TOTAL . . .**

**288.07**                      **288.07**

**NOTE NO. 14.1**
**The reconciliation of the no. of shares outstanding is set out below :**
**Equity shares**

	Nos.	Nos.
At the beginning of the year	2,880,684	2,880,684
Add : Issued during the year	0	0
Less : Bought back during the year	0	0

**TOTAL . . .**

**2,880,684**                      **2,880,684**

**NOTE NO. 14.2**
**Details of shareholders holding more than 5% shares**
**Ms. Reena P. Bhagwati**

- in Nos.	968,586	911,825
- in Percentage	33.62%	31.65%

**Ms. Pravin N. Bhagwati**

- in Nos.	450,862	450,862
- in Percentage	15.65%	15.65%

**M/s. Bhagwati Spherocast Pvt. Ltd.**

- in Nos.	574,746	574,746
- in Percentage	19.95%	19.95%

**Note No. 14.3**

The Company has only one class of shares i.e. equity shares. All equity shares carry equal rights with respect to voting and dividend.

**Note No. 14.4**

In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.

**Note No. 14.5**

Subsequent to Balance Sheet date, the Board of Directors has recommended a dividend of Rs. 1.00 per share to be paid on fully paid equity shares in respect of the Financial year ended on March 31, 2020. This equity dividend is subject to approval by shareholders at the ensuing Annual General Meeting and has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is Rs. 28.81 Lakhs

## BHAGWATI AUTOCAST LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

	(Rs. in Lakhs)	
	As at	As at
	<u>31/03/2020</u>	<u>31/03/2019</u>
<b>NOTE NO. 15</b>		
<b>Other Equity</b>		
<b>Securities Premium</b>	<b>249.71</b>	249.71
<b>General Reserve</b>	<b>795.25</b>	795.25
<b>Surplus in statement of Profit and Loss</b>		
Balance at the beginning of the year	<b>1157.88</b>	815.86
Add : Total comprehensive income for the Year	<b>215.21</b>	369.81
Amount available for Appropriation	<b>1,373.08</b>	1,185.67
<u>Less : Appropriations</u>		
Dividend	<b>28.81</b>	23.05
Dividend Distribution Tax	<b>5.92</b>	4.74
Total Appropriation	<b>34.73</b>	27.79
Balance at the end of the Year	<b>1,338.35</b>	1,157.88
<b>T O T A L . . .</b>	<b><u>2,383.30</u></b>	<u>2,202.82</u>
<b>Securities Premium</b>		
The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.		
<b>General Reserve</b>		
General Reserve has been created by transfer out of profit generated by the Company and is available for distribution to shareholders. Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.		
<b>Retained Earnings</b>		
Retained earnings are the profits that the Company has earned till date including effect of remeasurement of defined benefit obligations less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained Earnings is a free reserve available to the Company.		
<b>NOTE NO. 16</b>		
<b>Borrowings (Non Current)</b>		
Secured		
Term Loan from Bank	<b>88.56</b>	42.40
<b>T O T A L . . .</b>	<b><u>88.56</u></b>	<u>42.40</u>
<b>NOTE NO. 16.1</b>		
<b>Details of Security and Repayment Terms</b>		
<b>Nature of Security</b>		
Term loan from Kotak Mahindra Bank Ltd. having outstanding balance as on 31st March 2020 amounting to Rs. 42.28 & Rs. 120.44 Lakhs (31st March 2019 - Rs. 65.87 Lakhs & Nil respectively) were secured by first and exclusive charge on all existing and future current and movable fixed assets and equitable mortgage of land at survey no. 259 (old survey no. 816) and construction thereon.		
<b>Terms of Repayment &amp; Interest</b>		
Repayable in 36 monthly installments starting from November 2018 / August 2019		
Rate of interest - MCLR (3 Months/6 Months) plus 1.50%		
<b>NOTE NO. 17</b>		
<b>Provisions (Non Current)</b>		
Accrued Leave Salary	<b>41.44</b>	40.60
<b>T O T A L . . .</b>	<b><u>41.44</u></b>	<u>40.60</u>
<b>NOTE NO. 18</b>		
<b>Deferred Tax Liabilities (Net)</b>		
Liability Relating to earlier years	<b>99.58</b>	124.71
Add/(Less): Liability/(Assets) for the year		
- Charged/(Credited) to P & L	<b>9.02</b>	(25.39)
- Charged/(Credited) to OCI	<b>(0.39)</b>	0.27
<b>T O T A L . . .</b>	<b><u>108.22</u></b>	<u>99.58</u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020**

