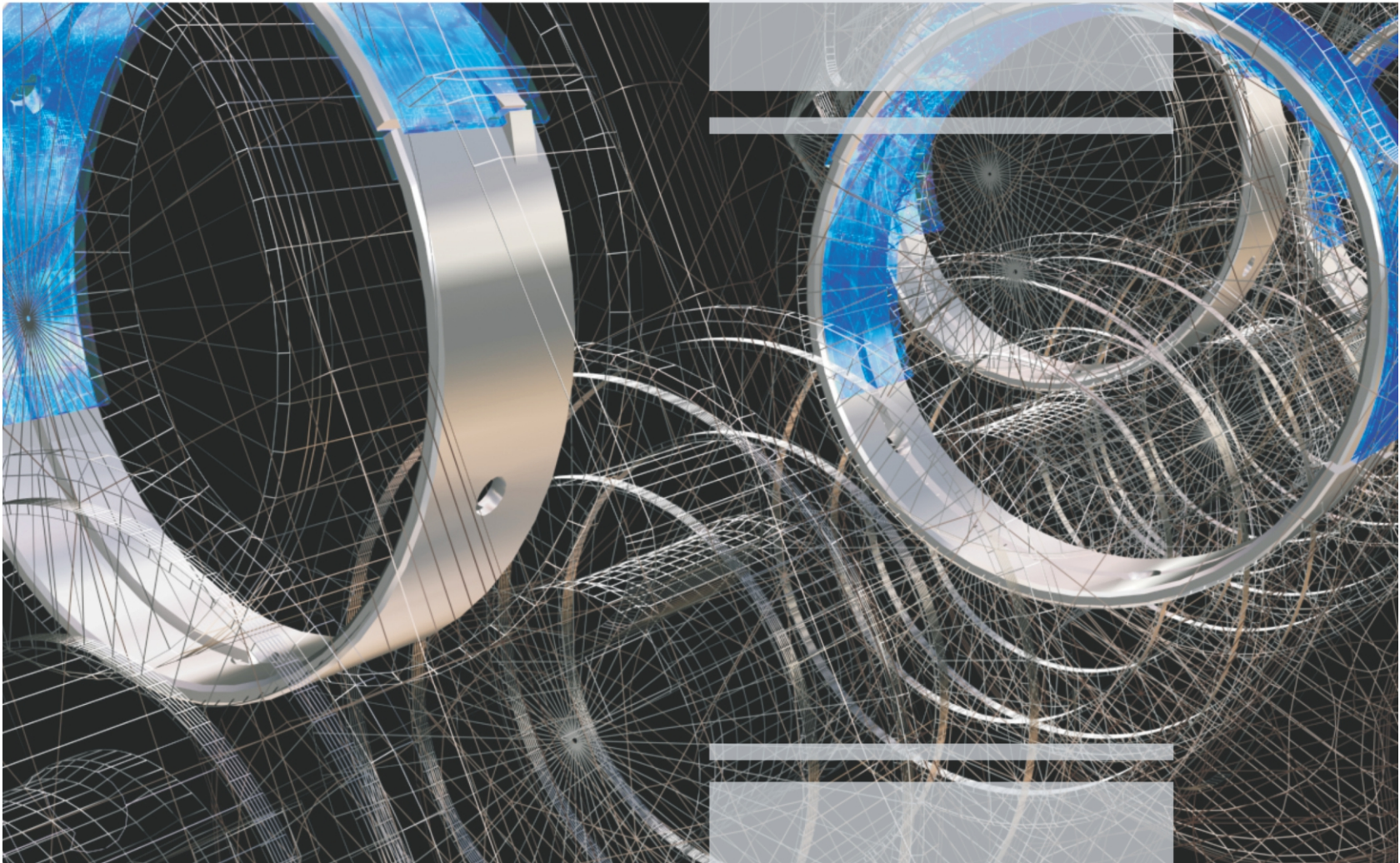


# Annual Report 2014



MENON BEARINGS LTD.



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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>CAPT. SUDHEER S. NAPHADE</b>	Independant Director

## REGISTERED OFFICE :

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

**ARUN ARADHYE**, Vice President Finance & Corporate ( CFO )

**ANUP PADMAI**, Company Secretary

## 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 23<sup>rd</sup> Annual General Meeting



MENON BEARINGS LIMITED

CIN - L29130PN1991PLC062352

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

Tel: 0231-2672 279/533/487, Fax: 0231-2672 278

Email: admin@menonbearings.in, Website : www.menonbearings.in

Notice is hereby given that the Twenty Third Annual General Meeting of the Company will be held on Wednesday, 23<sup>rd</sup> July, 2014 at 11.00 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, 2014 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, 2014.
3. To appoint a director in place of Mr. Sachin Menon, Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. 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.
5. To appoint M/s Rajesh Lohia & Co., Chartered Accountants (having FRN: 108416W), as Branch Auditors of the Company to hold office from the conclusion of ensuing Annual General Meeting until the conclusion of the sixth consecutive 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** pursuant to the provisions of Section 149, 152 and 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. B.S. Ajitkumar (DIN: 00205336), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing along with requisite deposit from a shareholder signifying his intention to propose the appointment of Mr. B.S. Ajitkumar as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such upto 31<sup>st</sup> March, 2019, who shall not be liable to retire by rotation.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Kumar Nair (DIN: 00320541) Director of the Company, whose period of office is liable to





determination by retirement by rotation and in respect of whom the Company has received a notice in writing along with requisite deposit from a shareholder signifying his intention to propose the appointment of Mr. Kumar Nair as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such upto 31<sup>st</sup> March, 2019, who shall not be liable to retire by rotation.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Capt. Sudheer S. Naphade (DIN: 02011352), Director of the Company, whose period of office is liable to determination by retirement by rotation and in respect of whom the Company has received a notice in writing along with requisite deposit from a shareholder signifying his intention to propose the appointment of Capt. Sudheer S. Naphade as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such upto 31<sup>st</sup> March, 2019, who shall not be liable to retire by rotation.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Chandrashekhar S. Adawadkar, Cost Accountant, Pune, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2015, be paid a remuneration of Rs. 1,25,000/- (Rupees One Lacs Twenty Five Thousand Only) plus service tax and out of pocket expenses.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be required to carry on the purpose of the aforesaid resolution.”

10. 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 188 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, consent of the members of the Company be and is hereby accorded to enter into a contract for purchase / sale of goods and providing services, etc., with following related parties in which directors of the Company are interested, for a period of 3 years w.e.f. 1<sup>st</sup> April, 2015 for the values as follows:

Names of the Related Parties	Approximate Value of Transaction (Rs. in Lacs)		
	2015-16	2016-17	2017-18
M/s. Mani Auto Components, Partnership Firm	2,100	2,500	3,000
M/s. M. B. Exports, Partnership Firm	3,100	3,300	3,500

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be required to carry on the purpose of the aforesaid resolution.”

11. 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 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the new set of Articles of Association be and is hereby approved and adopted as new Articles of Association of the Company in the place and exclusion of the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take all such steps and actions for the purposes of making all such filings and registrations as may be required in relation to the aforesaid amendment to the Articles of Association and further to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and as per the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage and/or to create charge in any manner, on all or any of the immovable and/or moveable properties including outstanding monies, receivables, claims, bills, documents, contracts, engagements, securities, investments and rights of the Company both present and future of the Company for securing any loan obtained or as may be obtained from any Bank or any Consortium of Banks or Financial Institutions or funds or any Body(ies) together with interest, cost, charges, expenses and any other money(ies) payable by the Company on such terms and conditions as the Board of Directors may deem fit in the interest of the Company so that the total amount at any point of time so secured/mortgaged, shall not exceed the limit as provided under Section 180(1)(c) of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be required to give effect to the above resolution from time to time.”

**BY ORDER OF THE BOARD OF DIRECTORS**

Place : Kolhapur  
Date : 11<sup>th</sup> May, 2014

**RAM MENON**  
Chairman

**Notes :**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES 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 PROXIES, IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** Further, a person can act on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights provided that a member holding more than ten percent, of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder.
2. The Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special businesses 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 113 of the Companies Act, 2013 authorizing 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 Thursday, 17<sup>th</sup> July, 2014 to Wednesday, 23<sup>rd</sup> July, 2014 (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 28<sup>th</sup> July, 2014 and 2<sup>nd</sup> August, 2014 to those members whose names shall appear on the Company's Register of Members on 23<sup>rd</sup> July, 2014; 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 170 and Register of Contract or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 are 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 documentary proof. 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 Company Secretary / Compliance Officer 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 if the Company proposes to avail NECS facility. The Company will be availing the NECS facility for the payment of dividend of financial year 2013-14. The bank details are required to be updated by the members who wish to avail 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. The NECS Form is enclosed with the Annual Report.
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 2005-2006 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 2006-2007 is due for transfer to the IEPF administered by the Central Government during the month of October, 2014 as per the requirements under Section 124 of the Companies Act, 2013 read with Companies (Declaration & Payment of Dividend) Rules, 2014. The shareholders whose dividend remained unclaimed for the aforesaid financial year and subsequent financial years are requested to claim it immediately from the Company.**
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 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 are not furnished earlier.
16. To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rules 2014, the Company shall be required to update its database by incorporating members' details.

You are thus requested to kindly submit your e-mail ID and other details vide the e-mail updation form attached in this Annual Report. The same could be done by filling up and signing at the appropriate place in the said form and by returning this letter by post.



The e-mail ID provided shall be updated subject to successful verification of your signatures as per record available with the RTA of the Company.

17. The Notice of the 23<sup>rd</sup> Annual General Meeting and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by courier.

#### **Statement pursuant to Section 102 of the Companies Act, 2013:**

##### **Item Nos. 6, 7 & 8 :**

Mr. Kumar Nair, Mr. B.S. Ajitkumar and Capt. Sudheer S. Naphade were appointed as Independent Directors of the Company on 20<sup>th</sup> January, 2005, 29<sup>th</sup> May, 2008 and 19<sup>th</sup> May, 2013 respectively. They are liable to retire by rotation at Annual General Meetings of the Company as per their terms of appointment.

In terms of provisions of Section 149 and 152 of the Companies Act, 2013 which became effective from 1<sup>st</sup> April, 2014, an Independent Director of a Company can be appointed for a term of 5 consecutive years and he shall not be liable to retire by rotation.

To comply with the above provisions, it is proposed to appoint Mr. Kumar Nair, Mr. B.S. Ajitkumar and Capt. Shudheer S. Naphade as Independent Directors of the Company to hold office as such for a period upto 31<sup>st</sup> March, 2019, who shall not be liable to retire by rotation.

Mr. Kumar Nair, Mr. B.S. Ajitkumar and Capt. Sudheer S. Naphade have given the requisite declarations pursuant to Section 149(7) of the Companies Act, 2013, to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Company has also received notices along with requisite deposit under section 160 of the Companies Act, 2013 proposing their candidature for the office of Independent Director.

Brief resume of the Independent Directors proposed to be appointed as stipulated under the Clause 49 of the Listing Agreement with BSE Limited are given in the annexure to the Notice.

The Board recommends the Resolutions as set out at item Nos. 6, 7 and 8 of the Notice for your approval.

Except, Mr. Kumar Nair, Mr. B.S. Ajitkumar and Capt. Shudheer S. Naphade, none of the Directors, Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel are concerned or interested in the said resolutions.

