

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

CHIEF FINANCIAL OFFICER :

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

NELSON CHAMBERS, "F"– BLOCK, STA DEPARTMENT,
4TH FLOOR, NO.115, NELSON MANICKAM ROAD,
AMINTHAKARAI, CHENNAI- 600 029 (PH.: 044 - 4296 2025)

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 FIFTY FIRST ANNUAL GENERAL MEETING

Notice is hereby given that the Fifty First Annual General Meeting of the shareholders of the company will be held at Naradha Gana Sabha, T.T.K. Road, Alwarpet, Chennai - 600 018 on Monday, the 23rd day of July 2012 at 10.30 a.m. to transact the following business:

Ordinary Business:

- (1) To receive and adopt the Annual Balance Sheet as at 31st March 2012 and the Audited Statement of Profit and Loss for the year ended 31st March 2012 and the Auditors' and Directors' Report thereon.
- (2) To declare a dividend.
- (3) To appoint a Director in the place of Mr. A. B. Avery 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 (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".

Special Business:

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

"RESOLVED THAT pursuant to sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956 if any and read with Schedule XIII to the said Act, the approval of the Company be and is hereby accorded to the re-appointment of Mr. N. P. Mani as a Whole-time Director of the Company for a period of 1 year from 01-11-2011 pursuant to the resolutions passed by the Board of Directors on 28-10-2011 and the payment of remuneration, allowances, performance bonus and perquisites as set out in the agreement approved at the Meeting of the Board of Directors held on 09-11-2011 or such other remuneration as the Board of Directors may revise from time to time duly recommended in that respect by the Remuneration Committee."

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

"RESOLVED THAT in conformity with article 50(a) of the Articles of Association of the Company and pursuant to the provisions of Section 309(4) of the Companies Act, 1956, consent be and is hereby accorded for payment of commission to eligible non-executive Directors of the Company at 1% of the net profits of the Company computed in accordance with Section 198 of the Companies Act, 1956 for each financial year for a period of Five years commencing from 01-04-2012 to 31-03-2017 to be apportioned between such Directors in such a manner as may be decided by the Board of Directors from time to time upon the recommendations of the Remuneration Committee."

By order of the Board

K. Vidhya Shankar

Deputy General Manager (Costing) & Company Secretary

Chennai 600011

30th May 2012

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 the office of Registrars & Share Transfer Agents, M/s.GNSA Infotech Limited, "Nelson Chambers", F-Block, STA Department, 4th Floor, 115, Nelson Manickam Road, Aminthakarai, Chennai 600 029 (Telephone No. 044 – 42962025). 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 20-07-2012 to 23-07-2012 (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 20-07-2012 (Friday). In the case of other holders, the dividend amount will be paid to those whose names appear in the Register of Members as on 23-07-2012 (Monday).
4. The Company has, pursuant to Section 205 of the Companies Act, 1956, transferred the amounts of unclaimed dividends declared upto the Financial Year 2003 – 2004 to the General Revenue Account of the Central Government / Investor Education and Protection Fund. Members who have not responded to our repeated communication and have not encashed the Dividend Warrants for the year ended 31-03-2005 and/or any subsequent dividend payments are requested to make their claim to the company. The Company had already sent a notice to the 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 shareholders' requests/ queries electronically apart from furnishing of Audited Accounts and other relevant information / communication. The company had already sent a notice to the shareholders on this subject.

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956.

In respect of Item No.06:

Subject to the provisions of Sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956 the Board of Directors by a resolution passed on 28-10-2011 have re-appointed Mr. N. P. Mani as Whole-time Director for a further period of 1 year from 01-11-2011. The terms and conditions relating to the re-appointment of Mr. N. P. Mani as Whole-time Director are listed below. Mr. N. P. Mani is not liable to retire by rotation. He is not entitled to sitting fees. His responsibility includes overall co-ordination and control of the operations of the Company including projects.

The remuneration payable to Mr. N. P. Mani on his re-appointment as Whole-time Director of the Company has been proposed and recommended by the Remuneration Committee at its meeting held on 09-11-2011. The terms of re-appointment of Mr. N. P. Mani as whole-time Director of the Company and the related remuneration payable to him needs approval of the members by means of passing a special resolution at a General Meeting of the Company in terms of requirements of Section II, Part II of Schedule XIII to the Companies Act, 1956. Hence, the special resolution is proposed for consideration of the members.

