

# BIMETAL BEARINGS LIMITED

CIN: L29130TN1961PLC004466

## ANNEXURE - B TO DIRECTORS' REPORT – REPORT ON CORPORATE GOVERNANCE

01) Company's Philosophy on code of governance :

Corporate Governance continues to be a strong focus area for the Company. Our philosophy on Corporate Governance emanates from resolute commitment to protect stakeholder rights and interests, proactively manage risks and create long-term wealth and value. It permeates in all aspects of working - work place management, market place responsibility, community engagement and business decision.

02) Board of Directors :

(a) The Board consisted of the following Directors as on 31st March 2018:

Executive Directors:

Mr. A. Krishnamoorthy, Managing Director (DIN 00001778)

Mr. S. Narayanan, Whole-time Director (DIN 03564659)

Non-Executive Directors:

Mr. N. Venkataramani (DIN 00001639)

Mr. N. P. Mani (DIN 00675741)

Independent Directors:

Mr. P.M. Venkatasubramanian (DIN 00124505)

Mr. Krishna Srinivasan (DIN 02629544)

Mr. R. Vijayaraghavan (DIN 00026763)

Dr. Sandhya Shekhar (DIN 06986369)

(b) The Board met 6 (Six) times during the year i.e., on 26th May 2017, 16th June 2017, 5th August 2017, 14th November 2017, 2nd February 2018 and 23rd March 2018. Further a separate meeting of Independent Directors without the presence of the Non-Independent Directors and the executives of the Company was held on 15th February 2018.

(c) The attendance by the Directors at Board Meetings and last Annual General Meeting:

Name of the Director	Board Meeting	Annual General Meeting
Mr.A.Krishnamoorthy	6	Attended
Mr.N.Venkataramani	4	Attended
Mr.P.M.Venkatasubramanian	6	Attended
Mr.Krishna Srinivasan	6	Attended
Mr.R.Vijayaraghavan	6	Attended
Dr.Sandhya Shekhar	5	Attended
Mr.N.P.Mani	4	Attended
Mr.S.Narayanan	5	Attended

The time gap between two Board Meetings did not exceed 120 days. The last Annual General Meeting was held on 21st July 2017.

(d) Directors' membership as on 31st March 2018 in the Board or Committees thereof (excluding foreign companies):

Name of the Director	Shares / Convertible Instruments held	Other Boards	Other Board Committees
Mr.A.Krishnamoorthy	50 Shares	12	10 (6 as Chairman)
Mr.N.Venkataramani	150 Shares	11	5 (2 as Chairman)
Mr.P.M.Venkatasubramanian	Nil	5	11 (7 as Chairman)
Mr.Krishna Srinivasan	Nil	1	1 (as Chairman)
Mr.R.Vijayaraghavan	Nil	8	18 (7 as Chairman)
Dr. Sandhya Shekhar	Nil	1	1
Mr.N.P.Mani	Nil	5	10 (1 as Chairman)
Mr.S.Narayanan	400 Shares	2	1

None of the Independent Directors of the company serve as Independent Directors in more than 7 listed companies and none of the Independent Director is serving as a Whole-time Director in a listed company. Further the committee memberships and Chairmanships are within the limits specified under the applicable laws.

None of the directors hold any convertible instruments. The details of the familiarization programmes imparted to Independent Directors are made available at [www.bimite.co.in/information-to-shareholders/disclosure-under-Clause-46-of-SEBI-\(LODR\), 2015](http://www.bimite.co.in/information-to-shareholders/disclosure-under-Clause-46-of-SEBI-(LODR),-2015).

