

# BIMETAL BEARINGS LIMITED

CIN : L29130TN1961PLC004466

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### DIRECTORS:

Mr. A.Krishnamoorthy – Managing Director  
Mr. N. Venkataramani  
Mr. P. M. Venkatasubramanian  
Mr. Krishna Srinivasan  
Mr. R. Vijayaraghavan  
Dr. (Mrs.) Sandhya Shekhar  
Mr. N.P. Mani  
Mr. S. Narayanan – Whole-time Director

### CHIEF FINANCIAL OFFICER:

Mr. N. Venkataraman

### COMPANY SECRETARY:

Mr. K. Vidhya Shankar

### AUDITORS:

M/s. PRICE WATERHOUSE, Chennai

### BANKERS :

Central Bank of India

### LEGAL ADVISERS :

M/s. KING & PARTRIDGE, CHENNAI  
M/s. RAMANI & SHANKAR, COIMBATORE

### DEPOSITORY REGISTRAR & SHARE TRANSFER AGENT:

M/s. GNSA INFOTECH LIMITED  
“Nelson Chambers”, “F”– Block, STA Department,  
4th Floor, No.115, Nelson Manickam Road,  
Aminthakarai, Chennai - 600 029

### REGISTERED OFFICE :

“HUZUR GARDENS”, SEMBIUM, CHENNAI - 600 011  
PH.: (044) 2537 5581  
E-Mail: vidhyashankar@bimite.co.in  
Website: www.bimite.co.in

### FACTORIES :

“Huzur Gardens”, Sembium, 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.**

CIN: L29130TN1961PLC004466

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### **NOTICE TO THE SHAREHOLDERS OF THE FIFTY FOURTH ANNUAL GENERAL MEETING**

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Notice is hereby given that the Fifty Fourth Annual General Meeting of the shareholders of the company will be held at New Woodlands Hotel, 72/75, Dr.Radhakrishnan Salai, Mylapore, Chennai - 600 004 on Monday, the 27th day of July 2015 at 10.15 a.m. to transact the following business:

#### **Ordinary Business:**

- (1) To receive, consider and adopt the financial statement of the Company for the financial year ended 31st March 2015 including the audited statement of Profit & Loss for the year ended on that date and the Balance Sheet as at that date together with the Reports of the Directors and Auditors and to pass the following resolution as an Ordinary resolution.

**"Resolved** that the Statement of Profit and Loss for the year ended on 31st March, 2015, the Balance Sheet as on that date, the annexures thereto, the Cash Flow Statement for the year ended on 31st March, 2015, the Reports of Auditors and Directors thereon be and are hereby received and adopted".

- (2) To declare a dividend and to consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary resolution :

**"Resolved** that a Dividend of Rs. 7.50 per share out of the current profits of the Company for the year ended 31st March 2015 amounting to Rs. 2,86,87,500/- be declared and paid".

- (3) To appoint a director in place of Mr.S.Narayanan, Whole-time Director (DIN-03564659) who retires by rotation and being eligible offers himself for re-appointment and to pass the following Resolution as on Ordinary Resolution

**"Resolved** that Mr. S. Narayanan, Whole-time Director (DIN-03564659), who retires by rotation from the Board pursuant to the provisions of Section 152 of the Companies Act, 2013 be and is hereby re-appointed as a Director of the Company".

#### **Special Business :**

- (4) To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution :

**"Resolved** that pursuant to the provisions of the Section 139 and other applicable provisions if any of the Companies Act, 2013 and the rules framed there under, M/s. Price Waterhouse, Chartered Accountants, LLP (Firm Regn. No: 012754N/N500016) be and are hereby 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 exclusive of Service Tax, out of pocket and travelling expenses as may be mutually agreed between them".

- (5) 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 of the Companies Act, 2013, the remuneration fixed at Rs.2,10,000/- (Rupees Two Lakhs and Ten Thousands Only) exclusive of taxes, out of pocket and travel expenses etc., to M/s. S.Mahadevan & Co., Cost Accountants (Firm Regn. No. 000007) who have been re-appointed as Cost Auditors by the Board of Directors for the financial year 2015 – 2016 as recommended by the Audit Committee be and is hereby ratified."