##### **Item No. 9:**

The Board, on the recommendation of the Audit Committee, has approved the appointment of Mr. Chandrashekhar S. Adawadkar, Cost Accountant, Pune, the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2015 at a remuneration of Rs.1,25,000/- (Rupees One Lacs Twenty Five Thousand Only) plus service tax and out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules,

2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the members is sought by passing an Ordinary Resolution as set out at item no.9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2015.

The Board recommends the resolution as set out in item no.9 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel are concerned or interested in the said resolution.

#### Item No. 10 :

The Company has entered into agreements for purchase/ sale of goods and availing services from M/s. Mani Auto Components and M/s. MB Exports, Partnership Firms in which Directors of the Company are interested. The Company has also obtained necessary approvals from Regional Director for entering into such transactions for a period of three years effective from 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2015 under section 297 of the Companies Act, 1956.

The Company wants to extend these agreements for a further period of three years w.e.f. 1<sup>st</sup> April, 2015.

As per the provisions of section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and amended Clause 49 of the Listing Agreement, approval of members by Special Resolution is required for all material related party transaction(s).

The details regarding proposed transaction with the said parties, as per the provisions of Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

a	Name of Related Party	Mani Auto Components, Partnership Firm	MB Exports, Partnership Firm
b	Name of Director or KMP who is related	Mr. Ram Menon, Mr. Sachin Menon & Mr. Nitin Menon	Mr. Ram Menon, Mr. Sachin Menon & Mr. Nitin Menon
c	Nature of relationship	Director and their relatives are Partners in the firm	Director and their relatives are Partners in the firm
d	Nature of contract	Purchase/sale of goods and job works	Purchase/sale of goods and job works
e	Terms of contract	1 <sup>st</sup> April, 2015 till 31 <sup>st</sup> March, 2018	1 <sup>st</sup> April, 2015 till 31 <sup>st</sup> March, 2018
f	Monetary Value	1. 2015-16 – Rs. 2100 lacs 2. 2016-17 – Rs. 2500 lacs 3. 2017-18 – Rs. 3000 lacs	1. 2015-16 – Rs. 3100 lacs 2. 2016-17 – Rs. 3300 lacs 3. 2017-18 – Rs. 3500 lacs

The Board recommends the Resolution as set out at item no. 10 of the Notice for your approval.

Except, Mr. Ram Menon, Mr. Nitin Menon and Mr. Sachin Menon, none of the other Directors, Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel are concerned or interested in the said resolution.

**Item No. 11:**

The Articles of Association ("AoA") of the Company as presently in force were replaced in 30<sup>th</sup> August, 2011 from what they were when the Company was incorporated in 1991. The existing AoA are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and with the enforcement of the Companies Act, 2013, various provisions of the Companies Act, 1956 have become ineffective and in view of the same the AoA of the Company needs to be re-aligned as per the provisions of the new act.

The Board of Directors at its meeting held on 11<sup>th</sup> May, 2014 decided to incorporate / substitute / alter certain provisions as per the latest amendments of the Companies Act, 2013. As this would result in a number of changes in the existing AoA of the Company, it was desirable to adopt new set of AoA in place of and in exclusion to the existing AoA of the Company.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for adoption of new set of AoA of the Company.

A copy of the proposed set of new AoA of the Company would be available for inspection at the Registered Office of the Company during the office hours on all working days, except Monday, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting and during the Annual General Meeting.

The Board recommends the resolution as set out at item no. 11 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel are concerned or interested in the said resolution.

**Item No. 12:**

In order to meet the future requirements of funds, which may arise on account of the plans / programs / business, the Company may require further loans / borrowings from time to time from financial institutions, banks and others entities and to secure the borrowings, the Company may be required to create charge / mortgage/ hypothecation on all or any of its movable and immovable properties, both present and future as and when required from time to time.

In terms of the provisions of Section 180(1)(a) of the Companies Act, 2013, the Company needs to take approval of members of the Company to create charge / mortgage on the property(ies) of the Company to secure the money(ies) borrowed from financial institutions, banks and others financial entities from time to time.

The Board recommends the Special Resolution as set out at item no. 12 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of your Company or their relatives are concerned or interested in the said resolution.

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. Sachin Menon</b>	<b>Mr. B.S. Ajitkumar</b>	<b>Mr. Kumar Nair</b>	<b>Capt. Sudheer S. Naphade</b>
Date of Birth	27 <sup>th</sup> June, 1963	4 <sup>th</sup> November, 1948	24 <sup>th</sup> March, 1962	16 <sup>th</sup> February, 1943
Nationality	Indian	Indian	Indian	Indian
Date of appointment as director	4 <sup>th</sup> July, 1991	29 <sup>th</sup> May, 2008	20 <sup>th</sup> January, 2005	19 <sup>th</sup> May, 2013
Designation	Non-Executive Director	Independent Director	Independent Director	Independent Director
Qualification	B.E., M.B.A.	B.E. (Mech), M.Tech from IIT Kharagpur.	Chartered Accountant	Extra Master M.I., Mar Tech
Experience/ Expertise	He is having tremendous experience in the field of manufacturing of automobile components	He is having tremendous experience in the field of manufacturing of automobile components. He has worked with TELCO, BEML, ESCORT etc.	He is having vast experience in the fields of Finance, Treasury, Forex, Derivatives and Capital Markets.	He is having experience in various capacities with the Marine Stream, 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)	50,000	Nil	Nil	Nil
List of directorships held in various other Companies	1. Menon Piston Ltd. 2. Menon Piston Rings Pvt. Ltd. 3. Menon Metals & Alloys Pvt. Ltd.	1. Menon Piston Limited	1. Transwarranty Finance Limited 2. Vertex Commodities and Finpro Private Limited 3. Consolidated Eutectics	1. Damodar Marine Services Private Limited



Name of Director	Mr. Sachin Menon	Mr. B.S. Ajitkumar	Mr. Kumar Nair	Capt. Sudheer S. Naphade
			(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:  1. Shareholder's / Investors', Grievance Committee of the Company  II. Member in: Remuneration Committee of Menon Piston Ltd.	I. Chairman in: Nil  II. Member in: 1. Audit Committee of Menon Piston Ltd. 2. Audit Committee and Remuneration Committee of 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. Sachin Menon is son of Mr. Ram Menon and brother of Mr. Nitin Menon.	Not Related	Not Related	Not Related

BY ORDER OF THE BOARD OF DIRECTORS

Place: Kolhapur  
Date : 11<sup>th</sup> May, 2014

**RAM MENON**  
Chairman

# Directors' Report

Your Directors feel great pleasure in presenting 23<sup>rd</sup> Annual Report of your Company comprising the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2014.

## FINANCIAL HIGHLIGHTS :

(Rs.in lacs)

Sr. No.	Particulars	Current Year Ended on 31 <sup>st</sup> March, 2014	Previous Year Ended on 31 <sup>st</sup> March, 2013
1	Total Revenue (Net)	8,744.11	8,409.69
2	Profit before Depreciation & Amortization Expenses, Finance Cost and Tax	1,600.82	1,365.02
3	Less : Depreciation and Amortization Expenses	475.47	464.01
	Finance Cost	223.61	229.22
4	<b>Profit before Tax</b>	<b>901.74</b>	<b>671.80</b>
5	Less: Provision for Tax	283.99	302.22
6	Profit after Tax	617.75	369.58
7	<b>Balance of Profit as per last Balance Sheet</b>	<b>2,282.28</b>	<b>2,171.25</b>
8	Previous Year Adjustments	-	-
9	<b>Balance Available for Appropriation</b>	<b>2,900.04</b>	<b>2,540.83</b>
10	Rate of Proposed Dividend	60%	40%
11	Proposed Dividend	280.20	186.80
12	Tax on Dividend	47.62	31.75
13	Transfer to General Reserve	75.00	40.00
14	<b>Balance of Profit carried to Balance Sheet</b>	<b>2,497.22</b>	<b>2,282.28</b>

## RESULTS OF OPERATIONS:

During the year under review, the Company has registered a sale of Rs. 8,646.18 Lacs (previous year Rs. 8,299.72 Lacs) and Net Profit after Tax of Rs. 617.75 Lacs (previous year Rs. 369.58 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. 3/- (60%) per share on the Company's Share Capital (previous year Rs. 2/- (40%) per share). This will absorb total Cash Outflow of Rs. 327.82 Lacs (previous year Rs. 218.55 Lacs) including Corporate Dividend Distribution Tax of Rs. 47.62 Lacs (previous year Rs. 31.75 Lacs).

## DIRECTORS:

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies

(Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Sachin Menon, Non Executive Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment and your Board recommends for his re-appointment.

In terms of provisions of Section 149 and 152 of the Companies Act, 2013 which became effective from 1st April, 2014, an Independent Director of a Company can be appointed for a term of 5 consecutive years and he shall not be liable to retire by rotation.

To comply with the above provisions, it is proposed to appoint Mr. Kumar Nair, Mr. B. S. Ajitkumar and Capt. Sudheer S. Naphade as Independent Directors of the Company for a period upto 31<sup>st</sup> March, 2019, who shall not be liable to retire by rotation. Your Board recommends their appointment.

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-section 149 of the Companies Act, 2013 and under clause 49 of the Listing Agreement with the Stock Exchange.

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 23<sup>rd</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 of the Companies Act, 1956 read with Section 73 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014.

#### **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, 2014 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 139 of the Companies Act, 2013.

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 2014-15.

Your Directors also recommend the appointment of M/s. Rajesh Lohia & Co., Chartered Accountants, Kolhapur, as Branch Auditors to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of sixth consecutive Annual General Meeting of the Company and to audit the financial statement of Menon Alkop (Division of the Company).

### **COST AUDITORS:**

Pursuant to the provisions of Section 233B of Companies Act, 1956 and in terms of Circular No. F. No. 52/26/CAB-2010 dated 30th 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 2013-14.

As per the provisions of Section 148 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 the Board of Directors of the Company has appointed Mr. Chandrashekhar S. Adawadkar, Cost Accountant, Pune, as Cost Auditors of the Company to conduct the cost audit for the financial year 2014-15, on a remuneration of Rs. 1,25,000/- (Rupees One Lac Twenty Five Thousand ) plus service tax and out of pocket expenses. The approval of Shareholders is sought for payment of remuneration to said Cost Auditor.

### **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 (2A) of the Companies Act, 2013 read with Section 134(3)(m) of the Companies Act, 2013 and other applicable rules, 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**”.

#### **ACKNOWLEDGEMENT:**

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 the 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 :** 11<sup>th</sup> May, 2014

**RAM MENON**  
Chairman

## Annexure 'A' to the Directors' Report

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

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)
Mr. Nitin Menon	Joint Managing Director	Contractual	As applicable to other senior executives of the Company	Overall Management	B.Com Has 22 years of entrepreneurial experience	01-10 -1992	47 Years	N.A.	27,85,330 (29.82%)	73,49,704 /-

Place : Kolhapur  
Date : 11<sup>th</sup> May, 2014

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) During last financial year 2012-13, your Company took many initiatives to reduce the electricity consumption. This financial year the consumption has come down by almost 12% and sales/production are increased by 5%. This shows the initiatives taken are effective.
- b) Your Company has focused on productivity so that unit consumption per piece is reduced.
- c) Company has decided to replace oil fired furnaces by electrical furnaces, so that oil consumption will come down drastically where as there will not be any much increase in electricity consumption.

