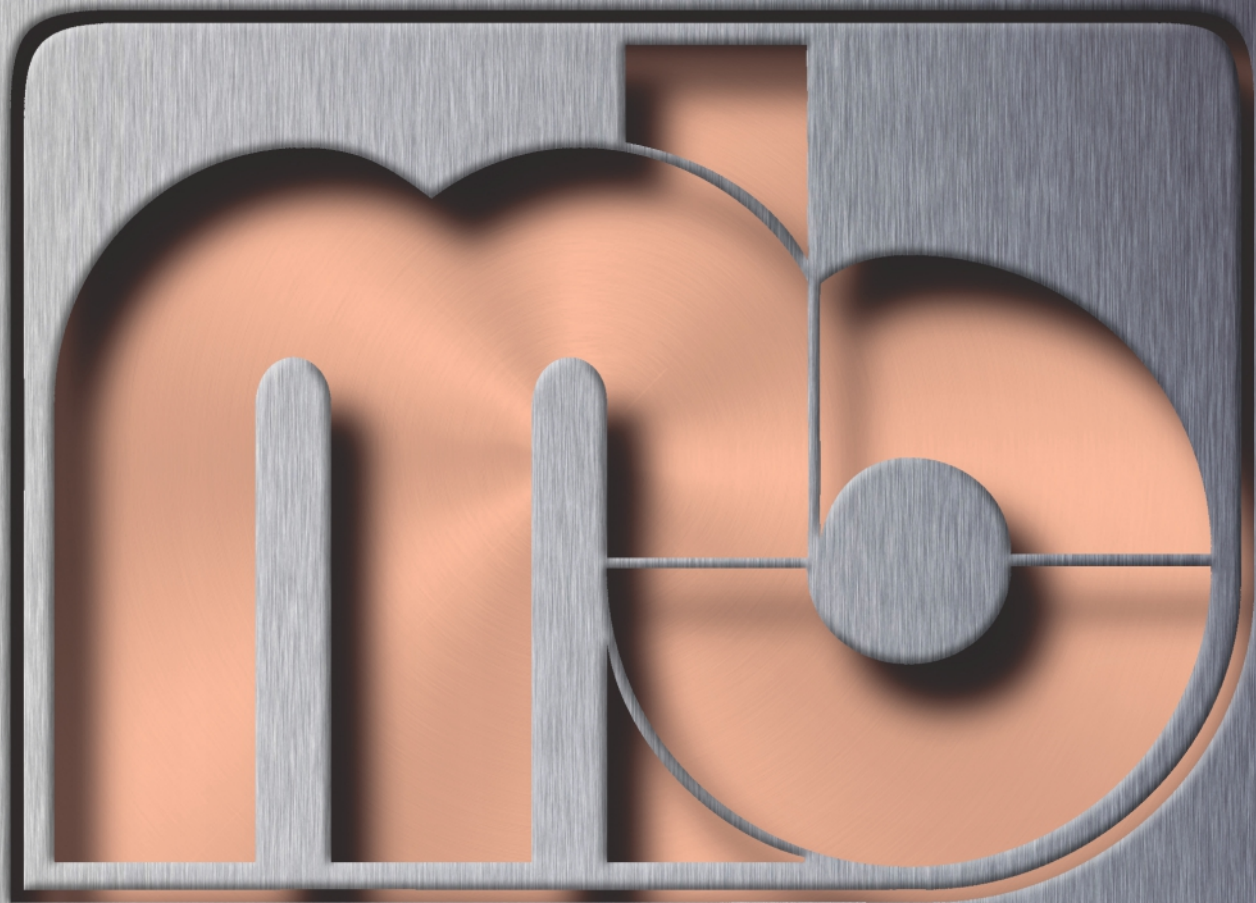


Annual Report 2012



MENON BEARINGS LTD.

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Board of Directors

RAM MENON	Chairman
R. D. DIXIT	Vice Chairman & Managing Director
NITIN MENON	Joint Managing Director
SACHIN MENON	Director
DR. Y. S. P. THORAT	Independant Director
KUMAR NAIR	Independant Director
B. S. AJITKUMAR	Independant Director

REGISTERED OFFICE :

G-1, MIDC, Gokul Shirgaon, Kolhapur 416 234

CFO : Arun Aradhye

AUDITORS :

M/s. P. M. VARDHE & CO.
Chartered Accountants,
Kolhapur

BANKERS :

STATE BANK OF INDIA
Gokul Shirgaon, Kolhapur.

AXIS BANK LIMITED
Kolhapur

REGISTRAR AND SHARE TRANSFER AGENT:

LINK INTIME INDIA PRIVATE LIMITED
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (West), Mumbai – 400 078
Phone : (022) 2596 3838. Fax : (022) 2594 6969
Email : inform@linkintime.co.in



Notice

Of 21st Annual General Meeting



MENON BEARINGS LIMITED

Regd. Office: G-1, MIDC, Gokul Shirgaon, Kolhapur 416234

Notice is hereby given that the Twenty First Annual General Meeting of the Company will be held on Thursday, 16th August, 2012 at **10.30 a.m.** at

The Residency Club, P.O. New Palace, Kolhapur – 416003

to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors' and of the Auditors' thereon.
2. To declare dividend on equity shares for the financial year ended on 31st March, 2012.
3. To appoint a director in place of Mr. Sachin Menon, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. B. S. Ajitkumar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint M/s P. M. Vardhe & Co, Chartered Accountants as Auditors to hold office from the conclusion of this Annual General Meeting up to the conclusion of next Annual General Meeting and to fix their remuneration.

Special Business

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 the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the payment of Rs. 5,00,000/- (Rupees Five Lacs) made to Mr. Nitin Menon, Joint Managing Director of the Company during the financial year 2011 – 12 as bonus be and is hereby approved."

BY ORDER OF THE BOARD OF DIRECTORS

Place : Kolhapur
Date : 27th May, 2012

R. D. DIXIT
Vice Chairman & Managing Director



Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IN CASE OF POLL ONLY AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Brief resume of Directors proposed to be re-appointed at the ensuing Annual General Meeting in terms of Clause 49 of the Listing Agreement is annexed to the Notice.
3. (a) Register of Members and the Share Transfer Books of the Company will remain closed from 13th August, 2012 to 16th August, 2012 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if approved by the shareholders at the ensuing Annual General Meeting.

(b) The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched between 20th August, 2012 and 29th August, 2012 to those members whose names shall appear on the Company's Register of Members on 16th August, 2012; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
4. Members holding shares in physical form are requested to notify immediately any change in their address or bank mandates to the Company / Registrar and Share Transfer Agents quoting their Folio Number. Members holding shares in the electronic form may update such details with their respective Depository Participants.
5. Members are requested to bring their Attendance Slip along with their copy of Annual Report at the time of the Meeting.
6. In case of joint holders attending the meeting, the joint holder with highest, in order of names will be entitled to vote.
7. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Asst. Company Secretary at the Registered Office of the Company at least seven days in advance of the meeting so that the information required may be made readily available at the meeting.
8. The Securities and Exchange Board of India (SEBI) has made it mandatory for all the companies to use the bank account details furnished by the depositories for depositing dividend through National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available. ***The Company will be availing the NECS facility for the payment of dividend this year. The bank details are required to be updated for the members who will be availing this facility. In the absence of NECS required details, the Company will print the bank account details, as available, on the Payment Instrument for distribution of dividend, if approved by the members.***
9. Members having multiple folios in identical names or in joint names in the same order are requested to send the share certificate(s) to the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited for consolidation of all such shareholding into one folio to facilitate better services.

10. The unclaimed dividend upto the financial years 2003-2004 has already been transferred to the Investor Education and Protection Fund (IEPF) as required under Section 205A and 205C of the Companies Act, 1956. ***The balance amount lying in Unpaid Dividend Account for the financial year 2004-2005 is due for transfer to the Investors Education and Protection Fund administered by the Central Government during the month of September, 2012. The shareholders whose dividend remained unclaimed for the aforesaid financial year and following financial years are requested to claim it immediately from the Company.*** Further, the shareholders are requested to note that no claim shall lie against the said Fund or the Company in respect of any amounts which remained unclaimed for a period of seven years from the date that these became first due for payment and no payment shall be made in respect of any such claim.
11. 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 their respective PAN details to their respective Depository Participants with whom they have their demat account(s). Members holding shares in physical form can submit their PAN details to the Company's Registrars & Share Transfer Agents.
12. Non Resident Indian members are requested to inform the Company's Registrar & Share Transfer Agents, immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, if not furnished earlier.

Brief particulars of the Directors being proposed to be re-appointed at the ensuing Annual General Meeting (pursuant to Clause 49 of the Listing Agreement):

1. Mr. Sachin Menon, aged 49 years is Director and Promoter of the Company. He is a Bachelor of Engineering (Mech.) and has vast experience in the field of manufacturing of automobile components.

Mr. Sachin Menon is also director in Menon Pistons Ltd., Menon Piston Rings Pvt. Ltd. and Menon Metals and Alloys Pvt. Ltd. He is a member of Shareholders' / Investors' Grievance Committee of the Company.

As on 31st March 2012, Mr. Sachin Menon holds 50,000 Equity Shares of the Company.

2. Mr. B. S. Ajitkumar, aged 64 years, is an Independent Director of the Company. He is a Bachelor of Engineering (Mech.) and M. Tech from IIT, Kharagpur and has vast experience in the field of manufacturing of automobile components. He has worked with TELCO, BEML, ESCORT, etc.

Mr. B.S.Ajitkumar is also a director in Menon Pistons Limited. He is member of the Audit Committee and also a member of Remuneration Committee of the Company.

As on 31st March, 2012, Mr. B. S. Ajitkumar does not hold any shares in the Company.

BY ORDER OF THE BOARD OF DIRECTORS

Place : Kolhapur
Date : 27th May, 2012

R. D. DIXIT
Vice Chairman & Managing Director

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956**Item No. 6**

Mr. Nitin Menon, Joint Managing Director of the Company is engaged in day-to-day business activities of the Company. Considering the services rendered by him and financial performance of the Company and upon recommendation of the Remuneration Committee of the Company, the Board of Directors of the Company at its meeting held on 22nd January, 2012 approved the payment of Rs. 5,00,000/- (Rupees Five Lacs) to Mr. Nitin Menon as Bonus for the financial year 2011-12, subject to the approval of the members of the Company.

The Board of Directors recommends the passing of the Special Resolution as set out at Item No. 6 of the notice.

Except Mr. Ram Menon, Mr. Sachin Menon and Mr. Nitin Menon, none of the other Directors are interested in this resolution.

BY ORDER OF THE BOARD OF DIRECTORS

Place : Kolhapur
Date : 27th May, 2012

R. D. DIXIT
Vice Chairman & Managing Director

Directors' Report

Your Directors feel great pleasure in presenting 21st Annual Report of your Company with the Audited Statement of Accounts for the year ended 31st March, 2012.

FINANCIAL HIGHLIGHTS :

(Rs.in lacs)

Sr. No.	Particulars	Current Year Ended on 31.03.2012	Previous Year Ended on 31.03.2011
1	Total Revenue (Net)	8,795.26	8,027.65
2	Profit before Depreciation & Amortization Expenses, Finance Cost and Tax	1,719.06	1,594.77
3	Less : Depreciation and Amortization Expenses	413.31	374.62
	Finance Cost	236.39	228.92
4	Profit before Tax	1,069.36	991.23
5	Less: Provision for Tax	328.99	353.26
6	Profit after Tax	740.37	637.97
7	Balance of Profit as per last Balance Sheet	1,799.02	1,480.59
8	Previous Year Adjustments	5.38	-
9	Previous Year Expenses	-	0.30
10	Balance Available for Appropriation	2,544.77	2,118.26
11	Proposed Rate of Dividend	55%	45%
12	Proposed Dividend	256.85	210.15
13	Tax on Dividend	41.67	34.09
14	Transfer to General Reserve	75.00	75.00
15	Balance of Profit carried to Balance Sheet	2,171.25	1,799.02

RESULTS OF OPERATIONS:

During the year under review, the Company has registered a sale of Rs.8709.10 lacs (previous year Rs. 7965.11 lacs) and Net Profit after Tax of Rs. 740.37 lacs (previous year Rs. 637.97 lacs).

DIVIDEND:

The Company's overall performance during the year under review was satisfactory. Your Directors have pleasure in recommending a dividend of Rs. 2.75/- (55%) per share on the Company's Share Capital [previous year Rs. 2.25/- (45%) per share]. This will absorb total Cash Outflow of Rs. 298.52 lacs (previous year Rs. 244.24 lacs) including Corporate Dividend Distribution Tax of Rs. 41.67 lacs (previous year Rs. 34.09 lacs).

PUBLIC DEPOSITS:

During the year under review, the Company has not accepted any public deposit within the meaning of Section 58A & 58AA of the Companies Act, 1956 and rules framed thereunder.

DIRECTORS:

Mr. Sachin Menon and Mr. B. S. Ajitkumar, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Brief resume of the Directors proposed to be re-appointed as stipulated under Clause 49 of the Listing Agreement with BSE Limited are given in the Notice convening 21st Annual General Meeting.