Chennai- 600011  
30th May 2015

By order of the Board

**K. Vidhya Shankar**  
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. Members / Proxies are requested to bring the attendance slip 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. 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. The instrument appointing a Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy Form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution / authority, as applicable. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 days notice in writing is given to the company.
2. The register of members and Share Transfer Books of the Company under the physical mode will remain closed from 20th July 2015 to 27th July 2015. (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 20th July 2015 (Monday). In the case of other holders, the dividend amount will be paid to those whose names appear in the Register of Members as on the date of the 54<sup>th</sup> Annual General Meeting.
4. The Company has, pursuant to Section 205 of the Companies Act, 1956 and Section 124 of the Companies Act, 2013, transferred the amounts of unclaimed dividends declared up to the Financial Year 2006 – 2007 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<sup>st</sup> March 2008 and / or any subsequent dividend payments are requested to make their claim to the company.
5. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or the Share Transfer Agent cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company. The company will not be responsible for any loss arising out of fraudulent encashment of dividend warrants and it is advisable to get the dividend amounts credited electronically directly.
6. 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 any other relevant information / communication.
7. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
9. A Physical copy of the Annual Report 2015 is being sent to all the members whose names will be appearing in the register of members as on 26th June 2015. In the case of the those shareholders who have become members subsequently are requested to contact the Company's Share Transfer Agents to get a copy of the Company's Annual Report. Further a soft copy of the Annual Report 2015 is being sent to all the members whose e-mail IDs are registered with the Company / Depository Participant(s) / Share Transfer Agents. Members may note that the Notice of the 54th Annual General Meeting and the Annual Report for the year 2015 will also be available on the Company's website, i.e. [www.bimite.co.in](http://www.bimite.co.in) / Annual Report 2015
10. All documents referred to in the accompanying Notice to the 54th Annual General Meeting and the statement of material facts shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except up to and including the date of the Annual General Meeting of the Company.

**Statement of Material Facts pursuant to Section 102 of the Companies Act, 2013.****For item No.4 :**

The members of the Company appointed M/s.Price Waterhouse, Chartered Accountants as Statutory Auditors of the Company at the 53rd Annual General Meeting. They expressed their unwillingness to be appointed as the Statutory Auditors of the Company for the financial year 2015 - 2016. M/s.Price Waterhouse Chartered Accountants LLP (Firm Regn.No. 012754N/N500016 ) have conveyed their willingness to act as Statutory Auditors of the Company for the financial year 2015 – 2016 and accordingly the Board of Directors based on the recommendations of the Audit Committee, appointed M/s.Price Waterhouse Chartered Accountants LLP (Firm Regn.No. 012754N/N500016) as Statutory Auditors for the financial year 2015 – 2016 to hold office from the conclusion of the 54th Annual General Meeting up to the conclusion of the 55th Annual General Meeting. The necessary resolutions are being passed under the Special Business category and being placed before the members for their consideration and approval. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution.

**For item No.5 :**

The company pursuant to the provisions of Section 148 of the companies Act, 2013 read with the Companies (Audit and Auditors), Rules 2014 had appointed M/s.S.Mahadevan & Co., Cost Accountants (Firm Regn. No. 000007) for the financial year 2015 – 2016 towards carrying out the cost audit of the products manufactured by the company. As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditors should be ratified by the members. The necessary resolution is placed before the members for their consideration and approval. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution.

Details of Mr.S.Narayanan, Whole-time Director who is seeking re-appointment at the ensuing Annual General Meeting (in pursuance to clause 49 of the Listing Agreement)

Name	:	Mr.S.Narayanan
Date of Birth	:	12 <sup>th</sup> July 1960
Date of Appointment	:	1 <sup>st</sup> November 2012
Qualifications	:	B.Sc.(Maths) from Madras University B.Tech (Hons) from Anna University M.B.A. from Case Western Reserve University, USA
Expertise in specific functional areas	:	Operations and Business Management
Directorships in other companies	:	BBL Daido Private Limited
Member of Committees of the Board of Companies of which he is a Director	:	Corporate Social Responsibility committee in BBL Daido (P) Limited
Number of shares held in the company	:	400

# BIMETAL BEARINGS LIMITED

CIN: L29130TN1961PLC004466

## REPORT OF DIRECTORS

Your Directors have pleasure in presenting the **Fifty Fourth Annual Report** covering the operations for the year ended **31st March 2015** together with the accounts and Auditors' Report thereon.

### FINANCIAL RESULTS:

	Year Ended 31-03-2015 (₹ in Lacs)	Year ended 31-03-2014 (₹ in Lacs)
Net Revenue	16,293.67	15,115.88
Profit before Interest, Depreciation and Taxation	1,196.10	971.11
<b>Less :</b> Interest	31.40	27.26
Depreciation	424.64	441.11
Profit before Tax	740.06	502.74
<b>Less:</b> Taxation [including Deferred Tax]	181.75	116.99
Profit after Tax	558.31	385.75
<b>Add:</b> Balance brought forward from previous year	209.75	287.25
<b>Less:</b> Adjustment towards depreciation on assets whose life is already over	22.75	—
Profit available for appropriation	745.31	673.00
<b>Less:</b> Transfer to :		
Proposed Dividend	286.88	267.75
Dividend Tax	58.40	45.50
General Reserve	200.00	150.00
Balance Carried to Balance Sheet	200.03	209.75

### Operations :

The growth in net revenue of 7.8% was primarily due to increase in sales to OEMs and export of end-products.