03) Audit Committee:

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Clause 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 as applicable. During the year ended 31st March 2018, the Audit Committee met 5 times i.e. on 26th May 2017, 16th June 2017, 5th August 2017, 14th November 2017 and 2nd February 2018 under the Chairmanship of Mr. P.M. Venkatasubramanian. The maximum gap between any two meetings was less than four months. Mr. K. Vidhya Shankar, Company Secretary is the Secretary of the Audit Committee. Apart from the members of the Audit Committee, the Managing Director, the Whole-time Director, the Chief Financial Officer, representatives of the statutory and internal audit firms are permanent invitees to the meeting. The composition of the committee and the attendance of its members are given below:

Name of the Director	No. of Audit Committee Meetings attended
Mr. P.M. Venkatasubramanian	5
Mr. N. Venkataramani	4
Mr. Krishna Srinivasan	5
Mr. R. Vijayaraghavan	5

04) Nomination & Remuneration Committee:

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Clause 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also Section 178 of the Companies Act, 2013 apart from any references made to it by the Board of Directors. During the year ended 31st March 2018 the Committee met 3 times i.e., on 26th May 2017, 14th November 2017 and 23rd March 2018 under the Chairmanship of Mr. P.M. Venkatasubramanian. The performance evaluation for Independent Directors is detailed in the Board's report. The composition of the committee and the attendance of its members are given below:

Name of the Director	No. of Committee Meetings attended
Mr. P.M. Venkatasubramanian	3
Mr. Krishna Srinivasan	3
Mr. R. Vijayaraghavan	3

The details of the remuneration paid / payable to Executive and Non-Executive Directors for the year ended 31-03-2018 are given below:

Name of the Director	No. of shares held	Amount (Rs.)
Mr. A. Krishnamoorthy (Chairman & Managing Director) :	50	
Fixed Component		
Salary		51,50,000/-
Contribution to Provident & Other Funds / Other benefits		12,93,268/-
Variable Component - Performance based Commission		Nil
Sub - Total	50	64,43,268/-
The Company had entered into a service agreement with Mr. A. Krishnamoorthy, Managing Director for a period of 3 years effective 1st April 2015 terminable by either party by giving three calendar months' notice in writing. No severance fee is payable upon termination. further he was re-appointed for a period of 3 years w.e.f. 1st April 2018 with the approval of the members through the postal ballot route on 28th May 2018.		
Mr.S.Narayanan, Whole-time Director :		
Fixed Component		
Salary	400	45,60,000/-
Contribution to Provident & Other Funds / Other Benefits		16,60,411/-
Variable Component – Performance Bonus.		8,00,000/-
Sub - Total	400	70,20,411/-
The Company had entered into a service agreement with Mr.S.Narayanan, Whole-time Director for a period of 3 years effective 1st November 2015 terminable by either party by giving three calendar months' notice in writing. No severance fee is payable upon termination.		
	450	1,34,63,679/-

Remuneration paid to Non-Executive Directors:	Sitting Fees ( ` )		Commission
Mr.N.Venkataramani	1,10,000/-	150	2,30,000/-
Mr.P.M.Venkatasubramanian	1,50,000/-	-	2,30,000/-
Mr.Krishna Srinivasan	1,70,000/-	-	2,30,000/-
Mr.R.Vijayaraghavan	1,50,000/-	-	2,30,000/-
Dr.Sandhya Shekhar	60,000/-	-	2,30,000/-
Mr.N.P.Mani	60,000/-	-	2,30,000/-
Sub-Total	7,00,000/-	-	13,80,000/-
Grand Total		600	1,55,43,679/-

The basis of payment of sitting fees to Non-Executive Directors would depend on the number of meetings attended. There has been no material pecuniary relationship other than as shown above between the Company and the Non-Executive Directors during the year. The company has not introduced Stock option scheme.

05) Stake-holders Relationship cum Investors' Grievance Committee:

The Stake-holders Relationship cum Investors' Grievance Committee of the Company is functioning under the chairmanship of Mr.N.Venkataramani, Director alongwith Mr. A. Krishnamoorthy, Managing Director, Mr. N. P. Mani, Director and Mr. S. Narayanan, Whole-time Director as members of this Committee. The Company Secretary is the Compliance Officer of the Company in matters relating to shareholders, Stock Exchange, SEBI and other related regulatory matters. The committee met on 2nd February 2018. During the year 31 complaints / request letters were received from shareholders, all of which were satisfactorily disposed off. No Complaint was pending on 31st March 2018. As on that date there were no pending share transfers too.

