

N O T I C E

NOTICE is hereby given that the **THIRTY SECOND ANNUAL GENERAL MEETING** of the members of **BHAGWATI AUTOCAST LIMITED** will be held at the Registered Office of the Company at Survey No. 816, Village Rajoda, Near Bavla, Dist. Ahmedabad - 382 220 on Wednesday, 24th September, 2014 at 11.00 AM to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2014, including Balance Sheet as at March 31, 2014, Statement of Profit and Loss for the year ended on that date and report of Board of Directors and Auditors thereon.
2. To declare dividend on equity shares for the Financial Year ended March 31, 2014.
3. To appoint Director in place of Ms. Reena Bhagwati (DIN: 00096280), who retires by rotation and being eligible offers herself for re-appointment.
4. To re-appoint Auditor and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s. Milin J. Jani & Co., Chartered Accountants (FRN No.106396W), Ahmedabad be and is hereby appointed as Auditor of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. To appoint Mr. Padmin H Buch (DIN: 03411816), as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:-

"RESOLVED THAT pursuant to provision of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for time being in force), Mr. Padmin H Buch (DIN: 03411816), Director of the Company who retire by rotation at the ensuing AGM and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Padmin H Buch as a candidate for the office of the director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to September 23, 2019.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorised to do all acts, and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To appoint Mr. Rajendraprasad J Shah (DIN: 01982424), as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:-

"RESOLVED THAT pursuant to provision of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for time being in force), Mr. Rajendraprasad J Shah (DIN: 01982424), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Rajendraprasad J Shah as a candidate for the office of the director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to September 23, 2019.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorised to do all acts, and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. To approve modification in terms of appointment of Dr. Pravin N Bhagwati (DIN:00096799) and in this regards to consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:-

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modifications or re-enactment thereof), the period of office of Dr. Pravin N Bhagwati, (DIN: 00096799) Managing Director of the Company who is non retiring Director in term of provisions of erstwhile Companies Act, 1956 shall henceforth be made liable to retire by rotation."

8. To approve modification in terms of appointment of Ms. Reena P Bhagwati (DIN: 00096280) and in this regards to consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:-

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modifications or re-enactment thereof), the period of office of Ms. Reena P Bhagwati (DIN: 00096280) Managing Director of the Company who is non retiring Director in term of provisions of erstwhile Companies Act, 1956 shall henceforth be made liable to retire by rotation."

9. To adopt new Article of Association and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:-

"RESOLVED THAT pursuant to provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for time being in force), draft regulation contained in the Article of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulation contained in the existing Article of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorised to do all acts, and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

10. To give permission/power to Board of Directors for related party transaction and in this regards to consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:-

"RESOLVED THAT pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for time being in force), subject such other approval, if required, Consent of the Company be and is hereby accorded to the Board of Directors to enter into various related party transactions for the period of 5 (five) years with effect from 1st April, 2015 to 31st March, 2020 up to maximum amount per annum as prescribed below:

Name of Related Party	Type of Transactions	Maximum Amount per annum
Bhagwati Spherocast Private Limited	- Sale, Purchase or supply of Capital goods - Sale, Purchase or supply of Raw material/spares - Availing or rendering of any service	Rs. 350/- Lakh (Exclusive of Taxes /charges)

RESOLVED FURTHER THAT the Board of Directors and/or committee thereof be and is hereby authorised to do all acts, and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

11. To give power to Board for creation of charge over assets and in this regards to consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution:-**

"RESOLVED that in supersession of the Resolution passed by the Members of the Company for granting power under provisions of section 293 (1) (a) of erstwhile Companies Act, 1956; Pursuant to provisions of Section 180(1) (a) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to create mortgage/ hypothecation and/or charge in addition to the existing mortgages/ charges/hypothecations created/to be created by the Company in such form and manner and with such ranking and on such terms as the Board may determine on all or any of the movable and/or immovable properties, both present and future or substantially the whole of the undertaking(s) or the undertaking(s) of the Company for securing any loan / credit facility obtained or as may be obtained from any lender, financial institution or person or persons from time to time together with interest, costs, charges, expenses and any other money payable by the Company.

