

# BIMETAL BEARINGS LIMITED

## **DIRECTORS**

Mr. A. KRISHNAMOORTHY (*Chairman & Managing Director*)  
Mr. N. VENKATARAMANI  
Mr. A. B. AVERY  
Dr. R. MAHADEVAN  
Mr. P. M. VENKATASUBRAMANIAN  
Mr. KRISHNA SRINIVASAN  
Mr. R. VIJAYARAGHAVAN

## **WHOLE-TIME DIRECTOR**

Mr. N.P. MANI

## **VICE PRESIDENT – FINANCE**

Mr. N. VENKATARAMAN

## **DEPUTY GENERAL MANAGER (COSTING) & COMPANY SECRETARY**

Mr. K. VIDHYA SHANKAR

## **AUDITORS**

Messrs. PRICE WATERHOUSE, CHENNAI

## **BANKERS**

CENTRAL BANK OF INDIA

## **LEGAL ADVISERS**

Messrs. KING & PARTRIDGE, CHENNAI  
Messrs. RAMANI & SHANKAR, COIMBATORE

## **DEPOSITORY REGISTRAR AND SHARE TRANSFER AGENT**

Messrs. GNSA INFOTECH (P) LIMITED  
“G.R. MANSION”, No.11, SRINIVASA ROAD,  
PONDY BAZAAR, T.NAGAR, CHENNAI – 600 017

## **REGISTERED OFFICE**

“HUZUR GARDENS”, SEMBIAM,  
CHENNAI 600 011  
Phone : (044) 25375581

## **FACTORIES**

“HUZUR GARDENS”, SEMBIAM, CHENNAI 600 011.  
371, MARUDHAMALAI ROAD, COIMBATORE 641 041.  
HOSUR – KRISHNAGIRI ROAD, HOSUR 635 125.  
5/186, OLD MAHABALIPURAM ROAD, CHENNAI 600 096.

## **BIMETAL BEARINGS LIMITED**

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

---

### **NOTICE TO THE SHAREHOLDERS OF THE FORTY NINTH ANNUAL GENERAL MEETING**

---

Notice is hereby given that the Forty Ninth Annual General Meeting of the shareholders of the company will be held at New Woodlands Hotel, 72/75, Dr. Radhakrishnan Salai, Chennai 600004 on Friday, the 23rd day of July 2010 at 10.15 a.m. to transact the following business:

#### **Ordinary Business:**

- (1) To receive and adopt the Annual Balance Sheet as at 31st March 2010 and the Audited Profit and Loss Account for the year ended 31st March 2010 and the Auditors' and Directors' Report thereon.
- (2) To declare a dividend.
- (3) To appoint a Director in the place of Dr.R.Mahadevan who retires by rotation and being eligible offers himself for re-election.
- (4) To appoint a Director in the place of Mr.P.M.Venkatasubramanian who retires by rotation and being eligible offers himself for re-election.
- (5) To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution :  
**"RESOLVED** that the retiring Auditors, M/s.Price Waterhouse, Chartered Accountants, Chennai be and are hereby re-appointed as Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and that the Board of Directors be and is hereby authorised to fix the remuneration payable to them".

#### **Special Business:**

- (6) To consider and if thought fit, to pass the following resolution, with or without modification, as an Ordinary Resolution:  
**"RESOLVED THAT** Mr.R.Vijayaraghavan who was appointed as an Additional Director at the meeting of the Board of Directors held on 10-05-2010 and who holds office up to the date of this Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr.R.Vijayaraghavan as a candidate for the office of Director of the Company, be and is hereby appointed as the Director of the Company, liable to retire by rotation."

By order of the Board

Chennai 600011  
14th June 2010

**K. Vidhya Shankar**  
Deputy General Manager [Costing] & Company Secretary

#### **NOTES:**

1. A member who is entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member. Proxies in order to effective shall be duly stamped, completed, signed and deposited not less than 48 hours before the commencement of the meeting at M/s.GNSA Infotech (P) Limited, "G.R.Mansion", No.11, Srinivasa Road, T.Nagar, Chennai 600 017 (Telephone No. 044-42962209) 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. Members are requested to quote their Registered Folio Number / DPID Number in all their correspondence.
2. The Register of members and Share Transfer Books of the Company under the physical mode will remain closed from 20-07-2010 to 23-07-2010 (both days inclusive).