AUDITORS:

M/s. P. M. Vardhe & Co., Chartered Accountants, Kolhapur, the Statutory Auditors of your Company hold such office upto the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that they are willing to continue as Statutory Auditors and if re-appointed, their re-appointment would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

Your Directors recommend the re-appointment of M/s. P. M. Vardhe & Co., Chartered Accountants, Kolhapur, as Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting upto the conclusion of next Annual General Meeting of the Company and to audit financial accounts for the financial year ending on 31st March, 2013.

COST AUDITORS:

Pursuant to the provisions of Section 233B of the Companies Act, 1956 and in terms of Circular No. F. No. 52/26/CAB-2010 dated 30th June, 2011 issued by the Ministry of Corporate Affairs, Cost Audit Branch, the Company, with the prior approval of the Central Government, has appointed Mr. Chandrashekhar S. Adawadkar, Cost Accountant, Pune, as Cost Auditors of the Company for Audit of the cost accounting records for the financial year 2011-12.

PARTICULARS OF EMPLOYEES:

As required under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended the statement showing the names & other particulars of the employees of the Company drawing remuneration not less than Rs.60,00,000/- per annum or Rs.5,00,000/- per month is attached to this report and marked as “**Annexure A**”.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

As required under the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, particulars regarding conservation of energy, technology absorption and foreign exchange earnings and outgo for the year under review are annexed to this report and marked as “**Annexure B**”.

SECRETARIAL COMPLIANCE CERTIFICATE:

As required under the provisions of Section 383A of the Companies Act, 1956, Secretarial Compliance Certificate received from M/s. Manish Ghia & Associates, Practicing Company Secretary, Mumbai is annexed to this report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby confirms that:

- i) While preparing the Annual Accounts, the applicable accounting standards have been followed and proper explanation relating to the material departures have been given wherever necessary;
- ii) The Directors have selected such accounting policies and applied them consistently and made 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 ended 31st March, 2012 and of the profit of the Company for that period;
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv) The Directors have prepared the Annual Accounts on a going concern basis.

CORPORATE GOVERNANCE REPORT:

Pursuant to Clause 49 of the Listing Agreement entered into with the stock exchange, the following have been made a part of the Annual Report and are attached to this report:

- Management Discussion and Analysis
- Corporate Governance Report
- Auditors' Certificate regarding compliance of conditions of Corporate Governance

ACKNOWLEDGMENT:

Your Directors wish to place on record their gratitude for the continued co-operation and patronage extended by the esteemed customers both in OEM and Replacement Market segments. The Directors would also like to place on record their sincere appreciation for the continued co-operation, guidance, support and assistance during the year under report by our bankers, all the customers, suppliers of the Company and Government agencies. The Board of Directors wishes to express its appreciation for the valuable contribution made by the employees at all levels during the year under report.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Kolhapur
Date : 27th May, 2012

R. D. DIXIT
Vice Chairman & Managing Director

NITIN MENON
Joint Managing Director



Annexure 'A' to the Directors' Report

Statement showing particulars of employees drawing remuneration not less than Rs. 60 lacs per annum or Rs. 5 lacs per month.

Sr. No.	Name of employee	Designation	Nature of employment whether contractual or otherwise	Other terms and conditions	Nature of Duties	Qualification & Experience	Date of commencement of employment	Age	Last employment held	% of equity shares held	Remuneration (Amount in Rupees)
1.	Mr. Nitin Menon	Joint Managing Director	Contractual	As applicable to other senior executives of the Company	Overall Management	B.Com Has 20 years of entrepreneurial experience	01-10 -1992	45 Years	N.A.	29.61%	67,38,369

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Kolhapur
Date : 27th May, 2012

R. D. DIXIT **NITIN MENON**
Vice Chairman & Managing Director Joint Managing Director

Annexure 'B' to the Directors' Report

Information as required under The Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

I. CONSERVATION OF ENERGY

- a) Progressive dies are developed to manufacture products on single machine to save the number of operations and energy
- b) Power factor is maintained on an average near unity i.e. 0.996 to minimize the electrical transmission losses.

II. TECHNOLOGY ABSORPTION

FORM B

Form of disclosure of particulars in respect of absorption of technology, research and development.

1)	Specific areas in which Research & Development is being carried out by the Company	Development of New Lining Material (lead free) and import substitute material. Development of cost-effective products of high quality and standard.
2)	Benefits derived as a result of above	Reduction in imports as well as increase in range of products and efficiency.
3)	Future plan of action	Increase in Production Capacity, Quality and Optimum utilization of resources.
4)	Expenditure on R & D	a) Capital WIP: NIL b) Recurring: NIL c) Total: NIL d) Total R & D expenditure as a percentage of total turnover : N.A.

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION :

1)	Efforts in brief, made towards Absorption, Adoption & Innovation	The Company is under process of installation of new plant & machinery for large dia bearings and heavy duty application.
2)	Benefits derived as a result of above effort e.g. product improvement, cost reduction, product development.	Increase in capacity of production and thereby increase in sales.
3)	In case of imported technology (imported during last 5 years recorded from beginning of the financial year)	We have imported machinery from Israel in this current financial year.

FOREIGN EXCHANGE EARNINGS AND OUTGO

1)	Activities relating to export initiative for development of new export markets for products, services & exports.	Currently, the Company is exporting its products to U.S.A. U.K., Italy, France, China, Mexico, Brazil, etc. The Company has also made application for export to other countries.		
	Total foreign exchange used and earned.		Current Year (Rs. Lacs)	Previous Year (Rs. Lacs)
		Used : Imports	Rs. 78.45	Rs. 225.65
		Earned : Direct Export	Rs. 376.41	Rs. 481.09
		Deemed Export	Rs. 1793.19	Rs. 1618.10

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Kolhapur
Date : 27th May, 2012

R. D. DIXIT
 Vice Chairman & Managing Director

NITIN MENON
 Joint Managing Director

Secretarial Compliance Certificate

FORM [SEE RULE 3]

Corporate Identification No. : L29130PN1991PLC062352
 Authorised Share Capital : Rs. 10,10,00,000/-

To,
The Members,
Menon Bearings Limited,
G-1, MIDC, Gokul Shirgaon,
Kolhapur – 416 234.

We have examined the registers, records, books and papers of **Menon Bearings Limited (the Company)** as required to be maintained under **The Companies Act, 1956, (the Act)** and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012 (financial year 2011-12). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, and to the best of our knowledge and belief, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained the registers as stated in **Annexure 'A'** to this certificate as per the provisions of the Act and rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms, returns and applications as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Maharashtra, Pune, Regional Director, Western Region, Mumbai and the Central Government, as prescribed under the Act and rules made thereunder and the Company has paid necessary additional fees towards the forms, that were filed after due date. The Company was not required to file any document with the Company Law Board or any other authorities under the Act.
3. The Company, being a Public Limited Company, has minimum prescribed paid-up capital. As on 31st March, 2012, the paid up capital of the Company was Rs.4,67,00,000/- (Rupees Four Crore Sixty Seven Lacs only). The restrictive provisions of Section 3(1)(iii) of the Act are not applicable.
4. The Board of Directors duly met 4 (four) times on 26th May, 2011, 27th July, 2011, 30th October, 2011 and 22nd January, 2012 and as per information and explanations given by the management, proper notices were given and the proceedings were properly recorded in the Minutes Book maintained for the purpose. No circular resolution was passed by the Company during the financial year.
5. The Company closed its Register of Members from 26th August, 2011 to 30th August, 2011 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended 31st March, 2011 was held on 30th August, 2011 after giving adequate notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.

7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling under the purview of Section 314 of the Act, the Company was not required to obtain any approval from the Board of Directors, Members or the Central Government.
12. The Board of Directors or duly constituted Committee of Directors has approved the issue of duplicate share certificates.
13. The Company has:
 - i) delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - ii) deposited the amount of dividend declared in a separate Bank Account on 2nd September, 2011 which is within five days from the declaration of such dividend;
 - iii) posted warrants for dividend to all the members within a period of 30 days from the date of declaration and that all unclaimed / unpaid dividend has been transferred to the Unpaid Dividend Account of the Company with HDFC Bank Ltd.;
 - iv) transferred the amounts in unpaid dividend account which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund pertaining to the financial year 2003 – 04;
 - v) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. The re-appointment of directors retiring by rotation was duly made. There was no appointment of alternate director or directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director / Whole-time Director/ Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company has obtained necessary approvals from the Central Government and Regional Director, Western Region, Mumbai, as prescribed under the various provisions of the Act as detailed below –
 - (i) Approval of the Central Government for appointment of Cost Auditors for audit of Cost Accounting Records as per Central Government's Order No. 52/26/CAB/2010 dated 30th June, 2011 read with Section 233B of the Companies Act, 1956 for the financial year 2011-12;
 - (ii) Approval of the Regional Director for entering into an agreement with Mani Autocomponents, a partnership firm, for Sale and Purchase of Goods/Job Work, etc. from time to time for a period of 3 years effective from 1st April, 2012 to 31st March, 2015 under section 297 of the Companies Act, 1956;

- (iii) Approval of the Regional Director for entering into an agreement with MB Export, a partnership firm, for Sale and Purchase of Goods/Job Work, etc. from time to time for a period of 3 years effective from 1st April, 2012 to 31st March, 2015 under section 297 of the Companies Act, 1956.

Except above, the Company was not required to obtain any approval of the Company Law Board, Registrar and/or other authorities prescribed under the various provisions of the Act during the financial year.

18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within preview of Sections 58A of the Act during the financial year.
24. The amount borrowed by the Company during the financial year was within limits prescribed under Section 293(1)(d) of the Act.
25. The Company has made investment in other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for that purpose. However, the Company has not made any loans or advances and/or given guarantees or provided securities to other bodies corporate.
26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's registered office from one State to another during the financial year.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the financial year.
28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the financial year.
29. The Company has not altered the provisions of Memorandum of Association with respect to Share Capital of the Company during the financial year.
30. The Company has altered its Articles of Association after obtaining approval of members in the Annual General Meeting held on 30th August, 2011 and amendments to the Articles of Association have been duly filed with the Registrar of Companies.

31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with the prescribed authorities pursuant to section 418 of the Act.

For Manish Ghia & Associates
Company Secretaries

Place : Kolhapur
Date : 27th May, 2012

Manish L. Ghia
Partner
M. No. FCS : 6252
C.P. No. : 3531

Annexure - “A”

Registers maintained by Menon Bearings Limited

- 1) Register of Members under section 150 of the Companies Act, 1956.
- 2) Index of Members under section 151 of the Companies Act, 1956.
- 3) Register of Share Transfers / Transmission.
- 4) Register and Returns under section 163 of the Companies Act, 1956 (including copies of all annual returns prepared under Section 159 and Section 160 of the Companies Act, 1956)
- 5) Register of Directors/ Managing Director/ Manager/Secretary under section 303 of the Companies Act, 1956.
- 6) Register of Contracts and Disclosure of Directors' Interest under section 301 of the Companies Act, 1956.
- 7) Register of Directors' Shareholdings under section 307 of the Companies Act, 1956.
- 8) Minutes Book of the Meetings of Board of Directors and General Meetings under Section 193 of the Companies Act, 1956.
- 9) Register of Shareholders' / Proxys' Attendance.
- 10) Register of Renewal, Split, Consolidation and Duplicate Share Certificates of the Companies (Issue of Share Certificates) Rules, 1960.
- 11) Register of Charges u/s 143 of the Companies Act, 1956.
- 12) Register of Investments or Loans made, Guarantee or Security provided u/s 372A of the Companies Act, 1956.
- 13) Books of Accounts and Cost Records u/s 209 of the Companies Act, 1956.

Annexure - “B”

Forms and returns filed by the Menon Bearings Limited during the financial year ended on 31st March, 2012 :

A) With the Registrar of Companies, Maharashtra, Pune :

Sr. No.	E Form No.	Relevant Section	Description	Date of filing	Whether filed within prescribed time Yes/ No	If delay in filing whether requisite additional fee paid Yes / N.A.
1.	8	135	Registration of modification of charge created in favour of State Bank of India by executing Letter of Agreement and Supplemental Agreement of Loan- cum Hypothecation dated 19.05.2011, modified from Rs.20.96 Crores to Rs.21.78 Crores. (Charge Id 10056494)	28.06.2011	No	Yes

2.	66	383A	Compliance Certificate u/s 383A of the Act for the financial year ended 31.03.2011.	31.08.2011	Yes	N.A.
3.	23	192	Particulars of Special Resolution passed at Annual General Meeting of the Company held on 30.08.2011 for Alteration of Articles of Association.	05.09.2011	Yes	N.A.
4.	32	303(2)	Particulars of change in designation of Dr. Y.S.P. Thorat from Additional Director to Director of the Company.	05.09.2011	Yes	N.A.
5.	1INV	205C	Particular of transfer of unpaid /unclaimed dividend to the Investor Education and Protection Fund for the year 2003-04.	07.10.2011	Yes	N.A.
6.	20B	159	Schedule – V (Annual Return as on Annual General Meeting held on 30.08.2011).	29.10.2011	Yes	N.A.
7.	23AC XBRL & 23ACA XBRL	220 (1)	Schedule – VI (Annual Accounts) for the financial year ended 31.03.2011.	18.11.2011	Yes	N.A.