The production of products with higher imported Raw Material had its impact on the profitability of operations which to an extent was offset by operational actions.

It is expected that the demand for the products would improve from the second quarter of the current year and coupled with increase in product range would result in better capacity utilization.

The ongoing cost reduction measures undertaken by the Company and implementation of consolidation of production facilities in a phased manner would support improved results in the future.

The emphasis on export of intermediate products including Powder is planned to augment the results.

### Dividend

The Directors recommend a dividend of Rs.7.50 per share (Previous Year: Rs.7/- per share) on the paid up capital for the financial year ended 31<sup>st</sup> March 2015. The payment of dividend is subject to the approval of shareholders at the ensuing Annual General Meeting.

### Compliance under Companies Act, 2013

Pursuant to Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, your Company complied with the compliance requirements and the details of the compliances under Companies Act, 2013 are enumerated below:

### Consolidated Financial Statements

The requirement of consolidation of accounts as stipulated under Accounting Standard (AS)-21 on Consolidated Financial Statements read with AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interests in Joint Ventures, the audited consolidated financial statement are not applicable to the Company in respect of the financial year ended 31<sup>st</sup> March 2015.

## **Subsidiaries, Associates and Joint Ventures**

During the year, the Company invested upto 24.19% in the capital of IPL Green Power Limited on 4th August 2014 - making it as an Associate Company as per the provisions of Section 2(6) of the Companies Act, 2013. The Company is yet to commence its commercial production.

BBL Daido Private Limited, a joint-venture company with M/s.Daido Metal Company, Japan has performed with a turn-over of Rs.43.29 Crores and a profit after tax of Rs.2.86 Crores in the year 2014-2015 as against a turnover of Rs.41.02 Crores and a profit after tax of Rs.3.86 Crores in the previous year.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts), Rules, 2014 a statement containing salient features of the financial statements of the Company's Associates (in Form AOC-1) is attached to the financial statements.

## **Deposits**

The company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and the deposits which remained as on the beginning of the financial year 2014-2015 were repaid during the financial year.

## **Directors and Key Managerial Personnel**

During the year under review, Dr.(Mrs.) Sandhya Shekhar was appointed as an additional director under the independent category by the Board of Directors at their meeting held on 14<sup>th</sup> November 2014. Subsequently her appointment was approved for a period of 3 years from 14<sup>th</sup> November 2014 by the members of the Company vide resolutions passed through postal ballot on 22<sup>nd</sup> May 2015.

All the Independent Directors of the Company have declared that they meet the criteria of Independence in terms of Section 149(6) of the Companies Act, 2013 and that there is no change in their status of Independence.

At the Board Meeting held on 14<sup>th</sup> August 2014, Mr. A.Krishnamoorthy, Chairman & Managing Director, Mr.S.Narayanan, Whole-time Director, Mr.N.Venkataraman, Chief Financial Officer and Mr.K.Vidhya Shankar, Company Secretary were designated as “Key Managerial Personnel” of the Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Further Mr.S.Narayanan, Whole-time Director is retiring at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

## **Auditors**

M/s.Price Waterhouse, Chartered Accountants, the retiring Auditors expressed their unwillingness to continue as Statutory Auditors of the Company. M/s.Price Waterhouse Chartered Accountants LLP (Firm Regn. No. 012754N/N500016) expressed their willingness to be appointed as Statutory Auditors. The company had received a confirmation regarding their consent and eligibility under Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for appointment as the Auditors of the Company. As required under Clause 41 of the Listing Agreement, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The Audit Committee and the Board of Directors have recommended the appointment of the Auditors for the financial year 2015-2016. The necessary resolution is being placed before the shareholders for approval.

## **Cost Auditor**

The Board had appointed M/s.S.Mahadevan & Co., (Regn. No: 000007) Cost Auditors for the financial year 2015-2016 to carry out the cost audit of the products manufactured by the Company. The remuneration payable to the cost auditors for the year 2015 – 2016 is being placed for the approval. The Cost Audit Report for the financial year 2013-14 was filed on 26<sup>th</sup> September 2014.

## **Internal Auditors**

M/s.Fraser & Ross, Chartered Accountants, Coimbatore are the Internal Auditors of the Company.