3. In the case of dematerialised shares, the Dividend that may be declared at this meeting will be paid to the members whose names appear in the Beneficiary Position list submitted by NSDL and CDSL as on 20-07-2010. In the case of other holders, the dividend amount will be paid to those names which appear in the Register of Members as on 23-07-2010.
4. The Company has, pursuant to Section 205 of the Companies Act, 1956, transferred the amounts of unclaimed dividends declared upto the Financial Year 2001 – 2002 to the General Revenue Account of the Central Government / Investor Education and Protection Fund. Members who have not encashed the Dividend Warrants for the year ended 31-03-2003 and / or any subsequent dividend payments are requested to make their claim to the company.
5. The members are requested to provide, if not already done so, the full Bank Account details quoting their folio Number / DPID Number in the format enclosed to our Registrar and Share Transfer Agents. The company will not be responsible for any loss arising out of fraudulent encashment of dividend warrants. Such of those share holders who wish to receive their dividend amount through the ECS (Electronic Clearing System) route at the specified centers are requested to furnish the relevant details in the form provided.

### **Explanatory Statement pursuant to Section 173 of the Companies Act, 1956:**

#### **Item No. 6**

Mr.R.Vijayaraghavan (holding nil shares in the company) was appointed as Additional Director of the company at the meeting of the Board of Directors held on 10-05-2010. Mr.R.Vijayaraghavan will hold the office of the Additional Director only up to the date of the ensuing Annual General Meeting.

The Company has received the requisite notice and deposit under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose at the forthcoming Annual General Meeting the name of Mr.R.Vijayaraghavan for appointment as Director of the Company, liable to retire by rotation. The details of Mr.R.Vijayaraghavan seeking re-appointment pursuant to clause 49 of the listing agreement are furnished in the notice.

The resolution is placed before the members for their consideration and approval. None of the Directors except Mr.R.Vijayaraghavan is concerned or interested in the resolution.

---

### **Details of directors seeking re-appointment at the Annual General Meeting (In pursuance to clause 49 of the Listing Agreement)**

Name	<b>Mr.R.Vijayaraghavan</b>
Date of Birth	02-01-1950
Date of appointment	10-05-2010
Qualifications	Masters degree in physics and business management. Graduate in Law.
Expertise in specific functional areas	Tax consultation matters.
Directorships in other companies	Nil
Chairman / Member of Committees of the Board of Companies of which he is a director	Nil
No. of shares held in the company	Nil

**Details of directors seeking re-appointment at the Annual General Meeting  
(In pursuance to clause 49 of the Listing Agreement) – Contd.**

Name	<b>Dr.R.Mahadevan</b>	<b>Mr.P.M.Venkatasubramanian</b>
Date of Birth	05-02-1943	21-02-1939
Date of appointment	16-03-2005	29-12-2005
Qualifications	<p>Mechanical Engineering Degree from the Indian Institute of Technology, Chennai.</p> <p>M.Tech Degree from the Indian Institute of Technology, Kharagpur.</p> <p>Ph.D. from the Indian Institute of Technology, Chennai.</p> <p>Fellow of Society of Automotive Engineers International and Indian National Academy of Engineers.</p>	<p>Post Graduate in Commerce and fellow member of the Insurance Institute of India, Mumbai.</p>
Expertise in specific functional areas	Technocrat	Former Managing Director of General Insurance Corporation of India and has diversified experience in areas of Insurance, Finance and Human Resources.
Directorships in other companies	<p>M/s. India Pistons Limited</p> <p>M/s. IP Pins &amp; Liners Limited</p> <p>M/s. IP Rings Limited</p> <p>M/s. BBL Daido Private Limited</p> <p>M/s. Amco Batteries Limited</p>	<p>M/s. IP Rings Limited</p> <p>M/s. Radaan Mediaworks (India) Limited</p> <p>M/s. Royal Sundaram Alliance Insurance Company Limited</p>
Chairman / Member of Committees of the Board of Companies of which he is a director	<p><b>IP Rings Limited,</b></p> <p>– Investors Grievance Committee, Chairman</p>	<p><b>IP Rings Limited</b></p> <p>– Audit Committee, Chairman</p> <p>– Remuneration Committee, Chairman</p> <p><b>Radaan Mediaworks India Limited</b></p> <p>– Audit Committee, Member</p> <p>– Shareholders / Investors Grievance Committee. Member</p> <p><b>Royal Sundaram Alliance Insurance Company Limited</b></p> <p>– Audit Committee, Member</p> <p>– Investment Committee , Chairman</p> <p>– Risk Management Committee, Chairman</p>
No. of shares held in the company	Nil	Nil

# BIMETAL BEARINGS LIMITED

## REPORT OF DIRECTORS

Your Directors have pleasure in presenting the **Forty Ninth Annual Report** covering the operations for the year ended **31st March 2010** together with the accounts and Auditors' Report thereon.

