



BIMETAL BEARINGS LIMITED



BIMETAL BEARINGS LIMITED

— Certified True Copy —
FOR BIMETAL BEARINGS LTD.,

M. V. Swaminathan
M. V. SWAMINATHAN,
Secretary.

DIRECTORS

Mr. A. KRISHNAMOORTHY, (*Chairman & Managing Director*)
Mr. A. K. SIVARAMAKRISHNAN,
Mr. N. VENKATARAMANI,
Mr. A. B. AVERY,
Mr. K.A. ARJUNAN,
Mr.S. GOPINATH RAO.

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓		SHI	✓
YE	✓			

SECRETARY

Mr. M.V. SWAMINATHAN.

AUDITORS

Messrs. PRICE WATERHOUSE, CHENNAI

BANKERS

CENTRAL BANK OF INDIA

LEGAL ADVISERS

Messrs. KING & PARTRIDGE, CHENNAI

Messrs. K. V. NARAYANASWAMI, COIMBATORE

K.N.V. RAMANI & SHANKAR, COIMBATORE

REGISTRARS AND TRANSFER AGENTS

Messrs. GNSA INVESTOR SERVICES (P) Ltd.,

66, 4th AVENUE, ASHOK NAGAR, CHENNAI 600 083.

REGISTERED OFFICE

STRIP MILL PLANT

"HUZUR GARDENS", SEMBIAM, CHENNAI 600 011

ADMINISTRATIVE OFFICE

18, RACE COURSE ROAD, COIMBATORE 641 018

FACTORIES

"HUZUR GARDENS", SEMBIAM, CHENNAI 600 011.

371, MARUDHAMALAI ROAD, COIMBATORE 641 041.

HOSUR – KRISHNAGIRI ROAD, HOSUR 635 125.

5/227, OLD MAHABALIPURAM ROAD, CHENNAI 600 096.

BIMETAL BEARINGS LIMITED

Registered Office : "Huzur Gardens", Sembiam, Chennai 600 011.

**NOTICE TO THE SHAREHOLDERS OF THE THIRTY-SIXTH
ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Thirty-Sixth Annual General Meeting of the Shareholders of the Company will be held at Woodlands Hotel, 72/75, Dr. Radhakrishnan Salai, Chennai 600 004 on Friday, the 25th July 1997 at 3.00 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive and adopt the Annual Balance Sheet as at 31st March 1997 and the Audited Profit and Loss Account for the year ended 31st March 1997 and the Auditors' and Directors' Report thereon.
2. To declare a dividend.
3. (a) To appoint a Director in the place of Mr. A.K.Sivaramakrishnan who retires by rotation and being eligible offers himself for re-election.
(b) To appoint a Director in the place of Mr. K.A.Arjunan who retires by rotation and being eligible offers himself for re-election.
4. To appoint Auditors and fix their remuneration.

By Order of the Board

M.V. SWAMINATHAN

Secretary

Chennai

25th June, 1997.


NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Proxies in order to be effective shall be duly stamped, completed, signed and deposited, not less than 48 hours before the commencement of the meeting at **GNSA INVESTOR SERVICES (P) LTD., 66, 4th Avenue, Ashok Nagar, Chennai 600 083**, Company's Registrars and Share Transfer Agents. Members/Proxies are requested to bring the attendance slip duly filled in and also their copy of the Annual Report to the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 1st July 1997 to 25th July 1997, both days inclusive.
3. Any dividend that may be declared at this meeting will be paid within the stipulated period to the Members (or their mandates) whose names appear in the Register of Members of the Company as on 25th July 1997.
4. The Company has pursuant to Section 205-A(5) of the Companies Act, 1956 transferred the amounts of Unclaimed Dividends declared upto the Financial Year 1992-93 to the General Revenue Account of the Central Government, and the same can be claimed by the concerned shareholders from the Registrar of Companies (Tamilnadu), Shastri Bhavan, Haddows Road, Chennai 600 006.

BIMETAL BEARINGS LIMITED

REPORT OF DIRECTORS

Your Directors have pleasure in presenting their Thirty-Sixth Annual Report for the year ended 31st March 1997 together with the Accounts and Auditors' Report thereon.