	(Rs. in Lakhs)	
	As at	As at
	31/03/2020	31/03/2019
<b>NOTE NO. 18.1</b>		
<b>Component of Deferred Tax Liabilities (Net)</b>		
Depreciation	131.36	125.60
Employee Benefits	(21.81)	(26.02)
Other Timing Differences	(1.33)	0.00
<b>TOTAL . . .</b>	<b>108.22</b>	<b>99.58</b>

<b>NOTE NO. 19</b>		
<b>Borrowings (Current)</b>		
Secured		
-Working capital facilities from banks	402.90	537.78
Unsecured (Fixed deposits)		
- From Directors	73.70	73.70
- From Companies	0.00	200.00
<b>TOTAL . . .</b>	<b>476.60</b>	<b>811.48</b>

**NOTE NO. 19.1**
**Details of Security and Interest of working capital facilities from banks**
**Nature of Security**

Working capital facilities from Kotak Mahindra Bank Ltd. having outstanding balance as on 31st March 2020 amounting to Rs. 402.90 Lakhs (31st March 2019 - Rs. 537.78 Lakhs) is secured by first and exclusive charge on all existing and future current and movable fixed assets and equitable mortgage of land at survey no. 259 (old survey no. 816) and construction thereon.

**Terms of Interest**

Rate of interest - MCLR (6 months)  
plus 0.70%

**NOTE NO. 19.2**

Rate of interest for deposits from directors and companies - 13.50% p.a.

**NOTE NO. 20**
**Trade Payables (Current)**

Due to Micro & Small Enterprise	33.89	192.35
Others	1,601.77	1,386.68
<b>TOTAL . . .</b>	<b>1,635.66</b>	<b>1,579.03</b>

**NOTE NO. 20.1 Details as required under MSMED Act are given below :**

Particulars	As at	As at
	31/03/2020	31/03/2019
Principal amount remaining unpaid to any supplier as at the end of accounting year	33.89	192.35
Interest due remaining unpaid to any supplier as at the end of accounting year	8.66	5.39
Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	0.00	0.00
The amount of the payment made to the supplier beyond the appointed day during the accounting year	233.70	182.30
Amount of interest due and payable for the reporting period of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act	3.22	5.08
Amount of interest accrued and remaining unpaid at the end of the accounting year	0.05	0.31
Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	8.66	5.39

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

**NOTE NO. 21**
**Other Financial Liabilities (Current)**

Current maturities of long-term debt	74.16	23.47
Interest accrued	0.35	0.57
Unpaid dividends	7.24	6.73
Trade Payable - Capital Goods	6.37	29.23
Dues to Employees and others	60.07	86.41
<b>TOTAL . . .</b>	<b>148.19</b>	<b>146.41</b>

## BHAGWATI AUTOCAST LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

	As at	(Rs. in Lakhs)
	31/03/2020	As at 31/03/2019
<b>NOTE 22</b>		
<b>Other Current Liabilities</b>		
Credit balance of Trade Receivable	0.00	8.56
Statutory Dues	69.77	35.19
Contractor's Retention Money	6.25	4.71
<b>TOTAL . . .</b>	<b>76.02</b>	48.46
 <b>NOTE NO. 23</b>		
<b>Provisions (Current)</b>		
<b>Employee Benefits</b>		
- Accrued Leave Salary	3.89	3.74
- Bonus	27.34	28.69
- Gratuity Contribution	2.53	14.22
<b>Others</b>		
- Interest under MSMED Act	8.66	5.39
<b>TOTAL . . .</b>	<b>42.42</b>	52.04
 <b>NOTE NO. 24</b>		
<b>Current Tax Liabilities</b>		
Provision for Taxation (Net of Advance Tax)	5.53	3.86
<b>TOTAL . . .</b>	<b>5.53</b>	3.86
 <b>NOTE NO. 25</b>	<b>2019-20</b>	<b>2018-19</b>
<b>Revenue from operations</b>		
Sale of products	10,050.03	11,996.24
<b>TOTAL . . .</b>	<b>10,050.03</b>	11,996.24
 <b>NOTE NO. 25.1</b>		
<b>Sale of Products</b>		
Name of Products		
CI Castings	9,884.72	11,922.98
S GI Castings	1.51	23.96
Patterns	163.80	49.30
<b>TOTAL . . .</b>	<b>10,050.03</b>	11,996.24
 <b>NOTE NO. 26</b>		
<b>Other income</b>		
Interest income	1.82	2.21
Profit on Sale of Fixed Assets (Net)	7.61	1.84
Sundry balances written back	0.41	0.29
Miscellaneous Income	2.29	0.00
<b>TOTAL . . .</b>	<b>12.13</b>	4.34
 <b>NOTE NO. 27</b>		
<b>Cost of materials consumed</b>		
Opening Stock	79.74	161.79
Add : Purchases	4,373.40	5,741.65
Less : Closing Stock	113.45	79.74
<b>TOTAL . . .</b>	<b>4,339.69</b>	5,823.70