### FINANCIAL RESULTS:

	Year Ended 31-03-2010 (Rs. in Lacs)	Year ended 31-03-2009 (Rs. in Lacs)
Net Sales	11192.94	11907.35
Profit before Interest, Depreciation and Taxation	1679.64	1569.34
Less : Interest	51.50	44.56
Depreciation	349.53	375.08
<b>Profit before Tax</b>	<b>1278.61</b>	<b>1149.70</b>
Less : Taxation (including Deferred Tax)	384.70	396.42
Fringe Benefit Tax	—	18.50
<b>Profit after Tax</b>	<b>893.91</b>	<b>734.78</b>
Add : Balance brought forward from previous year	156.25	134.72
Profit available for appropriation	1050.16	869.50
Less : Transfer to :		
Proposed Dividend	306.00	267.75
Dividend Tax	52.00	45.50
General Reserve	500.00	400.00
Balance Carried to Balance Sheet	192.16	156.25

### OPERATIONS:

The year under review witnessed growth in all segments of the domestic market with higher off-take of end products referable to heavy and light commercial vehicles, three wheelers, tractors and industrial engines especially during the second half of the financial year. However exports of higher value intermediate products were less due to the effect of global slow-down during early part of the year under review on account of which the overall sales turnover for the year was less by about 6%. The improved performance in the domestic market in all segments contributed to better mix of sales. Treasury operations lent a supporting role.

The production in all the plants was maintained at a higher level resulting in better utilisation of the capacity.

Despite fluctuation in input cost of materials and services during the second half of the year alongwith increase in electricity charges, your Company had recorded an increase in profit before and after tax of Rs.128.91 lacs (11.2%) and Rs.159.13 lacs (21.7%) respectively compared to the previous year.

The Company has ongoing plans to improve market share in all segments of the market. With continued stress on ongoing cost control measures coupled with improvement in productivity, the operational performance for the current year is expected to be better.

### DIVIDEND:

Your Directors recommend a Dividend of Rs.8/- per share (Previous Year: Rs.7/- per share) on the Paid-up capital for the year ended 31-03-2010.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Statement under Section 217(2AA) of the Companies Act, 1956:

- (a) The applicable accounting standards had been followed with no material departure.
- (b) The Accounting policies that have been selected have been applied consistently and the judgements and estimates based on them are prudent and reasonable to give a true and fair view of the state of the affairs of the company as on 31-03-2010 and of the profit for the year ended on that date.
- (c) Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) The Accounts have been prepared on a going concern basis.

**CORPORATE GOVERNANCE:**

The matters relating to Corporate Governance as per the Listing Agreement are given in the Annexure forming part of this Report.

**CODE OF CONDUCT:**

The Company has adopted a code of conduct for the Board of Directors and senior management of the Company and all of them have affirmed compliance of the same.

**CEO / CFO CERTIFICATION:**

As contemplated under Clause 49 of the Listing Agreement, the certificate from the Chief Executive Officer, Mr. A. Krishnamoorthy, Chairman & Managing Director and Chief Financial Officer, Mr. N. Venkatarman, Vice President (Finance) was placed before the Board of Directors at their meeting held on 14-06-2010 and taken on record.

**DISCLOSURE OF PARTICULARS:**

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

**DIRECTORS:**

Mr.S.Krishnan, Director passed away on 28-02-2010 and the Directors place on record the valuable services rendered by him during his tenure as Director.

Mr.R.Vijayaraghavan was appointed as Additional Director of the Company with effect from 10-05-2010 and he retires at the ensuing Annual General Meeting. A notice had been received from a member of the Company proposing his name for appointment as Director liable to retire by rotation at the ensuing Annual General Meeting. The Board recommends the resolution in item No.6 of the notice for the approval of the members.

Dr.R.Mahadevan and Mr.P.M.Venkatasubramanian, Directors are retiring at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Directors recommend their re-appointment.

**AUDITORS:**

M/s.Price Waterhouse, Chennai the retiring Auditors are eligible for re-appointment. The Audit Committee has recommended to the Board for their 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 and Depositors. The Company also wishes to acknowledge the technical support extended by Daido Metal Company Limited, Japan.

