

Annual Report 2016



MENON BEARINGS LTD.

India's leading engine
bearings company

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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
B.S. AJITKUMAR	Independent Director
CAPT. SUDHEER S. NAPHADE	Independent Director
NAZURA AJANEY	Independent Director
M. L. SHINDE	Independent Director (w.e.f. 29.01.2016)

ARUN ARADHYE, Vice President Finance & Corporate (CFO)

ANUP PADMAI, Company Secretary & Compliance Officer

REGISTERED OFFICE : G-1, MIDC, Gokul Shirgaon, Kolhapur 416 234,

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

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

STATUTORY AUDITORS

M/S. P.M. VARDHE & CO.
CHARTERED ACCOUNTANTS,
Kolhapur

SECRETARIAL AUDITORS

M/S MANISH GHIA & ASSOCIATES
COMPANY SECRETARIES
Mumbai

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 25th 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 Fifth Annual General Meeting of the Menon Bearings Ltd. will be held on Thursday, 21st July, 2016 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 Financial Statements of the Company for the Financial Year ended 31st March, 2016 and the Reports of the Directors' and of the Auditors' thereon.
2. To confirm the payment of interim dividend of ₹. 1 per equity share for the financial year ended 31st March, 2016.
3. To appoint a director in place of Mr. Sachin Menon, Director (DIN: 00134488), who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s P. M. Vardhe & Co., Chartered Accountants, Kolhapur (having FRN: 111274W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.
5. To ratify the appointment of M/s Rajesh Lohia & Co., Chartered Accountants (having FRN: 108416W), as Branch Auditors of the Company, who were appointed as such at the 23rd Annual General Meeting to hold office from the conclusion of 23rd Annual General Meeting until the conclusion of the 28th Annual General Meeting, for holding office as such from the conclusion of 25th Annual General Meeting until the conclusion of 26th Annual General Meeting.

Special Business :

6. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mr. M. L. Shinde (DIN: 07417527), who was appointed as an Additional (Independent) Director of the Company with effect from 29th January, 2016 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and in accordance with the provisions of Articles of Association of the Company and in respect of whom the Company has received a notice in writing along with the requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013 to hold office as such up to 28th January, 2021, who shall not be liable to retire by rotation.”

7. To consider and if thought fit, to pass 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-enactments 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, 2017, be paid the remuneration of Rs. 1,25,000/- (Rupees One Lac Twenty Five Thousand Only) plus service tax and out of pocket expenses.

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

8. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203, Schedule V of Companies Act, 2013, read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the following terms and conditions regarding payment of remuneration to Mr. Nitin Menon, Joint Managing Director of the Company for a period of 2 years from 1st April, 2016 to 31st March, 2018 be and is hereby approved:

(a) **Remuneration payable to Mr. Nitin Menon is as follows (per month):**

Sr.No.	Particulars	Amount (₹)
1.	Salary	5,00,000
2.	House Rent Allowance	50,000
3.	PPA	1,00,000
4.	Production Incentive	1,50,000
5.	Education Allowance	40,000
6.	Soft Furnishing Allowance	45,000
7.	Servant Allowance	45,000
Total		9,30,000

(b) **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 rules of the Company.
3. Car: Company's Car will be provided to Mr. Nitin Menon.
4. Conveyance: Actual
5. Medical expenses: Actual
6. Mr. 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 Mr. Nitin Menon is required to travel outstation within India and abroad on Company's duty, he shall be paid in the following manner:
 - a. Executive Air Fare / First Class AC Rail Fare.
 - b. Actual expenses 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 Assistance as per the rules.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Nitin Menon, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as computed under Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all actions and do all such deeds, matters and things, as it may be required from time to time for the purpose of giving effect to this resolution.”

9. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203, Schedule V of Companies Act, 2013, read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the following terms and conditions regarding payment of remuneration to Mr. R. D. Dixit, Vice Chairman & Managing Director of the Company for a period of 2 years from 1st April, 2016 to 31st March, 2018 be and is hereby approved:

(a) Remuneration payable to Mr. R. D. Dixit is as follows (per month):

Sr.No.	Particulars	Amount (₹)
1.	Salary	3,50,000
2.	House Rent Allowance	35,000
3.	PPA	75,000
4.	Production Incentive	30,000
5.	Education Allowance	25,000
6.	Soft Furnishing Allowance	30,000
7.	Servant Allowance	30,000
Total		5,75,000

(b) 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 rules of the Company.
3. Car: Company's Car will be provided to Mr. R. D. Dixit.
4. Conveyance : Actual
5. Medical expenses : Actual
6. Mr. R. 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 Mr. R.D. Dixit is required to travel outstation within India and abroad on Company's duty, he shall be paid in the following manner:
 - a. Executive Air Fare / First Class AC Rail Fare.
 - b. Actual expenses to cover stay in hotels and cost of local conveyance.
8. Leave encasement will be provided as per the normal rules of the Company and encasement 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 Assistance as per the rules.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. R. D. Dixit, the payment of salary, perquisites and other allowances as approved by this resolution shall be as computed under Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all actions and do all such deeds, matters and things, as it may be required from time to time for the purpose of giving effect to this resolution.”