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020**

	<u>2019-20</u>	<u>(Rs. in Lakhs)</u> <u>2018-19</u>
<b>NOTE NO. 28</b>		
<b>Changes in Inventories of Finished goods, Stock-in-Trade and Work in-Progress</b>		
<b>Closing Stock</b>		
Finished Goods	<b>168.56</b>	120.65
Work in Progress	<b>56.56</b>	64.60
Stock-in-trade	<b>0.00</b>	46.84
<b>Sub Total</b>	<b>225.12</b>	232.09
<b>Opening Stock</b>		
Finished Goods	<b>120.65</b>	115.87
Work in Progress	<b>64.60</b>	106.48
Stock-in-trade	<b>46.85</b>	20.61
<b>Sub Total</b>	<b>232.10</b>	242.96
<b>Total (Increase) / Decrease In Stock</b>	<b>6.98</b>	10.87
<b>NOTE NO. 29</b>		
<b>Employee benefit expense</b>		
Salaries and wages	<b>1,060.48</b>	1,087.88
Contribution to provident and other funds	<b>39.55</b>	38.90
Gratuity	<b>17.14</b>	15.20
Managerial Remuneration		
- Salary, Allowances & Perks	<b>77.38</b>	77.25
- Provident Fund	<b>5.76</b>	5.76
Staff welfare expenses	<b>22.29</b>	18.31
<b>TOTAL . . .</b>	<b>1,222.60</b>	1,243.30
<b>NOTE NO. 30</b>		
<b>Finance Costs</b>		
Interest Expenses	<b>87.24</b>	93.42
Other Borrowing Costs	<b>12.44</b>	16.37
<b>TOTAL . . .</b>	<b>99.68</b>	109.79
<b>NOTE NO. 31</b>		
<b>Depreciation and Amortisation expense</b>		
Depreciation on Tangible Assets	<b>238.64</b>	228.96
Amortization of Intangible Assets	<b>1.91</b>	4.24
<b>TOTAL . . .</b>	<b>240.55</b>	233.20
<b>NOTE NO. 32</b>		
<b>Other expenses</b>		
Consumption of stores and spares	<b>1,505.68</b>	1,616.53
Power and fuel	<b>1,388.86</b>	1,412.29
Processing Charges	<b>599.88</b>	694.43
Repairs to Buildings	<b>9.83</b>	7.80
Repairs to Machinery	<b>41.22</b>	23.96
Other Repair & Maintenance	<b>49.10</b>	54.13
Legal & Professional Fees	<b>37.42</b>	60.16
Recruitment Expenses	<b>13.35</b>	0.42
Sales and Distribution Expenses	<b>49.24</b>	78.61
Travelling and conveyance	<b>17.04</b>	13.41
Directors' Sitting Fees	<b>1.23</b>	0.85
Auditors' Remuneration	<b>2.07</b>	1.95
Provision for Expected Credit Loss (ECL)	<b>4.78</b>	0.00
Sundry Balances Written off	<b>0.34</b>	0.06
Miscellaneous Expenses	<b>54.65</b>	53.94
<b>TOTAL . . .</b>	<b>3,774.69</b>	4,018.54

## BHAGWATI AUTOCAST LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

(Rs. in Lakhs)

