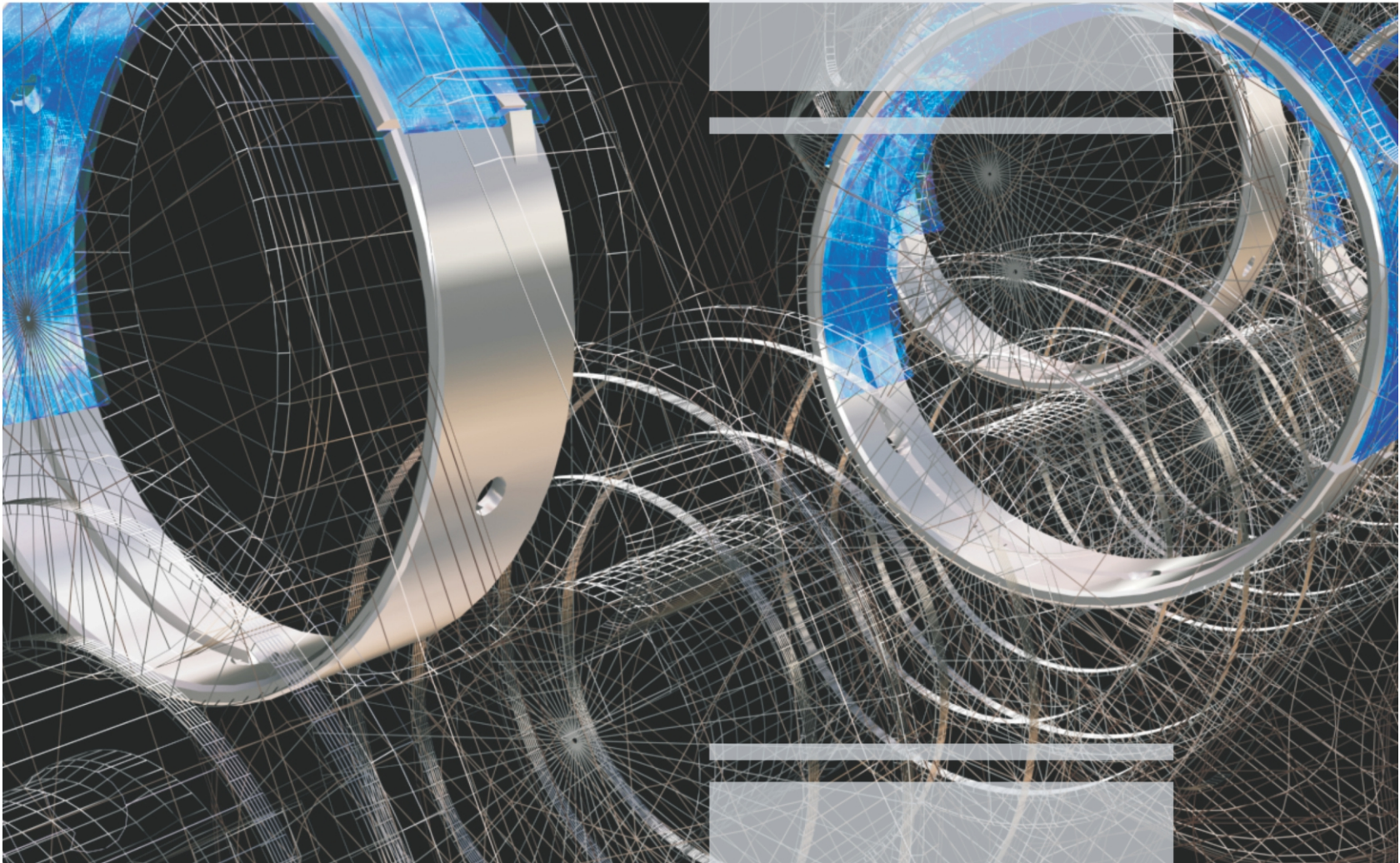


Annual Report 2014



MENON BEARINGS LTD.



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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
KUMAR NAIR	Independant Director
B. S. AJITKUMAR	Independant Director
CAPT. SUDHEER S. NAPHADE	Independant Director

REGISTERED OFFICE :

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

ARUN ARADHYE, Vice President Finance & Corporate (CFO)

ANUP PADMAI, Company Secretary

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 23rd Annual General Meeting



MENON BEARINGS LIMITED

CIN - L29130PN1991PLC062352

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

Tel: 0231-2672 279/533/487, Fax: 0231-2672 278

Email: admin@menonbearings.in, Website : www.menonbearings.in

Notice is hereby given that the Twenty Third Annual General Meeting of the Company will be held on Wednesday, 23rd July, 2014 at 11.00 a.m. at

The Residency Club, P.O. New Palace, Kolhapur – 416003

to transact the following businesses:

