

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 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) 2537 5581

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 FIFTIETH ANNUAL GENERAL MEETING

Notice is hereby given that the Fiftieth Annual General Meeting of the shareholders of the company will be held at New Woodlands Hotel, 72/75, Dr. Radhakrishnan Salai, Chennai 600004 on Wednesday, the 27th day of July 2011 at 10.00 a.m. to transact the following business:

Ordinary Business:

- (1) To receive and adopt the Annual Balance Sheet as at 31st March 2011 and the Audited Profit and Loss Account for the year ended 31st March 2011 and the Auditors' and Directors' Report thereon.
- (2) To declare a dividend.
- (3) To appoint a Director in the place of Mr.N. Venkataramani who retires by rotation and being eligible offers himself for re-election.
- (4) To appoint a Director in the place of Mr.Krishna Srinivasan 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 (Firm Regn. No.: 301112E) 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".

By order of the Board

Chennai 600011
20th June 2011

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 be 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 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 / Client ID 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 26-07-2011 to 27-07-2011 (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 26-07-2011. In the case of other holders, the dividend amount will be paid to those names which appear in the Register of Members as on 27-07-2011.
4. The Company has, pursuant to Section 205 of the Companies Act, 1956, transferred the amounts of unclaimed dividends declared up to the Financial Year 2002 – 2003 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 31-03-2004 and / or any subsequent dividend payments are requested to make their claim to the company. The Company has already sent a notice to shareholders in this behalf.
5. The members are requested to provide, if not already done so, the full Bank Account details quoting their folio Number / Client ID Number in the format enclosed to our Registrars 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.
6. In line with the Green Initiatives introduced by the Ministry of Corporate Affairs, Government of India, we request the shareholders to register their E-Mail IDs with the Company / Share Transfer Agents. This will enable the Company to service share-holders' requests / queries electronically apart from furnishing of Audited Accounts. The company has already sent a notice to shareholders on the subject.

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

| Name | Mr.N.Venkataramani | Mr.Krishna Srinivasan |
|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of Birth | 09-12-1939 | 12-10-1957 |
| Date of appointment | 08-02-1985 | 30-03-2009 |
| Qualifications | Honours Degree in Mathematics from Delhi University. Specialised in Mechanical Engineering and obtained B.Sc.(Hons) and M.Sc., Degrees from the University of London. Diploma in production technology from the Imperial College of London. A fellow member of the Institute of Mechanical Engineers (U.K.) | B.Com. B.L. |
| Expertise in specific functional areas | Overall Business Management | Practicing Advocate in High Courts, Tribunals and Supreme Court of India, specialising in areas of Corporate Laws, Joint Ventures, Merger & Acquisition, Intellectual Property, Civil Arbitrations and Banking Laws for well over two and a half decades. |
| Directorships in other companies | M/s.George Oakes Limited M/s.IP Pins & Liners Limited M/s.IP Rings Limited, Chairman M/s.MAHLE IPL Limited M/s.India Pistons Limited M/s.Amalgamations Valeo Clutch (P) Limited M/s.Amalgamations Repco Limited M/s.Stanes Amalgamated Estates Limited M/s.Stanadyne Amalgamations (P) Limited M/s.Amalgamations Private Limited M/s.Simpson & Company Limited M/s.IPL Engine Components (P) Limited M/s.Sundaram Finance Limited M/s.NTTF Industries Limited | Nil |
| Member of Committees of the Board of Companies of which he is a Director | India Pistons Limited, Member – Audit Committee Simpson & Company Limited, Member – Audit Committee Amalgamations Repco Ltd., Chairman Remuneration Committee | Nil |
| No. of shares held in the Company | 150 | Nil |

BIMETAL BEARINGS LIMITED

REPORT OF DIRECTORS

Your Directors have pleasure in presenting the **Fiftieth Annual Report** covering the operations for the year ended **31st March 2011** together with the accounts and Auditors' Report thereon.