RESOLVED FURTHER THAT the Board of Directors and/or committee thereof be and is hereby authorised to finalise, settle, and execute such documents /deeds/ writings/ papers/ agreements as may be required and do all acts, and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

12. To give power to Board for borrowing fund and in this regards to consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution:-**

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereunder, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to borrow money, from time to time, at its discretion either from the Company's existing bank(s) or any other bank(s), financial institution(s) or any other lending institution or persons on such terms and conditions as may be considered suitable by the Board of Directors and remaining un-discharged at any given time up to a limit not exceeding Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) notwithstanding that the money to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say reserves not set for any specific purpose.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to sign and execute all such documents, deeds and writings and to do all such acts, deeds, matters and things as may be necessary, expedient and incidental thereto for giving effect to this resolution."

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

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditor) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for time being in force), M/s. Kiran J Mehta & Co (FRN- 000025), Cost Accountants appointed by the Board of Directors, to

conduct the audit of the cost records of the Company for the Financial year ending march 31, 2015, be paid the remuneration of Rs.50,000/-(Exclusive of Taxes/charges) and reimbursement of out of pocket expense incurred on behalf of the Company.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorised to do all acts, and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Place : Ahmedabad
Date : 25/07/2014

By Order of the Board of Directors

Registered Office:

Survey No. 816,
Village Rajoda, Near Bavla,
Dist. Ahmedabad – 382 220.
Phone: +91-2714-232283 Fax: +91-2714-232383
CIN: L27100GJ1981PLC004718
e-mail: cs@bhagwati.com
Website: www.bhagwati.com

Dr. Pravin N Bhagwati
Chairman

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT AGM IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED, STAMPED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE TIME FOR COMMENCEMENT OF THE MEETING.
2. The Statement pursuant to Section 102 (1) of the Companies Act, 2013, with respect to the Special Businesses set out in Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 10th September, 2014 to Wednesday, 24th September, 2014 (both days inclusive) for the purpose of payment of dividend.
4. The payment of dividend upon declaration by the shareholders at the forthcoming Annual General Meeting, will be made within 30 days from the date of declaration as under:
 - A. To all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be made available to the Company by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the end of the day on Tuesday, 9th September, 2014. and
 - B. To all those shareholders holding shares in physical form after the effect to all the valid share transfers lodged with the Company before the closing hours on Tuesday, 9th September, 2014.
5. Members holding shares in physical form are advised to furnish particulars of their bank account, if not done already or if it is changed, to the Company 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.

6. Members who hold shares in the dematerialized form and want to change/correct the 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 of 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.
7. Mr. Chirag Shah, Company Secretary (Membership No. 5545) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
8. The Members having multiple ledger folios in the same order of names are requested to approach MCS LTD for consolidating their entire holding in one folio for mutual convenience.
9. Pursuant to provisions of Section 205A(5) of the Companies Act, 1956, dividends which remain unpaid/ unclaimed for a period of 7 years from the date of transfer of the same to the Company's unpaid dividend account will be transferred to the Investor Education and Protection Fund ("IEPF") established 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.	Dividend for the Financial Year	Date of Declaration of Dividend	Last date of Claim
1.	2008-2009	25/09/2009	02/11/2016
2.	2009-2010	27/09/2010	04/11/2017
3.	2010-2011	30/09/2011	07/11/2018
4.	2011-2012	20/09/2012	27/10/2019
5.	2012-2013	20/09/2013	27/10/2020

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 above, the Shareholders are advised to send all the un-encashed dividend warrants pertaining to the above years to 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.

10. 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.
11. All documents referred to the accompanying Notice and the Explanatory Statement(s) are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays and Sundays between 11.00 a.m. to 1.00 p.m. up to the date of Annual General Meeting.
12. Members/ Proxy holders are requested to produce at the entrance, the attached Admission Slip for admission to the meeting hall.
13. As per the provisions of the Companies Act, 2013, facility for making nominations is available to the shareholders in respect of the shares held by them in physical form. Nomination forms can be obtained from the Registrar and Share Transfer Agents of the Company. The shareholders holding shares in dematerialized form may approach their respective Depository Participants to avail and/or effect any change to the nomination facility.
14. Pursuant to Rule 18(3) of The Companies (Management and Administration) Rules, 2014, you are requested to provide your e-mail id to facilitate easy and faster dispatch

of Notices of the general meetings and other communications by electronic mode from time to time.

