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Board of Directors

| | |
|------------------------|-----------------------------------|
| RAM MENON | Non Executive Chairman |
| R. D. DIXIT | Vice Chairman & Managing Director |
| NITIN MENON | Joint Managing Director |
| SACHIN MENON | Director |
| T. K. GUHA | Executive Director |
| KUMAR NAIR | Independant Director |
| B. S. AJITKUMAR | Independant Director |

REGISTERED OFFICE :

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

CFO : Suhas Kulkarni

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 : inform@linkintime.co.in

Notice

Of 19th Annual General Meeting.



MENON BEARINGS LIMITED

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

Notice is hereby given that the Nineteenth Annual General Meeting of the Company will be held on Friday, 20th day of August 2010 at

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

to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2010 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 2010.
3. To appoint a director in place of Shri. Sachin Menon, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shri. B. S. Ajitkumar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-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.

Special Business

6. 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 2010 on the following terms and conditions be and is hereby approved:

- a. Date of re-appointment: 1st July 2010
- b. Tenure: 3 years
- c. Remuneration: Remuneration payable to Shri. Nitin Menon shall be as follows (per month):

| Sr.No | Particulars | Amount (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 |
| | Total | 5,00,000 |

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 on Company's duty, he shall be paid in the following manner:
 1. Executive Air Fare / First Class AC Rail Fare.
 2. 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.

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 are 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 2010 on the following terms and conditions be and is hereby approved:

- a. Date of re-appointment: 1st July 2010
- b. Tenure: 3 years
- c. Remuneration: Remuneration payable to Shri. Ramesh D. Dixit shall be as follows (per month):

| Sr.No | Particulars | Amount (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 |
| | Total | 4,50,000 |

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 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.

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 are 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 2010 on the following terms and conditions be and is hereby approved:

- a. Date of re-appointment: 1st July 2010
- b. Tenure : 3 years
- d. Remuneration: Remuneration payable to Shri. T. K. Guha shall be as follows (per month):

| Sr.No | Particulars | Amount (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 |
| | Total | 4,00,000 |

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 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.

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 are 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."

BY ORDER OF THE BOARD OF DIRECTORS

Place: Kolhapur
Date: May 11th, 2010

RAM MENON
Chairman

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING. A MEMBER 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 Monday, 16th August 2010 to Friday, 20th August 2010 (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 20th August 2010. 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 20th August 2010 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, for consolidation of all such shareholding into one folio to facilitate better service.
7. The unclaimed dividend upto the financial years 2001-2002 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 2002-2003 is due for transfer to the Investors Education and Protection Fund administered by the Central Government during the month of September 2010. 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 answer questions satisfactorily at the meeting, member who would like to ask any questions 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.

Brief particulars of the director being re-appointed at the annual general meeting (pursuant to clause 49 of the listing agreement):

1. **Shri. Sachin Menon**, age 47 years is Director and Promoter of Company. He is Bachelor of Engineering (Mech.) and has vast experience in the field of manufacturing of automobile components.

He is also director in Menon Pistons Ltd., Menon Piston Rings Pvt. Ltd. and Menon Metals And Alloys Pvt. Ltd.

As on 31st March 2010, Shri. Sachin Menon holds 50,000 equity shares of the Company.

2. **Shri. B. S. Ajitkumar**, age 61 years, is Independent Director of the company. He is a Bachelor of Engineering (Mech.) and M. Tech from IIT, Kharagpur and has vast experience in the field of manufacturing of automobile components. He has worked with TELCO, BEML, ESCORT, etc.

He is also director in Menon Pistons Limited. Shri. B. S. Ajitkumar does not hold any shares in the Company.

3. **Shri. Nitin Menon**, age 42, is a Joint Managing Director of the Company. He is a Bachelor of Commerce. He has rich and varied in the field of Automobile Sector, apart from present business activity, he is also in field of Agriculture and allied services thereof. He is on the board of various companies of Menon Group.

He is also director in Menon Pistons Ltd., Mani Agriculture and Research Co. Pvt. Ltd., Karveer United Leisure Pvt. Ltd. and Menon Piston Rings Pvt. Ltd.

As on 31st March, 2010 Shri. Nitin Menon holds 2,765,930 shares in the Company.

4. **Shri. Ramesh D. Dixit**, age 66, is Vice Chairman and Managing Director of the company. He is a Bachelor of Engineering (Mech). He was a Council member of Autonomous body of Government Polytechnic, Kolhapur. He is associated with Menon Group since more than 40 years and presently on the board of various companies within Menon Group.

He is also Director in Menon Pistons Limited and Menon Piston Rings Pvt. Ltd.

As on 31st March, 2010 Shri. Ramesh Dixit holds 10,400 shares in the Company.

5. **Shri. T. K. Guha**, age 63, is Executive Director of the company. He is a Chartered Engineer having rich and varied experience in the field of Automobile Sector Company.

He does not hold directorship in any other company.

As on 31st March, 2010 Shri. T. K. Guha does not holds any shares in the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

The Board of Directors of the Company at their meeting held on 11th May, 2010 re-appointed Shri. Nitin Menon as Joint Managing Director of the Company for a period of 3 years w.e.f. 1st July 2010 on such terms and conditions as detailed in draft resolution, subject to the approval of members of the Company in their general meeting and Central Government.

