

# BIMETAL BEARINGS LIMITED

CIN : L29130TN1961PLC004466

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## DIRECTORS:

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

## CHIEF FINANCIAL OFFICER:

Mr. N. Venkataraman

## COMPANY SECRETARY:

Mr. K. Vidhya Shankar

## AUDITORS:

M/s. Price Waterhouse Chartered Accountants LLP  
Chennai

## BANKERS :

Central Bank of India, Coimbatore

## 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", Sembium, Chennai – 600 011.**

CIN: L29130TN1961PLC004466

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

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Notice is hereby given that the **Fifty Fifth 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 Friday, the 22nd day of July 2016 at 10.15 a.m. to transact the following business:

#### **Ordinary Business:**

- (1) To receive, consider and adopt the audited financial statements (including consolidated financial statements) of the Company for the financial year ended 31st March 2016 together with the Reports of the Directors and the Independent Auditors and to pass the following resolution as an ordinary resolution:  
"Resolved that the audited financial statements (including consolidated financial statements) including Statement of Profit and Loss for the year ended on 31st March, 2016, the Balance Sheet as on that date, the annexures thereto, the Cash Flow Statement for the year ended on 31st March, 2016, the Reports of Independent 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 ₹7.50 per share out of the current profits of the Company for the year ended 31st March 2016 amounting to ₹2,86,87,500/- be declared and paid".
- (3) To appoint a director in place of Mr.N.Venkataramani, Director (DIN-00001639) who retires by rotation and being eligible offers himself for re-appointment and to pass the following Resolution as an ordinary resolution:  
"Resolved that Mr.N.Venkataramani, Director (DIN-00001639), 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".
- (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) the retiring auditors 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 exclusive of service tax, out of pocket and travelling expenses, as may be mutually agreed between them".

#### **Special Business:**

- (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 ₹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 2016–2017 as recommended by the Audit Committee be and is hereby ratified."
- (6) To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution:  
"Resolved that pursuant to Sections 196, 197, 203 read with Schedule V to the Companies Act, 2013 (the Act) and other applicable provisions of the Act and the Rules made there under including modifications or re-enactment(s) thereof, for the time being in force and other applicable provisions, if any, consent of the shareholders be and is hereby accorded to the re-appointment of Mr. S. Narayanan (DIN 03564659) as Whole-time Director of the Company for a period of 3 (Three) years from 1st November 2015 and payment of remuneration and perquisites as set out in the draft agreement approved at the meeting of the Board of Directors of the Company held on 31<sup>st</sup> October 2015 or such other remuneration as the Board of Directors may revise/vary from time to time duly recommended in that respect by the Nomination and Remuneration Committee within the overall remuneration approved by the shareholders as detailed in the statement of material facts provided under Section 102 of the Act".  
"Further resolved that in the event of inadequacy of profits or loss during the tenure of his re-appointment, the remuneration payable shall be the same as detailed in the statement of material facts provided under Section 102 of the Act but not exceeding the limits in terms of the proviso to Section II, Part II of Schedule V to the Act".

Chennai- 600011  
26th May 2016

By order of the Board  
**K. Vidhya Shankar**  
Company Secretary

## Statement of Material Facts pursuant to Section 102 of the Companies Act, 2013.

### For item No.05:

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 2016–2017 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.

### For Item No.06:

The directors of the Company at their meeting held on 31<sup>st</sup> October 2015, subject to the approval of the shareholders, based on the recommendations of the Nomination and Remuneration Committee re-appointed Mr. S. Narayanan as a Whole-time Director for a further period of 3 years from 1st November 2015 pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Act read with Schedule V to the Companies Act, 2013.

The terms and conditions including the remuneration package on the re-appointment of Mr.S.Narayanan as Whole-time Director are listed below.