FINANCIAL RESULTS:

| | Year Ended 31-03-2011 (Rs. in Lacs) | Year ended 31-03-2010 (Rs. in Lacs) |
|---------------------------------------------------------|----------------------------------------------------|-------------------------------------------|
| Net Sales (Net of Excise Duty) | 14481.18 | 11192.94 |
| Profit before Interest, Depreciation and Taxation | 1827.54 | 1679.64 |
| Less : Interest | 51.53 | 51.50 |
| Depreciation | 403.17 | 349.53 |
| Profit before Tax | 1372.84 | 1278.61 |
| Less : Taxation (including Deferred Tax) | 458.90 | 384.70 |
| Profit after Tax | 913.94 | 893.91 |
| Add : Balance brought forward from previous year | 192.16 | 156.25 |
| Profit available for appropriation | 1106.10 | 1050.16 |
| Less : Transfer to : | | |
| Proposed Dividend | 420.75 | 306.00 |
| Dividend Tax | 68.70 | 52.00 |
| General Reserve | 400.00 | 500.00 |
| Balance Carried to Balance Sheet | 216.65 | 192.16 |

OPERATIONS

Your Company has achieved the highest turnover of Rs.144.81 crores registering a growth over 29% .compared to last year. The growth, supported by the market conditions, however was greatly impacted by the steep increase in non-ferrous materials and high power costs. The limitations in the market for adequate recovery of the increases are constantly reviewed.

The Company pursued new opportunities both in the area of new customers and participation in new platforms with existing customers. Focus on technology upgradation both in material and process have been addressed to retain the most preferred choice among the customers in addition to the continuing focus on quality, efficient cost management and optimum product-mix. Initiatives to handle the uncertainties in the area of power and input costs are expected to reflect in the performance during the current year of operations.

The Profit before and after Tax have only marginally improved compared to last year.

The Company, in the current year will maintain technical superiority and process realignment to improve performance in all segments. Even though high interest regime and increase in fuel prices may pose a challenge, the company would be closely monitoring each segment of the market and take appropriate steps to maintain the performance level beyond market rate of growth.

The Company established by Sri S. Anantharamakrishnan, Founder Chairman of Amalgamations Group has maintained a leadership position in the Bearing Industry since its inception and has a record of uninterrupted Dividend and growth performance. We have high levels of presence and acceptance with almost all the Original Equipment Manufacturers and a significant presence in the Replacement Trade and Export Market.

The Directors, in the 50th year, wish to express their deep appreciation for the confidence and support extended to the Company by the Shareholders, Customers, Suppliers and Employees of the Company.

DIVIDEND:

Your Directors recommend a Dividend of 11/- per share, including Rs.3/- per share for the Golden jubilee Year [Previous Year: Rs.8/- per share] on the Paid-up capital for the year ended 31 -03-2011.

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 31-03-2011 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 the Chief Financial Officer, Mr.N.Venkataraman, Vice President (Finance) was placed before the Board of Directors at their meeting held on 20-06-2011 and taken on record.

DISCLOSURE OF PARTICULARS:

The information required under Section 217(l)(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:

We wish to record our deep appreciation to our Past Chairman Mr. A. Sivasailam, who passed away in January 2011. Mr. Sivasailam's contribution to the growth of this Company and continued guidance and support from him and Amalgamations Group is gratefully acknowledged.

Mr.N.Venkataramani and Mr.Krishna Srinivasan, Directors, are retiring at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS:

M/s.Price Waterhouse, Chennai the retiring Auditors are eligible for re-appointment. The Audit Committee had 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.

For and on behalf of the Board

Chennai
20th June 2011

A. Krishnamoorthy
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRIAL STRUCTURE AND DEVELOPMENT:

India having become a major centre for the manufacture of vehicles, the engine bearing industry is well positioned for further growth in all segments of vehicular applications. Improved quality and reliability have become imperative as also achievement of global standards in all facets of activities. Traditional methods are progressing to system generated methods. The industry has done very well during the last few years and the demand for the products including intermediate products is good and encouraging.