The details as required under proviso (iv) to Clause B of Part II of Schedule XIII to the Companies Act, 1956, are given below:

| I | General Information | | |
|----------|---|--|--|
| 1 | Nature of industry | The Company is engaged in manufacturing of auto components. | |
| 2 | Date or expected date of commencement of commercial production | The company is an existing company and is in operation since 1993. | |
| 3 | In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus | N.A. | |
| 4 | Financial performance based on given indicators | EPS : Rs. 1.03 Return on networth :20.52% | |
| 5 | Export performance and net foreign exchange collaborations | Deemed Export worth Rs. Lacs | |
| 6 | Foreign investments or collaborators, if any | Nil | |

| II Information about the appointee | | | |
|------------------------------------|---|---|---|
| | 1 | Background details | Shri. Nitin Menon was appointed as director of the Company on 1 st April 1995. Thereafter he was appointed as Joint Managing Director of the Company w.e.f. 20 th October 2000. Shri. Nitin Menon is promoter of the Company and is associated with the Company since inception and has experience of more than 19 years in the industry. |
| | 2 | Past performance | Under the guidance of Shri. Nitin Menon, the Company has witnessed continued growth both in terms of sales and profits. He is also engaged in day-to-day affairs of the Company alongwith Shri. Ramesh D. Dixit, Managing Director and Shri. T. K. Guha, Executive Director of the Company. |
| | 3 | Recognition or awards | Shri. Nitin Menon is commerce graduate. |
| | 4 | Job profile and his suitability | Shri. Nitin Menon is engaged in day-to-day activities of the Company and is responsible for overall management. |
| | 5 | Remuneration proposed | Rs. 5,00,000/- per month |
| | 6 | Comparative remuneration profile with respect to industry | The remuneration payable to Shri. Nitin Menon is at par with the industry standards, in which it operates. |
| | 7 | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any | Shri. Nitin Menon is promoter director of the Company. |
| III Other information | | | |
| | 1 | Reasons of loss or inadequate profits | There are several macro economic factors already started influencing the Indian economy and more so the automobile sector. Competitive pressures from domestic as well as foreign manufacturers are rapidly increased during last couple of years. Even present market conditions shows that the earnings are under pressure due to the sluggish demand and high cost pressure. |
| | 2 | Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms | The Company has initiated price revision process and believes that price revision process will nullify the effect on profitability. Company has already initiated the hedging for foreign currency in order to veil against further down trend of US dollar, however it is infant stage. We believe company will be to gear up to develop new techniques and new products with different raw material mix and will maintain better profit margin in subsequent periods. |

As per the requirements of Schedule XIII to the Companies Act, 1956, the Special Resolution at item no. 6 is set out for your approval.

None of the directors, except Shri. Ram Menon, Shri. Sachin Menon and Shri. Nitin Menon is concerned or interested in this resolution.

Item No. 7

The Board of Directors of the Company at their meeting held on 11th May, 2010 re-appointed Shri. Ramesh D. Dixit as Vice Chairman & Managing Director of the Company for a period of 3 years w.e.f. 1st July 2010 on such terms and conditions as detailed in draft resolution, subject to the approval of members of the Company in their general meeting and Central Government.

The details as required under proviso (iv) to Clause B of Part II of Schedule XIII to the Companies Act, 1956, are given below:

| I General Information | | | |
|---|---|---|--|
| | 1 | Nature of industry | The Company is engaged in manufacturing of auto components. |
| | 2 | Date or expected date of commencement of commercial production | The company is an existing company and is in operation since 1993. |
| | 3 | In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus | N.A. |
| | 4 | Financial performance based on given indicators | EPS : Rs. 1.03 Return on networth :20.52% |
| | 5 | Export performance and net foreign exchange collaborations | Deemed Export worth Rs. Lacs |
| | 6 | Foreign investments or collaborators, if any | Nil |
| II Information about the appointee | | | |
| | 1 | Background details | Shri. Ramesh D. Dixit is associated with the Menon group from 45 years. He has worked in different capacities such as Development Engineer, Works Manager, Director Technical, and for last 18 years as Managing Director in Menon Bearings Limited and president and director in all other group companies. |
| | 2 | Past performance | Under the guidance of Shri. Ramesh D. Dixit, the Company has witnessed continued growth both in terms of sales and profits. He is also engaged in day-to-day affairs of the Company alongwith Shri. Nitin Menon, Jt. Managing Director and Shri. T. K. Guha, Executive Director of the Company. |
| | 3 | Recognition or awards | Shri. Ramesh D. Dixit has completed his diploma in Mechanical Engineering from Government Polytechnic, Kolhapur in 1 st Class, and B.E. (Mech) from College of Engineering, Karad in 1 st Class and "Production Planning and Control" course from HMT, Bangalore. |
| | 4 | Job profile and his suitability | Shri. Ramesh D. Dixit is engaged in day-to-day activities of the Company and is responsible for overall management. |
| | 5 | Remuneration proposed | Rs. 4,50,000/- per month |
| | 6 | Comparative remuneration profile with respect to industry | The remuneration payable to Shri. Ramesh D. Dixit is at par with the industry standards, in which it operates. |
| | 7 | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any | Shri. Ramesh D. Dixit is promoter director of the Company. |