<b>Salary</b>	:	₹1,90,000/- (Rupees One Lakh Ninety Thousands Only) per month.
<b>Special Allowance</b>	:	₹46,000/- (Rupees Forty Six Thousands Only) per month.
<b>Performance Bonus</b>	:	Not exceeding ₹12,00,000/- (Rupees Twelve Lakhs Only) per Financial Year as may be recommended by the Nomination and Remuneration Committee and decided by the Board of Directors.
<b>Perquisites</b>	:	Perquisites to be allowed in addition to salary and Performance Bonus as listed below:
(a) <b>House Rent Allowance</b>	:	₹1,14,000/- (Rupees One Lakh Fourteen Thousands Only) per month.
(b) <b>Reimbursement</b>	:	Reimbursement of expenses incurred on gas, electricity, water, Security and furnishings not exceeding one month's salary per annum.
(c) <b>Medical Reimbursement</b>	:	Expenses incurred by the Whole-time Director and his family not exceeding one month's salary per annum.
(d) <b>Leave Travel Concession</b>	:	For the Whole-time Director and his family not exceeding one month's salary per annum.
(e) <b>Education Allowance</b>	:	Not exceeding ₹3,60,000/- (Rupees Three Lakhs Sixty Thousands Only) per annum.
(f) <b>Club Fees</b>	:	Fees for One Club which will not include Admission and Life Membership Fees.
(g) <b>Personal Accident Insurance</b>	:	Premium for cover as per the rules of the Company.
(h)		Contribution to Provident Fund, Super-annuation Fund and Gratuity will be allowed as applicable to other Senior Executives of the Company.
(i)		Encashment of leave at the end of the tenure will be allowed as applicable to other Senior Executives of the Company.
(j)		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, the perquisites shall be evaluated at actuals. He is not entitled to Sitting Fees. He is liable to retire by rotation. 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 recommended by the Nomination and Remuneration Committee and approved by Board from time to time.

**Minimum Remuneration:** In the event of absence or inadequacy of profits in any financial year during the tenure of his appointment, the remuneration to the Whole-time Director by way of salary and perquisites shall not exceed the limits specified in Section II of Part II of Schedule V to the Companies Act, 2013 from time to time or such other limits as may be notified by the Government from time to time as Minimum Remuneration and conformably to and within such limit as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

**Termination:** The contract of service with the whole-time Director can be terminated by either party by giving three calendar months notice.

The relevant information required to be furnished under Section II of Part II of Schedule V to the Companies Act, 2013 are furnished hereunder:

## I. General Information

1. Nature of Industry : Auto Ancillary
2. Date or expected date of commencement of Commercial Production : Not Applicable
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: (₹ lacs)

Particulars	FY: 2015-2016	FY: 2014-2015
Revenue from Operations (Net)	14,402.25	15,723.26
Other Income	345.76	570.41
<b>Total</b>	<b>14,748.01</b>	<b>16,293.67</b>
Profit Before Tax	722.00	740.07
Profit After Tax	516.02	558.31
Dividend Amount	286.87	286.87
Percentage	75%	75%
Earnings Per Share (₹)	13.83	14.55
Share Capital	382.50	382.50
Reserves	13,724.57	13,553.84
Net Worth	14,107.07	13,936.34
Debt-Equity Ratio	0:1	0:1

The Company has declared dividends since inception without a break.

5. Export Performance

(a) Year Ended :	31 <sup>st</sup> March 2016
(b) Exports on FOB basis :	₹ 2,923.06 lacs
(c) Foreign Exchange outgo referable to	
(i) Dividend	Nil
(ii) Commission	₹ 5.24 lacs
(iii) Professional / Consultancy	₹ 26.16 lacs
(iv) Others	₹ 23.85 lacs

6. Foreign Investments : Nil

7. Technical Collaborators : Daido Metal Company, Japan

## II. Information about the Appointee / recipient of remuneration :

1. Back-ground details : Mr.S. Narayanan, B.Tech (Hons) holds a Masters Degree in Business Administration from Case Western Reserve University, USA. He joined the Company on 1<sup>st</sup> December 1986. He had training in Imperial Clevite Corporation, U.S.A and has rich experience in the manufacture of auto components production and has contributed significantly to the operations of the Company.
2. Past remuneration : Provided in the Corporate Governance Section.
3. Recognition or Awards : Nil
4. Job profile and his suitability : His responsibility will include overall co-ordination and control of the operations of the company including projects.
5. Remuneration Proposed : As mentioned in the notice and which has been recommended by the Nomination & Remuneration Committee and approved by the Board of Directors at their meetings held on 31<sup>st</sup> October 2015.