Chennai  
14th June 2010

For and on behalf of the Board

**A. Krishnamoorthy**  
Chairman & Managing Director

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INDUSTRY STRUCTURE AND DEVELOPMENT:**

As stated in our report earlier the engine bearing industry in India is very well established and can respond to rigid international quality standards and emission norms. With significant growth in volume of vehicles and tractors, the industry is witnessing high competitive pressures not only to retain the volume but to improve upon the share of business.

India having become a hub for manufacture of cars there are opportunities for significant increase in exports of products. There is also scope for improvement in export of intermediate products.

Your Company is taking steps to take advantage of the favourable market conditions currently prevailing.

### **OPPORTUNITIES AND THREATS:**

While your Company is pursuing appropriate growth witnessed in the Industry, efforts are being taken to position itself to meet the requirements of new generation vehicles and emerging markets. The Company will position itself to acquire appropriate process and material technology to maintain its leadership.

### **OUTLOOK**

The after-market segment will stabilise and offer limited growth opportunities on account of improved product performance and infrastructure availability. However improving the share of business has been planned by better market penetration and supply chain management.

### **INTERNAL CONTROL SYSTEM:**

The company maintains adequate internal control systems and the internal audit is handled by a reputed auditing firm i.e. M/s.Fraser & Ross, Chartered Accountants.

### **FINANCIAL PERFORMANCE:**

The year under progress, viewed in the context of market growth projections in major segments and enhanced levels of market share planning, would result in increased utilisation of the plant capacities with cost rationalisation and price adjustment reflecting in improved performance barring unforeseen circumstances.

### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS:**

During the year under review, the industrial relations in the company were cordial. The company's resource base in terms of personnel at all levels is fully engaged towards higher productivity and active participation in quality upgradation movements. The average number of employees of the company was 449 during the year.

## BIMETAL BEARINGS LIMITED

### Annexure to Directors' Report – Report on Corporate Governance

#### 01) Company's Philosophy on code of governance :

With the aim of strengthening corporate governance the Board of Directors would continue:

- To strive towards enhancement of shareholder value through prudent business management, sound business decisions and high standards of ethics with attendant transparency.
- To achieve excellence in Corporate Governance by complying in all respects with the mandatory guidelines in this regard and also regularly reviewing management systems for further improvement.

#### 02) Board of Directors :

(a) The Board consisted of the following Directors as on 31-03-2010:

##### **Executive Directors:**

Mr.A.Krishnamoorthy : Chairman & Managing Director  
Mr.N.P.Mani : Whole-time Director

##### **Non-Executive Directors:**

Mr.N.Venkataramani  
Dr.R.Mahadevan

##### **Independent Directors**

Mr.A.B.Avery  
Mr.P.M.Venkatasubramanian  
Mr.Krishna Srinivasan

During the year Shri S.Krishnan a Non-executive and Independent Director passed away on 28-02-2010 and Mr.R.Vijayaraghavan, a non-executive and Independent Director was appointed on 10-05-2010

- (b) The Board met five times during the year i.e., on June 18, 2009, July 29, 2009, October 31, 2009, January 30, 2010 and March 24, 2010.
- (c) The attendance by the Directors at Board Meetings and last Annual General Meeting:

Name of the Director	Board Meeting	Annual General Meeting
Mr.A.Krishnamoorthy	5	Attended
Mr.N.P.Mani	5	Attended
Mr.N.Venkataramani	5	Attended
Mr.A.B.Avery	Nil	Not Attended
Dr.R.Mahadevan	5	Attended
Mr.P.M.Venkatasubramanian	4	Attended
Mr.Krishna Srinivasan	5	Attended
Mr.S.Krishnan	3	Attended

The time gap between two Board Meetings did not exceed 4 months. The last Annual General Meeting was held on 20-07-2009.



