



MENON BEARINGS LTD.

**Annual Report**  
**2013**

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## Board of Directors

<b>RAM MENON</b>	Chairman
<b>R. D. DIXIT</b>	Vice Chairman & Managing Director
<b>NITIN MENON</b>	Joint Managing Director
<b>SACHIN MENON</b>	Director
<b>KUMAR NAIR</b>	Independant Director
<b>B. S. AJITKUMAR</b>	Independant Director
<b>DR. Y. S. P. THORAT</b>	Independant Director (Upto 19 <sup>th</sup> May, 2013)
<b>CAPT. SUDHEER S. NAPHADE</b>	Independant Director (w.e.f. 19 <sup>th</sup> May, 2013)

### REGISTERED OFFICE :

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

### ARUN ARADHYE, CFO

### 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 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](mailto:inform@linkintime.co.in)

# Notice

Of 22<sup>nd</sup> Annual General Meeting



MENON BEARINGS LIMITED

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

Notice is hereby given that the Twenty Second Annual General Meeting of the Company will be held on Wednesday, 21<sup>st</sup> August, 2013 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 31<sup>st</sup> March, 2013 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors' and the Auditors' thereon.
2. To declare dividend on equity shares for the financial year ended on 31<sup>st</sup> March, 2013.
3. To appoint a director in place of Mr. Ram Menon, Chairman, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Kumar Nair, Independent Director, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint M/s P. M. Vardhe & Co., Chartered Accountants (having FRN: 111274W) as Statutory Auditors of the Company 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 an **Ordinary Resolution**:

**"RESOLVED THAT** Capt. Sudheer S. Naphade, who, pursuant to the Article No. 130 of the Articles of Association of the Company, was appointed as an Additional Director of the Company w.e.f. 19<sup>th</sup> May, 2013 and as per the provisions of Section 260 of the Companies Act, 1956, holds office upto the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing alongwith requisite deposit under Section 257 of the Act from a shareholder signifying his intention to propose the appointment of Capt. Sudheer S. Naphade as Director of the Company, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation."

7. 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 Act'), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the payment of Rs. 11,00,000/- (Rupees Eleven Lacs only) made to Mr. Nitin Menon, Joint Managing Director of the Company during the financial year 2012-13 as bonus be and is hereby approved."

8. 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 269 and 309(5B) read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ('the Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the approval of Central Government and all other permissions, sanctions and approvals as may be necessary, if any, the consent of the Company be and is hereby accorded for waiver from recovery of a sum of Rs. 29,06,963/- (Rupees Twenty Nine Lacs Six Thousand Nine Hundred and Sixty Three Only) being excess amount of remuneration already paid to Mr. Nitin Menon, Joint Managing Director of the Company during the financial year 2012-13 in excess of the limits prescribed in Section 309(3) read with Schedule XIII of the Act.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) of the Company be and is hereby authorized to make an application to the Central Government and to take all actions and do all such deeds, matters and things, as it may be required from time to time in this regard.”

9. 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 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the approval of Central Government and all other permissions, sanctions and approvals as may be necessary, the re-appointment of Mr. Nitin Menon as Joint Managing Director of the Company for a further period of 5 years w.e.f. 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2018 be and is hereby approved.

**RESOLVED FURTHER THAT** the following terms and conditions regarding payment of remuneration to Mr. Nitin Menon, Joint Managing Director for a period of 3 years from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2016 be and is hereby approved:

**(a) Remuneration payable to Mr. Nitin Menon is as follows (per month):**

Sl. No.	Particulars	Amount (Rs.)
1.	Salary	4,35,000
2.	House Rent Allowance	43,500
3.	PPA	82,500
4.	Production	1,12,500
5.	Education Allowance	24,000
6.	Soft Furnishing Allowance	26,000
7.	Servant Allowance	26,500
	<b>Total</b>	<b>7,50,000</b>

**(b) Others:**

1. Provident Fund: Company's contribution to Provident Fund will not exceed 12% of the salary per annum.
2. Gratuity: Gratuity will be paid as per normal Company's rules.
3. Car: Company's Car will be provided to Mr. Nitin Menon.
4. Conveyance: Actual
5. Medical expenses: Actual  
These facilities will not be considered as perquisites.
6. Mr. Nitin Menon will be entitled to leave as per the rules of the Company as are applicable to other staff members of his category.
7. Whenever Mr. Nitin Menon is required to travel outstation within India and abroad on Company's duty, he shall be paid in the following manner:
  - a. Executive Air Fare / First Class AC Rail Fare.
  - b. Actual to cover stay in hotels and cost of local conveyance.
8. Leave encashment will be provided as per the normal rules of the Company and encashment of such leave at the end of the tenure of service shall not be included in the computation of ceiling of remuneration or perquisites as aforesaid.
9. Leave Travel Assistance as per the rules.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Nitin Menon, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) of the Company be and is hereby authorised to take all actions and do all such deeds, matters and things, as it may be required from time to time in this regard."

10. To consider and if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the approval of Central Government and all other permissions, sanctions and approvals as may be necessary, if any, the re-appointment of Mr. Ramesh D. Dixit as Vice Chairman & Managing Director of the Company for a further period of 5 years w.e.f. 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2018 be and is hereby approved.

**RESOLVED FURTHER THAT** the following terms and conditions regarding payment of remuneration to Mr. Ramesh D. Dixit, Vice Chairman & Managing Director for a period of 3 years from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2016 be and is hereby approved:



**(a) Remuneration payable to Mr. Ramesh D. Dixit is as follows (per month):**

Sl. No.	Particulars	Amount (Rs.)
1	Salary	2,75,000
2.	House Rent Allowance	27,500
3.	PPA	56,500
4.	Production	25,000
5.	Education Allowance	20,000
6.	Soft Furnishing Allowance	23,000
7.	Servant allowance	23,000
	<b>Total</b>	<b>4,50,000</b>

**Others:**

1. Provident Fund : Company's contribution to Provident Fund will not exceed 12% of the salary per annum.
2. Gratuity : Gratuity will be paid as per normal Company's rules.
3. Car : Company's Car will be provided to Mr. Ramesh D. Dixit.
4. Conveyance : Actual
5. Medical expenses : Actual  
These facilities will not be considered as perquisites.
6. Mr. Ramesh D. Dixit will be entitled to leave as per the rules of the Company as are applicable to other staff members of his category.
7. Whenever Mr. Ramesh D. Dixit is required to travel outstation within India and abroad on Company's duty, he shall be paid in the following manner:
  - a. Executive Air Fare / First Class AC Rail Fare.
  - b. Actual to cover stay in hotels and cost of local conveyance.
8. Leave encashment will be provided as per the normal rules of the Company and encashment of such leave at the end of the tenure of service shall not be included in the computation of ceiling of remuneration or perquisites as aforesaid.
9. Leave Travel Assistance as per the rules.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Ramesh D. Dixit, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) of the Company be and is hereby authorised to take all actions and do all such deeds, matters and things, as it may be required from time to time in this regard."

**BY ORDER OF THE BOARD OF DIRECTORS**

Place : Kolhapur  
Date : 19<sup>th</sup> May, 2013

**RAM MENON**  
Chairman

**Notes :**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY TO ATTEND AND VOTE, IN CASE OF POLL ONLY, ON HIS/HER BEHALF 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. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business is annexed hereto and forms part of this notice.
3. Corporate members are requested to send duly certified copy of the Board Resolution pursuant to Section 187 of the Companies Act, 1956 authorising their representative to attend and vote at the Annual General Meeting.
4. Brief resume of Directors proposed to be appointed / re-appointed at the ensuing Annual General Meeting in terms of Clause 49 of the Listing Agreement is annexed to the Notice.
5. (a) Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 16<sup>th</sup> August, 2013 to Wednesday, 21<sup>st</sup> August, 2013 (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 26<sup>th</sup> August, 2013 and 31<sup>st</sup> August, 2013 to those members whose names shall appear on the Company's Register of Members on 21<sup>st</sup> August, 2013; 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.
6. The Register of Directors' Shareholdings, maintained under Section 307 of the Companies Act, 1956 is open for inspection at the Registered Office of the Company during the office hours on all working days, except Mondays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting and will be open for inspection during the Annual General Meeting also.
7. 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 and Bank Account Details along with self attested document proofs. Members holding shares in the electronic form may update such details with their respective Depository Participants.
8. Members are requested to bring their Attendance Slip along with their copy of Annual Report at the time of the Meeting.
9. In case of joint holders attending the meeting, the joint holder with highest, in order of names will be entitled to vote.
10. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Compliance Officer / Assistant 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.



11. The Securities and Exchange Board of India has made it mandatory for all 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 of financial year 2012-13. 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 payment of dividend is approved by the members in the ensuing Annual General Meeting.
12. 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, M/s. Link Intime India Private Limited for consolidation of all such shareholding into one folio to facilitate better services.
13. The unclaimed dividend upto the financial years 2004-2005 has 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 2005-2006 is due for transfer during the month of October, 2013 to the Investor Education and Protection Fund administered by the Central Government. The shareholders whose dividend remained unclaimed for the aforesaid financial year and subsequent 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 these became first due for payment and no payment shall be made in respect of any such claim.
14. The Securities and Exchange Board of India 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 Registrar & Share Transfer Agents of the Company - M/s. Link Intime India Private Limited.
15. Non Resident Indian members are requested to inform to 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 the details not furnished earlier.

In Pursuance of the Clause 49 (IV) (G) of the Listing Agreement details of directors seeking appointment / re-appointment at the ensuing Annual General Meeting are as follows:

<b>Name of Director</b>	<b>Mr. Ram Menon</b>	<b>Mr. Ramesh D. Dixit</b>	<b>Mr. Nitin Menon</b>	<b>Mr. Kumar Nair</b>	<b>Capt. Sudheer S. Naphade</b>
Date of Birth	20 <sup>th</sup> July, 1930	25 <sup>th</sup> December, 1943	26 <sup>th</sup> November, 1967	24 <sup>th</sup> March, 1962	16 <sup>th</sup> February, 1943
Nationality	Indian	Indian	Indian	Indian	Indian
Date of appointment as director	4 <sup>th</sup> July, 1991	1 <sup>st</sup> April, 1992	1 <sup>st</sup> April, 1995	20 <sup>th</sup> January, 2005	19 <sup>th</sup> May 2013
Designation	Chairman	Vice Chairman & Managing Director	Joint Managing Director	Independent Director	Independent Director
Qualification	Bachelor of Commerce	Bachelor of Engineering (Mechanical)	Bachelor of Commerce	Chartered Accountant	Extra Master M. I. Mar. Tech
Experience/ Expertise	He is having tremendous experience of more than 56 years in Technical & Administrative fields.	He is having 47 years of tremendous experience in the fields of Automobile Sector	He is having 21 years of 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.	He is a having vast experience in the fields of Finance, Treasury, Forex, Derivates and Capital Markets.	He is having experience in various capacities with the marine stream, as from cadet to master, Nautical Surveyor, Marine Superintendent, Principal Officer, Chief Marine Surveyor, Nautical Advisor, Director General of Shipping, Chief Examiner of Masters & Mate, etc.
Shareholding in the Company (Equity Shares of Rs. 5/- each)	25,000	10,400	27,85,330	Nil	Nil
List of directorships held in various other Companies	1. Menon Piston Limited 2. Menon Piston Rings Private Limited 3. Menon and Menon Limited	1. Menon Piston Limited 2. Menon Piston Rings Private Limited	1. Menon Piston Limited 2. Karveer United Leisure Private Limited 3. Menon Piston Rings Private limited	1. Transwarranty Finance Limited 2. Vertex Commodities & Finpro Private Limited	1. Damodar Marine Services Private Limited