6. Comparative remuneration with respect to industry, size of the company, profile of the position and person (in case of expatriates, the relevant details would be with respect to the country of his origin) : The remuneration proposed is comparable in the Industry and commensurate with the responsibility envisaged for the post of Whole-time Director
7. Pecuniary Relationship : Nil

### III. Other Information

- |  |   |   |  |
|--|---|---|--|
| <p>1. Reason for Loss or inadequacy of profit</p> <p>2. Steps taken or proposed to be taken for improvement</p> <p>3. Expected increase in productivity / profit in measurable terms</p> | } | : | <p>Not applicable. The resolution is primarily to facilitate the payment of remuneration to the Whole-time Director due to inadequacy of profits due to unforeseen situations during his tenure of office.</p> |
|--|---|---|--|

### IV. Disclosures : Furnished in the Corporate Governance Report.

Mr.S.Narayanan, Whole-time Director holds 400 equity shares of ₹10/- each in the company. He is a member of the Stake-holders Relationship cum Investors Grievance Committee, Risk Management Committee and Corporate Social Responsibility Committee in the Company. The details of other directorships / Committee memberships held by Mr. S.Narayanan, Whole-time Director as on 31<sup>st</sup> March 2016 are given below:

- |                                |   |  |
|--------------------------------|---|--|
| <b>Directorships</b>           | : | <p>M/s.BBL Daido Private Limited</p> <p>M/s.IPL Green Power Limited</p>  |
| <b>Committee Membership(s)</b> | : | Corporate Social Responsibility Committee in M/s. BBL Daido Private Limited  |
| <b>Memorandum of Interest</b>  | : | Mr.S.Narayanan, Whole-time Director is interested in the resolution to the extent of the remuneration payable to him. No other Director / Key Managerial Personnel and their relatives is concerned or interested in the resolution. |

The Directors recommend the resolution for consideration and approval of the members.

This statement may also be regarded as the necessary disclosure under Clause 36(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 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 10% 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 being 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 19<sup>th</sup> July 2016 to 22<sup>nd</sup> July 2016. (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 19<sup>th</sup> July 2016. 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 55<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 2007 – 2008 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 31st March 2009 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 the 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 2016 is being sent to all the members whose names will be appearing in the register of members as on 17<sup>th</sup> June 2016. In the case of 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 2016 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 55<sup>th</sup> Annual General Meeting and the Annual Report for the year 2016 will also be available on the Company's Website, i.e. [www.bimite.co.in](http://www.bimite.co.in) / Annual Report 2016.
10. All documents referred to in the accompanying Notice to the 55<sup>th</sup> 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 upto and including the date of the 55<sup>th</sup> Annual General Meeting.

**Details of Mr. N. Venkataramani, Director who is seeking re-appointment at the ensuing Annual General Meeting [Pursuant to Clause 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]. [SEBI (LODR) Regulations, 2015].**

Name : Mr. N. Venkataramani

Date of Birth : 9<sup>th</sup> December 1939

Date of Appointment : 8<sup>th</sup> February 1985

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

Expertise in specific functional areas : Overall Business Management

Details of other Directorships / Committee Memberships held by him:

Directorship	Committee Membership
India Pistons Limited	–
IP Rings Limited	Share Transfer Committee
Amalgamations Repco Limited	Audit Committee
George Oakes Limited	–
Amalgamations Valeo Clutch Private Ltd	–
Stanes Amalgamated Estates Limited	–
Adyar Property Holding Company Private Limited	–
Sundaram Finance Limited	–
Amalgamations Private Limited	–
Simpson & Company Limited	–
Abi-Showa Tech (India) Limited	Audit Committee
Nettur Technical Training Foundation	–

No. of shares held in the company : 150

# BIMETAL BEARINGS LIMITED

CIN: L29130TN1961PLC004466

## REPORT OF DIRECTORS

Your Directors have pleasure in presenting the **Fifty Fifth Annual Report** covering the operations for the year ended **31st March 2016** together with the accounts and Auditors' Report thereon.

### FINANCIAL RESULTS:

	Year Ended 31-03-2016 (₹ in Lacs)	Year ended 31-03-2015 (₹ in Lacs)
Net Revenue	14,748.01	16,293.67
Profit before Interest, Depreciation and Taxation	1,137.17	1,196.10
<b>Less :</b> Interest	19.69	31.40
Depreciation	395.48	424.64
Profit before Tax	722.00	740.06
<b>Less:</b> Taxation [including Deferred Tax]	205.99	181.75
Profit after Tax	516.01	558.31
<b>Add :</b> Balance brought forward from previous year	200.03	209.75
Less: Adjustment towards depreciation on assets whose life is already over	—	22.75
Profit available for appropriation	716.04	745.31
<b>Less :</b> Transfer to :		
Proposed Dividend	286.88	286.88
Dividend Tax	58.40	58.40
General Reserve	150.00	200.00
Balance Carried to Balance Sheet	220.76	200.03

### Operations :

The reduced demand in the Heavy and Medium Commercial Vehicles followed by lesser off-take of Tractor segment affected the Revenue for the year.

