

Annual Report 2015



MENON BEARINGS LTD.



India's leading engine bearings company.



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Board of Directors

RAM MENON	Chairman
R. D. DIXIT	Vice Chairman & Managing Director
NITIN MENON	Joint Managing Director
SACHIN MENON	Director
KUMAR NAIR	Independent Director (upto 17 th April, 2015)
B. S. AJITKUMAR	Independent Director
CAPT. SUDHEER S. NAPHADE	Independent Director
NAZURA AJANEY	Independent Director (w.e.f. 4 th September, 2014)

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

Notice

Of 24th 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 Fourth Annual General Meeting of the Menon Bearings Ltd. will be held on Tuesday, 14th July, 2015 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 31st March, 2015 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 31st March, 2015.
3. To appoint a director in place of Mr. Ram Menon, Director (DIN: 00111469), who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s P. M. Vardhe & Co., Chartered Accountants, Kolhapur (having FRN: 111274W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.
5. To ratify the appointment of M/s Rajesh Lohia & Co., Chartered Accountants (having FRN:108416W), as Branch Auditors of the Company, who was appointed as such at the 23rd Annual General Meeting to hold office from the conclusion of 23rd Annual General Meeting until the conclusion of the 28th Annual General Meeting, for holding office as such from the conclusion of 24th Annual General Meeting until the conclusion of 25th Annual General Meeting.

Special Business :

6. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mrs. Nazura Ajaney (DIN: 06947881), who was appointed as an Additional Independent Director of the Company with effect from 4th September, 2014 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and in accordance with the provisions of Articles of Association of the Company and in respect of whom the Company has received a notice in writing along with the requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013 to hold office as such up to 3rd September, 2019, who shall not be liable to retire by rotation.

7. To consider and if thought fit, to pass 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 Accountants, 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 31st March, 2016, be paid the 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.”

BY ORDER OF THE BOARD OF DIRECTORS

Place : Kolhapur
Date : 5th May, 2015

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 as proxy on behalf of member or 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 person or 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. Members / Proxies are requested to bring duly filled in Attendance slip along with the Annual Report at the Annual General Meeting. 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. The Company is in receipt of relevant disclosures / consents from the Directors pertaining to their appointment / re-appointment.
5. (a) Pursuant to Clause 16 of the Listing Agreement, Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 8th July, 2015 to Tuesday, 14th July, 2015 (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 as recommended by the Board of Directors, if declared at the Meeting, will be credited / dispatched between 21st July, 2015 to 25th July, 2015 to those members whose names shall appear on the Company's Register of Members on 14th July, 2015 and 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 and Key Managerial Personnel and their Shareholdings, maintained under Section 170 and Register of Contract or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 will be open for inspection by the members during the Annual General Meeting.
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 proofs. Members holding shares in the electronic form may update such details with their respective Depository Participants.

8. In case of joint holders attending the meeting, the joint holder with highest, in order of names will be entitled to vote.
9. 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.
10. 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 2014-15. The bank details are required to be updated for the members who will be availing this facility. In the absence of NECS required details, the Company will print the bank account details, as available, on the Payment Instrument for distribution of dividend, if payment of dividend is approved by the members in the ensuing Annual General Meeting. The NECS Form is enclosed with the Annual Report.
11. 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.
12. Pursuant to the provision of Section 205A(5) and 205C of the Company Act, 1956 (Which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified), the Company has transferred on due dates, the unpaid or unclaimed dividend for the financial year 2006 – 07 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded on its website the details of unpaid and unclaimed amounts lying with the Company for the financial year 2007-2008. The balance amount lying in Unpaid Dividend Account for the financial year 2007-2008 is due for transfer to the IEPF, during the month of November, 2015.
13. 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.
14. 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.
15. 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' designated e-mail ID in its records.

You are thus requested to kindly submit your e-mail ID 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.

16. The notice of the 24th Annual General Meeting and instructions for remote 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 Participants 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.

17. **E-Voting process**

The Company has provided 'remote e-voting' (e-voting from a place other than venue of the Annual General Meeting ('AGM')) facility through National Securities Depository Limited (NSDL) as an alternative, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 24th Annual General Meeting of the Company, dated 5th May, 2015 (the AGM Notice).

The facility for voting through ballot / polling paper shall also be made available at the venue of the 24th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed CS Manish L. Ghia, Partner, M/s. Manish Ghia & Associates, Company Secretaries, Mumbai as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. E-voting is optional. In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed 7th July, 2015 as the 'Cut-off Date'. The remote e-voting /voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. 7th July, 2015 only.

The instructions for shareholders voting electronically are as under:

- (i) The remote e-voting period begins on 11th July, 2015 (9:00 am) and ends on 13th July, 2015 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 7th July, 2015 may cast their votes electronically. The remote e-voting module shall be disabled by NSDL for voting after 5.00 p.m on 13th July, 2015.
1. Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN
-------------------------------------	---------	--------------
2. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
3. Click on Shareholder - Login
4. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
5. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended

not to share your password with any other person and take utmost care to keep your password confidential.

6. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
7. Select “EVEN” of “Menon Bearings Limited”. Member can cast their vote online from 11th July, 2015 (9:00 am) upto 13th July, 2015 (5:00 pm).

Note: e- Voting shall not be allowed beyond said time.
8. Now you are ready for remote e-voting as Cast Vote page opens.
9. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
10. Upon confirmation, the message “Vote cast successfully” will be displayed.
11. Once you have voted on the resolution, you will not be allowed to modify your vote.
12. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@mgconsulting.in with a copy marked to evoting@nsdl.co.in.
13. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
14. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
15. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
16. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 7th July, 2015.
17. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e 7th July, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

18. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
19. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote

e-voting as well as voting at the AGM through ballot paper.

20. CS Manish L. Ghia, Partner, M/s. Manish Ghia & Associates, Company Secretaries, Mumbai has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
21. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
22. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall submit, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
23. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

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

Item No. 6 :

Mrs. Nazura Ajaney has been appointed as an Additional Independent Director for a period of five years with effect from 4th September, 2014 subject to approval of shareholders at the ensuing Annual General Meeting. She has been involved with an NGO, Helix Aids Foundation that works in the field of HIV/AIDS. Her responsibilities include rehabilitating women and children with HIV/AIDS along with providing support, advice and creating awareness of these cases for maximum relief to the affected. She is currently CEO of Childology, which is involved in the CSR activities where children from underprivileged background were offered targeted intervention to improve their academic grades and improve their chances of success in life.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Director requires approval of shareholders.

Mrs. Nazura Ajaney has given the requisite declaration pursuant to Section 149(7) of the Companies Act, 2013, to the effect that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Company has also received notice along with requisite deposit from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Independent Director. Further, she is not disqualified from being appointed as director in terms of Section 164 of the Act and has given her consent to act as director.

In the opinion of the Board, Ms. Nazura Ajaney fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and she is independent of the management.

The Nomination and Remuneration Committee has also recommended the appointment of Mrs. Nazura Ajaney as Independent Director for a period of 5 years.

The draft letter of appointment is available for inspection by members at the registered office of the Company between 11.00 a.m. to 1.00 p.m. on all working days of the Company.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Mrs. Nazura Ajaney as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Nazura Ajaney as an Independent Director for approval by the shareholders of the Company.

Mrs. Nazura Ajaney is not holding any shares in the Company. Except Mrs. Nazura Ajaney, being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 6.

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

Item no. : 7

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 31st March, 2016 at a remuneration of Rs.1,25,000/- (Rupees One Lac 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. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2016.

The Board recommends the resolution as set out at item no. 7 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel are in any way, deemed to be concerned or interested in the said resolution

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

Name of Director	Mr. Ram Menon	Mrs. Nazura Ajaney
Date of Birth/Age	20 th July, 1930 / 85 years	12 th November, 1970 / 45 years
Nationality	Indian	Indian
Date of appointment as director	4 th July, 1991	4 th September, 2014
Designation	Chairman	Independent Director
Qualification	Bachelor of Commerce	Bachelor of Commerce
Experience/ Expertise	He is having tremendous experience of more than 56 years in Technical and Administrative fields.	She has been involved with and NGO, Helix Aids Foundation that works in the field of HIV/AIDS. Her responsibilities include rehabilitating women and children with HIV/AIDS along with providing support, advice and creating awareness of these cases for maximum relief to the affected. She is currently CEO of Childology, which is involved in the CSR activities where children from underprivileged background were offered targeted intervention to improve their academic grades and improve their chances of success in life.
Shareholding in the Company (Equity Shares of Re. 1/- each)	Nil	Nil
List of directorships held in various other Companies	1. Menon Pistons Limited 2. Menon Piston Rings Private Limited 3. Menon Metals and Alloys Private Limited 4. Nova Auto Private Limited 5. Kolhapur Chamber of Commerce and Industries	1. Gitanjali Gems Limited

List of Chairmanship and Membership of various committees in Public Companies	I. Chairman in: Nil II. Member in: 1. Remuneration Committee of Menon Pistons Limited	I. Chairman in: 1. Corporate Social Responsibility Committee of the company II. Member in: Nil
Relationship with existing Directors of the company	Mr. Ram Menon is Father of Mr. Nitin Menon and Mr. Sachin Menon	Not Related

BY ORDER OF THE BOARD OF DIRECTORS

Place: Kolhapur
Date : 5th May, 2015

RAM MENON
Chairman

Directors' Report

Your Directors feel great pleasure in presenting 24th Annual Report of your Company comprising the Audited Financial Statements for the year ended 31st March, 2015.

FINANCIAL HIGHLIGHTS :

(Rs.in lacs)

Sr. No.	Particulars	Current Year Ended on 31 st March, 2015	Previous Year Ended on 31 st March, 2014
1	Total Revenue (Net)	10,391.11	8,744.11
2	Profit before Depreciation & Amortization Expenses, Finance Cost and Tax	2,323.43	1,600.82
3	Less : Depreciation and Amortization Expenses	421.99	475.47
	Finance Cost	238.75	223.61
4	Profit before Tax	1,662.69	901.74
5	Less: Provision for Tax	508.20	283.99
6	Profit after Tax	1,154.49	617.75
7	Balance of Profit as per last Balance Sheet	2,497.22	2,282.28
8	Less: Depreciation difference	16.00	-
9	Previous Year Adjustments	-	-
10	Balance Available for Appropriation	3,635.70	2,900.04
11	Rate of Proposed Dividend	80%	60%
12	Proposed Dividend	373.60	280.20
13	Tax on Dividend	63.49	47.62
14	Transfer to General Reserve	75.00	75.00
15	Balance of Profit carried to Balance Sheet	3,123.61	2,497.22

REVIEW OF OPERATIONS:

During the year under review, the Company has registered a sale of Rs. 10,251.34 Lacs (previous year Rs. 8,646.18 Lacs) and Net Profit after Tax of Rs. 1,154.49 Lacs (previous year Rs. 617.75 Lacs). The Company continued to operate in the business of manufacturing of "Auto Components" and there was no change in business activities. No material changes or commitments affecting the financial position of the Company occurred between end of the financial year and the date of this report.

DIVIDEND:

The Company's overall performance during the year under review was satisfactory. Your Directors have pleasure in recommending payment of dividend of Re. 0.80/- (80%) per share (of Re. 1/- each) on the Company's Share Capital (previous year Rs. 3/- (60%) per share of Rs.5/- each). This will absorb total cash outflow of Rs. 437.09 Lacs (previous year Rs. 327.82 Lacs) including Dividend Distribution Tax of Rs. 63.49 Lacs (previous year Rs. 47.62 Lacs).

SHARE CAPITAL OF THE COMPANY:

The equity shares of the Company were sub-divided from face value of Rs. 5/- to Re. 1/- per share w.e.f. 10th April, 2015.

DIRECTORS AND KMP:

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. Ram Menon, Non-Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment and your Board recommends his re-appointment.

The Board of Directors of the Company appointed Mrs. Nazura Ajaney as an Additional (Independent) Director of the Company for a period of five years w.e.f. 4th September, 2014, subject to approval of shareholders at the ensuing Annual General Meeting. The Company has received a notice along with requisite deposit from a member of the Company under Section 160 of Companies Act, 2013 proposing her candidature for the office of Director of the Company. Your Board recommends her appointment.

Mr. Kumar Nair, Independent Director resigned from the directorship of the Company w.e.f. 17th April, 2015. The Board expresses its appreciation to Mr. Kumar Nair for his valuable guidance as Director of the Company.

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 Section 149 (6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

As stipulated under the Clause 49 (VIII)(E) of the Listing Agreement, brief resume of the Directors proposed to be appointed/re-appointed are given in the Notice convening 24th Annual General Meeting.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. Anup Padmai, an Associate Member of the Institute of Company Secretaries of India and Mr. Arun Aradhye, were appointed as Company Secretary & Compliance Officer and Chief Financial Officer (CFO) respectively of the Company w.e.f. 11th May, 2014.

PUBLIC DEPOSITS:

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

EXTRACT OF ANNUAL RETURN:

An extract of Annual Return in Form MGT 9 is appended to this Report as **Annexure I**.

LISTING OF SHARES ON NATIONAL STOCK EXCHANGE OF INDIA LIMITED:

The Equity shares of the Company are listed on National Stock Exchange of India Ltd (NSE) and admitted for trading w.e.f. 9th March, 2015.

MEETINGS OF THE BOARD:

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart

from other Board business. A tentative annual calendar of the Board and Committee Meetings is informed to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors of the Company. Usually, meetings of the Board are held in Kolhapur, Maharashtra. The agenda of the Board / Committee meetings is circulated 7 day prior to the date of the meeting. The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

The Board met four times during the year, the details of which are given in the Report on Corporate Governance. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them and as required under Section 134(3) of the Companies Act, 2013 state that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. 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 and of the profit of the company for that period;
- c. the directors have 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 fraud and other irregularities;
- d. the directors have prepared the annual accounts on a going concern basis;
- e. the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Report on Corporate Governance .

RISKS AND AREAS OF CONCERN

The Company has laid down a well defined Risk Management Policy covering the risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risk. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVE

Pursuant to the provisions of Section 135 read with Companies (Corporate Social Responsibility) Rules, 2014, the Company has formed Corporate Social Responsibility (CSR) Committee and a Policy on Corporate Social Responsibility. As part of its initiatives under CSR, the Company is in process of formation of Trust to undertake projects in the area of education, livelihood, health, water, sanitation and any other. These projects will be in accordance with Schedule VII of the Companies Act, 2013.