## **Secretarial Audit**

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, your Company engaged the services of M/s. KSR & Co. Company Secretaries LLP to conduct the Secretarial Audit of the Company for the financial year ended 31<sup>st</sup> March 2015. The Secretarial Audit Report is attached as **Annexure-G** to this Report.

**Policies :**

In accordance with the requirements of the Companies Act, 2013 and the Listing Agreement, the Board of Directors of the Company has framed the following policies :

- Remuneration Policy
- Risk Management Policy
- Vigil Mechanism Policy
- Criteria for performance evaluation of Board.
- Policy on Related Party Transactions
- Corporate Social Responsibility Policy
- Familiarisation Programme for Directors

The above policies are up-loaded on the Company's website, under the web-link, <http://www.bimite.co.in/policies>.

There were no material changes in the commitments affecting the financial position of the Company between the end of the financial year (31st March 2015) and the date of report (30th May 2015).

There were no significant and material orders passed by Regulators or Courts or Tribunals which would impact the going concern status of the Company.

**Particulars of Employees and related disclosures :**

The disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1), (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 are provided in the Annexure - 1 forming part of the Annual Report.

Having regard to the provisions of Section 136(1) read with and its relevant proviso of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member is interested in obtaining such information may write to the Company Secretary and the same will be furnished free of cost.

**Board Meetings held during the year:**

During the year ended 31<sup>st</sup> March 2015, 5 meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report which is attached as **Annexure-B** to this Report.

**Extract of Annual Return :**

An extract of Annual Return in Form MGT-9 as on 31<sup>st</sup> March 2015 is attached as **Annexure-F** to this Report.

**Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013**

The details of loans / investments made by the Company are given in the financial statements.

**Related Party Transactions :**

All transactions entered by the Company with Related Parties were in the Ordinary Course of Business and at Arm's Length pricing basis. The Audit Committee granted omnibus approval for the transactions (which are repetitive in nature) and the same was reviewed by the Audit Committee and the Board of Directors. There were no materially significant transactions with Related Parties during the financial year 2014-15 which were in conflict with the interest of the Company. The details of the transactions with related parties are given in the financial statements in Note No.43 of the financial statements.

**Risk Management :**

The Company has constituted a Risk Management Committee. The Committee takes care of the external and internal risk associated with the Company. The Board of Directors oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting.

**Board Evaluation :**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Independent Directors at their meeting held on 21<sup>st</sup> March 2015 considered / evaluated the Board's performance, performance of the Chairman and other non-independent Directors. The Board have undergone formal review which comprised Board effectiveness and allied subjects. The Board also reviewed the workings of the various committees and sub-committees without participation of the concerned Directors / members.

**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. Further the Independent directors of the Company have separately affirmed code of conduct as per the requirements of the Companies Act, 2013.

**Internal Control Systems and their Adequacy :**

Details of the same are provided in the Management Discussion and Analysis Report attached as **Annexure-D** to this Report.

**Research and Development, Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo**

Your Company continues to focus on Research and Development activities with specific reference to fuel efficiency, vehicle performance and enhancement of safety etc,

The particulars prescribed under Section 134 of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are furnished in **Annexure-A to this Report**.

**Corporate Governance :**

Your Company is fully compliant with the Corporate Governance guidelines, as laid out in Clause 49 of the Listing Agreement. All the Directors (and also the members of the Senior Management) have affirmed in writing their compliance with and adherence to the Code of Conduct adopted by the Company. The details of the Code of Conduct are furnished in the Corporate Governance Report attached as **Annexure-B** to this Report.

The Secretarial Auditors of the Company have examined the requirements of Corporate Governance with reference to Clause 49 of the Listing Agreement and have certified the compliance, as required under Clause 49 of the Listing Agreement. The Certificate in this regard is attached as **Annexure-C** to this Report.

**CEO / CFO Certification:**

As contemplated under Clause 49 of the Listing Agreement, the certificate from Mr.A.Krishnamoorthy, Managing Director and Mr.N.Venkatarman, Chief Financial Officer was placed before the Board of Directors at their meeting held on 30<sup>th</sup> May 2015 which was read and taken on record.

**Internal Complaints Committee :**

The Company has put in place a policy for prevention, prohibition and redressal against sexual harassment of women at the work place to protect women employees and enable them to report sexual harassment at the work place. An Internal Complaints Committee headed by a woman employee has also been constituted for this purpose. No complaints were received from any employee during the year ended 31<sup>st</sup> March 2015.

**Corporate Social Responsibility (CSR) initiatives :**

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company framed a Policy on Corporate Social Responsibility and the required amount of Rs.19.50 lacs was spent towards Corporate Social Responsibility obligations and the details of which are provided in the **Annexure-E** to this Report.