The information to be disclosed as per the requirements of Part II of Schedule XIII to the Companies Act, 1956 are provided hereunder. Mr.N.P.Mani aged 74 years being a whole-time Director of the Company is also a member of the Share Transfer & Shareholders / Investors Grievance Committee in the Company. The details of other directorships / Committee memberships held by Mr.N.P.Mani in other Companies as on date are given below:

Directorships	:	BBL Daido Private Limited T.Stanes & Company Limited
Committee Membership	:	Member - Audit Committee in T.Stanes & Company Limited

The remuneration payable to Mr.N.P.Mani for a period of one year from 01-11-2011 is given below :

Salary	:	Rs.1,00,000/- (Rupees One Lakh only) per month.
Special Allowance	:	Rs.40,000/- (Rupees Forty Thousands only) per month.
Performance Bonus	:	Not exceeding Rs.10,00,000/- (Rupees Ten Lakhs Only) per Financial Year as may be decided by the Remuneration Committee and the Board of Directors.

Perquisites:

- | | | | |
|-----|--|---|--|
| (a) | House Rent Allowance | : | Rs.50,000/- (Rupees Fifty Thousands Only) per month. |
| (b) | Reimbursement of expenses incurred on gas, electricity, water, security and furnishings. | | |
| (c) | Medical Reimbursement | : | Expenses incurred by the Whole-time Director and his family as per the rules of the Company. |
| (d) | Leave Travel Concession | : | For the Whole-time Director and his family incurred in accordance with the rules specified by the Company. |
| (e) | Club Fees | : | Fees for one club which will not include Admission and Life Membership Fees. |
| (f) | Personal Accident Insurance | : | Premium for cover as per the rules of the Company |
| (g) | Encashment of leave at the end of the tenure shall be allowed and the same will not be included in the computation of the ceiling on perquisites | | |
| (h) | Leave facility as applicable to other Senior Executives of the Company shall be allowed. | | |

The Whole-time Director shall be entitled to all expenses including reimbursement of travelling and entertainment expenses incurred in the course of the Company's business, which shall not be treated as a perquisite.

All the above perquisites shall be evaluated as per Income Tax Rules wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actuals. He is not entitled to sitting fees.

Apart from the remuneration aforesaid:

The Whole-time Director shall be eligible for provision of car with driver, telephone, mobile and other communication facilities at his residence and these will not be considered as perquisites.

Any variation of the above perquisites or any other perquisites as may be approved by the Remuneration Committee / Board from time to time.

The re-appointment and remuneration payable as mentioned above shall be subject to the overall ceiling under Sections 198 and 309 of the Companies Act, 1956.

Minimum Remuneration:

Where in any financial year during the currency of tenure of Mr.N.P.Mani, Whole-time Director, the Company has no profits or its profits are inadequate, it may pay him remuneration by way of salary, allowances, performance bonus and perquisites not exceeding the limits in Section II of Part II of Schedule XIII to the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time as Minimum Remuneration and within such limit as may be specified by the Remuneration Committee / Board.

Since the proposed re-appointment and the payment of remuneration conform to the requirements of Schedule XIII to the Companies Act, 1956, the approval of the Central Government is not required.

Termination:

The contract can be terminated by either party by giving three calendar months notice.

The agreement which has been approved by the Board of Directors at their meeting held on 09-11-2011 detailing therein the terms and conditions as detailed above along with the responsibilities and duties to be discharged by the Whole-time Director in that capacity has been entered into with the Whole-time Director. Copies of the relevant agreement will be available for inspection by any member of the Company at the Registered Office of the Company between 10.00 a.m. to 12.00 noon on any working day till the date of the Annual General Meeting.

Information relating to the Industry has already been furnished in the Corporate Governance section of the Annual Report of the Company. The Directors recommend the resolution for consideration and approval of the members. None of the Directors except Mr.N.P.Mani is concerned or interested in the resolution. Abstract and terms of re-appointment and memorandum of interest under Section 302 of the Companies Act 1956 have already been circulated to the Members.