The details as per the provisions of Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014 is annexed herewith as **Annexure II**.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in prescribed Form AOC - 2 under Companies (Accounts) Rules, 2014 are appended as **Annexure III**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

During the year under review, the Company has not made any investments or given guarantee's or provided security falling under the provisions of Section 186 of the Companies Act, 2013.

ANNUAL PERFORMANCE EVALUATION BY THE BOARD:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit and Nomination & Remuneration Committees of the Company. The Board has devised questionnaire to evaluate the performances of each of executive and non-executive and Independent Directors. Such questions are prepared considering the business of the Company and the expectations that the Board have from each of the Directors. The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i. Attendance of Board Meetings and Board Committee Meetings;
- ii. Quality of contribution to Board deliberations;
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance;
- iv. Providing perspectives and feedback going beyond information provided by the management.

The manner in which the evaluation has been carried out has been explained in the Report on Corporate Governance.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There was no order passed by any regulator or court or tribunal, which impacts the going concern status of the Company or will have bearing on Company's operations in future.

AUDIT COMMITTEE AND ITS COMPOSITION

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 31st March, 2015, 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 was the Chairman of Audit Committee of the Company. Mr. Anup Padmai, Company Secretary and Compliance Officer of the Company, acts as the Secretary of the Audit Committee.

WHISTLE BLOWER POLICY:

The Company has a Vigil Mechanism / Whistle blower Policy to deal with instance of fraud and mismanagement, if any. The mechanism also provides for adequate safeguards against victimization of directors and employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases. The details of the Vigil Mechanism Policy is explained in the Report on Corporate Governance and also posted on the website of the Company. We affirm that during the financial year 2014-15, no employee or director was denied access to the Audit Committee.

SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Secretarial Audit Report received from M/s. Manish Ghia & Associates, Practising Company Secretaries, Mumbai is appended as **Annexure -IV** and forms part of this report.

INTERNAL AUDIT:

The Company has appointed Mr. Abhay Golwalkar, Chartered Accountants, Kolhapur as its Internal Auditor. The Internal Auditor has given his reports on quarterly basis to the Audit Committee.

Based on the report of internal audit, management undertakes corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

INTERNAL FINANCIAL CONTROL:

The Audit Committee evaluates the efficacy and adequacy of financial control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and strives to maintain the Standard in Internal Financial Control.

REPORT ON CORPORATE GOVERNANCE :

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

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

COMMITTEES OF THE BOARD:

During the year, in accordance with the Companies Act, 2013, the Board re-constituted some of its Committees and also formed a Corporate Social Responsibility Committee. There are currently four Committees of the Board, as follows:

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination and Remuneration Committee
4. Corporate Social Responsibility Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the Report on Corporate Governance, a part of this Annual Report.

PARTICULARS OF REMUNERATION:

Detail of remuneration paid to all the directors / employees is provided in **Annexure - V**. Details of the ratio of remuneration of each Director to the median employee's remuneration is provided in **Annexure - VI**.

AUDITORS:

M/s. P. M. Vardhe & Co., Chartered Accountants, Kolhapur, the Statutory Auditors of your Company hold office as such up to 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 and they are not disqualified from being appointed as Auditors.

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 2015-16.

The Company had appointed M/s. Rajesh Lohia & Co. Chartered Accountants, Kolhapur, as Branch Auditors, to hold office from the conclusion of the 23rd AGM until the conclusion of sixth consecutive AGM of the Company and to audit the financial statement of Menon Alkop (Division of the Company). However, such an appointment of Branch Auditors was subject to ratification at every AGM held after the 23rd AGM. Hence your Directors recommend for the ratification of the appointment of M/s. Rajesh Lohia & Co, Chartered Accountant, Kolhapur, as Branch Auditors of the Company in the ensuing Annual General Meeting.

COST AUDITORS:

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 M/s. Chandrashekhar S. Adawadkar, Cost Accountant, Pune as Cost Auditors of the Company to conduct audit of cost records for the financial year 2014-15, at a remuneration of Rs. 1,25,000/-, subject to approval for remuneration of the shareholders of the Company. As per the provisions of Companies (Cost Records and Audit) Rules, 2014 notified on 30th June, 2014, the Company is not required to appoint Cost Auditors for the financial year 2014-15, however, the same shall be applicable for the financial year 2015-16.

Further, 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 2015-16, at a remuneration of Rs. 1,25,000/- (Rupees One Lac Twenty Five Thousand only) plus service tax and out of pocket expenses. The approval of Shareholders is sought for payment of remuneration to said Cost Auditor.

INFORMATION UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has constituted an Internal Compliant Committee under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year no complaint was filed before the said Committee.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Details regarding Conservation of energy, technology absorption, foreign exchange earnings and outgo is given as in **Annexure VII**.

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 our bankers, customers, suppliers and Government agencies. The Board of Directors wishes to express its appreciation for the valuable contribution made by the employees at all levels during the year under report.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Kolhapur
Date : 5th May, 2015

RAM MENON
Chairman

Annexures to Directors' Report

Annexure I

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

(As on the financial year ended on 31st March, 2015)

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L29130PN1991PLC062352
2.	Registration Date	4 th July, 1991
3.	Name of the Company	Menon Bearings Limited
4.	Category/Sub-Category of the Company	Public Company limited by shares
5.	Whether listed Company (Yes/No):-	Yes
6.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (West), Mumbai, 400078 Telephone:-022 25963838 Fax Number:- 022 25946969 Email: inform@linkintime.co.in

II. PRINCIPLE BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the company
1.	Bearings, Bushes and Thrust Washers etc	3563	64%
2.	Aluminium Die Casting Component's	3563	26%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NIL

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

I Category-wise Share Holding.

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1.Indian									
a. Individual/ HUF	47,05,400	-	47,05,400	50.38	47,05,400	-	47,05,400	50.38	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	22,68,800	-	22,68,800	24.29	22,68,800	-	22,68,800	24.29	-
e. Bank/ FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A) (1):-	69,74,200	-	69,74,200	74.67	69,74,200	-	69,74,200	74.67	-
2. Foreign	-	-	-	-	-	-	-	-	-
a. NRI- Individual	-	-	-	-	-	-	-	-	-
b. Other Individual	-	-	-	-	-	-	-	-	-
c. Body Corporate	-	-	-	-	-	-	-	-	-
d. Bank/ FI	-	-	-	-	-	-	-	-	-
e. Any Others	-	-	-	-	-	-	-	-	-
a.Sub-total(A) (2):-	-	-	-	-	-	-	-	-	-
a.Total Share Holders of Promoters (1+2)	69,74,200		69,74,200	74.67	69,74,200		69,74,200	74.67	-
B. Public Shareholding									
1. Institution									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Bank/FI	-	-	-	-	-	-	-	-	-
c.Cent. Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.	-	-	-	-	-	-	-	-	-
e. Venture Capital	-	-	-	-	-	-	-	-	-
f. Insurance Co.	-	-	-	-	-	-	-	-	-

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g. FII's	-	-	-	-	-	-	-	-	-
h. Foreign Portfolio Corporate	-	-	-	-	-	-	-	-	-
I Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
j. Others	3,003	-	3,003	0.03	8299	-	8299	0.09	176.36
Sub- Total –B(1)	3,003	-	3,003	0.03	8299	-	8299	0.09	176.36
2. Non-Institutions									
a. Body Corporate	37,928	-	37,928	0.41	63,418		63,418	0.68	67.21
b. Individual									
i. Individual shareholders holding nominal share capital upto Rs 1 lakh	12,69,920	9,72,838	22,42,758	24.01	12,38,418	9,41,638	21,80,056	23.34	(2.80)
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	21,854	-	21,854	0.23	41,907	-	41,907	0.45	91.76
c. Others	-	-	-	-	-	-	-	-	-
(i) NRI (Rep)	7,238	-	7,238	0.08	13,112	-	13,112	0.14	81.15
(ii) NRI (Non-Rep)	53,019	-	53,019	0.57	59,008	-	59,008	0.63	11.30
(iii) Foreign National	-	-	-	-	-	-	-	-	-
(iv) OCB	-	-	-	-	-	-	-	-	-
(v) Trust	-	-	-	-	-	-	-	-	-
(vi) In Transit	-	-	-	-	-	-	-	-	-
Sub-total B (2)	13,89,959	9,72,838	23,62,797	25.30	14,15,863	9,41,638	23,57,501	25.24	(0.22)
Net Total (1+2)	13,92,962	9,72,838	23,65,800	25.33	14,24,162	-	23,65,800	25.33	-
C. Shares held by Custodians for GDR's and ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	83,67,162	9,72,838	93,40,000	100.00	83,98,362	9,41,638	93,40,000	100.00	-

ii. Shareholding of Promoters and Promoter Group:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged/encumbered to total shares	
1	Nitin R Menon	27,85,330	29.82	-	28,36,130	30.36	-	1.82
2	Karveer United Pvt. Ltd.	22,68,800	24.29	-	22,68,800	24.29	-	-
3	Sucheta Nitin Menon	7,90,802	8.47	-	8,40,802	9.00	-	6.32
4	Aditya Nitin Menon	4,75,328	5.09	-	4,75,328	5.09	-	-
5	Anshul Nitin Menon	4,75,140	5.09	-	4,75,140	5.09	-	-
6	Savita Satish Gopi	50,800	0.54	-	-	-	-	(100)
7	Sachin R Menon	50,000	0.54	-	50,000	0.54	-	-
8	Ram Menon	25,000	0.27	-	-	-	-	(100)
9	Radhamani R Menon	25,000	0.27	-	-	-	-	(100)
10	Smita Ramesh Dixit	17,600	0.19	-	17,600	0.19	-	-
11	Ramesh Dattatraya Dixit	10,400	0.11	-	10,400	0.11	-	-
	Total	69,74,200	74.67	-	69,74,200	74.67	-	-

iii) Change in Promoters' Shareholding (please specify, if there is no change) :

Sr. No	Promoters' Name		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Nitin R Menon					
A	At the beginning of year		27,85,330	29.82	-	-
B	Changes during the year					
	Date	Reason	50,800	0.54	28,36,130	30.36
	1.08.2014	Interse transfer				
C	At the end of year		-	-	28,36,130	30.36

Sr. No	Promoters' Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
2.	Karveer United Pvt. Ltd.				
A	At the beginning of year	22,68,800	24.29	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	22,68,800	24.29
3.	Sucheta Nitin Menon				
A	At the beginning of year	7,90,802	8.47	-	-
B	Changes during the year	No change during the year			
	Date	Reason	50,000	0.53	8,40,802
	15.08.2014	Interse transfer			
C	At the end of year	-	-	8,40,802	9.00
4.	Aditya Nitin Menon				
A	At the beginning of year	4,75,328	5.09	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	4,75,328	5.09
5.	Anshul Nitin Menon				
A	At the beginning of year	4,75,140	5.09	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	4,75,140	5.09
6.	Savita Satish Gopi				
A	At the beginning of year	50,800	0.54	-	-
B	Changes during the year	No change during the year			
	Date	Reason	50,800	0.54	-
	1.08.2014	Interse transfer			
C	At the end of year	-	-	-	-

Sr. No	Promoters' Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7.	Sachin R. Menon				
A	At the beginning of year	50,000	0.54	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	50,000	0.54
8.	Ram Menon				
A	At the beginning of year	25,000	0.27	-	-
B	Changes during the year				
	Date	Reason	25,000	0.27	-
	15.08.2014	Interse transfer			
C	At the end of year	-	-	-	-
9.	Radhamani R Menon				
A	At the beginning of year	25,000	0.27	-	-
B	Changes during the year				
	Date	Reason	25,000	0.27	-
	15.08.2014	Interse transfer			
C	At the end of year	-	-	-	-
10.	Smita Ramesh Dixit				
A	At the beginning of year	17,600	0.19	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	17,600	0.19
11.	Ramesh Dattatraya Dixit				
A	At the beginning of year	10,400	0.11	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	10,400	0.11

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	Shareholders' Name		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Tejas Thakorebhai Godiwala Seema Tejas Godiwala					
A	At the beginning of year		42,151	0.450	-	-
B	Changes during the year					
	Date	Reason				
	25.04.2014	Purchase	3,599	0.040	45,750	0.490
	2.05.2014	Purchase	2,173	0.020	47,923	0.510
	9.05.2014	Purchase	4,082	0.040	52,005	0.550
C	At the end of year		-	-	52,005	0.550
2.	Angel Fincap Private Limited					
A	At the beginning of year		1,923	0.020	-	-
B	Changes during the year					
	Date	Reason				
	2.05.2014	Purchase	1,486	0.010	3,409	0.040
	13.06.2014	Purchase	427	0.004	3,836	0.040
	30.06.2014	Purchase	1,277	0.010	5,113	0.050
	4.07.2014	Purchase	204	0.002	5,317	0.060
	11.07.2014	Purchase	2,023	0.020	7,340	0.080
	25.07.2014	Sell	(45)	-	7,295	0.080
	1.08.2014	Purchase	500	0.005	7,795	0.080
	8.08.2014	Purchase	1,210	0.010	9,005	0.100
	15.08.2014	Purchase	1,866	0.020	10,871	0.120
	22.08.2014	Purchase	131	0.001	11,002	0.120
	29.08.2014	Purchase	1,554	0.010	12,556	0.130
	5.09.2014	Purchase	143	0.001	12,699	0.140

	Date	Reason				
	12.09.2014	Sell	(415)	0.004	12,284	0.130
	3.10.2014	Purchase	1,200	0.010	13,484	0.140
	10.10.2014	Purchase	400	0.004	13,884	0.150
	17.10.2014	Purchase	1,000	0.010	14,884	0.160
	24.10.2014	Purchase	3,300	0.030	18,184	0.190
	31.10.2014	Purchase	1,346	0.010	19,530	0.210
	14.11.2014	Purchase	150	0.001	19,680	0.210
	5.12.2014	Purchase	635	0.006	20,315	0.220
	12.12.2014	Purchase	790	0.008	21,105	0.230
	19.12.2014	Purchase	2,233	0.020	23,338	0.250
	31.12.2014	Purchase	900	0.009	24,238	0.260
	1.01.2015	Purchase	82	-	24,320	0.260
	9.01.2015	Purchase	2,707	0.020	27,027	0.290
	16.01.2015	Purchase	200	0.002	27,227	0.290
	6.02.2015	Purchase	750	0.008	27,977	0.300
	13.02.2015	Purchase	608	0.006	28,585	0.310
	27.02.2015	Purchase	1,903	0.020	30,488	0.330
	13.03.2015	Sell	(100)	0.001	30,388	0.330
	27.03.2015	Sell	(100)	0.001	30,288	0.320
C	At the end of year		-	-	30,288	0.320
3.	Jayashree Vithoba Shetti					
A	At the beginning of year		25,908	0.270	-	-
B	Changes during the year					
	Date	Reason				
	4.07.2014	Sell	(1,000)	0.010	24,908	0.260
	25.07.2014	Sell	(1,131)	0.010	23,777	0.250
	12.09.2014	Sell	(200)	0.002	23,577	0.250
C	At the end of year		-	-	23,577	0.250

