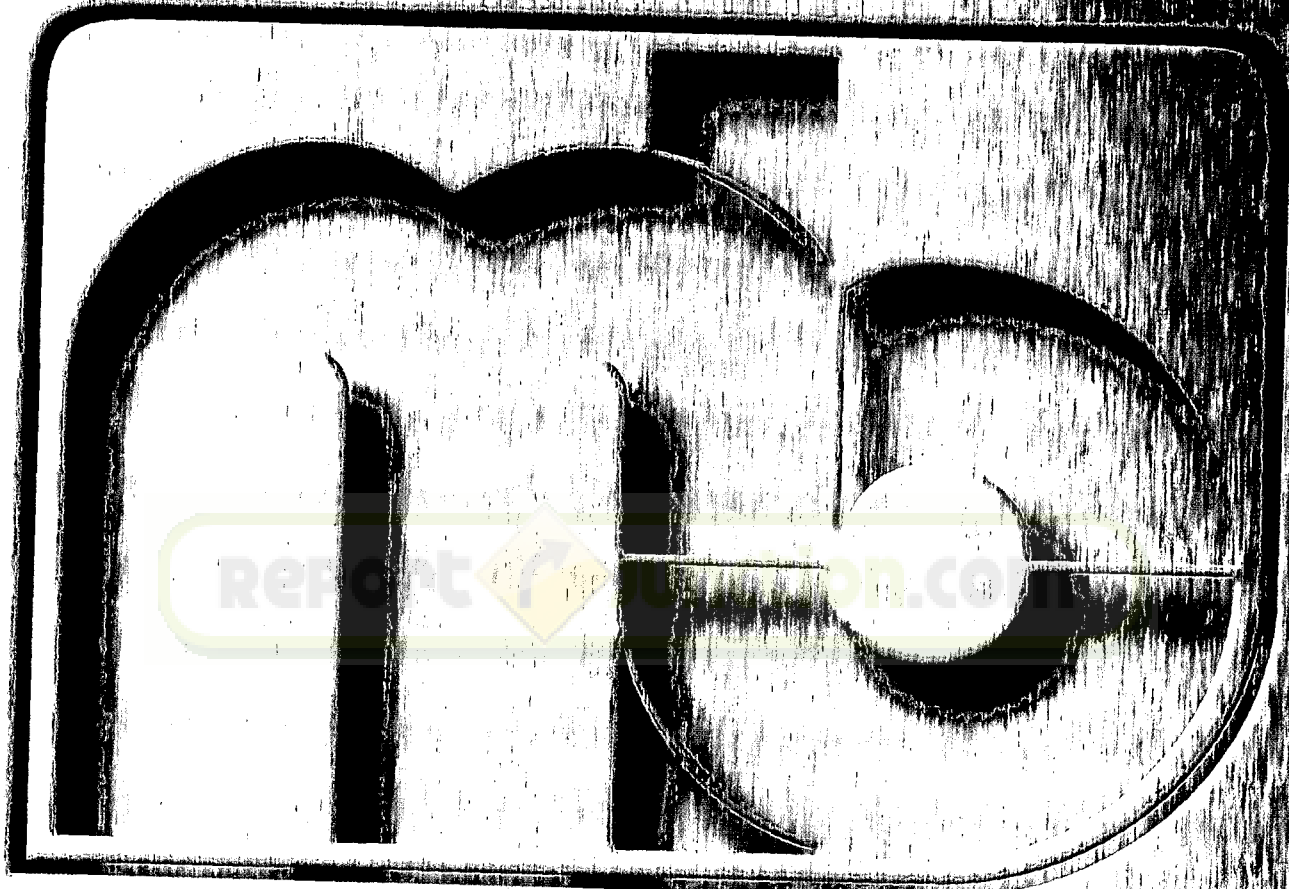


Annual Report 2009



MENON BEARINGS LTD.



Bearings Manufacturing facility at MIDC, Gokul Shirgaon, Kolhapur, INDIA.



Aluminium Division Manufacturing facility at MIDC, Kagal, Kolhapur, INDIA.

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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
T. K. GUHA	Executive Director
KUMAR NAIR	Director
B. S. AJITKUMAR	Director

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:

Link Intime India Private Limited
(Formerly known as 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.co.in

Notice

Of 18th Annual General Meeting.