Name of Director	Mr. Ram Menon	Mr. Ramesh D. Dixit	Mr. Nitin Menon	Mr. Kumar Nair	Capt. Sudheer S. Naphade
	4. Menon Metals and Alloys Private Limited 5. Nova Auto Private Limited 6. Kolhapur Chamber of Commerce and Industries		4. Mani Agriculture and Research Combine Private Limited	3.Consolidated Eutectics (Kolhapur) Private Limited 4. KPR Buildcon Private Limited 5. Transwarranty Capital Market Services Private Limited 6. Vertex Securities Limited 7.Vizor International Pte. Ltd. (Singapore)	
List of Chairmanship of various committee and Membership in Public Companies	I). Chairman in: Nil II). Member in: 1. Remuneration Committee of Menon Piston Limited	I). Chairman in: 1. Share Transfer and Investor Grievance Committee of Menon Piston Limited II). Member in: 1. Audit Committee and Remuneration Committee of Menon Piston Limited 2. Audit Committee of the Company 3. Shareholders'/ Investors' Grievance Committee of the Company	I). Chairman in: Nil II). Member in: 1. Shareholders'/ Investors' Grievance Committee of the Company	I). Chairman in : 1. Remuneration Committee of the Company 2. Audit Committee of the Company II) Member in: 1. Audit Committee, Remuneration Committee and Grievance Committee of Transwarranty Finance Limited 2. Remuneration Committee of Vertex Securities Limited	I). Chairman in: Nil II). Member in: 1. Audit Committee of the Company 2. Remuneration Committee of the Company
Relationship with existing Directors of the company	Mr. Ram Menon is father of Mr. Nitin Menon and Mr. Sachin Menon	Not Related	Mr. Nitin Menon is son of Mr. Ram Menon and brother of Mr. Sachin Menon	Not Related	Not Related

BY ORDER OF THE BOARD OF DIRECTORS

Place: Kolhapur  
Date : 19<sup>th</sup> May, 2013

**RAM MENON**  
Chairman

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

Capt. Sudheer S. Naphade was appointed as an Additional Director of the Company w.e.f. 19<sup>th</sup> May, 2013. Pursuant to provisions of Section 260 of the Companies Act, 1956, Capt. Sudheer S. Naphade holds office upto the date of this Annual General Meeting. The Company has received a notice along with requisite deposit under Section 257 of the Companies Act, 1956 proposing his candidature for office of Director.

The Board recommends passing of the Ordinary Resolution as set out at Item No. 6 of this notice for your approval.

Except, Capt. Sudheer S. Naphade, none of the other Directors are interested or concerned in this resolution.

**Item No. 7**

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 upon recommendation of the Remuneration Committee of the Company, the Board of Directors of the Company at its meeting held on 7<sup>th</sup> November, 2012 approved the payment of Rs.11,00,000/- (Rupees Eleven Lacs) to Mr. Nitin Menon as Bonus for the financial year 2012-13, 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. 7 of this notice for your approval.

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

**Item No. 8**

Mr. Nitin Menon was re-appointed as Joint Managing Director w.e.f. 1<sup>st</sup> July, 2010 for period of three years. During the year 2012-13, the Company has paid remuneration of Rs. 73,82,723/- (Rupees Seventy Three Lacs Eighty Two Thousand Seven Hundred and Twenty Three Only) to Mr. Nitin Menon, Joint Managing Director of the Company.

The Company had obtained the Central Government's approval for payment of remuneration to him at Rs. 5,00,000/- p.m. or Rs. 60,00,000/- p.a. for a period of two years w.e.f. 1<sup>st</sup> July, 2010 to 30<sup>th</sup> June, 2012.

During the financial year 2012-13, due to overall recessionary trend and global economic slowdown, the Company could not maintain high level of profits in comparison to the previous year and also due to steep increase in the electricity charges, input costs due to rise in diesel prices, increase in dearness allowance and other manufacturing expenses, etc. As such, the remuneration paid to its managerial person resulted in excess of limits of Section 309 and as given under clause 1(B) of Section II of Part II of Schedule XIII of the Act. Therefore, a sum of Rs. 29,06,963/- (Rupees Twenty Nine Lacs Six Thousand Nine Hundred and Sixty Three Only) being the amount paid in excess of Rs. 3,00,000/- p.m. or Rs. 36,00,000/- p.a. which is maximum allowable limit as per Clause 1(B) of Section II of Part II of Schedule XIII of the Act and in terms of the approval obtained from Central Government, becomes excess remuneration paid to Mr. Nitin Menon.

As per the provisions of Section 309(5B) of the Companies Act, 1956, subject to the approval of Central Government, the Company can waive from recovery of excess remuneration paid after according approval of the members of the Company.

The Board of Directors of the Company recommends the passing of the resolution as set out at Item No. 8 of this notice for your approval.

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

**Item No. 9:**

Mr. Nitin Menon is a promoter and is associated with the Company since inception. Mr. Nitin Menon being Joint Managing Director of the Company shoulders a huge responsibility. He was re-appointed as a Joint Managing Director of the Company w.e.f. 1<sup>st</sup> July, 2010 for a period of three years and his tenure expires on 30<sup>th</sup> June, 2013.

Upon receiving recommendation of the Remuneration Committee of the Company, the Board of Directors of the Company at its meeting held on 19<sup>th</sup> May, 2013 re-appointed Mr. Nitin Menon as Joint Managing Director of the Company for a further period of 5 years w.e.f. 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2018 and approved payment of remuneration to him for a period of 3 years w.e.f. 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2016 on the terms and conditions as set out in the resolution, subject to the approval of members of the Company in their General Meeting and Central Government.

As per the requirements of Schedule XIII to the Companies Act, 1956, the Special Resolution is set out at Item No. 9 of this notice for your approval.

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

**Item No. 10:**

Mr. Ramesh D. Dixit is associated with the Menon group since 47 years. Mr. Ramesh D. Dixit being a Vice Chairman & Managing Director of the Company looks after the day to day affairs of the Company. He was re-appointed as Vice Chairman & Managing Director of the Company w.e.f. 1<sup>st</sup> July, 2010 for a period of three years and his tenure expires on 30<sup>th</sup> June, 2013.

Upon receiving recommendation of the Remuneration Committee of the Company, the Board of Directors of the Company at its meeting held on 19<sup>th</sup> May, 2013 re-appointed Mr. Ramesh D. Dixit as Vice Chairman & Managing Director of the Company for a further period of 5 years w.e.f. 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2018 and approved payment of remuneration to him for a period of 3 years w.e.f. 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2016 on the terms and conditions as set out in the resolution, subject to the approval of members of the Company in their General Meeting and the Central Government.

As per the requirements of Schedule XIII to the Companies Act, 1956, the Special Resolution is set out at Item No. 10 of this notice for your approval.

Except Mr. Ramesh D. Dixit, none of the other Directors are interested or concerned in this resolution.

**ADDITIONAL INFORMATION FOR ITEM NOS. 9 & 10 :**

The details as required under proviso (iv) to Clause B of Part II of Schedule XIII to the Companies Act, 1956, are given below :

<b>I GENERAL INFORMATION</b>			
	1	Nature of industry	The Company is engaged in manufacturing of auto components.
	2	Date or expected date of commencement of commercial production	The company is an existing Company and is in operation since 1993.
	3	In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus	N. A.
	4	Financial performance based on given indicators	EPS : Rs. 3.96 Return on Networth : 79.14%
	5	Export performance and net foreign exchange collaborations	Deemed Export - Rs. 1,164.28 Lacs Direct Export - Rs. 560.23 Lacs
	6	Foreign investments or collaborators, if any	Nil
<b>II Information about Mr. Nitin Menon</b>			
	1	Background details	Mr. Nitin Menon was appointed as Director of the Company on 1 <sup>st</sup> April 1995. Thereafter, he was appointed as Joint Managing Director of the Company w.e.f. 20 <sup>th</sup> October 2000. Mr. Nitin Menon is promoter of the Company and is associated with the Company since inception and has experience of more than 21 years in the industry.
	2	Past performance	Under the guidance of Mr. Nitin Menon, the Company has witnessed continued growth both in terms of sales and profits. He is also engaged in day-to-day affairs of the Company along with Mr. Ramesh D. Dixit, Vice Chairman and Managing Director of the Company.
	3	Past Remuneration	Rs. 6.15 Lacs per month
	4	Recognition or awards	Mr. Nitin Menon is a commerce graduate.
	5	Job profile and his suitability	Mr. Nitin Menon is engaged in day-to-day activities of the Company and is responsible for overall management.
	6	Remuneration proposed	Rs. 7.50 Lacs per month



	7	Comparative remuneration profile with respect to industry	The remuneration payable to Mr. Nitin Menon is at par with the industry standards, in which it operates.
	8	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Nitin Menon is part of promoter group of the Company and is also relative of Mr. Ram Menon, Chairman of the Company and Mr. Sachin Menon, Director of the Company.
<b>IIA Information about Mr. Ramesh D. Dixit</b>			
	1	Background details	Mr. Ramesh D. Dixit is associated with the Menon group since last 47 years. He has worked in different capacities such as Development Engineer, Works Manager, Director Technical, and for last 20 years as Managing Director of the Company and director in other group companies.
	2	Past performance	Under the guidance of Mr. Ramesh D. Dixit, the Company has witnessed continued growth both in terms of sales and profits. He is also engaged in day-to-day affairs of the Company along with Mr. Nitin Menon, Joint Managing Director of the Company. He has travelled most of the countries of the world for collaborations, exports, exhibitions, etc.
	3	Past Remuneration	Rs. 4.50 Lacs per month
	4	Recognition or awards	Mr. Ramesh D. Dixit did his Diploma in Mechanical Engineering from Government Polytechnic College, Kolhapur in 1 <sup>st</sup> Class and B.E. (Mech) from College of Engineering, Karad in 1 <sup>st</sup> Class and did "Production Planning and Control" course from HMT, Bangalore.
	5	Job profile and his suitability	Mr. Ramesh D. Dixit is engaged in day-to-day activities of the Company and is responsible for overall management of the Company.
	6	Remuneration proposed	Rs. 4.50 Lacs per month
	7	Comparative remuneration profile with respect to industry	The remuneration payable to Mr. Ramesh D. Dixit is at par with the industry standards, in which it operates.
	8	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Ramesh D. Dixit is part of promoter group of the Company.

III Other information			
	1	Reasons of loss or inadequate profits	Due to overall recessionary trend and global economic slowdown, the Company could not achieve high levels of profits in comparison to previous year.
	2	Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms	The Company has initiated price revision process and believes that price revision process will nullify the effect on profitability. We believe Company will gear up to develop new techniques and new products with different raw material mix and will achieve better profit margin in subsequent periods.