4.	Prashant Muchandi					
A	At the beginning of year		-	-	-	-
B	Changes during the year					
	Date	Reason				
	19.09.2014	Purchase	21,592	0.230	21,592	0.230
	30.09.2014	Sell	(39)	-	21,553	0.230
C	At the end of year		-	-	21,553	0.230
5.	Harvinder Kaur Nath					
A	At the beginning of year		19,200	0.200	-	-
B	Changes during the year		No change during the year			
C	At the end of year		-	-	19,200	0.20
6.	D Srimathi					
A	At the beginning of year		15,830	0.160	-	-
B	Changes during the year					
	Date	Reason				
	11.04.2014	Purchase	329	0.003	16,159	0.170
	18.04.2014	Purchase	3000	0.030	19,159	0.200
C	At the end of year		-	-	19,159	0.200
7.	Sunil Kumar Gupta					
A	At the beginning of year		20,000	0.210	-	-
B	Changes during the year					
	Date	Reason				
	30.05.2014	Sell	(2,000)	0.020	18,000	0.190
	13.06.2014	Sell	(1,000)	0.010	17,000	0.180
	4.07.2014	Sell	(2,000)	0.020	15,000	0.160
C	At the end of year		-	-	15,000	0.160

8.	Dharamdas Nandlal Mehta					
A	At the beginning of year		19,200	0.200	-	-
B	Changes during the year		No change during the year			
C	At the end of year		-	-	19,200	0.200
9.	Vithoba Gopal Shetti					
A	At the beginning of year		13,639	0.140	-	-
B	Changes during the year					
	Date	Reason				
	4.07.2014	Sell	(1,000)	0.010	12,639	0.130
	25.07.2014	Sell	(2,000)	0.020	10,639	0.110
C	At the end of year		-	-	10,639	0.110
10.	Babasaheb Patil Prakash Patil Ratnaprabha Patil					
A	At the beginning of year		10,000	0.100	-	-
B	Changes during the year		No change during the year			
C	At the end of year		-	-	10,000	0.100

V. Shareholding of Directors and Key Managerial Personnel:

Sr. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
	Name of the Director / KMP	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Mr. Ram Menon	25,000	0.27	-	-
2	Mr. R D Dixit	10,400	0.11	10,400	0.11
3	Mr. Nitin Menon	27,85,330	29.82	28,36,130	30.36
4	Mr. Sachin Menon	50,000	0.54	50,000	0.54
5	Mr. Kumar Nair	-	-	-	-
6	Mr. Ajit Kumar Belur	-	-	-	-
7	Capt. Sudheer Naphade	-	-	-	-

Sr. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
	Name of the Director / KMP	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
8	Mrs. Nazura Ajaney	-	-	-	-
9	Mr. Arun R. Aradhye	-	-	-	-
10	Mr. Anup S Padmai	-	-	-	-

V. INDEBTEDNESS:-

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs in Lacs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2014				
1) Principal Amount	1601.48	372.02	-	1973.5
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	0.55	-	0.55
Total of (1+2+3)	1601.48	372.57	-	1974.05
Change in Indebtedness during the financial year				
+ Addition	55.62	-	-	55.62
-Reduction	219.81	144.8	-	364.61
Net change	(164.19)	(144.8)	-	(308.99)
Indebtedness at the end of the financial year 31-03-2015				
1) Principal Amount	1437.29	227.77	-	1665.06
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	1437.29	227.77	-	1665.06

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:-**A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:**

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (in Lacs)
		MD	JMD	
		Mr. R.D. Dixit	Mr. Nitin Menon	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	47.04	73.50	120.54
2	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
3	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
4	Stock Option	-	-	-
5	Sweat Equity	-	-	-
6	Commission - As % of Profit - Others, specify	-	-	-
7	Others, please specify	-	-	-
8	Total (A)	47.04	73.50	120.54
	Ceiling as per the Act	11% of the net profits of the Company		

B. Remuneration of other Directors:

Sr. No	Particulars of Remuneration	Name of Directors						Total Amount (in Rs)
		Mr. B.S. Ajitkumar	Capt. Sudheer Naphade	Mr. Kumar Nair	Mrs. Nazura Ajaney	Mr. Ram Menon	Mr. Sachin Menon	
1	Independent Directors							
	-Fee for attending Board/ Committee Meetings	3,000	4,000	-	2,000	-	-	9,000
	- Commission	-	-	-	-	-	-	-
	-Others	-	-	-	-	-	-	-
	Total (1)	3,000	4,000	-	2,000	-	-	9,000
2	Other Non Executive Directors							
	-Fee for attending Board / Committee Meetings					4,000	4,000	8,000

Sr. No	Particulars of Remuneration	Name of Directors						Total Amount (in Rs)
		Mr. B.S. Ajitkumar	Capt. Sudheer Naphade	Mr. Kumar Nair	Mrs. Nazura Ajaney	Mr. Ram Menon	Mr. Sachin Menon	
	- Commission					-	-	-
	-Others					-	-	-
	Total (2)					4,000	4,000	8,000
	Total (B)= (1+2)	3,000	4,000	-	2,000	4,000	4,000	17,000
	Total Managerial Remuneration							
	Overall Ceiling as per the Act	11% of the net profits of the Company						

C. Remuneration to Key Managerial Personnel Other than MD/ Manager/ WTD

Sr. No	Particulars of Remuneration	Name of the KMP		Total Amount (in Lacs)
		Mr. Arun Aradhya,CFO	Mr. Anup Padmai,CS	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	16.68	1.83	18.51
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - As % of Profit - Others, specify	-	-	-
5	Others, please specify	-	-	-
6	Total (A)	16.68	1.83	18.51

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act):- None

Annexure II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

Sr. No	Particulars	Details
1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	Company is in process of formation of Trust to undertake projects in various areas of Education, livelihood, Health, Water, Sanitation and any other.
2	The Composition of the CSR Committee.	Mrs. Nazura Ajaney- Chairperson Mr. R D Dixit- Member Mr. Nitin Menon- Member
3	Average net profit of the company for last three financial years	Rs. 882.49 Lacs.
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	Rs. 17.65 Lacs.
5	Details of CSR spent during the financial year. a) Total amount to be spent for the financial year b) Amount unspent, if any c) Manner in which the amount spent during the financial year is detailed below:	Company is in process of formation of Trust to undertake projects in various areas. Company has kept fixed deposit of Rs.17.65 lacs for the purpose. The interest accrued from the fixed deposit shall be utilized for the CSR purpose.
6	In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount:	The Company is in the process of identifying the purposes for which the amount is to be spent on this account and the utilization will be made through the proposed Trust being setup to accomplish the objective.
<p>CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.</p> <p>Place: Kolhapur Date: 5th May, 2015</p> <p style="text-align: center;">R. D. Dixit Vice Chairman & Managing Director</p> <p style="text-align: right;">Nazura Ajaney Chairperson of CSR Committee</p>		

Annexure III

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT 2013
FORM- AOC-2

Details of contracts or arrangements or transactions at arm's length basis:

Sr. No	Particulars	Details
1	Name(s) of the related party and nature of relationship	MB Exports, Partnership firm in which Director and his relatives are interested.
2	Nature of contracts / arrangements / transactions	Sale of goods / Services
3	Duration of the contracts / arrangements / transactions	1 st April, 2015 till 31 st March, 2018

Sr. No	Particulars	Details
4	Salient terms of the contracts or arrangements or transactions including the value, if any	F.Y. 2015-16 – Rs. 3100 lacs F.Y. 2016-17 – Rs. 3300 lacs F.Y. 2017-18 - Rs. 3500 lacs
5	Justification for entering into such contract / arrangement or transaction	To absorb exports related risk including the tedious nature of transactions, exchange fluctuation risk, marketing overheads and liaisons with parties abroad is being taken care of by the party.
6	Amount paid in advance, if any	Nil
7	Date of disclosure of interest given by interested Director	11 th May, 2014.

Annexure IV

Secretarial Audit Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

[PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT, 2013 AND RULE 9 OF THE COMPANIES (APPOINTMENT AND REMUNERATION PERSONNEL) RULES, 2014]

To,
The Members,
Menon Bearings Limited
Kolhapur

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Menon Bearings Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable to the company during the audit period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the company during the audit period**);

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 (**Not applicable to the company during the audit period**);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the company during the audit period**);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the company during the audit period**); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the company during the audit period**);
- (vi) As informed and certified by the management, there are no laws that are specifically applicable to the company based on their sector/industry.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (**Not applicable as Secretarial Standards were not notified during the audit period**)
- (ii) The Listing Agreements entered into by the Company with BSE Ltd., Mumbai and National Stock Exchange of India Ltd., Mumbai.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has:

1. Listed its Equity Shares on National Stock Exchange of India Limited w.e.f. 9th March, 2015;

2. Approved the split in the face value of Equity Shares of the Company from Rs.5/- per share to Re.1/- per share vide ordinary resolution passed by shareholders of the Company through Postal Ballot process, the result of which was declared on 28th March, 2015.

For Manish Ghia & Associates
Company Secretaries

Manish L. Ghia

Partner

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

Place: Mumbai

Date : 5th May, 2015

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
Menon Bearings Limited
Kolhapur

Our report of even date is to read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Manish Ghia & Associates
Company Secretaries

Manish L. Ghia
Partner

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

Place: Mumbai
Date : 5th May, 2015

Annexure V**Information as required under the Companies (Appointment and Remuneration of Managerial personnel Rules), 2014**

(i)	Name of employee	Mr. Nitin Menon
(ii)	Designation of the employee	Joint Managing Director
(iii)	Remuneration received	Rs. 73,49,704/-
(iv)	Nature of employment, whether contractual or otherwise	Contractual
(v)	Qualifications and experience of the employee	B. Com. and has 22 years of entrepreneurial experience.
(vi)	Date of commencement of employment	01-10-1992
(vii)	Age	47 years
(viii)	Last employment held	N. A.
(ix)	The percentage of equity shares held by the employee	28,36,130 (30.36%)
(x)	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	Mr. Ram Menon, Chairman. Mr. Sachin Menon, non Executive Director.

Annexure VI**Details of the ratio of remuneration of each Director to the median employee's remuneration.**

Median Remuneration of the employees of the company for the financial year is Rs 2.53 Lacs.

(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year :-	
Sr. no.	Name of the Director	Ratio of remuneration to the median remuneration of the employees
1	Mr. R.D. Dixit	18.58
2	Mr. Nitin Menon	29.03
(ii)	The percentage increase in remuneration of each director, CFO , CEO, Company Secretary or Manager, if any, in the financial year	
Sr. no.	Name of the Director	% Increase over last F.Y.
1	Mr. R.D. Dixit	7%
2	Mr. Nitin Menon	-
3	Mr. Arun Aradhya- CFO	50%
4	Mr. Anup Padmai- CS	-

(iii)	The percentage increase in the median remuneration of employees in the financial year	13%		
(iv)	The number of permanent employees on the rolls of the company	226		
(v)	The explanation on the relationship between average increase in remuneration and company performance	Company's total income increased by 19% over the last financial year with consequent increase in profits.		
(vi)	Comparison of the remuneration of the KMP against the performance of the company	It is commensurate with the turnover and profits of the Company and performance of the individual.		
(vii)	Variation in the market capitalization of the company, price earnings ratio as at the close date of the current financial year and previous financial year and the percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year			
Sr. no.	Particulars	As on 31 st March, 2015	As on 31 st March, 2014	Variation %
1	Market Capitalization	Rs. 126.93 Cr.	Rs. 31.76 Cr.	300
2	Price earning ratio	11.00	5.14	114
3	Market quotation of shares	The Company's Stock price as at 31 st March,2015 has been increased by 2,618% to Rs. 271.80/- (adjusted) over the last public offer, i.e. IPO in March, 1993 at a price of Rs. 10/- per share.		
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification there of and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase in Employee's other than managerial remuneration is 9.77% while managerial remuneration is increased by 7%		
(ix)	The key parameters for any variable component of remuneration availed by the directors	Nil		
(x)	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Nil		
We hereby confirm that the remuneration is as per the remuneration policy recommended by Nomination and Remuneration Committee of the Company and adopted by the company.				
Place: Kolhapur Date: 5 th May, 2015		R. D. Dixit Vice Chairman & Managing Director		Capt. Sudheer Naphade Chairman of Nomination & Remuneration Committee

Annexure VII

STATEMENT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014.

I. CONSERVATION OF ENERGY

a) Your Company took many initiatives to reduce the electricity consumption through productivity increase. This financial year the electricity consumption when compared to sales/production is down by 8%. This shows the initiatives taken are effective.

b) Your Company has focused on productivity so that unit consumption per piece is reduced.

II. TECHNOLOGY ABSORPTION

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	New process is developed to manufacture Bushes and Thrust Washers to reduce the raw material and process cost.
2	Benefits derived as a result of above	Increase in the market share by entering new segment.
3	Future plan of action	To extend this process for other products also to reduce the overall material cost.
4	Expenditure on R & D	a) Capital WIP: Nil b) Recurring: 23.15 Lacs c) Total: 23.15 Lacs d) Total R & D expenditure as a percentage of total turnover : 0.22%

B. Technology Absorption, Adaptation & Innovation

1) Efforts in brief, made towards Technology Absorption, Adaptation and Innovation	Company has taken initiative to develop modular machining line to reduce loading/unloading time..
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.		Current Year (Rs. Lacs)	Previous Year (Rs. Lacs)
Used	Imports	320.83	147.78
Earned	Direct Export	1,614.82	1,122.42
	Deemed Export	2,025.48	1,734.67

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Kolhapur
Date : 5th May, 2015

RAM MENON
Chairman

Management Discussion and Analysis Report

Industrial Review:

The automobile industry of which the auto components industry is an integral part accounts for 22 per cent of the country's manufacturing Gross Domestic Product (GDP). India is probably the most competitive country in the world for the auto sector. Though it does not cover 100 per cent of technology or components required to make a car but it is giving a good 97 per cent. The auto sector is one of the biggest job creators, both directly and indirectly. It is estimated that every job created in an auto company leads to three to five indirect ancillary jobs. India is currently the seventh-largest automobiles producer in the world with an average annual production of 17.5 million vehicles, and is on the way to become the fourth largest automotive market by volume, by 2015-16.