The relevant information required to be furnished under Section II of Part B of Schedule XIII to the Companies Act, 1956 are furnished hereunder:

I. General Information

1. Nature of Industry : Auto Ancillary
2. Date or expected date of commencement of Commercial production : Company was established in the year 1961 and had already commenced commercial production.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. : Not Applicable
4. Financial Performance based on given indicators : (Rs. in lakhs)

Particulars	Year Ended	
	31-03-2012	31-03-2011
Net Sales	17,004.70	14,481.18
Other Income	1,088.45	895.17
Total	18,093.15	15,376.35
Profit Before Tax	1,879.68	1,372.84
Profit After Tax	1,285.05	913.94
Dividend – Amount	420.75	306.00
Special - 50th year Dividend – Amount	–	114.75
Dividend – Percentage ##	110%	80%
Special - 50th year Dividend – Percentage	–	30%
Earnings Per Share (Rs.)	33.60	23.89
Share Capital	382.50	382.50
Reserves	13,018.12	12,220.46
Net Worth	13,400.62	12,602.96
Debt-Equity Ratio	0.01 : 1	0.01 : 1

subject to approval of the members at the ensuing Annual General Meeting.

The Company has declared dividends since inception without break.

5. Export Performance
 - (a) Year Ended : 31-03-2012
 - (b) Exports on FOB basis : Rs. 5,300.89 lakhs
 - (c) Foreign Exchange outgo referable to
 - (i) Dividend : Nil
 - (ii) Royalty : Nil
 - (iii) New Technology / Consultancy : Nil
6. Foreign Investments : Nil
7. Technical Collaborators : Daido Metal Company, Japan

II. Information about the Appointee :

1. Back-ground details : Mr.N.P.Mani, a marine engineer has held various diversified assignments in the group companies, Simpson & Company Limited and Shardlow India Limited prior to his appointment in the Company effective 01-04-1987. Mr.N.P.Mani carries with him rich experience of 52 years, a substantial portion of which was associated with the manufacture of auto ancillary products. He has been successful in interacting with both customers and vendors. He played a major part in the implementation of several projects and contributed to the absorption of technology imported from collaborators whereby the Company today is having the state of the art technology for material and machines.
2. Past remuneration : Remuneration paid for the year ended 31-03-2011 :
- | Fixed Components | Rs. | Rs. |
|---------------------------|-------------|--------------------|
| Salary | 12,00,000/- | |
| Other benefits | 11,98,874/- | 23,98,874/- |
| Variable Component | | |
| Performance Bonus | | 6,00,000/- |
| Total | | 29,98,874/- |
- (The Company has not introduced Stock Option Scheme)
3. Recognition or Awards : Nil
4. Job profile and his suitability : (a) His responsibility will include overall co-ordination and control of the operations of the company including projects.
(b) He has been associated with the Company since 01-04-1987 and is conversant with all the intricacies of manufacture and sale of the products of the company.
5. Remuneration Proposed : As mentioned in the notice. The same remuneration was earlier approved by the Remuneration Committee and the Board of Directors at their meetings held on 09-11-2011.
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates, the relevant details would be with reference to the country of his origin) : The remuneration proposed is comparable in the industry and commensurate with the responsibility envisaged under the post of Whole-time Director
7. Pecuniary Relationship : Nil

III. Other Information:

1. Reason for Loss or inadequacy : The resolution is primarily to address in case there is inadequacy of profits due to input cost increases which could not be adequately compensated.
2. Steps taken or proposed to be taken for improvement : As mentioned, it is an enabling resolution. The Company would take all steps to protect the profit margins which would include increased capacity utilisation, negotiating with the customers for price revision etc. when need arises to maximise profits and reduce the losses.
3. Expected increase in productivity and profit in measurable terms. : Barring unforeseen circumstances, a growth of around 7.5% in profit before tax is anticipated.

IV. Disclosure:

1. Remuneration Package : As given in the Explanatory Statement
2. Details to be furnished in the Corporate Governance Section : Furnished in the Corporate Governance Section.

Item No.7:

In view of the greater involvement and the valuable contributions rendered by the Non-Executive Directors of the Company, it is thought appropriate to remunerate them.

As per the provisions of Section 309 of the Companies Act, 1956, 1% of the net profits of the Company computed as per the provisions of section 198 of the Companies Act, 1956 could be paid to them. Accordingly a special resolution is placed before the members for their consideration and approval as the previous approval obtained from the share-holders was valid only upto 31st March 2012.