<b>NOTE NO. 32.1</b>	<b>2019-20</b>	<b>2018-19</b>
<b>Auditor's Remuneration</b>		
Audit fees*	1.70	1.50
Tax audit fees*	0.30	0.30
Reimbursement of expenses	0.07	0.15
<b>T O T A L . . .</b>	<b>2.07</b>	<b>1.95</b>

\*Net of GST

#### **NOTE NO. 33 - Earning per Share**

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

<b>Particulars</b>		
Profit for the year	<b>216.21</b>	369.10
Net Profit attributable to Equity Shareholders	<b>216.21</b>	369.10
Number of Equity Shares for Basic EPS	<b>2,880,684</b>	2,880,684
Add : Diluted Potential Equity Shares	<b>0.00</b>	0.00
Number of Equity Shares for Diluted EPS	<b>2,880,684</b>	2,880,684
Basic Earning Per Share in Rupees	<b>7.51</b>	12.81
Diluted Earning Per Share in Rupees	<b>7.51</b>	12.81
Nominal Value Per Share in Rupees	<b>10.00</b>	10.00

#### **NOTE NO. 34**

##### **Contingent Liabilities and Commitments**

##### **Contingent Liabilities**

Demands for excise duty in respect of different years against which company has preferred appeals before appropriate authorities [Refer Note No. 34.1]	<b>11.53</b>	11.53
Show cause notice for reversal of CENVAT credit for service tax	<b>0.00</b>	24.53
Outstanding bank guarantees & letter of credit	<b>175.00</b>	192.42

##### **Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	<b>0.00</b>	58.49
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#### **NOTE NO. 34.1**

The Company has received demand for excise duty on sale of patterns & moulding boxes for financial years 2001-02, 2002-03, 2003-04, 2004-05 & 2005-06 against which the Company has preferred appeals before Commissioner of excise as well as CESTAT and also paid Rs. 11.53 lakhs under protest which has been shown as balance with excise department in the accounts.

#### **NOTE NO. 35 - Segment Information**

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

#### **NOTE NO. 36**

##### **Reconciliation of income tax expense for the year with accounting profit**

Profit before tax	<b>304.45</b>	493.03
Enacted income tax rate in India applicable to the company	<b>27.82%</b>	27.82%
<b>Adjustments for :</b>		
Current tax expenses on profit before tax expenses at the enacted income tax rate in india	<b>84.70</b>	137.16
Permanent disallowances	<b>0.91</b>	1.59
Short/(Excess) provision for current tax of earlier years	<b>(3.48)</b>	5.14
Effect of change in tax rate	<b>0.00</b>	(19.78)
Others	<b>5.73</b>	(0.18)
<b>Total Income Tax Expenses</b>	<b>87.86</b>	<b>123.93</b>



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020**

	<u>2019-20</u>	<u>(Rs. in Lakhs)</u> <u>2018-19</u>
<b>NOTE NO. 37 - DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 "EMPLOYEE BENEFITS"</b>		
<b>(a) Defined contribution plans</b>		
Contribution to defined contribution plans, recognised as expense for the year is as under :		
<b>Particulars</b>		
Employee's contribution to Provident Fund	<b>45.31</b>	44.66
<b>(b) Defined benefit plan</b>		
<b>Details of defined benefit obligation and plan assets in respect of retiring gratuity are given below :</b>		
<b>i) Reconciliation of opening and closing balances of defined benefit obligation</b>		
<b>Particulars</b>		
Present value of obligation as at the beginning of the year	<b>373.83</b>	344.17
Interest Cost	<b>25.04</b>	24.09
Current Service Cost	<b>15.55</b>	14.83
Benefits Paid	<b>(49.35)</b>	(6.95)
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	<b>18.41</b>	4.71
Actuarial (Gain)/Loss on arising from Experience Adjustment	<b>(4.72)</b>	(7.02)
Present value of obligation as at the end of the year	<b>378.76</b>	373.83
<b>ii) Reconciliation of opening and closing balances of fair value of plan assets</b>		
<b>Particulars</b>		
Fair Value of plan assets at the beginning of the year	<b>359.61</b>	340.86
Interest Income	<b>23.45</b>	23.73
Contributions by the employer	<b>30.22</b>	3.30
Benefits paid	<b>(49.35)</b>	(6.95)
Return on plan assets excluding amount included in net interest on the net defined benefit liability/(assets)	<b>12.30</b>	(1.33)
Fair Value of plan assets at the end of the year	<b>376.23</b>	359.61
<b>iii) Reconciliation of fair value of assets and obligations</b>		
<b>Particulars</b>		
Fair Value of plan assets	<b>376.23</b>	359.61
Present value of obligation	<b>378.76</b>	373.83
Amount recognised in Balance Sheet [Surplus/(Deficit)]	<b>(2.53)</b>	(14.22)
<b>iv) Expenses recognised during the year</b>		
<b>Particulars</b>		
<b>(A) In the Statement of Profit &amp; Loss</b>		
Current Service Cost	<b>15.55</b>	14.83
Net interest on the net defined benefit liability/(assets)	<b>1.59</b>	0.36
Net Cost	<b>17.14</b>	15.19
<b>(B) In Other Comprehensive Income</b>		
Actuarial (Gain)/Loss	<b>(4.72)</b>	(7.02)
Return on plan assets excluding amount included in net interest on the net defined benefit liability/(assets)	<b>(12.30)</b>	1.33
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	<b>18.41</b>	4.71
Net Expense/(Income) recognized in Other Comprehensive Income	<b>1.39</b>	(0.98)
<b>v) Investment Details :</b>		
<b>Particulars</b>		
GOI Securities	<b>51%</b>	51%
Bank Balance & Fixed Deposits	<b>43%</b>	43%
Others	<b>6%</b>	6%