**BY ORDER OF THE BOARD OF DIRECTORS**

**Place:** Kolhapur  
**Date :** 19<sup>th</sup> May, 2013

**RAM MENON**  
Chairman

# Directors' Report

Your Directors feel great pleasure in presenting 22nd Annual Report of your Company comprising the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2013.

## FINANCIAL HIGHLIGHTS :

(Rs.in lacs)

Sr. No.	Particulars	Current Year Ended on 31 <sup>st</sup> March, 2013	Previous Year Ended on 31 <sup>st</sup> March, 2012
1	Total Revenue (Net)	8,409.69	8,795.26
2	Profit before Depreciation & Amortization Expenses, Finance Cost and Tax	1,365.02	1,719.06
3	Less : Depreciation and Amortization Expenses	464.01	413.31
	Finance Cost	229.22	236.39
4	<b>Profit before Tax</b>	<b>671.80</b>	<b>1,069.36</b>
5	Less: Provision for Tax	302.22	328.99
6	Profit after Tax	369.58	740.37
7	<b>Balance of Profit as per last Balance Sheet</b>	<b>2,171.25</b>	<b>1,799.02</b>
8	Previous Year Adjustments		5.38
9	<b>Balance Available for Appropriation</b>	<b>2,540.83</b>	<b>2,544.77</b>
10	Rate of Proposed Dividend	40%	55%
11	Proposed Dividend	186.80	256.85
12	Tax on Dividend	31.75	41.67
13	Transfer to General Reserve	40.00	75.00
14	<b>Balance of Profit carried to Balance Sheet</b>	<b>2,282.28</b>	<b>2,171.25</b>

## RESULTS OF OPERATIONS:

During the year under review, the Company has registered a sale of Rs. 8,299.72 Lacs (previous year Rs. 8,709.10 Lacs) and Net Profit after Tax of Rs. 369.58 Lacs (previous year Rs. 740.37 Lacs).

## DIVIDEND:

The Company's overall performance during the year under review was satisfactory. Your Directors have pleasure in recommending payment of dividend of Rs. 2/- (40%) per share on the Company's Share Capital (previous year Rs. 2.75 (55%) per share). This will absorb total Cash Outflow of Rs. 218.55 Lacs (previous year Rs. 298.52 Lacs) including Corporate Dividend Distribution Tax of Rs. 31.75 Lacs (previous year Rs. 41.67 Lacs).

**DIRECTORS :**

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Ram Menon, Chairman and Mr. Kumar Nair, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment and your Board recommends for their re-appointment.

Further, the Board of Directors of the Company re-appointed Mr. Ramesh D. Dixit as Vice Chairman & Managing Director and Mr. Nitin Menon as Joint Managing Director of the Company for a period of 5 years w.e.f. 1<sup>st</sup> April, 2013, subject to the approval of members and the Central Government. Your Board recommends your approval for their re-appointment.

The Board of Directors of the Company appointed Capt. Sudheer S. Naphade as an Additional (Independent) Director of the Company w.e.f. 19<sup>th</sup> May, 2013. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Capt. Sudheer S. Naphade holds office as such up to the date of forthcoming Annual General Meeting of the Company. The Company has received a notice along with requisite deposit under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company.

Dr. Y. S. P. Thorat, Independent Director resigned from the directorship of the Company w.e.f. closing working hours of 19<sup>th</sup> May, 2013. The Board expresses its appreciation to Dr. Y. S. P. Thorat for his valuable guidance as Director of the Company.

Brief resume of the Directors proposed to be appointed / re-appointed as stipulated under Clause 49 of the Listing Agreement with BSE Limited are given in the Notice convening 22<sup>nd</sup> Annual General Meeting.

**PUBLIC DEPOSITS :**

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

**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) The applicable accounting standards have been followed and proper explanations 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 on 31<sup>st</sup> March, 2013 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.

**AUDITORS :**

M/s. P. M. Vardhe & Co., Chartered Accountants, Kolhapur, the Statutory Auditors of your Company hold such office upto the conclusion of the 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 Statements for the financial year 2013-14.

**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 30<sup>th</sup> June, 2011 and 52/26/CAB-2010 dated 24<sup>th</sup> January, 2012 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 2012-13.

**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 and forming part to this report.

**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 Report
- Corporate Governance Report
- Auditors' Certificate regarding compliance of conditions of Corporate Governance

**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 and other particulars of 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**”.

#### **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 extended during the year under report by our bankers, customers, suppliers 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 :** 19<sup>th</sup> May, 2013

**RAM MENON**  
Chairman



# Annexure 'A' to the Directors' Report

Information as required under The Companies (Particulars of Employees) Rules, 1975:

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 21 years of entrepreneurial experience	01-10-1992	46 Years	N.A.	27,85,330 (29.82%)	Rs. 73,82,723/-

Place : Kolhapur  
Date : 19<sup>th</sup> May, 2013

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**RAM MENON**  
Chairman

## 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) Auto power factor control panels are installed to maintain the power factor near unity.
- b) Company has started using energy efficient motors.
- c) New Plating Technology developed due to which, per unit plating quantity is increased near to double.

### II. TECHNOLOGY ABSORPTION

#### FORM B

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

#### A. RESEARCH AND DEVELOPMENT (R & D):

1)	Specific areas in which R & D is being carried out by the company	1) Company has developed 'Cast Copper' Bimetal Strip for heavy duty applications. 2) New Plating Technology is developed, where production is doubled keeping same manpower and electricity consumption.
2)	Benefits derived as a result of above	1) 'Cast Copper Bimetal Bearing' is suitable for heavy duty & it is import substitute. 2) Saving in Manpower & Electricity.
3)	Future plan of action	Increase in Production Capacity, Quality and Optimum utilization of resources through implementation of Manufacturing Execution System.
4)	Expenditure on R & D	a) Capital WIP: Nil b) Recurring: Nil c) Total: Nil Total R & D expenditure as a percentage of total turnover : Nil

#### B. TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION

1)	Efforts in brief, made towards Technology Absorption, Adaptation and Innovation	1) Large Dia Bearing manufacturing facility acquired. 2) Auto Gauging System introduced for defect free products.
2)	Benefits derived as a result of above effort e.g. product improvement, cost reduction, product development etc.	Increase in capacity of production and quality.
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 the previous financial year.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Activities relating to export initiative for development of new export markets for products, services and exports.		Currently, the Company is exporting its products to U.S.A. U.K., Italy, France, China, Mexico, Brazil, etc.	
Total foreign exchange used and earned.		<b>Current Year (Rs. Lacs)</b>	<b>Previous Year (Rs. Lacs)</b>
Used	<b>Imports</b>	200.58	78.45
Earned	<b>Direct Export</b>	560.23	376.41
	<b>Deemed Export</b>	1,164.28	1,793.19

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Place :** Kolhapur  
**Date :** 19<sup>th</sup> May, 2013

**RAM MENON**  
 Chairman

# Secretarial Compliance Certificate

FORM ( SEE RULE 3 )

Corporate Identity No. : L29130PN1991PLC062352  
 Authorised Share Capital : Rs.101,000,000/-

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

We have examined the registers, records, books and papers of **M/s. Menon Bearings Limited (the Company)** as required to be maintained under **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 **31<sup>st</sup> March, 2013 (the financial year)**. 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 necessary entries have been made therein.
2. The Company has filed the forms, returns and applications as stated in **Annexure `B'** to this certificate with the Registrar of Companies, Maharashtra - Pune and the Central Government along with the necessary additional fees towards the form that was filed after due date as prescribed under the Act and rules made thereunder. The Company has not filed any documents with the office of Regional Director, Company Law Board or any other authorities prescribed under the Act.
3. The Company, being a Public Limited Company, has the minimum prescribed paid-up capital. As on 31<sup>st</sup> March, 2013, the paid up capital of the Company was Rs. 46,700,000/- (Rupees Four Crore Sixty Seven Lacs only) and 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 27<sup>th</sup> May, 2012, 5<sup>th</sup> August, 2012, 7<sup>th</sup> November, 2012 and 3<sup>rd</sup> February, 2013 and as per information and explanations given by the management, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. No circular resolution was passed by the Company during the financial year.
5. The Company has closed its Register of Members from 13<sup>th</sup> August, 2012 to 16<sup>th</sup> August, 2012 (both days inclusive) during the financial year and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended 31<sup>st</sup> March, 2012 was held on 16<sup>th</sup> August, 2012 after giving due 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 and or firms or companies referred to under Section 295 of the Act during the financial year.
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 has approved the issue of duplicate share certificates during the financial year.
13. The Company has:
  - i) delivered all the share certificates on lodgment thereof for transfer/transmission of securities in accordance with the provisions of the Act;
  - ii) deposited the amount of dividend declared in a separate Bank Account on 21<sup>st</sup> August, 2012 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 held with HDFC Bank Ltd.;
  - iv) transferred a sum of Rs.5,09,688/- lying in Unpaid Dividend Account pertaining to the financial year 2004-2005 to Investor Education and Protection Fund;
  - v) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of directors retiring by rotation was duly made. There was no appointment of director, additional director, alternate directors 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 for appointment of Cost Auditors for audit of Cost Accounting Records as per Central Government's Order No. 52/26/CAB/2010 dated 30<sup>th</sup> June, 2011 read with Section 233B of the Companies Act, 1956 for the financial year 2012-2013;
 

Except as stated above, the Company was not required to obtain any approval of the Company Law Board or Regional Director or 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 / debentures / other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares or debentures; hence the question of their redemption does not arise.
22. There was no transaction, which necessitates 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 and Section 58AA of the Act.
24. The amount borrowed by the company during the financial year was within the borrowing limits as prescribed under Section 293(1)(d) of the Act.
25. The Company has not made any loans and investments or given guarantees or provided securities to other bodies corporate during the financial year.
26. The Company has not altered the provisions of the Memorandum of Association with respect to the situation of its 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 its objects during the financial year.
28. The Company has not altered the provisions of the Memorandum of Association with respect to its name during the financial year.
29. The Company has not altered the provisions of Memorandum of Association with respect to its share capital during the financial year.
30. The Company has not altered its Articles of Association during the financial year.
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

**Manish L. Ghia**  
Partner

M. No. FCS: 6252; C.P. No. : 3531

**Place :** Mumbai  
**Date :** 19<sup>th</sup> May, 2013



## Annexure - “A”

### Registers maintained by Menon Bearings Limited

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

## Annexure - “B”

Forms and returns filed by the Menon Bearings Limited during the financial year ended on 31<sup>st</sup> March, 2013 :

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

Sr. No.	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	Particulars of modification of charge created in favour of State Bank of India, by reduction in the present fund based limit from Rs.1967 Lacs to Rs.1850 Lacs resulting in reduction of overall limit from Rs.2178 Lacs to Rs.2061 Lacs. (Charge Id - 10056494).	17.07.2012	Yes	N.A.