B) With the Office of the Regional Director, Western Region Bench at Mumbai

Sr. No.	E Form No.	Relevant Section	Description	Date of filing	Whether filed within prescribed time Yes/ No	If delay in filing whether requisite additional fee paid Yes / N.A.
1.	24A	297	Application to the Regional Director to obtain prior approval to enter into a contract with MB Exports for Sale / Purchase etc. of goods from time to time for a period of 3 years effective from 1 st April, 2012 to 31 st March, 2015.	29.02.2012	Yes	N.A.

2.	24A	297	Application to the Regional Director to obtain prior approval to enter into a contract with Mani Autocomponents for Sale / Purchase of goods / Job Work etc. from time to time for a period of 3 years effective from 1 st April, 2012 to 31 st March, 2015.	01.03.2012	Yes	N.A.
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C) With the Office of the Ministry of Corporate Affairs (Central Government), at New Delhi :

Sr. No.	E Form No.	Relevant Section	Description	Date of filing	Whether filed within prescribed time Yes/ No	If delay in filing whether requisite additional fee paid Yes / N.A.
1.	23C	233B	Application to the Central Government for the appointment of Cost Auditor to audit cost records for the financial year 2011-12.	30.09.2011	Yes	N.A.

D) With any other Authorities as prescribed under the Act: Nil

Management Discussion and Analysis

1. Industry Review :

- i) The Auto Component Industry caters to automobile industry through a whole gamut of auto parts such as engine parts, body and chassis, electrical parts, drive transmission, steering parts, suspension and braking parts, equipments and others. In term of use 'Engine Parts' is most important product segment, which has primary sub-segments i.e. pistons, piston rings, engine valves, bearings, etc.
- ii) The operation of your Company comprises of manufacturing of Auto Components like Engine Bearings, Bushes & Thrust Washers.
- iii) The engine parts form the largest product segment with a 31% share of the automotive component industry, as per the Auto Components Manufacturers Association of India. Traditionally, the engine parts segment manages the highest operating margins in the Auto Components Industry, because of higher sales realizations.
- iv) As per the industry body, Society of Indian Automobile Manufacturers (SIAM) for the financial year 2012- 2013, it expects auto components industry's turnover to grow by 10-12% on the back of supportive government policies, modernization and technological upgradation, launch of new models and intensifying enthusiasm for cars among Indian customers.
- v) Therefore, it could be expected that there will be substantial increase in the demand for automobiles, which would also drive growth for auto parts sector. Technological changes are expected to drive the design & development of new products in this segment. The cumulative investment in the auto component sector in India over the last five years stood at over USD 5-6 billion. The industry is expected to add at least another similar number in capacity addition 2011-12.

2. Futuristic Outlook :

- i) The engine parts segment of the Auto Component Industry is a technological and capital intensive one. The demand share of the replacement & export markets vary significantly across products. The estimates made by Auto Components Manufacturers Association of India reveal that the auto component exports would robustly grow at Compounded Annual Growth Rate (CAGR) of 18.8 % over 2011-2021 about US\$ 29 Billion.
- ii) In order to keep the growth momentum and also to stay competitive, we need to optimize capacities, concentrate on innovations, upgradation of technology, efficient & maximum utilization of the available resources.
- iii) The Company will be installing a Cast Copper Line during the financial year 2012-13, in view of Euro 5 & Euro 6 norms & especially with reference to the requirements of the customer. With this major investment, there will be substantial increase in our Bearings production capacity, thus increasing our share in the OEM Segment thereby.
- iv) As a ongoing process, it is decided to start outsourcing some of the processes to be carried out on one of the products. Your Company expects increase in the total production and in turn in the turnover also.

3. Concerns & Threats:

The Auto Component Industry is exposed to cyclical downturns in the automotive industry. The abnormal increase in the prices of base metal, power and fuel is a matter of concern when it comes to expansion. Proper implementation of investment plans and minute production planning would suffice

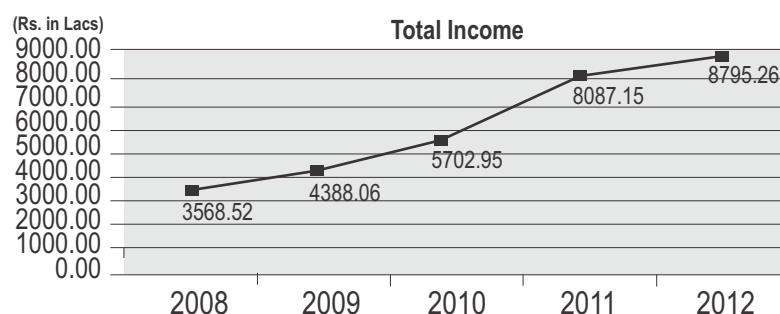
for this volatility. Your Company endeavors to cope up with the competitive pressure by developing new cost effective products by advanced manufacturing techniques.

4. Future Challenge:

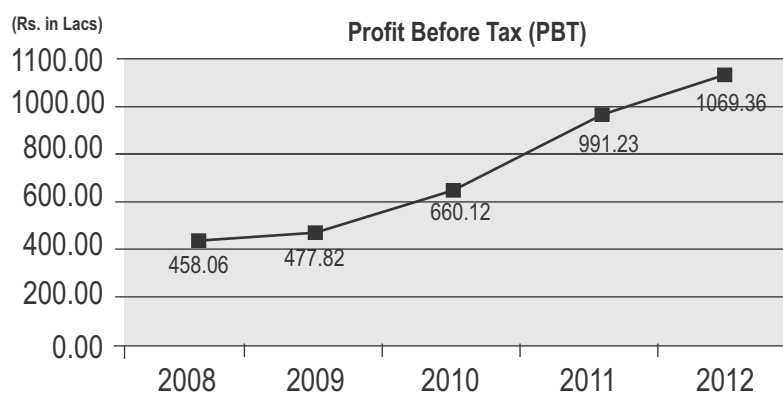
To meet the demands and sustain in the competitive market, efficient manufacturing methods require to be adopted by simultaneously increasing the production capacity, high performance and consistency in quality. As per the industry estimates, Indian auto component industry derives 60% of its turnover from sales to domestic Original Equipment Manufacturers (OEM), 25% from domestic replacement market and around 15% from exports. The future challenge would also be to gear up with the various market segments by new techniques and products. Availability of talented workforce, positive business environment, broad outlook for the organization would ultimately facilitate for growth.

5. Financial Performance

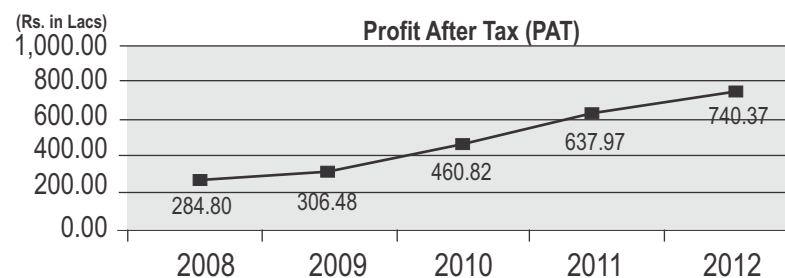
Year	Income (Rs. Lacs)
2008	3568.52
2009	4388.06
2010	5702.95
2011	8087.15
2012	8795.26



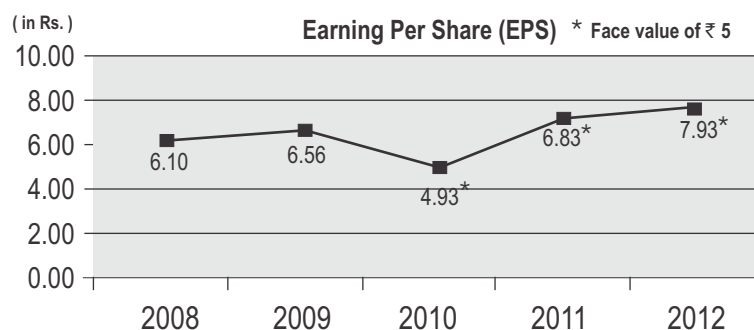
Year	PBT (Rs. Lacs)
2008	458.06
2009	477.82
2010	660.12
2011	991.23
2012	1069.36



Year	PAT (Rs. Lacs)
2008	284.80
2009	306.48
2010	460.82
2011	637.97
2012	740.37



Year	EPS (in Rs.)
2008	6.10
2009	6.56
2010	4.93
2011	6.83
2012	7.93



The Company subdivided its Equity Shares from Face Value of Rs. 10/- to Face value of Rs. 5/- during the financial year 2009-2010.

6. Internal Control System & Adequacy:

The internal control system is a means by which an organization's resources are directed, monitored and measured. The internal control objective relate to the reliability of financial reporting, timely feedback on the achievements of specific goals alongwith compliance to the laws and regulations.

The Company maintains adequate internal control systems. The internal audit is handled by an independent agency, i.e. our internal auditor, Mr. Abhay Golwalkar. They assess & measure whether the controls are properly designed, implemented and working effectively and efficiently and make recommendations on how to improve internal controls.

7. Cost Audit:

The Cost Audit is an operational & efficiency audit, which aims at optimum utilization and control over the scarce resources of a Company without which the cost competitiveness cannot be drawn. The audit suggestions makes the management cost conscious and plans & policies can be drawn in a better perspective. The Cost Audit ultimately increases labour efficiency, capacity is better utilized, wastages are properly managed, thereby increase in profitability.

The Central Government vide its Order No. 52/26/CAB – 2010 dated 30th June, 2011 mandates the Companies engaged in manufacturing of Aluminium and Bi-metallic Products to appoint a Cost Auditor. Accordingly, Mr. Chandrashekhar S. Adawadkar, Cost Accountant, is appointed to carry out audit of Cost Accounting Records of our Company for the financial year 2011 - 12.

8. Development in Human Resources:

The Company strives to develop the most superior workforce so that it can accomplish alongwith the individual employees, their work goals & services to its customers & stakeholders. The Company also believes human resources as the supporting pillars for the organization's success. The Company had implemented production linked incentive scheme to its work force.

9. Development & Upgradation of Technology:

Development and upgradation of technology brings upon efficiency in all facets of the organization. The Company always tries for the maximum upgradation of the technology in view of optimum consumption of the resources, efficient management of time, savings in cost, high performance standards and quality. The Company also undertakes research and development activities for its products.

The Company has implemented various Kaizen Projects within the Company for achieving substantial efficiency in time management, production cycles, etc.

10. Global Approach:

The Company trusts its capabilities and strives to capture every opportunity for business in the global arena. Your Company is globally positioned with business activities spanning 24 Countries around the globe. Exporting about 25% of its production, it enjoys strong brand equity among leading OEM's all over the world.

11. Forward Looking Statements:

Certain statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied therein. Important factors that could make a difference include raw material availability and prices thereof, cyclical demand and pricing in the Company's principal markets, changes in Government regulations and tax regime, economic developments within India and the countries in which the Company conducts business and other incidental factors.

Report on Corporate Governance

1. Company's philosophy on Corporate Governance.

Corporate Governance as an integral principle is adhered by the Board of Directors and Management of your Company ensuring fairness, accountability, transparency in all dealings and functioning of the management and the Board. The Company strives for an enduring relationship with the stakeholders and protection of their interests.

2. Board of Directors

The Board of Directors have been vested with requisite powers, authorities & duties. The Board plays a vital role in management, strategic directions & performance of the Company. The management of the Company is entrusted in the hands of the Senior Managerial personnel headed by the Vice Chairman and Managing Director, who function under the supervision and control of the Board.

i. Composition :

The Board of Directors comprises of a Non-Executive Chairman and six other Directors. Out of these, three are Independent Directors. The Company is in search of an additional Independent Director to comply with the norms of the Listing Agreement.

None of the Independent Directors has any other material pecuniary relationship or transaction with the Company, its Promoters, its Directors, its senior management, except sitting fees which would affect their independence.

All the Directors are professionals with experience and erudition in their respective areas and fields and Corporate Management Practices. The brief profile of the Directors as on 31st March, 2012 is given below:

Mr. Ram Menon, aged 82 years, Non-Executive Chairman of the Company since 1991, is founder of the Company. He is Bachelor in Commerce and has tremendous experience of more than 55 years in Technical and Administrative fields.

Mr. R. D. Dixit, aged 69 years, is Vice Chairman & Managing Director of the Company since 1992. He is a Bachelor of Engineering (Mech). His excellence has served Menon Group since more than 45 years.

Mr. Nitin Menon, aged 45 years, is Joint Managing Director of the Company since 1995. He has rich and varied experience in the field of Automobile Sector. Apart from business activity, he is also engaged in the field of Agriculture and allied services thereof.

Mr. Sachin Menon, aged 49 years, is Non-Executive Director of the Company since 1991. He is Bachelor of Engineering (Mech.) and has expertise in the fields of manufacturing of automobile components.

Mr. B. S. Ajitkumar, aged 64 years, is Independent Director of the Company since 2008. He is Bachelor of Engineering (Mech.) and M. Tech from IIT, Kharagpur and has vast experience in the field of manufacturing of automobiles components. He has worked with TELCO, BEML, ESCORT, etc.