15. Members are requested to bring their copies of the annual report at the meeting.

Place : Ahmedabad
Date : 25/07/2014

By Order of the Board of Directors

Registered Office:

Survey No. 816,
Village Rajoda, Near Bavla,
Dist. Ahmedabad – 382 220.
Phone: +91-2714-232283 Fax: +91-2714-232383
CIN: L27100GJ1981PLC004718
e-mail: cs@bhagwati.com
Website: www.bhagwati.com

Dr. Pravin N Bhagwati
Chairman

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

ITEM NO. 5

Mr. Padmin H Buch (DIN: 03411816) is Non executive (Independent) Director of the company. He joined the Board of Director in February, 2011. Mr. Padmin H Buch retires by rotation at the ensuing AGM under the provisions of the erstwhile Companies Act, 1956. In term of Section 149 and any other applicable provisions of the Companies Act, 2013 ("the Act"), Mr. Padmin Buch being eligible and seeking re-appointment, is proposed to be appointed as Independent Director for the period of Five Years ending on September 23, 2019.

The Company has received notice in writing under provisions of the Section 160 of the Act, from a member along with a deposit of Rs. 1,00,000/- proposing candidature of Mr. Padmin Buch for the office of Independent Director, to be appointed as such under provisions of the Section 160 of the Act.

Mr. Padmin H Buch (DIN: 03411816) did his B. Pharm and followed it up with MBA from B K School of Business Management, Ahmedabad. He possesses long and varied experience in consulting domain. He is a visiting faculty at many business and entrepreneurship schools. His technical experience and expertise will help the company.

The company has received from Mr. Padmin H Buch (i) consent to act as a Director (ii) Declaration to the effect that he is not disqualified under section 164 of the Act (iii) declaration to the effect that he meets the criteria of Independence as provided in Section 149 of the Act.

A copy of draft letter of appointment of Mr. Padmin H Buch setting out terms and conditions is available for inspection without any fees by the members at the registered office of the Company during normal business hours on working days up to the date of the AGM.

The Board considers that his continued association would be of immense benefit to the company and its desirable to continue to avail the service of Mr. Padmin H Buch as an Independent Director.

Except Mr. Padmin H Buch, to whom the resolution relates, none of the Directors, Key Managerial Personnel or their relative is interested or concerned in the resolution.

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

ITEM NO. 6

Mr. Rajendraprasad J Shah (DIN: 01982424) is Non executive (Independent) Director of the company. He joined the Board of Director as on 22nd October, 2011. Mr.

Rajendraprasad J Shah, whose period of office is liable to determination by retirement of directors by rotation under the provisions of the erstwhile Companies Act, 1956. In term of Section 149 and any other applicable provisions of the Companies Act, 2013 ("the Act"), Mr. Rajendraprasad J Shah being eligible and seeking re-appointment, is proposed to be appointed as Independent Director for the period of Five Years ending on September 23, 2019.

The Company has received notice in writing under provisions of the Section 160 of the Act, from a member along with a deposit of Rs. 1,00,000/- proposing candidature of Mr. Rajendraprasad J Shah for the office of Independent Director, to be appointed as such under provisions of the Section 160 of the Act.

Mr. Rajendraprasad J Shah (DIN: 01982424) is post-graduate in Mechanical Engineering and having 38 years of experience out of which 30 years in promotion of industries in Gujarat. He was Principal Chief Industrial Advisor to Government of Gujarat from 1991 to 2009. As part of his activities in various capacities, he was associated in preparing Industrial Policy of Gujarat for 1990, 1995, 2000, 2003 and 2009. Five Years Plan Programmes, introduction of specific programmes like monitoring of industrial approvals for implementation of projects; promoting innovations, R & D Projects, and R & D institutions; Cluster Development Programmes for SMEs; promotion of Special Economic Zones and bringing out legislation for SEZs; organizing Vibrant Gujarat – Global Investment Summits – 2003, 2005, 2007 and 2009 and promotion of large number of industrial projects in the State. His technical experience and expertise will help the company.

The company has received from Mr. Rajendraprasad J Shah (i) consent to act as a Director (ii) Declaration to the effect that he is not disqualified under section 164 of the Act (iii) declaration to the effect that he meets the criteria of Independence as provided in Section 149 of the Act.