### 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 Bearing line for "Large Dia Bearings" required in heavy Vehicles. 2.) New Sinterline which is energy efficient installed replacing old one.
2)	Benefits derived as a result of above	1) Increase in the market share of Bearings by entering new segment. 2) Due to improvement in replaced Sinterline loading or change of Heaters while line in operation is facilitated.
3)	Future plan of action	To improve the quality of product as well as productivity, to be able to sustain the competition.
4)	Expenditure on R & D	a) Capital WIP: Nil b) Recurring: Rs. 17.37 Lacs c) Total: Rs. 17.37 Lacs Total R & D expenditure as a percentage of total turnover : 0.20 %

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

1)	Efforts in brief, made towards Technology Absorption, Adaptation and Innovation	Company has taken steps to connect the machines to avoid loading / unloading damage.
2)	Benefits derived as a result of above effort e.g. product improvement, cost reduction, product development etc.	This will facilitate defect free production to the greater extent.
3)	In case of imported technology (imported during last 5 years recorded from beginning of the financial year)	We have imported machinery from Israel during the year 2011-12 and same is in operation trouble free.

**III. 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>	147.78	200.58
Earned	<b>Direct Export</b>	686.79	560.23
	<b>Deemed Export</b>	1031.36	1164.28

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

Place : Kolhapur  
Date : 11<sup>th</sup> May, 2014

**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 the Companies Act, 1956 (the Act) read with the applicable provisions of the Companies Act, 2013 and the rules made thereunder 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, 2014** (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, we certify that in respect of the aforesaid financial year:

- 1) The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate as per the provisions of the Act and the rules made thereunder and necessary entries therein have been duly recorded.
- 2) The Company has filed the forms and returns with the Registrar of Companies, Maharashtra, Pune and applications to the Central Government as stated in **Annexure 'B'** to this certificate as prescribed under the Act and rules made thereunder along with the additional fees, wherever required. The Company has not filed any forms and returns 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, 2014, the paid up share capital of the Company was Rs. 46,700,000/- (Rupees Four Crores 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 respectively on **19<sup>th</sup> May, 2013, 11<sup>th</sup> August, 2013, 10<sup>th</sup> November, 2013 and 9<sup>th</sup> February, 2014** 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 resolution by circulation was passed by the Board during the financial year.
- 5) The Company has closed its Register of Members from **16<sup>th</sup> August, 2013 to 21<sup>st</sup> August, 2013** (both days inclusive) during the financial year and necessary compliance of Section 154 the Act has been made.
- 6) The Annual General Meeting for the financial year ended on **31<sup>st</sup> March, 2013** was held on **21<sup>st</sup> August, 2013**, 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 loan to its Directors or persons or firms or companies referred under Section 295 of the Act read with Section 185 of the Companies Act, 2013 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 Company has not issued any duplicate share certificate during the financial year.
- 13) The Company has:
  - (i) delivered all the share certificates on lodgment of 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 24<sup>th</sup> August, 2013 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. 3,15,275/- lying in Unpaid Dividend Account pertaining to the financial year 2005–2006 to Investor Education and Protection Fund; and
  - (v) duly complied with the requirements of Section 217 of the Act.
- 14) The Board of Directors of the Company was duly constituted. The appointment of directors retiring by rotation was duly made. Capt. Sudheer S. Naphade was appointed as an Additional Director of the Company w.e.f. 19<sup>th</sup> May, 2013 and Mr. Y. S. P. Thorat resigned from the post of Director of the Company on 19<sup>th</sup> May, 2013. Subsequently, Capt. Sudheer S. Naphade was appointed as Director of the Company at the Annual General Meeting held on 21<sup>st</sup> August, 2013. There was no appointment of alternate director or director to fill casual vacancy during the financial year.
- 15) During the financial year under review, the Company reappointed Mr. Nitin Menon as Joint Managing Director and Mr. R. D. Dixit as Vice Chairman & Managing Director of the Company under the provisions of Section 269 read with Schedule XIII of the Act, subject to the approval of the Central Government with respect to their remuneration. The Company has received Central Government's approval for remuneration payable to Mr. R. D. Dixit and the approval of the Central Government for the payment of remuneration to Mr. Nitin Menon is awaited.
- 16) The Company has not appointed any sole selling agents during the financial year.

- 17) During the financial year under review, the Company has obtained necessary approval from the Central Government under the various provisions of the Act as detailed below:
- (i) 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 and order no. 52/26/CAB/2010 dated 24<sup>th</sup> January, 2012 read with Section 233B of the Companies Act, 1956 for the financial year 2013-2014; and
  - (ii) For payment of remuneration to Mr. R. D. Dixit, Vice Chairman & Managing Director of the Company for a period of 3 years w.e.f. 1<sup>st</sup> April, 2013 vide approval dated 10<sup>th</sup> October, 2013.

The Company has also made following applications to the Central Government, approval for which is awaited:

- (i) For payment of remuneration to Mr. Nitin Menon, Joint Managing Director for a period of 3 years with effect from 1<sup>st</sup> April, 2013; and
- (ii) For waiver from recovery of a sum of Rs. 29,06,963/- being excess amount of remuneration already paid to Mr. Nitin Menon, Joint Managing Director of the Company during the financial year 2012-2013 being in excess of the limits prescribed in Section 309(3) read with Schedule XIII of the Act.

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 thereunder.
- 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/debentures; hence the question of their redemption does not arise.
- 22) There were no transaction which necessitates the Company to keep in abeyance rights to the 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 during the financial year falling within the purview of Section 58A and Section 58AA of the Act read with the Companies (Acceptance of Deposit) Rules, 1975 / the applicable directions issued by the Reserve Bank of India/any other authorities.
- 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 read with Section 180(1)(c) of the Companies Act, 2013.
- 25) The Company has not made any loans or investments or given guarantees or provided security to other bodies corporate during the financial year.
- 26) The Company has not altered the provisions of its Memorandum of Association with respect to

situation of its registered office from one state to another during the financial year.

- 27) The Company has not altered the provisions of its Memorandum of Association with respect to its objects during the financial year.
- 28) The Company has not altered the provisions of its Memorandum of Association with respect to its name during the financial year.
- 29) The Company has not altered the provisions of its 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 were no prosecution initiated against or show cause notices received by the Company and no fines and 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 prescribed authorities pursuant to Section 418 of the Act.

**For Manish Ghia & Associates**  
Company Secretaries

**Manish L. Ghia**  
Partner

**Place :** Mumbai  
**Date :** 11<sup>th</sup> May, 2014

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



## Annexure - “A”

### Registers maintained by the Company

- (i) Register of Charges under Section 143 of the Act.
- (ii) Register of Members under Section 150 of the Act.
- (iii) Index of Members under Section 151 of the Act.
- (iv) 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)
- (v) Minutes Book of the Meetings of Board of Directors and General Meetings under Section 193 of the Act.
- (vi) Books of Accounts and Cost Records under Section 209 of the Act.
- (vii) Register of Contracts and Disclosure of Directors' Interest under Section 301 of the Act.
- (viii) Register of Directors/ Managing Director/ Manager/Secretary under Section 303 of the Act.
- (ix) Register of Directors' shareholdings under Section 307 of the Act.
- (x) Register of Investments or loan made, Guarantee or Security provided under Section 372A of the Act.
- (xi) Register of Shareholders' / Proxys' Attendance.
- (xii) Register of Directors' Attendance
- (xiii) Register of Shareholders Attendance.
- (xiv) Register of Renewal, Split, Consolidation and Duplicate Share Certificates of the Companies (Issue of Share Certificates) Rules, 1960.
- (xv) Register of Share Transfers / transmission

## Annexure - “B”

### Details of Forms, returns and applications filed by the Company during the financial year ended on 31<sup>st</sup> March, 2014 :

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

Sr. No.	E-Form No.	Relevant Section	Description	Date of filing	Whether filed within prescribed time Yes/ No	If delay in filing whether requisite additional fee paid Yes / N.A.
1.	8	125	Particulars of creation of charge created in favour of State bank of India of Rs. 9,00,000 on 28 <sup>th</sup> March, 2013 (Charge ID 10427811).	27.05.2013	No	Yes
2.	32	303(2)	Particulars of appointment of Capt. Sudheer Naphade as an Additional Director and resignation of Mr. Y. S. P. Thorat as Director of the Company w.e.f. 19 <sup>th</sup> May, 2013	14.06.2013	Yes	N.A.

3	23	192	<p>Particulars of resolution passed by the Board of Directors at its meeting held on 19<sup>th</sup> May, 2013 for:</p> <p>1. Re-appointment of Mr. R. D. Dixit as Vice Chairman &amp; Managing Director of the Company for further period of 5 years w.e.f. 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2018 and payment of remuneration for period of 3 years w.e.f. 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2016, subject to approval of Members in General Meeting and Central Government.</p> <p>2. Re-appointment of Mr. Nitin Menon as Joint Managing Director of the Company for further period of 5 years w.e.f. 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2018 and payment of remuneration for period of 3 years w.e.f. 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2016, subject to approval of Members in General Meeting and Central Government.</p>	18.06.2013	Yes	N.A.
4	8	135	<p>Particulars of modification of charge created in favour of State Bank of India for creating additional security on assets of the Company. (Charge Id 10056494)</p>	02.07.2013	No	Yes
5	8	135	<p>Particulars of modification of charge created in favour of State Bank of India by reducing the credit facilities to Rs. 20.00 Crores. (Charge Id 10056494)</p>	06.08.2013	Yes	N.A.
6	66	383A	<p>Compliance Certificate for the financial year ended 31<sup>st</sup> March, 2013.</p>	07.09.2013	Yes	N.A.
7	23	192	<p>Particulars of special resolution passed by the Members at the Annual General Meeting of the Company held on 21<sup>st</sup> August, 2013 for:</p> <p>1. Payment of Rs.11,00,000/- (Rupees Eleven Lacs only) as Bonus to Mr. Nitin</p>	18.09.2013	Yes	N.A.

			<p>Menon, Joint Managing Director of the Company for the financial year 2012-2013.</p> <p>2. Re-appointment of Mr. Nitin Menon as a 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 payment of remuneration for further period of 3 years w.e.f. 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2016.</p> <p>3. Re-appointment of Mr. R. D. Dixit as Vice Chairman &amp; 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 payment of Remuneration for further period of 3 years w.e.f. 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2016.</p> <p>4. Waiver from recovery of a sum of Rs. 29,06,963/- being excess amount of remuneration already paid to Mr. Nitin Menon, Joint Managing Director of the Company for the financial year 2012-2013 in excess of the limits prescribed in Section 309(3) read with Schedule XIII of the Act.</p>			
8	32	303(2)	Particulars of appointment of Capt. Sudheer S. Naphade as Director of the Company at the Annual General Meeting held on 21 <sup>st</sup> August, 2013.	18.09.2013	Yes	N.A.
9	23 AC & 23A CA XBRL	220(1)	Schedule – VI (Annual Accounts) for the financial year ended 31 <sup>st</sup> March, 2013.	19.09.2013	Yes	N.A.
10	20B	159(1)	Schedule – V (Annual Return) as on the date of Annual General Meeting held on 21 <sup>st</sup> August, 2013.	19.10.2013	Yes	N.A.
11	1INV	205C	Particular of transfer of unpaid /unclaimed dividend of Rs. 3,15,275/- to the Investor Education and Protection Fund pertaining to the financial year 2005-2006.	21.11.2013	Yes	N.A.

