

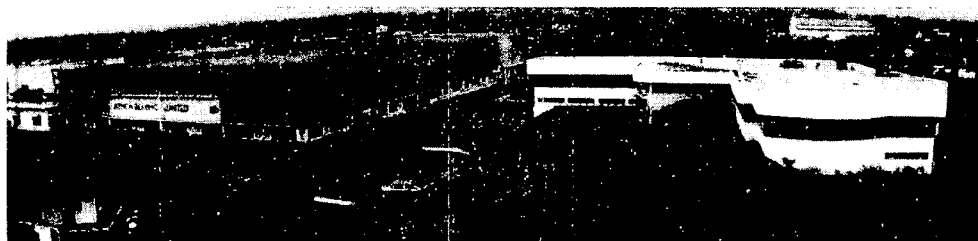


Annual Report 2008



**MENON BEARINGS LTD.**

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# Chairmans' Message

Dear Fellow Shareholders,

It gives me great pleasure to present the Annual Report of the company for the financial year 2007-08 and share with you its growth story.

## Performance during the year

This fiscal year has been satisfactory in terms of growth and profitability. Last year your company has finalized negotiations with couple of major multinational OEM and I am happy to inform you that during the year 2007-2008 company has started regular supply of products to them. In the year 2007-2008 your company's turnover grew by 15%.

## Investing for profitable growth.

Your company believes in human resource accounting and its efficient management and on going basis company renews and adds Human Resource Management and Development Systems.

## Technology

The company has set up Engineering Design modules as a new technology hub at its plant. Your company has developed high speed bush manufacturing systems to meet the requirement of high volume at low price. A new high speed bearing manufacturing line is also under development to match the price and volumes of the small car segment.

## Looking Ahead

Company is on going positioned to exploit the opportunities that will emerge from auto mobile-auto component sectors.

To conclude, I wish to place on record my appreciation for the outstanding commitment and smart work of all our employees, advisors and consultants I also appreciates the on going support from Registrar of Companies, Pune, Ministry of Corporate Affairs, SEBI, Central Government, Reserve Bank and all other regulatory authorities, without them success was thorny.

With Best Wishes,



**Ram Menon**

Kolhapur, July 12, 2008

**Chairman, Menon Bearings Limited**

# Board of Directors

<b>RAM MENON</b>	Chairman
<b>SACHIN MENON</b>	Director
<b>R. D. DIXIT</b>	Vice Chairman & Managing Director
<b>NITIN MENON</b>	Joint Managing Director
<b>T. K. GUHA</b>	Executive Director
<b>KUMAR NAIR</b>	Director
<b>B. S. AJITKUMAR</b>	Director

( With effect from 29-05-2008)

## REGISTERED OFFICE :

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

**CFO :** Suhas Kulkarni

**Company Secretary :** Avinash Abhyankar

## AUDITORS :

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

## BANKERS :

AXIS BANK LIMITED  
Kolhapur  
STATE BANK OF INDIA,  
Gokul Shirgaon,  
Kolhapur

## REGISTRAR AND SHARE

### TRANSFER AGENTS:

M/s. INTIME SPECTRUM REGISTRY 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 : isrl@intimespectrum.com

# Notice

Of 17th Annual General Meeting.



MENON BEARINGS LIMITED

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

## NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Company will be held on Friday, 26th September 2008 at 10.30 a.m. at the Registered Office of the Company at G-1 MIDC Gokul Shirgaon, Kolhapur – 416 234 to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2008 and the Profit and Loss Account for the year ended on that date and the reports of the Directors and of the Auditors thereon.
2. To declare dividend on equity shares for the financial year ended on 31st March 2008.
3. To appoint a director in place of Shri Ram Menon, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint M/s P. M. Vardhe & Co, Chartered Accountants as Auditors to hold office from the conclusion of this Annual General Meeting up to the conclusion of next Annual General Meeting and fix their remuneration.

