



MENON BEARINGS LTD.

Annual Report 2010 - 2011

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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
DR. Y. S. P. THORAT	Independant Director (w. e. f. 30.01.2011)
KUMAR NAIR	Independant Director
B. S. AJITKUMAR	Independant Director
T. K. Guha	Executive Director (Upto 17.09.2010)

REGISTERED OFFICE :

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

CFO : Suhas Kulkarni

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 20th Annual General Meeting.



MENON BEARINGS LIMITED

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

Notice is hereby given that the Twentieth Annual General Meeting of the Company will be held on Tuesday, 30th August 2011 at **10.30 a.m.** 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 2011 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 2011.
3. To appoint a director in place of Shri Ram Menon, 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 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. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary resolution**:

"RESOLVED THAT Dr. Y.S.P. Thorat, who, pursuant to the Article 130 of the Articles of Association of the Company, was appointed as an Additional Director of the Company w.e.f. 30.01.2011 and as per the provisions of Section 260 of the Companies Act, 1956 holds office upto the conclusion of this Annual general Meeting and in respect of whom the Company has received a notice in writing alongwith requisite deposit under Section 257 of the Act from a shareholder signifying his intention to propose the appointment of Dr. Y.S.P. Thorat as Director of the Company, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modifications the following resolution as a **Special resolution**:

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby amended as follows:

(I) By insertion of the following new Articles as Article Nos. 29A to 29S after the existing Article 29:

29A	Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in the Depositories and / or offer its fresh securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.	Dematerialisation of Securities
29B	Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository.	Option to receive Securities certificates or hold Securities with Depository
29C	If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottees as the Beneficial Owner of the security.	
29D	All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owner.	Securities in Depositories
29E	Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of the Beneficial Owner.	Rights of Depositories and Beneficial Owners
29F	Save as otherwise provided here in above, the Depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the security held by it.	
29G	Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a Depository.	
29H	Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be entitled at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	Beneficial Owner deemed as absolute owner
29I	Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.	Depository to furnish information
29J	Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.	Cancellation of certificates upon surrender by a person
29K	If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly.	Option to opt out in respect of any security

29L	The Depository shall, on receipt of information as above, make appropriate entries in its records and subsequently inform the Company.	
29M	The Company shall within thirty (30) days of the receipt of the intimation from the Depository and on fulfillment of such conditions and payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.	
29N	Notwithstanding anything in the Act, or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.	Service of Documents
29O	Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares in physical form subject to the provisions of the Depository Act.	Provisions of Articles to apply to shares held in Depository
29P	Notwithstanding anything in the Act, or these Articles where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.	Allotment of Securities dealt with in a Depository
29Q	The shares in the capital shall be numbered progressively according to their several denominations provided, however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.	Distinctive number of securities held in a Depository
29R	The Company shall cause to keep a Register and Index of Members and a Register and Index of Debenture holders in accordance with Section 151 and 152 of the Act, respectively, and the Depositories Act, with details of shares and debentures held in material/physical and dematerialised form in any media as may be permitted by law including in any form of electronic media. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall be deemed to be Register and Index of Members and Register and Index of Debenture holders, as the case may be, for the purpose of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of Members resident in that state or country.	Register and Index of Beneficial Owners
29S	The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form.	

(II) By insertion of the following new Article No. 71A after the existing Article 71:

71A	Subject to the provisions of sections 77A, 77AA, 77B and 217 (2B) of the Act, the Company is hereby authorised to buy-back the Company's shares or other specified securities out of its free reserves or its securities premium account or from the proceeds of any shares or other specified securities; Provided that no buy-back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or the same kind of other specified securities.	Buy-Back of shares
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(III) By inserting following para at the end of the existing Article 90:

Every Member of the Company will be allowed to participate in any general meeting of the Company through video conferencing or such other audio-visual electronic modes.

(IV) By inserting following para at the end of the existing Article 95:

Notice and other documents of General meeting of the company can be given to shareholders even by email provided every shareholder should be given advanced opportunity to register their email address and changes therein from time to time with the company. In case any member has not registered his email address with the company, the service of notice and documents should be in accordance with the provisions of section 53 of the Companies Act, 1956. The Notice of the General Meeting must inform the shareholders regarding availability of participation in the meeting through Video Conferencing and must provide necessary information to shareholders to access the available facility of video conferencing.