2	5INV	Rule 3 of IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012.	Statement of unclaimed and unpaid dividend as on Annual General Meeting held on 30 <sup>th</sup> August, 2011.	31.07.2012	Yes	N.A.
3	66	383A	Compliance Certificate u/s 383A of the Act for the financial year ended 31 <sup>st</sup> March, 2012.	22.08.2012	Yes	N.A.
4	23	192	Particulars of Special Resolution passed at Annual General Meeting of the Company held on 16 <sup>th</sup> August, 2012 for approval of members for payment of Rs. 5,00,000 as bonus to Mr. Nitin Menon, Joint Managing Director for financial year 2011-2012.	28.08.2012	Yes	N.A.
5	1INV	205C	Particular of transfer of unpaid /unclaimed dividend of Rs. 5,09,688/- to the Investor Education and Protection Fund pertaining to the financial year 2004-2005.	24.09.2012	Yes	N.A.
6	20B	159	Schedule – V (Annual Return as on Annual General Meeting held on 16 <sup>th</sup> August, 2012).	12.10.2012	Yes	N.A.
7	5INV	Rule 3 of IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012.	Statement of unclaimed and unpaid dividend as on Annual General Meeting held on 16 <sup>th</sup> August, 2012	12.11.2012	Yes	N.A.
8	23AC & 23ACA XBRL	220(1)	Schedule – VI (Annual Accounts) for the financial year ended 31 <sup>st</sup> March, 2012.	08.01.2013	Yes	N.A.

9	8	135	Particulars of modification of charge created in favour of Axis Bank Limited, for reduction in the overall limit from Rs.18,13,00,000/- to Rs.17,50,00,000/- (Charge Id 90092967).	16.03.2013	No.	Yes
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**B) With the Office of the Regional Director, Western Region Bench at Mumbai: Nil**

**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 2012-2013.	28.06.2012	Yes	N.A.
2.	1 XBRL	233B(4)	Cost Audit Report with the Central Government for the financial year ended on 31 <sup>st</sup> March, 2012.	27.02.2013	Yes	N.A.
3.	A XBRL	209 (1) (d)	Compliance Report with the Central Government for the financial year ended on 31 <sup>st</sup> March, 2012	27.02.2013	Yes	N.A.

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

# Management Discussion and Analysis Report

## Industrial Review :

The Auto Component Industry caters to automobile industry comprising of auto parts such as engine parts, body and chassis, electrical parts, drive transmission, steering parts, suspension and braking parts, equipments and others. Your company manufactures Auto Components like Engine Bearings, Bushes & Thrust Washers, etc.

The year 2012-13 has turned out to be unsatisfactory as various segments of the industry have come into the grip of slowdown due to weak demand. The volumes in the domestic Passenger Vehicles and Medium & Heavy Commercial Vehicles began to stutter. Also the sluggish growth of auto components supplies to Europe in the last few years and uncertain global economic environment has resulted in slow automobile demand recovery. Hence the revenue growth of the industry is expected to remain weak.

## Futuristic Outlook :

In the current uncertain economy, in order to keep the growth momentum while staying competitive alongside, we endeavor to optimize our capacities with maximum utilization of resources, focusing on sustainable development by upgradation of technology. At the same time we will strive hard to tap potential market by encouraging and expanding marketing activities by increased reach to the root level/ end user.

## Concerns & Threats:

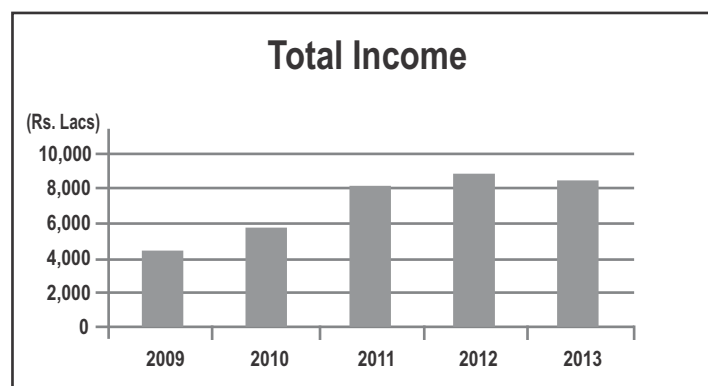
The weak demand is a bigger concern alongwith rising input costs. The auto component industry in this frenzied period has shown slowdowns. Your Company strives to cope up with the increase in the prices of base metals, power and fuel by proper implementation of investment plans, minute production planning, advanced manufacturing techniques, developing cost effective products.

## Future Challenge:

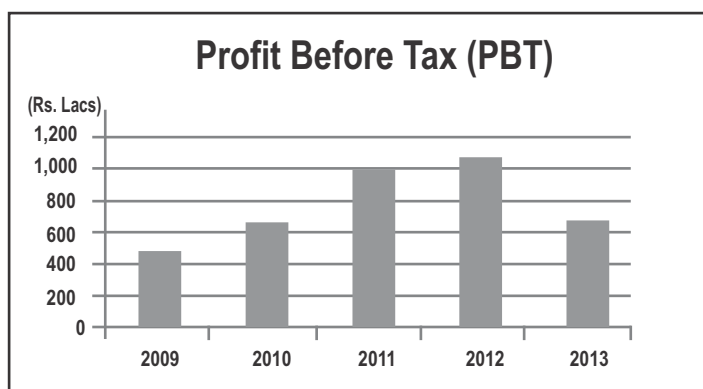
As per the current situations for sustaining in the competitive market, we need to meet the demands, adhere to high performance and consistency in quality, gearing up with the various market segments by new techniques and products, positive business environment and broader outlook would facilitate for sustainable development.

## Financial Performance:

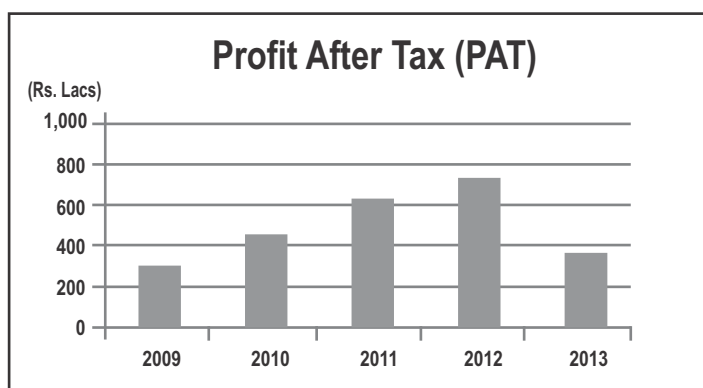
Year	Income (Rs. Lacs)
2009	4,388.06
2010	5,702.95
2011	8,087.15
2012	8,795.26
2013	8,409.69



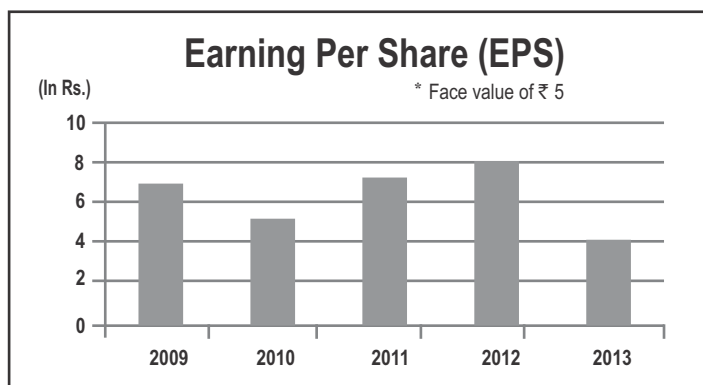
Year	PBT (Rs. Lacs)
2009	477.82
2010	660.12
2011	991.23
2012	1,069.36
2013	671.80



Year	PAT (Rs. Lacs)
2009	306.48
2010	460.82
2011	637.97
2012	740.37
2013	369.58



Year	EPS (In Rs.)
2009	6.56
2010	4.93
2011	6.83
2012	7.93
2013	3.96



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

#### 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, they assess & measure whether the controls are properly designed, implemented and working effectively and efficiently, and make recommendations on how to improve internal controls.

**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 make 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 30<sup>th</sup> June, 2011 and 52/26/CAB-2010 dated 24<sup>th</sup> January, 2012 mandates the Companies engaged in manufacturing of Aluminium Products 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 2012 - 13. The intention of Cost Audit is to ensure efficiency with an aim to optimize resource utilization so that our products can be cost competitive. This does not only develops cost consciousness in the management but also helps in drawing plans and policies in a better perspective.

**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 and 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. It has also established well equipped training centre to direct strength of the work force for the mutual benefit.

**Development & Upgradation of Technology:**

Development and upgradation of technology brings upon efficiency in all facets of the organization. The Company continued its efforts to maximize 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.

**Global Approach:**

The Company trusts its capabilities to capture every opportunity of 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.

**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 has been vested with requisite powers, authorities and duties. The Board plays an imperative role in the management, strategic directions and 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 and Joint Managing Director, who function under the supervision and control of the Board.

### i. Composition :

As on 31<sup>st</sup> March, 2013, the Board of Directors comprised of a Non-Executive Chairman and six other Directors. Out of these, three are Independent Directors. The Company is in process of appointing one more Independent Director to comply with the norms of the Listing Agreement with regard to composition of the Board of Directors.

None of the Independent Directors has any other material pecuniary relationship or transaction with the Company, Promoters, Directors or Senior Management, 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 31<sup>st</sup> March, 2013 is given below:

**Mr. Ram Menon**, aged 83 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 56 years in Technical and Administrative fields.

**Mr. Ramesh. D. Dixit**, aged 70 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 46 years.

**Mr. Nitin Menon**, aged 46 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 50 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 65 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 51 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 66 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.

**Capt. Sudheer S. Naphade**, aged 70 years, is Independent Director of the Company w.e.f. 19<sup>th</sup> May, 2013. He has acquired Masters and Extra Masters Certificate of Competency issued by Government of India and U.K., respectively. He has been Master of Ships on International Trade, also served as Nautical Surveyor, Marine Superintendent, Principle Officer, Chief Marine Surveyor, Nautical Advisor, Director General of Shipping, Chief Examiner of Masters & Mate etc.,

## 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 financial 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 2012-13, the Board of Directors met four times on 27.05.2012, 05.08.2012, 07.11.2012 and 03.02.2013. 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 <sup>st</sup> March, 2013 ( Excluding position in the Company )		
			Board	AGM	No. of Directorships	Committees	
						Membership	Chairmanship
1.	Mr. Ram Menon	Chairman	3	Yes	2	-	-
2.	Mr. Sachin Menon	Non Executive Director	4	Yes	1	-	-
3.	Mr. R. D. Dixit	Vice Chairman and Managing Director	4	Yes	1	1	1
4.	Mr. Nitin Menon	Joint Managing Director	4	Yes	1	-	-
5.	Dr. Y. S. P. Thorat	Independent Director	2	Yes	8	-	2
6.	Mr. Kumar Nair	Independent Director	-	No	2	2	-
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 in Foreign Companies, Section 25 Companies and Private Limited 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 concerns 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 the reports to be submitted with the Board of Directors with respect to auditing and accounting matters. It also supervises the Company's internal control and financial reporting process.