OPPORTUNITY AND THREATS:

The Company has positioned itself to meet the stringent quality and technical requirement of Original Equipment Manufacturers in domestic and overseas and replacement segments of the market. Your Company has the requisite technology and action plan to maintain the leadership position in the industry.

OUTLOOK:

The outlook for the year appears to be good as the domestic and the global markets are giving indications for a reasonable growth in terms of volumes and in all segments of the market.

INTERNAL CONTROL SYSTEM:

The Company maintains adequate internal control systems and the internal audit is handled by M/s. Fraser & Ross, Chartered Accountants.

FINANCIAL PERFORMANCE:

With the overall measures taken by the Company, the management of working capital and long term usage of the funds had been satisfactory. With support coming from the company's treasury operations and with planned capital expenditure, the company's financial performance would be satisfactory.

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 474 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 31-03-2011:

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
Mr.R. Vijayaraghavan

(b) The Board met five times during the year i.e., on May 10, 2010, June 14, 2010, August 13, 2010, November 03, 2010 and February 12, 2011.

(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 | Not Attended |
| Mr.N.Venkataramani | 4 | Attended |
| Mr.A.B.Avery | Nil | Not Attended |
| Dr.R.Mahadevan | 3 | Attended |
| Mr.P.M.Venkatasubramanian | 5 | Attended |
| Mr.Krishna Srinivasan | 4 | Attended |
| Mr.R. Vijayaraghavan | 4 | Not Attended |

The time gap between two Board Meetings did not exceed 4 months. The last Annual General Meeting was held on 23-07-2010.

(d) Directors' membership as on 31-03-2011 in the Board or Committees thereof (excluding foreign companies):

| Name of the Director | Other Boards | Other Board Committees |
|-----------------------------|---------------------|-------------------------------|
| Mr.A.Krishnamoorthy | 13 | 3 (of which 2 as chairman) |
| Mr.N.P.Mani | 1 | Nil |
| Mr.N.Venkataramani | 14 | 3 (of which 1 as chairman) |
| Mr.A.B.Avery | Nil | Nil |
| Dr.R.Mahadevan | 6 | 1 (as chairman) |
| Mr.P.M.Venkatasubramanian | 4 | 9 (of which 4 as chairman) |
| Mr.Krishna Srinivasan | Nil | Nil |
| Mr.R. Vijayaraghavan | 1 | 1 |

03) Audit Committee:

During the year ended March 31, 2011 the Audit Committee met 5 times under the chairmanship of Mr. P.M. Venkatasubramanian, i.e. on May 10, 2010, June 14, 2010, August 13, 2010, November 03, 2010 and February 12, 2011. Mr.K.Vidhya Shankar, Deputy General Manager (Costing) & Company Secretary is the Secretary of the Audit Committee.

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 | 5 |
| Mr. N. Venkataramani | 4 |
| Mr. Krishna Srinivasan | 4 |
| Mr. R. Vijayaraghavan | 4 |

04) Remuneration Committee:

During the year ended March 31, 2011, the Remuneration Committee met one time i.e. on June 14, 2010 under the chairmanship of Mr. P.M. Venkatasubramanian. The scope of the Committee is to decide the remuneration payable to Executive and Non-Executive Directors apart from any reference made to it 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 | 1 |
| Mr. Krishna Srinivasan | 1 |
| Mr. R. Vijayaraghavan | Nil |
| Mr. A. B. Avery | Nil |

The details of the remuneration / Compensation paid / payable to Executive and Non-Executive Directors for the year ended 31-03-2011 are given below :