(V) By inserting following para at the end of the existing Article 98:

The Quorum for the meeting shall be as provided in Section 174 of the Act. Members attending the meeting through the Video conferencing will not be counted for the purpose of ascertaining the quorum of the meeting.

(VI) By insertion of the following new Article No. 109A after existing Article 109:

109A	Notwithstanding anything contained in the Articles of Association of the Company, the Company does adopt the mode of passing the resolutions by its members by means of a postal ballot (including voting by an electronic mode) pursuant to the provisions of Section 192 A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot Rules), 2001, and any modifications or amendments made thereto from time to time.	Postal Ballot
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(VII) By substituting the existing Article No.157 with the following new Article 157:

157	<p>The Directors may meet either in person or through video conferencing, capable of recording and recognizing the participation of the directors, for the dispatch of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings, as they think fit.</p> <p>The provisions relating to notice, agenda, quorum and minutes stated hereinafter shall mutates mutandis apply to the meetings held through such video conferencing.</p>	Meeting of Directors
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(VIII) By substituting the existing Article No. 159 with the following new Article 159:

159	<p>Notice of every meeting of the Board shall be given in writing to every Director whether in or outside India or through written communication sent electronically, and otherwise regulate their meetings, as they think fit</p> <p>Notice of the Board Meeting must inform directors regarding availability of participation through video conferencing and should also provide necessary information to enable the directors to access the available facility of Video conferencing. Notice of the meeting shall also seek confirmation from the Director as to whether he will attend the meeting physically or through electronic mode and shall also contain contact number (s), email addresses of the Secretary / designated officer to whom the director shall confirm in this regard.</p>	Notice of the Meeting
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(IX) by substituting the existing Article No. 160 with the following new Article 160:

160	Subject to Section 287 of the Act the quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two directors, present in person or attending through video-conferencing, whichever is higher, provided that where at any time the number of interested directors exceeds or is equal to two thirds of the total strength the number of the remaining director that is to say, the number of directors who are not interested shall be the quorum during such time provided such number is not less than two. Provided that any Director participating through video conferencing shall attend in person at least one Board Meeting held every year.	Quorum
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BY ORDER OF THE BOARD OF DIRECTORS

Place: Kolhapur
Date: May 26, 2011

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.**
- The register of the members and the share transfer books of the company will remain closed from Friday, 26th August, 2011 to Tuesday, 30th August, 2011 (both days inclusive).
- The dividend as recommended by the Board of Directors, if approved by the shareholders at the ensuing Annual General Meeting shall be paid to those members whose names appear on the Register of Members of the Company as on 30th August 2011. 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 30th August 2011 as per the details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the purpose as on that date.
- 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.
- 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.
- 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.
- The unclaimed dividend upto the financial years 2002-2003 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 2003-2004 is due for transfer to the Investors Education and Protection Fund administered by the Central Government during the month of September 2011. 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 remain unclaimed for a period of seven years from the date they became first due for payment and no payment shall be made in respect of any such claim.
- In order to enable the company to satisfactorily answer questions 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 Dividend Warrant for distribution of dividend.
10. The Ministry of Corporate Affairs, vide its Circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 has taken a "Green Initiative" by allowing paperless compliances by the companies to serve the requisite documents to its members vide e-mode in pursuance to Section 53 of the Companies Act, 1956. Accordingly, the Company shall be required to update its database by incorporating your 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 of the Company. 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's available with the RTA of the Company.

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

1. Shri Ram Menon, aged 82 years is Non-Executive Chairman and Promoter of Company. He was also Chairman of Indian Diesel Engine Manufacturers Association, Maharashtra Committee, Confederation of Indian Industry, Maharashtra Council, Ex-southern Zone and Confederation Industry (Now CII), He was also member of Confederation on Indian Industry and Engineering Export Promotion council.

He is also director in Menon Pistons Limited, Menon and Menon Limited, Menon Pistons Rings Private limited, Menon Metals and Alloys Private Limited, Mani Agriculture & Research Co. Private Limited & Karveer United Leisure Private Limited.

As on 31st March 2011, Shri Ram Menon holds 25,000 equity shares of the Company.

