

Bimetal Bearings Limited

(A member of the Amalgamations Group)

CIN: L29130TN1961PLC004466

Regd. Office: "Huzur Gardens", Sembium, Chennai 600 011

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To : The Members,

Sub : **POSTAL BALLOT NOTICE**

Notice is hereby given to the members of **Bimetal Bearings Limited** (the "Company") pursuant to the Section 110 of the Companies Act, 2013 (which shall include any statutory modifications, amendments or re-enactments thereto) read with Companies (Management and Administration), Rules, 2014 (which shall include any statutory modifications, amendments or re-enactments thereto) for seeking consent of members of the Company by passing resolutions by way of Postal Ballot / e-voting ("Postal Ballot"). The statement setting out the material facts concerning each item and the reasons thereof annexed hereto alongwith the Postal Ballot form.

The Board of Directors of the Company had appointed Mr.C.V.Madhusudhanan, Partner, KSR & Co., Company Secretaries LLP as Scrutinizer for conducting the Postal Ballot process (including for e-voting process) in a fair and transparent manner. The members are requested to read the instructions carefully printed in the Postal Ballot form, record their assent (for) or dissent (against) therein by filling the necessary details by signing at the designated place in the Postal Ballot form and return the same in original duly completed in the enclosed self-addressed postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the closing hours i.e. 5.00 p.m on Wednesday the 20th May 2015. Please note that the postal ballot form(s) received after the said date will be treated as if reply from the member has not been received in terms of the Rule 22(12) of the Companies (Management and Administration), Rules, 2014.

Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the notes to the notice and the instructions provided. References to postal ballot(s) in this notice include votes received electronically also.

The scrutinizer shall submit his report to the Board of Directors of the Company after completing of the scrutiny of the Postal Ballot forms but not later than 25th May 2015. The results will be announced by the Whole-time Director or the Company Secretary and the same will be intimated to the BSE Limited and the Madras Stock Exchange Limited where the company's shares are listed. The date of declaration of the results of the Postal Ballot shall be deemed to be the date of passing of resolutions.

Please Note: The Postal Ballot Notice and Postal Ballot Form is attached herewith and the same is also available on the Company's website i.e. www.bimate.co.in.

Postal Ballot Notice : [http://www.bimate.co.in/MAY-2015/postal ballot form.pdf](http://www.bimate.co.in/MAY-2015/postal%20ballot%20form.pdf).

RESOLUTIONS:

- (01) To Accord approval for the Payment of remuneration to Mr.A.Krishnamoorthy, Chairman & Managing Director for the financial year 2014 - 2015:

To consider and if thought fit, to give Assent / Dissent to the following resolution as a **Special Resolution**.

"Resolved that in terms of the provisions of Section 197 read with Schedule V to the Companies Act, 2013 (the Act) the approval of the shareholders is accorded for the payment of remuneration to Mr.A.Krishnamoorthy, Chairman & Managing Director for the financial year 2014- 2015 reckoned in terms of Section II of Part II of Schedule V to the Companies Act, 2013 amounting to Rs.53,00,000/- (Rupees Fifty Three Lakhs Only) as detailed in the statement of material facts provided under Section 102 of the Act.

"Further Resolved that all the other terms and conditions relating to the appointment and payment of remuneration to Mr.A.Krishnamoorthy, Chairman & Managing Director as approved by the members at the extraordinary general meeting held on 10th May 2010 shall remain unaltered"

- (02) To accord approval for the Re-appointment of Mr.A.Krishnamoorthy as Managing Director for a term of 3 (Three) years with effect from 1st April 2015 and payment of remuneration :

To consider and if thought fit, to give Assent / Dissent to 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 applicable provisions of the Act and the Rules made thereunder 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.A.Krishnamoorthy (DIN 00001778) as Managing Director of the Company for a period of three years from 1st April 2015 and payment of remuneration, commission and perquisites as set out in the draft agreement approved at the meeting of the Board of Directors of the Company held on 28th March 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".

- (03) To accord approval for the Appointment of Dr.Sandhya Shekhar (DIN 06986369) as an Independent Director :

To consider and if thought fit, to give Assent / Dissent to the following resolution as an **Ordinary Resolution**.