As on 31<sup>st</sup> March 2013, the Audit Committee 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,
- Overseeing 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 2012-13, the Audit Committee met four times on 27.05.2012, 05.08.2012, 07.11.2012 and 03.02.2013. 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	2
Mr. Kumar Nair	Member	4	-
Mr. R. D. Dixit	Member	4	4
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.

As on 31<sup>st</sup> March 2013, the Remuneration Committee 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 Remuneration Committee of the Company. Mr. Arun Aradhye, GM – Finance and Compliance Officer of the Company acts as a secretary of the Committee.

During the financial year 2012-13 the Remuneration Committee met once on 07.11.2012. 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	-
Mr. B. S. Ajitkumar	Member	1	1
Dr. Y. S. P. Thorat	Member	1	1

Details of remuneration/sitting fees paid during the year 2012-13 and no. of shares held by 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	24,48,303	2,27,088	15,80,060	Nil	42,55,451	10,400
Mr. Nitin Menon	29,60,023	2,75,760	41,46,940	Nil	73,82,723	27,85,330
Mr. Sachin Menon	Nil	Nil	Nil	4,000	4,000	50,000
Mr. Kumar Nair	Nil	Nil	Nil	Nil	Nil	Nil
Mr. B S Ajitkumar	Nil	Nil	Nil	3,000	3,000	Nil
Dr. Y. S. P. Thorat	Nil	Nil	Nil	2,000	2,000	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.

As on 31<sup>st</sup> March, 2013 the Shareholders' / Investors' Grievance Committee comprised of Mr. Sachin Menon, Mr. Ramesh D. Dixit and Mr. Nitin Menon. Mr. Sachin Menon is Chairman of the Shareholders' / Investors' Grievance Committee of the Company. Mr. Arun Aradhye, GM – Finance and Compliance Officer of the Company acts as a secretary of the Committee.

During the financial year 2012-13, the Committee met four times on 27.05.2012, 05.08.2012, 07.11.2012 and 03.02.2013.

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	4
Mr. R. D. Dixit	Member	4	4
Mr. Nitin Menon	Member	4	4

### Status of the Investors' Complaints / Service requests received during the year :

At the beginning of the year	Received during the year	Resolved during the year	Pending at the end of the year
0	34	34	0

### Name and Designation of Compliance Officer

Mr. Arun Aradhye – GM – Finance & Accounts and Compliance Officer.

#### 4. General Body Meetings:

##### i. The location and time of last three Annual General Meetings are given below:

Financial Year	Date	Location	Time
2011-12	16 <sup>th</sup> August, 2012	Residency Club, P.O. New Palace, Kolhapur - 416003	10.30 a.m.
2010-11	30 <sup>th</sup> August, 2011	Residency Club, P.O. New Palace, Kolhapur - 416003	10.30 a.m.
2009-10	20 <sup>th</sup> August, 2010	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
16.08.2012	1. Payment of bonus of Rs.5,00,000/- to Mr. Nitin Menon, Joint Managing Director of the Company.
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 of the Company w.e.f. 1 <sup>st</sup> July, 2010. 2.Re-appointment of Mr. R. D. Dixit as Vice Chairman and Managing Director of the Company w.e.f. 1 <sup>st</sup> July, 2010. 3.Re-appointment of Mr. T. K. Guha as Executive Director w.e.f. 1 <sup>st</sup> July, 2010.

During the year under review, no resolution was passed by means of Postal Ballot. 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 31<sup>st</sup> March, 2013 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 (AS) 18, are disclosed in the 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 Mr. Nitin Menon, Joint Managing Director of the Company affirming the compliance of the same in respect of the financial year ended on 31<sup>st</sup> March, 2013 by the members of the Board and Senior Management Personnel, as applicable to them, is also annexed to 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:**

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 2012-13, no employee was denied access to the Audit Committee.

**vi) Risk Management :**

The Company has laid down procedure 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 :**

As required under Clause 49(V) of the Listing Agreement, a certificate from Mr. Ramesh D. Dixit, Vice Chairman & Managing Director and Mr. Arun Aradhye, 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 31<sup>st</sup> March, 2013 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 :**

The Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement, except with respect to the constitution of Board of Directors and presence of quorum in two Audit Committee Meetings. 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 / yearly results are published in news papers viz. Business Standard (English) and Lokmat / Pudhari (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](http://www.menonbearings.in) under investor section. Presentations made to Analysts are also displayed on the website of the Company.

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:**

21<sup>st</sup> August, 2013, at 10.30 A.M. at  
Residency Club, P.O. New  
Palace, Kolhapur-416003

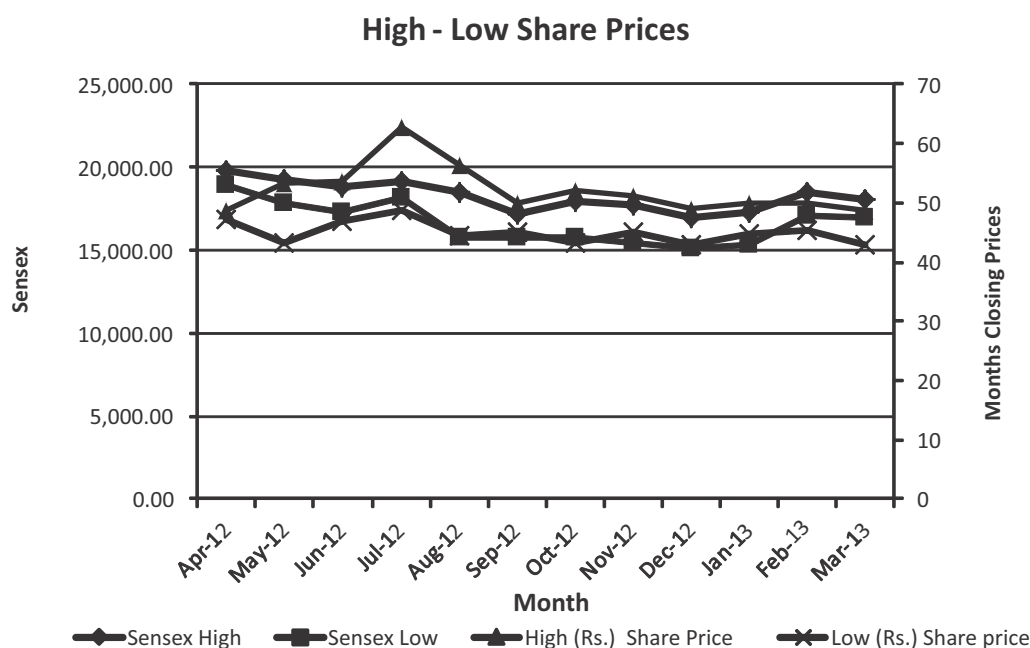


**iii. Financial calendar (provisional for 2013-14) :**

Result for the quarter ending 30 <sup>th</sup> Jun, 2013	– by 14 <sup>th</sup> August, 2013
Result for the quarter ending 30 <sup>th</sup> Sep, 2013	– by 14 <sup>th</sup> November, 2013
Result for the quarter ending 31 <sup>st</sup> Dec, 2013	– by 14 <sup>th</sup> February, 2014
Audited Result for the year ending 31 <sup>st</sup> Mar, 2014	– by 30 <sup>th</sup> May, 2014.

**iv. Date of Book Closure:** 16<sup>th</sup> August, 2013 to 21<sup>st</sup> August, 2013 (both days inclusive)**v. Dividend payment date:** between 26<sup>th</sup> August, 2013 to 31<sup>st</sup> August, 2013**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 31<sup>st</sup> March, 2013 about 89.44% of the Company's Equity Shares has 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 31<sup>st</sup> March, 2013.**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 period of 15 days of the lodgment, if documents are found in order, except delay in some cases. 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 Ltd., Mumbai and SENSEX during each month in the last financial year are as follows :

Month	BSE Sensex		Share Price	
	High (Points)	Low (Points)	High (Rs)	Low (Rs)
Apr-12	17,664.10	17,010.16	50.95	43.25
May-12	17,432.33	15,809.71	47.40	40.00
Jun-12	17,448.48	15,748.98	48.00	44.00
Jul-12	17,631.19	16,598.48	49.90	42.55
Aug-12	17,972.54	17,026.97	49.60	42.40
Sep-12	18,869.94	17,250.80	48.00	42.00
Oct-12	19,137.29	18,393.42	49.80	44.05
Nov-12	19,372.70	18,255.69	48.00	43.00
Dec-12	19,612.18	19,149.03	46.00	42.00
Jan-13	20,203.66	19,508.93	47.20	41.70
Feb-13	19,966.69	18,793.97	43.75	39.05
Mar-13	19,754.66	18,568.43	42.85	37.00



**xi) Distribution of Shareholding as on 31<sup>st</sup> March, 2013 by size is given as below:**

Shareholding by nominal value	No. of Shareholders	% of Total	Share Amount (Rs.)	% of Total
1 - 5000	5,271	95.1272	76,06,930	16.2889
5001 - 10000	162	2.9237	13,30,450	2.8489
10001 - 20000	54	0.9746	7,77,025	1.6639
20001 - 30000	17	0.3068	4,29,695	0.9201
30001 - 40000	2	0.0361	67,700	0.1450
40001 - 50000	16	0.2888	7,85,145	1.6813
50001 - 100000	8	0.1444	6,55,030	1.4026
more than 100000	11	0.1985	3,50,48,025	75.0493
<b>Total</b>	<b>5,541</b>	<b>100.0000</b>	<b>4,67,00,000</b>	<b>100.0000</b>

**Shareholding Pattern as on 31<sup>st</sup> March, 2013 is given 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	36,974	0.40
3.	Clearing Members	1,888	0.02
4.	Indian Public	22,67,738	24.28
5.	Non Resident Indians	59,200	0.63
	<b>TOTAL</b>	<b>93,40,000</b>	<b>100.00</b>

**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 years 2004-2005 have been transferred to the said fund. The members who have not claimed their dividend for the financial year 2005-06 and subsequent years may write to the Company immediately.

**History of dividend declared:**

Financial Year	Dividend amount per share	Percentage
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. 2.50 per share (Face value Rs. 10/-)	25%
2007-08	Rs. 2.50 per share (Face value Rs. 10/-)	25%
2008-09	Rs. 2.50 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 %
2012-13	Rs. 2.00 per share (Face value Rs. 5/-)	40 % (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
2005-06	Rs. 2.20	25 <sup>th</sup> August, 2006	2 <sup>nd</sup> October, 2013
2006-07	Rs. 2.50	31 <sup>st</sup> August, 2007	8 <sup>th</sup> October, 2014
2007-08	Rs. 2.50	26 <sup>th</sup> September, 2008	4 <sup>th</sup> November, 2015
2008-09	Rs. 2.50	12 <sup>th</sup> August, 2009	19 <sup>th</sup> September, 2016
2009-10	Rs. 1.25	20 <sup>th</sup> August, 2010	27 <sup>th</sup> September, 2017
2010-11	Rs. 2.25	30 <sup>th</sup> August, 2011	7 <sup>th</sup> October, 2018
2011-12	Rs. 2.75	16 <sup>th</sup> August, 2012	22 <sup>nd</sup> September, 2019

**xiii. Registrar and Share Transfer Agents:****M/s. 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](mailto: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 Maharashtra	C-1 Five Star MIDC, Kagal, Kolhapur – 416234 Maharashtra
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8. **AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE:**

The Auditors' Certificate on compliance of conditions 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 during the financial year 2012-13.