**Vigil Mechanism :**

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement, the Board of Directors had approved the Policy on Vigil Mechanism which inter-alia provides a direct access to the Chairman of the Audit Committee.

Your Company hereby affirms that no Director/ employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

**Developments in the Madras Stock Exchange Limited :**

Pursuant to the exit order Dt.14<sup>th</sup> May 2015 issued by the Securities and Exchanges Board of India (SEBI), the Madras Stock Exchange Limited does not exist as a stock exchange from that date. Your shares will continue to be traded in the BSE Limited (Bombay Stock Exchange Limited, Mumbai), the nation-wide stock exchange where the same is listed.

**Directors' Responsibility Statement :**

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with 134(5) of the Companies Act, 2013 in the preparation of financial statements for the year ended 31<sup>st</sup> March 2015 and state that

- (a) in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period.



- (c) the directors had taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) the directors had prepared the annual accounts on a going concern basis,
- (e) the directors, had laid down proper internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively, and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are operating effectively.

**Transfer of Unclaimed Dividend to Investor Education and Protection Fund :**

Pursuant to the provisions of Section 125(2) of the Companies Act, 2013, the Company has transferred the unclaimed dividend amounts referable to the year ended 31<sup>st</sup> March 2007 (both interim and final) to the credit of the Investor Education and Protection Fund during the year under review well before their respective due dates.

**Acknowledgement :**

The Directors wish to express their appreciation for the continued co-operation of the Central and State Governments, Bankers, customers, dealers, suppliers, share-holders and also the valuable support received from M/s.Daido Metal Company, Japan. The Directors also wish to thank all the employees for their contribution, support and continued co-operation throughout the year.

For and on behalf of the Board

Chennai  
30th May 2015

**A. Krishnamoorthy**  
Managing Director

## ANNEXURE A TO THE DIRECTORS' REPORT :

### PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

#### (I) Steps taken for conservation of energy

Energy audits are conducted at all the manufacturing units at regular intervals and findings of the audit are implemented. Apart from regular practices and measures for energy conservation, many new initiatives were driven across the units. The measures taken at all company's manufacturing units which are briefly enumerated as below:

- (1) Alignment of shift timings to overcome the HT shut down period between 6pm / 10pm
- (2) Resizing of pneumatic lines to reduce compressed air use at all locations and eliminating compressors for air generation and removal of unwanted air lines.
- (3) Energy efficient motors for utilities and replacement of capacitor panels to meet the current specifications and requirements.
- (4) Reduction in the size of generators which handles uninterrupted operations like electro plants.
- (5) Recirculating cooling systems have eliminated pumps used in the cooling water lines.

#### (II) The steps taken by the company for utilizing alternate sources of energy

All the manufacturing units will continue to put in effort to reduce specific energy consumption. Some major initiatives include:

- (1) Replacement of conventional light fittings with LED fittings across the manufacturing units
- (2) Share and implement best practices across all plants
- (3) Make guidelines for purchase of energy efficient equipment like chiller, air compressor, motors, Air conditioner, Cooling tower, pumps, transformers etc.
- (4) Sharing of latest updates in field of energy Conservation.

#### (III) The capital investment on energy conservation equipment.

The Company has invested in a project a sum of Rs. 75.00 Lakhs during the year for generation of green power.

#### (A) TECHNOLOGY ABSORPTION

##### (1) The efforts made by the company towards technology absorption.

The Research and Development of the company is carrying out the following activities to fulfill short term and long term business goals of the company.

- Development of high strength Aluminium or Bronze alloys for Engine bearing application
- Development of high strength Bronze application for bushing
- Development of lead free electroplating to replace and comply with norms in the reduction or elimination of lead.

##### (2) The benefits derived like product improvement, cost reduction, product development or Import substitution.

- Improved production methods to achieve higher yield and lower wastage
- Offer of products made from local raw material for new applications.
- Higher presence in new applications and possibility to commence global supply.

##### (3) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

: Not applicable

##### (4) The expenditure incurred on Research and Development

Particulars	2013-2014	2014-2015
Capital	27.77 lacs	19.34 lacs
Revenue	79.89 lacs	73.05 lacs
Total	107.66 lacs	92.39 lacs

#### Foreign Exchange Earnings and outgo

Foreign exchange earned in terms of actual inflows during the year 2014-2015 was Rs. 3,994.93 lacs (equivalent value of various currencies)

Foreign exchange outgo in terms of actual outflows during the year 2014-2015 was Rs. 5,740.37 lacs (equivalent value of various currencies)