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (the Act) and the rules framed thereunder (including any statutory modifications(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and applicable provisions of the equity listing agreement with Stock Exchanges, Dr.Sandhya Shekhar (holding DIN 06986369), in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act signifying the intention to propose Dr.Sandhya Shekhar as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company for a period of 3 (Three) years with effect from 14th November 2014, not liable to retire by rotation".

By Order of the Board
For **Bimetal Bearings Limited**

Chennai
8th April 2015

K.Vidhya Shankar
Company Secretary

Notes:

- 1) The statement pursuant to Section 102 of the Companies Act, 2013 (the Act) setting out material facts is attached herewith.
- 2) The Notice of postal ballot is being sent to all the members, whose names appear on the register of members / list of beneficial owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on 10th April 2015 (Cut-off date).
- 3) Notice of postal ballot along with postal ballot form containing the process, instructions and the manner of conducting e-voting is being sent under the permitted mode to all the members whose names are available in the Company's register of members as on the cut-off date. Further in the case of members who had already provided their E-mail IDs to the Company / Share Transfer Agent will also be receiving the Postal Ballot form and the relevant enclosures through electronic mode.
- 4) Voting rights shall be reckoned on the paid up value of equity shares registered in the name of the member as on 10th April 2015. Members can opt for their entire voting rights as per their discretion.
- 5) In compliance with the provisions of Clause 35B of the Listing Agreement as well as Sections 108 and 110 of the Act read with the Companies (Management and Administration) Rules, 2014, (as amended) the Company is offering e-voting facility to all of its members. For this purpose, the Company has entered into an agreement with NSDL for providing e-voting facility to enable the members to cast their votes electronically instead of dispatching the postal ballot form. Kindly note that the members can opt for only one mode of voting, i.e. either by physical postal ballot or through e-voting. If you are opting for e-voting, then do not vote by physical postal ballot and vice-versa. In case members cast their votes by both the methods i.e. by physical postal ballot as well as e-voting, it may be noted that votes cast by them through valid physical postal ballot shall prevail and votes cast by e-voting will be treated as invalid.
- 6) Voting period will commence from 21st April 2015 (9:00 a.m.) and end on 20th May 2015 (5:00 p.m.).
- 7) Relevant documents referred to in the notice are open for inspection by the members at the Registered Office of the Company on all working days (Monday to Friday) between 9:00 a.m. to 5:00 p.m. upto 20th May 2015.
- 8) Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses so that they can receive the communications from the Company electronically.

STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**ITEM NO. 01:**

Mr.A.Krishnamoorthy has been appointed as the Chairman and Managing Director of the Company for a period of 5 years from 1st April 2010. The remuneration payable to Mr.A.Krishnamoorthy was approved at the extraordinary general meeting of the Company held on 10th May 2010. For the financial year 2014 - 2015, the requirement of Compliance of Schedule V especially provisions of Section II of Part II of Schedule V have to be applied due to inadequacy of profits under Section 197 of the Act. Considering the financial results and based on the recommendation of the Nomination and Remuneration Committee, the Board of directors had decided to pay remuneration aggregating to Rs. 53,00,000/- (Rupees Fifty Three Lakhs Only) as set hereunder:

Salary at Rs.3,50,000/- per month	Rs.42,00,000/-
Contribution to Superannuation Fund and Gratuity Funds	Rs. 8,05,000/-
Other payments including perquisite value etc. not to exceed	Rs. 2,95,000/-
Total	Rs.53,00,000/-

Mr.A.Krishnamoorthy, Chairman & Managing Director, holding 50 equity shares of Rs 10/- each in the company, is a member of the Stake-holders Relationship cum Investors Grievance Committee in the Company. The details of other directorships / Committee memberships held by Mr.A.Krishnamoorthy as on date are given below:

Directorships	:	Amalgamations Private Limited Simpson & Company Limited – Chairman and Managing Director India Pistons Limited, Amalgamations Repco Limited, Associated Publishers (Madras) (P) Limited, Stanes Amalgamated Tea Estates Limited, Amalgamations Valeo Clutch Private Limited, Addison & Co. Limited,	Shardlow India Limited Associated Printers (Madras) Private Limited T.Stanes & Company Limited Stanes MJF Teas Limited BBL Daido (P) Limited, Wallace Cartwright & Company Limited, London
Committee Memberships :	In the Audit Committees of the following Companies:	Simpson & Company Limited, T.Stanes & Co. Limited	India Pistons Limited, Shardlow India Limited Addison & Co. Limited,

Memorandum of Interest: Mr.A.Krishnamoorthy, Chairman & Managing Director is interested in the resolution to the extent of the payment of the remuneration payable to him. Mr.N.Venkataramani, Director being a relative of Mr.A.Krishnamoorthy is also deemed to be interested in the Resolution. 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.

