

Bimetal Bearings Limited
'Huzur Gardens', Sembium, Chennai 600 011

Proceedings of the Fifty Second Annual General Meeting of the Share-holders of Bimetal Bearings Limited held on Friday the 19th July 2013 at 10.15 a.m. at Hotel New Woodlands, 72/75, Dr.Radhakrishnan Salai, Mylapore, Chennai 600 004.

Present :

- | | | |
|----------------------------|---|--|
| 1) Mr.A.Krishnamoorthy | - | Chairman & Managing Director and shareholder and |
| Also representing | | Member of Share Transfer and Share-holders' / |
| | | Investors' Grievance Committee. |
| | | India Pistons Limited |
| | | Amalgamations Private Limited |
| | | Simpson & Company Limited |
| | | Sri Rama Vilas Service Limited |
| | | Associated Printers (Madras) Private Limited, |
| | | Higginbothams Private Limited |
| Mr.S.Narayanan | - | Whole-time Director – Member of Share Transfer & |
| | | Shareholders / Investors' Grievance Committee |
| Mr.N.Venkataramani | - | Director, Shareholder & Chairman – Share Transfer & |
| | | Shareholders / Investors' Grievance Committee |
| | | and Member of Audit Committee |
| Mr.P.M.Venkatasubramanian- | | Director & Chairman-Audit & Remuneration Committees |
| Mr.N.P.Mani | - | Director - Member of Share Transfer and Shareholders / |
| | | Investors' Grievance Committee |
| Mr.Krishna Srinivasan | - | Director – Member of Audit and Remuneration |
| | | Committees |
| Mr.R.Vijayaraghavan | - | Director – Member of Audit and Remuneration |
| | | Committees |
| Mr.N.Venkataraman | - | Chief Financial Officer |

In addition to the above, 1311 members were present either in person or by proxy representing 78.66% of the paid-up Share capital of the Company.

Pursuant to Section 307(7) of the Companies Act, 1956, the Register of Director' Shareholdings and a copy of the agreement entered into with Mr. S.Narayanan, Whole-Time Director were kept open and were accessible for inspection by the members during the meeting. As per article 27(a) of the Articles of Association of the Company, Mr. A.Krishnamoorthy, Chairman and Managing Director took the Chair. The Chairman formally declared that the necessary quorum as per article 26(a) of the Articles of Association of the Company was present in person for the meeting. Since Mr.K.Vidhya Shankar, DGM (Costing) & Company Secretary was indisposed, the Chairman directed Mr.N.Venkataraman, Chief Financial Officer to read the notice convening the meeting and also the Auditors' Report.

The Chairman later addressed the members. He introduced Mr.S.Narayanan who was appointed as an Additional Director and subsequently as a Whole-time Director from 01-11-2012. He also introduced others present in the dais. In his speech he covered the operations of the Company during the year under review. He expressed the view that the performance of the Company more or less corresponded to that of Indian economy with consequent impact on the automobile industry. The industry was under pressure and the sentiments in the market were not showing any signs of improvement. The slower economic growth and industrial production coupled with less Freight availability had affected the Commercial Vehicle Segment significantly. Our Company had a major presence in this segment.



The Passenger Cars production affected by the fuel prices coupled with high interest rates resulted in the less than expected volume of production. In certain categories of vehicles, production was sustained and even improved compared to previous year. O.E. Manufacturers across the range of products were curtailing their workings and output, to correct the imbalance in the system on inventories. The Replacement Market also was faced with reduced off take in view of the Infrastructure and Manufacturing industries curtailment of activities. But despite all the above, our Company was able to hold and achieve a reasonable level of production and sales activity both in the Domestic and Export Market. Several actions, appropriate to the circumstances had been taken to rationalize the production and thus partly minimize the impact of the adverse developments.