In the year 2014, domestic automobile sales recorded a modest 9.2% growth. The major growth is in the two-wheeler segment, even as sales of passenger vehicles and commercial vehicles continued to remain weak for the second consecutive year. The year 2014 can be considered as one of the slowest for the domestic passenger vehicles industry in recent years, with domestic sales of cars (incl. vans) declining. Weak consumer spending due to elevated inflation and overall increase in interest rates had an adverse impact on demand for these vehicles. Growth in exports of automobiles surged to 18.6% (y-o-y) in 2014-15 as compared to the 5.5% growth in 2013-14, with the growth being led by two-wheelers (23.2%). In 2014-15 domestic sales of commercial vehicles declined by 13.3% - the consequent second year. The continued moderation in industrial activity, weakened infrastructure spending, constrained financing and high interest rate have adversely impacted vehicle sales in 2014-15 both medium & heavy vehicles and light commercial vehicles.

In spite of overall adverse conditions in the industry, your Company has fulfilled its target and first time since its inception achieved a turnover of 102.51 Cr.

Futuristic Outlook:

With economic recovery expected in 2015, demand for automobiles across the various categories is likely to receive required impetus. While sales growth in commercial vehicles and passenger vehicles is expected to enter the positive trajectory, growth would accelerate in the two-wheeler and three-wheeler segments, driven by expected moderation in interest rate, fall in ownership cost and improvement in economic activity and consumer sentiments. The Egypt government lifting the ban on imports of two and three wheelers recently augurs well for the exporters of two & three wheelers. In 2015 as well, Indian automobile companies are expected to continue their thrust on the overseas markets especially emerging markets in an attempt to offset the muted demand in the domestic market. However, with a slowdown in demand from the traditional export markets (such as Europe, etc) and regulatory hurdles in some of the markets, Indian OEMs are likely to explore newer markets to push exports. Some of these potential markets could include South American countries.

Going forward, the expected recovery in economic activity in 2015, pick up in infrastructure and mining activities, lower fuel price and overall inflation along with expected softening of interest rates are expected to result in the pick up demand getting converted into actual sales, particularly of medium & heavy duty vehicles.

With fortunes of the Indian auto components industry directly linked to those of the OEM industry, prospects of the industry for 2015-16 look better, as accelerated vehicle demand would translate into increased revenues for the components industry. At the same time, auto component manufacturers are expected to increase their thrust on venturing into non-auto sectors as a means to reduce their over-dependence on the vehicle market. Further, with foreign OEMs sourcing vehicles as also auto parts from India, with several of them making India their sourcing hubs, overall growth prospects of the components industry looks better.

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:

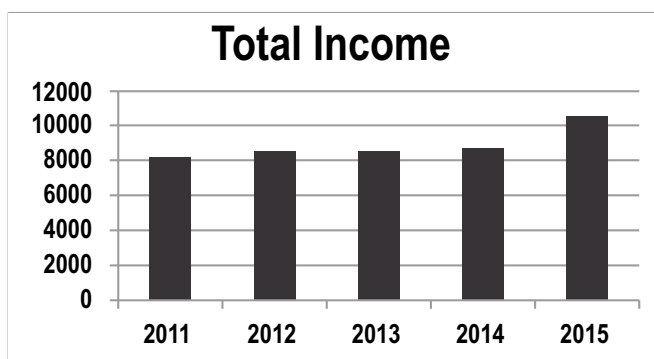
The growth prospects for the industry are bright, however to continue to report healthy growth the industry has to overcome certain challenges facing them. As a part of auto component industry and to achieve sustainable development, we need to focus on improving quality levels and basic shop floor practices to develop capability to keep pace with the international quality standards which are constantly moving upwards.

The most important challenges include:

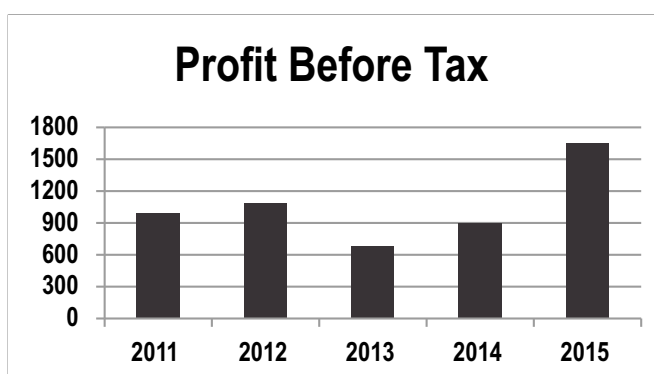
- Adoption of technological capability to the tune of global standards
- To overcome against increasing trend of raw material prices which are putting pressure on profit margin.
- Fighting against slowdown in global economy affecting exports at the same time create an effective bargaining power with larger OEMs.
- Infrastructure challenges – Roads, Ports & power etc.

Financial Performance:

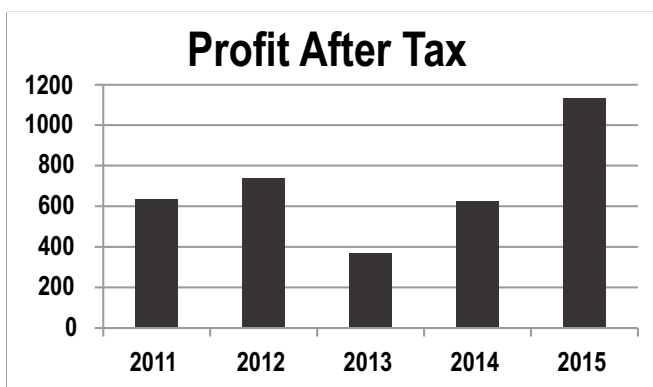
Year	Income (Rs. Lacs)
2011	8087.15
2012	8795.26
2013	8409.69
2014	8744.11
2015	10391.11



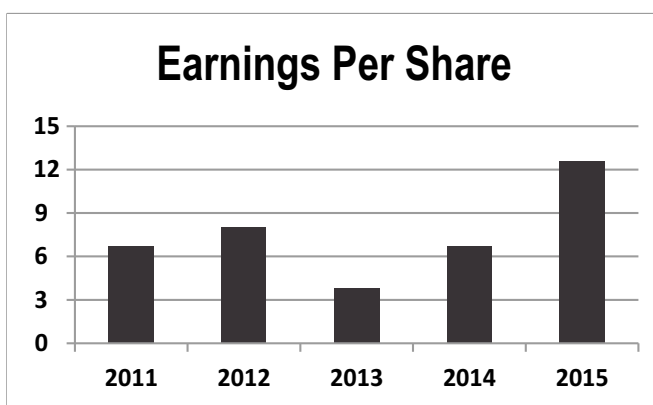
Year	PBT (Rs. Lacs)
2011	991.23
2012	1069.36
2013	671.80
2014	901.74
2015	1662.69



Year	PAT (Rs. Lacs)
2011	637.97
2012	740.37
2013	369.58
2014	617.75
2015	1154.49



Year	EPS (in Rs.)
2011	6.83
2012	7.93
2013	3.96
2014	6.61
2015	12.36



Internal Control System & Adequacy:

The Company has an adequate Internal Audit System that promotes reliable financial reporting, safeguards assets, encourages adherence to fair management and ethical conduct. The strong Internal Control Systems have been designed in a way that, they not only prevent fraud and misuse of the Company's resources but also protect shareholders' interest. The Audit Committee of Board of Directors, on regular intervals and in co-ordination with Internal and Statutory Auditors, reviews the adequacy of Internal Control Systems within the Company.

Based upon the recommendations of the Audit Committee, an Annual Audit Plan (AAP) is prepared and which is reviewed periodically by the top management and the Audit Committee. The internal audit focuses on compliance as well as on robustness of various business processes. A feedback on non conformities along with recommendation for process improvements is directly provided to the top management of the Company. Compliance on audit findings and tracking of process improvements is regularly carried out.

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. Our fundamental belief in immense power of human potential and team work is epitomised in our 'WE' approach. To us, 'WE' represents a strong collective energy. A transformational force that stimulates enterprise accelerates our constant pursuit of excellence and empowers our people to realise their full potential. The Company also believes human resources as the supporting pillars for the organization's success.

Development & Upgradation of Technology:

All the staff members working in manufacturing departments have been advised to take different projects to;

1. Reduce rejection and wastage in Raw materials and consumables,
2. To reduce setting time, to have production time more,
3. To optimize production activities to reduce electrical energy per unit of production,
4. To work on packing to enhance preservation and safety,
5. To develop new items in shortest possible time to have early business,

This is ongoing process and projects are getting completed one by one and new projects are being undertaken. This has given increase in top as well as bottom line.

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. Corporate Governance

1.1 Company's philosophy on Corporate Governance:

At Menon Bearings, Corporate Governance has been an integral part of the way we have been doing our business since inception. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. Corporate Governance as an integral principle is adhered by the Board of Directors and Management of your Company ensuring fairness, accountability, transparency in all dealings and functioning of the management and the Board. The Company strives for an enduring relationship with the stakeholders and protection of their interests.

The Company places great emphasis on values such as empowerment, integrity and safety of its employees and communities surrounding our plants, transparency in decision making process, fair and ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices being followed since the inception have contributed to the Company's sustained growth.

1.2 The Governance Structure:

Menon Bearings governance structure follows the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibility so as to meet the expectation of all the stakeholders. In line with these principles, the Company has formed three tiers of Corporate Governance structure, viz.:

- (i) The Board of Directors - the primary role of the Board is to protect the interest and enhance value for all the stakeholders. It conducts overall strategic supervision and control by setting the goals & targets, policies, reporting mechanism & accountability and decision making process to be followed.
- (ii) Committees of Directors - such as Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee & CSR Committee are focused on financial reporting, audit and internal controls, compliance issues, appointment and remuneration of Directors and Senior Management Employees, implementation and monitoring of CSR activities and the risk management framework.
- (iii) Executive Management – the entire business including the support services are managed with specifically defined responsibilities and authorities at different levels.

2. Board of Directors

2.1 Composition:

The Company has a very balanced and diverse Board of Directors, who are experienced, competent and highly renowned persons from the fields of manufacturing, finance and taxation, economics, law, governance etc. 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.

They take active part at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance etc. and play critical role on strategic issues, which enhances the transparency and add value in the decision making process of the Board of Directors.

The composition of the Board also complies with the provisions of the Companies Act, 2013 and the Listing Agreement. As at the end of corporate financial year 2015, the total Board strength comprises of the following:

Executive Directors	2
Non -Executive Non – Independent Directors	2
Independent Directors	4
Total	8

Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office as per their terms of appointment.

2.2 Profile of Directors:

All the Directors are professionals with experience and erudition in their respective areas and fields and Corporate Management Practices. The brief profile of the Directors as on 31st March, 2015 is given below:

1. **Mr. Ram Menon**, (DIN: 00111469) aged 85 years, Promoter, Non-Executive Chairman of the Company since 1991, is founder of the Company. He is Bachelor of Commerce and has tremendous experience of more than 57 years in Technical and Administrative fields.
2. **Mr. Ramesh D. Dixit**, (DIN: 00626827) aged 72 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 48 years.
3. **Mr. Nitin Menon**, (DIN: 00692754) aged 48 years, is Promoter and 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.
4. **Mr. Sachin Menon**, (DIN: 00134488) aged 52 years, is Promoter, 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.
5. **Mr. B. S. Ajitkumar**, (DIN: 00205336) aged 67 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.
6. **Mr. Kumar Nair**, (DIN: 00320541) aged 53 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.

7. **Capt. Sudheer S. Naphade**, (DIN: 02011352) aged 72 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.
8. **Mrs. Nazura Ajaney**, (DIN: 06947881) aged 45 years, is Independent Director of the Company w.e.f 4th September, 2014. She is having vast experience in various capacities as she is CEO of Childology (company which provides counseling to children & parents) , working with NGO's for rehabilitating women and children with HIV/AIDS by providing them support, advice, creating awareness, involved in CSR activities.

2.3 Meetings, agenda and proceedings etc. of the Board Meeting:

Meetings:

The Board generally meets 4 times during the year. The yearly calendar of the meetings is finalized before the beginning of the year. Additional meetings are held when necessary. The Directors are also given an option of attending the Board meeting through video conferencing, whenever they request for the same. During the year ended on 31st March, 2015, the Board of Directors had 4 meetings. These were held on 11th May, 2014, 23rd July, 2014, 16th October, 2014 and 21st January, 2015. The last Annual General Meeting (AGM) was held on 23rd July, 2014. The attendance record of the Directors at the Board Meetings and at the last AGM is as under:-

Sr. No.	Name of Director	Category	Attendance at meetings		As on 31 st March, 2015 (Excluding position in the Company)		
			Board	AGM	No. of Directorships	Committees	
						Membership	Chairmanship
1.	Mr. Ram Menon	Chairman	4	Yes	1	-	-
2.	Mr. Sachin Menon	Non Executive Director	4	Yes	1	-	-
3.	Mr. R. D. Dixit	Vice Chairman and Managing Director	4	Yes	1	1	1
4.	Mr. Nitin Menon	Joint Managing Director	3	Yes	1	-	-
5.	Mr. Kumar Nair	Independent Director	-	No	2	2	-
6.	Mr. B. S. Ajitkumar	Independent Director	3	Yes	1	1	-
7.	Capt. Sudheer S. Naphade	Independent Director	4	Yes	-	-	-
8.	Mrs. Nazura Ajaney	Independent Director	2	N.A.	1	-	-

1. 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.
2. Membership / Chairmanship only in Audit Committee and Stakeholder's Relationship Committee are considered.

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 16th October, 2014 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole.

Agenda:

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated in the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of the Board and Committees for the information of the Board. Agenda papers are circulated seven days prior to the Board Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed in the ensuing Board Meeting.

Code of Conduct:

The Board of Directors has laid down a Code of Conduct for Business and Ethics (the Code) for all the Board members and all the employees in the management grade of the Company. The Code covers things the Company's commitment to honest and ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health and safety, transparency and compliance of laws and regulations etc. All the Board members and senior management personnel have confirmed compliance with the code. 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 31st March, 2015 by the members of the Board and Senior Management Personnel, as applicable to them, is also annexed to this Annual Report.

As per SEBI (Prevention of Insider Trading) Regulation, 1992, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees at Senior Management and other employees who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code.