A copy of draft letter of appointment of Mr. Rajendraprasad J Shah setting out terms and conditions is available for inspection without any fees by the members at the registered office of the Company during normal business hours on working days up to the date of the AGM.

The Board considers that his continued association would be of immense benefit to the company and its desirable to continue to avail the service of Mr. Rajendraprasad J Shah as an Independent Director.

Except Mr. Rajendraprasad J Shah, to whom the resolution relates, none of the Directors, Key Managerial Personnel or their relative is interested or concerned in the resolution.

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

ITEM NO. 7 to 8

Dr. Pravin N Bhagwati (DIN:00096799) , Managing Director of the Company was re-appointed pursuant to the provisions of Sections 269 and other applicable provisions, if any, of the erstwhile Companies Act, 1956, by the shareholders at the Annual General Meeting held on 20th September, 2012 for a period of 3 years with effect from 1st October, 2012.

Ms. Reena P Bhagwati (DIN: 00096280), Managing Director of the Company was re-appointed pursuant to the provisions of Sections 269 and other applicable provisions, if any, of the erstwhile Companies Act, 1956, by the shareholders at the Annual General Meeting held on 30th September, 2011 for a period of 5 years with effect from 1st October, 2010.

The period of office of Dr. Pravin N Bhagwati (DIN: 00096799) and Ms. Reena P Bhagwati (DIN: 00096280) being the Managing Director was not liable to determination by

retirement of directors by rotation in terms of the erstwhile provisions of the Companies Act, 1956.

The Board of Directors of your Company at present consists of five members, with whom three of them being Independent Directors and remaining two being Managing Directors.

The provisions of Section 152 of the Companies Act, 2013 provide that not less than two-thirds of the total number of directors of a public Company shall be persons whose period of office is liable to determination by retirement of directors by rotation, where the term "total number of directors" does not include Independent Directors whether appointed under the Companies Act, 2013 or any other law for the time being in force.

In the light of above-referred provisions of the Companies Act, 2013, it is desirable that the period of office of Dr. Pravin N Bhagwati (DIN: 00096799) and Ms. Reena P Bhagwati (DIN: 00096280), Managing Directors is made liable to retire by rotation.

Except Dr. Pravin N Bhagwati (DIN: 00096799) and Ms. Reena P Bhagwati (DIN: 00096280), to whom the resolution relates, none of the Directors, Key Managerial Personnel or their relative is interested or concerned in the resolutions.

The Board recommends the Special resolution set forth in Item no. 7 and 8 of the Notice for the approval of the members.

ITEM NO. 9

Ministry of Corporate Affairs (MCA) has so far notified almost provisions of the Companies Act, 2013 ("the New Act") to replace the corresponding provisions of the Companies Act, 1956 ("the Old Act"). The present Article of Association ("AOA") of the Company contains reference to various Section and Schedule of the Companies Act, 1956 which requires alteration or deletions in several articles. However, in given position it is considered expedient to wholly replace the existing AOA by a new set of Articles.

Pursuant to the provisions of section 14 of the New Act, Alteration of AOA would require approval of shareholders by way of special resolution. Accordingly, this matter has been placed before the members for approval.

The proposed new draft AOA is being uploaded on the Company's website for perusal by the members.

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

The Board recommends the Special resolution set forth in Item no. 9 of the Notice for the approval of the members.

ITEM NO. 10

According to section 188 and other applicable provision of the Companies Act, 2013 rules made there under and provision of Listing Agreement with Stock Exchange, the consent of the member are required by Special Resolution for entering into various transactions with related party subject to such other conditions prescribed thereunder.

Bhagwati Spherocast Private Limited is a 'related party' within meaning of Section 2(76) of the Companies Act, 2013, and thus approval of members by Special resolution required under Section 188 of the Companies Act, 2013

The particular of transaction pursuant to rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

1. Name of Related Party: Bhagwati Spherocast Private Limited
2. Name of Director or KMP: Dr. Pravin N Bhagwati, Ms. Reena P Bhagwati and