## BHAGWATI AUTOCAST LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

	(Rs. in Lakhs)	
	2019-20	2018-19
<b>vi) Actuarial Assumptions</b>		
<b>Particulars</b>		
Mortality Table	IALM 2012-14 Ult.	IALM 2012-14 Ult.
Discount Rate	5.50%	6.70%
Expected rate of return on plan assets	6.70%	7.00%
Withdrawal Rate	1.00%	1.00%
Rate of escalation in salary	6.00%	6.00%

#### vii) Sensitivity Analysis

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

<b>Particulars</b>		
<b>Sensitivity Level - Discount Rate</b>		
1% Increase	(15.60)	(15.39)
1% Decrease	17.18	16.82
<b>Sensitivity Level - Salary Escalation</b>		
1% Increase	16.93	16.77
1% Decrease	(15.68)	(15.63)
<b>Sensitivity Level - Employee Turnover</b>		
1% Increase	0.44	0.31
1% Decrease	(0.48)	(0.34)

viii) Expected contribution to the defined benefit plan for the next reporting period - Rs. 20 Lakhs.

#### NOTE NO. 38 - Related Party Disclosures as per Indian Accounting Standard-24

##### (a) Related Parties

Entities controlled by Directors or their relatives	Bhagwati Spherocast Pvt. Ltd. Bhagwati Filters Pvt. Ltd.
Key Management Personnel	Dr. P. N. Bhagwati (Managing Director) Ms. Reena P. Bhagwati (Jt. Managing Director) Mr. M. B. Shinde (Chief Executive Officer) (13/11/18 to 8/3/19) Mr. D. K. Sheth (Chief Financial Officer) Mr. Mehul Naliyadhara (Company Secretary)

##### (b) Transactions with related parties :

Sr. Particulars No.	Key Management Personnel and their relatives		Entities Controlled by Directors or their relatives		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	<b>A Transactions during the year</b>					
<b>i. Purchase of services (net of service tax/GST credit)</b>						
-Bhagwati Spherocast Pvt. Ltd.	0.00	0.00	196.32	220.92	196.32	220.92
<b>ii. Purchase of material / capital goods (net of GST)</b>						
-Bhagwati Spherocast Pvt. Ltd.	0.00	0.00	6.36	4.50	6.36	4.50
-Bhagwati Filters Pvt. Ltd.	0.00	0.00	0.78	1.19	0.78	1.19
<b>iii. Interest on Fixed Deposits</b>						
-Bhagwati Spherocast Pvt. Ltd.	0.00	0.00	13.50	28.02	13.50	28.02
-Bhagwati Filters Pvt. Ltd.	0.00	0.00	0.00	0.00	0.00	0.00
-Dr. Pravin N Bhagwati	3.20	3.20	0.00	0.00	3.20	3.20
-Ms. Reena P Bhagwati	6.75	6.75	0.00	0.00	6.75	6.75
<b>iv. Managerial Remuneration (MD &amp; Jt. MD)</b>						
-Dr. Pravin N Bhagwati	71.14	71.02	0.00	0.00	71.14	71.02
-Ms. Reena P Bhagwati	12.00	12.00	0.00	0.00	12.00	12.00
<b>v. Remuneration to KMP (other than MD &amp; Jt. MD)</b>						
-Mr. M. B. Shinde	0.00	16.95	0.00	0.00	0.00	16.95