06) General Body Meetings:

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

Year	Location	Date & Time
54th AGM - 2015	New Woodlands Hotel, Chennai	July 27, 2015 - 10.15 a.m.
55th AGM - 2016	New Woodlands Hotel, Chennai	July 22, 2016 - 10.15 a.m.
56th AGM - 2017	New Woodlands Hotel, Chennai	July 21, 2017 - 10.15 a.m.

(b) At the Annual General Meeting held on 22nd July 2016 (55th AGM), special resolutions were passed for the appointment and payment of remuneration to Mr. S. Narayanan, Whole-time Director for a term of 3 years with effect from 1st November 2015.

(c) At the Annual General Meeting held on 21st July 2017 (56th AGM), special resolutions were passed for paying remuneration to non-executive directors.

(d) On 28th May 2018, Special Resolutions were passed through postal ballot for the reappointment and payment of remuneration of Mr.A.Krishnamoorthy as Managing Director with effect from 1st April 2018 and for the reappointment of Dr. (Mrs.) Sandhya Shekar as an Independent Director for a second term of 5 years with effect from 14th November 2017.

07) Means of Communication:

(a) Quarterly results are normally published in "The Business Line" (English) and "The Hindu" (Tamil). They are also available in the company's website: [www.bimite.co.in](http://www.bimite.co.in)

(b) The Company does not display official news releases and no presentation was made to institutional investors or analysts during the previous financial year.

(c) The Management Discussion and Analysis Report annexed forms part of the Annual Report.

08) GENERAL SHAREHOLDER INFORMATION:

(a) Financial Calendar: Financial Year: 1st April to 31st March

Annual General Meeting	Date : 20th July 2018 (Friday) Time : 3.30 p.m. Venue: New Woodlands Hotel, Mylapore, Chennai - 600 004.
Unaudited results for the Quarter ending 30th June 2018	On or before 14th August 2018
Unaudited results for the Quarter / Half Year ending 30th September 2018	On or before 14th November 2018
Unaudited results for the Quarter ending 31st December 2018	On or before 14th February 2019
Audited Results for the year ending 31st March 2019.	During the month of May 2019

(b) Others:

Date of Book Closure	From 18th July 2018 to 20th July 2018
Dividend Payment date	Around 13th August 2018
Listing on Stock Exchanges	BSE Limited (The Bombay Stock Exchange Limited, Mumbai)
Stock Code	505681

(c) Market price data of the Company's shares in BSE Limited and Performance in comparison to broad-based indices :

Month & Year	M/s. BSE Indices		Bimetal Share Price (BSE)	
	High	Low	High (Rs.)	Low (Rs.)
April 2017	30,184.22	29,241.48	427.00	380.00
May 2017	31,255.28	29,804.12	410.00	376.00
June 2017	31,522.87	30,680.66	411.50	385.00
July 2017	32,672.66	31,017.11	511.25	400.00
August 2017	32,686.48	31,128.02	484.00	428.45
September 2017	32,524.11	31,081.83	465.80	435.00
October 2017	33,340.17	31,440.48	533.95	424.10
November 2017	33,865.95	32,683.59	583.00	482.45
December 2017	34,137.97	32,565.16	635.00	511.00
January 2018	36,443.98	33,703.37	689.00	607.10
February 2018	36,256.83	33,482.81	677.00	528.50
March 2018	34,278.63	32,483.84	612.00	525.00

(d) Registrars and Share Transfer Agents :

M/s.GNSA Infotech Limited, Chennai are the company's common Registrars and Share Transfer Agents for handling the share transfer work (for shares held in physical and demat form). Their contact address is given below:

GNSA Infotech Limited, "Nelson Chambers", F- Block STA Department, 4th Floor, No.115, Nelson Manickam Road, Aminthakarai, Chennai - 600 029.	Ph.: (044) 4296 2025 E-Mail: sta@gnsaindia.com Contact Person : Mr. N. Krishnakumar, Director
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(e) Share Transfer System:

The Share Transfer Committee has Directors, Officers and representatives of the Share Transfer Agent. In order to ensure speedy attention, a Sub-Committee has been formed to attend to transfers and investors related subject. The Sub-Committee meets once in every 15 working days. Shares of the Company are also processed in the demat form. Secretarial Auditors verify the transactions placed before the Sub-Committee. The Company's shares have not been suspended till date in any of the Stock Exchanges wherein they were listed since they were admitted for trading.