10.To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOVLED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23(8) of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, consent of the members of the Company be and is hereby accorded to continue material related party transactions for purchase/sale of goods and providing services, etc. with the following related parties in which directors of the Company are interested, for a period of 2 years w.e.f. 1st April, 2016 for the values as follows:

Name of the Related Parties	Approximate Value of Transaction (₹. in Lakhs)	
	2016-17	2017-18
M/s. Mani Auto Components, Partnership Firm	2,500	3,000
M/s. M. B. Exports, Partnership Firm	3,300	3,500

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

BY ORDER OF THE BOARD OF DIRECTORS

Place : Kolhapur
Date : 10th May, 2016

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 as proxy on behalf of member or 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. Members / Proxies are requested to bring duly filled in Attendance slip along with the Annual Report at the Annual General Meeting. 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 Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed to the Notice. The Company is in receipt of relevant disclosures / consents from the Directors pertaining to their appointment / re-appointment.
5. Pursuant to Regulation 42 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 18th July, 2016 to Thursday, 21st July, 2016 (both days inclusive).
6. The Register of Directors and Key Managerial Personnel and their Shareholdings, maintained under Section 170 and Register of Contract or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 will be open for inspection by the members during the Annual General Meeting.
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 proofs. Members holding shares in the electronic form may update such details with their respective Depository Participants.
8. In case of joint holders attending the meeting, the joint holder with highest, in order of names will be entitled to vote.
9. 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.
10. Securities Exchange Board of India ("SEBI") 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 members who have not updated their bank account details & wish to avail this facility in the future are requested to update their bank account details by submitting the NECS mandate form, available on the website of the Company i.e. <https://www.menonbearings.in>.

11. 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 (RTA), M/s. Link Intime India Private Limited for consolidation of all such shareholding into one folio to facilitate better services.
12. Pursuant to the provision of Section 205 A (5) and 205 C of the Companies Act, 1956 (Which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified), the Company has transferred on due dates, the unpaid or unclaimed dividend for the financial year 2007-08 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded on its website the details of unpaid and unclaimed amounts lying with the Company for the financial year 2008-09. The balance amount lying in Unpaid Dividend Account for the financial year 2008-09 is due for transfer to the IEPF during the month of September, 2016.
13. SEBI 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 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 RTA of the Company – M/s. Link Intime India Private Limited.
14. Non Resident Indian members are requested to inform the Company's RTA 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.
15. 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' designated e-mail ID in its records.

Members are requested to submit their e-mail ID vide the e-mail updation form enclosed with this Annual Report. The same could be done by filling up and signing at the appropriate place in the said form and 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.

16. The Notice of the 25th Annual General Meeting and instructions for remote 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 Participants 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.
17. Route Map of the Venue of the proposed AGM of the Company is appearing at the end of this Annual Report.

18. PROCESS AND MANNER FOR MEMBERS OPTING FOR REMOTE E-VOTING ARE AS UNDER :

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to its members as an alternative to cast their votes electronically. For this purpose, the Company has engaged services of National Securities Depository Limited (NSDL) and the business contained in the notice may be transacted through such voting.

The facility of voting through polling papers shall also be made available at the venue of the 25th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

Instructions for remote e-voting are as under :

- (A) In case of member receiving e-mail from NSDL (for members whose e-mail IDs are registered with the Company/Depository participant(s)).
- Open e-mail and open PDF file viz: "remote e-voting.pdf" with your Client ID or Folio No. as password. The PDF file contains your user ID and password/PIN for remote e-voting. Please note that this password is an initial password.
 - Launch internet browser by typing the URL: <https://www.evoting.nsdl.com/>.
 - Click on Shareholder-login.
 - If the shareholder is already registered with NSDL for e-voting, then enter user ID and password for casting vote. In case of log in for the first time, please enter the User ID and password as initial password noted in step (a) above. Click login.
 - The password change menu appears. Change the password/PIN with a new password of their choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share the password with any other persons and take utmost care to keep the password confidential.
 - Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - Select "EVEN" of "Menon Bearings Limited".
 - Now the members are ready for remote e-voting as Cast Vote page opens.
 - Cast vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - Upon confirmation, the message "Vote cast successfully" will be displayed.
 - Once voted on the resolution, members will not be allowed to modify vote.
 - Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer through E-mail at "scrutinizer@mgconsulting.in" with a copy marked to "evoting@nsdl.co.in".
- (B) In case of member receiving physical copy of the Notice by post/ courier [shareholders whose e-mail ID's are not registered with the Company/ Depository Participant(s) or requesting physical copy]:
- (I) Initial password is provided as below/at the bottom of the Attendance Slip of the AGM:

EVEN (Remote E-Voting Event Number)	User ID	Password/PIN