12	5INV	205C and 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.	24.02.2014	Yes	N.A.
13	5INV	205C and 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 21 <sup>st</sup> August, 2013.	27.02.2014	Yes	N.A.
14	17	138	Particulars of satisfaction of charge created in favour of Axis Bank Limited of Rs. 4,80,000 on 18 <sup>th</sup> February, 2014 (Charge ID – 10130079).	19.03.2014	Yes	N.A.

**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 2013-2014.	29.06.2013	Yes	N.A.
2.	25A	269	Application to the Central Government for payment of remuneration to Mr. Nitin Menon, Joint Managing Director of the Company for a period of 3 years w.e.f. 1 <sup>st</sup> April, 2013.	29.06.2013	Yes	N.A.
3.	25A	269	Application to the Central Government for payment of remuneration to Mr. R. D. Dixit , Vice Chairman and Managing Director of the Company for a period of 3 years w.e.f. 1 <sup>st</sup> April, 2013.	29.06.2013	Yes	N.A.
4.	25A	269 & 309 (5B)	Application to the Central Government for waiver from recovery of a sum of Rs. 29,06,963/- being excess amount of remuneration already paid to Mr. Nitin Menon, Joint Managing Director of the Company during the F.Y. 2012-2013.	24.09.2013	Yes	N.A.
5.	1 XBRL	233 B(4)	Cost Audit Report with the Central Government for the financial year ended on 31 <sup>st</sup> March, 2013.	27.09.2013	Yes	N.A.
6.	A XBRL	209 (1) (d)	Compliance Report with the Central Government for the financial year ended on 31 <sup>st</sup> March, 2013.	27.09.2013	Yes	N.A.

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

# Management Discussion and Analysis Report

## Industrial Review:

The auto components industry is an integral part of the Indian automotive industry and it occupies a significant place in the Indian economy. It serves through a whole gamut of auto parts such as engine parts, body and chassis, electric parts, drive transmission, steering parts, suspension and braking parts, equipments and others. The operations of your company comprises of manufacturing of auto components like engine bearings, bushes and thrust washers, Aluminium Dia Castings etc.

The growth of Indian auto component industry in the first decade of 21<sup>st</sup> Century is phenomenal. But the overall performance of the industry in the year 2013-14 has turned out to be unsatisfactory, due to prevailing economic slowdown coupled with high fuel and interest costs. The major participants in the auto mobile manufacturing industry have reported a decline in sales volume in the year 2013-14. Hence the revenue growth of the industry as a whole is expected to remain weak.

## Futuristic Outlook:

The Indian auto component industry spread its wings to global OEM's and replacement market over a period of time. This is evident from foreign direct investment in the industry.

Due to automotive industry deep forward and backward linkage with almost every segment of the economy, the industry has a strong and positive multiplier effect and thus propels progress of a nation. The growth of Indian middle class, with increasing purchasing power, along with strong macro-economic fundamentals has attracted the major auto manufacturers to Indian market. The market linked exchange rate, well established financial market, stable policy governance work and availability of trained manpower have also shifted new capacities and flow of capital in to the industry. All these have not only enhanced competition in auto companies and resulted in multiple choices for Indian consumers at competitive costs, but have also ensured a remarkable improvement in the industry's productivity, which is one of the highest in Indian manufacturing sector.

## Concerns & Threats:

The auto component industry has been exposed to many risks of varying intensity. The global slow-down, has worsened economic sentiment across continents, affecting exports. Coupled with steep increase in interest rate, electricity charges all of a sudden, volatility in the prices of raw materials & other inputs, currency fluctuations, stiff competition by the entry of Multinationals and their home country partnership and just in time supplies are the major risks and challenges faced by the companies. It is forcing companies to plan operation effectively and produce quality components at low costs.

## Future Challenge:

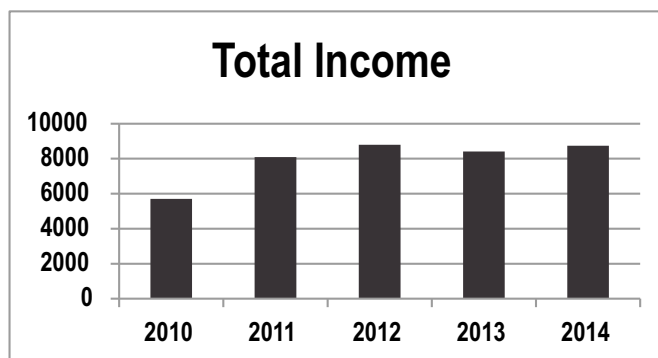
As a part of auto component industry and to achieve sustainable development, we need to focus on improving quality levels and basic shop floor practices to develop capability to keep pace with the international quality standards which are constantly moving upwards.

The OEM's are rationalizing their vendor base to improve operational efficiencies. As a result, the supply chain management (SCM) responsibility will increasingly shift on the component suppliers. Also, the market will witness greater consolidation activities. Component suppliers will be required to invest more in R & D, product innovation and meeting faster response time to new product launches of the OEM's.

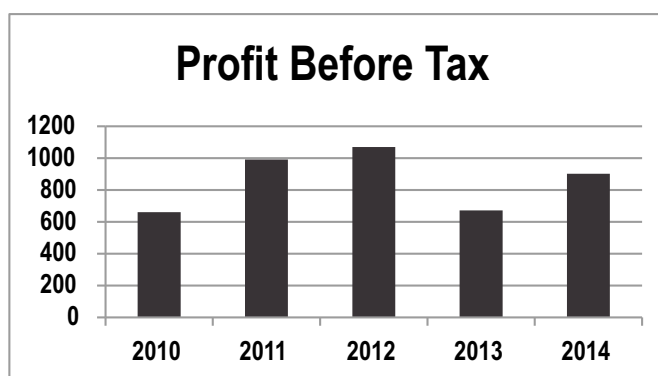


**Financial Performance:**

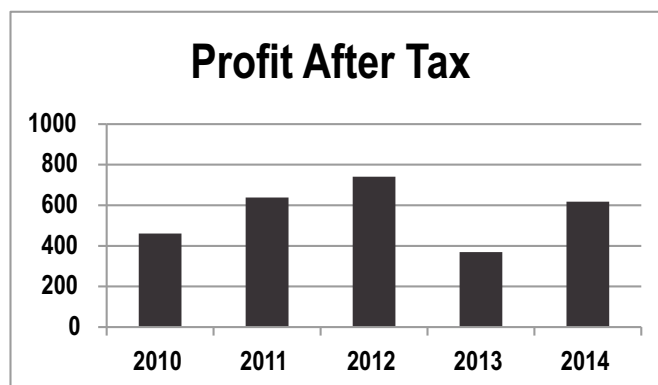
<b>Year</b>	<b>Income (Rs. Lacs)</b>
2010	5702.95
2011	8087.15
2012	8795.26
2013	8409.69
2014	8744.11



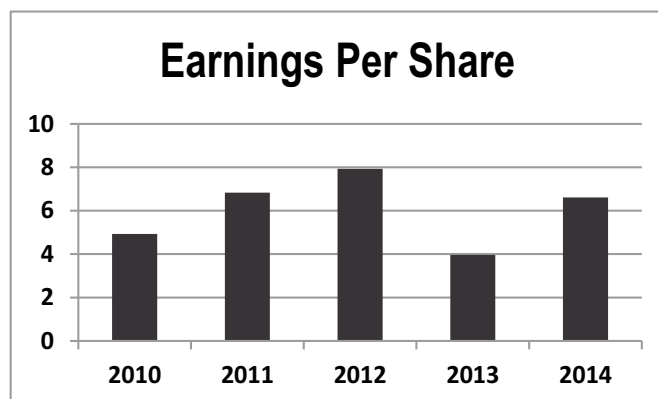
<b>Year</b>	<b>PBT (Rs. Lacs)</b>
2010	660.12
2011	991.23
2012	1069.36
2013	671.80
2014	901.74



<b>Year</b>	<b>PAT (Rs. Lacs)</b>
2010	460.82
2011	637.97
2012	740.37
2013	369.58
2014	617.75



<b>Year</b>	<b>EPS (in Rs.)</b>
2010	4.93
2011	6.83
2012	7.93
2013	3.96
2014	6.61



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, plans and 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 2013-14. 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 & 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 Report 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 which 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, 2014, 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 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, 2014 is given below:

**Mr. Ram Menon**, aged 84 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 57 years in Technical and Administrative fields.

**Mr. R. D. Dixit**, aged 71 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 47 years.

**Mr. Nitin Menon**, aged 47 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 51 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 66 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 52 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.

**Capt. Sudheer S. Naphade**, aged 71 years, is Independent Director of the Company since 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, Principal 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 2013-14, the Board of Directors met four times on 19<sup>th</sup> May 2013, 11<sup>th</sup> August, 2013, 10<sup>th</sup> November, 2013 and 9<sup>th</sup> February, 2014. 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, 2014 ( 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	3	Yes	1	-	-
3.	Mr. R. D. Dixit	Vice Chairman and Managing Director	4	Yes	1	1	1
4.	Mr. Nitin Menon	Joint Managing Director	3	No	1	-	-
5.	Mr. Kumar Nair	Independent Director	1	No	2	2	-
6.	Mr. B. S. Ajitkumar	Independent Director	3	No	1	1	-
7.	Capt. Sudheer S. Naphade	Independent Director	2	No	-	-	-
8.	Dr. Y.S.P. Thorat	Independent Director	-	-	8	-	2

- a. The Directorship held by Directors as mentioned above do not include Alternate Directorships and Directorships in Foreign Companies, Section 8 Companies and Private Limited Companies.
- b. Membership/Chairmanship in Audit Committee and Share Transfer and Investor Grievance are considered.

## 1. **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, 2014, the Audit Committee comprised of, Mr. Kumar Nair, Mr. B. S. Ajitkumar, Capt. Sudheer S. Naphade Independent Directors and Mr. R. D. Dixit, Vice Chairman and Managing Director of the Company.

Mr. Kumar Nair is the Chairman of Audit Committee of the Company. 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 2013-14, the Audit Committee met four times on 19<sup>th</sup> May, 2013, 11<sup>th</sup> August, 2013, 10<sup>th</sup> November, 2013 and 9<sup>th</sup> February, 2014. 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
Mr. Kumar Nair	Chairman (w.e.f. 19 <sup>th</sup> May, 2013)	4	1
Mr. R. D. Dixit	Member	4	4
Mr. B. S. Ajitkumar	Member	4	3
Capt. Sudheer S. Naphade (w.e.f. 19 <sup>th</sup> May, 2013)	Member	4	2
Dr. Y. S. P. Thorat (upto 19 <sup>th</sup> May, 2013)	Chairman	1	-

### iii. 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, 2014, the Remuneration Committee comprised of Mr. Kumar Nair, Mr. B. S. Ajitkumar and Capt. Shudheer S. Naphade, Independent Directors of the Company. Mr. Kumar Nair is Chairman of the Remuneration Committee of the Company. Mr. Arun Aradhya, GM Finance and Compliance Officer of the Company acts as a secretary of the Committee.