### Special Business

5. To pass with or without modifications, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** Shri B. S. Ajit Kumar, who was appointed as an Additional Director of the Company w.e.f. 29th May 2008 and holds office upto the conclusion of this Annual General Meeting under Section 260 of the Companies Act, 1956 read with Article 130 of the Articles of Association of the Company, but being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Act from a shareholder signifying his intention to propose Shri B. S. Ajit Kumar as a candidate for the office of director, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation."

6. To pass with or without modifications, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and subject to the approval of Central Government and all other permissions, sanctions and approvals as may be necessary, if any, the re-appointment of Shri Nitin Menon as Joint Managing Director of the Company for a period of 3 years w.e.f. 1st July 2008 on the following terms and conditions be and is hereby approved:

(a) **Date of re-appointment:** 1st July 2008

(b) **Tenure :** 3 years

(c) **Remuneration:** Remuneration payable to Shri Nitin Menon shall be as follows (per month):

Sr. No.	Particulars	Amount in Rs.
1	Salary	2,90,000
2	House Rent Allowance	29,000
3	PPA	55,000
4	Production	75,000
5	Education Allowance	16,000
6	Soft Furnishing Allowance	17,500
7	Servant Allowance	17,500
	<b>TOTAL</b>	<b>5,00,000</b>

**(d) Others:**

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

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

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

7. To pass with or without modifications, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and subject to the approval of Central Government and all other permissions, sanctions and approvals as may be necessary, if any, the re-appointment of Shri Ramesh D. Dixit as Vice Chairman & Managing Director of the Company for a period of 3 years w.e.f. 1st July 2008 on the following terms and conditions be and is hereby approved:

(a) **Date of re-appointment:** 1st July 2008

(b) **Tenure :** 3 years

(c) **Remuneration:** Remuneration payable to Shri Ramesh D. Dixit shall be as follows (per month):

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

**(d) Others:**

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

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

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

8 To pass with or without modifications, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and subject to the approval of Central Government and all other permissions, sanctions and approvals as may be necessary, if any, the re-appointment of Shri T. K. Guha as Executive Director of the Company for a period of 3 years w.e.f. 1st July 2008 on the following terms and conditions be and is hereby approved:

(a) **Date of re-appointment:** 1st July 2008

(b) **Tenure :** 3 years

(c) **Remuneration:** Remuneration payable to Shri T. K. Guha shall be as follows (per month):

Sr. No.	Particulars	Amount in Rs.
1	Salary	2,35,000
2	House Rent Allowance	23,500
3	PPA	47,400
4	Production	32,100
5	Education Allowance	16,000
6	Soft Furnishing Allowance	20,000
7	Servant Allowance	20,000
8	Conveyance	6,000
	<b>TOTAL</b>	<b>4,00,000</b>



**(d) Others:**

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

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

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

9. To pass with or without modifications, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 269 and 309(5B) read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ('the Act') and subject to the approval of Central Government, and all other permissions, sanctions and approvals as may be necessary, if any, the consent of the Company be and is hereby accorded for waiver from recovery of a sum of Rs. 4,05,731/- being excess amount of remuneration already paid to Shri Nitin Menon, Joint Managing Director of the Company for the financial year 2005-06 in excess of the limits prescribed in Section 309(3) of the Act.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all actions and do all such deeds, matters and things, as it may be required from time to time in this regard."

10. To pass with or without modifications, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 269 and 309(5B) read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ('the Act') and subject to the approval of Central Government, and all other permissions, sanctions and approvals as may be necessary, if any, the consent of the Company be and is hereby accorded for waiver from recovery of a sum of Rs. 7,55,712/- being excess amount of remuneration already paid to Shri Nitin Menon, Joint Managing Director of the Company for the financial year 2006-07 in excess of the limits prescribed in Section 309(3) of the Act.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all actions and do all such deeds, matters and things, as it may be required from time to time in this regard."

11. To pass with or without modifications, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 269 and 309(5B) read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ('the Act') and subject to the approval of Central Government, and all other permissions, sanctions and approvals as may be necessary, if any, the consent of the Company be and is hereby accorded for waiver from recovery



of a sum of Rs. 23,317/- being excess amount of remuneration already paid to Shri T. K. Guha, Executive Director of the Company for the financial year 2006-07 in excess of the limits prescribed in Section 309(3) of the Act.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all actions and do all such deeds, matters and things, as it may be required from time to time in this regard."