Mr. Kumar Nair, aged 50 years, is Independent Director of the Company since 2005. He is a Chartered

Accountant with requisite knowledge and vast experience in the fields of Finance, Treasury, Forex, Derivates and Capital Markets.

Dr. Y. S. P. Thorat, aged 65 years, is Independent Director of the Company since 2011. He is Law and Political Science Graduate, Ph.D. from University of Reading U.K. and Shivaji University, Kolhapur. He has immense knowledge in fields of Banking, Finance, Agriculture, Derivatives and Commodities. He was Executive Director in Reserve Bank of India, Chairman of NABARD and Micro Finance Development and Equity Fund by Government of India. He is on the Board of TATA Chemicals Limited and member of several prestigious committees constituted by Government of India.

ii. Board Procedure :

The Board of Directors is provided with all important information, managerial decisions, strategic/operating plans for the quarter/half-year/year, production, sales, inventory, collections etc., quarterly results of the Company, review of the reports of the Audit Committee and compliance with their recommendation, suggestions, new investment proposals, non compliance of any regulatory, statutory or listing requirements, etc. for its review, inputs and approvals.

The agenda is prepared in consultation with the Chairman / Vice Chairman of the Board of Directors and the Chairman of other Committees. The agenda for the meetings of the Board and its committees, together with the appropriate supporting documents are circulated well in advance of the meeting. In some cases, documents are tabled during the course of the Board Meetings or respective Committee meetings.

iii. Attendance at Board Meetings :

The Board Meeting dates are decided well in advance and communicated to Directors to enable them to plan for their schedule in order to attend the meetings.

During the year 2011-12, the Board of Directors met four times on 26.05.2011, 27.07.2011, 30.10.2011 and 22.01.2012. As stipulated, the gap between two board meetings did not exceed four months.

The details of Board's composition and attendance of Directors at the Board Meetings and at last Annual General Meeting and number of other directorships and Chairmanships / Memberships in committees of each director in various companies are as follows:

Sr. No.	Name of Director	Category	Attendance at meetings		As on 31 st March, 2012 (Excluding position in the Company)		
			Board	AGM	No. of Directorships	Committees	
						Membership	Chairmanship
1.	Mr. Ram Menon	Non Executive Chairman – Promoter	3	Yes	2	-	-
2.	Mr. Sachin Menon	Non Executive Director	3	Yes	1	-	-
3.	Mr. R. D. Dixit	Vice Chairman and Managing Director	3	Yes	1	1	1
4.	Mr. Nitin Menon	Joint Managing Director	4	Yes	1	-	-
5.	Dr. Y. S. P. Thorat	Independent Director	3	No	7	-	2
6.	Mr. Kumar Nair	Independent Director	1	No	2	3	-
7.	Mr. B.S.Ajitkumar	Independent Director	3	No	1	1	-

1. The directorship held by directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Companies.
2. Membership/Chairmanship in Audit Committee and Share Transfer and Investor Grievance are considered.

3. Board Committees:

The Board Committees are set up under the approval of the Board to carry out and perform various functions and are entrusted with responsibilities to deal with specific areas/ activities, which concern the Company and need a closer review. The Board supervises the execution of responsibilities by the Committees and is responsible for their action.

The minutes of the meetings of all the Committees are placed before the Board for review. All decisions and recommendations of the Committees are then placed before the Board either for the information or approval.

The Board has currently following Committees:

i. Audit Committee

The Audit Committee of the Company reviews, acts on and reports to Board of Directors with respect to auditing and accounting matters. It also supervises the Company's internal control and financial reporting process.

The Audit Committee is comprised of Dr. Y.S.P. Thorat, Mr. Kumar Nair, Mr. B.S. Ajit Kumar, Independent Directors and Mr. R. D. Dixit Vice Chairman and Managing Director of the Company.

Dr. Y.S.P. Thorat is the Chairman of the Audit Committee. Mr. Arun Aradhye, GM Finance & Compliance Officer of the Company, acts as the Secretary of the Audit Committee.

The terms of reference of this Committee are wide. The members have access to all the required information from the Company. The brief description of terms of reference is as follows:

- Integrity of the Company's financial statements,
- Company's Compliance with legal and regulatory requirements,
- The Statutory Auditor's qualification and independence,
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible,
- Reviewing with management the quarterly, half yearly & yearly financial statements,
- Reviewing with the management, external and internal auditors the adequacy of internal control systems, policies & matters,
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit,
- Reviewing the Company's financial and risk management policies,
- Periodic discussion with the auditors about internal control systems, scope of audit including the observations of the auditors and review the quarterly, half-yearly, and annual financial statements before submissions to the Board.

During the financial year 2011-12, the Audit Committee met four times on 26.05.2011, 27.07.2011, 30.10.2011 and 22.01.2012. As stipulated, the gap between two committee meetings did not exceed four months.

The details of attendance of members in Audit Committee meetings are as follows:

Name of the Member	Status	No. of Meetings	
		Held	Attended
Dr. Y. S. P. Thorat	Chairman	4	3
Mr. Kumar Nair	Member	4	1
Mr. R. D. Dixit	Member	4	3
Mr. B.S.Ajitkumar	Member	4	3

ii. Remuneration Committee

The Remuneration Committee recommends the remuneration payable to executive directors of the Company. The Company pays sitting fees and professional fees to independent directors towards attending board meetings and professional services rendered to the Company respectively.

Presently, the Remuneration Committee is comprised of Dr. Y.S.P. Thorat, Mr. Kumar Nair and Mr. B. S. Ajitkumar, Independent Directors of the Company. Mr. Kumar Nair is Chairman of the Committee. Mr. Arun Aradhye, GM – Finance and Compliance Officer of the Company acts as a secretary of the Committee.

During the financial year 2011-12 the Remuneration Committee met once on 22nd January, 2012.

The details of attendance of members in Remuneration Committee meeting are as follows:

Name of the Member	Status	No. of Meetings	
		Held	Attended
Mr. Kumar Nair	Chairman	1	1
Mr. B. S. Ajitkumar	Member	1	1
Dr. Y.S.P. Thorat	Member	1	-

Details of remuneration paid during the year 2011-12 to the directors of the Company are as follows:

(Amount in Rs.)

Name of the Director	Salary	Contribution to Provident Fund	Other Perquisites	Sitting Fees	Total	Shares held
Mr. Ram Menon	Nil	Nil	Nil	3,000	3,000	25,000
Mr. R. D. Dixit	22,59,811	2,09,808	13,97,660	Nil	38,67,279	10,400
Mr. Nitin Menon	31,36,269	2,46,960	33,55,140	Nil	67,38,369	27,85,330
Mr. Sachin Menon	Nil	Nil	Nil	3,000	3,000	50,000
Mr. Kumar Nair	Nil	Nil	Nil	1,000	1,000	Nil
Mr. B S Ajitkumar	Nil	Nil	Nil	3,000	3,000	Nil
Dr. Y. S. P. Thorat	Nil	Nil	Nil	3,000	3,000	Nil

Note : Company has not granted any Stock Options.

iii. Shareholder's / Investors' Grievance Committee

The Shareholders' / Investors' Grievance Committee of the Board is empowered to oversee the redressal of investors' complaints pertaining to:

1. Share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfer/transmission /demat / remat of shares and other miscellaneous complaints.
2. On recommendations of the Committee, the Company has taken various investor friendly initiatives like, sending transmission/transfer/Letter of Undertaking formats, complaints and suggestions received from investors are considered and addressed appropriately.

Presently, the Shareholders' / Investors' Grievance Committee is comprised of Mr. Sachin Menon, Mr. Ramesh D. Dixit and Mr. Nitin Menon. Mr. Sachin Menon is Chairman of the Committee. Mr. Arun Aradhye, GM – Finance and Compliance Officer of the Company acts as a secretary of the Committee.

During the financial year 2011-12, the Committee met four times on 26.05.2011, 27.07.2011, 30.10.2011 and 22.01.2012.

The details of attendance of members in Shareholders' / Investors' Grievance Committee meetings are as follows:

Name of the Member	Status	No. of Meetings	
		Held	Attended
Mr. Sachin Menon	Chairman	4	3
Mr. R. D. Dixit	Member	4	3
Mr. Nitin Menon	Member	4	4

Status of the Investors' Complaints

At the beginning of the year	Received during the year	Resolved during the year	Pending
0	11	11	0

Name and Designation of Compliance Officer

Mr. Suhas Kulkarni – AGM – Finance & Accounts and Compliance Officer (upto 13th October, 2011)

Mr. Abhay Gune – Compliance Officer (from 1st November, 2011 to 6th January, 2012)

Mr. Arun Aradhye – AGM – Finance & Accounts and Compliance Officer (w.e.f. 22nd January, 2012)

4. General Body Meetings:

i. Location and time of last three Annual General Meetings:

Year	Date	Location	Time
2010-11	30 th August, 2011	Residency Club, P.O. New Palace, Kolhapur-416003	10.30 a.m.
2009-10	20 th August, 2010	Bharat Ratna Dr.M.Vishveshvarayya Memorial Hall, Tarabai Park, Kolhapur.	10.30 a.m.
2008-09	12 th August, 2009	Bharat Ratna Dr.M.Vishveshvarayya Memorial Hall, Tarabai Park, Kolhapur.	10.30 a.m.

ii. In last three Annual General Meetings, following Special Resolutions were passed:

Year	Description of Resolution
30.08.2011	1. Alteration of Articles of Association by insertion / substitution of Articles in Articles of Association.
20.08.2010	1. Re-appointment of Mr. Nitin Menon as Joint Managing Director w.e.f. July 1, 2010. 2. Re-appointment of Mr. R. D. Dixit as Vice Chairman and Managing Director w.e.f. July 1, 2010. 3. Re-appointment of Mr. T. K. Guha as Executive Director w.e.f. July 1, 2010.
23.09.2009 (EOGM)	1. Alteration in Articles of Association for sub-division of equity shares of Rs.10/- into 2 equity shares of Rs. 5/- each. 2. Alteration in Articles of Association for sub-division of existing capital into 2,02,00,000 equity shares of Rs. 5/- each.
12.08.2009	No special resolution was passed.

No Special Resolution was passed through Postal Ballot during the financial year 2011-12. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

5. Disclosures:

i) Related Party Transactions:

There were no materially significant related party transactions, pecuniary transactions or relationship between the Company and its Directors during the financial year ended 31st March, 2012 that may have potential conflict with the interest of the Company at large. The transactions with the related parties, as per the requirements of the Accounting Standard 18, are disclosed in Notes on Accounts forming part of the Annual Report.

ii) Code of Conduct :

The Board of Directors has adopted a Code of Conduct for the Board members and Senior Management Personnel of the Company. All Board members and Senior Management Personnel have affirmed their compliance with the Code of Conduct. A declaration by the Joint Managing Director of the Company affirming the compliance of the same in respect of the financial year ended on 31st March, 2012 by the members of the Board and Senior Management Personnel, as applicable to them, is also annexed separately in this Annual Report.

iii) Compliance by the Company :

The Company has complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital market during the last three years.

iv) Disclosure of accounting treatment :

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

v) Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee :

The Company has established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of code of conduct or ethics policy. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the audit committee in the exceptional cases. We affirm that during the financial year 2011-12, no employee was denied access to the audit committee.

vi) Risk Management :

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. The Company has framed the risk assessment and minimization procedure, which is periodically reviewed by the Board.

vii) CEO / CFO Certification :

A certificate from Mr. Ramesh D. Dixit, Vice Chairman & Managing Director and Mr. Arun Aradhya, GM – Finance & Accounts of the Company on the financial statements of the Company was placed before the Board.

viii) Review of Directors' Responsibility Statement :

The Board in its report has confirmed that the annual accounts for the year ended 31st March, 2012 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

ix) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause :

Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement, except constitution of Board of Directors. The details of these compliances along with the non-mandatory requirements adopted by the Company have been given in the relevant sections of this report.

6. Means of communication :

The Company's quarterly / half yearly results are published in news papers viz. Business Standard (English) and Lokmat (Marathi). Half yearly reports are not being sent to each household of shareholders. These results are displayed on the Company's website: www.menonbearings.in under investor section. Presentations made to Analysts are also displayed on the website of the Company.

The Management Discussion and Analysis Report is a part of this Annual Report.