3. Audit Committee:-

The Board has constituted a well-qualified Audit Committee. Majority members of the Committee are Independent Directors including Chairman. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. Mr. Anup Padmai, Company Secretary acts as secretary to the 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.

During the financial year 2014-15, the Audit Committee met four times on 11th May, 2014, 23rd July, 2014, 16th October, 2014 and 21st January, 2015. As stipulated, the gap between two committee meetings did not exceed four months.

3.1 Composition and Attendance:

Name of the Member	Status	No. of Meetings	
		Held	Attended
Mr. Kumar Nair	Chairman	4	-
Mr. R. D. Dixit	Member	4	4
Mr. B. S. Ajitkumar	Member	4	3
Capt. Sudheer S. Naphade	Member	4	4

3.2 Terms of reference:

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchanges read with Section 177 of the Companies Act, 2013. These broadly includes (i) Develop an annual plan for Committee (ii) review of financial reporting processes, (iii) review of risk management, internal control and governance processes, (iv) discussions on quarterly, half yearly and annual financial statements, (v) interaction with statutory, internal and cost auditors, (vi) recommendation for appointment, remuneration and terms of appointment of auditors and (vii) risk management framework concerning the critical operations of the Company.

In addition to the above, the Audit Committee also reviews the following:

- Matter to be included in the Director's Responsibility Statement.
- Changes, if any, in the accounting policies.
- Major accounting estimates and significant adjustments in financial statement.
- Compliance with listing and other legal requirements concerning financial statements.
- Disclosures in financial statement including related party transactions.
- Management's Discussions and Analysis of Company's operations.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- Periodical review of Internal Audit Reports.
- Findings of any special investigations carried out by the Internal Auditors.
- Letters of Statutory Auditors to management on internal control weakness, if any.
- Major non routine transactions recorded in the financial statements involving exercise of judgement by the management.
- Recommend to the Board the appointment, re-appointment and, if required the replacement or removal of the Statutory Auditors considering their independence and effectiveness, and recommend the audit fees.

4. Nomination and Remuneration Committee (formerly known as Remuneration Committee):-

The Nomination and Remuneration Committee recommends the remuneration payable to Executive Directors of the Company. The Company pays sitting fees to Independent Directors for attending board meetings and professional services rendered to the Company. Mr. Anup Padmai, Company Secretary, as a Secretary to the Committee.

During the financial year 2014-15 the Nomination and Remuneration Committee met two times on 11th May, 2014 and on 16th October, 2014.

4.1 Composition and Attendance:

Name of the Member	Status	No. of Meetings	
		Held	Attended
Mr. Kumar Nair	Chairman	2	-
Mr. B. S. Ajitkumar	Member	2	2
Capt. Sudheer S. Naphade	Member	2	2

4.2 Terms of reference of the Nomination & Remuneration Committee:

The Committee is empowered to –

- Formulate criteria for determining qualifications, positive attributes and independence of Directors and evaluating the performance of the Board of Directors.
- Identify and assess potential individuals with respect to their expertise, skills, attributes, personal and professional standing for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personnel's.
- Formulate a policy relating to remuneration for the Directors and the Senior Management Employees.

4.3 Remuneration Policy:

The Company follows a policy on remuneration of Directors and Senior Management Employees.

Remuneration of Managing Director's:

- At the time of appointment or re-appointment, the Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the Managing Director within the overall limits prescribed under the Companies Act, 2013.
- The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- The remuneration of the Managing Director's is broadly divided into fixed and variable component.
- The fixed compensation shall comprise salary, allowances, perquisites, amenities and retiral benefits. The variable component shall comprise of performance bonus.
- In determining the remuneration (including the fixed increment and performance bonus) the Nomination & Remuneration Committee shall consider the following:
 1. The relationship of remuneration and performance benchmarks is clear;
 2. Balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
 3. Responsibility of the Managing Director's and the industry benchmarks and the current trends;
 4. The Company's performance vis-à-vis the annual budget achievement and individual performance.

Remuneration of Non-Executive Directors:

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies Managerial Remuneration Rules, 2014.

The Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company, if any, introduced by the Company

Remuneration of Senior Management Employees:

In determining the remuneration of the Senior Management employees (i.e. KMPs and Executive Committee Members) the Nomination & Remuneration Committee shall consider the following:

1. The relationship of remuneration and performance benchmark is clear;
2. The fixed pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
3. The components of remuneration includes salaries, perquisites and retirement benefits;
4. The remuneration including annual increment and performance incentive is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, industry benchmark and current compensation trends in the market.

The Managing Director's will carry out the individual performance review based on the standard appraisal matrix and after taking into account the appraisal score card and other factors mentioned here in above, recommends the annual increment to the Nomination & Remuneration Committee for its review and approval.

4.4 Details of remuneration and sitting fees paid to the Directors:

Details of remuneration/sitting fees paid during the year 2014-15 and number of shares held as on 31st March, 2015 by the directors of the Company are as follows:

Name of the Director	Salary	Contribution to Provident Fund	Other Perquisites	Sitting Fees	Total	Shares held
Mr. Ram Menon	Nil	Nil	Nil	4,000	4,000	Nil
Mr. R. D. Dixit	37,33,620	2,50,128	7,20,238	Nil	47,03,986	10,400
Mr. Nitin Menon	44,53,440	2,75,760	26,20,504	Nil	73,49,704	28,36,130
Mr. Sachin Menon	Nil	Nil	Nil	4,000	4,000	50,000
Mr. Kumar Nair	Nil	Nil	Nil	Nil	Nil	Nil
Mr. B S Ajitkumar	Nil	Nil	Nil	3,000	3,000	Nil
Capt. Sudheer S. Naphade	Nil	Nil	Nil	4,000	4,000	Nil
Mrs. Nazura Ajaney	Nil	Nil	Nil	2,000	2,000	Nil

Note: The Company has not granted any Stock Options.

5. Stakeholder's Relationship Committee (formerly known as Shareholder's / Investor's Grievance Committee):-

During the year under review, the nomenclature of the Shareholder's / Investor's Grievance Committee was changed to "Stakeholders' Relationship Committee", in line with the provisions of Section 178 of the Companies Act, 2013. Committee is empowered to oversee the redressal of investors' complaints pertaining to Share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfer/transmission /demat / remat of shares and other miscellaneous complaints. This Committee is responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services.

During the financial year 2014-15, the Stakeholder's Relationship Committee met four times on 11th May, 2014, 23rd July, 2014, 16th October, 2014 and 21st January, 2015.

5.1 Composition and Attendance:

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

Mr. Anup Padmai, Company Secretary is designated as the "Compliance Officer" who oversees the redressal of the investors' grievances.

The detailed particulars of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the year 2014-15 are as under:

Nature of Complaints	Opening	Received during the year	Resolved	Pending at the end of year
Non-receipt of Share Certificate	1	9	10	Nil
Non-receipt of Dividend/ Interest/ Redemption Warrant	Nil	7	7	Nil
Non-receipt of Annual Report	Nil	Nil	Nil	Nil
Total	1	16	17	Nil

6. Corporate Social Responsibility Committee:-

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. During the year ended on 31st March, 2015, this Committee had 1 meeting on 21st January, 2015.

6.1 Composition and Attendance:

Name of the Member	Status	No. of Meetings	
		Held	Attended
Mrs. Nazura Ajaney	Chairperson	1	1
Mr. R. D. Dixit	Member	1	1
Mr. Nitin Menon	Member	1	-

6.2 Terms of reference:

- To frame the CSR Policy and its review from time-to-time.
- To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.
- To ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

7. Vigil Mechanism Policy/ Whistle Blower Mechanism:

With the rapid expansion of business, various risks associated with the business have also increased considerably. Some such risks identified are the risk of fraud, misconduct & unethical behavior. To ensure fraud-free work & ethical environment Company has laid down a Vigil Mechanism Policy. By which Company provide a platform to all the employee, vendors and customers to report any suspected or confirmed incident of fraud, misconduct, unethical behavior etc. through any of the following reporting protocols:

- E-mail : admin@menonbearings.in
- Phone No. : 0231-2672 279/533/487
- Fax Number : 0231-2672 278
- Written Communication to : G-1, MIDC. Gokul Shirgaon, Kolhapur – 416234.

In order to repose more confidence amongst Whistle Blowers, the management of the above referred reporting protocols are managed by an independent agency under the control of Audit Committee. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and direct access to the Chairman of the Audit Committee is also available in exceptional cases.

7.1 Objectives of Vigil Mechanism Policy/ Whistle Blower Mechanism:

- To protect the brand, reputation and assets of the Company from loss or damage, resulting from suspected or confirmed incidents of fraud / misconduct.
- To provide guidance to the employees, vendors and customers on reporting any suspicious activity and handling critical information and evidence.
- To provide healthy and fraud-free work culture.

7.2 Working of Vigil Mechanism Policy/ Whistle Blower Mechanism:

The Committee under the control of Audit Committee is responsible for:

- Implementation of the policy and spreading awareness amongst employees;
- Review all reported cases of suspected fraud, misconduct, unethical behavior ;
- Order investigation of any case either through internal audit department or through external investigating agencies or experts;
- Recommend to the management for taking appropriate actions such as disciplinary action, termination of service, changes in policies & procedure and review of internal control systems;
- Annual review of the policy.

Audit Committee reports to the Board of Directors.

8. Internal Complaint Committee:

In accordance with the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has framed a policy for prevention of Sexual Harassment at Workplace and adopted the same. The existing policy has been amended by incorporating the rules and procedures as mandated in the notification issued by Ministry of Woman & Child Development on 9th December, 2013.

The objective of the policy is to provide its women employees, a workplace free from harassment/ discrimination and every employee is treated with dignity and respect.

8.1 Composition of Internal Complaint Committee:

Name of the Members	Designation
Mrs. Nazura Ajaney	Chairperson
Ms. Neha Harollikar	Member
Mr. Suresh Kulkarni	Member
Mr. Swapnil Patil	Member

9. General Body Meetings:**9.1 Annual General Meetings:**

The Company convenes Annual General Meeting generally within five months of the close of the Financial Year. The details of Annual General Meetings held in last 3 years are as under:

Financial Year	Date	Location	Time
2013-14	23 rd July, 2014	Residency Club, P.O. New Palace, Kolhapur - 416003	11.00 a.m.
2012-13	21 st August, 2013	Residency Club, P.O. New Palace, Kolhapur - 416003	10.30 a.m.
2011-12	16 th August, 2012	Residency Club, P.O. New Palace, Kolhapur - 416003	10.30 a.m.

9.2 Details of Special Resolutions passed in last three Annual General Meetings:

Date of AGM	Description of Resolution
23 rd July, 2014	<ol style="list-style-type: none"> 1. Entering into contract for purchase / sale of goods and providing services with related parties: 2. To adopt new set of Article of Association of the company 3. To authorize board of directors of the company to mortgage and to create charge on properties of company for securing any loan obtained from any banks or financial institutions
21 st August, 2013	<ol style="list-style-type: none"> 1. Payment of bonus of Rs. 11,00,000/- to Mr. Nitin Menon, Joint Managing Director of the Company. 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. 3. Re-appointment of Mr. Nitin Menon as Joint Managing Director of the Company w.e.f. 1st April, 2013. 4. Re-appointment of Mr. R D Dixit, Vice Chairman & Managing Director of the Company w.e.f. 1st April, 2013.
16 th August, 2012	<ol style="list-style-type: none"> 1. Payment of bonus of Rs. 5,00,000/- to Mr. Nitin Menon, Joint Managing Director of the Company.

9.3 Postal Ballot:

The Company successfully completed the process of obtaining approval of its Members on the following resolutions through Postal Ballots during the year 2014-15.

1. Ordinary Resolution under Section 61(1)(d) of the Companies Act, 2013 for sub-division of existing Equity Share of the Company having face value of Rs. 5/- (Rupees Five only) each fully paid up into 5 equity share of Re. 1/- (Rupee One only) each fully paid up.
2. Special Resolution under Section 13 of the Companies Act, 2013 for alteration of Capital Clause V of Memorandum of Association of the Company for sub-division of face value of equity shares.

The proposed voting pattern and procedure for Postal Ballot:

- The Board of Directors of the Company, vide a circular resolution dated 10th February, 2015, had appointed CS Manish Ghia, Practicing Company Secretary, Mumbai as the Scrutinizer for conducting the postal ballot voting process.
- The Company had completed the dispatch of the Postal Ballot Notice dated 10th February, 2015 together with the Explanatory Statement on 20th February, 2015, along with forms and postage prepaid business reply envelopes to all the shareholders whose name(s) appeared on the Register of Members/list of beneficiaries as on 13th February, 2015.
- The voting under the postal ballot was kept open from 20th February, 2015 to 21st March, 2015 (either physically or through electronic mode)
- The postal ballot forms were kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- All postal ballot forms received up to the close of working hours on 21st March, 2015, being the last date and time fixed by the Company for receipt of the forms, had been considered for his scrutiny.
- Envelopes containing postal ballot forms received after close of working hours on 21st March, 2015 had not been considered for his scrutiny.
- On 28th March, 2015, Mr. Ram Menon, Chairman of the Company, announced the results of the postal ballot as per the Scrutinizer's Report:

Voting Pattern :

Resolution Number	Particulars	Total No. of Valid Votes	Assenting Votes	% of Votes Cast	Dissenting Votes	% of Votes Cast
1	Votes cast through physical Postal Ballot	69,74,437	69,74,037	99.98	400	0.005
	Votes cast through Electronic Mode	5,010	4,110	82.03	900	17.96
	Total	69,79,447	69,78,147	99.98	1,300	0.02
2	Votes cast through physical Postal Ballot	69,64,737	69,64,337	99.99	400	0.005
	Votes cast through Electronic Mode	5,210	4,310	82.72	900	17.27
	Total	69,69,947	69,68,647	99.98	1,300	0.02

Both the resolutions were passed with requisite majority

10. Disclosures:**10.1 Related Party Transactions:**

There were no materially significant related party transactions, pecuniary transactions or relationship between the Company and its Directors during the financial year ended 31st March, 2015 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. The policy on dealing with Related Party Transaction is available on Company's website at www.menonbearings.in under Investor Relation tab.

10.2 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. The Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement, except with respect to the presence of quorum in Audit Committee Meeting held on 21st January, 2015.

10.3 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.

10.4 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.

10.5 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, Vice President Finance & Corporate of the Company certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs was placed before the Board.