The increased input costs and operational expenses could not be recovered in the prevailing market condition, impacting the financial performance. Increasing the focus on material utilization and better yield were amongst those initiated. Actions on enlarging the range of products for Domestic and Export Market and focus on Intermediate products and capabilities were being addressed for the future. Greater emphasis in pursuing Export opportunities with appropriate products was being followed. Despite reduction in profit after tax, your Directors have recommended a Dividend of 90% for the year 2012 – 2013. Before taking up the items in the agenda for voting the Chairman said that if the shareholders seek any clarification on the Accounts for the year ended 31-03-2013 the same would be furnished. The shareholders who spoke on the occasion complemented the performance of the company under very difficult economic situation and appreciated the gesture on the part of Directors to recommend 90% dividend when profit level was substantially reduced. It was also said that the management was consistently rewarding the shareholders irrespective of the ups and downs in the market. The Company was virtually debt free which was a good show by the management. The shareholders were confident that the Company will come up again as was done in previous occasions. They suggested to management to continue the good policies adopted so far. They also welcomed the appointment of Mr.S.Narayanan as Whole-time Director, who will co-ordinate with Mr.N.P.Mani for the improvement of performance.

There were suggestions and discussion on the subjects like furnishing index page facilitating easy reference to various statements, declaration of bonus shares when there was adequate resources or stock split providing for easy sell or purchase of shares, suggested to focus further on export performance, furnishing of 10 years financial highlights, delisting of Company's shares from Madras Stock Exchange Limited, furnishing of previous years particulars in Corporate Governance Report, further investment in R & D, speedy disposal of items listed under Contingent Liability, details of building under constructions and particulars of additions to plant & machinery, to take steps to improve operational profits, consideration of buyback of shares due to poor liquidity, re-appointment of M/s.Price Watehouse as Statutory Auditors, procedure adopted for disposal of vehicles and particulars of assets sold, non attendance of Mr.A.B.Avery, Director at the Board Meetings and Annual General Meeting, particulars of unsecured loan availed from one party covered under register maintained under Section 301 of the Companies Act, 1956, particulars of travelling, communication, packing & forwarding, bad debts written off, bank charges, professional and consultancy, donations and miscellaneous expenses, revenue and expenditure could be pictorially shown, sale of Glaxo Smithkline Beecham Consumer Healthcare Ltd, arrangement to pay dividend to shareholders who have not claimed so far, earlier finalization of accounts and convening of Annual General Meeting, facilitating early payment of dividend, thanking Directors for providing A.C. Venue.

The Chairman said that he was impressed with the level of interest evinced by the shareholders in analyzing the Accounts in greater details. The year under review was very difficult, painful and a challenging one.



The investments in capital additions are for a specific purpose and helped the company to reach the level that it had reached. There were challenges in getting higher prices. But there was a need to maintain the same level of reliability for which investment in capital assets were needed. Mr.S.Narayanan, Whole-time Director gave the particulars about the Capital Additions made during the year under review. The Chairman also gave clarifications on matters that were brought up by the shareholders. Later the Chairman took up for consideration the items listed in the agenda.

Ordinary Business:

01) Adoption of Annual Balance Sheet as at 31st March 2013 and the Audited Statement of Profit and Loss Account for the year ended 31-03-2013 and the Auditors' and Directors' Report thereon :

Mr.N.Sivasailam proposed and Mr. R.Vidhyashankar seconded that it be: Resolved that the audited Balance Sheet as at 31st March 2013 and the Statement of Profit and Loss for the year ended on that date with relevant cash flow statement together with the Auditors' and Directors' Report thereon be approved and adopted"- The resolution was put to vote by show of hands and declared carried with a majority of votes. Mr.S.Padmanabhan holding 20 shares and Mr.R.Sivakumar holding 50 shares opposed the resolution.

