



MENON BEARINGS LIMITED



8th

ANNUAL REPORT

1998-1999



MENON BEARINGS LIMITED

BOARD OF DIRECTORS

Mr. Ram Menon

Chairman

Mr. Arun Kirloskar

Director

Mr. Vijay Menon

Director

Mr. Sachin Menon

Director

Mr. R. D. Dixit

Managing Director

Mr. Nitin Menon

Executive Director

Mr. K. Parameswaran

Director

Mr. Mani Mathew

Director

Company Secretary

Mr. V. G. Kulkarni

Auditors

M/s. P. M. Vardhe & Co.

Chartered Accountants

Bankers

Bank of Baroda

The United Western Bank Ltd.

Registered Office

G-1, M.I.D.C., Gokul-Shirgaon, Kolhapur - 416 234



MENON BEARINGS LIMITED

Directors' Report

Your Directors have pleasure in presenting their EIGHTH Annual Report of your company together with the Audited statement of Accounts for the financial year ended 31st March, 1999.

Economic Scene

The global recession and slow down in Indian Economy has considerably affected the industrial production in the country. There were hardly any developments in the infrastructural sector which continued to be weak in power and roads. The recent measures introduced in the budget proposals have brought some hopes of revival of Indian economy.

Operations

The operations during the first half of 1998-99 were hit by recession. However the turnover in second half has shown encouraging results. The company has registered an annual turnover of Rs. 1073.23 lacs during the year under report compared to Rs. 963 lacs during 1997-98. This was made possible because of broadening the customer base, increased acceptance in replacement market.

Financial Results

Your Directors inform that your company has earned a net profit of Rs. 126.60 lacs after tax during the year under report which is the sixth year of operation. The financial results and the appropriation of profit is summarised below -

	(Rs. in Lacs)	
	Year ended 31-03-1999	Year ended 31-03-1998
1. Profit before taxation	141.60	63.02
2. Provision for taxation	15.00	7.00
3. Profit after taxation	126.60	56.02
4. Balance profit as per last balance sheet	169.13	155.71
5. Balance available for appropriation	295.73	211.73
6. Proposed dividend	56.04	37.36
	(12%)	(8%)
7. Tax on Dividend	5.60	3.74
8. General Reserve	7.00	1.50
9. Balance of profit carried Forward to Balance sheet	227.09	169.13

Dividend

Considering the profit position and the necessity to plough back funds for investment in plant and machinery for automation/expansion, your directors are pleased to recommend payment of dividend at 12% without deduction of tax.

Fixed Deposits

The company has not accepted any fixed deposits within the meaning of section 58(A) of the Companies Act, 1956 and rules framed thereunder and hence no deposit was outstanding as on 31-03-1999.

Directors

In accordance with the requirement of the Companies Act, 1956 and company's Articles of Association, Mr. Ram Menon and Mr. Arun Kirloskar, Directors of the company are due to retire by rotation and eligible for reappointment.

Industrial relation

Industrial relations continued to be cordial during the year under report.

Auditors

M/s. P. M. Vardhe and Company, Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for reappointment for which they have not conveyed their unwillingness.

Particulars of Employees

Statutory statement of particulars of employees pursuant to Section 217(2A) of the Companies Act, 1956 is Nil, since no employee is drawing salary of Rs. 6,00,000 p.a. or Rs. 50,000 per month.

The information required under the Companies (Disclosure of the particulars in the report of the Board of Directors) Rules, 1956 is enclosed.

Year 2000 (Y2K) Compliance

The company has taken necessary steps to assure/secure Y2K compliance of the equipment and software deployed in the company's operations. The company is in the process of preparing a contingency plan to reduce the risk from any outside agency not meeting the required status of Y2K readiness.

Acknowledgement

The Directors wish to place on record their gratitude for the continued cooperation and patronage extended by our esteemed customers both in OEM and after market segments. The Directors would also like to place on record their sincere appreciation for the continued cooperation, guidance, support and assistance during the year under report by our bankers, all the customers, suppliers of the company and Govt. agencies. The Board of Directors wishes to express its appreciation for the efforts and contribution made by the employees at all levels during the year under report.

For and on behalf of the Board of Directors

Dated : 28-05-1999
Place : Kolhapur

Ram Menon
Chairman



MENON BEARINGS LIMITED

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

I. CONSERVATION OF ENERGY

1. The company has successfully combined different manufacturing operations on one machine which has resulted into conservation of electrical energy and high productivity.

2. The in-house automation programme has yielded higher productivity with lesser power consumption.

3. The Company's continuous improvement programme which is on the anvil is aimed at optimising the energy requirement for those operations under consideration.

II. TECHNOLOGY ABSORPTION

FORM B

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

1. Specific areas in which R & D carried out by the Company.

1. Process Failure Mode Effect Analysis has been done to establish factors affecting quality.

2. Efforts are made to bring down the rejections below the bench mark.

2. Benefits derived as a result of above R & D

1. Satisfactory product performance resulting into self certification status from major OEM customers.

2. More value addition to the product.

3. Development of latest manufacturing technology

3. Future plan of action

Installation of complete automatic line for manufacture of bearings.

4. Expenditure on R & D

Capital Rs. Nil.
Recurring Rs. Nil.

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

1. Efforts in brief, made towards Absorption, Adaptation

Latest generation machines are being manufactured in-house to cope-up the requirement of manufacturing process.

2. Benefits derived as a result of the above efforts e.g. product improvement cost reduction, product development

a) Substantial cost reduction has been effected and part of cost saving is passed on to the customer. development

b) Considering improvement in product quality, productivity problems have been vanished

c) Self certified status from major OEMs viz. Telco, Mahindra, Cummins, Maruti Udyog.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year.)

Flange bearings SPM press of 450 ton capacity is built in-house with design back-up from M/s King Ltd, Israel.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO.

1. Activities relating to export initiative for exports, development of new export markets for products and services and exports.

We are exporting our products to U.K., Egypt, Spain, Israel, U.S.A. Additional applications are under development for export market

Total Foreign exchange used and earned

Used : Imports Rs. 2913036

Others Rs. 380057

Earned : Deemed Export Worth Rs. 6403199

For and on behalf of the Board of Directors

RAM MENON
Chairman

Date : 28.05.99.
Place : KOLHAPUR.