7. General information for Members:**i. Registered Office:**

Plot No. G-1, MIDC Gokul Shirgaon,
Kolhapur, Maharashtra - 416234

ii. Annual General Meeting:

Date, Time & Venue:

16th August, 2012, at 10.30 A.M. at
Residency Club, P.O. New
Palace, Kolhapur-416003

iii. Financial calendar (provisional for 2012-13) :

Result for the quarter ending 30 th June, 2012 :	by 14 th August, 2012
Result for the quarter ending 30 th September, 2012:	by 14 th November, 2012
Result for the quarter ending 31 st December, 2012:	by 14 th February, 2013
Audited Result for the year ending 31 st March, 2013:	by 30 th May, 2013.

iv. Date of Book Closure: 13th August, 2012 to 16th August, 2012
(both days inclusive)

v. Dividend payment date: between 20th August, 2012 to 29th August, 2012

vi. Listing: The Equity Shares of the Company are listed on BSE Limited, Stock Code: 523828 & Scrip ID: MENONBE and ISIN: INE071D01025

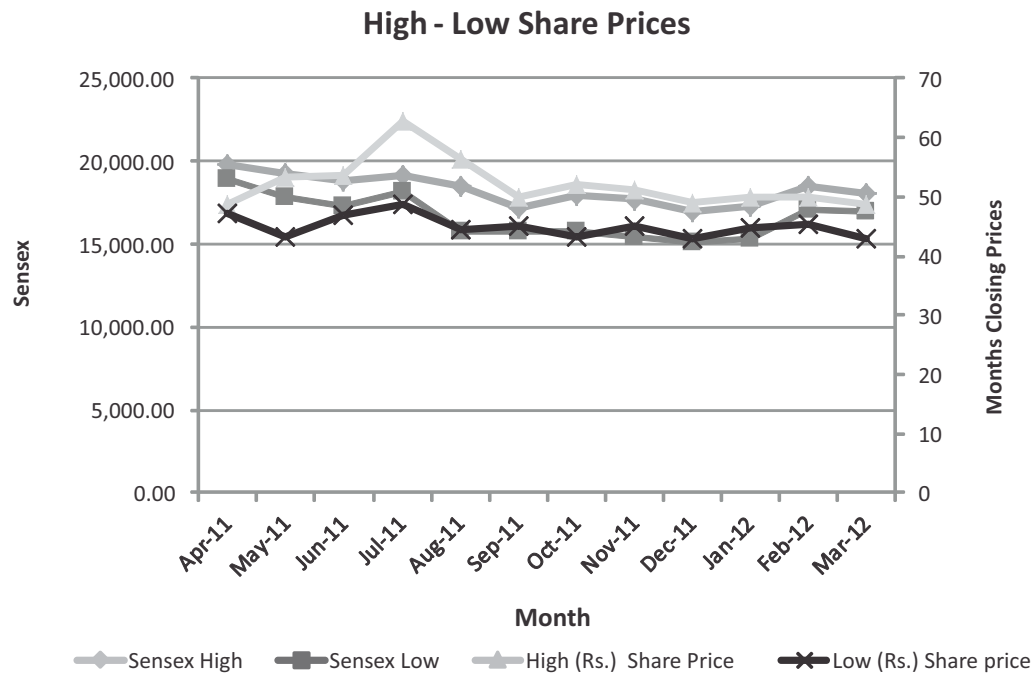
vii. Dematerialization: As on 31st March, 2012 about 89.23% of the Company's Equity Shares have been held in demat form.

viii. Convertible Instruments: The Company has not issued any ADRs/ GDRs/ Warrants or any convertible instruments during financial year ended 31st March, 2012.

ix. Share Transfer System: All shares sent for transfer in physical form are registered by the Company's Registrar and Share Transfer Agents within a maximum period of 30 days of the lodgment, if documents are found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares are promptly processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services(India) Limited (CDSL) within 15 days.

x. Market price data: The monthly high and low quotations of Company's shares traded on the BSE Limited., Mumbai and SENSEX during each month in the last financial years are as follows:

Month	BSE Sensex		Share Price	
	High (Points)	Low (Points)	High (Rs)	Low (Rs)
April, 2011	19,811.14	18,976.19	48.80	47.05
May, 2011	19,253.87	17,786.13	53.40	43.15
June, 2011	18,873.39	17,314.38	53.75	46.85
July, 2011	19,131.70	18,131.86	62.75	48.85
August, 2011	18,440.07	15,765.53	56.50	44.50
September, 2011	17,211.80	15,801.01	50.10	45.05
October, 2011	17,908.13	15,745.43	52.00	43.25
November 2011	17,702.26	15,478.69	51.30	45.05
December, 2011	17,003.71	15,135.86	48.90	42.85
January, 2012	17,258.97	15,358.02	49.95	44.85
February, 2012	18,523.78	17,061.55	50.00	45.45
March, 2012	18,040.69	16,920.61	48.85	43.00



xi) **Distribution of Shareholding as on 31st March, 2012 by size is given as below:**

Shareholding by nominal value	No. of Shareholders	% of Total	Share Amount (Rs.)	% of Total
1 - 5000	5,362	95.3584	77,58,965	16.6145
5001 - 10000	161	2.8632	13,18,750	2.8239
10001 - 20000	49	0.8714	7,17,420	1.5362
20001 - 30000	14	0.2490	3,47,750	0.7446
30001 - 40000	4	0.0711	1,44,385	0.3092
40001 - 50000	15	0.2668	7,43,000	1.5910
50001 - 100000	6	0.1067	5,13,505	1.0996
more than 100000	12	0.2134	3,51,56,225	75.2810
Total	5,623	100.0000	4,67,00,000	100.0000

Distribution of Shareholding as on 31st March, 2012 by ownership is given as below:

Sr.No.	Category	Total No. of Shares held (of Rs. 5/- each)	% of Total Shareholdings
1.	Promoters & Promoter Group	69,74,200	74.67
2.	Other Bodies Corporate	38,834	0.42
3.	Clearing Members	2,123	0.02
4.	Indian Public	12,68,487	24.35
5.	Non Resident Indians	50,918	0.54
	TOTAL	93,40,000	100.00

xii. Unclaimed Dividends

As per the provisions of Section 205C of the Companies Act, 1956, any dividend remained unpaid / unclaimed for a period of seven years, needs to be transferred to the Investor Education & Protection Fund administered by the Central Government. The unpaid / unclaimed dividends upto the financial year 2003-2004 have been transferred to the said fund. The members who have not claimed their dividend for the financial year 2004 – 05 and following years may write to the Company immediately.

History of Dividend declared :

Financial Year	Dividend amount per share	Percentage (%)
2001-02	Rs.0.80 per share (Face value Rs. 10/-)	8
2002-03	Rs.1.50 per share (Face value Rs. 10/-)	15
2003-04	Rs.3.00 per share (Face value Rs. 10/-)	30
2004-05	Rs.4.00 per share (Face value Rs. 10/-)	40
2005-06	Rs.2.20 per share (Face value Rs. 10/-)	22
2006-07	Rs.2.50per share (Face value Rs. 10/-)	25
2007-08	Rs.2.50 per share (Face value Rs. 10/-)	25
2008-09	Rs.2.25 per share (Face value Rs. 10/-)	25
2009-10	Rs.1.25 per share (Face value Rs. 5/-)	25
2010-11	Rs.2.25 per share (Face value Rs. 5/-)	45
2011-12	Rs.2.75 per share (Face value Rs. 5/-)	55 (proposed)

The details of due dates for transfer of unpaid / unclaimed dividend is as follows :

Year	Dividend Rate per share	Date of Declaration	Due Dates for transfer to IEPF
2004-05	Rs.4.00	6 th August, 2005	13 th September, 2012
2005-06	Rs.2.20	25 th August, 2006	2 nd October, 2013
2006-07	Rs.2.50	31 st August, 2007	8 th October, 2014
2007-08	Rs.2.50	26 th September, 2008	4 th November, 2015
2008-09	Rs.2.50	12 th August, 2009	19 th September, 2016
2009-10	Rs.1.25	20 th August, 2010	27 th September, 2017
2010-11	Rs.2.25	30 th August, 2011	7 th October, 2018

xiii. Registrar and Share Transfer Agents:

LINK INTIME INDIA PRIVATE LIMITED

C-13, Pannalal Silk Mills Compound

L.B.S. Marg, Bhandup (West)

Mumbai – 400 078

Phone : (022) 2596 3838

Fax : (022) 2594 6969

Email : inform@linkintime.co.in

xiv. Address for Investor Correspondence:

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares, the investor can write to Registrar and Share Transfer Agents (address mentioned above) or please write to:

**The Compliance Officer
Menon Bearings Limited**

G-1, MIDC, Gokul Shirgaon Kolhapur - 416234
Tel: 0231-2672 279/533/487, Fax: 0231-2672 278
Email: admin@menonbearings.in

xv. **Plant Locations:**

G-1, MIDC, Gokul Shirgaon, Kolhapur - 416234	C-1 Five Star MIDC, Kagal, Kolhapur
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8. **AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE:**

The Auditor's Certificate on compliance of Clause 49 of the Listing Agreement relating to Corporate Governance is published as an annexure to the Directors' Report.

9. **DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT:**

I Nitin Menon, Joint Managing Director do hereby declare that the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct of the Company.

Place : Kolhapur
Date : 27th May, 2012

NITIN MENON
Joint Managing Director

The Auditors' Certificate on Corporate Governance

The Members Menon Bearings Limited

We have examined the compliance of conditions of Corporate Governance by Menon Bearings Limited (the Company) for the year ended on 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, except the norms prescribed for the appointment of Independent Directors.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For M/S P. M. VARDHE & CO.
Chartered Accountants**

**P. M. Vardhe
Proprietor
Membership No. 031817
Firm's Registration No. 111274W**

**Place : Kolhapur
Date : 27th May, 2012**

The Auditors' Report

The Members Menon Bearings Limited

We have audited the attached Balance Sheet of Menon Bearings Limited, as at 31st March, 2012 and also the Statement of Profit and Loss for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that :

- 1) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit .
- 2) In our opinion, proper books of account as required by the law have been kept by the Company so far as appears from our examination of those books.
- 3) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- 4) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- 5) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- 6) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the



information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012,
- b) In the case of the Statement of Profit and Loss, of the profit of the Company, for the year ended on that date,
- c) In the case of Cash Flow Statement the Cash Flows of the Company, for the year ended on that date.

For M/s. P.M. Vardhe & Co.
(FRN : 111274W)
CHARTERED ACCOUNTANTS

Place : Kolhapur
Date : 27th May, 2012

P. M. Vardhe
Proprietor
Membership No. 031817

Annexure to Auditors' Report

Annexure referred to in para 1 of our report of even date

- I.
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. The fixed assets have been physically verified by the management at reasonable intervals during the period and no material discrepancies were noticed on such verification.
 - c. During the period, the Company has not disposed off any major part of the plant and machinery.
- II.
 - a. The physical verification of inventory has been conducted during the period by the management at reasonable intervals.
 - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.
- III. The Company has not granted nor taken loans from another Company covered in the register of contracts maintained under Section 301 of the Act.
- IV. There is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls.
- V.
 - a. The particulars of contracts and arrangements referred to in Section 301 of the Act, have been entered in the register required to be maintained under that section, and
 - b. The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- VI. The Company has not accepted any deposits from the public.
- VII. The Company is a listed company and it has an internal audit system commensurate with the size and nature of its business.
- VIII. On broad review of books of accounts maintained by the Company pursuant to the rules made by the Central Government for maintaining cost records under Section 209 (1) (d) of the Companies Act, 1956, we are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the same.
- IX.
 - a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax,

Sales-Tax, Wealth-Tax, Service Tax, Custom Duty, Excise-Duty and other Statutory Dues applicable to it. In our opinion, there are no arrears of outstanding dues as on the last day of the year concerned for a period of more than six months.

- b. In case of Provident Fund/ Sales Tax/ Wealth Tax/ Service Tax/ Customs Duty/ Excise Duty/ Cess, there are no dues which are not deposited on account of any dispute.
-
- X. The Company has no accumulated losses and has not incurred any cash losses during the period covered by our audit report or in immediately preceding financial year.
 - XI. The Company has not defaulted in repayment of dues to banks or financial institution.
 - XII. The Company has not granted any loans advances on the basis of security by way of pledge of shares, debentures and other securities.
 - XIII. Provisions of any special statute applicable to chit fund in respect of nidhi / mutual benefit fund/ societies are not applicable to the Company.
 - XIV. The Company is occasionally dealing or trading in shares, securities, debentures and other investments. Company has maintained proper records of the transactions and timely entries have been made in these records. We also report that the Company has held the shares, securities, debentures and other investments in its own name.
 - XV. The Company has not given guarantee for loan taken by others from Banks / Financial Institutions.
 - XVI. The Company has applied the term loans for the purpose for which they were obtained.
 - XVII. According to the information and explanation given to us, we are of the opinion that the Company has not utilized short term funds towards long term investment.
 - XVIII. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
 - XIX. The Company has not issued any debentures.
 - XX. The Company has not made any public issue of shares during the period covered by our audit report.
 - XXI. To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

For M/s. P.M. Vardhe & Co.
(FRN : 111274W)
CHARTERED ACCOUNTANTS

Place : Kolhapur
Date : 27th May, 2012

P. M. Vardhe
Proprietor
Membership No. 031817

Balance Sheet

as at 31st March, 2012

(Rs. in Lacs)