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020**

(Rs. in Lakhs)

-Mr. D. K. Sheth	<b>44.59</b>	41.46	<b>0.00</b>	0.00	<b>44.59</b>	41.46
-Mr. Mehul Naliyadhara	<b>4.54</b>	4.24	<b>0.00</b>	0.00	<b>4.54</b>	4.24
<b>vi. Fixed Deposits received/renewed</b>						
-Bhagwati Spherocast Pvt. Ltd.	<b>0.00</b>	0.00	<b>0.00</b>	300.00	<b>0.00</b>	300.00
-Dr. Pravin N. Bhagwati	<b>23.70</b>	23.70	<b>0.00</b>	0.00	<b>23.70</b>	23.70
-Ms. Reena P. Bhagwati	<b>50.00</b>	50.00	<b>0.00</b>	0.00	<b>50.00</b>	50.00
<b>vii. Fixed Deposits repaid</b>						
-Bhagwati Filters Pvt. Ltd.	<b>0.00</b>	0.00	<b>0.00</b>	29.50	<b>0.00</b>	29.50
-Bhagwati Spherocast Pvt. Ltd.	<b>0.00</b>	0.00	<b>200.00</b>	100.00	<b>200.00</b>	100.00
<b>B Outstanding balance</b>						
<b>i. Payable</b>						
-Bhagwati Spherocast Pvt. Ltd.	<b>0.00</b>	0.00	<b>123.05</b>	77.14	<b>123.05</b>	77.14
-Bhagwati Filters Pvt. Ltd.	<b>0.00</b>	0.00	<b>0.05</b>	0.09	<b>0.05</b>	0.09
-Dr. Pravin N Bhagwati	<b>3.30</b>	3.24	<b>0.00</b>	0.00	<b>3.30</b>	3.24
-Ms. Reena P Bhagwati	<b>0.00</b>	0.68	<b>0.00</b>	0.00	<b>0.00</b>	0.68
-Mr. M. B. Shinde	<b>0.00</b>	0.27	<b>0.00</b>	0.00	<b>0.00</b>	0.27
-Mr. D K Sheth	<b>0.00</b>	2.78	<b>0.00</b>	0.00	<b>0.00</b>	2.78
-Mr. Mehul Naliyadhara	<b>0.00</b>	0.31	<b>0.00</b>	0.00	<b>0.00</b>	0.31
<b>ii. Fixed Deposits</b>						
-Bhagwati Spherocast Pvt. Ltd.	<b>0.00</b>	0.00	<b>0.00</b>	200.00	<b>0.00</b>	200.00
-Dr. Pravin N Bhagwati	<b>23.70</b>	23.70	<b>0.00</b>	0.00	<b>23.70</b>	23.70
-Ms. Reena P Bhagwati	<b>50.00</b>	50.00	<b>0.00</b>	0.00	<b>50.00</b>	50.00

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

**Note No. 39 - Financial Instruments - Fair Values & Risk Management**
**Note No. 39.1 - Accounting Classifications & Fair Value Measurements**

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

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

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

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

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

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

**I Figures as at March 31, 2019**

	Carrying Amount	Fair value	
		Level 1	Level 2
<b>Financial assets at amortised cost:</b>			
Trade Receivables	2,962.55	0.00	2,962.55
Cash and Cash Equivalents	5.57	0.00	5.57
Bank Balances Other than Cash and Cash Equivalents	28.66	0.00	28.66
Other Current & Non Current Financial Assets	0.87	0.00	0.87
<b>Sub-total</b>	<b>2,997.65</b>	<b>0.00</b>	<b>2,997.65</b>
<b>Financial assets at fair value through profit or loss</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Financial assets at fair value through OCI</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>2,997.65</b>	<b>0.00</b>	<b>2,997.65</b>