The reduction in the Intermediate and End Products in the export segment had also impacted the Turnover.

The focus on cost reduction measures undertaken with further rationalization of Product and production facilities is planned to benefit the performance and results for the current year.

The current year has started off well with improved off-take and it is expected to be sustained during the year.

### Dividend :

Your Directors recommend a dividend of ₹ 7.50 per share (previous year: ₹ 7.50 per share) on the paid up capital for the financial year ended 31<sup>st</sup> March 2016. The payment of dividend is subject to the approval of shareholders at the ensuing Annual General Meeting.

### Compliance under the 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 the Companies Act, 2013 are enumerated below:

### Consolidated Financial Statements :

The consolidated financial statements of your Company for the financial year 2015-2016 are prepared in compliance with applicable provisions of the Companies Act, 2013 read with the Rules issued there under, applicable accounting standards and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The consolidated financial statements of your Company take into account the financial statement prepared by the respective management of M/s. BBL Daido Private Limited, a Joint Venture Company and M/s. IPL Green Power Limited, an Associate Company.



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

The company had invested upto 24.19% in the capital of M/s. IPL Green Power Limited during the financial year 2014-2015 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.

M/s. BBL Daido Private Limited, a joint-venture company with M/s.Daido Metal Company, Japan has achieved a turn-over of ₹ 45.21 Crores and incurred a loss of ₹ 4.19 Crores and ₹ 2.75 Crores before and after taxes respectively for the year 2015-2016 as against a turnover of ₹ 48.01 Crores and a profit before and after tax of ₹ 4.52 Crores and ₹ 2.86 crores respectively for the previous year 2014-2015.

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/joint ventures (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 its subsequent amendments.

### **Directors and Key Managerial Personnel:**

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 the applicable provisions of the SEBI (LODR) Regulations, 2015 and there is no change in their status of Independence.

Further Mr.N.Venkataramani, Director is retiring at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The directors of the Company at their meeting held on 31<sup>st</sup> October 2015, subject to the approval of the shareholders, based on the recommendations of the Nomination and Remuneration Committee re-appointed Mr. S. Narayanan as a Whole-time Director for a further period of 3 years from 1st November 2015 and the necessary resolution is placed for the approval of the shareholders at the ensuing Annual General Meeting.

### **Auditors:**

M/s.Price Waterhouse Chartered Accountants LLP the retiring Auditors are eligible for re-appointment. The Audit Committee had recommended to the Board for their re-appointment. The necessary resolutions are placed before the members for their consideration and approval.

### **Cost Auditor:**

The Board had appointed M/s.S.Mahadevan & Co., (Regn. No: 000007) as Cost Auditors for the financial year 2016-2017 to carry out the cost audit of the products manufactured by the Company. The remuneration payable to the cost auditors for the year 2016–2017 is being placed for the approval of the shareholders. The Cost Audit report for the financial year 2014-15 was filed in the MCA Website on 19<sup>th</sup> October 2015.

### **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 31st March 2016. The Secretarial Audit Report is attached as **Annexure-G** to this Report.

### **Policies:**

In accordance with the requirements of the Companies Act, 2013, the Listing Agreement and SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has framed the following policies :

- Remuneration Policy.
- Policy on Related Party Transactions.
- Risk Management Policy.
- Corporate Social Responsibility Policy.
- Vigil Mechanism Policy.
- Familiarisation Programme for Independent Directors.
- Criteria for performance evaluation of Board.
- Code of practices and procedures for fair disclosure of unpublished price sensitive information.
- Code of conduct to regulate, monitor and report trading by insiders.
- Archival policy .
- Policy for preservation of documents
- Policy for determination of materiality of events.

The above policies where mandated 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 2016) and the date of this report (26<sup>th</sup> May 2016).

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 31st March 2016, 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 31st March 2016 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 2015-2016 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.41 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 SEBI (LODR) Regulations, 2015, Independent Directors at their meeting held on 20<sup>th</sup> February 2016 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.

#### **Internal Financial 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 SEBI (LODR) Regulations, 2015. The details of the Code of Conduct are furnished in the Corporate Governance Report attached as **Annexure-B** to this Report.