FINANCIAL RESULTS :

	Year Ended 31-3-1997 Rs. Lacs	Year ended 31-3-1996 Rs. Lacs
Sales (Net of Excise Duty)	<u>5,953.24</u>	<u>5,540.13</u>
Profit before Interest, Depreciation, and Taxation	<u>1,931.75</u>	<u>1,992.71</u>
Less :		
Interest	183.08	180.02
Depreciation	285.62	245.14
Profit before Tax	<u>1,463.05</u>	<u>1,567.55</u>
Less :		
Taxation	517.00	597.00
Profit after Tax	<u>946.05</u>	<u>970.55</u>
Add :		
Balance brought forward from previous year	89.87	80.57
Investment Allowance Reserve written back	62.00	5.00
Profit available for appropriation	<u>1,097.92</u>	<u>1,056.12</u>
Less :		
Proposed Dividend (50%)	191.25	191.25
Dividend Tax	19.13	—
Transfer to General Reserve	800.00	775.00
Balance carried forward	<u>87.54</u>	<u>89.87</u>

OPERATIONS :

Two significant factors—one internal and the other external—have had their impact on the operations of the Company during the year under review. As mentioned in the Chairman's speech at the last Annual General Meeting, the operations in the first four months of the year were affected by labour problems faced at the Hosur Plant, restricting the Company from taking full advantage of the favourable market conditions. The Company had to use the restricted production at Hosur during the period to fulfil its obligations to the OE manufacturers even at the expense of the after-market. The upsurge in the market right from 1993-94, started slowing down during the second half of

the year and the Company could not therefore make up for the drop in the first half during the balance of the year. In effect, the increase in the net sales could register a growth of 7.5% compared to the sales of the previous year.

The change in the sales mix with a bias towards the Original Equipment market, increased expenditure on Voluntary Retirement Scheme with attendant Gratuity payments, revision in power tariff, higher prices of fuel and higher level of depreciation have adversely affected the profit structure, restricting the Company to post a lower profit.

The third sinter-line at the Strip Mill and the Flange line at Hosur, of which a reference was made in the last Annual General Meeting have progressed as per schedule. The machine building activity at Hosur is also making considerable progress and all these measures have added considerable strength to the Company to pursue the market opportunities once the current temporary setback is overcome.

DIVIDEND :

Your Directors have pleasure in maintaining the dividend at 50% without deduction of tax at source.

URBAN LAND CEILING ACT :

The Company is planning to develop the remaining portion of the property especially at Coimbatore during the extended period of time sought for from the authorities.

DISCLOSURE OF PARTICULARS :

The information required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 is given in the Annexure forming part of this Report.

PARTICULARS OF EMPLOYEES :

A statement giving particulars of employees under Section 217 (2A) of the Companies Act, 1956 is also given in the Annexure.

PUBLIC DEPOSITS :

Of the unclaimed Deposits of Rs. 7.81 lacs as on 31st March 1997, Rs. 85,000/- has since been repaid and for the balance amount instructions have not been received from the Depositors.

DIRECTORS :

In accordance with the Articles of Association of the Company, Mr. A.K. Sivaramakrishnan and Mr. K.A. Arjunan, Directors retire by rotation and being eligible, offer themselves for re-appointment.

AUDITORS :

Messrs. Price Waterhouse, Chennai, the retiring Auditors are eligible for re-appointment.

ACKNOWLEDGEMENT :

Your Directors wish to place on record the good performance of employees at all levels as also the excellent support given by the Company's Bankers, Financial Institutions and Depositors.

For and on behalf of the Board

Chennai - 600 011
25th June, 1997.

A. KRISHNAMOORTHY
Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31.3.1997

1. Statement containing particulars pursuant to the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988.

The Company continues its efforts to improve energy conservation based on recommendations arising out of the Energy Audit.

Total energy consumption and energy consumption per unit of production as prescribed in Form A is given below:

A. POWER AND FUEL CONSUMPTION :

1. Electricity		Current Year ended 31.3.1997	Previous Year ended 31.3.1996
(a) Purchased :			
Unit	KWH	1,01,29,240	82,43,995
Total Amount	Rs.	3,20,95,608	2,52,88,791
Rate/Unit	Rs.	3.169	3.068
(b) Own Generation :			
Through Diesel Generators :			
Unit	KWH	9,81,566	14,62,185
Unit Per Ltr. of Diesel Oil	KWH	2.742	2.918
Cost/Unit	Rs.	4.276	3.208

The particulars relating to coal, furnace oil are not applicable to the Company.