(d) Directors' membership as on 31-03-2010 in the Board or Committees thereof (excluding foreign companies):

Name of the Director	Other Boards	Other Board Committees
Mr.A.Krishnamoorthy	12	3 (of which 2 as chairman)
Mr.N.P.Mani	1	Nil
Mr.N.Venkataramani	11	4
Mr.A.B.Avery	Nil	Nil
Dr.R.Mahadevan	4	1 (as chairman)
Mr.P.M.Venkatasubramanian	3	7 (of which 5 as chairman)
Mr.Krishna Srinivasan	Nil	Nil

**03) Audit Committee:**

Consequent to the demise of Mr.S.Krishnan, Director, the Board of Directors at their meeting held on 24-03-2010 reconstituted the Audit Committee with Mr.P.M.Venkatasubramanian as Chairman, Mr.N.Venkataramani and Mr.Krishna Srinivasan as members. During the year ended March 31, 2010 the Audit Committee met 5 times i.e. on May 28, 2009, June 18, 2009, July 29, 2009, October 31, 2009 and January 30, 2010. Mr.K.Vidhya Shankar, Deputy General Manager (Costing) & Company Secretary is the Secretary of the Audit Committee.

Mr.R.Vijayaraghaven was inducted into the Audit Committee as a member with effect from 10-05-2010. The terms and reference for the Audit Committee is as per the provisions detailed in Clause 49 of the Listing Agreement. The composition of the committee and the attendance of its members is given below :

Name of the Director	No. of Audit Committee Meetings attended
Mr. P. M. Venkatasubramanian	4
Mr. N. Venkataramani	5
Mr. S. Krishnan	4
Mr. Krishna Srinivasan	5

**04) Remuneration Committee:**

Consequent to the demise of Mr.S.Krishnan, Director, the Board of Directors at their meeting held on 24-03-2010 reconstituted the Remuneration Committee with Mr.P.M.Venkatasubramanian as Chairman alongwith Mr.Krishna Srinivasan and Mr.A.B.Avery as members. During the year ended March 31, 2010 the Remuneration Committee met 3 times i.e. on June 18, 2009, October 31, 2009 and March 24, 2010.

Mr. R. Vijayaraghaven was inducted into the Remuneration Committee as a member with effect from 10-05-2010. The scope of the Committee is to decide the remuneration payable to Executive and Non-Executive Directors apart from any reference made by the Board of Directors. The composition of the committee and the attendance of its members is given below:

Name of the Director	No. of Remuneration Committee Meetings attended
Mr. P. M. Venkatasubramanian	2
Mr. S. Krishnan	2
Mr. Krishna Srinivasan	3
Mr. A. B. Avery	Nil

The details of the remuneration / Compensation paid / payable to Executive and Non-Executive Directors for the year ended 31-03-2010 is given below :

Name of the Director		No. of shares held	Amount (Rs.)
<b>Mr. A.Krishnamoorthy</b> (Chairman & Managing Director) :		50	
Fixed Component			
Salary			30,00,000
Contribution to Provident & Other Funds / Other Benefits			25,57,712
Variable Component – Performance based Commission			60,15,000
<b>Sub – Total (a)</b>		<b>50</b>	<b>1,15,72,712</b>
The Company has entered into a service agreement with Mr. A. Krishnamoorthy, Chairman & Managing Director for a period of 5 years effective 01-04-2005 terminable by either party by giving three calendar months' notice in writing. No severance fee is payable upon termination. He has been re-appointed for a further period of 5 years with the approval of the members.			
<b>Mr.N.P.Mani</b> (Whole-time Director) :		Nil	
Fixed Component			
Salary			10,95,000
Contribution to Provident & Other Funds / Other Benefits			10,53,303
Variable Component – Performance Bonus.			6,00,000
<b>Sub – Total (b)</b>		<b>–</b>	<b>27,48,303</b>
The Company has entered into a service agreement with Mr.N.P.Mani, Whole-time Director for a period of 2 years effective 01-11-2009 terminable by either party by giving three calendar months' notice in writing. No severance fee is payable upon termination.			
<b>Remuneration paid to Non-Executive Directors :</b>	Sitting Fees		Commission
Mr.N.Venkataramani	50,000/-	150	6,20,000
Mr.A.B.Avery	–	–	–
Dr.R.Mahadevan	25,000/-	–	2,80,000
Mr.P.M.Venkatasubramanian	50,000/-	–	3,30,000
Mr.Krishna Srinivasan	65,000/-	–	1,01,000
Mr.S.Krishnan	45,000/-	–	1,01,000
<b>Sub-Total (c)</b>	<b>2,35,000/-</b>	<b>150</b>	<b>14,32,000</b>
<b>Grand Total (a+b+c)</b>		<b>200</b>	<b>1,57,53,015</b>
The basis of payment to Non-Executive Directors would depend on the number of meetings attended . There has been no other pecuniary relationship between the Company and the Non-Executive Directors during the year.			

The Company has not introduced stock option scheme.