12. To pass with or without modifications, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 269 and 309(5B) read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ('the Act') and subject to the approval of Central Government, and all other permissions, sanctions and approvals as may be necessary, if any, the consent of the Company be and is hereby accorded for waiver from recovery of a sum of Rs. 3,77,298/- being excess amount of remuneration already paid to Shri Nitin Menon, Joint Managing Director of the Company for the financial year 2007-08 in excess of the limits prescribed in Section 309(3) of the Act.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all actions and do all such deeds, matters and things, as it may be required from time to time in this regard."

13. To pass with or without modifications, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 149(2A) and all other applicable provisions, if any, of the Companies Act, 1956 ('the Act') approval of the shareholders the Company be and is hereby accorded for the commencement of new business by the Company as provided in Clause 95 under Part III (C) 'Other Objects' of the Memorandum of Association of the Company:

*Clause 95: To Carry on the business as agriculturists, horticulturist or otherwise.*

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all actions and do all such deeds, matters and things, as it may be required from time to time in this regard."

Place : Kolhapur  
Date : July 12, 2008

For Menon Bearings Limited

Avinash Abhyankar  
Company Secretary

**Notes:**

**1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL ONLY TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

- 2 The register of the members and the share transfer register books of the company will remain closed from Friday, 19th September 2008 to Friday, 26th September 2008 (both days inclusive).
- 3 The dividend as recommended by the Board of Directors, if approved by the shareholders at the Annual General Meeting shall be paid to those members whose names appear on the Register of members of the Company as on 26th September 2008. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of the business hours on 26th September 2008 as per the details furnished by National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited(CDSL) for the purpose as on that date.
- 4 Members holding shares in physical form are requested to immediately intimate change of address, if any, to the Company / Registrar and Share Transfer Agents quoting reference of the Registered Folio Number. Members holding shares in the electronic form are advised to inform any change in their address to their respective Depository Participants. The address as furnished to the Company by the respective Depositories viz., NSDL and CDSL will be printed on the dividend warrants.
- 5 As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting. We hope you will help us in our endeavour to control cost.
- 6 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 R & T Agents, M/s. Intime Spectrum Registry Limited, for consolidation of all such shareholding into one folio to facilitate better services.
- 7 The unclaimed dividend upto the financial years 1999-2000 has been transferred to the Investor Education and Protection Fund (IEPF) as required under section 205-C of the Companies Act, 1956. The balance amount lying in unpaid Dividend Account for the financial year 2000-2001 is due for transfer to the Investors Education and Protection Fund administered by the Central Government during the month of September 2008. The shareholders whose dividend is unclaimed for the aforesaid financial year are requested to claim it immediately from the Company. Further shareholders are requested to note that no claim shall lie against the said Fund or the Company in respect of any amounts which were unclaimed for a period of seven years from the date that these became first due for payment and no payment shall be made in respect of any such claim.
- 8 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 Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the Payment Instruments for distribution of dividend.
- 9 All the documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except Monday between 11.00 am to 1.00 pm upto the date of Annual General Meeting.

**Brief particulars of the directors being re-appointed (pursuant to clause 49 of the listing agreement):**

- I. **Shri Ram Menon**, age 77, is a Non-Executive Chairman and Promoter of the company. He was also chairman of Indian Diesel Engine Manufacturers Association, Maharashtra Committee, Confederation of Indian Industry Chairman, Maharashtra Council, Ex -Southern Zone Chairman, Confederation of Engineering Industry (now CII). He was also member of Confederation of Indian Industry, Engineering Export Promotional Council.

He is also director in Menon Pistons Limited, Menon Alkop Pvt. Ltd., M. B. Autocomponents Pvt. Ltd., Karveer Investments Pvt. Ltd., Mani Agriculture and Research Co. Pvt. Ltd., Menon Piston Rings Pvt. Ltd., Menon & Menon Ltd. and Menon Metals & Alloys Pvt. Ltd.

Shri Ram Menon holds 12,500 shares in the Company.