## BHAGWATI AUTOCAST LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

(Rs. in Lakhs)

Financial liabilities at amortised cost:			
Borrowings (Non-Current)	42.40	0.00	42.40
Borrowings (Current)	811.48	0.00	811.48
Trade Payables	1,579.03	0.00	1,579.03
Other financial liabilities	146.41	0.00	146.41
<b>Sub-total</b>	<b>2,579.32</b>	<b>0.00</b>	<b>2,579.32</b>
<b>Financial liabilities at fair value through profit or loss</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Financial liabilities at fair value through OCI</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>2,579.32</b>	<b>0.00</b>	<b>2,579.32</b>

#### II Figures as at March 31, 2020

	Carrying Amount	Fair value	
		Level 1	Level 2
<b>Financial assets at amortised cost:</b>			
Trade Receivables	<b>2,902.97</b>	<b>0.00</b>	<b>2,902.97</b>
Cash and Cash Equivalents	<b>13.79</b>	<b>0.00</b>	<b>13.79</b>
Bank Balances Other than Cash and Cash Equivalents	<b>46.39</b>	<b>0.00</b>	<b>46.39</b>
Other Current & Non Current Financial Assets	<b>1.66</b>	<b>0.00</b>	<b>1.66</b>
<b>Sub-total</b>	<b>2,964.81</b>	<b>0.00</b>	<b>2,964.81</b>
<b>Financial assets at fair value through profit or loss</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Financial assets at fair value through OCI</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>2,964.81</b>	<b>0.00</b>	<b>2,964.81</b>
<b>Financial liabilities at amortised cost:</b>			
Borrowings (Non-Current)	<b>88.55</b>	<b>0.00</b>	<b>88.55</b>
Borrowings (Current)	<b>476.60</b>	<b>0.00</b>	<b>476.60</b>
Trade Payables	<b>1,635.66</b>	<b>0.00</b>	<b>1,635.66</b>
Other financial liabilities	<b>148.19</b>	<b>0.00</b>	<b>148.19</b>
<b>Sub-total</b>	<b>2,349.00</b>	<b>0.00</b>	<b>2,349.00</b>
<b>Financial liabilities at fair value through profit or loss</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Financial liabilities at fair value through OCI</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>2,349.00</b>	<b>0.00</b>	<b>2,349.00</b>

#### Note No. 39.2 - Financial Risk Management

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

##### Note No. 39.2.1 - Credit Risk Management

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

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

Particulars	<u>As at 31-03-2020</u>	<u>As at 31-03-2019</u>
Up to 3 months	<b>2,327.17</b>	2,406.77
3 to 6 months	<b>457.88</b>	408.11
6 to 12 months	<b>45.26</b>	105.84
Beyond 12 months	<b>77.44</b>	41.83
<b>Total</b>	<b>2,907.75</b>	2,962.55

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020**
**(Rs. in Lakhs)**

(b) Details of single customer accounted for more than 10% of the accounts receivable as at 31st March 2020 and 31st March 2019 :

<b>Name of Customer</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
Escorts Ltd.	<b>1,497.07</b>	1,519.75
Swaraj Engines Ltd.	<b>724.01</b>	816.98
Mahindra & Mahindra Limited	<b>301.72</b>	223.83
Mita India Pvt. Ltd.	<b>370.84</b>	326.88

(c) Details of single customer accounted for more than 10% of revenue for the year ended at 31st March 2020 and 31st March 2019 :

<b>Name of Customer</b>	<b>As at 31-03-2019</b>	<b>As at 31-03-2018</b>
Escorts Ltd.	<b>3,411.27</b>	5,007.01
Swaraj Engines Ltd.	<b>4,256.71</b>	1,396.15
Mahindra & Mahindra Ltd.	<b>1,372.40</b>	1,272.36
Mita India Pvt. Ltd.	<b>1,493.35</b>	1,732.80

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

<b>Age of Receivables</b>	<b>% of Provision</b>	<b>Provision for ECL</b>
Upto 6 Months	<b>0%</b>	<b>0.00</b>
6 to 12 Months	<b>2%</b>	<b>0.91</b>
More than 12 Months	<b>5%</b>	<b>3.87</b>
<b>Total</b>		<b>4.78</b>