During the financial year 2013-14 the Remuneration Committee met once on 19<sup>th</sup> May, 2013. The details of attendance of members in Remuneration Committee meeting are as follows:

Name of the Member	Status	No. of Meetings	
		Held	Attended
Mr. Kumar Nair	Chairman	1	1
Mr. B. S. Ajitkumar	Member	1	1
Capt. Sudheer S. Naphade	Member	1	-
Dr. Y. S. P. Thorat (upto 19 <sup>th</sup> May, 2013)	Member	1	-

Details of remuneration/sitting fees paid during the year 2013-14 and number 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	34,71,720	2,35,728	6,86,992	Nil	43,94,440	10,400
Mr. Nitin Menon	44,53,440	2,75,760	26,20,504	Nil	73,49,704	27,85,330
Mr. Sachin Menon	Nil	Nil	Nil	3,000	3,000	50,000
Mr. Kumar Nair	Nil	Nil	Nil	1,000	1,000	Nil
Mr. B S Ajitkumar	Nil	Nil	Nil	3,000	3,000	Nil
Capt. Sudheer S. Naphade	Nil	Nil	Nil	2,000	2,000	Nil

Note: The Company has not granted any Stock Options.

**i. Shareholders' / 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, 2014, the Shareholders'/Investors' Grievance Committee comprised of Mr. Sachin Menon, Mr. R. D. Dixit and Mr. Nitin Menon. Mr. Sachin Menon is Chairman of the Shareholders' / Investors' Grievance Committee of the Company. Mr. Arun Aradhya, GM Finance and Compliance Officer of the Company acts as a secretary of the Committee.

During the financial year 2013-14, the Committee met four times on 19<sup>th</sup> May, 2013, 11<sup>th</sup> August, 2013, 10<sup>th</sup> November, 2013 and 9<sup>th</sup> February 2014.

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

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

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	23	22	1

Name and designation of Compliance Officer:  
Mr. Arun Aradhye – GM Finance & 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
2012-13	21 <sup>th</sup> August, 2013	Residency Club, P.O. New Palace, Kolhapur - 416003	10.30 a.m.
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.

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

Year	Description of Resolution
21 <sup>st</sup> August, 2013	<ol style="list-style-type: none"> <li>1. Payment of bonus of Rs. 11,00,000/- to Mr. Nitin Menon, Joint Managing Director of the Company.</li> <li>2. Waiver from recovery of Rs. 29,06,963/- being excess amount of remuneration paid to Mr. Nitin Menon, Joint Managing Director of the Company.</li> <li>3. Re-appointment of Mr. Nitin Menon as Joint Managing Director of the Company w.e.f. 1<sup>st</sup> April, 2013.</li> <li>4. Re-appointment of Mr. R. D. Dixit, Vice Chairman &amp; Managing Director of the Company w.e.f. 1<sup>st</sup> April, 2013.</li> </ol>
16 <sup>th</sup> August, 2012	<ol style="list-style-type: none"> <li>1. Payment of bonus of Rs.5,00,000/- to Mr. Nitin Menon, Joint Managing Director of the Company.</li> </ol>
30 <sup>th</sup> August, 2011	<ol style="list-style-type: none"> <li>1. Alteration in Articles of Association.</li> </ol>

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, 2014 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, 2014 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 2013-14, 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. R. D. Dixit, Vice Chairman & Managing Director and Mr. Arun Aradhye, GM Finance & Compliance Officer 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, 2014 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: 23<sup>rd</sup> July, 2014, at 11.00 a.m. at the Residency Club, P.O. New Palace, Kolhapur-416003

**iii. Financial calendar: (provisional for 2014-15)**

Result for the quarter ending 30 <sup>th</sup> June, 2014	– by 14 <sup>th</sup> August, 2014
Result for the quarter ending 30 <sup>th</sup> September, 2014	– by 14 <sup>th</sup> November, 2014
Result for the quarter ending 31 <sup>st</sup> December, 2014	– by 14 <sup>th</sup> February, 2015
Audited Result for the year ending 31 <sup>st</sup> March, 2015	– by 30 <sup>th</sup> May, 2015.

iv. **Date of Book Closure:** 17<sup>th</sup> July, 2014 to 23<sup>rd</sup> July, 2014 (both days inclusive)

v. **Dividend payment date:** between 28<sup>th</sup> July, 2014 to 2<sup>nd</sup> August, 2014

vi. **Listing:** The equity shares of the Company are listed on BSE Limited, Stock Code: 523828, Scrip ID: MENONBE and ISIN: INE071D01025.

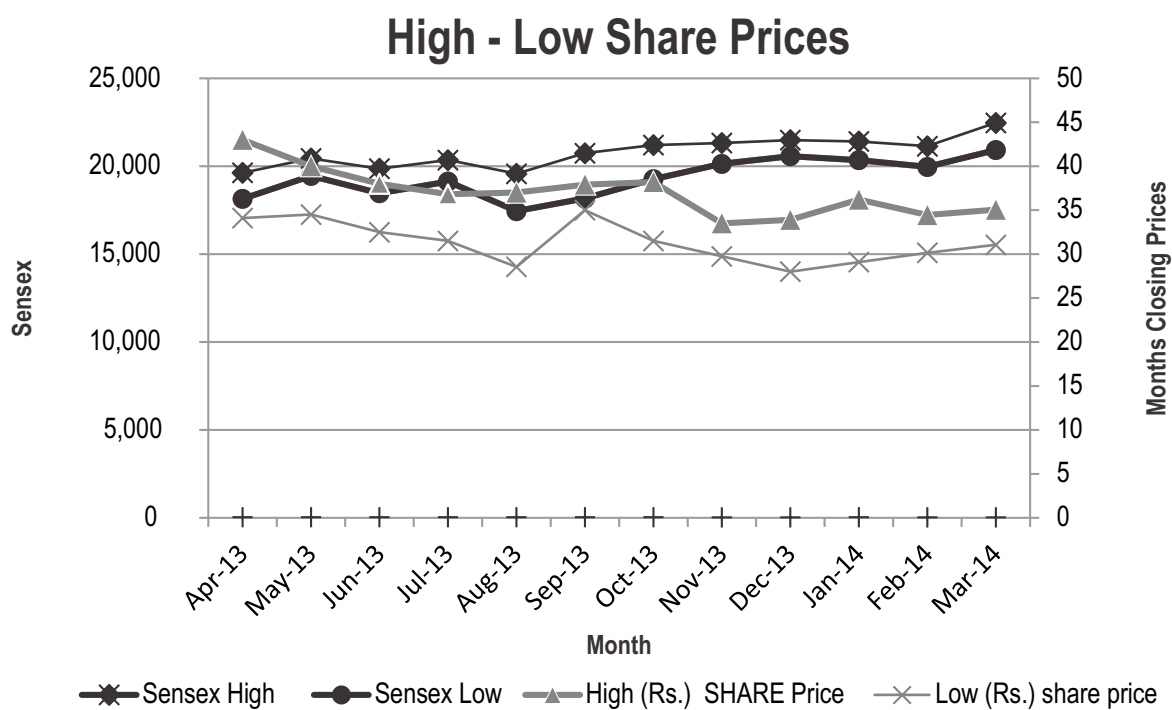
vii. **Dematerialization:** As on 31<sup>st</sup> March, 2014 about 89.58% of the Company's Equity Shares have been held in demat form.

viii. **Convertible Instruments:** The Company has not issued any ADRs / GDRs / Warrants or any other convertible instruments during financial year ended 31<sup>st</sup> March, 2014.

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-13	19,622.68	18,144.22	43.00	34.10
May-13	20,443.62	19,451.26	40.00	34.50
Jun-13	19,860.19	18,467.16	38.00	32.50
Jul-13	20,351.06	19,126.82	36.80	31.50
Aug-13	19,569.20	17,448.71	37.00	28.55
Sep-13	20,739.69	18,166.17	37.90	35.00
Oct-13	21,205.44	19,264.72	38.20	31.50
Nov-13	21,321.53	20,137.67	33.50	29.75
Dec-13	21,483.74	20,568.70	33.90	28.00
Jan-14	21,409.66	20,343.78	36.20	29.10
Feb-14	21,140.51	19,963.12	34.45	30.15
Mar-14	22,467.21	20,920.98	35.05	31.05





**xi. Distribution of Shareholding as on 31<sup>st</sup> March, 2014:**

Shareholding by nominal value	No. of Shareholders	% of Total	Share Amount (Rs.)	% of Total
1 - 5000	5,175	94.9367	74,95,070	16.0494
5001 - 10000	164	3.0086	13,32,225	2.8527
10001 - 20000	56	1.0273	8,04,750	1.7232
20001 - 30000	17	0.3119	4,36,840	0.9354
30001 - 40000	4	0.0734	1,39,915	0.2996
40001 - 50000	16	0.2935	7,85,145	1.6813
50001 - 100000	8	0.1468	6,55,030	1.4026
more than 100000	11	0.2018	3,50,51,025	75.0557
<b>Total</b>	<b>5,451</b>	<b>100.0000</b>	<b>4,67,00,000</b>	<b>100.000</b>

**Shareholding Pattern as on 31<sup>st</sup> March, 2014:**

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	36,928	0.41
3.	Clearing Members	3,003	0.03
4.	Indian Public	22,64,612	24.25
5.	Non Resident Indians	60,257	0.64
	<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 2005-2006 have been transferred to the said fund. The members who have not claimed their dividend for the financial year 2006-07 and subsequent years may write to the Company immediately.

History of dividend declared:

Financial Year	Dividend amount per share	Percentage
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%
2013-14 (proposed)	Rs. 3.00 per share (Face value Rs. 5/-)	60%

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

Year	Dividend Rate per share	Date of Declaration	Due Dates for transfer to IEPF
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
2012-13	Rs. 2.00	21 <sup>st</sup> August, 2013	27 <sup>th</sup> September, 2020

**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)

**xiii. 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 Agent (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](mailto:admin@menonbearings.in)

**xiv. Plant Locations:**

G-1, MIDC, Gokul Shirgaon Kolhapur - 416234 Maharashtra	C-1 Five Star MIDC, Kagal, Kolhapur – 416234 Maharashtra
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**8. Auditors' 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 2013-14.

Place : Kolhapur  
Date : 11<sup>th</sup> May, 2014

**NITIN MENON**  
Joint Managing Director

# 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, 2014, 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 and presence of proper quorum in Audit Committee meetings.

We have been explained that one investor grievances is pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that 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 :** 11<sup>th</sup> May, 2014

# Independent Auditor's Report

**To**  
**The Members of**  
**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, 2014 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.

The report on the accounts of Menon Alkop, division of the Company audited under section 228 by a person other than the company's auditor has been forwarded to us as required by clause (c) of sub-section (3) of section 228 and have been dealt with in preparing our report in the manner considered necessary by us.