10.6 Review of Directors' Responsibility Statement:

The Board in its report has confirmed that the annual accounts for the year ended 31st March, 2015 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

10.7 Details of Compliance with Non- Mandatory Requirements under Clause 49 of Listing Agreement:

The status of compliance with non-mandatory recommendations of the Clause 49 of the Listing Agreement with Stock Exchanges is provided below:

- Non-Executive Chairman's Office: Chairman's office is separate from that of the Managing Director & CEO.
- Shareholders' Rights: As the quarterly and half yearly financial performance are published in the news papers and are also posted on the Company's website, the same are not being sent to the shareholders.
- Audit Qualifications: The Company's financial statement for the year ended on 31st March, 2015 does not

- contain any audit qualification.
- Separate posts of Chairman and CEO: The Chairman of the Board is a Non-executive Director and his position is separate from that of the Managing Director & CEO.
- Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

11. Means of communication:

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These are widely published in Business Standard and Economic Times and other local language newspapers like Pudhari / Lokmat (Marathi). These results are simultaneously posted on the website of the Company at www.menonbearings.in and also uploaded on the website of the BSE Ltd. and National Stock Exchange of India Ltd.

The official press releases and presentation made to Institutional Investors / Analysts, if any, are also available on the Company's website.

12. General Shareholders' Information:

12.1 Annual General Meeting:

Day & Date : Tuesday, 14th July, 2015.
Time : 11.00 a.m.
Venue : The Residency Club, P.O. New Palace, Kolhapur-416003

12.2 Financial Calendar:

The Company follows the period of 1st April to 31st March, as the Financial Year.

First quarterly results	: by 14 th August, 2015
Second quarterly / Half yearly results	: by 14 th November, 2015
Third quarterly results	: by 14 th February, 2016
Annual results for the year ending on 31st March, 2016	: by 30 th May, 2016
Annual General Meeting for the year ending on 31st March, 2016	: by 14 th August, 2016

12.3 Book Closure:

The Register of Members and the Share Transfer Books of the Company shall remain closed from Wednesday, 8th July, 2015 till Tuesday, 14th July, 2015 till (both days inclusive) for Payment of final dividend, is declared.

12.4 Cut-off date for remote e-voting:

The remote e-voting /voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. Tuesday, 7th July, 2015.

12.5 Dividend Payment Date:

Dividend shall be paid to all the eligible shareholders between 21st July, 2015 to 25th July, 2015.

12.6 Dividend History:

Financial Year	Dividend amount per share	Percentage
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	Rs. 3.00 per share (Face value Rs. 5/-)	60%
2014-15 (Proposed)	Re. 0.80 per share (Face value Rs. 1/-)	80%

12.7 Unclaimed Dividend:

As per the provisions of Section 124 of the Companies Act, 2013 read with the Companies (Declaration & Payment of Dividend) Rules, 2014, 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 2006-2007 have been transferred to the said fund. The members who have not claimed their dividend for the financial year 2007-08 and subsequent years may write to the Company immediately.

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
2007-08	Rs. 2.50	26 th September, 2008	4 th November, 2015
2008-09	Rs. 2.50	12 th August, 2009	19 th September, 2016
2009-10	Rs. 1.25	20 th August, 2010	27 th September, 2017
2010-11	Rs. 2.25	30 th August, 2011	7 th October, 2018
2011-12	Rs. 2.75	16 th August, 2012	22 nd September, 2019
2012-13	Rs. 2.00	21 st August, 2013	27 th September, 2020
2013-14	Rs. 3.00	23 rd July, 2014	29 th August, 2021

12.8 Listing of Shares:

- a) The equity shares are at present listed at the following Stock Exchanges:

Name of the Stock Exchanges	Scrip Code / Symbol
BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	Stock Code: 523828
National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.	Symbol: MENONBE Series: EQ

- b) ISIN Code for the Company's equity share :

Up to 10th April, 2015 – INE071D01025 (having face value of Rs. 5/-)
From 11th April, 2015 - INE071D01033 (having face value of Re. 1/-)

- c) Corporate Identity Number (CIN) : L29130PN1991PLC062352

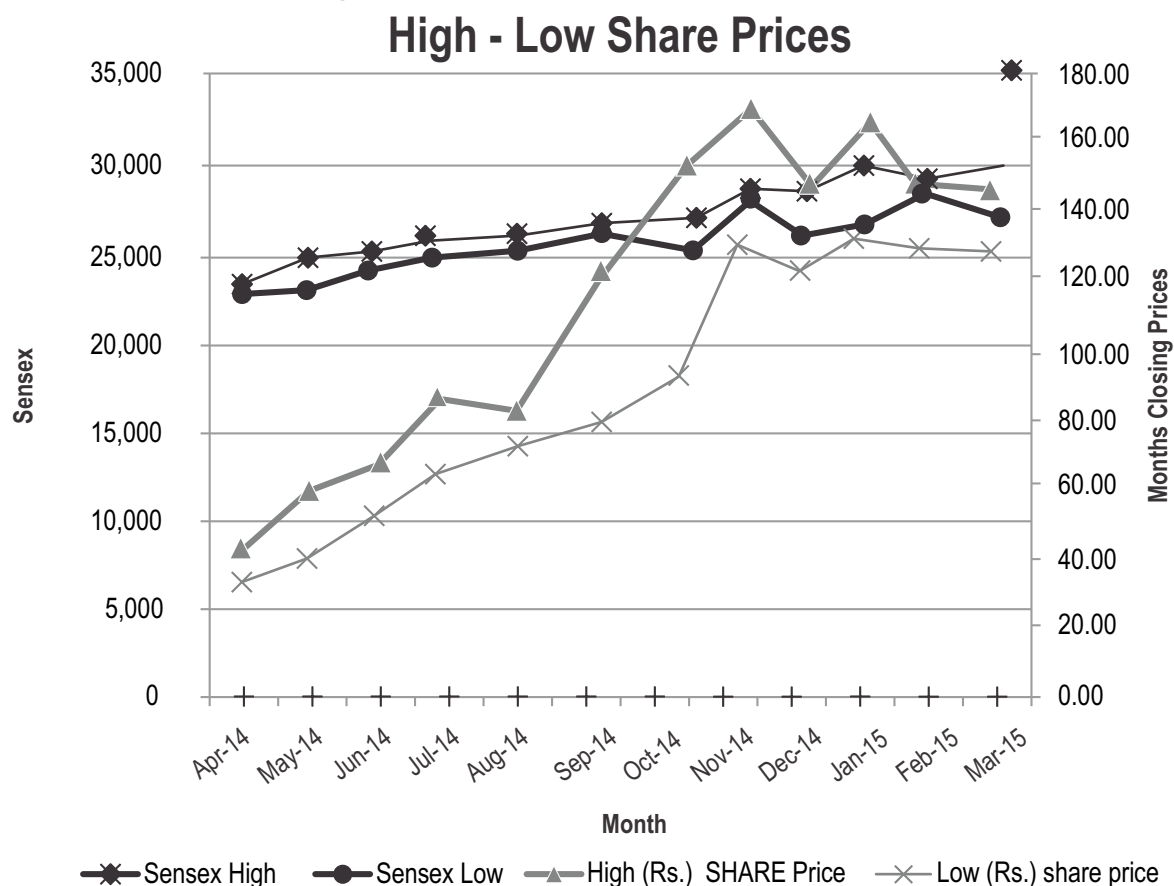
- d) The Company has paid listing fees up to 31st March, 2016 to the BSE Ltd. and National Stock Exchange of India Ltd. (NSE) where Company's shares are listed.

12.9 Market Price Data:

The high / low market price of the shares during the financial year 2014-15 at the BSE Ltd. are as under:-

Month	BSE Sensex		Share Price	
	High (Points)	Low (Points)	High (Rs)	Low (Rs)
Apr-14	22,939.31	22,197.51	41.95	33.10
May-14	25,375.63	22,277.04	63.90	37.55
Jun-14	25,725.12	24,270.20	69.95	56.05
Jul-14	26,300.17	24,892.00	90.90	67.50
Aug-14	26,674.38	25,232.82	88.90	73.10
Sep-14	27,354.99	26,220.49	130.00	80.00
Oct-14	27,894.32	25,910.77	154.90	94.40
Nov-14	28,822.37	27,739.56	169.75	131.00
Dec-14	28,809.64	26,469.42	148.90	122.20
Jan-15	29,844.16	26,776.12	167.90	132.50
Feb-15	29,560.32	28,044.49	148.50	131.30
Mar-15	30,024.74	27,248.45	146.00	130.00

The Board of Directors of your Company, are glad to inform you that the equity shares of the Company are now listed on India's leading Stock Exchange i.e. National Stock Exchange of India Ltd. (NSE) w.e.f 9th March, 2015. In the month of March, 2015 share price has reached at the highest price of Rs. 149.90 and at the lowest price of Rs. 132.05.

12.10 Performance in comparison to broad based indices:**12.11 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**12.12 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.

12.13 Distribution of Shareholding :

The shareholding distribution of the equity shares as on 31st March, 2015 is given below:

Shareholding by nominal value	No. of Shareholders	% of Total	Share Amount (Rs.)	% of Total
1 – 2500	4918	85.19	49,96,775	10.70
2501-5000	581	10.06	23,59,330	5.05
5001-10000	169	2.93	13,56,530	2.91
10001-15000	33	0.57	4,22,655	0.91
15001-20000	14	0.24	2,54,425	0.54
20001-25000	9	0.16	2,11,250	0.45
25001-50000	33	0.57	13,27,135	2.84
50001- 100000	16	0.28	3,57,71,900	76.60
Total	5773	100.00	4,67,00,000	100.00

12.14 Shareholding Pattern as on 31st March, 2015:

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	63,418	0.68
3.	Clearing Members	8,299	0.09
4.	Indian Public	22,21,963	23.79
5.	Non Resident Indians	72,120	0.77
	TOTAL	93,40,000	100.00

12.15 Dematerialization of Shares:

As on 31st March, 2015 about 89.92% of the Company's Equity Shares has been held in dematerialized form with NSDL & CDSL.

12.16 Convertible Instruments:

The Company has not issued any ADRs/GDRs/Warrants or any convertible instruments during financial year ended 31st March, 2015.

12.17 Reconciliation of Share Capital Audit:

As stipulated by Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchanges and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

12.18 Plant Locations:

G-1, MIDC, Gokul Shirgaon Kolhapur - 416234 Maharashtra	C-1 Five Star MIDC, Kagal, Kolhapur – 416234 Maharashtra
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12.19 Registered Office:

G-1, MIDC, Gokul Shirgaon, Kolhapur, Maharashtra – 416234

12.20 Address for 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

12.21 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.

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 2014-15.

Place : Kolhapur
Date : 5th May, 2015

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 31st March, 2015, 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 presence of proper quorum in One Audit Committee meeting.

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

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

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

P. M. Vardhe
Proprietor
Membership No : 031817
FRN : 111274W

Place : Kolhapur
Date : 5th May, 2015

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 31st March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view 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 Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 March 31, 2015;
- 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.

Emphasis of Matters

There are no such matters mentioned in the Notes to the financial statements.

Report on other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of Section 143 (3) of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt by us in preparing this report.
- d) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and the returns received from the branches not visited by us.
- e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) There are no such matters under the Emphasis of Matters paragraph above.
- g) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- h) The Company has properly maintained the accounts as required under applicable laws, rules & regulations.
- l) In our opinion and according to the information and explanations given to us, the Company has adequate internal financial controls system and the said system is working effectively.
- j) With respect to the other matters included in the Auditor's Report and to best of our information and according to the explanations given to us :

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivatives contracts of which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Place : Kolhapur
Date : 5th May, 2015

P. M. Vardhe
Proprietor
Membership No : 031817
FRN : 111274W

The Annexure referred to in our Report of even date to the members of Menon Bearings Limited on the accounts of the Company for the year ended 31st March, 2015.

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:

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, these fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;
- (ii) (a) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management;
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is generally maintaining proper records of inventory. No material discrepancies were noticed on physical verification of stocks by the management as compared to book records.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- (iv) As explained to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major instances of continuing failure to correct any weaknesses in internal control system have been noticed.
- (v) The Company has not accepted any deposits covered under the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) As explained to us, maintenance of cost records has been specified by the Central Government under sub-section (I) of section 148 of the Companies Act, we are of the opinion that prima facie such accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate and complete.
- (vii) (a) According to the records, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There were no outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) As explained to us, there are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- (c) The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.

- (viii) The Company does not have any accumulated losses at the end of the financial year and it has not incurred cash losses in such financial year and in the immediately preceding financial year;
- (ix) The company has not defaulted in repayment of dues to a financial institution or bank or debenture holders;
- (x) The company has not given any guarantee for loans taken by others from bank or financial institutions;
- (xi) The company has applied the term loans for the purpose for which the loans were obtained;
- (xii) No fraud on or by the company has been noticed or reported during the year.