**Place :** Kolhapur  
**Date :** 19<sup>th</sup> May, 2013

**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 31<sup>st</sup> March, 2013, 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 with respect to the norms prescribed for the appointment of Independent Directors.

We have 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 :** 19<sup>th</sup> May, 2013

# Independent Auditor's Report

## **The Members**

**Menon Bearings Limited**

## **Report on the Financial Statements**

We have audited the accompanying financial statements of Menon Bearings Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility for the financial statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 31<sup>st</sup> March, 2013;
- b) in the case of the Statement of Profit and Loss of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) 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.
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in Subsection (3C) of Section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013, from being appointed as a director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by 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 :** 19<sup>th</sup> May, 2013



**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Menon Bearings Limited on the accounts of the company for the year ended 31<sup>st</sup> March, 2013.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
  
 (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
  
 (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.  
  
 (b) In our opinion and according to the information and explanations given to us, 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) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.  
  
 (e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken loan from other parties listed in the register maintained under Section 301 of the Companies Act, 1956. As the terms and conditions for interest and repayment are not specified, sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
  
 b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. (a) According to the records of the company, 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, Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2013 for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has applied the term loans for the purpose for which they were obtained.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31<sup>st</sup> March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.

19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

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

**Place :** Kolhapur  
**Date :** 19<sup>th</sup> May, 2013

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

# Balance Sheet

as at 31<sup>st</sup> March, 2013

(Rs. in Lacs)

PARTICULARS	NOTE NO.	Current Year Ended on 31.03.2013	Previous Year Ended on 31.03.2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>1.SHAREHOLDER'S FUNDS</b>		<b>3,305.85</b>	<b>3,154.81</b>
(a) Share Capital	2	467.00	467.00
(b) Reserves & Surplus	3	2,838.85	2,687.81
(c) Money received against share warrants		-	-
<b>2.Share application money pending allotment</b>		-	-
<b>3.Non-Current Liabilities</b>		<b>1,216.85</b>	<b>1,106.94</b>
(a) Long-Term Borrowings	4	863.97	851.27
(b) Deferred Tax Liabilities (Net)	5	352.88	255.67
(c) Other Long Term Liabilities		-	-
(d) Long-Term Provisions		-	-
<b>4.Current Liabilities</b>		<b>2,779.09</b>	<b>2,773.89</b>
(a) Short-Term Borrowings	6	1,665.04	1,301.54
(b) Trade Payables	7	514.44	781.90
(c) Other Current Liabilities	8	39.28	39.48
(d) Short-Term Provisions	9	560.33	650.97
<b>TOTAL</b>		<b>7,301.79</b>	<b>7,035.64</b>
<b>II. ASSETS</b>			
<b>1.Non-Current Assets</b>		<b>3,978.56</b>	<b>3,829.69</b>
(a) Fixed Assets	10		
(i) Tangible Assets		3,641.19	3,096.27
(ii) Intangible Assets		7.65	11.80
(iii) Capital Work-In-Progress		225.62	583.67
(iv) Intangible Assets under Development		-	-
(b) Non-Current Investments	11	33.91	70.14
(c) Deferred Tax Assets (Net)		-	-
(d) Long-Term Loans and Advances	12	60.05	52.57
(e) Other Non-Current Assets	13	10.14	15.24
<b>2.Current Assets</b>		<b>3,323.23</b>	<b>3,205.95</b>
(a) Current Investments		-	-
(b) Inventories	14	810.13	805.91
(c) Trade Receivables	15	1,776.19	1,569.36
(d) Cash and Cash Equivalents	16	577.27	540.68
(e) Short-Term Loans and Advances	17	159.64	290.00
(f) Other Current Assets		-	-
<b>TOTAL</b>		<b>7,301.79</b>	<b>7,035.64</b>
Significant Accounting Policies and Notes on Accounts	1 to 25		

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

For and on behalf of the Board of Directors

**P.M.VARDHE**  
Proprietor  
Membership No.:031817

**RAM MENON**  
Chairman

**R. D. DIXIT**  
Vice Chairman & Managing Director

**NITIN MENON**  
Joint Managing Director

Place : Kolhapur  
Date : 19<sup>th</sup> May 2013

# Statement of Profit & Loss

for the year ended on 31<sup>st</sup> March, 2013  
(Rs. in Lacs)

PARTICULARS	NOTE NO.	Current Year Ended on 31.03.2013	Previous Year Ended on 31.03.2012
<b>I Total Revenue (i+ii+iii)</b>		<b>8,409.68</b>	<b>8,795.26</b>
Revenue from Operations		9,082.34	9,443.04
Less - Excise Duty		782.62	733.94
i.) Net - Revenue from Operations	18	8,299.72	8,709.10
ii.) Other Operating Revenue	19	18.62	52.90
iii.) Other Income	20	91.34	33.26
<b>II Expenses</b>		<b>7,737.88</b>	<b>7,725.90</b>
Cost of Materials Consumed	21	3,102.79	3,352.21
Changes in Inventories of Finished Goods and Work in Progress	22	(56.02)	1.90
Employee Benefits Expenses	23	841.97	793.91
Finance Costs	24	229.22	236.39
Depreciation and Amortization Expense	10	464.01	413.31
Operating and Other Expenses	25	3,155.91	2,928.18
<b>III Profit Before Exceptional and Extraordinary Items and Tax (I-II)</b>		<b>671.80</b>	<b>1,069.36</b>
<b>IV Exceptional Items</b>		-	-
<b>V Profit Before Extraordinary Items and Tax (III-IV)</b>		<b>671.80</b>	<b>1,069.36</b>
<b>VI Extraordinary Items</b>		-	-
<b>VII Profit Before Tax (V-VI)</b>		<b>671.80</b>	<b>1,069.36</b>
<b>VIII Tax expense:</b>		<b>302.22</b>	<b>328.99</b>
(1) Current Tax		205.00	350.00
(2) Deferred Tax		97.22	(21.01)
<b>IX Profit/(Loss) for the period from continuing operations (VII-VIII)</b>		<b>369.58</b>	<b>740.37</b>
<b>X Profit/(Loss) for the period from discontinuing operations</b>		-	-
<b>XI Tax expense of discontinuing operations</b>		-	-
<b>XII Profit/(Loss) from discontinuing operations (after tax) (IX-XII)</b>		-	-
<b>XIII Profit/(Loss) for the period (IX + XII)</b>		<b>369.58</b>	<b>740.37</b>
<b>XIV Earnings per Equity Share:</b>			
(1) Basic		3.96	7.93
(2) Diluted		-	-
See accompanying Notes on Accounts			

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

For and on behalf of the Board of Directors

**P.M.VARDHE**  
Proprietor  
Membership No.:031817

**RAM MENON**  
Chairman

**R. D. DIXIT**  
Vice Chairman & Managing Director

**NITIN MENON**  
Joint Managing Director

Place : Kolhapur  
Date : 19<sup>th</sup> May 2013

# Cash Flow Statement

for the year ended on 31<sup>st</sup> March, 2013 (Rs in Lacs)

Particulars	Current Year Ended on 31.03.2013	Previous Year Ended on 31.03.2012
<b>1 Profit After Tax &amp; Appropriations Adjustments for</b>	369.58	740.37
Proposed Dividend	(186.80)	(256.85)
Tax on Dividend	(31.75)	(41.66)
Deferred Tax	97.22	(21.01)
Extra Ordinary Items	-	9.96
(Excess Provision w/o and Loss on sale of asset)		
Add:- Depreciation & Amortization	464.01	413.31
<b>Operating Profit before Working Capital changes</b>	<b>712.27</b>	<b>844.12</b>
Changes in Working Capital		
<b>Current Assets</b>		
Inventories	(4.22)	(11.08)
Trade Receivables	(206.83)	100.68
Short Term Loans Advances	130.36	28.31
Other Non Current Assets	5.11	10.57
<b>Current Liabilities</b>		
Trade Payables	(267.47)	77.38
Other Current Liabilities	(0.21)	(4.19)
Short Term Provisions	(90.64)	(9.00)
<b>Cash From Operating Activities</b>	<b>278.37</b>	<b>1,036.79</b>
<b>2 Cash From Investing Activities</b>		
Purchase of Fixed Assets	(1,004.78)	(451.89)
Change in Work In Process	358.04	(373.95)
Investments	36.24	(55.49)
Long Term Loans and Advances	(7.48)	(20.16)
	<b>(617.99)</b>	<b>(901.49)</b>
<b>3 Cash Flow from Financing Activities</b>		
Change in Short Term Borrowing	363.50	(200.59)
Change in Long Term Borrowing	12.70	41.68
<b>Cash Flow from Financing Activities</b>	<b>376.20</b>	<b>(158.91)</b>
Total Cash Flow	<b>36.59</b>	<b>(23.61)</b>
Add:- Opening Cash & Cash Equivalents	540.68	564.29
Closing Cash & Cash Equivalents	<b>577.27</b>	<b>540.68</b>

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

For and on behalf of the Board of Directors

**P.M.VARDHE**  
Proprietor  
Membership No.:031817

**RAM MENON**  
Chairman

**R. D. DIXIT**  
Vice Chairman & Managing Director

**NITIN MENON**  
Joint Managing Director

Place : Kolhapur  
Date : 19<sup>th</sup> May 2013

# Notes on Accounts for the year ended on 31<sup>st</sup> March, 2013

**Note No. 1**

## **SIGNIFICANT ACCOUNTING POLICIES**

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### **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 net realisable value 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 (In Rs.)
1	RESULTS OF VALUATION	
	a. PV of Past Service Benefit	106,09,332
	b. Current Service Cost	916,672
	c. Total Service Gratuity	387,76,929
	d. Accrued Gratuity	137,16,123
	e. LCSA	245,61,724
	f. LC Premium	72,774
	g. Service Tax @ 10.3%	8,994
2	RECOMMENDED CONTRIBUTION RATE	
	a. Fund Value as on Renewal Date	92,43,677
	b. Additional Contribution for existing Fund	15,18,920
	c. Current Service Costs	7,63,407
3	Total Amount Payable (Rs) (1.f + 1.g + 2.b + 2.c)	23,64,095
4	Less : Payment Made	9,47,037
5	Liability appearing in Balance Sheet	14,17,058

### 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 standard 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:-

(Amount in Rs. )

Sr. No.	Name of Party	Relation	Nature of Transaction	Current Year 31.03.2012	Previous Year 31.03.2011
1.	MB Exports	Shri Nitin Menon is a partner	Sale	103,119,538	110,968,736
			Services Rendered	3,642,241	2,872,746
2.	Mani Auto Components	Shri Nitin Menon is a partner	Jobwork / tooling	24,787,112	22,197,597
			Sale	1,226	32,031
3.	Menon Piston Ltd.	Shri Ram Menon is Chairman & Shri Sachin Menon is Managing Director.	Purchase	255,787	8,910
4.	Shri Ram Menon	Chairman	Sitting Fees	3,000	3,000
5.	Shri R. D. Dixit	Vice Chairman & Managing Director	Managerial Remuneration	4,255,451	3,867,279
6.	Shri Nitin Menon	Joint Managing Director	Managerial Remuneration	7,382,723	6,738,369
7.	Shri Sachin Menon	Director	Sitting Fees	4,000	3,000
8.	Shri Kumar Nair	Independent Director	Sitting Fees	-	1,000
9.	Shri B.S. Ajit Kumar	Independent Director	Sitting Fees	3,000	3,000
10.	Dr. Y. S. P. Thorat	Independent Director	Sitting Fees	2,000	3,000

**Note:**

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 & Menon Limited.
2. Menon Engineering Services.
3. 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 Earnings Per Share :**

The Basic Earnings Per Share for the year 2012-13 is Rs. 3.96 (Previous Year Rs.7.93). 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 31.03.2013	Previous Year Ended on 31.03.2012
-------------	-------------------------------------	--------------------------------------

**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
<b>TOTAL</b>	<b>467.00</b>	<b>467.00</b>

**Note:**

1) The Company has a single class of equity shares all equity shares rank equally with regard to dividends and shares in the company's residual assets.