| Name of the Director | | No. of shares held | Amount (Rs.) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| a) Mr. A.Krishnamoorthy (Chairman & Managing Director) : Fixed Component Salary Contribution to Provident & Other Funds / Other Benefits Variable Component – Performance based Commission Sub – Total (a) The Company has entered into a service agreement with Mr. A. Krishnamoorthy, Chairman & Managing Director for a period of 5 years effective 01-04-2010 terminable by either party by giving three calendar months' notice in writing. No severance fee is payable upon termination. | | 50 50 | 42,00,000 46,79,386 34,80,000 123,59,386 |
| b) Mr.N.P.Mani (Whole-time Director) : Fixed Component Salary Contribution to Provident & Other Funds / Other Benefits Variable Component – Performance Bonus. Sub – Total (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. | | Nil – | 12,00,000 11,98,874 6,00,000 29,98,874 |
| c) Remuneration paid to Non-Executive Directors : Mr.N.Venkataramani Mr.A.B.Avery Dr.R.Mahadevan Mr.P.M.Venkatasubramanian Mr.Krishna Srinivasan Mr.R.Vijayaraghavan Sub-Total (c) Grand Total (a+b+c) | Sitting Fees 45,000/- – 15,000/- 55,000/- 45,000/- 40,000/- 2,00,000/- | 150 – – – – – 150 200 | Commission 5,85,000 – 2,00,000 3,50,000 2,00,000 2,00,000 15,35,000 168,93,260 |
| 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.

05) Shareholders Committee:

The Share Transfer and Shareholders / Investors Grievance Committee is functioning under the chairmanship of Mr.N.Venkataramani, Director alongwith Mr.A.Krishnamoorthy, Chairman & Managing Director and Mr.N.P.Mani, Whole-time Director as members of this Committee. Mr.K.Vidhya Shankar, DGM [Costing] & Company Secretary is the Compliance Officer of the Company in matters relating to shareholders, Stock Exchanges, SEBI and other related regulatory matters. During the year 22 complaints / request letters were received from shareholders all of which were satisfactorily disposed off. No Complaint was pending on 31-03-2011. As on that date there were no pending share transfers.

06) General Body Meetings:

- (a) Details of location and time where last three Annual General Meetings were held :

| Year | Location | Date and Time |
|-----------------|------------------------------|----------------------------|
| 47th AGM – 2008 | New Woodlands Hotel, Chennai | July 23, 2008 – 10.00 a.m. |
| 48th AGM – 2009 | New Woodlands Hotel, Chennai | July 20, 2009 – 10.00 a.m. |
| 49th AGM – 2010 | New Woodlands Hotel, Chennai | July 23, 2010 – 10.15 a.m. |

- (b) No special resolutions were passed in the last three Annual General Meetings held by the Company .
(c) There has been no use of postal ballots so far.

07) Disclosures:

- (a) There have been no materially significant related party transactions with the company's promoters, directors, the management, its subsidiaries or relatives which may have potential conflict with the interest of the company at large. The details of related party transactions as stated in Note No. 21 of notes to Accounts have been reviewed by the Audit Committee.
(b) There has been no instances of non-compliance by the Company on any matters related to the capital markets, nor have any penalty/ strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters. The Company has complied with all mandatory requirements prescribed under revised Clause 49 of the Listing Agreement. The Company has also complied with a few non-mandatory requirements.
(c) Mr.A.Krishnamoorthy, Chairman & Managing Director and Mr.N.Venkataramani, Director are related to each other.

08) Means of Communication:

- (a) The company had mailed the half-yearly results to all the shareholders for the half-year ended 30-09-2010.
(b) Quarterly results are normally published in "The Economic Times" (English) and "Dinamalar" (Tamil). They are also available in the company's website www.bimite.co.in
(c) The Management Discussion and Analysis Report is a part of the Annual Report

09) GENERAL SHAREHOLDER INFORMATION:

- (a) Financial Calendar:

Financial Year : 1st April to 31st March

| | |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| Annual General Meeting | Date : 27-07-2011 Time : 10.00 a.m. Venue : Hotel New Woodlands, 72/75, Dr.Radhakrishnan Salai, Mylapore, Chennai 600 004 |
| Unaudited results for the Quarter ending June 30, 2011 | Before the 2nd week of August 2011 |
| Unaudited results for the Quarter / Half Year ending September 30, 2011 | Before the 2nd week of November 2011 |
| Unaudited results for the Quarter ending December 31, 2011 | Before the 2nd week of February 2012 |
| Audited Results for the year ending March 31, 2012. | During the month of June 2012 |