B. CONSUMPTION PER UNIT OF PRODUCTION :

Products (with details) Standards (if any)*	Current Year (1)			Previous Year (2)		
	Thin Walled Bearings, Bushings & Washers	Alloy Powders (for sale)	Bimetallic Strips (for sale)	Thinwalled Bearings, Bushings & Washers	Alloy Powders (for sale)	Bimetallic Strips (for sale)
	(1)	(2)	(3)	(1)	(2)	(3)
Unit	KWH/No.	KWH/MT	KWH/1000 FT.	KWH/No.	KWH/MT	KWH/1000 FT.
Electricity	0.607	988	1,337	0.610	912	1,116
Furnace Oil	Nil	Nil	Nil	Nil	Nil	Nil
Coal (specify quantity)	Nil	Nil	Nil	Nil	Nil	Nil
Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil

* No standards are available for comparison.

2. TECHNOLOGY ABSORPTION :

A. Research And Development (R & D) :

1. Specific areas in which R & D is carried out by the Company

- Development and introduction of bearings for upgraded and new generation of engines introduced in Indian and International Markets.
- Support to OEMs in development and testing of bearings and bearing materials.
- Import Substitution, Identification of the emerging requirements of the newer OEMs, expansion of the range of materials and the testing of different bearing materials to specific requirements.
- Certification to ISO 9002 Standard through Lloyds Register Quality Assurance was maintained by the Company.
- Continuous improvements in Manufacturing, Process and Materials Technology to improve the quality and productivity.

2. Benefits derived as a result of the above R & D :

- Expansion of the range of products manufactured, reduced imports due to import substitution and improved quality and productivity.

3. Future plan of action :

- To continuously improve the manufacturing, process and materials technology to maintain a strategic competitive advantage and effectively respond to the demands of the market.

4. Expenditure on R & D :

(a) Capital	Rs.	2,61,860
(b) Recurring	Rs.	15,52,039
(c) Total	Rs.	18,13,899
(d) Total R & D Expenditure as a % of net Turnover		0.30%

B. Technology Absorption, Adaptation and Innovation :

The manufacturing process and material technology for Aluminium Tin has enabled the Company to be self reliant.

Technology imported during the last FIVE years :

(a) Technology imported	:	Manufacture of Aluminium Tin & Aluminium Lead Strips.
(b) Year of import	:	1994
(c) Has the technology been fully absorbed	:	Yes

3. FOREIGN EXCHANGE EARNINGS AND OUTGO :

1. Activities relating to Exports
2. Initiatives taken to increase exports
3. Development of new export market for products and services and
4. Export Plan

The Company is continuously pursuing new opportunities and strengthen the existing markets.

4. TOTAL FOREIGN EXCHANGE USED AND EARNED :

- (a) Foreign Exchange Used : Refer Note Nos. 12, 13 & 14 of Sch. 19.
- (b) Foreign Exchange Earned : Refer Note No. 15 of Sch. 19.

5. Statement under Section 217 (2A) (a) (1) and (b) of the Companies (Particulars of Employees) Rules, 1975 as amended:

Name	Designation/Nature of Duties	Remuneration	Qualification	Experience	Age	Date of Commencement of Employment	Particulars regarding Previous employment
1. Mr. N.P. Mani	President (Operations)	8,29,771	D.M.E.T. (Marine Engg.) MOT	37	59	01.04.87	General Works Manager – Shardlow India Ltd., Chennai
2. Mr. S. Narayanan	Sr. Genl. Manager – (Manufacturing)	3,57,233	B.Sc. B. Tech., (Hons.) M.B.A. (C.W.R.U.)	10	37	01.12.86	—
3. Mr. V. Ramachandran	Sr. Genl. Manager – Engg. & Project	3,37,011	B.E.	28	49	20.11.69	—
4. Mr. N.V. Ravi	Genl. Manager – Strips & Powder	3,28,404	B.E., D.I.M.	26	47	30.01.81	General Foreman Indian Aluminium Co., Tuloja
5. Mr. N. Venkataraman	Vice-President (Finance)	5,54,128	B.Sc., A.C.A., A.I.C.W.A.	31	56	28.12.83	Secretary & Chief Accountant – Indchem Electronics, Chennai