Mr. Mahendrabhai N Shah

3. Nature of relation: Dr. Pravin N Bhagwati and Ms. Reena P Bhagwati are Common Board member and member of Bhagwati Spherocast and; Mr. Mahendra N Shah is member of Bhagwati Spherocast.
4. Monetary Value: Nature, Monetary Value, Material terms and particular of contract or arrangement:
 - Estimated Consideration up to Rs. 350 Lakh for each year. (Exclusive of Taxes/charges)
 - Contract shall be valid for five years. However if either of party desires to terminate the agreement, it can be terminated by either party by giving 60 days notice to other.
 - No party shall transfer or assigns its rights, obligations or liabilities under this Agreement or any part thereof to any third party.
5. Any other information relevant or important for the members to take a decision on the proposed resolution:
 - As our company is engaged in production of high duty grey iron and ductile iron castings and for finishing process of casting on some of the components, The Company need to avail or render some of auxiliary or supplementary service of machining, job work or other services, Sale or Purchase or supply of Capital goods, Sale or Purchase or supply of Raw material/spares for proving quality production to customers of our company at a very low cost of production.

Except Dr. Pravin N Bhagwati, Ms. Reena P Bhagwati and Mr. Mahendrabhai N Shah, to whom the resolution relates, none of the Directors, Key Managerial Personnel or their relative is interested or concerned in the resolution.

Interested members would not be eligible to vote on the set out resolution at item no. 10 of the Notice in term of Section 188 of the Companies Act, 2013 and Listing Agreement.

The Board recommends the Special resolution set forth in Item no. 10 of the Notice for the approval of the members.

ITEM NO. 11

As mentioned in statement to Item No. 9, MCA has notified almost provisions of the Companies Act, 2013 ("the New Act") to replace the corresponding provisions of the Companies Act, 1956 ("the Old Act"). Consequent to notification of Section 180 (1) (a) of the Companies Act, 2013 consent of the Company is required by way of a Special Resolution to create mortgage and/or charge on the movable/ immovable properties of the Company.

Accordingly, the approval of the members of the Company by way of Special Resolution is sought to authorise the Board of Directors to create mortgage/ hypothecation and/or charge (in addition to the existing mortgages/ charges/hypothecations created by the Company) on all or any of the movable and/or immovable properties, both present and future or substantially the whole of the undertaking(s) or the undertaking(s) of the Company.

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

The Board recommends the Special resolution set forth in Item no. 11 of the Notice for the approval of the members.

ITEM NO. 12

The Company in order to execute various projects has to borrow money from banks and other financial institutions as a means of finance. The Board of Directors can borrow money

upto paid up share capital and free reserves in terms of the provisions of Section 180 (1)(c) of the Companies Act, 2013. Section 180(1)(c) of the Companies Act, 2013 supersedes Section 293(1)(d) of the Companies Act, 1956 and as per General Circular No. 04/2014 dated March 25,2014 issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293(1)(d) of the Companies Act, 1956 will be valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013, i.e. up to 11th September, 2014.

In view of the notification of the Companies Act, 2013 and aforesaid clarification issued by the Ministry of Corporate Affairs, it is necessary to obtain fresh consent of the members of the Company to enable the Board of Directors of the Company to borrow moneys [excluding temporary loans obtained from the Company's Bankers in the ordinary course of business] in excess of the aggregate of paid-up share capital and free reserves of the Company. The Board of Directors proposes to keep the borrowing limit up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only).

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

The Board recommends the Special resolution set forth in Item no. 12 of the Notice for the approval of the members.

ITEM NO. 13

The Board of director of the company has approved appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2015 at a remuneration of Rs. 50,000/- (Exclusive of Taxes/charges) and re-imbusement of out of pocket expense incurred on behalf of the Company.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with rules made there under, the remuneration payable to the Cost auditor has to be determined or ratified by the members of the Company. Accordingly, consent of the members is sought for above purpose by passing Ordinary Resolution.

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

The Board recommends the Ordinary resolution set forth in Item no. 13 of the Notice for the approval of the members.

Place : Ahmedabad
Date : 25/07/2014

By Order of the Board of Directors

Registered Office:

Survey No. 816,
Village Rajoda, Near Bavla,
Dist. Ahmedabad – 382 220.
Phone: +91-2714-232283 Fax: +91-2714-232383
CIN: L27100GJ1981PLC004718
e-mail: cs@bhagwati.com
Website: www.bhagwati.com

Dr. Pravin N Bhagwati
Chairman