MENON BEARINGS LIMITED

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

Notice is hereby given that the Eighteenth Annual General Meeting of the Company will be held on Wednesday 12th August 2009 at 10.30 am at

**Bharat Ratna Dr. M. Vishveshvarayya Memorial Hall,
City Survey No. 227/1, Plot No. 5,
"E", Ward, Tarabai Park,
Kolhapur 416 003
Phone: 0231-2651205**

to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2009 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 2009.
3. To appoint a director in place of Shri T.K. Guha, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Shri Kumar Nair, who retires by rotation and being eligible offers himself for re-appointment.
5. 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 to fix their remuneration.

For Menon Bearings Limited

Place : Kolhapur
Date : June 16, 2009

Avinash Abhyankar
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND A 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 Wednesday, August 5, 2009 to Wednesday, August 12, 2009 (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 Wednesday August 12, 2009. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of business hours on Wednesday, August 12, 2009 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 endeavor 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 Registrar and Share Transfer Agents, Link Intime India Private Limited (formerly known as Intime Spectrum Registry Limited), for consolidation of all such shareholding into one folio to facilitate better service.
7. The unclaimed dividend up to the financial years 2000-2001 has been transferred to the Investor Education and Protection Fund (IEPF) as required under Section 205-A and 205-C of the Companies Act 1956. The balance amount in unpaid Dividend Account for the financial year 2001-2002 is due for transfer to the Investors Education and Protection Fund administered by the Central Government during the month of September 2009. 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. In order to enable the company to satisfactorily answer questions at the meeting, member who would like to ask any questions may send the questions in advance so as to reach the company at least ten days before the Annual General Meeting.
9. 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.
10. All the documents referred to in the accompanying Notice 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 up to the date of Annual General Meeting.

Brief particulars of the Director being re-appointed at the Annual General Meeting (pursuant to clause 49 of the listing agreement):

1. Shri T. K Guha, age 63 years is an Executive Director of Company. He is Chartered Engineer having rich and varied experience in the field of Automobile Sector.

Under the guidance of Shri T. K. Guha, the Company has established extensive set-up of S.M. (Special Purpose Machines), successful erection of Aluminum Tin Strip Manufacturing Plant and Establishment of replacement Market net-work.

Shri T. K. Guha does not hold any shares in the company.

2. Shri Kumar Nair, age 47 year is an Independent Director of the company. He is Chartered Accountant. He has rich and varied experience in the field of Finance, Treasury, Forex, Derivatives and Capital Market.

He is a promoter director of Trans Warranty Finance Limited and Trans Warranty Securities Pvt. Ltd.

Shri Kumar Nair does not hold any equity shares in the company.

For Menon Bearings Limited

Place : Kolhapur
Date : June 16, 2009

Avinash Abhyankar
Company Secretary

Directors' Report

Your Directors feel great pleasure in presenting 18th Annual Report of your company with the Audited Statement of Accounts for the year ended 31st March, 2009.

FINANCIAL HIGHLIGHTS :

(Rs. In lacs)

Sr. No.	Particulars	Current Year Ended on 31.03.2009	Previous Year Ended on 31.03.2008
1	Profit before tax	477.82	458.06
2	Provision for tax	171.35	173.23
3	Profit after tax	306.48	284.83
4	Balance of profit as per last Balance Sheet	776.38	941.66
5	Balance available for appropriation	1082.86	1226.50
6	Proposed dividend (in Rs. Lacs)	116.75	116.75
7	Rate of proposed dividend	25 %	25 %
8	Tax on dividend	19.84	19.84
9	General Reserve	32.00	29.00
10	Balance of profit carried to Balance Sheet	914.27	1060.91

Note : Due to merger current year figures are not comparable with previous year figures.

MERGER/AMALGAMATION :

During the year, two subsidiary companies viz. Menon Alkop Private Limited and M B Autocomponents Private Limited were amalgamated with the company. Since, both transferor companies were wholly owned subsidiary companies; no shares were required to be issued upon amalgamation.

The objective of the merger was to facilitate the availability of financial resources, managerial and technical abilities and marketing expertise of one company to the other and to make combined efforts and pool resources for concentrated approach towards development of the company's business.