2. Shri Kumar Nair, aged 49 years, 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 and Managing Director of Transwarranty Finance Limited and Vertex Securities Limited. He is also director in Vertex Commodities and Finpro Private Limited.

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

3. Dr. Y.S.P. Thorat, aged 63 years, is an Independent Director of the Company. He is Law and Political Science Graduate. He has also done his Ph.D. from University of Reading U.K. and Shivaji University, Kolhapur. He has rich experience in the field in Banking, Finance, Agriculture, Derivatives and Commodities.

He was Executive Director of Reserve Bank of India. He was also Chairman of NABARD and Micro Finance Development and Equity Fund by Government of India.

He was principle of Bankers Training College and Dean of International Development Center. He was also Lecturer at University of Reading UK, University of Manchester and University of Geneva.

He is a Member of National Commodities and Derivatives Exchange, Institute of Rural Development Foundation of Ecological Security, Chairman of Group of Experts on Sugar Policy, Chairman of Expert Group on Investment Credit appointed by the Reserve Bank of India and members of many Committees of Government of India.

He is Director of Tata Chemicals Limited, Khed Developers Limited, Sahayog Microfinance Limited, Menon Pistons Limited, Enam Infrastructure Trustee Co. Private Limited and Chairman of DM Corporation Private Limited.

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

Item No. 6

Dr. Y.S.P. Thorat was appointed as an Additional Director of the Company w.e.f. 30.01.2011. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Dr. Y.S.P. Thorat holds office upto the date of this Annual General Meeting. The Company has received a notice along with requisite deposit under section 257 of the Companies Act, 1956 proposing his candidature for office of Director.

The Board recommends passing of the Ordinary Resolution as setout at item no.6 of the notice.

Except, Dr. Y.S.P. Thorat, no other Director is concerned or interested in the resolution.

Item No. 7

(I) To have provisions in Articles of Association of the Company in tendum with applicable provisions regarding holding of shares of the Company in dematerialized form, it is proposed to insert new Articles 29A to 29S after the existing Article 29 of the Articles of Association of the Company.

(II) To have provisions in Articles of Association of the Company in tendum with applicable provisions of sections 77A, 77AA, 77B and all other applicable provisions of the Companies Act, 1956 regarding the Buy-Back of its own Securities, it is proposed to insert new Article 71A after the existing Article 71 of the Articles of Association of the Company.

(III), (IV) and (V)

The Ministry of Corporate Affairs, as a matter of Green Initiative has come out with General Circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 to allow the companies to serve copies of Balance sheets and Auditors Report etc. as required under section 219 of the Companies Act, 1956 and other requisite documents to its members through e-mode in pursuance to Section 53 of the Companies Act, 1956.

Further, the Ministry of Corporate Affairs, has come out with another General Circular No. 27/2011 dated May 20, 2011 whereby participation by shareholders in general meeting under the Companies Act, 1956 is allowed through electronic mode.

In view of availing the said facilities, it is necessary to make suitable alterations in the existing provisions of the Articles of Association of the Company.

Therefore it is proposed to insert suitable para after the existing Article 90, 95 and 98, as set out at Item No. 7(III), 7(IV) and 7(V) to enable the Company to allow the shareholders to participate in General meetings through video conferencing or such other audio-visual electronic modes and sending the requisite documents to shareholders through e-mode.

(VI) To have provisions in Articles of Association of the Company in tendum with applicable provision of section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot Rules), 2001 regarding the passing of resolutions by postal ballot, it is proposed to insert new Article 109A after the existing Article 109 of the Articles of Association of the Company.

(VII), (VIII) and (IX)

The Ministry of Corporate Affairs, as a matter of Green Initiative has come out with the another General Circular No. 28/2011 dated May 20, 2011 whereby participation by directors in meeting of Board / Committees is also allowed through electronic mode. In view of availing the said facility it is necessary to make the suitable alteration in the existing provisions of the Articles of Association of the Company.

Therefore it is proposed to substitute existing Article 157, Article 159 and Article 160 with the new Article 157, Article 159 and Article 160 respectively as set out at Item Nos. 7(VII), 7(VIII) and 7(IX) to enable the Company to allow the directors of the Company to participate in the Board/ Committee meetings through electronic mode.