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

Place : Kolhapur
Date : 5th May, 2015

P. M. Vardhe
Proprietor
Membership No : 031817
FRN : 111274W

Balance Sheet

as at 31st March, 2015

(Rs. in Lacs)

PARTICULARS	NOTE NO.	As on 31.03.2015	As on 31.03.2014
I. EQUITY AND LIABILITIES			
1. SHAREHOLDER'S FUNDS			
(a) Share Capital	2	467.00	467.00
(b) Reserves and Surplus	3	3,830.17	3,128.78
(c) Money received against share warrants		-	-
2. Share application money pending allotment			
3. Non- current liabilities			
(a) Long-Term Borrowings	4	377.69	578.24
(b) Deferred Tax liabilities (Net)	5	363.08	369.88
(c) Other Long Term Liabilities		-	-
(d) Long-Term Provisions		-	-
4. Current Liabilities			
(a) Short term borrowings	6	1,287.38	1,395.80
(b) Trade Payables	7	635.52	736.49
(c) Other Current Liabilities	8	51.48	42.79
(d) Short Term Provisions	9	817.71	699.49
TOTAL		7,830.03	7,418.47
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		3,558.04	3,767.60
(ii) Intangible Assets		13.97	6.66
(iii) Capital Work-In-Progress		40.98	58.27
(iv) Intangible Assets Under Development		-	-
(b) Non-Current Investments	11	5.89	5.89
(c) Deferred Tax Assets (Net)		-	-
(d) Long-Term Loans And Advances	12	60.05	60.05
(e) Other Non-Current Assets	13	-	5.07
2. Current assets			
(a) Current Investments		-	-
(b) Inventories	14	975.99	908.35
(c) Trade Receivables	15	2,056.87	1,789.46
(d) Cash and Cash Equivalents	16	900.22	663.20
(e) Short-Term Loans And Advances	17	218.02	153.92
(f) Other Current Assets		-	-
TOTAL		7,830.03	7,418.47
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 : 5th May, 2015

ARUN ARADHYE
CFO

ANUP PADMAI
Company Secretary

Statement of Profit & Loss

for the year ended on 31st March, 2015
(Rs. in Lacs)

PARTICULARS	NOTE NO.	For the Year Ended on 31.03.2015	For the Year Ended on 31.03.2014
I Total Revenue (i+ii+iii)		10,391.11	8,744.11
Revenue from Operations	18	11,023.70	9,395.54
Less - Excise Duty		772.36	749.36
i) Net - Revenue from Operations		10,251.34	8,646.18
ii) Other Operating Revenue	19	70.15	34.28
iii) Other Income	20	69.62	63.65
II Expenses		8,728.42	7,842.37
Cost of Materials Consumed	21	3,937.97	3,419.56
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trades	22	(33.19)	(88.25)
Employee Benefits Expenses	23	908.92	847.21
Finance Costs	24	238.75	223.61
Depreciation and Amortization Expense	10	421.99	475.47
Operating and Other Expenses	25	3,253.98	2,964.77
III Profit Before Exceptional and Extraordinary Items and Tax (I-II)		1,662.69	901.74
IV Exceptional Items		-	-
V Profit Before Extraordinary Items and Tax (III-IV)		1,662.69	901.74
VI Extraordinary Items		-	-
VII Profit Before Tax (V-VI)		1,662.69	901.74
VIII Tax expense:		508.20	283.99
(1) Current Tax		515.00	267.00
(2) Deferred Tax		(6.80)	16.99
IX Profit/(Loss) for the period from continuing operations (VII-VIII)		1,154.49	617.75
X Profit/(Loss) for the period from discontinuing operations		-	-
XI Tax expense of discontinuing operations		-	-
XII Profit/(Loss) from discontinuing operations (after tax) (X-XI)		-	-
XIII Profit/(Loss) for the period (IX + XII)		1,154.49	617.75
XIV Earnings per Equity Share:			
(1) Basic		12.36	6.61
(2) Diluted		-	-
See accompanying Notes on Accounts			

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

P.M.VARDHE
Proprietor
Membership No.:031817
Place : Kolhapur
Date : 5th May, 2015

For and on behalf of the Board of Directors

RAM MENON
Chairman

R. D. DIXIT
Vice Chairman & Managing Director

NITIN MENON
Joint Managing Director

ARUN ARADHYE
CFO

ANUP PADMAI
Company Secretary

Cash Flow Statement

for the year ended on 31st March, 2015

(Rs in Lacs)

Particulars	For the Year Ended on 31.03.2015	For the Year Ended on 31.03.2014
1 Profit After Tax & Appropriations Adjustments for	1,154.49	617.75
Proposed Dividend	(373.60)	(280.20)
Tax on Dividend	(63.49)	(47.62)
Deferred Tax	(6.80)	16.99
Extra Ordinary Items	-	-
(Excess Provision w/o and Loss on sale of asset)		
Add:- Depreciation & Amortization	421.99	475.47
Operating Profit before Working Capital changes	<u>1,132.59</u>	<u>782.40</u>
Changes in Working Capital		
Current Assets		
Inventories	(67.64)	(98.22)
Trade Receivables	(267.41)	(13.28)
Short Term Loans Advances	(64.10)	5.73
Other Non Current Assets	5.07	5.07
Current Liabilities		
Trade Payables	(100.97)	221.51
Other Current Liabilities	(8.70)	3.51
Short Term Provisions	118.22	139.16
Cash From Operating Activities	<u>764.46</u>	<u>1,045.88</u>
2 Cash From Investing Activities		
Purchase of Fixed Assets	(235.74)	(600.36)
Change in Work In Process	17.28	167.37
Investments	-	28.02
Long Term Loans and Advances	-	(0.01)
Cash Flow from Investing Activities	<u>(218.47)</u>	<u>(404.97)</u>
3 Cash Flow from Financing Activities		
Change in Short Term Borrowing	(108.43)	(269.24)
Change in Long Term Borrowing	(200.55)	(285.73)
Cash Flow from Financing Activities	<u>(308.98)</u>	<u>(554.97)</u>
Total Cash Flow	237.02	85.93
Add:- Opening Cash & Cash Equivalents	663.20	577.27
Closing Cash & Cash Equivalents	900.22	663.20

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 : 5th May, 2015

ARUN ARADHYE
CFO

ANUP PADMAI
Company Secretary

Notes on Accounts for the year on 31st March, 2015

Note No. 1

SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Accounting:

Accounts of the Company are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention. Company has complied with Accounting Standards as recommended by Institute of Chartered Accountants of India, provisions of Companies Act, 2013 and guidelines issued by Securities and Exchange Board of India.

The Company has prepared the financial statements as per the format prescribed under the Schedule III of the Companies Act, 2013.

1.2 Fixed Assets:

(i) Fixed assets except leasehold land are stated at cost (net of Cenvat and MVAT wherever applicable) of acquisition, less accumulated depreciation after retaining the specified residual value as per Schedule II of the Companies Act, 2013. Cost includes all costs incurred for bringing the assets to its working condition for intended use.

(ii) The cost of leasehold land is 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 based on useful life as per part c of schedule II of the Companies Act 2013. This has resulted in reduction in Depreciation of Rs. 29.83 Lacs for the year.

1.5 Investment:

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

1.6 Inventories:

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

1.7 Foreign Exchange Transactions:

Foreign Currency transactions are accounted at the exchange rates ruling on the date of the transactions. At the year end all monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rate. Exchange differences arising out of actual payments/realizations and from the year-end restatement referred to above are dealt with in the Profit & Loss Account.

1.8 Contingent Liabilities & Provisions:

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

1.9 Sales:

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

1.10 Retirement Benefits:

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

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	1,53,92,721
	b. Current Service Costs	12,74,452
	c. Total Service Gratuity	4,82,32,038
	d. Accrued Gratuity	1,80,27,196
	e. LCSA	2,92,34,621
	f. LC Premium	68,757
	g. Service Tax @ 12.36 %	8,499
2	RECOMMENDED CONTRIBUTION RATE	
	a. Fund value as on Renewal Date	1,49,35,489
	b. Additional Contribution for existing fund	4,61,818
	c. Current Service Costs	12,69,867
3	Total Amount payable (Rs.) (1.f + 1.g + 2.b + 2.c)	18,08,941
4	Less: Amount Paid	15,76,320
5	Liability appearing in Balance Sheet	2,32,621

1.11 Disclosure of Borrowing Cost Capitalised under Accounting Standard 16:

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

1.12 Segment Reporting Under Accounting Standard 17:

The company operates in one business segment namely "Auto Components" Hence reporting under this standards is not applicable to the company

1.13 Related Party Disclosures As Per Accounting Standard 18:

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

(Amount in Rs.)

Sr. No.	Name of Party	Relation	Nature of Transaction	Current Year 31.03.2015 Amount Rs.	Previous Year 31.03.2014 Amount Rs.
1.	MB Exports	Shri Nitin Menon is a partner	Sale / Service	9,64,77,902	10,91,97,346
2.	Mani Auto Components	Shri Nitin Menon is a partner	Sale / Service	7,58,98,219	2,26,64,403
3.	Master Aditya Nitin Menon	Son of Joint Managing Director	Sale of Flat	1,80,00,000	-
4.	Shri Ram Menon	Chairman	Sitting Fees	4,000	3,000
5.	Shri R. D. Dixit	Vice Chairman & Managing Director	Managerial Remuneration	47,03,986	43,94,440
6.	Shri Nitin Menon	Joint Managing Director	Managerial Remuneration	73,49,704	73,49,704
7.	Shri Sachin Menon	Director	Sitting Fees	4,000	3,000
8.	Shri Kumar Nair	Independent Director	Sitting Fees	-	1,000
9.	Shri B.S. Ajit Kumar	Independent Director	Sitting Fees	3,000	3,000
10.	Capt.Sudheer Naphade	Independent Director	Sitting Fees	4,000	2,000
11.	Mrs.Nazura	Independent Director	Sitting Fees	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, Capt. Sudhir Naphade and Mrs. Nazura Ajaney Independent Directors are not paid any remuneration. Only Sitting Fees are paid to them. The salary, perquisites and remuneration paid are disclosed under Report on Corporate Governance point no.4.4 as details of Remuneration and sitting fees paid to Directors.

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. Karveer United Pvt. Ltd.
 2. Menon Piston Ltd.
 3. Menon & Menon Limited
 4. Menon Engineering Services.
 5. 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 2014-15 is Rs. 12.36 (Previous year Rs. 6.61). 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.

Particulars	As on 31.03.2015	As on 31.03.2014
I. SHAREHOLDER'S FUND		
Note No.2		
Share Capital		
Authorised:		
2,02,00,000 Equity Shares of Rs.5 each fully paid	1,010.00	1,010.00
(Previous Year 2,02,00,000 Equity Shares of Rs.5 each)		
Issued, Subscribed and Paid up :		
93,40,000 Equity Shares of Rs.5 each fully paid	467.00	467.00
TOTAL	467.00	467.00

Note:

- 1) There is no movement in the share capital during the year.
 2) 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.
 3) 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	31.03.2015		31.03.2014	
	%	No. of Shares	%	No. of Shares
Nitin Ram Menon	30.37	28,36,130	29.82	27,85,330
Karveer United Pvt. Ltd.	24.29	22,68,800	24.29	22,68,800
Sucheta Nitin Menon	9.00	8,40,802	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	576.47	501.47
Add : Current Year	75.00	75.00
Sub-Total	651.47	576.47
Capital Reserve	25.00	25.00
Revaluation Reserve	30.09	30.09
Profit & Loss Account	3,123.61	2,497.22
TOTAL	3,830.17	3,128.78

Note :**Surplus**

Opening Balance	2,497.22	2,282.28
Less:- Depreciation difference		
Refer Note under Note no.10 Fixed Assets	16.00	-
Add:- Net Profit for the current period	1,154.49	617.75
Profit available for appropriation	3,635.70	2,900.04
Less: Proposed dividend on equity shares	373.60	280.20
Sub-Total	3,262.10	2,619.84
Less: Tax on distributed profits on equity shares	63.49	47.62
Sub-Total	3,198.61	2,572.22
Transfer to General Reserve	75.00	75.00
Balance carried forward to Balance Sheet	3,123.61	2,497.22

(Rs. in Lacs)

Particulars	As on 31.03.2015	As on 31.03.2014
II. NON CURRENT LIABILITIES		
Note No.4		
Long Term Borrowings		
Secured Loans		
a) Term Loan from Banks		
AXIS Bank Limited	47.16	107.43
State Bank of India	95.70	186.52
b) Car Loans from Banks		
State Bank of India	7.05	8.07
Sub-Total	149.91	302.02
Unsecured Loans		
Deferred Payment Liabilities	227.77	276.22
Sub-Total	227.77	276.22
TOTAL	377.68	578.24

Note :

Sr. No.	Bank Name	Loan Amt. (in Lacs)	Instalment Amt. (in Lacs)	No. of Instalments
1	Axis Bank Ltd. Term Loan	500.00	8.760	12
2	State Bank India Term Loan	500.00	7.500	24
3	State Bank India Car Loan (DUSTER)	9.00	0.083	60

- 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. Installment of Rs. 7.50 lacs p.m.
- 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 lacs p.m.
- c. The Long Term Borrowing includes Car Loan taken by the Company from the 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.

Particulars	As on 31.03.2015	As on 31.03.2014
Note No.5		
Deferred Tax Liabilities (Net)		
a) Depreciation Opening	385.75	368.71
Add: During the year	(7.84)	17.03
Closing Liability (a)	377.91	385.75
b) Disallowances as per Section 43B & 40(a) of Income Tax Act Opening	(8.99)	(8.42)
Add: During the year	(0.08)	(0.57)
Closing Asset (b)	(9.07)	(8.99)
c) Others Opening	(6.88)	(7.41)
Add:- During the Year	1.12	0.53
Closing Asset (c)	(5.76)	(6.88)
Deferred Tax Liability (Net) (a-b-c)	363.08	369.88

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

Bills Discount Facility	133.33	78.66
Cash Credit	63.19	115.01

b) State Bank Of India

Cash Credit & SLOC	894.70	918.17
Term Loan Due within 1 Year	196.16	187.62

Unsecured Loans

Sales Tax Deferral Loan Due within 1 Year	-	42.73
Deposits From Directors	-	53.62

TOTAL	1,287.38	1,395.80
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Note :

a) The Working Capital facilities from State Bank of India (MIDC Gokul Shirgaon Branch) are secured by stock of raw materials, semi-finished goods, finished goods and debtors collateral security of factory land & building situated at G-1, MIDC Gokul Shirgaon, Kolhapur-416234 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	608.62	713.45
Trade Payable (M.S.M.E)	26.90	23.04

Refer Note 27(d)

TOTAL	635.52	736.49
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(Rs. in Lacs)

Particulars	As on 31.03.2015	As on 31.03.2014
Note No.8		
Other Current Liabilities		
Advance From Customers	-	-
Unpaid / Unclaimed Dividend	51.49	42.79
TOTAL	<u>51.49</u>	<u>42.79</u>

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as on 31st March – 2015.

Note No.9**Short Term Provisions**

Sales Tax Payable - Current Dues	21.69	16.67
Gratuity Payable	2.33	9.84
Deposit from Customers	19.75	17.10
Statutory Liabilities	57.38	51.19
Provision for expenses	264.05	267.05
Proposed Dividend	373.60	280.20
Tax on Dividend	63.49	47.62
Leave Encashment	15.42	9.82
TOTAL	<u>817.71</u>	<u>699.49</u>

Note No.11**Non-Current Investment****Investment (At cost)****Trade (Quoted)**

1) 500 Equity Shares of Bank of Maharashtra @ Rs. 23 each.

(Market value as on 31.03.2015 Rs 37.10, Previous

year Rs.38.95 per share)

0.12 0.12

2) 11,100 Shares of Transwarranty Finance Ltd.

@ Rs. 52 each (Market Value as on 31.03.2015

Rs. 6.35, previous year Rs. 4.54 per share)

5.77 5.77

3) 1,100 Equity Shares of GTL Infrastructure Ltd.(Bonus Shares)

(Market Value as on 31.03.2015 Rs. 1.40 per share,

previous year Rs. 1.40 per share)

- -

TOTAL 5.89 5.89

Note :

a) Aggregate market value of quoted investments as on 31.03.2015 is Rs. 90,245.00 and 31.03.2014 Rs.71,409.00.