The Honorable High Court, Bombay has sanctioned the scheme of Amalgamation vide its order dated May 2, 2009.

RESULTS OF OPERATIONS :

During the year under review company has registered a sale of Rs. 4388.80 lacs and net profit of Rs. 306.48 lacs. The second half of the current fiscal was hampered by recessionary trend in Auto sector especially, in American market, due which export business was affected. The Company is taking necessary efforts to overcome the situation.

DIVIDEND :

The company's overall performance during the year under review was satisfactory. Your directors have pleasure in recommending a dividend at the rate of 25 % on the company's share capital. The proposed payout will be Rs. 116.75 lacs (previous year Rs. 116.75 lacs) in addition to the dividend distribution tax of Rs. 19.84 lacs (previous year Rs. 19.84 lacs)

PUBLIC DEPOSITS :

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

DIRECTORS :

Shri T.K.Guha and Shri Kumar Nair retire by rotation and being eligible offer themselves for reappointment at the ensuing Annual General Meeting.

AUDITORS :

The company's Auditors M/s P. M. Vardhe & Co., Chartered Accountants, Kolhapur retire at the conclusion of the ensuing Annual General Meeting of the company and are eligible for re-appointment. The board recommends their re-appointment.

PARTICULARS OF EMPLOYEES :

As required by the provisions of section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) drawing salary of Rs 24,00,000/-per annum or Rs.2,00,000/-per month is enclosed to this report.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies Act 1956, the Board of Directors of the Company hereby confirms that:

- i) While preparing the Annual Accounts, the applicable accounting standards have been followed and proper explanation relating to the material departures have been given wherever necessary.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2009 and of the profit of the company for that period.
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
- iv) The Directors have prepared the Annual Accounts on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS :

As per the requirements of Clause 49 of the Listing Agreement with Stock Exchange, Management Discussion and Analysis is enclosed herewith and forms part of this report.

CORPORATE GOVERNANCE :

Your company is committed to practice the principles of good Corporate Governance. Company is taking necessary measures to comply with the requirements of revised clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited. Certificate from statutory auditor dated June 16, 2009 regarding compliance of the conditions of corporate governance as stipulated in clause 49 of the listing agreement entered into with Bombay Stock Exchange Limited is annexed herewith.

ACKNOWLEDGMENT :

Your Directors wish to place on record their gratitude for the continued co-operation and patronage extended by the esteemed customers both in OEM and after market segments. The Directors would also like to place on record their sincere appreciation for the continued co-operation, guidance, support and assistance during the year under report by our bankers, all the customers, suppliers of the company 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: June 16, 2009

RAM MENON
Chairman

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

I. CONSERVATION OF ENERGY

- a) PLC based systems are installed to reduce the Compressed Air Consumption. Power factor is maintained near unity to control the maximum demand.
- b) Continuous improvement projects are implemented at various machines to reduce cycle time.
- c) Energy efficient air dryers installed.

II. TECHNOLOGY ABSORPTION

FORM B

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

1)	Specific areas in which Research & Development is carried out by the company	a) Productivity b) New leadfree lining materials are under development for global requirement
2)	Benefits derived as a result of above	a) Reduced lead time, b) Consistency in product, c) Increased productivity
3)	Future plan of action	To face the existing recessionary conditions we decided to focus on:- a) Widen the customer base, b) Reduce the scrap generation, c) Increase the productivity
4)	Expenditure on R & D	Capital WIP : Rs. 159.39 lacs Recurring : Rs. Nil

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

1)	Efforts in brief, made towards Absorption, Adoption and Benefits derived as a result of above effort e.g. product improvement, cost reduction, product development.	a) Reduction in import of raw material b) Eco-friendly product
2)	In case of imported technology (imported during last 5 years recorded from the beginning of the financial year)	A quality control and testing equipment imported to check the strength of bearing materials.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Activities relating to export initiative for development of new export markets for products, services & exports.	We are exporting our products to various countries. Additional applications for existing and new customers are under development for export.
Total foreign exchange used and earned.	Used : Imports Rs. 234.74 Lacs Direct Export: Rs. 636.77 lacs Deemed Export Worth : Rs.1021.27 lacs

For and on behalf of the Board of Directors

Place: Kolhapur
Date: June 16, 2009

RAM MENON
Chairman