2) 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	31.03.2013		31.03.2012	
	%	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	461.47	386.47
Add : Current Year	40.00	75.00
<b>Sub-Total</b>	<b>501.47</b>	<b>461.47</b>
Capital Reserve	25.00	25.00
Revaluation Reserve	30.09	30.09
Profit & Loss Account	2,282.28	2,171.25
<b>TOTAL</b>	<b>2,838.85</b>	<b>2,687.81</b>

**Note :****Surplus**

Opening Balance	2,171.25	1,799.02
Add.- Net Profit for the current period	369.59	740.37
Add:- Excess Provision Reversal	-	5.38
Profit available for appropriation	2,540.83	2,544.77
Less: Proposed dividend on equity shares	186.80	256.85
<b>Total</b>	<b>2,354.03</b>	<b>2,287.92</b>
Less: Tax on distributed profits on equity shares	31.75	41.67
<b>Total</b>	<b>2,322.28</b>	<b>2,246.25</b>
Transfer to General Reserve	40.00	75.00
<b>Balance carried forward to Balance Sheet</b>	<b>2,282.28</b>	<b>2,171.25</b>

(Rs. in Lacs)

Particulars	Current Year Ended on 31.03.2013	Previous Year Ended on 31.03.2012
<b>II. NON CURRENT LIABILITIES</b>		
<b>Note No.4</b>		
<b>Long Term Borrowings</b>		
<b>Secured Loans</b>		
<b>a) Term Loan from Banks</b>		
AXIS Bank Limited	258.38	385.95
State Bank of India	278.35	93.73
<b>b) Car Loans from Banks</b>		
Axis Bank Limited	-	0.72
State Bank of India	7.99	4.59
IDBI Bank Ltd.	0.04	3.09
Maruti Udyog Ltd.	0.27	0.82
<b>Sub-Total</b>	<b>545.03</b>	<b>488.90</b>
<b>Unsecured Loans</b>		
Deferred Payment Liabilities	318.94	362.37
<b>Sub-Total</b>	<b>318.94</b>	<b>362.37</b>
<b>TOTAL</b>	<b>863.97</b>	<b>851.27</b>

Note :

Sr. No.	Bank Name	Loan Amt. (in Lacs)	Instalment Amt. (in Lacs)	No. of Instalments
1	Axis Bank Ltd. Term Loan	600.00	10.000	20
2	Axis Bank Ltd. Term Loan	500.00	9.710	29
3	State Bank India Term Loan	500.00	7.500	48
4	State Bank India Car Loan (DUSTER)	9.000	0.083	84
5	Axis Bank Ltd. Car Loan (SWIFT)	4.800	0.103	7
6	IDBI Bank Ltd. Car Loan (HONDA CITY)	9.000	0.278	11
7	Maruti Udyog Ltd. Car Loan	3.440	0.046	16

- a) The Term Loan from State Bank of India (MIDC Gokul Shirgaon Branch) is secured by hypothecation of Plant & Machinery and mortgage of 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.
- b) The Term Loan from AXIS Bank Limited is secured by hypothecation of Plant & Machinery and mortgage of 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.
- 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 31.03.2013	Previous Year Ended on 31.03.2012
<b>Note No.5</b>		
<b>Deferred Tax Liabilities (Net)</b>		
a) Depreciation Opening	282.79	299.79
Add: During the year	85.93	(17.00)
Closing Liability (a)	368.72	282.78
b) Disallowances as per Section 43B & 40(a) of Income Tax Act Opening	(8.04)	(10.40)
Add: During the year	(0.38)	2.37
Closing Asset (b)	(8.42)	(8.04)
c) Others Opening	(19.09)	(12.71)
Add:- During the Year	11.67	(6.38)
Closing Asset (c)	(7.42)	(19.09)
<b>Deferred Tax Liability (Net) (a-b-c)</b>	<b>352.88</b>	<b>255.67</b>

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

Bills Discount Facility	111.25	132.07
Cash Credit	223.09	237.66

**b) State Bank Of India**

Packing Credit	-	397.85
Invoice Finance	200.57	199.43
Cash Credit	664.56	161.66
Loan against Fixed Deposit	50.01	-
Term Loan Due within 1 Year	322.14	116.49

<b>Sub-Total</b>	<b>1,571.62</b>	<b>1,245.16</b>
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**Unsecured Loans**

Sales Tax Deferral Loan Due within 1 Year	43.42	56.38
Deposits From Directors	50.00	-

<b>Sub-Total</b>	<b>93.42</b>	<b>56.38</b>
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<b>TOTAL</b>	<b>1,665.04</b>	<b>1,301.54</b>
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**Note :**

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	465.42	764.16
Trade Payable ( Micro Small )	49.02	17.74

<b>Refer Note 27(d)</b>	<b>TOTAL</b>	<b>514.44</b>	<b>781.90</b>
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(Rs. in Lacs)

Particulars	Current Year Ended on 31.03.2013	Previous Year Ended on 31.03.2012
<b>Note No.8</b>		
<b>Other Current Liabilities</b>		
Advance From Customers	0.04	3.15
Unpaid / Unclaimed Dividend	39.24	36.33
<b>TOTAL</b>	<b>39.28</b>	<b>39.48</b>

<b>Note No.9</b>		
<b>Short Term Provisions</b>		
Sales Tax Payable - Current Dues	15.94	18.97
Gratuity Payable	13.41	21.64
Deposit from Customers	16.15	12.70
Deduction Adjustment	0.04	0.13
Statutory Liabilities	44.75	63.77
Provision for expenses	232.80	226.71
Proposed Dividend	186.80	256.85
Tax on Dividend	31.75	41.67
Company Income Tax	10.01	-
Leave Encashment	8.68	8.53
<b>TOTAL</b>	<b>560.33</b>	<b>650.97</b>

<b>Note No.11</b>		
<b>Non-Current Investment</b>		
<b>Investment (At cost)</b>		
<b>Non Trade (Unquoted)</b>		
18,152.757 Units of SBI Mutual Fund @ Rs. 32.81 each (NAV as on 31.03.2013 Rs.30.1962 Per Unit)	5.96	4.00
<b>Trade (Quoted)</b>		
1) 624 Equity Shares of Reliance Industries Ltd. @ Rs. 763.93 each (Market Value as on 31.03.2012 Rs. 750.59 per share)	-	4.77
2) 500 Equity Shares of Bank of Maharashtra @ Rs. 23 each (Market value as on 31.03.2013 Rs. 51.05, Previous year Rs. 54.80 per share)	0.12	0.12
3) 11,100 Shares of Transwarranty Finance Ltd. @ Rs. 52 each (Market Value as on 31.03.2013 Rs. 6.00, previous year Rs. 8.15 per share )	5.77	5.77
4) 9,150 Equity Shares of Tata Motors Ltd. @ Rs. 240.52 each (Market Value as on 31.03.2013 Rs. 265.50) per shares, previous year Rs.275.20)	22.06	55.48
5) 1,100 Equity Shares of GTL Infrastructure Ltd. (Market Value as on 31.03.2013 Rs. 2.70 per share)	-	-
<b>TOTAL</b>	<b>33.91</b>	<b>70.14</b>

**Note :**

a) Aggregate market value of quoted investments as on 31.03.2013 is Rs. 25.24 Lacs and previous year Rs.95.29 Lacs

b) Aggregate amount of unquoted investments Rs.5.48 Lacs and previous year Rs.4.00 Lacs.

## 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 31.03.2013
			(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
	<b>a) Tangible Assets</b>												
1	Land (lease hold)	1%	103.14	-	-	103.14	7.47	1.25	-	1.25	-	8.73	94.41
2	Land ( free hold)	0%	0.53	-	-	0.53	-	-	-	-	-	-	0.53
3	Site Development	0%	153.10	-	-	153.10	-	-	-	-	-	-	153.10
4	Building	3.34%	898.41	424.64	-	1,323.05	233.71	30.01	1.42	31.43	-	265.14	1,057.91
5	Plant and Machinery	10.34%	3,786.23	423.35	-	4,209.59	1,972.92	335.50	27.29	362.78	-	2,335.70	1,873.89
6	Electrical Installation	10.34%	160.61	51.08	-	211.70	90.89	14.60	1.55	16.15	-	107.04	104.66
7	Tools and Implements	10.34%	223.25	45.23	-	268.48	136.29	14.64	2.21	16.85	-	153.13	115.35
8	Material Handling Equip.	10.34%	44.47	1.64	-	46.11	14.74	4.55	0.08	4.63	-	19.37	26.74
9	Fire Fighting	10.34%	1.16	-	-	1.16	0.79	0.07	-	0.07	-	0.85	0.30
10	Effluent Treatment Plant	5.28%	45.72	37.56	-	83.28	12.16	3.52	1.28	4.80	-	16.95	66.33
11	Office Equipments	4.75%	30.60	1.82	-	32.42	12.26	0.86	0.09	0.95	-	13.21	19.21
12	Miscellaneous Assets	10.34%	11.12	0.04	-	11.16	5.38	0.92	-	0.92	-	6.30	4.85
13	Computers	16.21%	50.94	1.37	-	52.31	41.53	4.03	0.15	4.18	-	45.72	6.59
14	Furniture	6.33%	58.01	4.35	-	62.36	24.73	2.98	0.20	3.18	-	27.91	34.46
15	Vehicle	9.50%	128.30	13.70	-	142.00	46.46	12.19	0.48	12.67	-	59.13	82.87
	<b>TOTAL</b>		<b>5,695.58</b>	<b>1,004.78</b>	<b>-</b>	<b>6,700.37</b>	<b>2,599.32</b>	<b>425.11</b>	<b>34.75</b>	<b>459.86</b>	<b>-</b>	<b>3,059.18</b>	<b>3,641.19</b>
	<b>PREVIOUS YEAR</b>		<b>5,253.83</b>	<b>449.59</b>	<b>7.83</b>	<b>5,695.58</b>	<b>2,191.49</b>	<b>381.99</b>	<b>27.75</b>	<b>409.74</b>	<b>1.92</b>	<b>2,599.32</b>	<b>3,096.27</b>