PARTICULARS	NOTES	Current Year Ended on 31.03.2012	Previous Year Ended on 31.03.2011
I. EQUITY AND LIABILITIES			
1.SHAREHOLDER'S FUNDS		3,154.81	2,707.58
(a) Share Capital	2	467.00	467.00
(b) Reserves & Surplus	3	2,687.81	2,240.58
(c) Money received against share warrants		-	-
2.Share application money pending allotment		-	-
3.Non-Current Liabilities		1,106.94	1,086.27
(a) Long-Term Borrowings	4	851.27	809.59
(b) Deferred Tax Liabilities (Net)	5	255.67	276.68
(c) Other Long Term Liabilities		-	-
(d) Long-Term Provisions		-	-
4.Current Liabilities		2,773.89	2,910.29
(a) Short-Term Borrowings	6	1,301.54	1502.12
(b) Trade Payables	7	781.90	704.52
(c) Other Current Liabilities	8	39.48	43.68
(d) Short-Term Provisions	9	650.97	659.97
TOTAL		7,035.64	6,704.14
II. ASSETS			
1.Non-Current Assets		3,829.69	3,356.66
(a) Fixed Assets	10		
(i) Tangible Assets		3,096.27	3,062.34
(ii) Intangible Assets		11.80	11.73
(iii) Capital Work-In-Progress		583.67	209.72
(iv) Intangible Assets under Development		-	-
(b) Non-Current Investments	11	70.14	14.65
(c) Deferred Tax Assets (Net)		-	-
(d) Long-Term Loans and Advances	12	52.57	32.41
(e) Other Non-Current Assets	13	15.24	25.81
2.Current Assets		3,205.95	3,347.48
(a) Current Investments		-	-
(b) Inventories	14	805.91	794.83
(c) Trade Receivables	15	1,569.36	1,670.05
(d) Cash and Cash Equivalents	16	540.68	564.29
(e) Short-Term Loans and Advances	17	290.00	318.31
(f) Other Current Assets		-	-
TOTAL		7,035.64	6,704.14
Significant Accounting Policies and Notes on Accounts	1 to 25		

As per our report of even date attached
For **M/s. P. M. Vardhe & Co.**
Chartered Accountants

For and on behalf of the Board of Directors

P. M. VARDHE
Proprietor
Membership No.031817

R. D. DIXIT
Vice Chairman & Managing Director

NITIN MENON
Joint Managing Director

Place : Kolhapur
Date : 27th May, 2012



Statement of Profit & Loss

for the year ended on 31st March, 2012
(Rs. in Lacs)

PARTICULARS	NOTES	Current Year Ended on 31.03.2012	Previous Year Ended on 31.03.2011
I Total Revenue (i+ii+iii)		8,795.26	8,027.65
Revenue from Operations		9,443.04	8,606.13
Less - Excise Duty		(733.94)	(641.02)
i.) Net - Revenue from Operations	18	8,709.10	7,965.11
ii.) Other Operating Revenue	19	17.21	-
iii.) Other Income	20	68.95	62.54
II Expenses		7,725.90	7,036.42
Cost of Materials Consumed	21	3,352.21	3,001.46
Changes in Inventories of Finished Goods and Work in Progress	22	1.90	(59.50)
Employee Benefits Expenses	23	793.91	849.75
Finance Costs	24	236.39	228.92
Depreciation and Amortization Expense	10	413.31	374.62
Operating and Other Expenses	25	2,928.18	2,641.17
III Profit Before Exceptional and Extraordinary Items and Tax (I-II)		1,069.36	991.23
IV Exceptional Items		-	-
V Profit Before Extraordinary Items and Tax (III-IV)		1,069.36	991.23
VI Extraordinary Items		-	-
VII Profit Before Tax (V-VI)		1,069.36	991.23
VIII Tax expense:		328.99	353.26
(1) Current Tax		350.00	335.00
(2) Deferred Tax		(21.01)	18.26
IX Profit/(Loss) for the period from continuing operations (VII-VIII)		740.37	637.97
X Profit/(Loss) for the period from discontinuing operations		-	-
XI Tax expense of discontinuing operations		-	-
XII Profit/(Loss) from discontinuing operations (after tax) (IX-XII)		-	-
XIII Profit/(Loss) for the period (IX + XII)		740.37	637.97
XIV Earnings per Equity Share:		7.93	6.83
(1) Basic		-	-
(2) Diluted		-	-
See accompanying Notes on Accounts	1 to 25		

As per our report of even date attached
For **M/s. P. M. Vardhe & Co.**
Chartered Accountants

For and on behalf of the Board of Directors

P. M. VARDHE
Proprietor
Membership No.031817

Place : Kolhapur
Date : 27th May, 2012

R. D. DIXIT
Vice Chairman & Managing Director

NITIN MENON
Joint Managing Director

Cash Flow Statement

for the year ended on 31st March, 2012 (Rs in Lacs)

Particulars	Current Year Ended on 31.03.2012	Previous Year Ended on 31.03.2011
Cash Flow from operating activities		
Net Profit before tax and extraordinary items	1,728.83	1,605.04
Profit before taxation	1,069.36	991.23
Previous Year Expenses	(0.80)	(0.30)
Cost of Finance	236.39	228.92
Add : Adjustments for		
Depreciation	413.31	374.62
Pre-operative expenses written off	10.57	10.57
Operating Profit before working capital change	1,728.83	1,605.04
Adjustments for		
Trade & Other Receivables	129.40	(223.90)
Inventory	(11.08)	(88.03)
Trade Payable	(157.41)	281.51
	(39.09)	(30.42)
Cash Generated from operations	1,689.74	1,574.62
Direct Taxes Paid	(328.99)	(353.26)
Dividend and Tax on Dividend	(298.52)	(244.24)
Cash Flow before Extra Ordinary Items	1,062.23	977.12
Extra Ordinary Items	-	-
Net Cash from Operating Activities	1,062.23	977.12
Cash Flow from Investing Activities		
Purchase of Fixed Assets	826.97	427.73
Sale of Fixed Assets	(1.33)	(33.69)
Total of Adjustments in Depreciation Schedule		
Purchase of Investments	65.49	-
Net Cash used in Investing Activities	891.13	394.03
Cash Flow from Financing Activities		
Proceeds from Long-Term-Borrowings	-	(62.70)
Repayment of Finance	194.71	513.21
Net cash used in financing activities	194.71	450.51
Cash and Cash Equivalents Closing	540.68	564.29
Cash and Cash Equivalents Opening	(564.29)	(431.71)
Net Increase / (Decrease) in Cash and Cash Equivalents	(23.61)	132.58
Total	1,062.23	977.12

As per our report of even date attached
For **M/s. P. M. Vardhe & Co.**
Chartered Accountants

For and on behalf of the Board of Directors

P. M. VARDHE
Proprietor
Membership No.031817

R. D. DIXIT
Vice Chairman & Managing Director

NITIN MENON
Joint Managing Director

Place : Kolhapur
Date : 27th May, 2012

Notes on Accounts for the year ended on 31st March, 2012

Note No. 1

SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Accounting:

Accounts of the Company are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention. Company has complied with Accounting Standards as recommended by Institute of Chartered Accountants of India, provisions of Companies Act, 1956 and guidelines issued by Securities and Exchange Board of India.

The Company has prepared the financial statements as per the format prescribed under the Revised Schedule VI of the Companies Act, 1956 issued by the Ministry of Corporate Affairs. The previous period figures are regrouped/ restated wherever necessary to conform to the classification required under the Revised Schedule VI.

1.2 Fixed Assets:

(i) Fixed assets except leasehold land are stated at cost (net of Cenvat and MVAT wherever applicable) of appreciation less accumulated depreciation. Cost includes all costs incurred for bringing the assets to its working condition for intended use.

(ii) The cost of leasehold land are amortised over the period of lease. Intangible assets include Computer Software, which is recorded at cost of acquisition.

1.3 Impairment of Fixed Assets:

The Company has reviewed the carrying costs of fixed assets and does not expect any loss on account of impairment.

1.4 Depreciation:

Depreciation is charged on all the assets on Straight Line basis (SLM) at the rates and manner prescribed in schedule XIV of the Companies Act, 1956 as amended up to date.

1.5 Investment:

Investments are stated at cost and income thereon is credited to revenue on accrual basis.

1.6 Inventories:

Inventories are valued at cost or market price whichever is lower. The Company has valued closing stock exclusive of excise duty as per the new guidelines.

1.7 Foreign Exchange Transactions:

Foreign Currency transactions are accounted at the exchange rates ruling on the date of the transactions. At the year end all monetary assets and liabilities denominated in foreign currency are restated at the closing

exchange rate. Exchange differences arising out of actual payments/realizations and from the year-end restatement referred to above are dealt with in the Statement of Profit & Loss.

1.8 Contingent Liabilities & Provisions:

Contingent liabilities are disclosed after careful evaluation of facts and legal aspects of the matter involved. Provisions are recognized when the company has a legal obligation and on management discretion as a result of past events for which it is probable that cash outflow may be required and reliable estimate can be made of the amount of obligation.

1.9 Sales:

Sales are recognised on despatches to customers. Sales exclude Excise Duties, VAT and CST.

1.10 Retirement Benefits:

The Company has created The Employees Group Gratuity Fund, which has taken Gratuity Cum Life Insurance Corporation of India. Base for gratuity is the premium paid on the above policy. Provision for leave encashment is made on the basis of Actuarial Valuation. Company's contribution to Provident Fund has been charged to Statement of Profit and Loss.

Disclosure pursuant to Accounting Standard 15 (Revised) "Employee Benefits"		
	Valuation Method (Projected Unit Credit Method)	Amount Rs.
1	RESULTS OF VALUATION	
	a. PV of Past Service Benefit	8,827,324
	b. Current Service Cost	804,819
	c. Total Service Gratuity	37,341,706
	d. Accrued Gratuity	12,406,523
	e. LCSA	24,514,431
	f. LC Premium	67,947
	g. Service Tax @ 10.3%	6,998
2	RECOMMENDED CONTRIBUTION RATE	
	a. Fund Value as on Renewal Date	5,703,422
	b. Additional Contribution for existing Fund	3,123,902
	c. Current Service Costs	804,819
3	Total Amount Payable (Rs) (1.f + 1.g + 2.b + 2.c)	4,003,666
4	Less : Payment Made	1,623,492
5	Liability appearing in Balance Sheet	2,380,174

1.11 Disclosure of Borrowing Cost Capitalised under Accounting Standard 16:

During the year Company has capitalised certain assets. Appropriate borrowing cost directly related to asset has been capitalized to respective assets including Capital Work in Process as required under AS 16.

1.12 Segment Reporting Under Accounting Standard 17:

The Company operates in one business segment namely "Auto Components" hence, reporting under this standards is not applicable to the Company

1.13 Related Party Disclosures As Per Accounting Standard 18:

Following are the related parties as per Accounting Standard 18:-

Sr. No.	Name of Party	Relation	Nature of Transaction	Current Year 31.03.2012 Amount Rs.	Previous Year 31.03.2011 Amount Rs.
1.	MB Exports	Shri Nitin Menon is a partner	Sale	110,968,736	99,420,530
			Services Rendered	-	2,04,800
2.	Mani Auto Components	Shri Nitin Menon is a partner	Jobwork / tooling	22,197,597	14,793,800
			Sale	32,031	24,310
3.	Mr. Ram Menon	Chairman	Sitting fees	3,000	4,000
4.	Mr. R. D. Dixit	Vice Chairman & Managing Director	Managerial Remuneration	3,867,279	3,498,786
5.	Mr. Nitin Menon	Joint Managing Director	Managerial Remuneration	6,738,369	6,430,822
6.	Mr. Sachin Menon	Director	Sitting fees	3,000	4,000
7.	Mr.. Kumar Nair	Independent Director	Sitting Fees	1,000	2,000
8.	Mr. B.S.Ajitkumar	Independent Director	Sitting Fees	3,000	2,000
9.	Dr. Y. S. P. Thorat	Independent Director	Sitting Fees	3,000	1,000

Notes:

Apart from above mentioned parties, following parties are also related parties of the Company. However, no significant transactions took place with these parties during the year.

1. Menon Pistons Limited
2. Menon & Menon Limited
3. Menon Engineering Services
4. Menon Piston Rings Private Limited

There are no write offs / write backs of any amount for any of the above parties during the year.

1.14 Lease Accounting As Per Accounting Standard 19:

Not applicable to the Company since no new lease transaction took place during the year, which is covered under the preview of AS-19.

1.15 Earning Per Share:

The Basic Earnings Per Share for the year 2011-12 is Rs. 7.93 (Previous year Rs. 6.83). The Diluted Earnings Per Share is not applicable as the Company has not issued any Preference Shares / Security / Warrant / Debentures which are convertible into Equity Shares in future.