Mr. N. Venkataramani, Dr. R. Mahadevan, Mr. A. B. Avery, Mr. P. M. Venkatasubramanian, Mr. Krishna Srinivasan and Mr. R. Vijayaraghavan being Non Executive Directors are interested in the resolution to the extent of the commission that would become payable to them.

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

Name	Mr.N.P.Mani	Mr.A.B.Avery	Mr.P.M.Venkatasubramanian
Date of Birth	22-08-1937	10-03-1928	21-02-1939
Date of appointment	01-11-2006	01-08-1975	29-12-2005
Qualifications	DMET (Ministry of Transport)	Certified Public Accountant.	Post Graduate in Commerce and fellow member of the Insurance Institute of India, Mumbai.
Expertise in specific functional areas	Over-all co-ordination and control of the operations of the company including projects.	Former Chairman of Automotive Components Limited and has vast experience in the automobile and ancillary industries.	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	BBL Daido Private Limited T.Stanes & Company Limited	Nil	Royal Sundaram Alliance Insurance Company limited IP Rings Limited IndBank Merchant Banking Services Limited INXS Technologies Limited T.Stanes & Company Limited
Member of Committees of the Board of Companies of which he is a Director	T.Stanes & Company Limited – Member, Audit Committee	Nil	Royal Sundaram Alliance Insurance Company Limited – Risk Management Committee – Chairman Investment Committee – Chairman Audit Committee – Member IP Rings Limited Audit Committee – Chairman Remuneration Committee – Chairman IndBank Merchant Banking Services Limited Audit Committee - Member INXS Technologies Limited Audit Committee – Chairman Remuneration Committee – Member Technology Committee – Member T.Stanes & Company Limited Audit Committee – Chairman
No. of shares held in the Company	Nil	Nil	Nil

BIMETAL BEARINGS LIMITED

REPORT OF DIRECTORS

Your Directors have pleasure in presenting the **Fifty First Annual Report** covering the operations for the year ended **31st March 2012** together with the accounts and Auditors' Report thereon.

FINANCIAL RESULTS:

	Year Ended 31-03-2012 (Rs. in Lacs)	Year ended 31-03-2011 (Rs. in Lacs)
Net Revenue	17529.50	14896.32
Profit before Interest, Depreciation and Taxation	2334.07	1827.54
Less : Interest	48.66	51.53
Depreciation	405.73	403.17
Profit before Tax	1879.68	1372.84
Less : Taxation (including Deferred Tax)	594.63	458.90
Profit after Tax	1285.05	913.94
Add : Balance brought forward from previous year	216.65	192.16
Profit available for appropriation	1501.70	1106.10
Less : Transfer to :		
Proposed Dividend	420.75	420.75
Dividend Tax	66.64	68.70
General Reserve	750.00	400.00
Balance Carried to Balance Sheet	264.31	216.65

OPERATIONS:

The revenue for the year under review increased from Rs.148.96 Crores to Rs.175.29 Crores recording a growth of around 17.7% which could be achieved by the Company taking advantage of the demand situation prevailing in Original Equipment and Export Segments of the market. The Profit before Tax of Rs.18.70 Crores is a record for the Company and could be achieved despite volatility of prices of non-ferrous metals, high power cost and limitations in recovering such cost increases. The Company is striving to maintain the profitability of operations through capacity augmentation and with new business from major entrants in the LCV and HCV Segments. Technology upgradation, automation to further improve reliability and rationalization of product range are receiving greater emphasis.

DIVIDEND:

Your Directors recommend a Dividend of Rs.11/- per share, (Previous Year: Rs.8/- per share + Rs.3/- per share as Golden Jubilee year dividend) on the Paid-up capital for the year ended 31-03-2012.

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 31-03-2012 and of the profit for the year ended on that date.
- (c) Proper and sufficient care have 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 Mr. A. Krishnamoorthy, the Chief Executive Officer, and Mr. N. Venkatarman, Chief Financial Officer was placed before the Board of Directors at their meeting held on 30-05-2012 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. A.B.Avery and Mr. P.M.Venkatasubramanian, 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.

Chennai
30th May 2012

For and on behalf of the Board

A. Krishnamoorthy
Chairman & Managing Director