## b) Intangible Assets

1	Technical know how	10.34%	52.45	-	-	52.45	52.45	-	-	-	-	52.45	-
2	Computers Software	16.21%	25.62	-	-	25.62	13.82	4.15	-	4.15	-	17.97	7.65
	<b>Total</b>		<b>78.07</b>	<b>-</b>	<b>-</b>	<b>78.07</b>	<b>66.27</b>	<b>4.15</b>	<b>-</b>	<b>4.15</b>	<b>-</b>	<b>70.42</b>	<b>7.65</b>
	<b>Previous Year</b>		<b>74.44</b>	<b>3.63</b>	<b>-</b>	<b>78.07</b>	<b>62.70</b>	<b>3.56</b>	<b>-</b>	<b>3.56</b>	<b>-</b>	<b>66.27</b>	<b>11.80</b>

(Rs. in Lacs)

Particulars	Current Year Ended on 31.03.2013	Previous Year Ended on 31.03.2012
<b>Note No.12</b>		
<b>Long Term Loans and Advances</b>		
Telephone Deposit	0.56	0.56
MSEB Deposit	56.82	49.34
Water Deposit	2.67	2.67
<b>TOTAL</b>	<b>60.05</b>	<b>52.57</b>

<b>Note No.13</b>		
<b>Other Non-Current Assets</b>		
Preoperative Expenses	15.24	25.81
Less: Written off during the year	5.10	10.57
<b>TOTAL</b>	<b>10.14</b>	<b>15.24</b>

<b>Note No.14</b>		
<b>Inventories</b> (At cost or net realisable value)		
Raw Material	132.38	186.29
Stores & Spares	92.79	90.67
Finished Goods	336.04	236.77
Work in Process	248.92	292.18
<b>TOTAL</b>	<b>810.13</b>	<b>805.91</b>

<b>Note No.15</b>		
<b>Trade Receivables</b>		
(Unsecured, considered good)		
Outstanding for a period exceeding 6 months	140.80	89.68
Other Debts	1,635.39	1,479.68
<b>TOTAL</b>	<b>1,776.19</b>	<b>1,569.36</b>

**Note :**

(Includes amount of Rs.270.05 Lacs due from MB Exports a firm in which director is a partner.)

<b>Note No.16</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash in Hand	0.75	9.09
Cash at Bank		
i) In Current A/c	45.30	90.37
ii) In Fixed Deposits	531.22	441.22
<b>TOTAL</b>	<b>577.27</b>	<b>540.68</b>

**Note :**

a) FDs maturing after one year Rs. 249.21 Lacs

b) FDs held as security against Guarantees Rs.24.95 Lacs and FDs Loan Rs.50.00 Lacs.

<b>Note No.17</b>		
<b>Short -Term Loans &amp; Advances</b>		
Other Advance	7.88	37.34
Staff Advance	-	0.15
Interest accrued but not received	49.35	19.55
Other Deposits	12.84	18.78
Prepaid expenses	13.89	10.66



(Rs. in Lacs)

Particulars	Current Year Ended on 31.03.2013	Previous Year Ended on 31.03.2012
Advance Income Tax	-	18.95
TAX Collected at Source	-	0.02
Advance to Suppliers	35.11	141.32
Excise Duty	17.42	17.22
Service Tax	22.46	9.18
VAT Refund Receivable	0.70	16.83
<b>TOTAL</b>	<b>159.64</b>	<b>290.00</b>

**Note No.18****Sales**

Bearings, Bushes and Thrust Washers etc.	6,222.96	6,289.03
Aluminium Die Casting Components	1911.71	2191.44
Sale of Tooling	23.66	78.77
Sale of Stainless Steel Parts	71.56	28.82
Other Products	30.49	92.83
Scrap Sale	39.34	28.21
<b>TOTAL</b>	<b>8,299.72</b>	<b>8,709.10</b>

**Note No.19****Other Operating Revenue**

Exchange Difference	2.96	12.51
Sale of DEPB License	-	2.98
Duty Drawback Refund	6.67	1.72
Excess Provision Written off	-	4.21
Income from other Source	4.71	20.50
Other Income	4.28	10.98
<b>TOTAL</b>	<b>18.62</b>	<b>52.90</b>

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

Dividend from Companies	3.39	0.06
Interest Received	54.65	33.20
Net Gain/Loss on sale of investments	33.30	-
<b>TOTAL</b>	<b>91.34</b>	<b>33.26</b>

**Note No.21****Cost of Materials Consumed**

Opening Stock	182.79	174.33
Add : Purchases	3,052.39	3,360.67
<b>Sub - Total</b>	<b>3,235.17</b>	<b>3,535.00</b>
Less : Closing Stock	132.38	182.79
<b>Sub - Total</b>	<b>132.38</b>	<b>182.79</b>
<b>TOTAL</b>	<b>3,102.79</b>	<b>3,352.21</b>

(Rs. in Lacs)

Particulars	Current Year Ended on 31.03.2013	Previous Year Ended on 31.03.2012
<b>Note No.22</b>		
<b>Changes in stock of Finished Goods and Work-in-Process</b>		
<b>Opening Stock</b>		
Finished Goods	236.77	294.37
Work in Process	292.18	236.48
<b>Sub-Total</b>	<b>528.95</b>	<b>530.85</b>
<b>Closing Stock :</b>		
Finished Goods	336.04	236.77
Work in Process	248.92	292.18
<b>Sub-Total</b>	<b>584.96</b>	<b>528.95</b>
<b>(Increase) / Decrease in Stock</b>	<b>(56.02)</b>	<b>1.90</b>
<b>Note No.23</b>		
<b>Employee Benefits Expenses</b>		
Directors Remuneration	116.38	106.05
Salary and Wages	664.27	615.60
Labour Welfare	4.95	6.61
Contribution to Provident Fund	36.38	35.35
Contribution to Group Gratuity Trust	19.99	30.30
<b>TOTAL</b>	<b>841.97</b>	<b>793.91</b>
<b>Note No.24</b>		
<b>Finance Costs</b>		
Interest	199.53	196.86
Bank Commission & Other Charges	29.69	39.53
<b>TOTAL</b>	<b>229.22</b>	<b>236.39</b>
<b>Note No.25</b>		
<b>Operating and Other Expenses</b>		
<b>A] Operating Expenses</b>		
Stores & Spares Consumed	851.81	861.08
Electricity	774.61	678.81
Power & Fuel Expense	40.35	37.55
Electric Material	4.56	4.38
Outside Labour charges	270.34	214.98
Contract Labour Charges	306.45	270.91
Water charges	15.34	14.78
Repairs & Maintenance	140.95	110.15
Testing Fees	3.35	3.30
Hamali	2.63	1.27
Machining Charges	24.84	26.98
Development Charges	1.40	58.62
<b>TOTAL (A)</b>	<b>2,436.63</b>	<b>2,282.81</b>

(Rs. in Lacs)

Particulars	Current Year Ended on 31.03.2013	Previous Year Ended on 31.03.2012
<b>B] Other Expenses</b>		
Advertisement	2.56	4.85
Auditors Remuneration		
i) Audit Fees	0.84	0.84
ii) Other Services	0.34	0.34
Business Expenses	9.99	8.23
Donation	14.00	15.40
Establishment Expenses	33.00	30.26
Foreign Tour Expenses	31.19	8.50
Freight Outward	76.77	69.78
Insurance	10.58	9.18
Building Repairs	78.77	57.40
Legal & Consultation	27.35	20.81
Misc. Expenses	14.27	18.10
Postage, Telephone	15.26	15.63
Printing & Stationary	9.92	11.95
Rent, Rates and Taxes	6.21	4.17
Sales Promotion Expenses	317.35	292.02
Sitting Fees	0.12	0.13
Travelling Expenses	54.88	53.04
Loss on Sale of Asset	-	4.58
Vehicle & Conveyance Expenses	10.77	9.59
Pre -Operative Expenses Written off	5.11	10.57
<b>TOTAL (B)</b>	<b>719.28</b>	<b>645.37</b>
<b>TOTAL (A + B)</b>	<b>3,155.91</b>	<b>2,928.17</b>

**Note No.26****Contingent Liabilities**

- State Bank of India has given guarantee on behalf of the Company for Rs. 24.95 lacs.. (previous year Rs. 20.00 lacs). Letter of credit for Rs. 39.85 lacs from State Bank of India.(Previous year Rs. 76.24 lacs)
- Central Sales Tax and Bombay Sales Tax assessments are completed upto 31.03.2006. 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 2010-2011. (relevant to accounting year ended 31.03.2010). 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. 51.63 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	2013	2012
a) Total amount outstanding at the end of the year.	49,01,405	17,73,982
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

The above information given regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

## e) C.I.F. Value of Import

(Rs. in Lacs)

Sr. No.	Particulars	Current Year ended 31.03.2013	Previous Year ended 31.03.2012
1	Raw Materials Consumed	22.01	5.01
2	Plant & Machinery	137.61	67.96
	<b>TOTAL</b>	<b>159.62</b>	<b>72.97</b>

## f) VALUATION OF IMPORTED &amp; INDIGENOUS RAW MATERIAL :

(Rs. in Lacs)

Sr. No.	Particulars	Current Year ended 31.03.2013		Previous Year ended 31.03.2012	
		%	Value	%	Value
1	Imported Raw Materials	-	-	-	-
2	Indigenous Raw Materials	100%	3,102.79	100%	3,352.21
	<b>TOTAL</b>	<b>100%</b>	<b>3,102.79</b>	<b>100%</b>	<b>3,352.21</b>

## g) EXPENDITURE IN FOREIGN CURRENCY :

(Rs. in Lacs)

Sr. No.	Particulars	Current Year ended 31.03.2013	Previous Year ended 31.03.2012
1	Foreign Tour Expenses	31.19	8.50
2	Renewal of fees	-	0.08
3	Plant and Machinery	150.48	65.17
4	Bought Out Components	18.91	4.69
	<b>TOTAL</b>	<b>200.58</b>	<b>78.45</b>

As per our report of even date attached  
**For 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 :** 19<sup>th</sup> May 2013

**RAM MENON**  
Chairman

**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 \_\_\_\_\_ 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 22<sup>nd</sup> Annual General Meeting of the Company to be held on Wednesday the 21<sup>st</sup> August, 2013 at 10.30 A. M. and any adjournment thereof

Signed \_\_\_\_\_  
Place : \_\_\_\_\_  
Date : \_\_\_\_\_ 2013.

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 22<sup>nd</sup> Annual General Meeting of the Company to be held at The Residency Club, P.O. New Palace, Kolhapur 416003 on Wednesday the 21<sup>st</sup> August, 2013 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 Page No. 71, 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**



**NECS MANDATE FORM****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 - 400078For SHARES HELD IN PHYSICAL MODE  
Please complete the form and mail toFor 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 DP's)

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 &amp; 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](http://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](mailto:admin@menonbearings.in)