(f) Distribution of Shareholding

Category	As on 31-03-2018		As on 31-03-2017	
	Shares Held	% on Capital	Shares Held	% on Capital
Bodies Corporate in the same management	28,63,926	74.87	28,63,926	74.87
Directors	600	0.02	600	0.02
Public Financial Institutions	111	---	209	0.01
Non-Residents	6,184	0.16	9,222	0.24
Other Bodies Corporate	49,626	1.30	54,763	1.43
Other resident Public shareholders	8,92,594	23.34	8,96,280	23.43
IEPF	11,959	0.31	-	-
Total	38,25,000	100.00	38,25,000	100.00

No. of shares as on 31st March 2018	No. of Shareholders	Percentage	Total number of shares	Percentage
Upto 1000	7,098	98.64	5,82,947	15.24
1001 - 2000	48	0.68	69,515	1.82
2001 - 3000	21	0.29	50,553	1.32
3001 - 4000	6	0.08	21,808	0.57
4001 - 5000	6	0.08	26,625	0.70
5001 - 10000	6	0.08	45,715	1.19
Above 10000	11	0.15	30,27,837	79.16
Total	7,196	100.00	38,25,000	100.00

(g) Dematerialisation of shares and liquidity:

The Company's shares are already available in the dematerialised form and the ISIN Number allotted to the company is INE469A01019. At present, the Company's shares are to be traded compulsorily in the Demat form only. As on 31st March 2018, out of the total number of shares, 35,90,768 shares (93.88%) are in dematerialised form.

(h) The company does not have any outstanding GDRs / ADRs / Warrants or any other convertible instruments.

(i) Plant locations :

Strip Mill / Powder Plants : Huzur Gardens, Sembium, Chennai 600 011  
Bearing Plants : 371, Marudhamalai Road, Coimbatore 641 041  
Hosur-Krishnagiri Road, Hosur East - 635 125  
Bushing Plant : 5/186, Old Mahabalipuram Road, Oggijam  
Thoraiakkam, Chennai 600 096.

(j) Address for Correspondence : Mr.K.Vidhya Shankar, Company Secretary,  
No.18, Race Course Road,  
Coimbatore - 641 018 Tel. Nos.: (0422) 222 1159  
91 - 97902 46890 E-Mail: vidhyashankar@bimite.co.in

Other Disclosures :

There are no materially significant related party transactions that may have potential conflict with the interests of the Company.

There are no instances of non-compliances by the Company. During the year no penalty, strictures etc. were imposed on the Company by M/s.BSE Limited, SEBI or any Statutory Authority relating to the capital markets for the last three years.

The Company has a working vigil mechanism and whistle blower policy. No personnel have been denied access to the audit committee.

The Company has complied with all the mandatory requirements and non-mandatory requirements have been adopted to the extent found feasible.

The Company does not have subsidiaries.

The company's policies on Remuneration, related party transactions, risk management, vigil mechanism, corporate social responsibility, 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 and Policy for determination of materiality of events and Code of conduct for Directors and Senior Management have been hosted in the Company's website under the heading "Information to shareholders".

As per regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have affirmed to the compliance with the Code of Conduct for the year ended March 31, 2018.

The CEO and the CFO of the Company have certified to the Board with regard to the compliance in terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015.

The Company's products and the export / import activities are subject to price risk and foreign exchange risks respectively. The company's operating management takes adequate care / preventive steps to overcome these risks.

Declaration regarding compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct:

As required under regulation 34(3) read with part D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the members of Board of Directors and Senior Management Personnel of Bimetal Bearings Limited have affirmed compliance with the Code of Conduct of the Company in respect of the year ended 31st March 2018.

Chennai  
30th May 2018

A. Krishnamoorthy  
Managing Director