## **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 notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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, 2014;
- 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 (3) 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 notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

**Place :** Kolhapur  
**Date :** 11<sup>th</sup> May, 2014

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

**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, 2014.**

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.  
 (f) According to the information and explanations given to us, the terms and conditions of this loan are prime facie not prejudicial to the interest of the Company.  
 (g) Above loan is repayable on demand and it is carrying interest at the bank rate.
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. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
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, 2014 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 occasionally 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, 2014, 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

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

**Place :** Kolhapur  
**Date :** 11<sup>th</sup> May, 2014

# Balance Sheet

as at 31<sup>st</sup> March, 2014

(Rs. in Lacs)

PARTICULARS	NOTE NO.	As on 31.03.2014	As on 31.03.2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDER'S FUNDS</b>		<b>3,595.78</b>	<b>3,305.85</b>
(a) Share Capital	2	467.00	467.00
(b) Reserves and Surplus	3	3,128.78	2,838.85
(c) Money received against share warrants		-	-
<b>2. Share application money pending allotment</b>		-	-
<b>3. Non- current liabilities</b>		<b>948.12</b>	<b>1,216.85</b>
(a) Long-Term Borrowings	4	578.24	863.97
(b) Deferred Tax liabilities (Net)	5	369.88	352.88
(c) Other Long Term Liabilities		-	-
(d) Long-Term Provisions		-	-
<b>4. Current Liabilities</b>		<b>2,874.57</b>	<b>2,779.09</b>
(a) Short term borrowings	6	1,395.80	1,665.04
(b) Trade Payables	7	736.49	514.44
(c) Other Current Liabilities	8	42.79	39.28
(d) Short Term Provisions	9	699.49	560.33
<b>TOTAL</b>		<b>7,418.47</b>	<b>7,301.79</b>
<b>II. ASSETS</b>			
<b>1. Non-Current Assets</b>		<b>3,903.54</b>	<b>3,978.56</b>
(a) Fixed Assets	10		
(i) Tangible Assets		3,767.60	3,641.19
(ii) Intangible Assets		6.66	7.65
(iii) Capital Work-In-Progress		58.27	225.63
(iv) Intangible Assets Under Development		-	-
(b) Non-Current Investments	11	5.89	33.91
(c) Deferred Tax Assets (Net)		-	-
(d) Long-Term Loans And Advances	12	60.05	60.05
(e) Other Non-Current Assets	13	5.07	10.14
<b>2. Current assets</b>		<b>3,514.93</b>	<b>3,323.23</b>
(a) Current Investments		-	-
(b) Inventories	14	908.35	810.13
(c) Trade Receivables	15	1,789.46	1,776.19
(d) Cash and Cash Equivalents	16	663.20	577.27
(e) Short-Term Loans And Advances	17	153.92	159.64
(f) Other Current Assets		-	-
<b>TOTAL</b>		<b>7,418.47</b>	<b>7,301.79</b>
Significant accounting policies and notes to 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 : 11<sup>th</sup> May, 2014

**ARUN ARADHYE**  
CFO

**ANUP PADMAI**  
Company Secretary

# Statement of Profit & Loss

for the year ended on 31<sup>st</sup> March, 2014  
(Rs. in Lacs)

PARTICULARS	NOTE NO.	For the Year Ended on 31.03.2014	For the Year Ended on 31.03.2013
<b>I Total Revenue (i+ii+iii)</b>		8,744.11	8,409.69
Revenue from Operations		9,395.54	9,082.34
Less - Excise Duty		749.36	782.62
i) Net - Revenue from Operations	18	8,646.18	8,299.72
ii) Other Operating Revenue	19	34.28	18.62
iii) Other Income	20	63.65	91.35
<b>II Expenses</b>		7,842.37	7,737.88
Cost of Materials Consumed	21	3,149.96	3,102.79
Changes in Inventories of Finished Goods and Work in Progress	22	(88.25)	(56.02)
Employee Benefits Expenses	23	847.21	841.97
Finance Costs	24	223.61	229.22
Depreciation and Amortization Expense	10	475.47	464.01
Operating and Other Expenses	25	3,234.36	3,155.91
<b>III Profit Before Exceptional and Extraordinary Items and Tax (I-II)</b>		901.74	671.80
<b>IV Exceptional Items</b>		-	-
<b>V Profit Before Extraordinary Items and Tax (III-IV)</b>		901.74	671.80
<b>VI Extraordinary Items</b>		-	-
<b>VII Profit Before Tax (V-VI)</b>		901.74	671.80
<b>VIII Tax expense:</b>		283.99	302.22
(1) Current Tax		267.00	205.00
(2) Deferred Tax		16.99	97.22
<b>IX Profit/(Loss) for the period from continuing operations (VII-VIII)</b>		617.75	369.58
<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>		617.75	369.58
<b>XIV Earnings per Equity Share:</b>			
(1) Basic		6.61	3.96
(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

**RAM MENON**  
Chairman

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

**NITIN MENON**  
Joint Managing Director

**P.M.VARDHE**  
Proprietor  
Membership No.:031817  
Place : Kolhapur  
Date : 11<sup>th</sup> May, 2014

**ARUN ARADHYE**  
CFO

**ANUP PADMAI**  
Company Secretary



MENON BEARINGS LIMITED

# Cash Flow Statement

for the year ended on 31<sup>st</sup> March, 2014 (Rs in Lacs)

Particulars	For the Year Ended on 31.03.2014	For the Year Ended on 31.03.2013
<b>1 Profit After Tax &amp; Appropriations Adjustments for</b>	617.75	369.58
Proposed Dividend	(280.20)	(186.80)
Tax on Dividend	(47.62)	(31.75)
Deferred Tax	16.99	97.22
Extra Ordinary Items	-	-
(Excess Provision w/o and Loss on sale of asset)		
Add:- Depreciation & Amortization	475.47	464.01
<b>Operating Profit before Working Capital changes</b>	782.40	712.26
Changes in Working Capital		
<b>Current Assets</b>		
Inventories	(98.22)	(4.22)
Trade Receivables	(13.28)	(206.83)
Short Term Loans Advances	5.73	130.36
Other Non Current Assets	5.07	5.11
<b>Current Liabilities</b>		
Trade Payables	221.51	(267.47)
Other Current Liabilities	3.51	(0.21)
Short Term Provisions	139.16	(90.64)
<b>Cash From Operating Activities</b>	1,045.88	278.37
<b>2 Cash From Investing Activities</b>		
Purchase of Fixed Assets	(600.36)	(1,004.78)
Change in Work In Process	167.37	358.04
Investments	28.02	36.24
Long Term Loans and Advances	(0.01)	(7.48)
<b>Cash Flow from Investing Activities</b>	(404.97)	(617.99)
<b>3 Cash Flow from Financing Activities</b>		
Change in Short Term Borrowing	(269.24)	363.50
Change in Long Term Borrowing	(285.73)	12.70
<b>Cash Flow from Financing Activities</b>	(554.97)	376.20
Total Cash Flow	85.93	36.59
Add:- Opening Cash & Cash Equivalents	577.27	540.68
Closing Cash & Cash Equivalents	663.20	577.27

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 : 11<sup>th</sup> May, 2014

**ARUN ARADHYE**  
 CFO

**ANUP PADMAI**  
 Company Secretary

# Notes on Accounts for the year ended on 31<sup>st</sup> March, 2014

## 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 realizable 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 changed 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	1,19,48,390
	b. Current Service Costs	9,95,564
	c. Total Service Gratuity	3,93,68,084
	d. Accrued Gratuity	1,43,19,619
	e. LCSA	2,44,61,362
	f. LC Premium	54,619
	g. Service Tax @ 10.30 %	6,750
2	RECOMMENDED CONTRIBUTION RATE	
	a. Fund value as on Renewal Date	1,15,15,500
	b. Additional Contribution for existing fund	4,37,213
	c. Current Service Costs	10,21,241
3	Total Amount payable (Rs.) (1.f + 1.g + 2.b + 2.c)	15,19,823
4	Less: Payment Made	3,80,000
5	Liability appearing in Balance Sheet	11,39,823

### 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 31.03.2014	Previous Year 31.03.2013
1.	MB Exports	Shri Nitin Menon is a partner	Sale / Service	10,91,97,346	10,67,61,779
2.	Mani Auto Components	Shri Nitin Menon is a partner	Sale / Service	2,26,64,403	2,20,61,667
3.	Shri Ram Menon	Chairman	Sitting Fees	3,000	3,000
4.	Shri R. D. Dixit	Vice Chairman & Managing Director	Managerial Remuneration	43,94,440	42,55,451
5.	Shri Nitin Menon	Joint Managing Director	Managerial Remuneration	73,49,704	73,82,723
6.	Shri Sachin Menon	Director	Sitting Fees	3,000	4,000
7.	Shri Kumar Nair	Independent Director	Sitting Fees	1,000	-
8.	Shri B.S. Ajit Kumar	Independent Director	Sitting Fees	3,000	3,000
9.	Capt.Sudheer Naphade	Independent Director	Sitting Fees	2,000	2,000

Notes:

a. Shri R. D. Dixit – Vice Chairman & Managing Director and Shri Nitin Menon – Joint Managing Director are employees of the Company. Shri Kumar Nair, Shri B. S. Ajitkumar and Capt. Sudheer Naphade, Independent Directors are not paid any remuneration. Only Sitting Fees are paid to them.

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.

- b.
1. Menon Piston Ltd.
  2. Menon & Menon Limited
  3. Menon Engineering Services.
  4. Menon Piston Rings Private Limited

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

**1.14 Lease Accounting as per Accounting Standard 19:**

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

**1.15 Earning Per Share:**

The Basic Earnings Per Share for the year 2013-14 is Rs. 6.61 (Previous year Rs. 3.96). 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.

**1.16 Accounting for Taxes on Income:**

Deferred taxes on income are computed as per accounting standard 22 and same are provided in the audited accounts at appropriate places.

(Rs. in Lacs)

Particulars	As on 31.03.2014	As on 31.03.2013
<b>I. SHAREHOLDER'S FUND</b>		
<b>Note No.2</b>		
<b>Share Capital</b>		
<b>Authorised:</b>		
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)		
<b>Issued, Subscribed and Paid up :</b>		
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	31.03.2014		31.03.2013	
	%	No. of Shares	%	No. of Shares
Nitin Ram Menon	29.82	27,85,330	29.82	27,85,330
Karveer United 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	501.47	461.47
Add : Current Year	75.00	40.00
<b>Sub-Total</b>	<b>576.47</b>	<b>501.47</b>
Capital Reserve	25.00	25.00
Revaluation Reserve	30.09	30.09
Profit & Loss Account	2,497.22	2,282.28
<b>TOTAL</b>	<b>3,128.78</b>	<b>2,838.85</b>

**Note :****Surplus**

Opening Balance	2,282.28	2,171.25
Add.- Net Profit for the current period	617.75	369.58
Add:- Excess Provision Reversal	-	-
Profit available for appropriation	2,900.04	2,540.83
Less: Proposed dividend on equity shares	280.20	186.80
<b>Total</b>	<b>2,619.84</b>	<b>2,354.03</b>
Less: Tax on distributed profits on equity shares	47.62	31.75
<b>Total</b>	<b>2,572.22</b>	<b>2,322.28</b>
Transfer to General Reserve	75.00	40.00
<b>Balance carried forward to Balance Sheet</b>	<b>2,497.22</b>	<b>2,282.28</b>

(Rs. in Lacs)

Particulars	As on 31.03.2014	As on 31.03.2013
<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	107.43	258.38
State Bank of India	186.52	278.35
<b>b) Car Loans from Banks</b>		
State Bank of India	8.07	8.00
IDBI Bank Ltd.	-	0.03
Maruti Udyog Ltd.	-	0.27
<b>Sub-Total</b>	<b>302.02</b>	<b>545.03</b>
<b>Unsecured Loans</b>		
Deferred Payment Liabilities	276.22	318.95
<b>Sub-Total</b>	<b>276.22</b>	<b>318.95</b>
<b>TOTAL</b>	<b>578.24</b>	<b>863.97</b>

Note :

Sr. No.	Bank Name	Loan Amt. (in Lacs)	Instalment Amt. (in Lacs)	No. of Instalments
1	Axis Bank Ltd. Term Loan	500.00	8.05	24
2	State Bank India Term Loan	500.00	7.50	36
3	State Bank India Car Loan (DUSTER)	9.00	0.08	72