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

<b>Particulars</b>	
ECL Allowance as on 31/3/2019	<b>0.00</b>
Provided during the year	<b>4.78</b>
ECL Allowance as at 31/3/2020	<b>4.78</b>

**Note No. 39.2.2 - Liquidity Risk**

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

**Maturity profile of financial liabilities**

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

<b>Particulars</b>	<b>Borrowings including interest obligations</b>	<b>Trade Payables</b>	<b>Other Financial Liabilities</b>	<b>Total</b>
<b>As at 31-03-2020</b>				
Less than 1 year	<b>551.11</b>	<b>1,635.66</b>	<b>73.68</b>	<b>2,260.45</b>
1 to 5 years	<b>88.55</b>	<b>0.00</b>	<b>0.00</b>	<b>88.55</b>
<b>Total</b>	<b>639.66</b>	<b>1,635.66</b>	<b>73.68</b>	<b>2,349.00</b>
<b>As at 31-03-2019</b>				
Less than 1 year	835.52	1,579.03	122.37	2,536.92
1 to 5 years	42.40	0.00	0.00	42.40
<b>Total</b>	877.92	1,579.03	122.37	2,579.32

## BHAGWATI AUTOCAST LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

(Rs. in Lakhs)

#### Note No. 39.2.3 - Market risk

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

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

#### a) Interest rate risk

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

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

Nature of Borrowing	Change in basis points	Impact on PAT	
		As at <u>31-03-2020</u>	As at <u>31-03-2019</u>
Working capital Facilities from	(0.50)	<b>2.04</b>	2.18
Facilities from Bank	0.50	<b>(2.04)</b>	(2.18)

#### b) Foreign currency risk

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

#### c) Commodity Price Risk

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

#### Sensitivity Analysis

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

Particulars	Impact on PAT	
	<u>2019-20</u>	<u>2018-19</u>
Rs. 0.50 increase in price of scrap	<b>(42.97)</b>	(48.77)
Rs. 0.50 decrease in price of scrap	<b>42.97</b>	48.77
Rs. 0.50 increase in price of pig iron	<b>(5.79)</b>	(7.39)
Rs. 0.50 decrease in price of pig iron	<b>5.79</b>	7.39

#### Note No. 40 - Capital management

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

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

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020**

Particulars	(Rs. in Lakhs)	
	As at 31-03-2020	As at 31-03-2019
Borrowings	<b>639.31</b>	877.35
Less : Cash & Cash Equivalents	<b>13.79</b>	5.57
Net Debt (A)	<b>625.52</b>	871.78
Total Equity	<b>2,671.36</b>	2,490.89
Equity and Net Debt (B)	<b>3,296.88</b>	3,362.67
Gearing Ratio (A/B)	<b>0.19</b>	0.26

**Note No. 41**

Balances of trade receivables, creditors, advances, etc. are subject to confirmation / reconciliation and adjustments in this respect are carried out as and when amounts thereof are ascertained.

**Note No. 42**

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

**Note No. 43**

The Company has assessed the probable impact of covid 19 pandemic. It has considered internal and external information available up to the date of approval of these financial statements and has performed analysis based on current estimates in assessing the recoverability of its assets including trade receivables, inventories, other financial and non-financial assets for possible impact on these financial statements. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, etc. On the basis of its present assessment and current indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets and does not anticipate any material impact on these financial results. However, the assessment of Impact of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The company will continue to monitor any material changes to future economic condition.

**Note No. 44**

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

As per our report of even date attached

**For Mahendra N. Shah & Co.**

Chartered Accountants  
Firm Regn. No. 105775W

**Chirag M. Shah**

Partner  
Membership No. 045706

Place : Ahmedabad

Date : 19-06-2020

**Dr. P. N. Bhagwati**

Chairman & Managing Director  
(DIN : 00096799)

**Reena P. Bhagwati**

Jt. Managing Director  
(DIN : 00096280)

**D. K. Sheth**

Chief Financial Officer

**Mehul Naliyadhara**

Company Secretary

**P. H. Buch**

Director  
(DIN : 03411816)

**R. J. Shah**

Director  
(DIN : 01982424)

**V R Ambani**

Director  
(DIN : 00351512)

Place : Ahmedabad

Date : 18-6-2020





