

# BIMETAL BEARINGS LIMITED

CIN: L29130TN1961PLC004466

## REPORT OF DIRECTORS

Your Directors have pleasure in presenting the Fifty Seventh Annual Report covering the operations for the year ended 31st March 2018 together with the accounts and Auditors' Report thereon.

FINANCIAL RESULTS:	Year Ended 31-03-2018 (Rs. in Lacs)	Year Ended 31-03-2017 (Rs. in Lacs)
Net Revenue (Net of Excise Duty)	18,213.34	14,384.25
Profit before Interest, Depreciation and Taxation	1,763.51	1,104.16
Less : Interest	4.48	15.68
Depreciation	445.27	406.96
Profit before Tax after exceptional items	1,313.76	681.52
Less: Taxation [including Deferred Tax]	298.36	181.63
Profit after Tax after exceptional items	1,015.40	499.89
Other comprehensive income	371.97	448.69
Total comprehensive income for the year	1,387.37	948.58
Earnings per share (INR) (Basic and Diluted)	26.55	13.07

### Operations :

The demand for the Heavy and Medium Commercial vehicles grew by 11% and the LCV market grew by 19%. The tractor demand was also robust for the year. Post GST implementation, there was an increase in the sale and production of vehicles in the above category. The year ended with a growth over last year for products. The demand for intermediate and end products in the export segment had shown robust demand which contributed in improving the turnover for the year.

The focus on cost reduction measures undertaken with further rationalization of Product and production facilities as planned were implemented and the benefits are seen in the performance and the results for the current year. The current year has started off with the same buoyant demand in all segments and it is expected to be sustained during the year.

### Dividend :

Your Directors recommend a dividend of Rs.9/- per share (previous year: Rs. 7.50 per share) on the paid up capital for the financial year ended 31st March 2018. The payment of dividend is subject to the approval of shareholders at the ensuing Annual General Meeting.

### Reserves :

Your Directors have recommended transfer of Rs. 203.81 lakhs to the General Reserve for the year ended 31st March 2018 increasing the General Reserve to Rs. 13,703.81 lakhs.

### Consolidated Financial Statements :

The consolidated financial statements of your Company for the financial year 2017-18 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:

M/s.BBL Daido Private Limited, a Joint Venture Company with M/s.Daido Metal Company, Japan has achieved a turn-over of Rs. 73.36 Crores and earned a profit of Rs. 5.76 Crores and Rs. 5.11 Crores before and after taxes respectively for the year 2017-18 as against a turnover of Rs 54.52 Crores and a profit / (loss) before and after tax of (Rs. 6.23 Crores) and (Rs. 6.23 Crores) respectively for the previous year 2016-17. M/s. IPL Green Power Limited, an Associate of the Company is yet to commence its commercial production.

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 under 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.

Mr.S.Narayanan, Whole-time 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 23rd March 2018 passed the necessary resolutions appointing Mr.A.Krishnamoorthy as the Managing Director of the company for a term of 3 (Three) years from 1st April 2018. Further the Directors of the Company at their meeting held on 14th November 2017 passed the necessary resolutions reappointing Dr.Sandhya Shaker as an Independent Director of the company for a term of 5 (Five) years from 14th November 2017. Necessary approvals from the members have been obtained through the postal ballot route on 26th May 2018.

#### Auditors:

M/s. Fraser & Ross, Chartered Accountants (Firm Regn. No.: 000829S) are the Statutory Auditors of the Company for the period of 5 years from the conclusion of 56th Annual General Meeting until the conclusion of the 61st Annual General Meeting.

#### Cost Auditor:

The Board had appointed M/s.C.S.Hanumantha Rao & Co., (Regn. No.: 000216) as Cost Auditors for the financial year 2018-19 to carry out the cost audit of the products manufactured by the Company. The remuneration payable to the cost auditors for the year 2018-19 is being placed for the approval of the shareholders. The Cost Audit report for the financial year 2016-17 was filed in the MCA Website on 11th October 2017..

#### Internal Auditors:

M/s.Gopalaiyer & Subramanian, Chartered Accountants, Coimbatore are the Internal Auditors of the Company for the year 2018-19.

#### 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 2018. The Secretarial Audit Report is attached as Annexure-E 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 required policies and the policies wherever mandated, are up-loaded on the company's website, under the web-link <http://www.bimite.co.in.policies>.

#### Change in the nature of business, material changes and commitments affecting the financial position:

There were no changes in the nature of the business of the company. There were no material changes in the commitments affecting the financial position of the Company between the end of the financial year (i.e. 31st March 2018) and the date of this report (i.e. 30th May 2018). 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 2018, 6 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 2018 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 2017-18 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.36 of the financial statements.

#### Risk Management:

The Company has constituted a Risk Management Committee. The Committee takes care of the external and internal risks 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 15th February 2018 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.

The Secretarial Auditors of the Company have examined the requirements of Corporate Governance with reference to the provisions of SEBI (LODR) Regulations, 2015 and have certified the compliance, as required under SEBI (LODR) Regulations, 2015. The Certificate in this regard is attached as Annexure-C to this Report.

#### 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 31st March 2018.

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

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and its subsequent amendments, your Company framed a Policy on Corporate Social Responsibility and the required amount of Rs.13.70 lacs was spent towards Corporate Social Responsibility obligations and the details of which are provided in the Annexure-D 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 SEBI (LODR) Regulations, 2015, 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.

#### 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 31st March 2018 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 31st March 2010 to the credit of the Investor Education and Protection Fund during the year under review well before their respective due dates. The shares on which dividend / corporate action remained unclaimed for a period of seven years were also transferred to the designated account of the Investor Education and Protection Fund.

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.

Chennai  
30th May 2018

For and on behalf of the Board

A. Krishnamoorthy  
Managing Director