ITEM NO. 02:

At the Board Meeting held on 28th March 2015, Mr.A.Krishnamoorthy was re-appointed as Managing Director for a further period of 3 years from 1st April 2015 pursuant to Sections 196, 197 and 203 and other applicable provisions of the Act read with Schedule V to the Act. The terms and conditions relating to the re-appointment of Mr.A.Krishnamoorthy as Managing Director are listed below.

Salary	:	Rs.3,50,000/- per month
Perquisites	:	Perquisites to be allowed in addition to salary and commission as listed below.
Commission	:	As a percentage within the overall ceiling of the net profits of the Company computed under Section 197 and other applicable provisions of the Act.

Perquisites :

- House Rent Allowance : Rs.50,000/- (Rupees Fifty Thousands Only) per month.
- Reimbursement of expenses on gas, electricity, water, security and furnishings.
- Medical Reimbursement : Expenses incurred by the Managing Director and his family including any Insurance cover for health
- Leave Travel Concession : For the Managing Director and his family in accordance with rules specified by the Company
- Club Fees : Fees of Clubs subject to a maximum of two clubs. This will not include Admission and life membership fee
- Personal Accident Insurance Premium for cover as per the Rules of the Company
- Contribution to Superannuation Fund as per the Scheme of the Company.
- Gratuity payable should not exceed half month's salary for each completed year of service.
- Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.
- Leave facility as applicable to other Senior Executives of the Company shall be allowed

The Managing Director shall be entitled to all actual expenses including reimbursement of travelling and entertainment expenses incurred in the course of the Company's business, which shall not be treated as an item of remuneration. He is not entitled to sitting fees.

Apart from the remuneration aforesaid: The Managing Director shall be entitled for provision of car with driver, telephone, mobile and other communication facilities at his residence.

Minimum Remuneration : In the event of loss or inadequacy of Profit in any financial year, the remuneration payable shall be the same as above but not exceeding the limits in terms of the proviso to Section II, Part II of Schedule V to the Act.

Termination: Either party namely the Company and the Managing Director, may terminate the Agreement by giving to the other party three months' notice. The agreement which has been approved by the Board of Directors at their meeting held on 28th March 2015 detailing therein the terms and conditions detailed above along with the responsibilities and duties to be discharged by the Managing Director in that capacity has been entered into with the Managing Director.

Mr.A.Krishnamoorthy is not liable to retire by rotation. The remuneration payable to Mr.A.Krishnamoorthy from 1st April 2015 has been recommended by the Nomination and Remuneration Committee taking into consideration the present needs and his contribution to the company and approved at the Board Meeting held on 28th March 2015. The terms of re-appointment of Mr.A.Krishnamoorthy as Managing Director of the Company and the related remuneration payable to him needs approval of the members by means of passing a special resolution at a General Meeting of the Company. Hence, the special resolution is proposed for consideration of the members.

Mr.A.Krishnamoorthy aged 77 years has been associated with the Company as Director from 26th June 1970 to 31st August 1975, as Managing Director from 1st September 1975 and as the Chairman & Managing Director from 13th July 1992 till 31st March 2015 and is being proposed to be re-appointed as Managing Director from 1st April 2015 for a period of 3 years.

The details of other directorships / committee memberships held by Mr.A.Krishnamoorthy in other Companies as on date are given along with the Statement of Material Facts attached to Resolution No. 01 in Page No. 2.

Memorandum of Interest : Mr.A.Krishnamoorthy, Managing Director is interested in the resolution to the extent of his re-appointment as Managing Director and the remuneration payable to him. Mr.N.Venkataramani, Director being a relative of Mr.A.Krishnamoorthy is also deemed to be interested in the Resolution. 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.