Note No.10

FIXED ASSETS

SCHEDULE D - FIXED ASSETS SCHEDULE FOR THE F.Y.2014-15

(Rs. in Lacs)

			GROSS BLOCK				DEPRECIATION						NET BLOCK		
			OPENING BALANCE	ADDITIONS	DELETIONS	TOTAL	UPTO	ON OPENING	ON ADDITIONS	FOR THE YEAR	Retained Earnings	ADJUST- MENTS	TOTAL	As on 31.03.2015	As on 31.03.2014
		%	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
SR. NO.	PARTICULARS														
	a) Tangible Assets														
1	Land (lease hold)	1%	-	-	-	103.14	10.21	1.07	-	1.07	-	-	11.27	91.86	92.93
2	Land (free hold)	0%	-	-	-	25.22	-	-	-	-	-	-	-	25.22	25.22
3	Site Development	0%	-	2.91	-	176.36	-	-	-	-	-	-	-	176.36	173.45
4	Building		30.00	9.17	183.43	1,162.90	307.34	40.59	0.03	40.62	-	11.65	336.31	826.59	1,029.82
5	Plant and Machinery		15.00	4,634.79	330.93	4,908.55	2,696.89	292.65	5.54	298.19	-	30.68	2,964.39	1,944.15	1,937.90
6	Electrical Installation		10.00	224.10	6.84	230.94	124.22	24.46	0.12	24.59	-	-	148.81	82.13	99.88
7	Tools and Implements		15.00	340.14	44.55	384.68	174.63	17.14	1.23	18.37	-	-	193.00	191.69	165.51
8	Material Handling Equip.		15.00	49.37	3.43	52.80	23.68	5.19	0.16	5.35	-	-	29.04	23.77	25.69
9	Fire Fighting		15.00	9.54	-	9.54	0.92	1.09	-	1.08	-	-	2.00	7.54	8.63
10	Effluent Treatment Plant		15.00	83.66	0.88	84.54	23.42	5.83	0.04	5.87	-	-	29.29	55.25	60.24
11	Office Equipments		5.00	34.40	4.86	39.26	14.29	3.11	0.24	3.35	10.66	-	28.30	10.96	20.10
12	Miscellaneous Assets		15.00	11.74	0.22	11.96	7.11	0.36	0.01	0.37	-	-	7.48	4.48	4.63
13	Computers		6.00	57.75	4.07	61.81	44.95	4.49	0.44	4.94	1.79	-	51.68	10.13	12.80
14	Furniture		10.00	73.71	14.88	88.59	31.86	6.41	0.25	6.66	3.56	-	42.08	46.51	41.85
15	Vehicle		8.00	136.22	-	136.22	64.71	10.11	-	10.11	-	-	74.82	61.40	71.52
	TOTAL			7,294.38	422.74	7,476.51	3,524.23	412.51	8.06	420.57	16.01	42.33	3,918.47	3,558.04	3,770.16
	PREVIOUS YEAR			670.04	601.78	7,294.38	3,059.18	457.83	15.12	472.95	-	5.35	3,526.78	3,767.60	3,641.19

b) Intangible Assets

1	Technical know how	16.21%	3.00	52.45	-	52.44	52.45	-	-	-	-	-	52.45	-	-
2	Computers Software	16.21%	3.00	27.15	11.28	38.44	23.05	1.41	0.01	1.42	-	-	24.47	13.97	4.10
	Total			79.60	11.28	90.88	75.50	1.41	0.01	1.42	-	-	76.92	13.97	4.10
	Previous Year			78.07	1.53	79.60	70.42	2.39	0.13	2.52	-	-	72.94	6.66	7.65

(Note: Remaining value after deducting residual value, where the remaining useful life of an asset is "NIL" amounting to Rs. 16.00 Lacs on various assets is deducted from the opening balance of retained earning.)

(Rs. in Lacs)

Particulars	As on 31.03.2015	As on 31.03.2014
Note No.12		
Long Term Loans and Advances		
Telephone Deposit	0.56	0.56
MSEB Deposit	56.82	56.82
Water Deposit	2.67	2.67
TOTAL	60.05	60.05
Note No.13		
Other Non-Current Assets		
Pre-operative Expenses	5.07	10.14
Less: Written off during the year	5.07	5.07
TOTAL	-	5.07
Note No.14		
Inventories (At cost or market rates whichever is less)		
Raw Material	157.43	137.48
Stores & Spares	112.16	97.66
Finished Goods	435.12	350.54
Work in Process	271.28	322.67
TOTAL	975.99	908.35
Note No.15		
Trade Receivables		
(Unsecured, considered good)		
Outstanding for a period exceeding 6 months	219.27	201.92
Other Debts	1,837.60	1,587.54
TOTAL	2,056.87	1,789.46
Note :		
(Includes amount of Rs 2,14,91,259.80 Due from MB Exports and Mani Auto Components Rs. 81,00,231.99 , a firm in which director is a partner.)		
Note No.16		
Cash & Cash Equivalents		
Cash in Hand	1.44	0.52
Balance with Bank	898.78	662.68
i) In Current A/c	223.49	50.68
ii) In Fixed Deposits	675.29	612.00
TOTAL	900.22	663.20
Note :		
a) FDs maturing after one year Rs.5,98,77,321.00		
b) FDs held as security against Guarantees Rs.32.50 Lacs.		
Note No.17		
Short -Term Loans & Advances		
Other Advance	11.02	10.07
Staff Advance	-	0.10
Interest accrued but not received	34.66	15.00
Other Deposits	19.46	12.84
Prepaid expenses	15.03	16.70

(Rs. in Lacs)

Particulars	As on 31.03.2015	As on 31.03.2014
Advance Income Tax	27.31	4.97
Advance to Suppliers	29.43	44.88
Excise Duty	51.21	35.14
Service Tax	29.90	13.52
VAT Refund Receivable	-	0.70
TOTAL	218.02	153.92

(Rs. in Lacs)

Particulars	Current Year Ended on 31.03.2015	Previous Year Ended on 31.03.2014
Note No.18		
Sales		
Bearings, Bushes and Thrust Washers etc.	6,636.91	5,977.82
Aluminium Die Casting Components	2,658.80	2,009.25
Sale of Tooling	15.27	13.19
Sale of Stainless Steel Parts	384.19	283.64
Other Products	25.86	20.23
Strip Sale	443.99	297.44
Scrap Sale	86.32	44.61
TOTAL	10,251.34	8,646.18

Note No.19**Other Operating Revenue**

Exchange Difference	27.79	13.92
Sale of DEPB License	10.61	-
Duty Drawback Refund	10.42	11.41
Excess Provision Written off	0.10	4.20
Income from other Source	9.40	4.45
Other Income	3.61	0.30
Profit on Sale of Fixed Asset	8.22	-
TOTAL	70.15	34.28

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

Dividend from Companies	-	0.20
Interest Received	69.62	54.56
Net Gain/Loss on sale of investments	-	8.89
TOTAL	69.62	63.65

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

Opening Stock	157.45	146.06
Add : Purchases	3,966.07	3,430.96
Sub - Total	4,123.52	3,577.01
Less : Closing Stock	185.56	157.45
Sub - Total	185.56	157.45
TOTAL	3,937.96	3,419.56

(Rs. in Lacs)

Particulars	Current Year Ended on 31.03.2015	Previous Year Ended on 31.03.2014
Note No.22		
Changes in stock of Finished Goods and Work-in-Process		
Opening Stock		
Finished Goods	350.54	336.04
Work in Process	322.67	248.92
Sub-Total	673.21	584.96
Closing Stock :		
Finished Goods	435.12	350.54
Work in Process	217.28	322.67
Sub-Total	706.40	673.21
Increase / (Decrease) in Stock	33.19	88.25

Note No.23		
Employee Benefits Expenses		
Directors Remuneration	120.53	117.44
Salary and Wages	702.60	670.06
Labour Welfare	6.65	6.25
Contribution to Provident Fund	49.39	39.42
Contribution to Group Gratuity Trust	29.75	14.04
TOTAL	908.92	847.21

Note No.24		
Finance Costs		
Interest	191.31	191.36
Bank Commission & Other Charges	47.44	32.25
TOTAL	238.75	223.61

Note No.25		
Operating and Other Expenses		
A] Operating Expenses		
Stores & Spares Consumed	685.95	652.96
Electricity	744.58	665.72
Power & Fuel Expense	52.62	50.02
Electric Material	5.92	6.05
Outside Labour charges	258.73	227.49
Contract Labour Charges	486.73	377.46
Water charges	21.31	18.55
Repairs & Maintenance	206.30	165.76
Testing Fees	4.09	2.87
Hamali	0.84	0.95
Machining Charges	20.99	6.03
Development Charges	7.90	3.34
TOTAL (A)	2,495.96	2,177.20

Particulars	Current Year Ended on 31.03.2015	Previous Year Ended on 31.03.2014
B] Other Expenses		
Advertisement	10.21	3.83
Auditors Remuneration		
i) Audit Fees	1.00	1.00
ii) Other Services	0.35	0.35
Business Expenses	18.44	13.62
Donation	0.27	5.97
Establishment Expenses	29.37	30.61
Foreign Tour Expenses	6.57	36.33
Freight Outward	87.99	80.00
Insurance	10.63	10.19
Building Repairs	44.03	86.38
Legal & Consultation	26.22	19.96
Misc. Expenses	28.90	23.06
Postage, Telephone	17.32	16.66
Printing & Stationary	12.52	13.43
Rent, Rates and Taxes	33.81	20.40
Sales Promotion Expenses	335.84	342.76
Sitting Fees	0.17	0.12
Traveling Expenses	65.50	65.57
Loss on sale of Asset	11.49	-
Vehicle & Conveyance Expenses	12.32	12.25
Pre -Operative Expenses Written off	5.07	5.07
TOTAL (B)	758.02	787.56
TOTAL (A + B)	3,253.98	2,964.76

Note No.26**Contingent Liabilities**

- State Bank of India has given guarantee on behalf of the Company for Rs. 31.95 lacs (Previous year Rs. 31.70 lacs)
- Central Sales Tax and MVAT assessments are completed up to 31.03.2010 respectively. The liability in respect of pending assessments / appeals under BST/CST /VAT is unascertainable.
- The Income Tax assessments are completed up to the Assessment Year 2012-2013. (Relevant to accounting year ended 31.03.2012). 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 for Excise Duty in respect of finished goods in stock at the close of the year estimated at Rs. 54.39 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	2015	2014
a) Total amount outstanding at the end of the year.	26,90,033	23,03,482
b) Total amount outstanding beyond the appointed date.	Nil	Nil
c) Amount of interest accrued and due at the end of the year on the balance outstanding.	Nil	Nil
d) Total amount paid during the year beyond the appointed date.	Nil	Nil
e) Amount of interest accrued and due at the end of the year on amount paid during the year beyond the appointed date.	Nil	Nil
f) Total interest due but not paid at the end of the year.	Nil	Nil

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

e) C.I.F. Value of Import

(Rs. in Lacs)

Sr. No.	Particulars	Current Year Ended on 31.03.2015	Previous Year Ended on 31.03.2014
1	Raw Material & Consumables	187.20	78.18
2	Plant & Machinery	137.32	42.15
	TOTAL	324.52	120.33

f) VALUATION OF IMPORTED & INDIGENOUS RAW MATERIAL :

(Rs. in Lacs)

Sr. No.	Particulars	Current Year Ended on 31.03.2015		Previous Year Ended on 31.03.2014	
		%	Value	%	Value
1	Imported Raw Materials	4.75	187.20	2.29	78.18
2	Indigenous Raw Materials	95.25	3,750.77	97.71	3,341.38
	TOTAL	100%	3,937.97	100%	3,419.56

g) EXPENDITURE IN FOREIGN CURRENCY :

(Rs. in Lacs)

Sr. No.	Particulars	Current Year Ended on 31.03.2015	Previous Year Ended on 31.03.2014
1	Foreign Tour Expenses	6.57	36.33
2	Raw Material and Consumables	184.96	74.02
3	Plant and Machinery	129.30	37.43
	TOTAL	320.83	147.78

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 : 5th May, 2015

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

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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.



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PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

24TH ANNUAL GENERAL MEETING ON 14TH JULY, 2015

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP Id:

I/We being a member(s) of Shares of the above named Company hereby appoint:

(1) Name

Address.....

Email Id:..... Signature..... or failing him;

(2) Name

Address.....

Email Id:..... Signature..... or failing him;

(3) Name

Address.....

Email Id:..... Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held on Tuesday, 14th July, 2015 at 11.00 a.m at The Residency Club, P.O. New Palace, Kolhapur-416003 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

P.T.O



Resolution Number	Resolutions	Vote (Optional see Note 2) (Please mention no. of share)		
		For	Against	Abstain
	Ordinary Business:			
1	Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31st March, 2015 along with Reports of the Directors and of the Auditors.			
2	Ordinary Resolution for declaration of Dividend on Equity Shares for the financial year ended 31st March, 2015.			
3	Ordinary Resolution for appointment of director in place of Mr. Ram Menon, Chairman, who retires by rotation and being eligible, offers himself for re-appointment.			
4	Ordinary Resolution for re-appointment M/s P. M. Vardhe & Co., Chartered Accountants, Kolhapur (having FRN: 111274W) as Statutory Auditors of the Company.			
5	Ordinary Resolution to ratify appointment of M/s. Rajesh Lohia & Co., Chartered Accountants (having FRN: 108416W), as Branch Auditors of the Company until the conclusion of the 25th Annual General Meeting.			
	Special Business:			
6	Ordinary Resolution for appointment of Mrs. Nazura Ajaney (DIN: 06947881) as an Independent Director upto 3rd September, 2019.			
7	Ordinary Resolution for approval of remuneration payable to Mr. Chandrashekhar S. Adawadkar, Cost Accountants, Pune, for the financial year 2015-16.			

Signed this day of, 2015

Signature of shareholder

Signature of Proxy holder(s)

Affixed
Revenue
Stamp

Note :

1. This form of proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deemed appropriate.

Menon Bearings Ltd.
G-1, MIDC, Gokul
Shirgaon, Kolhapur-416234,
Maharashtra, INDIA,
Ph.: +91 231 2672487,
+91 231 2672279, 2672533,
Fax: +91 231 2672278,
E-mail : admin@menonbearings.in,
Web : www.menonbearings.in

USA and Canada :
Call Toll Free 1 (866) 55 MENON,
OR 001 (317) 514-7215