- 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 Guaranteed by Shri. Nitin Menon. The Company had availed Rs. 5 Crores Term Loan, the repayment started from October 2011.
- b. The Term Loan from AXIS Bank Limited is secured by hypothecation of Plant & Machinery and mortgage of immovable property situated at C-1, Five Star MIDC, Kagal, Kolhapur owned by the Company. The Term Loan is personally Guaranteed by Shri. Nitin Menon. Loan taken from Axis bank Limited is repayable with installment of Rs. 9.71 Lakhs
- c. The Long Term Borrowing includes Car Loan taken by the Company from the IDBI Bank Ltd, AXIS Bank Ltd & 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	As on 31.03.2014	As on 31.03.2013
<b>Note No.5</b>		
<b>Deferred Tax Liabilities (Net)</b>		
a) Depreciation Opening	368.71	282.79
Add: During the year	17.03	85.93
Closing Liability (a)	385.75	368.71
b) Disallowances as per Section 43B & 40(a) of Income Tax Act Opening	(8.42)	(8.04)
Add: During the year	(0.57)	(0.38)
Closing Asset (b)	(8.99)	(8.42)
c) Others Opening	(7.41)	(19.09)
Add:- During the Year	0.53	11.67
Closing Asset (c)	(6.88)	(7.41)
<b>Deferred Tax Liability (Net) (a-b-c)</b>	<b>369.88</b>	<b>352.88</b>

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

Bills Discount Facility	78.66	111.25
Cash Credit	115.01	223.09

**b) State Bank Of India**

Packing Credit	-	-
Invoice Finance	118.45	200.57
Cash Credit	799.72	664.56
Loan against Fixed Deposit	-	50.01
Term Loan Due within 1 Year	187.62	322.14

<b>Sub-Total</b>	<b>1,299.46</b>	<b>1,571.62</b>
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**Unsecured Loans**

Sales Tax Deferral Loan Due within 1 Year	42.72	43.42
Deposits From Directors	53.62	50.00

<b>Sub-Total</b>	<b>96.34</b>	<b>93.42</b>
<b>TOTAL</b>	<b>1,395.80</b>	<b>1,665.04</b>

**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 and personal guarantee of Mr. Nitin Menon.

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 and personal guarantee of Mr. Nitin Menon.

**Note No.7****Trade Payable**

Trade Payable	713.45	465.42
Trade Payable ( Micro Small )	23.04	49.02

<b>Refer Note 27(d)</b>	<b>TOTAL</b>	<b>736.49</b>	<b>514.44</b>
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(Rs. in Lacs)

Particulars	As on 31.03.2014	As on 31.03.2013
<b>Note No.8</b>		
<b>Other Current Liabilities</b>		
Advance From Customers	-	0.04
Unpaid / Unclaimed Dividend	42.79	39.24
<b>TOTAL</b>	<b>42.79</b>	<b>39.28</b>

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as on 31<sup>st</sup> March, 2014.

<b>Note No.9</b>		
<b>Short Term Provisions</b>		
Sales Tax Payable - Current Dues	16.74	15.94
Gratuity Payable	9.84	13.41
Deposit from Customers	17.10	16.15
Deduction Adjustment	-	0.03
Statutory Liabilities	51.12	44.76
Provision for expenses	267.05	232.80
Proposed Dividend	280.20	186.80
Tax on Dividend	47.62	31.75
Company Income Tax	-	10.01
Leave Encashment	9.82	8.68
<b>TOTAL</b>	<b>699.49</b>	<b>560.33</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
<b>Trade (Quoted)</b>		
1) 500 Equity Shares of Bank of Maharashtra @ Rs. 23 each (Market value as on 31.03.2014 Rs. 38.95, Previous year Rs. 51.05 per share)	0.12	0.12
2) 11,100 Shares of Transwarranty Finance Ltd. @ Rs. 52 each (Market Value as on 31.03.2014 Rs. 4.54, previous year Rs. 6.00 per share )	5.77	5.77
3) 9,150 Equity Shares of Tata Motors Ltd. @ Rs. 240.52 each (Market Value as on 31.03.2013 Rs. 265.50 per shares)	-	22.06
5) 1,100 Equity Shares of GTL Infrastructure Ltd. (Market Value as on 31.03.2014 Rs. 1.40 per share)	-	-
<b>TOTAL</b>	<b>5.89</b>	<b>33.91</b>

**Note :**

a) Aggregate market value of quoted investments as on 31<sup>st</sup> March, 2014 is Rs. 71,409.00 and 31<sup>st</sup> March, 2013 Rs. 25,23,820.00

## Note No.10

## FIXED ASSETS

(Rs. in Lacs)

			GROSS BLOCK				DEPRECIATION						NET BLOCK	
Sr. No.	PARTICULARS	%	OPENING BALANCE	ADDITIONS	DELETIONS	TOTAL	UPTO	ON OPENING	ON ADDITIONS	FOR THE YEAR	ADJUST-MENTS	TOTAL	As on 31.03.2014	As on 31.03.2013
	a) Tangible Assets		(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
1	Land (lease hold)	1%	103.14	-	-	103.14	8.73	1.48	-	1.48	-	10.21	92.93	94.41
2	Land ( free hold)	0%	0.53	24.69	-	25.22	-	-	-	-	-	-	25.22	0.53
3	Site Development	0%	153.10	20.36	-	173.45	-	-	-	-	-	-	173.45	153.10
4	Building	3.34%	1,323.05	14.11	-	1,337.16	265.14	41.85	0.35	42.20	-	307.34	1,029.82	1,057.91
5	Plant and Machinery	10.34%	4,209.59	425.20	-	4,634.79	2,335.70	351.38	9.82	361.19	-	2,696.89	1,937.90	1,873.89
6	Electrical Installation	10.34%	211.70	12.40	-	224.10	107.04	16.56	0.62	17.18	-	124.22	99.88	104.66
7	Tools and Implements	10.34%	268.48	71.66	-	340.14	153.13	18.47	3.02	21.49	-	174.63	165.51	115.35
8	Material Handling Equip.	10.34%	46.11	3.26	-	49.37	19.37	4.18	0.13	4.31	-	23.68	25.69	26.74
9	Fire Fighting	10.34%	1.16	8.39	-	9.54	0.85	0.06	-	0.06	-	0.92	8.63	0.30
10	Effluent Treatment Plant	5.28%	83.28	0.38	-	83.66	16.95	6.45	0.01	6.47	-	23.42	60.24	66.33
11	Office Equipments	4.75%	32.42	1.97	-	34.40	13.21	1.01	0.08	1.08	-	14.29	20.11	19.21
12	Miscellaneous Assets	10.34%	11.16	0.59	-	11.74	6.30	0.80	-	0.81	-	7.11	4.63	4.85
13	Computers	16.21%	52.31	5.44	-	57.75	45.72	1.31	0.48	1.79	-	47.51	10.24	6.59
14	Furniture	6.33%	62.36	11.35	-	73.71	27.91	3.54	0.41	3.96	-	31.86	41.85	34.46
15	Vehicle	9.50%	142.00	1.98	7.76	136.22	59.13	10.73	0.19	10.92	5.35	64.71	71.52	82.87
	TOTAL		6,700.37	601.78	7.76	7,294.38	3,059.18	457.83	15.12	472.95	5.35	3,526.78	3,767.60	3,641.19
	PREVIOUS YEAR		5,695.58	1,004.78	-	6,700.37	2,599.32	425.11	34.75	459.86	-	3,059.18	3,641.19	3,096.27

## b) Intangible Assets

1	Technical know how	10.34%	52.45	-	-	52.45	52.45	-	-	-	-	52.45	-
2	Computers Software	16.21%	25.62	1.53	-	27.15	17.97	2.39	0.13	2.52	-	20.49	6.66
	<b>Total</b>		<b>78.07</b>	<b>1.53</b>	<b>-</b>	<b>79.60</b>	<b>70.42</b>	<b>2.39</b>	<b>0.13</b>	<b>2.52</b>	<b>-</b>	<b>72.94</b>	<b>6.66</b>
	<b>Previous Year</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>



(Rs. in Lacs)

Particulars	As on 31.03.2014	As on 31.03.2013
<b>Note No.12</b>		
<b>Long Term Loans and Advances</b>		
Telephone Deposit	0.56	0.56
MSEB Deposit	56.82	56.82
Water Deposit	2.67	2.67
<b>TOTAL</b>	<b>60.05</b>	<b>60.05</b>
<b>Note No.13</b>		
<b>Other Non-Current Assets</b>		
Preoperative Expenses	10.14	15.20
Less: Written off during the year	5.07	5.06
<b>TOTAL</b>	<b>5.07</b>	<b>10.14</b>
<b>Note No.14</b>		
<b>Inventories</b> (At cost or net realisable value)		
Raw Material	137.48	132.38
Stores & Spares	97.66	92.79
Finished Goods	350.54	336.04
Work in Process	322.67	248.92
<b>TOTAL</b>	<b>908.35</b>	<b>810.13</b>
<b>Note No.15</b>		
<b>Trade Receivables</b>		
(Unsecured, considered good)		
Outstanding for a period exceeding 6 months	201.92	140.80
Other Debts	1,587.54	1,635.39
<b>TOTAL</b>	<b>1,789.46</b>	<b>1,776.19</b>
<b>Note :</b>		
(Includes amount of Rs.122.73 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	0.52	0.75
Cash at Bank		
i) In Current A/c	50.68	45.30
ii) In Fixed Deposits	612.00	531.22
<b>TOTAL</b>	<b>663.20</b>	<b>577.27</b>
<b>Note :</b>		
a) FDs maturing after one year Rs. 405.99 Lacs		
b) FDs held as security against Guarantees Rs.31.70 Lacs		
<b>Note No.17</b>		
<b>Short -Term Loans &amp; Advances</b>		
Other Advance	10.07	7.88
Staff Advance	0.10	(0.01)
Interest accrued but not received	15.00	49.35
Other Deposits	12.84	12.84
Prepaid expenses	16.70	13.89

(Rs. in Lacs)

Particulars	As on 31.03.2014	As on 31.03.2013
Advance Income Tax	4.97	-
TAX Collected at Source	-	-
Advance to Suppliers	44.88	35.11
Excise Duty	35.14	17.42
Service Tax	13.52	22.46
VAT Refund Receivable	0.70	0.70
<b>TOTAL</b>	<b>153.92</b>	<b>159.64</b>

(Rs. in Lacs)

Particulars	For the Year Ended on 31.03.2014	For the Year Ended on 31.03.2013
<b>Note No.18</b>		
<b>Sales</b>		
Bearings, Bushes and Thrust Washers etc.	5,977.82	6,222.96
Aluminium Die Casting Components	2,009.25	1,911.71
Sale of Tooling	13.19	23.66
Sale of Stainless Steel Parts	283.64	71.56
Other Products	317.67	30.49
Scrap Sale	44.61	39.34
<b>TOTAL</b>	<b>8,646.18</b>	<b>8,299.72</b>

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

Exchange Difference	13.92	2.96
Sale of DEPB License	-	-
Duty Drawback Refund	11.41	6.67
Excess Provision Written off	-	-
Income from other Source	4.45	4.71
Other Income	4.50	4.28
<b>TOTAL</b>	<b>34.28</b>	<b>18.62</b>

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

Dividend from Companies	0.20	3.39
Interest Received	54.56	54.66
Net Gain/Loss on sale of investments	8.89	33.30
<b>TOTAL</b>	<b>63.65</b>	<b>91.35</b>

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

Opening Stock	132.38	182.79
Add : Purchases	3,155.06	3,052.38
<b>Sub - Total</b>	<b>3,287.44</b>	<b>3,235.17</b>
Less : Closing Stock	137.48	132.38
<b>Sub - Total</b>	<b>137.48</b>	<b>132.38</b>
<b>TOTAL</b>	<b>3,149.96</b>	<b>3,102.79</b>