(Rs. in Lacs)

Particulars	Current Year Ended on 31.03.2012	Previous Year Ended on 31.03.2011
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I. SHAREHOLDERS FUND'S**Note No.2****Share Capital****Authorised:**

2,02,00,000 Equity Shares of Rs.5 each fully paid	1,010.00	1,010.00
(Previous Year 2,02,00,000 Equity Shares of Rs.5 each)		

Issued, Subscribed and Paid up :

93,40,000 Equity Shares of Rs.5 each fully paid	467.00	467.00
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TOTAL	467.00	467.00
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Note:

a. Equity shareholder holding more than 5% of equity shares along with the number of equity shares held is as given below

Name of the Shareholder	31.03.2012		31.03.2011	
	%	No. of Shares	%	No. of Shares
Nitin Ram Menon	29.82	27,85,330	29.82	27,85,330
Karveer United Leisure Pvt. Ltd.	24.29	22,68,800	24.29	22,68,800
Sucheta Nitin Menon	8.47	7,90,802	8.47	7,90,802
Aditya Nitin Menon	5.09	4,75,328	5.09	4,75,328
Anshul Nitin Menon	5.09	4,75,140	5.09	4,75,140

Note No.3**Reserves and Surplus**

General Reserve	386.47	311.47
Add : Current Year	75.00	75.00
Sub-Total	461.47	386.47
Capital Reserve	25.00	25.00
Revaluation Reserve	30.09	30.09
Profit & Loss Account	2,171.25	1,799.02
TOTAL	2,687.81	2,240.58

Note :**Surplus**

Opening Balance	1,799.02	1,480.58
Add.- Net Profit for the current period	740.37	637.97
Add:- Excess Provision Reversal	5.38	(0.30)
Profit available for appropriation	2,544.77	2,118.26
Less: Proposed dividend on equity shares	256.85	210.15
Total	2,287.92	1,908.11
Less: Tax on distributed profits on equity shares	41.67	34.09
Total	2,246.25	1,874.02
Transfer to General Reserve	75.00	75.00
Balance carried forward to Balance Sheet	2,171.25	1,799.02

(Rs. in Lacs)

Particulars	Current Year Ended on 31.03.2012	Previous Year Ended on 31.03.2011
II. NON CURRENT LIABILITIES		
Note No.4		
Long Term Borrowings		
Secured Loans		
a) Term Loan from Banks		
AXIS Bank Limited	385.95	468.22
State Bank Of India	93.73	0.00
b) Car Loans from Banks		
Axis Bank Limited	0.72	1.83
State Bank of India	4.59	-
IDBI Bank Ltd. Car Loan Honda City	3.09	6.10
Maruti Udyog Ltd. (Car Loan)	0.82	1.38
Sub Total (a)	488.90	477.54
Unsecured Loans		
Deferred Payment Liabilities	362.37	332.05
Sub TOTAL(b)	362.37	332.05
Total(a+b)	851.27	809.59

Note :

Sr. No.	Bank Name	Loan Amt. (in Lacs)	Instalment Amt. (in Lacs)	No. of Instalments Due
1	Axis Bank Ltd.Term Loan	600.00	10.000	13
2	Axis Bank Ltd.Term Loan	500.00	9.710	35
3	State Bank India Term Loan	500.00	7.500	48
4	State Bank India Car Loan	3.990	0.087	39
5	Axis Bank Ltd.Car Loan	4.800	0.010	19
6	State Bank India Car Loan	3.990	0.087	39
7	IDBI Bank Ltd.Car Loan	9.000	0.292	23
8	Maruti Udyog Ltd.Car Loan	3.440	0.054	28

- a) The Term Loan from State Bank of India (MIDC Gokul Shirgaon Branch) is secured by hypothecation of Plant & Machinery and Building situated at G-1, MIDC Gokul Shirgaon, Kolhapur owned by the Company. The Term Loan is jointly and severally Guaranteed by Mr. Ram Menon & Mr. Nitin Menon. The Company had availed Rs. 5 Crores Term Loan, the repayment started from October 2011.
- b) The Term Loan from AXIS Bank Limited is secured by hypothecation of Plant & Machinery and immovable property situated at C-1, Five Star MIDC, Kagal, Kolhapur owned by the Company. The Term Loan is personally Guaranteed by Mr. Nitin Menon. Loan taken from AXIS Bank Limited is repayable with installment of Rs.19.71 Lakhs.
- c) The Long Term Borrowing includes Car Loan taken by the Company from the IDBI Bank Ltd, AXIS Bank Ltd and Maruti Udyog Ltd. & State Bank Of India.
- d) The Unsecured Loan represents Interest Free Sales Tax Deferral Loan from SICOM received under the Incentive Scheme of Government of Maharashtra.

(Rs. in Lacs)

Particulars	Current Year Ended on 31.03.2012	Previous Year Ended on 31.03.2011
Note No.5		
Deferred Tax Liabilities (Net)		
Deferred Tax Liability		
a) Depreciation Opening	299.79	268.98
Add: During the year	(17.00)	30.80
Closing Liability (a)	282.78	299.78
b) Disallowances as per Section 43B & 40(a) of Income Tax Act Opening	(10.40)	(10.57)
Add: During the year	2.37	0.16
Closing Asset (b)	(8.04)	(10.40)
c) Others Opening	(12.71)	-
Add:- During the Year	(6.38)	-
Closing Asset (c)	(19.09)	(12.71)
Deferred Tax Liability (Net) (a-b-c)	<u>255.67</u>	<u>276.68</u>

III. CURRENT LIABILITIES**Note No.6****Short Term Borrowings****Secured Loans****a) AXIS Bank Limited**

Bills Discount Facility	132.07	135.91
Cash Credit	237.66	159.31
Pre Shipment Export Packing Credit	-	24.20

b) State Bank Of India

Packing Credit	397.85	400.14
Invoice Finance	199.43	209.70
Cash Credit	161.66	211.62
Loan against Fixed Deposit	-	92.02
Term Loan Due within 1 Year	116.49	182.54

Unsecured Loans

Sales Tax Defferal Loan Due within 1 Year	56.38	86.69
---	-------	-------

TOTAL

<u>1,301.54</u>	<u>1,502.12</u>
-----------------	-----------------

Notes :

- a) The Working Capital facilities from State Bank of India (MIDC Gokul Shirgaon Branch) are secured by stock of raw materials, semi-finished goods, finished goods and debtors collateral security of factory land & building situated at G-1, MIDC, Gokul Shirgaon, Kolhapur-416234.
- b) The Working Capital facilities from AXIS Bank Limited are secured by hypothecation of current assets including stock & book debts of the Company, both present and future.

Note No.7**Trade Payable**

Trade Payable	781.90	704.52
TOTAL	<u>781.90</u>	<u>704.52</u>

Refer Note 27(d)

(Rs. in Lacs)

Particulars	Current Year Ended on 31.03.2012	Previous Year Ended on 31.03.2011
Note No.8		
Other Current Liabilities		
Advance From Customers	3.15	12.32
Unpaid / Unclaimed Dividend	36.34	31.36
TOTAL	39.48	43.68

Note No.9		
Short Term Provisions		
Sales Tax Payable - Current Dues	18.97	28.10
Liability for expenses and other liabilities	21.64	27.74
Deposit from Customers	12.70	10.35
Deduction Adjustment	0.13	-
Statutory Liabilities	63.77	81.71
Provision for expenses	226.71	244.58
Proposed Dividend	256.85	210.15
Tax on Dividend	41.67	34.09
Fringe Benefit Tax	-	17.26
Leave Encashment	8.53	6.00
TOTAL	650.97	659.97

Note No.11		
Non-Current Investment		
Investment (At cost)		
Non Trade (unquoted)		
10,925.977 units of SBI Mutual Fund @ Rs. 36.61 each	4.00	4.00
Trade (Quoted)		
1) 624 Equity Shares of Reliance Industries Limited @ Rs. 763.93 each (Market Value as on 31.03.2012 Rs. 750.59 per share, Previous year Rs. 1047.80 per share)	4.77	4.77
2) 500 Equity Shares of Bank of Maharashtra of Rs. 23 each (Market value as on 31.03.2012 Rs. 54.80, Previous year Rs.59.40 per share)	0.12	0.12
3) 11,100 Equity Shares of Transwarranty Finance Ltd. @ Rs. 52 each (Market Value as on 31.03.2012 Rs. 8.15, Previous year Rs. 16.15 per share)	5.77	5.77
4) 32,450 Equity Shares of Tata Motors Limited. @ Rs. 172.48 each (Market Value as on 31.03.2012 Rs. 275.20)	55.48	-
TOTAL	70.14	14.65

a) Aggregate market value of quoted investments as on 31-03-2012 is Rs. 95,28,992

b) Aggregate amount of unquoted investments Rs. 4,00,000.00

Note No.10

FIXED ASSETS

(Rs. in Lacs)

SR. NO.	PARTICULARS	%	GROSS BLOCK				DEPRECIATION						NET BLOCK	
			OPENING BALANCE	ADDITIONS	DELETIONS	TOTAL	UPTO	ON OPENING	ON ADDITIONS	FOR THE YEAR	ADJUST-MENTS	TOTAL	As on 31.03.2012	As on 31.03.2011
			(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
	a) Tangible Assets													
1	Land (lease hold)	1%	103.14	-	-	103.14	6.41	1.06	-	1.06	-	7.47	95.66	96.72
2	Land (free hold)	0%	0.53	-	-	0.53	-	-	-	-	-	-	0.53	0.53
3	Site Development	0%	153.10	-	-	153.10	-	-	-	-	-	-	153.10	153.10
4	Building	3.34%	852.23	46.18	-	898.41	204.57	28.46	0.68	29.14	-	233.71	664.70	647.66
5	Plant and Machinery	10.34%	3,531.60	254.64	-	3,786.23	1,647.06	309.17	16.69	325.85	-	1,972.92	1,813.33	1,884.55
6	Electrical Installation	10.34%	150.85	9.76	-	160.61	76.76	13.59	0.54	14.13	-	90.89	69.72	74.10
7	Tools and Implements	10.34%	178.82	44.43	-	223.25	122.76	10.05	3.48	13.53	-	136.29	86.97	56.06
8	Material Handling Equip.	10.34%	33.58	10.89	-	44.47	10.65	3.42	0.66	4.09	-	14.74	29.73	22.93
9	Fire Fighting	10.34%	1.16	-	-	1.16	0.72	0.07	-	0.07	-	0.79	0.37	0.44
10	Effluent Treatment Plant	5.28%	31.12	14.60	-	45.72	8.70	2.01	1.45	3.46	-	12.16	33.56	22.43
11	Office Equipments	4.75%	28.09	2.51	-	30.60	11.41	0.74	0.10	0.85	-	12.26	18.33	16.67
12	Miscellaneous Assets	10.34%	10.91	0.21	-	11.12	4.47	0.90	0.01	0.91	-	5.38	5.74	6.44
13	Computers	16.21%	45.27	5.67	-	50.94	37.73	3.11	0.69	3.80	-	41.53	9.41	7.53
14	Furniture	6.33%	57.71	0.29	-	58.01	21.76	2.96	0.00	2.97	-	24.73	33.28	35.96
15	Vehicle	9.50%	75.72	60.41	7.83	128.30	38.49	6.45	3.44	9.89	1.92	46.46	81.85	37.23
	TOTAL		5,253.83	449.59	7.83	5,695.58	2,191.49	381.99	27.75	409.74	1.92	2,599.32	3,096.27	3,062.34
	PREVIOUS YEAR		4,915.79	383.53	45.49	5,253.83	1,832.24	351.92	19.13	371.05	11.80	2,191.49	3,062.34	3,083.55

b) Intangible Assets

1	Technical know how	10.34%	52.45	-	-	52.45	52.45	-	-	-	-	52.45	-	-
2	Computers Software	16.21%	21.99	3.63	-	25.62	10.26	3.56	-	3.56	-	13.82	11.80	11.73
	Total		74.44	3.63	-	78.07	62.70	3.56	-	3.56	-	66.27	11.80	11.73
	Previous Year		74.44	-	-	74.44	59.14	3.56	-	3.56	-	62.70	11.73	15.30

(Rs. in Lacs)

Particulars	Current Year Ended on 31.03.2012	Previous Year Ended on 31.03.2011
Note No.12		
Long Term Loans and Advances		
Telephone Deposit	0.56	0.53
MSEB Deposit	49.34	29.94
Water Deposit	2.67	1.94
TOTAL	52.57	32.41
Note No.13		
Other Non-Current Assets		
Preoperative Expenses	25.81	36.38
Less: Written off during the year	10.57	10.57
TOTAL	15.24	25.81
Note No.14		
Inventories		
Raw Material	186.29	177.84
Stores & Spares	90.67	86.14
Finished Goods	236.77	294.37
Work in Process	292.18	236.48
TOTAL	805.91	794.83
Note No.15		
Trade Receivables		
(Unsecured, considered good)		
Outstanding for a period exceeding 6 months	94.55	25.99
Other Debts	1,474.81	1,644.06
TOTAL	1,569.36	1,670.05
<i>(Includes amount of Rs.2,94,31,876.00 due from MB Exports a firm in which director is a partner.)</i>		
Note No.16		
Cash & Cash Equivalents		
Cash in Hand	9.09	13.37
i) In Current A/c	90.37	80.97
ii) In Fixed Deposits	441.22	469.95
a. FDs maturing after one year Rs.241.90 Lacs		
b. FDs held as security against Guarantees Rs.20.50 Lacs & LCs Rs.76.24 Lacs.		
TOTAL	540.68	564.29
Note No.17		
Short -Term Loans & Advances		
Other Advance	37.34	26.31
Staff Advance	0.15	0.14
Interest accrued but not received	19.55	22.57

(Rs. in Lacs)

Particulars	Current Year Ended on 31.03.2012	Previous Year Ended on 31.03.2011
Other Deposits	18.78	14.17
Prepaid Expenses	10.66	16.14
Advance Income Tax	18.95	5.31
TAX Collected at Source	0.02	-
Fringe Benefit Tax	-	10.76
Advance to Suppliers	141.32	186.12
Excise Duty	17.22	14.20
Service Tax	9.18	5.76
VAT Refund Receivable	16.83	16.83
TOTAL	290.00	318.31