FOR ITEM NOS. 01 & 02: The relevant information required to be furnished under Section II of Part II of Schedule V to the Act are furnished hereunder:

I. General Information

- Nature of Industry : Auto Ancillary
- Date or expected date of commencement of Commercial production : Company was established in the year 1961 and had commenced commercial production more than five decades ago.
- 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 : (Rs. in lakhs)

Particulars	Year Ended	
	31-03-2014	31-03-2013
Revenue from Operations (Net)	14605.55	16133.15
Other Income	510.32	462.17
Total	15115.87	16595.32
Profit Before Tax	502.74	908.53
Profit After Tax	385.75	675.70
Dividend – Amount	267.75	344.25
– Percentage	70%	90%
Earnings Per Share (Rs.)	10.09	17.67
Share Capital	382.50	382.50
Reserves	13363.56	13291.06
Net Worth	13746.06	13673.56
Debt-Equity Ratio	0.01 : 1	0.01 : 1

The Company has declared dividends since inception without a break.

5. Export Performance

- Year Ended : **31-03-2014**
- Exports on FOB basis : Rs.3514.94 lakhs
- Foreign Exchange outgo referable to
 - Dividend : Nil
 - Commission : Rs.2.76 lacs
 - New Technology / Consultancy : Rs.29.28 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.A.Krishnamoorthy has been associated with the Company as Director from 26-06-1970, as Managing Director from 01-09-1975 and as Chairman & Managing Director from 13-07-1992 till 31st March 2015. During this period, he played a major role in expansion activities in the company including acquiring new technology for materials and process. He entered into a Joint Venture agreement for the manufacture of polymer bushes for the first time in the country.
2. Past remuneration : Remuneration paid for the year ended 31st March 2014 :

	Rs.	Rs.
Fixed Components		
Salary	24,00,000/-	
Contribution to Provident & Other funds / Other benefits	5,35,000/-	29,35,000/-
Variable Component		
Performance based commission		Nil
Total		29,35,000/-

(The Company has not introduced Stock Option Scheme)
3. Recognition or Awards : -----
4. Job profile and his suitability : His responsibility will be to oversee the operations of the Company in all areas and also guide the company to achieve better profitability.
5. Remuneration Proposed : As stated in the resolutions Nos. 01 and 02 and also in the statement of material facts provided under Section 102 of the Act respectively.
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates, the relevant details would be with reference to the country of his origin) : The remuneration currently paid is comparable in the industry and commensurate with the responsibility envisaged under the post of Managing Director.
7. Pecuniary Relationship : Nil.

III. Other Information:

1. Reason for Loss or inadequacy : The resolution is primarily to facilitate the payment of remuneration to the Chairman and Managing Director due to inadequacy of profits for the year 2014-15 due to economic slow-down and increase in input cost coupled with market competition.
2. Steps taken or proposed to be taken for improvement : As mentioned, it is only an enabling resolution. The Company would take all steps to protect the profit margins which would include increased capacity utilisation, negotiating with the customers for price revision, introduce cost control measures etc. including better utilization of power, capacities etc to maximise profits.
3. Expected increase in productivity/ profit in measurable terms : Barring unforeseen circumstances, a growth of around 10% in profit before tax is anticipated.

IV. Disclosures : Are furnished/will be furnished in the corporate governance report in the Annual report.

This statement may also be regarded as the necessary disclosure under Clause 49 of the Listing agreement.

ITEM No. 03:

Dr.Sandhya Shekhar, aged 52 years holds a degree in mathematics from Madras University, PGDM from Indian Institute of Management, Bangalore and a Ph.D. Degree from Indian Institute of Technology, Madras. She had associated with IIT Madras Research Park, Gartner INC, Aptech Limited, NIIT Limited and PSI Data Systems Limited and has diversified experience in areas of systems management and consulting etc. She joined the Board as an Additional Director under the Independent category on 14th November 2014. She is not holding any shares in the company.

The other directorships and committee memberships of Dr.Sandhya Shekhar are given below :

Other Directorships: IP Rings Limited Other Committee Memberships: Nil

The Company had received a requisite notice and deposit from a member under Section 160 of the Companies Act, 2013 signifying the intention to propose the name of Dr. Sandhya Shekhar as an Independent director for a term of 3 (Three) consecutive years from 14th November 2014.

In the opinion of the Board, Dr.Sandhya Shekhar fulfils the conditions specified in the Act and rules made thereunder for her appointment as an Independent Director of the Company.

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 except Dr.Sandhya Shekhar is concerned or interested in the resolution. This Statement may also be regarded as the necessary disclosure under Clause 49 of the Listing agreement.

By Order of the Board
For **Bimetal Bearings Limited**

K.Vidhya Shankar
Company Secretary

Chennai
8th April 2015