(Rs. in Lacs)

Particulars	For the Year Ended on 31.03.2014	For the Year Ended on 31.03.2013
<b>Note No.22</b>		
<b>Changes in stock of Finished Goods and Work-in-Process</b>		
<b>Opening Stock</b>		
Finished Goods	336.04	236.76
Work in Process	248.92	292.18
<b>Sub-Total</b>	<b>584.96</b>	<b>528.94</b>
<b>Closing Stock :</b>		
Finished Goods	350.54	336.04
Work in Process	322.67	248.92
<b>Sub-Total</b>	<b>673.21</b>	<b>584.96</b>
<b>Increase / ( Decrease ) in Stock</b>	<b>88.25</b>	<b>56.02</b>

<b>Note No.23</b>		
<b>Employee Benefits Expenses</b>		
Directors Remuneration	117.44	116.38
Salary and Wages	670.06	664.26
Labour Welfare	6.25	4.95
Contribution to Provident Fund	39.42	36.38
Contribution to Group Gratuity Trust	14.04	20.00
<b>TOTAL</b>	<b>847.21</b>	<b>841.97</b>

<b>Note No.24</b>		
<b>Finance Costs</b>		
Interest	191.36	199.53
Bank Commission & Other Charges	32.25	29.69
<b>TOTAL</b>	<b>223.61</b>	<b>229.22</b>

<b>Note No.25</b>		
<b>Operating and Other Expenses</b>		
<b>A] Operating Expenses</b>		
Stores & Spares Consumed	922.56	851.81
Electricity	665.72	774.61
Power & Fuel Expense	50.02	40.35
Electric Material	6.05	4.56
Outside Labour charges	227.49	270.34
Contract Labour Charges	377.46	306.45
Water charges	18.55	15.34
Repairs & Maintenance	165.76	140.95
Testing Fees	2.87	3.35
Hamali	0.95	2.63
Machining Charges	6.03	24.84
Development Charges	3.34	1.40
<b>TOTAL (A)</b>	<b>2,446.80</b>	<b>2,436.63</b>

(Rs. in Lacs)

Particulars	For the Year Ended on 31.03.2014	For the Year Ended on 31.03.2013
<b>B] Other Expenses</b>		
Advertisement	3.83	2.56
Auditors Remuneration		
i) Audit Fees	1.00	0.84
ii) Other Services	0.35	0.34
Business Expenses	13.62	10.00
Donation	5.97	14.00
Establishment Expenses	30.61	33.00
Foreign Tour Expenses	36.33	31.19
Freight Outward	80.00	76.77
Insurance	10.19	10.58
Building Repairs	86.38	78.77
Legal & Consultation	19.96	27.35
Misc. Expenses	23.06	14.29
Postage, Telephone	16.66	15.26
Printing & Stationary	13.43	9.92
Rent, Rates and Taxes	20.40	6.18
Sales Promotion Expenses	342.76	317.35
Sitting Fees	0.12	0.12
Traveling Expenses	65.57	54.88
Vehicle & Conveyance Expenses	12.25	10.77
Pre -Operative Expenses Written off	5.07	5.11
<b>TOTAL (B)</b>	<b>787.56</b>	<b>719.28</b>
<b>TOTAL (A + B)</b>	<b>3,234.36</b>	<b>3,155.91</b>

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

- State Bank of India has given guarantee on behalf of the Company for Rs. 31.70 lacs (Previous year Rs. 24.97 lacs). Letter of credit for Rs. 170.04 lacs from State Bank of India. (Previous year Rs. 39.85 lacs).
- Central Sales Tax and VAT assessments are completed up to financial year 2009-10, except financial year 2007-08. The liability in respect of pending assessments / appeals under CST / VAT is unascertainable.
- The Income Tax assessments are completed up to the Assessment Year 2011-2012. (Relevant to accounting year ended 31<sup>st</sup> March, 2011). 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 decimal 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. 43.33 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	2014	2013
a) Total amount outstanding at the end of the year.	23,03,482	49,01,405
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 has 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	For the Year Ended on 31.03.2014	For the Year Ended on 31.03.2013
1	Raw Materials Consumed	78.18	22.01
2	Plant & Machinery	42.15	137.61
	<b>TOTAL</b>	<b>120.33</b>	<b>159.62</b>

**f) VALUATION OF IMPORTED & INDIGENOUS RAW MATERIAL :**

(Rs. in Lacs)

Sr. No.	Particulars	For the Year Ended on 31.03.2014		For the Year Ended on 31.03.2013	
		%	Value	%	Value
1	Imported Raw Materials	-	-	-	-
2	Indigenous Raw Materials	100%	3,150	100%	3,103
	<b>TOTAL</b>	<b>100%</b>	<b>3,150</b>	<b>100%</b>	<b>3,103</b>

**g) EXPENDITURE IN FOREIGN CURRENCY :**

(Rs. in Lacs)

Sr. No.	Particulars	For the Year Ended on 31.03.2014	For the Year Ended on 31.03.2013
1	Foreign Tour Expenses	36.33	31.19
2	Renewal of fees	-	-
3	Plant and Machinery	37.43	150.48
4	Bought Out Components	74.02	18.91
	<b>TOTAL</b>	<b>147.78</b>	<b>200.58</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 :** 11<sup>th</sup> May, 2014

**RAM MENON**  
 Chairman

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

**NITIN MENON**  
 Joint Managing Director

**ARUN ARADHYE**  
 CFO

**ANUP PADMAI**  
 Company Secretary







# MENON BEARINGS LIMITED

CIN - L29130PN1991PLC062352

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

Tel: 0231-2672 279/533/487, Fax: 0231-2672 278

Email: admin@menonbearings.in, Website : www.menonbearings.in

## FOR KIND ATTENTION OF SHAREHOLDERS

**Dear Shareholders,**

As per the provisions of Section 88 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the Company needs to update its 'Register of Members' to incorporate certain new details, as are required under the said provisions. Further, as per the "Green Initiative in the Corporate Governance" initiated by the Ministry of Corporate Affairs (MCA), vide its Circular No. 17/2011 dated 21/04/2011, the Company proposes to send all the notices, documents including Annual Report in electronic form to its members.

We, therefore request you to furnish the following details for updation of Register of Members and enable the Company to send all communication to you through electronic mode:

Folio No.	
Name of the Shareholder	
Father's/Mother's/Spouse's Name	
Address (Registered Office Address in case the Member is a Body Corporate)	
E-mail Id	
PAN or CIN	
UIN (Aadhar Number)	
Occupation	
Residential Status	
Nationality	
In case member is a minor, name of the guardian	
Date of birth of the Member	

-----  
**Signature of the Member**



MENON BEARINGS LIMITED

Kindly submit the above details duly filled in and signed at the appropriate place to the Registrar & Share Transfer Agents of the Company viz. **“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. The members may receive Annual Reports in physical form free of cost by post by making request for the same.

Thanking You,

For **MENON BEARINGS LIMITED**

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

**NECS MANDATE FORM**

**MENON BEARINGS LIMITED**  
CIN - L29130PN1991PLC062352

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

Tel: 0231-2672 279/533/487, Fax: 0231-2672 278

Email: admin@menonbearings.in, Website : www.menonbearings.in

**LINK INTIME INDIA PRIVATE LIMITED**  
**UNIT : MENON BEARINGS LIMITED**

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

Dear Sirs,

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

For SHARES HELD IN ELECTRONIC MODE  
Please inform respective DPs

**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 & 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.

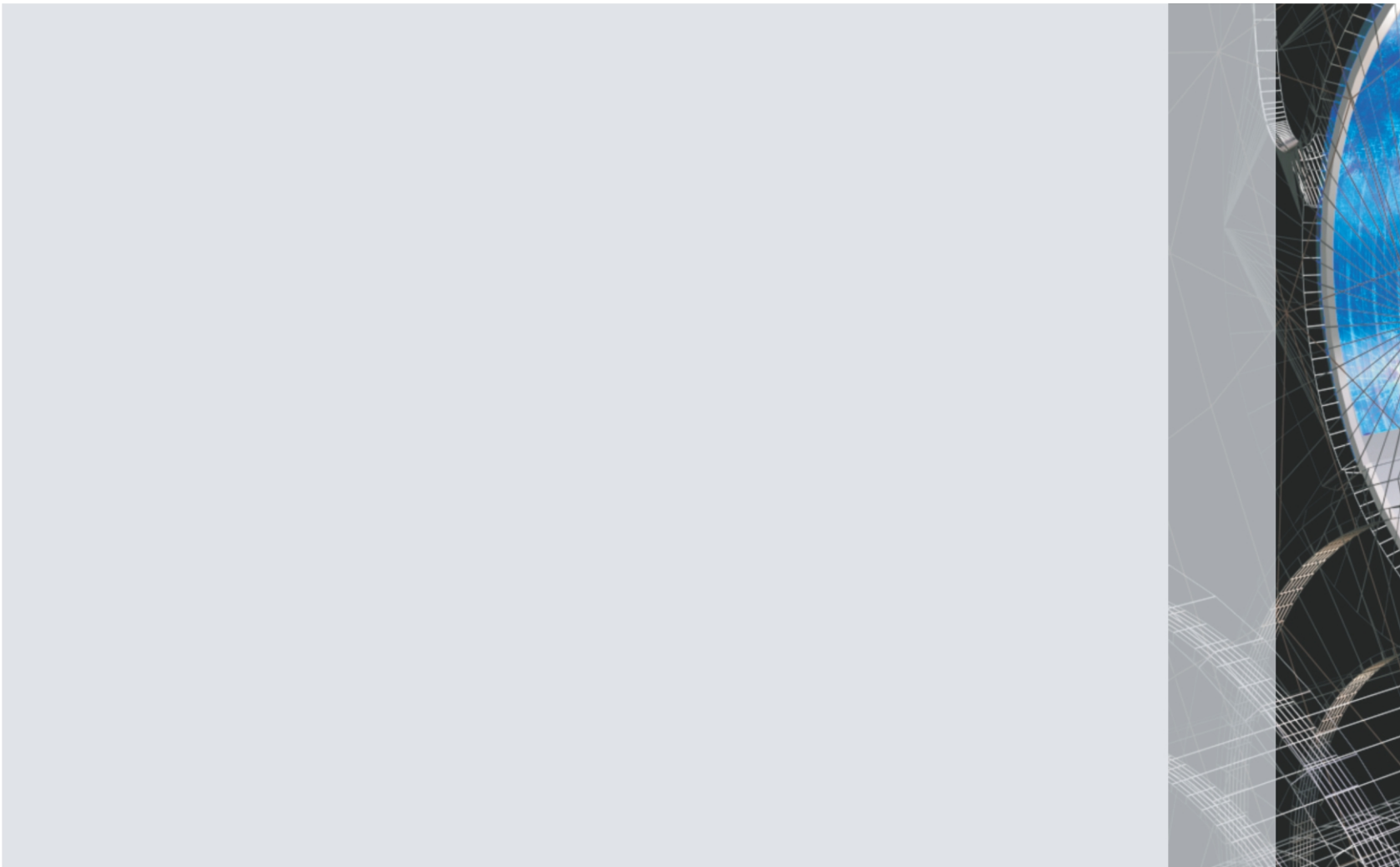


**MENON BEARINGS LIMITED**



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)