02) Declaration of Dividend: Mr.S.Ramanujachari proposed and Mr.R.G.Muthuswamy seconded that it be: Resolved that a Dividend of Rs.9/- per share on the paid-up capital of the company of Rs.3,82,50,000/- be declared for the year ended 31-03-2013 absorbing a sum of Rs.3,44,25,000/- and that the Board of Directors be authorised to pay such Dividend to the eligible members before the stipulated period"- The resolution was put to vote by show of hands and none of the shareholders present opposed the resolution. The resolution was declared carried unanimously.

03) Election of Mr.R.Vijayaraghavan as Director: Mr.R.Vidhyashankar proposed and Mr. N.Sivasailam seconded that it be: "Resolved that Mr.R.Vijayaraghavan who retires by rotation under article 30(f)(ii) of the Articles of Association of the Company and being eligible be re-elected as Director of the Company whose term of office is liable to determination by retirement of Directors by rotation"- The resolution was put to vote by show of hands and declared carried unanimously. None of the shareholders present opposed the resolution.

04) Election of Mr.N.Venkataramani as Director: Mr.R.Vidhyashankar proposed and Mr.N.Sivasailam seconded that it be: "Resolved that Mr.N.Venkataramani who retires by rotation under Article 30(f) (ii) of the Articles of Association of the Company and being eligible be re-elected as Director of the Company whose term of office is liable to determination by retirement of Directors by rotation"- The resolution was put to vote by show of hands and declared carried unanimously. None of the shareholders present opposed the resolution.

05) To appoint Auditors and fix their remuneration: Mr.N.Sethuvenkataraman proposed and Mr.N.Sivasailam seconded that it be: Resolved that the retiring Auditors, M/s. Price Waterhouse, Chartered Accountants, Chennai (Firm Registration No. 301112E) be 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 authorized to fix the remuneration payable to them".

The resolution was put to vote by show of hands and declared carried with a majority of votes. Mr.S.Padmanabhan holding 20 shares, Mr.R.Sivakumar holding 50 shares and Mr.G.Subramanian holding 50 shares opposed the resolution.



Special Business:

06) Appointment of Mr.S.Narayanan as an Additional Director:

Mr.R.G.Muthuswamy proposed the following ordinary resolution which was seconded by Mr.R.Vidhyashankar:

"Resolved that Mr.S.Narayanan, who was appointed as an Additional Director with effect from 01-11-2012 at the Meeting of the Board of Directors held on 30-10-2012 and who holds office upto the date of this Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr.S.Narayanan as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company". The resolution was put to vote and declared carried unanimously. None of the shareholders present opposed the resolution.

07) Remuneration payable to Mr.S.Narayanan, Whole-time Director :

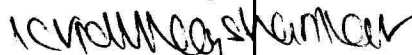
The following special resolution was moved by Mr.N.Sethuvenkataraman and seconded by Mr.R.G.Muthuswamy and Mr.R.Vidhyashankar:

"Resolved that pursuant to Sections 198, 269, 309, 311, 316 and other applicable provisions of the Companies Act, 1956 if any and read with Schedule XIII to the said Act, the approval of the Company be and is hereby accorded to the appointment of Mr.S.Narayanan as a whole-time Director of the company for a period of three years from 01-11-2012 and the payment of his remuneration, allowances, performance bonus and perquisites as set out in the agreement approved at the meeting of the Board of Directors of the Company held on 17-11-2012 and or such other remuneration as the Board of Directors may revise from time to time duly recommended in that respect by the Remuneration Committee"

"Further Resolved that in the event of inadequacy of profit during the tenure of his appointment, the remuneration payable shall be in terms of Section II, Part II of Schedule XIII to the Companies Act, 1956". The resolution was put to vote and declared carried unanimously. None of the shareholders present opposed the resolution.

Mr.R.Vidhyashankar while proposing vote of thanks to the chair, said that the explanation offered by the Chairman regarding the performance of the Company in the difficult year can be accepted and the Company will continue to progress well in the years to come.

/ Certified True Copy /
For Bimetal Bearings Limited



K, Vidhya Shankar
DGM (Costing) & Company Secretary / Compliance Officer