Note No.18**Sales**

Bearings, Bushes and Thrust Washers etc.	6,289.03	5,499.89
Aluminium Die Casting Components	2,191.44	2,306.82
Sale of Tooling	78.77	-
Sale of Stainless Steel Parts	28.82	-
Other Products	92.83	139.92
Scrap Sale	28.21	18.48
TOTAL	8,709.10	7,965.11

Note No.19**Other Operating Revenue**

Exchange Difference	12.51	-
Sale of DEPB License	2.98	-
Duty Drawback Refund	1.72	-
TOTAL	17.21	-

Note No.20**Other Income****Income from Non-Current Investments**

Dividend from Companies	0.06	0.05
Excess Provision Written off	4.21	1.11
Income from other Source	20.50	36.05
Interest Received	33.20	23.80
Other Income	10.98	1.53
TOTAL	68.95	62.54

Note No.21**Cost of Materials Consumed****A] Raw Material**

Opening Stock	174.33	137.88
Add : Purchases	3,360.67	3,037.91
Total	3,535.00	3,175.79
Less : Closing Stock	182.79	174.33
Total	182.79	174.33
Raw Material Consumed	3,352.21	3,001.46

(Rs. in Lacs)

Particulars	Current Year Ended on 31.03.2012	Previous Year Ended on 31.03.2011
Note No.22		
Changes in stock of Finished Goods and Work-in-Process		
Opening Stock		
Finished Goods	294.37	188.83
Work in Process	236.48	282.52
Total	530.85	471.35
Closing Stock :		
Finished Goods	236.77	294.37
Work in Process	292.18	236.48
Total	528.95	530.85
(Increase) / Decrease in Stock	1.90	(59.50)

Note No.23		
Employee Benefits Expenses		
Directors Remuneration	106.05	99.30
Salary and Wages	615.60	656.99
Labour Welfare	6.61	5.80
Contribution to Provident Fund	35.35	36.73
Contribution to Group Gratuity Trust	30.30	50.93
TOTAL	793.91	849.75

Note No.24		
Finance Costs		
Interest	196.86	187.27
Bank Commission & Other Charges	39.53	41.65
TOTAL	236.39	228.92

Note No.25		
Operating and Other Expenses		
A] Operating Expenses		
Stores & Spares Consumed	879.85	817.02
Electricity	678.81	552.57
Power & Fuel Expense	18.78	15.51
Electric Material	4.38	4.27
Outside labour charges	214.98	207.72
Contract Labour Charges	270.91	211.95
Water charges	14.78	13.70
Repairs & Maintenance	110.15	87.55
Testing Fees	3.30	6.51
Hamali	1.27	1.29
Machining Charges	26.98	1.46
Development Charges	58.62	43.39
Total Operating Expenses	2,282.81	1,962.94
B] Other Expenses		
Advertisement	4.85	4.82

(Rs. in Lacs)

Particulars	Current Year Ended on 31.03.2012	Previous Year Ended on 31.03.2011
Auditors Remuneration		
i) Audit Fees	0.84	0.84
ii) Other Services	0.34	0.31
Business Expenses	8.23	9.68
Donation	15.40	0.11
Establishment Expenses	21.26	8.03
Foreign Tour Expenses	8.50	7.98
Freight Outward	69.78	78.44
Insurance	9.18	6.81
Lease Expenses	-	26.28
Legal & Consultation	20.81	35.13
Misc. Expenses	84.50	55.14
Postage, Telephone	15.63	13.70
Printing & Stationary	11.95	13.22
Rent, Rates and Taxes	4.17	5.23
Sales Promotion Expenses	292.02	330.83
Sitting Fees	0.13	0.13
Traveling Expenses	53.04	46.62
Loss on Sale of Asset	4.58	16.22
Vehicle & Conveyance Expenses	9.59	8.14
Pre -Operative Expenses Written off	10.57	10.57
Total B] Other Expenses	645.37	678.23
Total [A+B] Operating and Other Expenses	2,928.18	2,641.17

Note No.26**Contingent Liabilities**

- Axis Bank Ltd. and State Bank of India have given guarantees on behalf of the Company for Rs. 4.97 lacs and for Rs. 20.00 lacs respectively. (previous year Rs. 0.50 lac and Rs. 2.015 lacs). Letter of credit for Rs. 76.24 lacs from State Bank of India.(Previous year Rs. 101.30 lacs)
- Central Sales Tax and Bombay Sales Tax assessments are completed upto 31.03.2005. The liability in respect of pending assessments / appeals under BST/CST /VAT is unascertainable.
- The Income Tax assessments are completed up to the Assessment Year 2009-2010. (relevant to accounting year ended 31.03.2009). Liability if any, in respect of the pending assessments or appeals under the Income Tax Act, 1961 is unascertainable.

Note No.27**Other Notes**

- Previous year figures are regrouped wherever necessary to conform to current year figures.
- Amounts are rounded off to the nearest lac or decimals thereof.
- The Company has been accounting liability for Excise Duty on Finished Goods as and when they are cleared. A liability in respect of finished goods in stock at the close of the year estimated at Rs. 36.38 lacs and has not been provided in the accounts nor included in the valuation of the inventory. However, the said liability, if accounted, would have no impact on the profit for the year.

d. Disclosure relating to Micro, Small and Medium Enterprises

(Amounts in Rs.)

Particulars	2012	2011
a) Total amount outstanding at the end of the year.	17,73,982	17,62,189
b) Total amount outstanding beyond the appointed date.	Nil	Nil
c) Amount of interest accrued and due at the end of the year on the balance outstanding.	Nil	Nil
d) Total amount paid during the year beyond the appointed date	Nil	Nil
e) Amount of interest accrued and due at the end of the year on amount paid during the year beyond the appointed date.	Nil	Nil
f) Total interest due but not paid at the end of the year	Nil	Nil

e) C.I.F. VALUE OF IMPORTS :

(Rs. in Lacs)

Sr. No.	Particulars	Current Year ended 31.03.2012	Previous Year ended 31.03.2011
1	Raw Material & Consumables	5.01	81.37
2	Plant & Machinery	67.96	128.23
	TOTAL	72.97	209.60

f) VALUATION OF IMPORTED & INDIGENOUS RAW MATERIAL :

(Rs. in Lacs)

Sr. No.	Particulars	Current Year ended 31.03.2012		Previous Year ended 31.03.2011	
		%	Value	%	Value
1	Imported	NIL	NIL	2.52	75.57
2	Indigenous	100%	3,352.21	97.48	2,925.89
	TOTAL	100%	3,352.21	100.00	3,001.46

g) EXPENDITURE IN FOREIGN CURRENCY :

(Rs. in Lacs)

Sr. No.	Particulars	Current Year ended 31.03.2012	Previous Year ended 31.03.2011
1	Foreign Tour Expenses	8.51	13.65
2	Agency Commission and Reimbursement of Freight and Octroi	-	5.29
3	Raw Material and Consumables	-	86.86
4	Renewal of fees (American Express Card)	0.08	0.09
5	Plant and Machinery	65.17	115.07
6	Bought Out Components	4.69	4.69
	TOTAL	78.45	225.65

As per our report of even date attached
For **M/s. P. M. Vardhe & Co.**
Chartered Accountants

For and on behalf of the Board of Directors

P. M. VARDHE
Proprietor
Membership No.031817

Place : Kolhapur
Date : 27th May, 2012

R. D. DIXIT
Vice Chairman & Managing Director

NITIN MENON
Joint Managing Director



MENON BEARINGS LIMITED

Regd. Office : G-1, MIDC, Gokul - Shirgaon, Kolhapur - 416234

PROXY

I / We _____
 of _____ being a member / members of Menon Bearings Limited hereby
 appoint _____
 Mr. / Mrs. _____
 of _____
 or failing him _____
 Mr. / Mrs. _____
 of _____

as my/our proxy to attend and vote for me / us on my / our behalf at the 21st Annual
 General Meeting of the Company to be held on Thursday the 16th August, 2012
 at 10.30 A. M. and any adjournment thereof

Signed _____

Place : _____

Date : _____ 2012.

Affix
 One Rupee
 Revenue
 Stamp

Members' Folio Number :
No. of Shares held :
DP ID :
Client ID No. :

Note : The proxy form must be deposited at the Registered Office of the Company G-1, MIDC, Gokul - Shirgaon, Kolhapur - 416234, not less than 48 hours before the time for holding the meeting.



MENON BEARINGS LIMITED

Regd. Office : G-1, MIDC, Gokul - Shirgaon, Kolhapur - 416234

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

I hereby record my presence at the 21st Annual General Meeting of the
 Company to be held at The Residency Club, P.O. New Palace, Kolhapur 416
 003 on Thursday the 16th August, 2012 at 10.30 A. M.

NAME OF THE ATTENDING MEMBER (In Block letters)

--

NAME OF THE PROXY (To be filled in if the proxy attends instead
 of the members) (in block letters)

--

Signature of the Member / Proxy

Members' Folio Number :
No. of Shares held :
DP ID :
Client ID No. :

Note : Shareholders / proxy holders are requested to bring the attendance slip with them duly completed when they come to the meeting and hand them over at the gate after putting signatures on them.

FOR KIND ATTENTION OF SHAREHOLDERS


MENON BEARINGS LIMITED

Regd. Office : G-1, MIDC, Gokul - Shirgaon, Kolhapur - 416234

Dear Shareholders,

As per the "Green Initiative in the Corporate Governance" by the Ministry of Corporate Affairs (MCA), vide its Circular No. 17/2011 dated 21/04/2011;

- We propose to send all the notices, documents including Annual Report in electronic form. We therefore, request you to furnish the E-mail ID for receipt of all future correspondence of the Company. Please fill in the following details:

NAME: _____

NO. OF SHARES: _____

FOLIO NO./DP/CLIENT ID NO.: _____

E-MAIL ID.: _____

SIGNATURE: _____

Kindly submit the above details duly filled in and signed at the appropriate place provided here in above and send this form by post to our Registrar & Share Transfer Agents "**LINK INTIME INDIA PRIVATE LIMITED, C-13, PANNALAL SILK MILLS COMPOUND, L.B.S MARG, BHANDUP (WEST), MUMBAI – 400 078**". The E-mail ID provided shall be updated subject to successful verification of your signature. You will receive Annual Report free of cost by post upon request received from you as a member of the Company.

- The Company also proposes to make the payment of dividend through NECS Facility; where in prompt credit to the Bank Account is made which avoids delays, misplacement cases, loss in transit, tampering, delay in depositing warrant in time, etc. Therefore, to serve our shareholders better, we invite your Bank Account Details for making payment through NECS Facility.

The NECS FORM is provided on the back side of this page, kindly fill in the form with necessary information and submit the same by return to our Registrar & Share Transfer Agents "**LINK INTIME INDIA PRIVATE LIMITED**" along with the copy of cancelled cheque of the Bank for verification of the MICR Code appearing on it.

Thanking You,


 for **MENON BEARINGS LIMITED**

Sd/-

R. D. DIXIT

Vice Chairman & Managing Director


MENON BEARINGS LIMITED



MENON BEARINGS LIMITED

Regd. Office : G-1, MIDC, Gokul - Shirgaon, Kolhapur - 416234

LINK INTIME INDIA PRIVATE LIMITED

UNIT : MENON BEARINGS LIMITED

C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai - 400078

For SHARES HELD IN PHYSICAL MODE
Please complete the form and mail to

For SHARES HELD IN ELECTRONIC MODE
Please inform respective DPs

Dear Sirs,

Sub: Payment of dividend through NECS

I hereby consent to have the amount of dividend on my equity shares credited through the National Electronic Clearing Service [NECS].
The particulars are :

1. Folio No. / Client ID. No. / DPID. No. _____
(Folio No. given in equity share certificate(s) / customer ID No. given by your Dps)

2. Shareholders Name : Shri/Smt./Kum./ M/s. _____

3. Shareholders Address : _____

4. Telephone No. _____ 5. Mobile No. _____

6. Particulars of the Bank :

- Bank Name : _____
- Branch Name and Address : _____
- Mention the 9 digit-code number of the bank and branch appearing on the MICR cheque issued by the bank

• Account Type (please ✓) Savings ☐ Current ☐ Cash Credit ☐

• Account Number (as appearing on the cheque book) : _____

• IFSC Code Number : _____

7. Date from which the mandate should be effective : _____

I hereby, declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the Company/ Registrars & Share Transfer Agents of the Company responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount through NECS Facility.

Signature of the first/sole shareholder

Note: i) Please attach the photocopy of a cheque or a cancelled bank cheque issued by your bank for verifying the accuracy of the code number. ii) The Form can be downloaded from the Company's website, www.menonbearings.in.



UNDER CERTIFICATE OF POSTING

BOOK - POST

If undelivered please return to :
Menon Bearings Ltd.,
G-1, MIDC, Gokul Shirgaon,
Kolhapur - 416234
Ph. 0231-2672533, 2672487
E-mail : admin@menonbearings.in