Ordinary Business :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares for the financial year ended on 31st March, 2014.
3. To appoint a director in place of Mr. Sachin Menon, Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s P. M. Vardhe & Co., Chartered Accountants (having FRN: 111274W) as Statutory Auditors of the Company 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.
5. To appoint M/s Rajesh Lohia & Co., Chartered Accountants (having FRN: 108416W), as Branch Auditors of the Company to hold office from the conclusion of ensuing Annual General Meeting until the conclusion of the sixth consecutive 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 pursuant to the provisions of Section 149, 152 and 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. B.S. Ajitkumar (DIN: 00205336), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing along with requisite deposit from a shareholder signifying his intention to propose the appointment of Mr. B.S. Ajitkumar as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such upto 31st March, 2019, who shall not be liable to retire by rotation.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Kumar Nair (DIN: 00320541) Director of the Company, whose period of office is liable to

determination by retirement by rotation and in respect of whom the Company has received a notice in writing along with requisite deposit from a shareholder signifying his intention to propose the appointment of Mr. Kumar Nair as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such upto 31st March, 2019, who shall not be liable to retire by rotation.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Capt. Sudheer S. Naphade (DIN: 02011352), Director of the Company, whose period of office is liable to determination by retirement by rotation and in respect of whom the Company has received a notice in writing along with requisite deposit from a shareholder signifying his intention to propose the appointment of Capt. Sudheer S. Naphade as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such upto 31st March, 2019, who shall not be liable to retire by rotation.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Chandrashekhar S. Adawadkar, Cost Accountant, Pune, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015, be paid a remuneration of Rs. 1,25,000/- (Rupees One Lacs Twenty Five Thousand Only) plus service tax and out of pocket expenses.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be required to carry on the purpose of the aforesaid resolution.”

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, consent of the members of the Company be and is hereby accorded to enter into a contract for purchase / sale of goods and providing services, etc., with following related parties in which directors of the Company are interested, for a period of 3 years w.e.f. 1st April, 2015 for the values as follows:

Names of the Related Parties	Approximate Value of Transaction (Rs. in Lacs)		
	2015-16	2016-17	2017-18
M/s. Mani Auto Components, Partnership Firm	2,100	2,500	3,000
M/s. M. B. Exports, Partnership Firm	3,100	3,300	3,500

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be required to carry on the purpose of the aforesaid resolution.”

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the new set of Articles of Association be and is hereby approved and adopted as new Articles of Association of the Company in the place and exclusion of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such steps and actions for the purposes of making all such filings and registrations as may be required in relation to the aforesaid amendment to the Articles of Association and further to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and as per the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage and/or to create charge in any manner, on all or any of the immovable and/or moveable properties including outstanding monies, receivables, claims, bills, documents, contracts, engagements, securities, investments and rights of the Company both present and future of the Company for securing any loan obtained or as may be obtained from any Bank or any Consortium of Banks or Financial Institutions or funds or any Body(ies) together with interest, cost, charges, expenses and any other money(ies) payable by the Company on such terms and conditions as the Board of Directors may deem fit in the interest of the Company so that the total amount at any point of time so secured/mortgaged, shall not exceed the limit as provided under Section 180(1)(c) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be required to give effect to the above resolution from time to time.”

BY ORDER OF THE BOARD OF DIRECTORS

Place : Kolhapur
Date : 11th May, 2014

RAM MENON
Chairman

Notes :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, IN CASE OF POLL ONLY, ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** Further, a person can act on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights provided that a member holding more than ten percent, of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder.
2. The Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special businesses is annexed hereto and forms part of this notice.
3. Corporate members are requested to send duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the Annual General Meeting.
4. Brief resume of Directors proposed to be appointed / re-appointed at the ensuing Annual General Meeting in terms of Clause 49 of the Listing Agreement is annexed to the Notice.
5. (a) Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 17th July, 2014 to Wednesday, 23rd July, 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if approved by the shareholders at the ensuing Annual General Meeting.

(b) The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched between 28th July, 2014 and 2nd August, 2014 to those members whose names shall appear on the Company's Register of Members on 23rd July, 2014; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
6. The Register of Directors' Shareholdings, maintained under Section 170 and Register of Contract or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 are open for inspection at the Registered Office of the Company during the office hours on all working days, except Mondays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting and will be open for inspection during the Annual General Meeting also.
7. Members holding shares in physical form are requested to notify immediately any change in their address or bank mandates to the Company / Registrar and Share Transfer Agents quoting their Folio Number and Bank Account Details along with self-attested documentary proof. Members holding shares in the electronic form may update such details with their respective Depository Participants.
8. Members are requested to bring their Attendance Slip along with their copy of Annual Report at the time of the Meeting.
9. In case of joint holders attending the meeting, the joint holder with highest, in order of names will be

entitled to vote.

10. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company Secretary / Compliance Officer at the Registered Office of the Company at least seven days in advance of the meeting so that the information required may be made readily available at the meeting.
11. 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 National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available if the Company proposes to avail NECS facility. The Company will be availing the NECS facility for the payment of dividend of financial year 2013-14. The bank details are required to be updated by the members who wish to avail this facility. In the absence of NECS required details, the Company will print the bank account details, as available, on the Payment Instrument for distribution of dividend, if payment of dividend is approved by the members in the ensuing Annual General Meeting. The NECS Form is enclosed with the Annual Report.
12. 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, M/s. Link Intime India Private Limited for consolidation of all such shareholding into one folio to facilitate better services.
13. The unclaimed dividend upto the financial years 2005-2006 has been transferred to the Investor Education and Protection Fund (IEPF) as required under Section 205A and 205C of the Companies Act, 1956. **The balance amount lying in Unpaid Dividend Account for the financial year 2006-2007 is due for transfer to the IEPF administered by the Central Government during the month of October, 2014 as per the requirements under Section 124 of the Companies Act, 2013 read with Companies (Declaration & Payment of Dividend) Rules, 2014. The shareholders whose dividend remained unclaimed for the aforesaid financial year and subsequent financial years are requested to claim it immediately from the Company.**
14. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their respective PAN details to their respective Depository Participants with whom they have their demat account(s). Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agents of the Company – M/s. Link Intime India Private Limited.
15. Non Resident Indian members are requested to inform the Company's Registrar & Share Transfer Agents, immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, if the details are not furnished earlier.
16. To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rules 2014, the Company shall be required to update its database by incorporating members' details.

You are thus requested to kindly submit your e-mail ID and other details vide the e-mail updation form attached in this Annual Report. 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 available with the RTA of the Company.

17. The Notice of the 23rd Annual General Meeting and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by courier.

Statement pursuant to Section 102 of the Companies Act, 2013:

Item Nos. 6, 7 & 8 :

Mr. Kumar Nair, Mr. B.S. Ajitkumar and Capt. Sudheer S. Naphade were appointed as Independent Directors of the Company on 20th January, 2005, 29th May, 2008 and 19th May, 2013 respectively. They are liable to retire by rotation at Annual General Meetings of the Company as per their terms of appointment.

In terms of provisions of Section 149 and 152 of the Companies Act, 2013 which became effective from 1st April, 2014, an Independent Director of a Company can be appointed for a term of 5 consecutive years and he shall not be liable to retire by rotation.

To comply with the above provisions, it is proposed to appoint Mr. Kumar Nair, Mr. B.S. Ajitkumar and Capt. Shudheer S. Naphade as Independent Directors of the Company to hold office as such for a period upto 31st March, 2019, who shall not be liable to retire by rotation.

Mr. Kumar Nair, Mr. B.S. Ajitkumar and Capt. Sudheer S. Naphade have given the requisite declarations pursuant to Section 149(7) of the Companies Act, 2013, to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Company has also received notices along with requisite deposit under section 160 of the Companies Act, 2013 proposing their candidature for the office of Independent Director.

Brief resume of the Independent Directors proposed to be appointed as stipulated under the Clause 49 of the Listing Agreement with BSE Limited are given in the annexure to the Notice.

The Board recommends the Resolutions as set out at item Nos. 6, 7 and 8 of the Notice for your approval.

Except, Mr. Kumar Nair, Mr. B.S. Ajitkumar and Capt. Shudheer S. Naphade, none of the Directors, Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel are concerned or interested in the said resolutions.

Item No. 9:

The Board, on the recommendation of the Audit Committee, has approved the appointment of Mr. Chandrashekhar S. Adawadkar, Cost Accountant, Pune, the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015 at a remuneration of Rs.1,25,000/- (Rupees One Lacs Twenty Five Thousand Only) plus service tax and out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules,

2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the members is sought by passing an Ordinary Resolution as set out at item no.9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2015.

The Board recommends the resolution as set out in item no.9 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel are concerned or interested in the said resolution.

Item No. 10 :

The Company has entered into agreements for purchase/ sale of goods and availing services from M/s. Mani Auto Components and M/s. MB Exports, Partnership Firms in which Directors of the Company are interested. The Company has also obtained necessary approvals from Regional Director for entering into such transactions for a period of three years effective from 1st April, 2012 to 31st March, 2015 under section 297 of the Companies Act, 1956.

The Company wants to extend these agreements for a further period of three years w.e.f. 1st April, 2015.

As per the provisions of section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and amended Clause 49 of the Listing Agreement, approval of members by Special Resolution is required for all material related party transaction(s).

The details regarding proposed transaction with the said parties, as per the provisions of Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

a	Name of Related Party	Mani Auto Components, Partnership Firm	MB Exports, Partnership Firm
b	Name of Director or KMP who is related	Mr. Ram Menon, Mr. Sachin Menon & Mr. Nitin Menon	Mr. Ram Menon, Mr. Sachin Menon & Mr. Nitin Menon
c	Nature of relationship	Director and their relatives are Partners in the firm	Director and their relatives are Partners in the firm
d	Nature of contract	Purchase/sale of goods and job works	Purchase/sale of goods and job works
e	Terms of contract	1 st April, 2015 till 31 st March, 2018	1 st April, 2015 till 31 st March, 2018
f	Monetary Value	1. 2015-16 – Rs. 2100 lacs 2. 2016-17 – Rs. 2500 lacs 3. 2017-18 – Rs. 3000 lacs	1. 2015-16 – Rs. 3100 lacs 2. 2016-17 – Rs. 3300 lacs 3. 2017-18 – Rs. 3500 lacs